



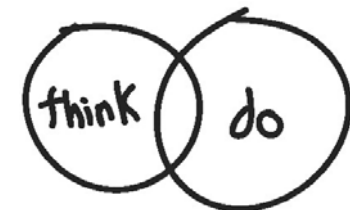
Centre for Local Economic Strategies

Will devolution deliver the results for local economies?

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NewStart
The Magazine for Making Better Places

Drivers of Devolution

- Prof Michael Parkinson: '19th Century government, 20th century boundaries to run 21st century economy'
- Economic growth (in England's large cities)
 - to decentralise decisions, may de-concentrate investment?
- A sense democracy needs renewing
- Politically important to do something for 'the north'
- Part inspired by Scotland
- Austerity/cuts. Public sector reform - partners in place don't work well together or pool resource

Devolution? – The hope!

- We/our elected politicians can decide what our priorities should be!
- We can choose priorities and join up things better. Public services, Economy, health, transport – ending the silos of Whitehall which decide what is best –often wrongly.
- What an opportunity! - a new local social contract.
 - New relationship between citizens, social sector, businesses and the local state/government
 - A relationship which erodes poverty/inequality faster

The challenge

- National austerity and cuts remains - How will devo buck the national inequality/disadvantage?
- Very little new money. Still controlled by Treasury. They can reduce the purse?
- Little to date on democratic renewal, tackling inequality/poverty, role of civil society, social sector role
- Asymmetrical, Haphazard (and chaotic?). Different speeds with winners and losers? No national constitutional settlement. We need one!

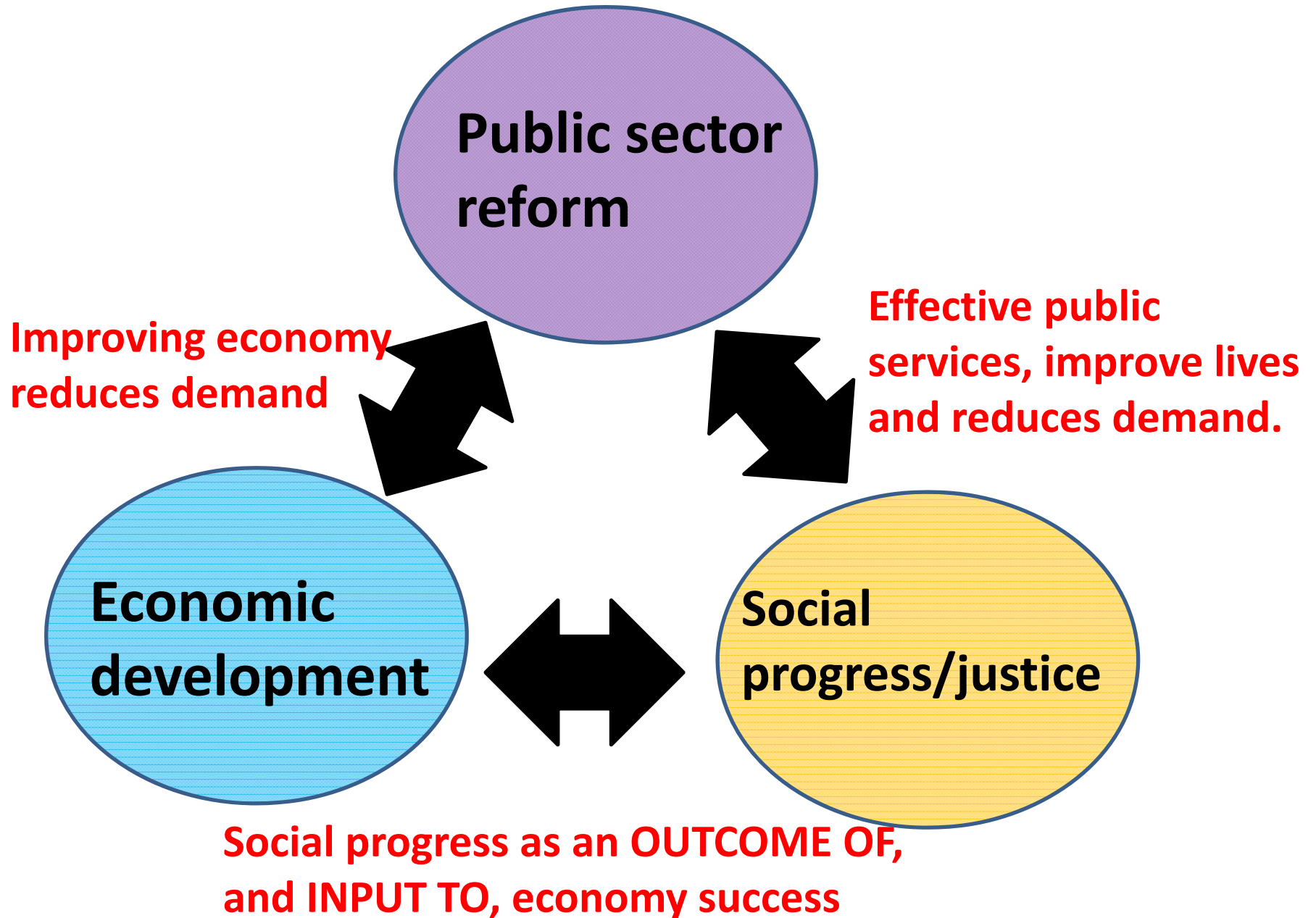
The Economic theory behind devolution

- Free market theory of 'New Spatial Economics'
 - Density of activity and population
 - focus on the larger cities and already successful
 - Networks of policymakers, companies, consumers are seen as the essential elements
 - Issues of UK Cities seen to be one of not being large enough and restrictive planning – thus need to free the market

Local double dividend

- Continue within the economic agenda (Inward investment, Combined Authority etc.) But also...
- Create networks of local economic activity that are more independent and self-sustaining.
- Start thinking about reorganising policies which build a grounded economy in the areas.
- Put social justice and tackling poverty at forefront

System approach: local devolution dividend



Local double dividend

- Social capital and networks as economic engines
- Promoting business citizenship
- Maximising the power of procurement
- Developing local labour markets
- Community wealth building.
- Developing role of anchor institutions.

Final thoughts

- Collaborate like mad! Mobilise all sectors
- We know it (organisationally?). Challenge is doing it!
- Move from singular to plural delivery of public services - Outcomes are key, not who delivers
- Combining economic growth, healthy societies and public sector reform - Chance through Devolution.
- CLES work:
 - Good local economy. <http://www.cles.org.uk/wp-content/uploads/2015/04/Anchor-institutions.pdf>
 - Local Double Dividend <http://www.cles.org.uk/wp-content/uploads/2015/01/Double-dividend-v3.pdf>



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