Grant Thornton

CCN
COUNTY COUNCILS NETWORK

Place-based growth

Unleashing counties' role in levelling up England

2020

Contents

Executive summary

In December 2019 the new Conservative Government set out a policy agenda that was heavily place-based. At its heart was an "agenda for levelling up all parts of the UK".

This report speaks directly into this agenda. It provides evidence and insight into placed-based growth through the lens of county authority areas. It unpacks the role of county authorities* in delivering growth over the past decade through:

- desk-based research
- data analysis
- case study consultations with 10 county authorities

By examining the extent to which local place-specific circumstances have shaped action and investment, this report analyses the extent to which growth has been enabled locally and in doing so identifies the barriers that exist.

These findings are drawn together to form a series of recommendations to inform policy discussions and debate around how place-based growth can be supported and how the new Government's agenda for "levelling up" can be delivered.

Why growth matters in counties

By 2041 28.2 million people will live in county authority areas. This will have profound implications on services, infrastructure provision and budgets. It is a scale of growth that is not seen in other authority types. However, this growth is not uniform across county authority areas, and whilst some areas will be focused on how best to plan and adapt to an imminent increase in population, for others it will be the changing demographics (e.g. an increasing elderly population) that will require a greater focus. Alongside this, emerging macro trends – related to technology, sustainability and changing work patterns – will mean that growth will look different to what has gone before. It is a changing context that requires strong local, place-based leadership.

With a geographic coverage that covers much of England, county authorities are well placed to meet this need. They are places where people live and work accounting for 46% of England's population, 47% of its homes and 48% of its businesses. Furthermore, for many county authorities they are traditional centres of heritage, culture and community. At a very simple level they are the 'places' individuals identify with, be that Surrey, Cornwall, Derbyshire or Essex. It is a combination of factors that places county authorities at the heart of place-based growth. They offer a broad reflection on different experiences, from those at the heart of driving economic growth through to those facing significant socio-economic challenge.

*'County authorities' refer to the CCN membership which comprises all 26 county councils in England and 10 county unitary authorities.

Why place matters

1 | The uniqueness of place and the rise in spatial inequality

Across a broad range of indicators related to business environment and living standards, there is notable variation in county authority performance. It is clear that county authorities face complex and multifaceted challenges which are in some cases hindering growth. Of the 36 county authorities analysed, only six areas had productivity levels (GVA per job) above the national average. Resident earnings are also low in a large number of county authorities, with 25 county authority areas recording below average mean earnings. Furthermore, growth over five years on key metrics such as businesses, employees and GVA has lagged behind both England averages and non-county authority areas*. For example, the number of businesses in county authority areas grew by 7.9% between 2015 and 2019, which compares to 11.6% nationally and 15.1% in non-county authority areas.

It is a variation that reflects entrenched regional disparities, but more significantly it is a variation that underlines the need to narrow the gap in spatial inequality to level up the economy. If progress is to be made in addressing these challenges then future policy has to be place-based in focus and recognise the unique strengths and challenges that different county authority areas face.

It is an argument that is given further weight by the inequality that exists within county authority areas which also underlines the danger of a 'one size fits all' approach to policy or programmes across county areas. Addressing these issues therefore requires a combination of an intimate knowledge of place, a joined-up approach to delivery and freedom and powers to make decisions across a broader spatial scale.

2 | The challenge of place and the need to rethink economic development

The challenge facing counties is complex and multi-faceted and growth remains a real and pressing challenge. Over the past five years county authority areas have lagged behind non-county authority areas and the England averages across a number of key growth metrics including total population, employees, businesses, and GVA. The only exception to this is dwelling stock growth where it surpasses both the national average and non-county authority areas.

Therefore, if markets are going to be unlocked and growth stimulated there is a requirement for strong, local and place-based leadership. For some the challenge is around managing growth that is comparable, if not greater, than other Core City areas. It is a challenge that needs to be met with fewer levers and lower levels of investment. For other areas it is the challenge of housing and keeping pace with growth in surrounding areas. It is a challenge that requires county authorities to play an essential strategic role to ensure that the right type of homes are built in the right places and that these developments drive social, economic and environmental benefits. For others it is about stimulating new growth, creating employment and improving living standards. It is a challenge that focuses on addressing the deep-set socio-economic issues.

Regardless of the specific nature of challenge, it is clear that the delivery of essential infrastructure is key, with many county authorities being held back by a growing gap in infrastructure provision – with an estimated average infrastructure gap of £4 billion per authority. This challenge is further complicated by the current fragmented system of planning development in which district councils oversee housing planning whilst County Councils manage local infrastructure investment.

Managing these challenges underlines the need for an intimate understanding of place and a joined-up approach to delivery, coupled with more freedom and powers to make decisions at a place level and across a broader spatial scale.

3 | The relationship between places and the importance of connectivity

County authority areas are not isolated islands and their relationship to wider functional economic areas has a profound impact on the scale and nature of growth. Although, proximity to larger economic hubs, such as London and other Core Cities, does present both risk and opportunities for county authority areas. For example, whilst county authorities can benefit from access to high-wage jobs in these city economies, there is a risk of losing skilled workers and graduates. Proximity to large cities also creates risks as they expand beyond the traditional administrative boundaries placing additional pressure on housing and infrastructure in the surrounding areas.

Therefore, infrastructure provision is critical in ensuring that places and people are linked. New transport developments, such as HS2, offers improved links over a much wider area but there remains a need to think about connectivity at a more local level. Alongside this, transport planning also has to adapt to changing attitudes towards transport: whilst people continue to value mobility, they also care about adverse impacts of transport on climate, health and quality of life and about their own travel experience as congestion mounts.

Connectivity is also not just physical. We live in an increasingly virtual world and therefore the presence of superfast broadband is a particular requirement for those county authorities that are more rural in nature. The data does suggest that this is happening with those areas with the lowest availability also seeing the greatest increase in availability over the past three years. It is critical that this rate of delivery does not slow.

*Non-county authority areas includes metropolitan districts, non-CCN unitary authorities and London boroughs.

Place-based growth – the county perspective

1 | Investing in growth

In delivering growth, investment is critical and despite significant other financial pressure it is clear that county councils and county unitaries have continued to make a more significant contribution to growth related spend at the local level, accounting jointly for 58% of the £32.8 billion gross revenue and capital expenditure made by all county authority areas (county councils and their districts, plus county unitaries). However, investment per capita is much lower than major urban areas. In 2018/19 the combined investment per capita by county and districts councils in two-tier areas was £333, whilst by comparison, London boroughs spent over 50% more per capita and Core Cities 35% more per capita. Equally, CCN unitary authorities' investment of £347 per capita is 23% lower than Core Cities and 31% lower than London.

2 | Exerting influence over growth

Alongside financial investment it is clear that county authorities play a vital place-shaping and place leadership role through the influence that they exert. Through our conversations with the county authorities we have identified six key ways in which they influence growth.

- **Convenor** – County authorities will regularly take the lead in bringing together different parties and stakeholders to create and then deliver the strategic vision for a place.
- **Facilitator** – Closely linked to the convening role, county authorities have often facilitated delivery by removing particular barriers to growth which has generally occurred through local leadership or strategic investment.
- **Vision-setter** – A clear and unified place-based strategy is increasingly seen as important to driving place-based growth. County authorities are frequently taking the lead role across multiple partners in establishing this vision/ clarity of purpose.
- **Communicator** – County authorities have often played the lead role in communicating about the place, including engaging and communicating with Members about individual projects, leading on the discussion with government around investment and promoting the strengths and opportunities that exist within a particular place.
- **Capacity** – County authorities have also provided additional capacity around delivery, such as providing resources (people and time) to support the development and delivery of key projects and programmes or drawing on personal and political networks to engage with Government.
- **"Seed funder"** – County authorities have often used their limited financial resources to enable strategic leadership by using capital programmes to fund projects, release wider opportunities or unlock latent potential.

3 | Taking action and delivering growth

The result of this investment and influence is that counites are at the heart of place-based growth. The specific action taken does however vary significantly from area to area but what is common across all county authority areas is that there has been huge amount of activity on the ground. This activity can be broadly captured in the eight themes:

- Partnering with industry and education
- Creating new forms of governance to champion place-based growth
- Innovation to enable and maximise sustainable development
- Setting out a shared vision of growth
- Articulating a clear message to investors
- Championing skills development
- Empowering community led initiatives
- Investing in critical transport infrastructure

County authority areas are not isolated islands and their relationship to wider functional economic areas has a **profound impact on the scale and nature of growth.**

The enablers and barriers of growth

Through our analysis and research it was possible to identify a number of inter-related enablers to place-based growth. These included:

- **Strong local leadership** – Strong leadership is vital for creating a clear – and importantly – shared vision for a place which enables partners to work together in a single direction.
- **Quality of relationships** – Quality of relationships is particularly important where politics may differ. These relationships are therefore built on a combination of maturity and trust. It is a combination that enables individuals to put place before organisational or political agendas.
- **A partnership approach with governance structures that facilitate joint working** – Where it worked well, places pointed to effective partnership working across health, education, police, LEP's and districts.
- **The creation of joint strategic plans** – Attempting to align the long-term spatial priorities with economic, environmental and infrastructure priorities on a county geography.
- **Clear communication** – All of the above actions were also strengthened though clear communication. This was particularly the case where there were a large number of local partners as communication was seen as a key influencing tool.
- **Funding** – There can be no doubt that funding continues to play an important enabling role, particularly as county authorities have wrestled with the challenges of austerity and increasing demand pressures on core statutory services.

Alongside this a number of barriers also emerged. Some of these were the direct opposite of the enablers noted, others were unrelated. These included:

- **The complexity of a two-tier structure** – The variation in powers and responsibilities between county and district authorities was seen by many to introduce a complexity that made delivering growth more time-consuming and less efficient.
- **The relationships with LEP's** – Relationships with LEP's varied across the case study areas from those which were very strong through to those for whom the LEP simply 'passported' funding. The lack of clarity over responsibilities with the skills agenda and business support were both cited as challenges.
- **The number of partners that needed to be engaged** – Three challenges in particular were identified: the first was the time it can take to engage and involve all relevant partners; the second was the confusion it created, particularly when consulting with central government; and the third was the challenge of ensuring all partners agree on the vision and priorities for a particular place.
- **Local politics** – In some instances, local politics often trump place priorities either through a desire of particular groups to retain control or a lack of overall control delaying decision making and preventing action or driving single local issue agendas.
- **Engagement with central government** – Conversations around growth often require engagement with at least three different central government departments which only added to the complexity and time consuming nature of delivery. It was also noted that there was a perception that central government is often geographic centric with policies and investment felt to favour particular regions or geographies.
- **The diversity of place** – The very nature and diversity of place in itself presents a significant challenge to delivering place-based growth from the need to consider poly-centric economies to the need to make decisions around maximising opportunities or responding to local challenges or issues.

Conclusions and place-based growth recommendations

With place-based growth firmly at the forefront of the Government's policy agenda, this report underlines the vital role that county authorities have in the successful implementation of this. County authorities are both the places in which much of this growth or 'levelling up' will need to occur as well as a vital instrument for driving change through their investment, influence and action.

It is clear through our analysis that county authorities face complex and multi-faceted challenges across the business environment, living standards and enabling infrastructure. Challenges where the 'gap' to the national average is often significant. It is a challenge that in some places is exacerbated by the variability in performance that exists within county authority areas.

Taken together, these differences underline the danger of a 'one size fits all' approach to policy or programmes across county areas. Rather, they clearly point to a requirement for policy and action that combines an intimate knowledge of place, with a joined-up approach to delivery and a suite of freedoms and powers to make decisions across a broader spatial scale.

The following recommendations seek to build on the effective work that has already taken place and the place-leadership role that county authorities are already playing, while also addressing head on a number of the challenges that are clearly holding back growth. It must however be noted that for the following recommendations to be effective it is crucial that local government funding is addressed in a long term and strategic way.

- **Rather than a focus on the 'north-south divide', government economic and investment assessments should identify those places where the 'gap' is greatest** – either to the national average or between different places – and focus investment decisions on closing that gap and levelling up local economies.
- **Funding processes need to be streamlined and simplified.** New funding should be focused on building capacity to deliver strategic growth priorities. This could lead to increased efficiencies if fragmented funding is rationalised into fewer funding streams, or in a single funding pot, with the result that more money is actually spent on frontline delivery.
- **The Devolution White Paper must consider how devolution of powers to county authorities could assist in levelling-up the country.** This should include devolving significant budgets and powers down to councils, shaped around existing county authorities and local leadership but recognising the additional complexity in two-tier local authority areas and whether structural changes are required.
- **Growth Boards should be established in every county authority area.** As part of this a statutory duty should be placed on county authorities to convene and coordinate key stakeholders (which could include neighbouring authorities). These Growth Boards should be governed by a national framework which would cover the agreed 'building blocks' for growth – powers, governance, funding and capacity.
- **Growth Boards should be insight and data led.** Learning from the Local Industrial Strategy evidence bases, Growth Boards should develop a clear, consistent and common evidence base that identifies strengths, opportunities and challenges for the place and develops data driven approaches to identifying priorities, solutions and appraisal of investment.
- **Planning responsibilities should be reviewed with responsibility for strategic planning given to county authorities.** In line with the recently published final report of the Building Better, Building Beautiful Commission, Government should consider how county authorities, along with neighbouring unitary authorities within the county boundary, could take a more material role in the strategic and spatial planning process.
- **The National Infrastructure Commission should ensure greater consideration of the infrastructure requirements in non-metropolitan areas.** National infrastructure assessments could consider how better investment in infrastructure outside metropolitan areas could link to wider growth related matters that would help to level up the economy across the country.
- **Skills provision and growth need to be aligned.** At the heart of this sits a need to ensure that the current and future workforce have the skills required to deliver future growth. The Government has committed in their 2019 election manifesto to a £3 billion National Skills Fund and local government must play a key role in how this funding is allocated to meet skills needs in a locality.
- **Review structures and powers to ensure a greater degree of co-terminosity around places.** This review would ensure that decisions about a 'place' are being made about a consistent 'place'. It would remove the need for different conversations and streamline the approach to making decisions.
- **Bring talent together.** Currently talent and expertise are spread across multiple organisations within a place. Joining up key growth teams and pooling budgets at a county scale will grow capacity and create more effective and better resourced delivery teams.

Methodological approach

This report had been shaped and informed by four key elements:

1. Desk-based research

A rapid review of a range of different sources of published information, including but not limited to data on central government and EU funding relating to growth, thought-leadership on place-based growth and county authority websites.

The purpose of this desk-based review was to:

1 Gather insight on other 'inputs', financial or otherwise, to supporting place-based growth.

2 Understand the historical context of growth looking at the impact of austerity and different structural changes over the past decade (e.g. the introduction of LEPs).

3 Understand the latest thinking in terms of place-based growth – both what works and what outcomes it delivers, or should focus on delivering.

4 Understand what county authorities are investing in/delivering.

2. Data analysis

Alongside the desk-based research, we undertook detailed data analysis of county authority areas using a broad range of different socio-economic datasets such as:

- Business environment – e.g. number of business start-ups, size of business base, nature of businesses (e.g. services vs tradable), workplace earnings and productivity (GVA per job)
- Infrastructure provision – e.g. key transport nodes, access to services, access to Core Cities, broadband speed and provision, housing growth, identifying and quantifying the infrastructure gap.
- Living standards – e.g. index of multiple deprivation, fuel poverty, skill levels, employment rates, income levels.

The purpose of this analysis was to:

1 Understand the current position across each county authority (26 county and 10 unitary authorities) and how this has changed over time.

2 Understand the relationship between different measures i.e. does higher growth expenditure result in higher business formation rates or is there a relationship between faster broadband and higher productivity.

3 Understand the variance in performance across districts within the county area and the scale of this challenge.

3. Case study consultations

We undertook consultations with 10 case study authorities focusing on local place-based growth. These consultations with different stakeholders in individual authority areas provided the opportunity to look in detail at the actions that individual authorities are taking to drive place-based growth in their area.

These semi-structured interviews were conducted over the phone. Following the interviews a draft case study was delivered and shared with the authority for comment.

The 10 case study authorities were:

- Cheshire East
- Cornwall
- Durham
- Essex
- Hertfordshire
- Nottinghamshire
- North Yorkshire
- Oxfordshire
- Staffordshire
- Surrey

In addition to carrying out interviews with the case study authorities, we also had wider discussions with the following organisations:

- The LEP Network
- Department for Transport
- Homes England
- Cities and Local Growth Unit

4. Oversight group

Throughout the project we held a number of consultations and meetings with the oversight group to discuss emerging findings and receive feedback on draft versions of the report.

The Oversight group is made up of the following individuals:

- David Williams – Leader, Hertfordshire CC
- Patsy Dell – AD, Strategic Planning, Infrastructure & Economy, Hertfordshire CC
- Darryl Eyers – Director for Economy, Infrastructure & Skills, Staffs CC / President, Association of Directors of Environment, Economy, Planning & Transport (ADEPT)
- Barry Lewis – Leader, Derbyshire CC
- Philip Atkins – Leader, Staffordshire CC
- Joanna Killian – Chief Executive, Surrey CC
- Adrian Smith – Corporate Director of Place, Nottinghamshire CC
- Owen Jenkins – Director for Community Operations, Oxfordshire CC
- Catriona Riddell – Director Catriona Riddell and Associates
- James Maker – Head of Policy and Communications at CCN
- Peter French – Senior Policy Officer at CCN

We are extremely grateful for the time and valuable contributions made to this report by all those who were consulted.

Introduction: Why growth matters in counties

In December 2019 the new Conservative Government set out a policy agenda that was heavily place-based.

At its heart was an "agenda for levelling up every part of the UK – not just investing in our great town and cities, as well as rural and coastal areas, but giving them far more control of how that investment is made"[1]. It was an agenda that unpacked a broad range of priorities from devolution, to a new deal for towns, to funding for housing, transport, energy, infrastructure, skills and the environment.

This report speaks directly into this agenda. It provides evidence and insight into placed-based growth through the lens of county authority areas, comprising all 26 county councils in England and 10 county unitary authorities. It unpacks the role of county authorities in delivering growth over the past decade. By examining the extent to which local place-specific circumstances have shaped action and investment, this report analyses the extent to which growth has been enabled locally and in doing so identifies the barriers that either still exist or have emerged over the past decade.

The report begins by establishing why county authorities are a useful lens through which to analyse growth and explores the growth opportunity that exists for counties and how this is going to change. The second chapter explores why place matters in the context of growth and in doing so highlights many of the challenges facing county authorities, underlining the importance of a place-based approach to growth. Following on from this, the report then looks at growth from the County perspective focusing in turn on investment, influence and action.

These findings are then drawn together to form a series of recommendations to inform policy discussions and debate around how place-based growth can be supported over the next 10 years. Recommendations for how the new Government's agenda for "levelling up" can be delivered.

Why look at place-based growth through the county authority lens?

In many ways, county authorities[2] are the ideal lens through which to examine place-based growth.

Through their geographic coverage of much of the country (Figure 1) they have been at the heart of place leadership locally, with many acting as the place leader. This extensive geographic coverage also results in a group of places that are by no means homogeneous. They cover urban, rural, national parks and coastal geographies – often covering more than one type of geography. For many county authorities they are traditional centres of heritage, culture and community; at a very simple level they are the 'places' individuals identify with, be that Surrey, Cornwall, Derbyshire or Essex.

They are also places where people live and work accounting for 46% of England's population, 47% of its homes and 48% of its businesses (Figure 2).

This combination of factors has put county authorities at the heart of place-based growth. They offer a broad reflection on different experiences from those at the heart of driving economic growth through to those facing significant socio-economic challenge.

1 The Conservative and Unionist Party Manifesto 2019
2 Throughout this report "County Authorities" refer to the CCN membership which comprises all 26 county councils in England and 10 county unitary authorities. See: https://www.countycouncilsnetwork.org.uk/about/ccn-councils/

Figure 1: County authority areas

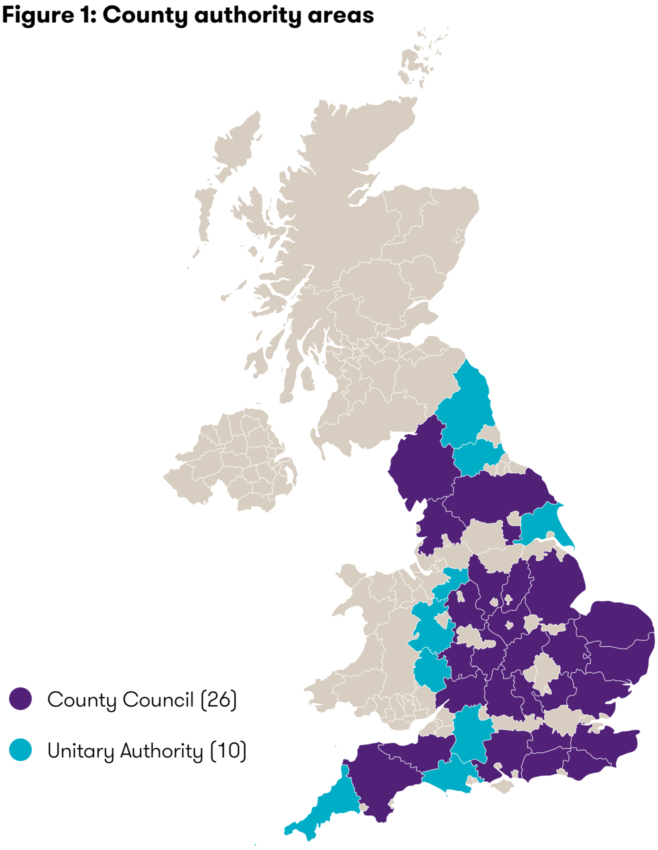
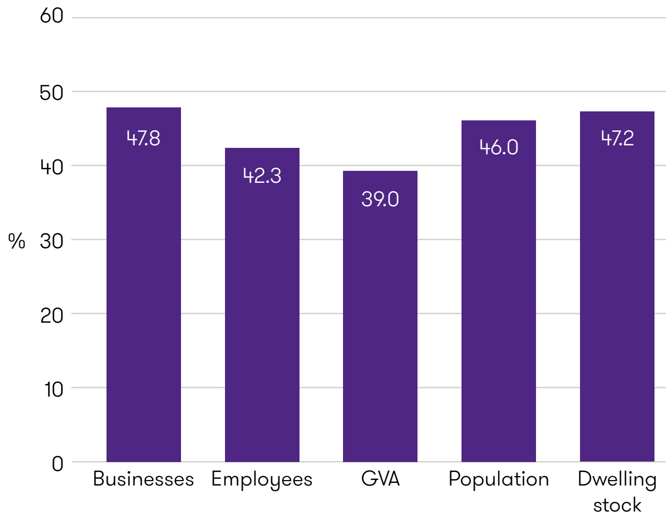


Figure 2: County authority areas - proportional share of England totals



Source: IDBR, Business Counts (2019), Business Register and Employment Survey (2018), ONS, Regional gross value added (balanced) local authorities by NUTS1 region (2018); ONS, Mid-year Population Estimates (2018), MHCLG, Dwelling Stock (2018)

An evolving context

County authorities have also been on the front line for much of the evolution of politics and policies relating to place-based growth. As Figure 3 illustrates, it is a context that has evolved significantly over the past decade. It is a context that has seen:

- The introduction of Local Enterprise Partnerships (LEPs) in late 2010 and the fundamental shift in approach to local economic development that resulted.
- The 2012 National Planning Policy Framework introduce a significant focus on housing and ambitious numbers that have shaped much of the discussion around growth at a local level.
- A focus on 'city deals' and combined authorities (often across city regions) as a new model of devolved delivery.
- An extended period of austerity and significant reduction in local authority spending power.
- The introduction of a new industrial strategy with calls for the creation of local place-based versions.
- The EU referendum vote and the resultant economic and political uncertainty that has followed.

In the context of place-based growth these changes have had three over-riding implications:

1. In the lead up to the recent election, there was a prolonged period of uncertainty surrounding leaving the EU and even now there still remains uncertainty on the trading relationships beyond December 2020. However, there has at least been clarity on some issues in the immediate term.
2. They have identified – or in some cases underlined – the geographic and social divides that exist across England. The north-south divide may be the most commonly cited but the reality (as this report will in part show) is a far more complex picture. It is a complexity that county authorities are wrestling with on a daily basis.
3. They have created a need to proactively manage and lead on growth at the local level, a need to curate communities and a need to provide strategic oversight on planning and investment. A need to shape places and not just deliver processes.

In 2010 the Government at the time set out "a new approach to local growth". Nearly 10 years on the time is now right to frame a new place-based narrative that will help to level up all parts of the UK.

Figure 3: Policy timeline

The story so far...

1998

Labour Government decentralises economic development policy and creates Regional Development Agencies (RDAs) in nine regions across England

2000

Greater London Authority (GLA) established to provide an elected upper tier of government in London

London Development Agency (LDA) created as part of GLA to drive economic growth in London

First election to the office of Mayor of London

GLA Act requires the Mayor to create spatial development strategies for London, which in turn requires local plans for each borough to be consistent with the London Plan

2002

Eleven directly-elected mayoral positions created, covering metropolitan and non-metropolitan districts, unitary authorities and London boroughs

This has now grown to a total of 24 positions, with the establishment of 15 new positions and the disestablishment of two original positions (Hartlepool and Stoke-on-Trent)

2004-2005

Local Area Agreements introduced, initially covering 20 pilot areas with a three-phase plan to extend across the country

Structure plans abolished and replaced with regional spatial strategies, reducing the responsibility of county councils in planning functions

2007

HM Treasury releases the Review of Sub-National Economic Development, arguing against deprivation and for the empowerment of local growth

2008-2010

Multi-area Agreements established in 15 areas, with the aim to collaboratively improve local economic prosperity

The new coalition Government abolishes RDAs and replaces them with 38 LEPs

July Regional spatial strategies formally revoked and replaced in 2011 with Duty to Cooperate through the Coalition Government's 2011 Localism Act

2011

Greater Manchester becomes the first combined authority, with the purpose of formalising joint working on economic regeneration and transport across the 10 districts. This has subsequently grown to a total of 10 combined authorities in England – eight with mayors and two without mayors

2012-2013

'City Deals' are introduced across the eight largest cities outside of London, granting them more control over funding in relation to transport, education and infrastructure building budgets

The 2012 National Planning Policy Framework introduces a significant focus on housing and ambitious numbers that have shaped much of the discussion around growth at a local level.

Government asks LEPs to develop Strategic Economic Plans, which would be used to negotiate 'Growth Deals' to provide funding to the LEP for projects to benefit the local area and economy

2014

March All LEPs submit Strategic Growth Plans to cover funding from 2016 to 2021

April Establishment of four additional Combined Authorities announced

July Second wave of City Deals announced to include the next fourteen largest cities outside of London, as well as the six cities with the highest population growth from 2001 to 2010

EU Structural Funds allocate 16.4 billion euros between 2014-2020

2015-2016

Twelve Devolution Deals are announced, which transfer powers from central government to local areas in regards to transport, housing, health and other policy areas

Two additional Combined Authorities established

The Prime Minister suggests focusing on the "revival of all of our great regional cities", which has subsequently led to plans for an English Devolution white paper. This will further the devolution agenda and give more power to mayors across England

LEPs allocated £12 billion for 2015-16 to 2020-21 via the Local Growth Fund

2017

Government announces the ten pillars for its Industrial Strategy, with 'driving growth across the whole country' as one of them

First mention of the UK Shared Prosperity Fund, an initiative to replace EU funding after Brexit, in the Conservative manifesto

The announcement of elected mayors in the Conservative manifesto

Two more Combined Authorities announced in its fourth wave

Government publishes the review of Local Enterprise Partnership governance and transparency, followed by LEP governance and transparency: best practice guidance to support LEPs in meeting recommendations in these areas

Industrial Strategy white paper determines 'place' as a foundation of productivity

Government confirms they are working on a 'devolution framework'

February The Housing White Paper put forward a new style of strategic local plans, which would require all local planning authorities to prepare statements of common ground, detailing how they have worked collaboratively and resolved matters within the HMA. The basis of these statements were further explained in the planning for the right homes in the right places consultation document in September 2017

May Neighbourhood planning act requires local authorities to document strategic priority policies and allows for the Secretary of State to direct joint local plans where they could facilitate more effective planning

July £2.3 billion allocated to the Housing Infrastructure Fund to support infrastructure delivery, focusing on joint planning

November Secretary of State announces for 15 plans to be directed in this way

December Planning Delivery Fund launched to encourage collaborative working across local authorities in regards to housing and infrastructure

December Industrial Strategy White Paper announces two key growth areas and further emphasises local authority collaboration

March Revised versions of NPPF and NPPG published to reinforce previous proposals and to emphasise the importance of strategic plans in long-term priorities

July Written statement on UK Shared Prosperity Fund to replace EU funding (James Brokenshire)

Aims to reduce inequalities within communities through raising productivity

Government publishes Strengthened Local Enterprise Partnerships, a document outlining the responsibilities of LEPs in driving local growth, managing risk and working collaboratively

2018

'Local Industry Strategies' are published across a number of areas in order to prepare for the withdrawal of the UK from the European Union

2019

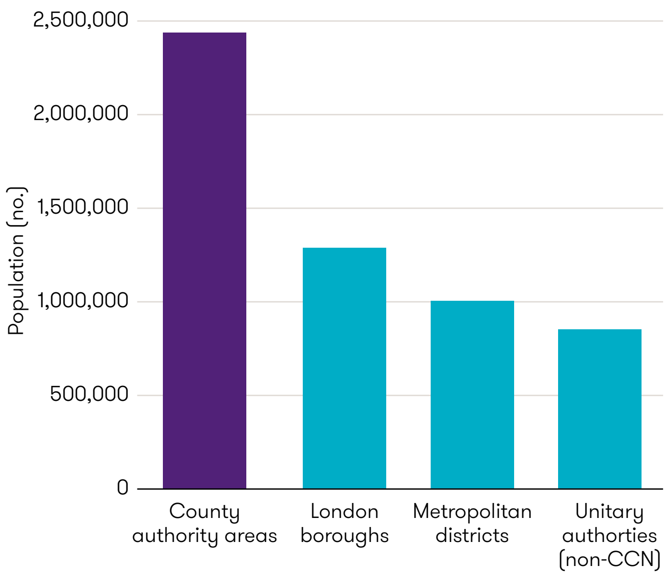
The growth opportunity

While the start of this chapter looked back at the evolving policy context and how it has shaped the role of county authorities in driving place-based growth, this section considers an equally significant influencing factor: the scale and nature of future growth.

At its simplest, the significant majority of county authority areas are projected to see growth in population which in turn will result in both changing demographics as well as increasing demand for housing, core services and access to economic opportunities. Across all county authority areas, the total population is projected to increase to 28.2 million by 2041. This equates to an increase of 2.4 million people (between 2019 and 2041), which is considerably higher than growth seen in other authority types (Figure 4) and represents a 9.5% increase in population, marginally lower than the growth rate of 9.9% for England as a whole. Although proportionally lower, the scale of increase is highly significant and will have large impacts on service provision in the future.

This growth will not however be uniform across all county authority areas. For some it will be the scale of growth experienced, be that the absolute growth in population (for example Kent is forecast to see a growth in population of 238,000 people), or the proportional increase expected (for instance Central Bedfordshire is projected to see its population increase by 20%). For others it will be the changing demographics as opposed to the actual scale of growth, for example while Wiltshire will see its overall population grow by 8%, the proportion of people aged 65 and above is expected to increase by 54%.

Figure 4: Projected population change (2019-2041)



Source: ONS, Mid-year population projections (2016-2041)

In addition, an increasing number of county authorities will also need to be cognisant of the high levels of growth in neighbouring areas, particularly those that border city authorities and large urban conurbations. The success and vibrancy of city economies is intrinsically tied to the success of its neighbouring – often county authority – areas. These neighbouring areas are increasingly part of the wider functional market area – whether that be defined by housing, labour, supply chains or people flows.

How county authorities proactively manage and strategically plan for growth be it within their own administrative boundaries or in neighbouring places is therefore of critical importance.

Macroeconomic trends impacting growth in counties

A further and pressing consideration for all county authorities is the emerging macro trends that are likely to have a significant impact on the shape and operation of county economies and societies, such as technology, sustainability and work patterns. Within this context of growth, it is clear that county authorities have a critical role to play as place leaders.

6 macro trends that are likely to have a significant impact on place-based growth in county authorities

1 | Economic centres are only going to become bigger and smarter
As cities and towns become ever bigger and more populated county authorities will need to consider how they relate to the major economic centres in the UK, both those within their boundaries and those outside. For some geographic proximity will have a very direct impact, as noted above, for others investment in transport and infrastructure will be required to ensure that opportunities can be realised. However, it will be important that county authorities do not just look to UK cities but that they consider how – based on local economic strengths and opportunities – they can relate to other local economies internationally. Alongside this, as the internet of things becomes more mainstream, there are opportunities for county authorities to become better digitally connected, to learn from the innovation and new ideas being piloted in cities, and drive key service improvements and cost reductions in public transport, social care and waste for example.

2 | Technology and digital innovation is accelerating
The speed of technological advance and the fourth industrial revolution will have profound implications for how businesses operate, the products and services they offer and the way they engage with the market. This will see further disruption of existing markets (for example, the demise of the high-street and increased automation in manufacturing) as well as driving disruption and innovation in entirely new markets particularly in the service sector. Businesses will emerge harnessing transformative technologies which do not exist currently, and skills will have to be shaped as these sectors emerge. How county authorities can harness these changes and advances for their economic success is both a significant opportunity and challenge. For example, while county authorities have a diverse economic base, agri-tech is one sector where county authorities will need to lead and explore how advances in these traditional low-productivity sectors can be harnessed to both address specific challenges (e.g. the need to increase food production whilst also releasing agricultural land for housing) as well as raise productivity more generally.

3 | New generations will have entirely new priorities
Younger generations – 'millennials', 'Generation Z' and now 'Generation Alpha'[3] have a different set of priorities. This impacts on both how they view work and the economy as well as how they view society. They are less likely to have careers and more likely to work on different projects. They care more about the purpose of a business than its permanence. They are less attached to traditional status symbols such as owning their own home and therefore potentially less connected to places. They wish to work in agile, flexible and well-connected businesses not necessarily restricted by their location. County authorities are where a number of these young people live currently, this poses both a challenge and an opportunity in terms of how to retain and connect these young people within their local areas.

4 | Demands on public-sector spending and services are rising dramatically
Financial austerity and an increasingly ageing population are placing unprecedented demand on the public sector. These pressures have the potential to fundamentally change the role of the public sector and have significant implications for how it can both support and drive economic growth. In particular, the ageing population could fundamentally change the role of county authorities from 'place leader' to 'social care provider'. New models are therefore required that can help create more inclusive growth and aid social mobility. If they are to be successful, they are models that need to take advantage of the technology and digital innovation noted above.

3 Definitions vary but a general view is: Millennials = those born between 1981 and 1996; Generation Z = those born between 1995 and 2010; Generation Alpha = those born after 2010

5 | Growing demand for sustainable solutions and resources

Both the depletion of natural resources alongside growing public awareness and understanding of the issues related to climate change coupled with the increasing number of authorities declaring a 'climate emergency' mean that immediate and dramatic shifts in behaviour are likely to take place. As home to much of England's natural resources this places county authorities on the 'front line'. It will affect service delivery as increasing focus is placed on decarbonisation. It will shape the supply of housing as the demand for both eco-homes and those reliant on sustainable construction methods increases. It will result in changes in regulation and technology as well as forcing innovation and different consumer patterns. It will shift transport strategy further to new sustainable modes of transport. New models are therefore required that can help create more sustainable growth.

6 | Brexit and new relationships with Europe and other trading partners

While uncertainty continues to dominate in relation to Brexit, what is certain is that it will have implications – either perceived of actual – for EU-UK trade, the free-movement of people and trading relationships with the rest of the World. This will impact on county authorities in many different ways, and as such will shape and influence future growth in a profound and notable way. In particular: the impact on trade through ports; food tariffs on agricultural products; and access to migrant labour for the agricultural, hospitality, care and constructions sectors. The removal of traditional EU funding pots will also encourage county authorities to seek new sources and models of funding. Any negative impacts of Brexit also risk increasing the level of inequality (see next chapter) and see county authorities fall further behind on different metrics.

It is a complex and uncertain picture, but what is certain is that growth will happen and that it will present different opportunities and challenges across the country. It is a combination of factors that places further emphasis on the importance of responding to this challenge of growth at the local level. These are issues that require a strategic, place-based response.

Why place matters

County authorities are places where people live and work, accounting for almost 50% of all businesses, people and housing. This makes county authorities an important instrument for place-based growth.

This chapter unpacks this point in more detail. We begin by looking at the uniqueness of place and the rise in spatial inequality and show how county authorities face complex and multi-faceted challenges. As a collective, county authority areas suffer from low productivity, low skills and low housing affordability. But these challenges play out very differently across county authority areas which is reflective of wider entrenched regional disparities. Perhaps more challenging is the variability in performance that exists *within* county authority areas, where we see large variance in performance at a district level across a range of key measures such as deprivation, income, housing affordability and workplace earnings. Taken together, these differences underline the danger of a 'one size fits all' approach to policy or programmes across county areas. Rather, it requires a combination of an intimate knowledge of place, a joined-up approach to delivery and freedom and powers to make decisions across a broader spatial scale.

Given these challenges, the next subsection looks specifically at the challenges of place and the need to rethink economic development. In doing so, this section highlights an opportunity for county authorities to play a more strategic role in ensuring that housing is built in the right places and with the necessary infrastructure. Delivery of essential infrastructure is a key role played by county authorities but is currently being hampered by a significant gap in infrastructure funding which is particularly prevalent in county authority areas. This work has identified an average funding gap per authority of c£4 billion to meet their County's needs with some as high as £8 billion.

The final subsection explores the relationship between places and underlines the importance of connectivity. Infrastructure provision is critical in ensuring that places and people are linked. Being close to large economic hubs, such as London and Core Cities, presents both risks and opportunities for county authority areas. Whilst county authorities can benefit from access to high-wage jobs, there is a risk of losing skilled workers and graduates. However, connectivity is not only physical but virtual and the presence of superfast broadband is a particular requirement for those more rural counties.

The uniqueness of place and the rise in spatial inequality

It has long been recognised that England faces significant regional disparities in economic and social conditions. It is a factor that is clearly evident in the variation in performance between county authority areas. These differences are in part a reflection of the unique characteristics of county authority areas, each with their own particular strengths, challenges and opportunities. It is, however, a variation that underlines the need to narrow the gap in spatial inequality to level up the economy.

KEY FINDINGS

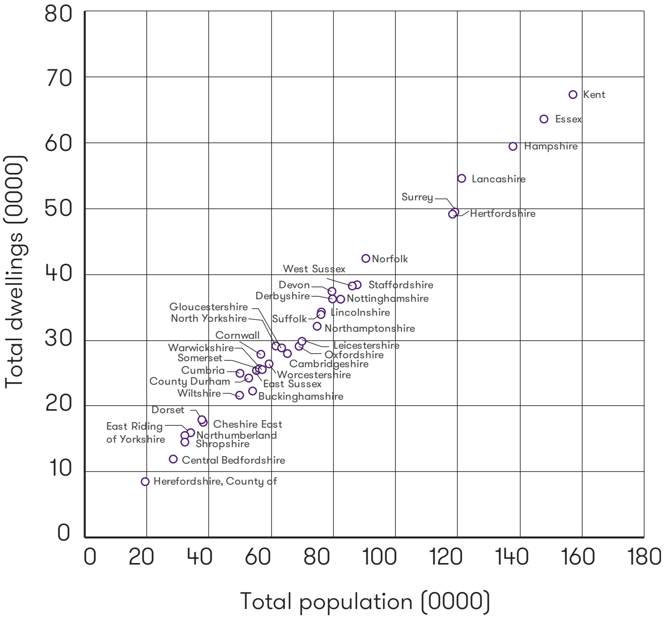
- County authority areas vary significantly in scale, with a population difference of 1.4 million between the smallest and largest county authority areas.
- There is also significant variability in the nature and performance of county authorities, which is reflective of entrenched regional disparities that exist across the county authority areas. Across baskets of indicators related to business environment and living standards, there is notable variation in county authority performance.
- Productivity is a major challenge for county authorities, with 30 of the 36 county authorities having productivity levels below the national average. This is partly a reflection of the different sectors operating in county authority areas, but also reflects the low levels of large businesses coupled with low business formation rates.
- County authority areas have strong business survival rates, with all but five county authority areas performing above the England average, but research shows that this isn't linked to higher productivity.
- Whilst there are some strong performers on a number of living standard metrics (e.g. employment rate, life expectancy and fuel poverty), there are a large number of county authority areas facing significant challenges, particularly with regard to income, skills and housing affordability.
- It is this variation, and the inequality that results, that requires a specific place-based focus.

This chapter outlines the uniqueness of place by looking at county authority areas through a small number of headline socio-economic indicators which explore both the effectiveness of the business environment (particularly the economic productivity of the workplace) as well quality of the living standards of the resident population.

While county authorities will have comparable powers and operational and governance structures (see Figure 6), they are vastly different in scale and nature. The scale aspect is best highlighted in Figure 5 which illustrates the variation in size between county authorities using total population correlated against total dwellings. There is a clear correlation between these two metrics, as would be expected, but what is most notable is the wide variety in scale, with a difference of 1.4 million people between the smallest and largest county authority area. A clear clustering can be seen in the top right corner of the chart, consisting of Kent, Essex, Hampshire, Lancashire, Hertfordshire and Surrey. Having such large populations can present both challenges and opportunities. For example, whilst large populations present demand pressures they also provide a scale that enables a more strategic approach to planning and growth.

Aside from the scale variation, there is also significant variability in the nature and performance of county authorities, which is reflective of the entrenched regional disparities that exist across the county authority areas. This 'spatial imbalance' has been a distinctive feature of the UK landscape since the middle of the 19th Century[4], and whilst different policies have sought to address it, spatial disparities still exist and in some cases are actually widening. It is these factors that have placed 'levelling up' at the heart of the new Government's policy agenda.

Figure 5: Total population vs. total dwellings



Source: ONS, Mid-year population estimates (2018), MHCLG, Dwelling Stock (2018)

4 Regional Studies Association (2015) Spatially rebalancing the UK economy: the need for a new policy model

Figure 6: Local government structure - responsibilities

Unitary Authorities (56)
Metropolitans (56)

County Councils (26)
The responsibilities that lie with County Councils include:

- Education and skills
- Transport
- Public health
- Minerals and waste planning
- Fire and public safety
- Adults and children's social care
- Libraries and cultural services
- Waste management
- Trading standards
- Flood risk

Districts (192)
Districts are responsible for delivering local services, such as:

- Housing and planning
- Council tax and business rate collection
- Recycling and bin collection
- Electoral registration
- Leisure, parks and recreation
- Environmental health

Combined Authorities (10)
Ten combined authorities have been established to date:

- Cambridgeshire and Peterborough
- Greater Manchester
- Liverpool City Region
- North of Tyne
- Sheffield City Region
- Tees Valley
- West Midlands
- West of England
- North East Combined Authority
- West Yorkshire Combined Authority

Core Powers set out in the devolution deals include:

- Restructuring the future education system
- Business support
- The work and health programme
- EU Structural Funds/Strategic Development Funds
- Transforming Cities funding, fiscal powers planning and land use

Greater London Authority (1)
Greater London Authority has powers and responsibilities in the following areas:

- Transport
- Economic development
- Environment
- Housing
- Policing
- Fire
- Culture
- Strategic planning
- Energy
- Health

London Boroughs (32)
London Boroughs are responsible for all services in their area, but there are certain services they hand over to joint/combined authorities (e.g. fire and civil defence, police and passenger transport).

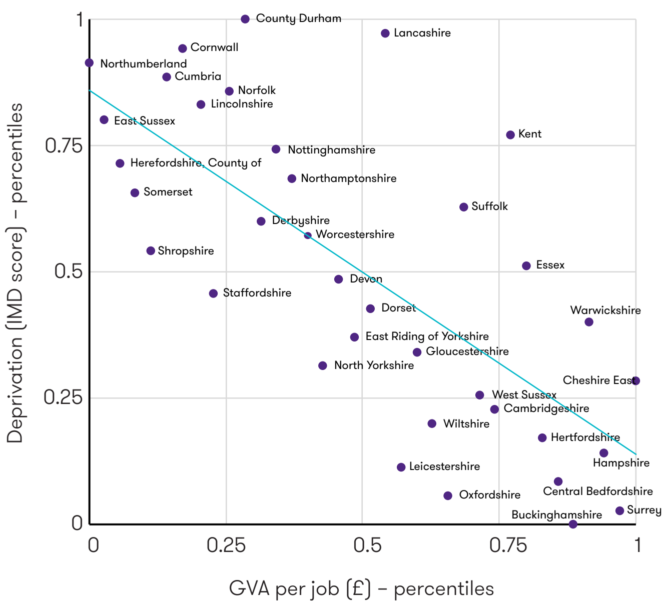
Productivity gap

Addressing the interregional inequality in productivity is high up on the government's agenda with the recognition that productivity is critical to driving growth, wages and living standards[5]. A large number of the case study county authorities that we interviewed also referenced low productivity as a major challenge in their area. In this report we measure labour productivity using the amount of output (goods and services) that can be produced per filled job – 'GVA per job'. Figure 7 shows that there is a strong relationship between productivity levels and deprivation levels across county authority areas, which reaffirms the close links between productivity and wider living standards. However, there are outliers to this relationship, such as Kent which has high productivity and yet suffers from high deprivation which suggests that workplace wealth is not always translating into improved living standards across all county authority areas and that there may be greater influencing factors at play.

Figure 8 shows that 30 of the 36 county authority areas have workplace productivity levels below the England average, a clear indication that productivity lags behind much of the rest of the country. With Cheshire East's GVA per job being highest overall at £78,921, the productivity gap to the least productive area, which has a GVA per job of £48,398, is significant.

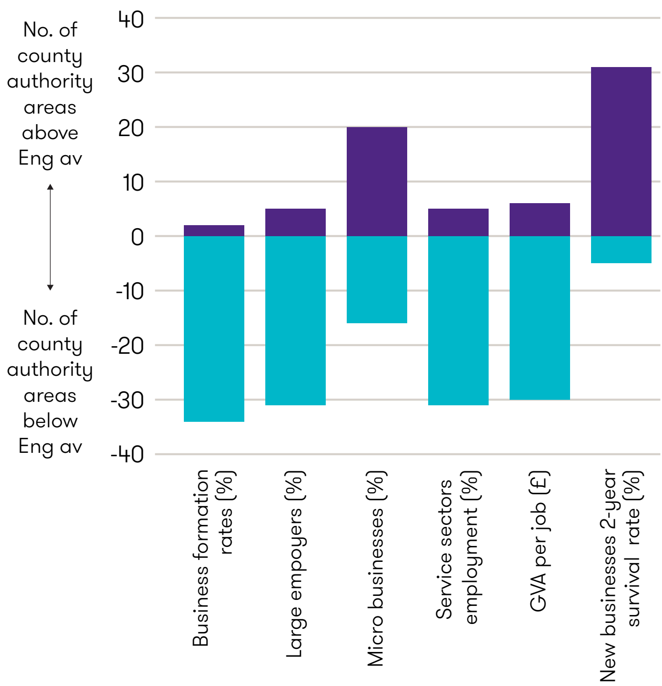
This variation in productivity is partly a reflection of the very different type of sectors that operate across county authority areas. This is illustrated in Figure 9 which shows that compared to the other council types, county authorities have higher levels of employment in Agriculture, forestry and fishing, Mining, quarrying and utilities, Manufacturing, Construction, Motor trades and Wholesale. Employment in financial and insurance is lower than the other council types, and whilst employment in professional, scientific and technical occupations is below the London boroughs average, it is higher than both metropolitan districts and other unitary authorities. However, employment sectors also differ between county authority areas, as shown in Figure 10. Towards the left-hand side of the chart are areas that have high levels of employment in the services sector, such as Surrey, Hertfordshire, East Sussex, Oxfordshire and West Sussex, whereas the other end of the chart is characterised by areas that have higher dependence on primary and secondary sectors, such as Herefordshire, Derbyshire, Cumbria and East Riding of Yorkshire.

Figure 7: Productivity vs. deprivation



Source: MHCLG, English indices of deprivation (2019); ONS, Regional gross value added (balanced) local authorities by NUTS1 region (2018)

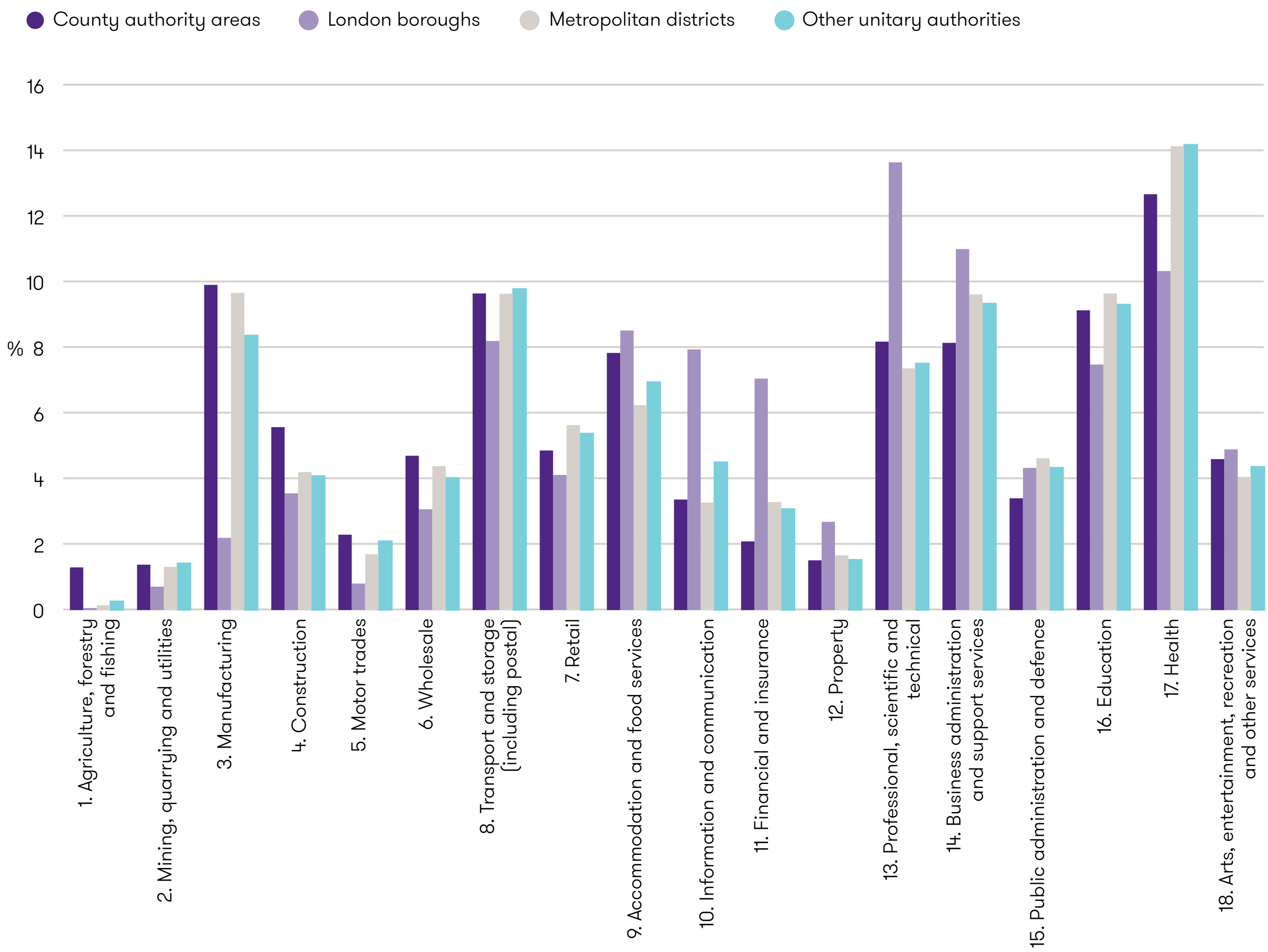
Figure 8: Thriving businesses - variation between county authority areas



Source: Business Demography (2018); IDBR, UK Business counts (2019); Business Register and Employment Survey (2018); ONS, Regional gross value added (balanced) local authorities by NUTS1 region (2018)

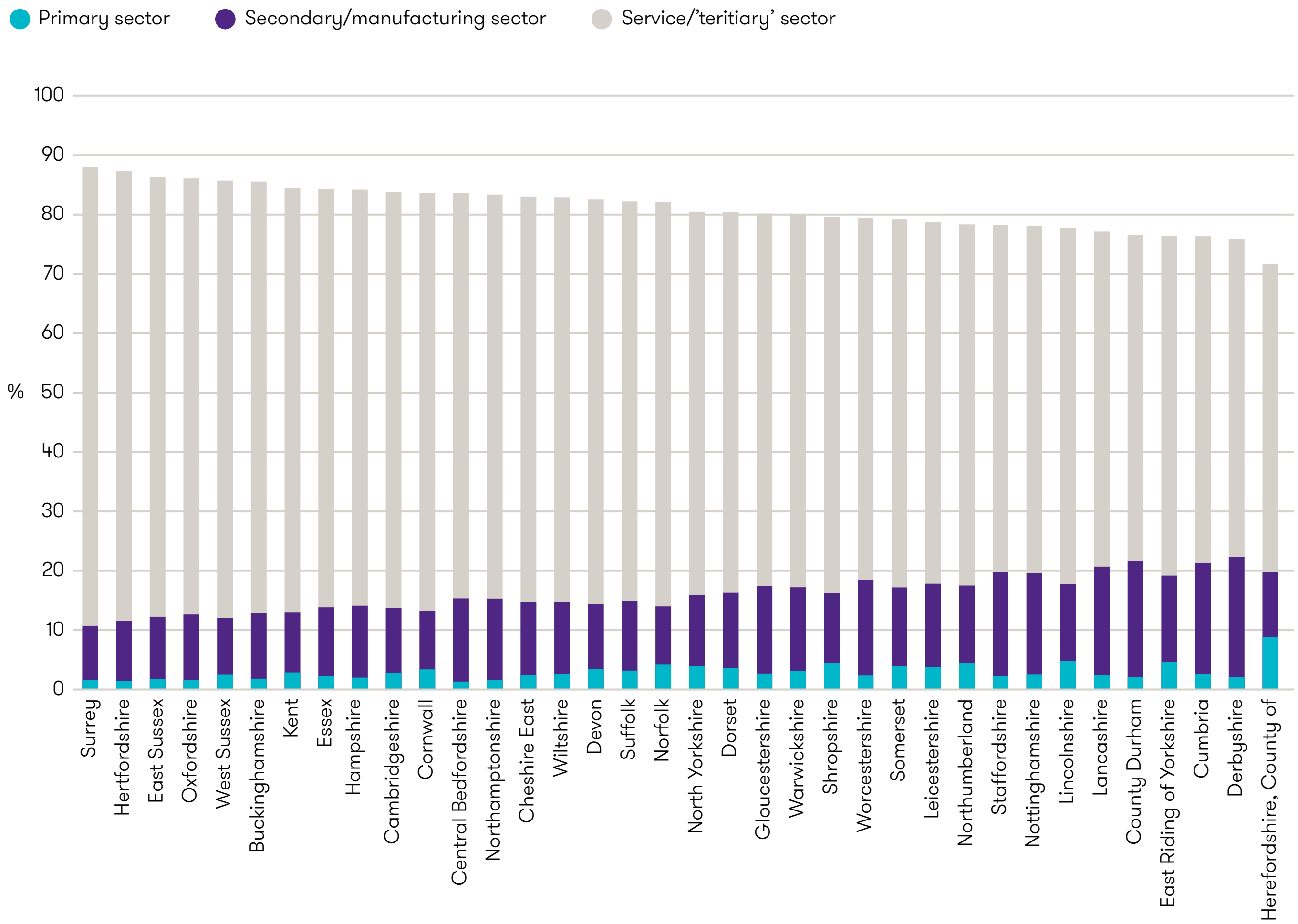
5 HM Government (2017) Industrial Strategy White Paper

Figure 9: Employment by broad industrial sector (%)



Source: Business Register and Employment Survey (2018)

Figure 10: Employment in three broad economic sectors (%)



Source: Business Register and Employment Survey (2018)

Lower productivity is also reflective of the small proportion of large businesses and low business formation rates within county authority areas, with only two county authority areas having a business formation rate above the England average. By contrast, businesses survival rates are markedly strong across the county authority areas, with all areas performing above the England average. However, there is increasing research to suggests that business survival is negatively correlated with productivity, and that 'creative destruction' is a critical force for productivity growth[6]. For example, Cheshire East and Central Bedfordshire both have low business survival rates and yet are highly productive in terms of GVA per job.

Whilst large sized businesses are crucial for driving productivity, the value that smaller sized businesses bring to county authority areas should not be overlooked. They are particularly important for innovation and a recent study by the Federation of Small Businesses found that 76% of smaller businesses introduced a new innovation in the past three years[7]. Given that 20 of the county authorities have above average levels of micro businesses (Figure 8) there is an opportunity for county authorities to create business environments that drive innovation. A couple of the county authorities that we interviewed also suggested that small local businesses could have a greater role to play post-Brexit if there is a shift away from big businesses towards local purchasing and socially based businesses, enabling localities to be more self-sufficient.

A recent study by the Federation of Small Businesses found that **76% of smaller businesses introduced a new innovation** in the past three years.

6 Nesta & Sage (Nov 2017) The state of small businesses
7 Federation of Small Businesses (2018) Spotlight on innovation

Disparities in living standards

Alongside these economic variations, there are also implications for living standards which is reflected in Figure 11. This shows wide variance in performance across county authority areas, and relative to the England average, across a number of key metrics that relate to living standards. Whilst there are some strong performers on a number of these metrics (e.g. employment rate, life expectancy and fuel poverty), the chart also highlights that a large number of county authority areas are facing significant challenges, particularly with regard to income, skills and housing affordability.

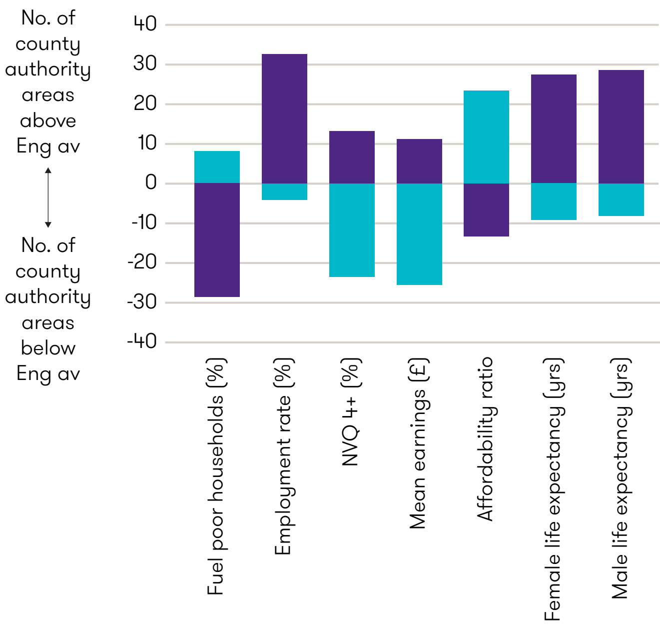
Income

Income inequality is a pressing matter facing the UK with OECD figures suggesting that levels are still higher than other comparable developed countries (as measured by the Gini Coefficient)[8]. This inequality is also reflected across the county authority areas, with 25 areas having mean annual earnings below the England average and only 11 above (Figure 11). For the latest year of data, Surrey had the highest mean earnings at £43,020, whilst the lowest recorded earnings were in Cornwall at £23,266. Over the past five years it appears that the gap in earnings for county authority areas is actually widening, with a 26.6% increase in the gap over the past five years.

Skills

Of equal importance is skill levels and Figure 12 shows that there are clear linkages between the proportion of people qualified to degree level and above (NVQ 4 Level and above) and mean earnings, with county authority areas in the top right corner characterised by high skills and high earnings. It is also notable that the majority of these top performing areas are located in the South of the country, with the exception of North Yorkshire which is bucking the trend. Tackling entrenched regional disparities in education and skill levels is a core focus of the Government's Industrial strategy. Research suggests that this skill gap is intrinsically linked with productivity levels. Across the county authority areas, the proportion of people qualified to NVQ Level 4 and above varies from as low as 28.8% of the working age population up to 50.5% in the most highly qualified area.

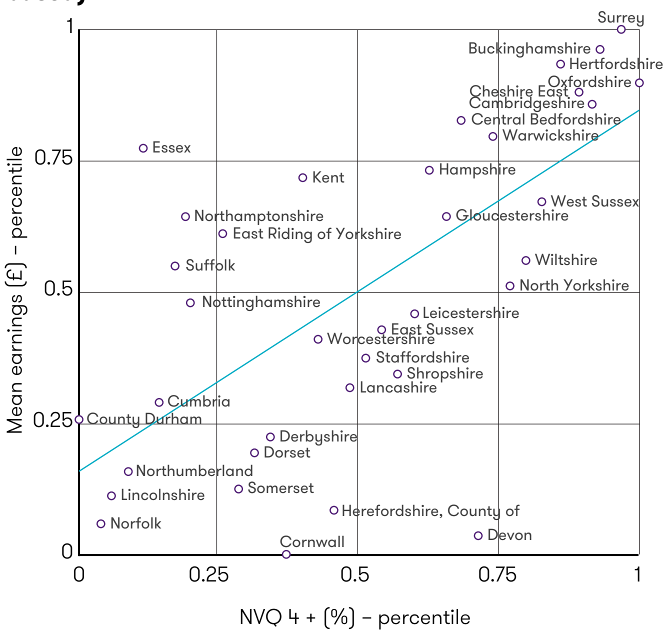
Figure 11: Living standards - Variation between county authority areas



Note: For 'Fuel poor households' and 'Affordability ratio', being below the national average indicates good performance (as indicated by the purple bars).

Source: BEIS, Sub-regional Fuel Poverty 2019 (2017 data); Annual Population Survey (Sept 2019); Annual Population Survey (Dec 2018), Annual Survey of Hours and Earnings (2019); ONS, Ratio of house price to residence-based earnings (2018); ONS, Life expectancy at birth (2016-18)

Figure 12: Skill levels vs. mean earnings (residence based)



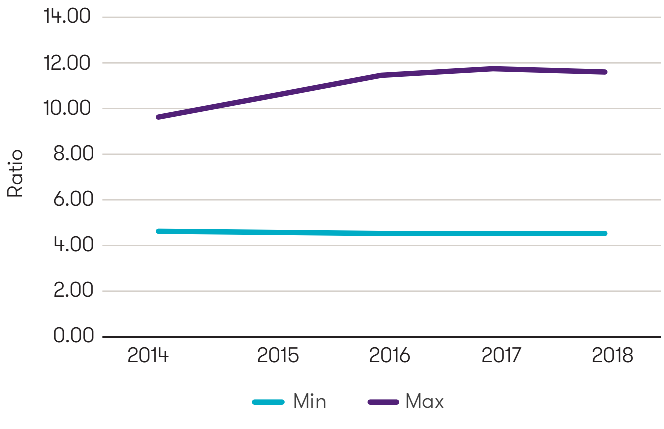
Source: Annual Population Survey (Dec 2018); Annual Survey of Hours and Earnings (2019)

8 House of Commons Library (May 2019) Income inequality in the UK

Housing affordability

Delivery of affordable housing is a major challenge in county authority areas, and a recent report from the Town and Country Planning Association found that nine in 10 county councils class their need for affordable housing either 'severe or moderate'[9]. Our assessment of housing affordability uses the ONS affordability ratios which are calculated by dividing the house prices by median gross annual earnings, with a higher affordability ratio indicating lower housing affordability. Figure 11 shows that 23 of the county authority areas have an affordability ratio greater than the England average. The highest affordability ratio was in Surrey, where house prices are over 11 times as expensive than the median resident earnings, whilst the lowest affordability ratio is in County Durham where house prices are four times as expensive as the median earnings. Perhaps more significantly, Figure 13 shows that the gap between the highest and lowest affordability ratio in county authority areas has increased over the last five years, which has primarily been driven by an increase in the highest affordability ratios over this time period.

Figure 13: Affordability ratio gap



Source: ONS, Ratio of house price to residence-based earnings- median (2018)

Tackling these entrenched regional disparities has been a major focus of policy. The variation explored above underlines that more needs to be done to address these issues. Given the large proportion of people and jobs in county authority areas, coupled with the 'gap' that exists between many county authority areas and the national average makes them an obvious focus for new policy, particularly given that many historic initiatives have tended to focus on investing in cities and urban areas to the detriment of county authority areas (these funding differences are explored further on page 62). In particular, the Northern Powerhouse is an area that has seen intensive investment over the past few years in an attempt to address the north/south divide. As a result, there is a real risk that many county authority areas could lose out on much needed investment and be 'left behind', a situation which could only worsen as the implications of leaving the European Union becomes clearer. A focus for policy should therefore be on how to extend the dynamism and efficiencies of agglomeration economies to some of the surrounding areas that are currently lagging behind.

However, given the scale of variation between county authority areas, it is essential that any future policy is place-based in focus, and recognises the unique strengths and challenges that different county authority areas face.

9 Town and Country Planning Association and CCN (June 2018) Building for the Future

The challenge of place and the need to rethink economic development

The challenge facing counties is complex and multi-faceted. As we have already explored, many county authority areas lag behind other local authorities on productivity, have low housing affordability and lack highly skilled resident populations.

KEY FINDINGS

- Over the past five years, growth rates of county authority areas have lagged behind other areas, with the exception of dwelling stock growth where it surpasses both the England average and Non-county authority areas.
- County authority areas are growing at very different rates. In some cases, absolute growth in employees and businesses is comparable, if not greater, than other Core City areas. This in itself presents a challenge to county authorities as they need to manage growth levels that are comparable to many Core Cities but with fewer levers and lower levels of investment.
- The challenge of housing and keeping pace with growth is a significant challenge with new building starts slowing in recent years
- Given the high levels of housing growth across county authority areas, it highlights the strategic role that county authorities could play in ensuring that housing is built in the right places and with the necessary infrastructure.
- Delivery of essential infrastructure is being held back by a gap in infrastructure provision which is particularly prevalent in county authority areas. This work has identified an average funding gap per authority of c£4billion to meet their County's needs with some as high as £8 billion.
- The challenges around infrastructure and housing are further complicated by the variation in socio-economic conditions that exists within county authorities. It is a variation that highlights both the complexity of managing growth as well as the importance of an intimate understanding of place in terms of providing intervention and investment.
- This section shows the significant variation that exists within county authority areas on deprivation, life expectancy, housing affordability and workplace earnings. These differences underline the danger of a 'one size fits all' approach to policy or programmes across county areas. Rather, it requires a combination of an intimate knowledge of place, a joined-up approach to delivery and freedom and powers to make decisions across a broader spatial scale.

This section looks in more detail at the challenges facing county authorities in relation to growth and in doing so explores further the variation in socio-economic performance – particularly within individual county authority areas – and analyses the scale and nature of the infrastructure gap that exists. In doing so, this analysis further underlines the importance of a place-based focus to policy making.

The challenge of growth

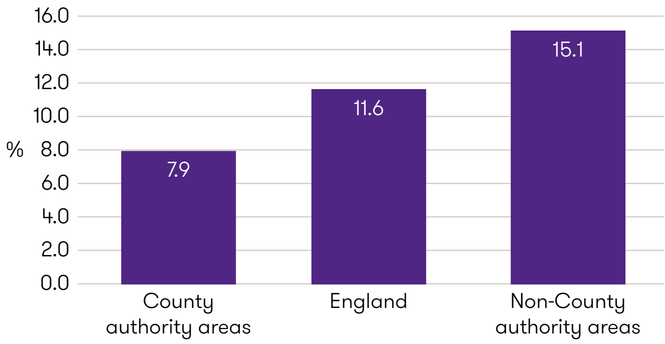
Across county authority areas growth remains a real and pressing challenge. The bar charts (Figure 14) illustrate that over the past five years county authority areas have lagged behind non-county authority areas[10] and the England averages across a number of key growth metrics including total population, employees, businesses, and Gross Value Added (GVA). The exception to this is dwelling stock growth.

Despite the overall low levels of growth, some county authority areas are achieving comparatively higher rates of growth than others. For example, 9 of the 36 county authority areas had a business growth rate above the national average whilst 11 areas exceeded the England growth rate for growth in total employees. Central Bedfordshire, Northamptonshire, Hertfordshire and Worcestershire are consistently in the top four for percentage growth in both employees and businesses, with growth rates well above the England average.

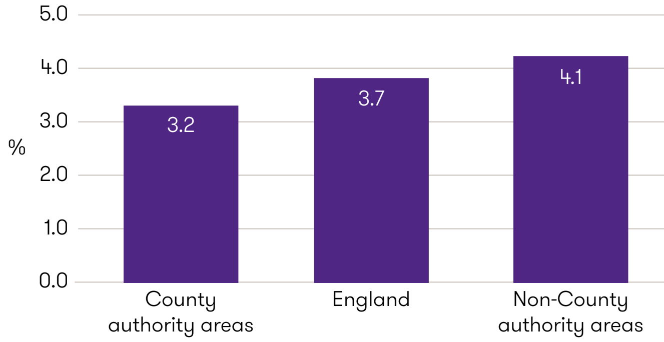
10 'Non-County Authorities refers to all local authorities that are not CCN areas, which includes London Boroughs, Metropolitan districts and the remaining Unitary authorities.

Figure 14: Five-year growth

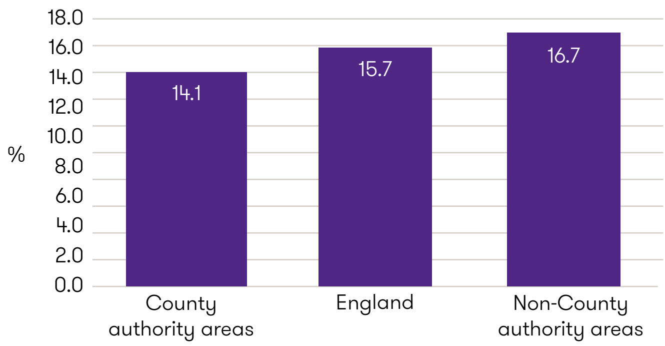
Business growth (5 year change)



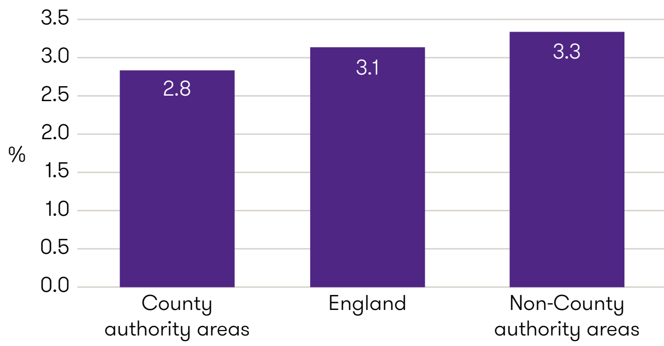
Employment growth (4 year change)*



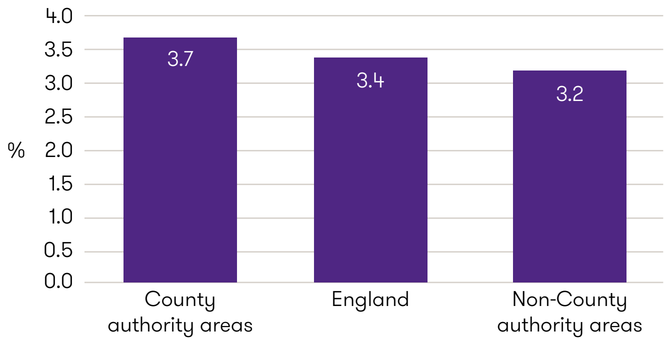
GVA growth (5 year change)



Population growth (5 year change)



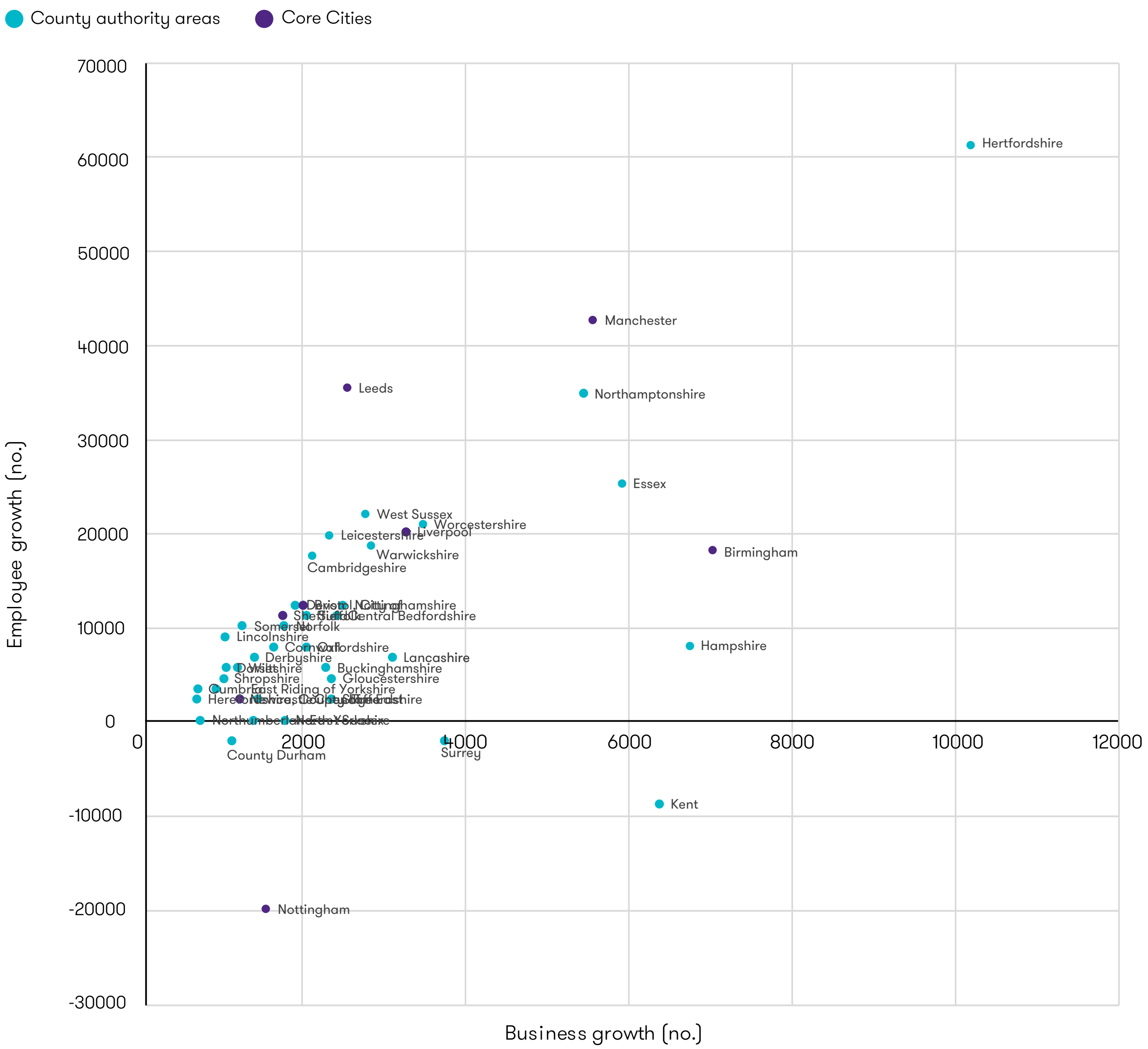
Dwelling stock growth (5 year change)



Source: IDBR, UK Business Counts (2019); Business Register and Employment Survey (2018); ONS, Regional gross value added (balanced) local authorities by NUTS1 region (2018); ONS, Mid-year population estimates (2018); MHCLG, Dwelling Stock (2018)

*Please note that owing to limited time series data, the employee data only relates to four years of change.

Figure 15: Absolute change - Employee change vs. business growth (5-year change)*



Source: IDBR, UK Business Counts (2019); Business Register and Employment Survey (2018)
* Please note that owing to limited time series, the employee data only relates to four years of change

Figure 15 shows the absolute growth over the last five years in businesses and employees for all county authority areas and Core Cities. This highlights that a number of county authority areas have comparable, if not greater, absolute growth than their Core City counterparts. It also highlights the significant scale of growth seen in a small number of county authority areas, most notably Hertfordshire. Kent is a slight outlier given its high growth in businesses but decline in employees. Surrey and County Durham also experienced an overall decrease in total employees over the time period.

This analysis points to two conclusions. The first is that it underlines the variation that exists across county authority areas and points to the paramount need for place-based policies that can be adapted to reflect local, place-specific circumstances. The second is the challenge that exists for county authorities in managing growth levels that are comparable to many Core Cities but with fewer levers and lower levels of investment.

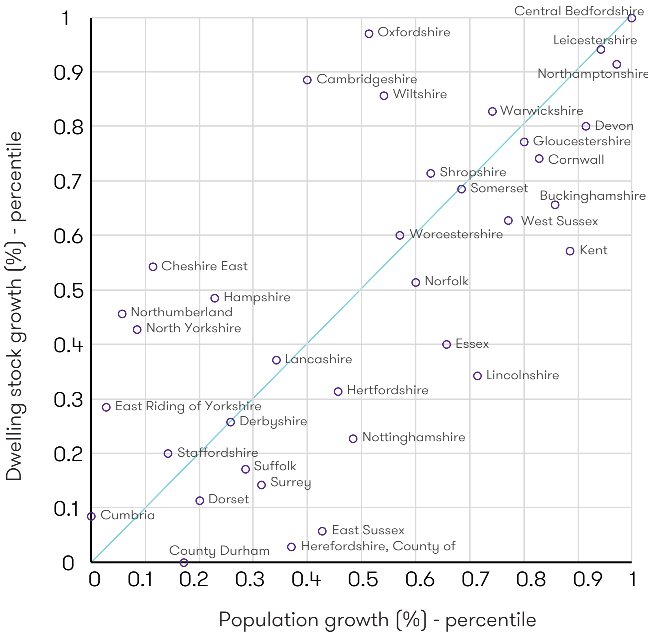
Housing growth

One measure where county authority areas do tend to outperform the comparator groups is on the growth in total dwelling stock. Although it should be noted that county councils are not directly responsible for housing delivery, albeit they will be responsible for delivering services for the people living in these homes. Over the five-year time period, county authority areas have had an increase in dwelling stock of 3.7%, which compares to a growth rate of 3.4% in Non-county authority areas and 3.2% nationally. This imbalance reflects a concern that there has been a preoccupation with scale and speed of housing developments and not enough focus on the quality of housing and supporting infrastructure, both physical and economic (e.g. jobs). At its most contentious, this has sparked opposition from communities who fear that new large housing developments could lead to unsustainable demands on local public services[11]. There is therefore a clear opportunity for county authorities to play a greater strategic role in managing this growth and ensuring that homes are being built in the right place and that there are suitable connections to employment and economic opportunities. Figure 16 shows that whilst overall figures are positive, as with many of the other indicators, there is a mixed picture emerging across the county authority areas with some seeing dwelling stock outstrip population growth and others seeing it lag significantly behind population growth. Of all county authority areas, Central Bedfordshire has had the greatest proportional increase in dwelling stock over the past five years, at 5.9%, but the greatest absolute increase in dwelling stock was in Kent which experienced an increase of 26,750 over the time period.

The challenge of housing and keeping pace with growth is a significant pressure on county authority areas, particularly when balanced against the increasing focus being placed on protecting the natural environment. There are also signs that new building starts are starting to slow in recent years, with Figure 17 showing that new building starts in county authority areas has reduced over the past two years and has been overtaken by new build completions in the last year of data.

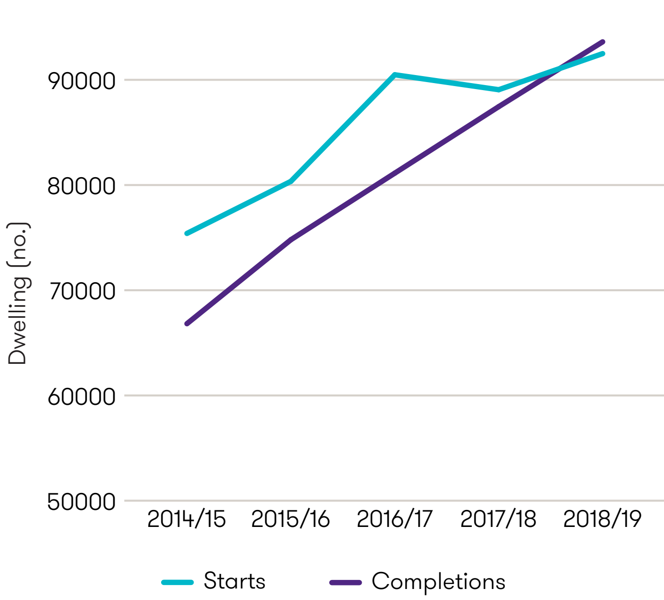
As explored in the previous chapter, housing affordability is a major driver of demand and has become an important priority for a number of county authority areas. Between 2013/14 and 2017/18 almost half of all additional affordable dwellings[12] completed in England, totalling 109,798 additional affordable dwellings (47.4%), were built in county authority areas.

Figure 16: Growth in population vs. growth in dwelling stock (5-year change)



Source: ONS, Mid-year population estimates (2018); MHCLG, Dwelling stock (2018)

Figure 17: New building starts and completions for county authority areas - 12 month rolling total



Source: DCLG, Housebuilding: permanent dwellings started and completed, by tenure and district (2018-19)

11 https://www.countycouncilsnetwork.org.uk/council-leaders-call-for-stronger-planning-reforms-as-counties-see-englands-sharpest-house-price-increase/
12 Affordable housing is the sum of social rent, affordable rent, intermediate rent (including London Living Rent), affordable home ownership, shared ownership and London Affordable Rent.

However, delivery of affordable housing is varied across county authority areas. In 2017/18 the highest number of additional affordable dwellings completed was in Hampshire at 1,400, which accounted for 23.15% of net additional dwellings during that year, which is around the national average. The range in rate of additional affordable dwellings is also large across the county authority areas, ranging from 37.2% in Worcestershire down to 13.8% in Dorset.

Many of the case study county authorities we interviewed discussed how they were innovating to help accelerate housing growth in their areas. For example, a number noted trials of off-site manufacturing of modular housing which require less labour to build and have a lower carbon footprint. Despite the potential benefits, this method is however taking time to fully materialise and was seen by some as being hampered by the regulatory environment.

Part of the challenge is of course that responsibility for housing sits with individual district councils and as such taking a joined up, strategic view around demand and supply is complex. In order to overcome this challenge, Essex County Council has established a dedicated growth unit within the council to enable joint working across the County Council and the 12 local planning authorities to help deliver their housing growth ambitions.

Unlocking public sector land was also cited by a number of county authorities as a further way in which county authorities are supporting housing growth, with numerous councils repurposing public sector land to build new homes that aim to attract inward investment and a younger demographic to the area.

Through our discussions with the case study county authorities, it was also clear that housing delivery is not and cannot be just a 'numbers game'. It is about delivering well-designed housing settlements that bring wider social and environmental benefits. It is about creating vibrant and functional places. Essex County Council, for example, has been pioneering good building design though their delivery of three garden settlements in north Essex, which focus on green technologies, green spaces, sustainable transport systems and most importantly an infrastructure first approach[13]. Alongside regeneration schemes, an equally pressing priority is the retrofitting of existing housing to ensure that they are energy efficient. For counties, this includes public sector buildings which are less energy efficient which has knock on implications for the most vulnerable (which tend to be the responsibility of counties through their social care remit).

13 http://www.nlgn.org.uk/public/2017/16583/

Infrastructure funding gap

While housing growth has clearly emerged as a key priority for Government over the past decade, there is a real risk emerging that it has been prioritised to the detriment of much needed investment in infrastructure. Or at the very least it has created further demand for infrastructure investment. Investment in infrastructure is critical to growth as it provides support for the delivery of essential services such as energy, water and for the moving of goods and people as well as broader social infrastructure such as schools and GP surgeries. Over the longer-term, investment in infrastructure also brings wider economic benefits, including supporting growth and creating jobs, raising the productive capacity of the economy, driving efficiency and boosting international competitiveness[14].

However, despite these recognised benefits, there has been a notable lack of investment in infrastructure projects across the UK with government estimates proposing that almost £500 billion is required to bridge the UK infrastructure funding gap[15]. Also, not all areas are or have benefitted equally from the infrastructure investment that has been made – a factor that has further contributed to an 'uneven playing field'[16] across the country. For example, whilst combined authorities are often the recipients of infrastructure 'deals', local planning authorities often have little choice other than to compete for small packets of ad-hoc funding which can be a timely and complex process (this is explored in more detail in chapter 3 of this report). The situation is further complicated by the current developer contributions system which is structured in such a way that means county councils have very little power to set and negotiate the rates and ultimately the contributions that they receive, despite being responsible for vital frastructure[17]. Part of the challenge is that the distribution of the contributions is negotiated at a district level whereas some of the funding could make a valuable contribution towards education and infrastructure.

A number of county authority areas have tried to measure and identify the scale of the infrastructure gap for their area alongside the development of their growth plans or Local Industrial Strategy. It is analysis which underlines the scale of the challenge.

Good infrastructure is a key element in increasing productivity, attracting further investment and plays a vital role in supporting a population's health, well-being and ambitions by providing good quality affordable homes within reasonable distances of employment.

Infrastructure funding should be responsive to changes in population and keep up with growth. However, the UK's historic investment in infrastructure has lagged its peers and we face an infrastructure funding gap, of around £500 billion according to the government's latest estimates[18]. A number of county authorities are leading the assessment of this gap in their localities by commissioning research and developing frameworks to understand and quantify the specifics of their infrastructure needs. This work has identified an average funding gap per authority of £4 billion to meet their county's needs with some as high as £8 billion[19]. County authorities have calculated these figures by reviewing population growth predictions, new housing plans and employment levels for the county in order to understand the total infrastructure costs required to match this. Agreed funding on existing projects is taken from this total and the remainder is identified as the 'infrastructure gap'.

By identifying specific funding gaps and collecting accurate data on the costs of infrastructure plans, county authorities are better placed to plan their growth and attract alternative funding or private investors who can more readily predict and project long-term revenue streams.

14 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/520086/2904569_nidp_deliveryplan.pdf
15 Infrastructure and Projects Authority (2016) National Infrastructure Delivery Plan 2016-2021
16 Royal Town Planning Institute, UWE Bristol, PBA (2019) A smarter approach to infrastructure planning
17 https://www.countycouncilsnetwork.org.uk/download/1965/
18 Infrastructure and Projects Authority (2016) National Infrastructure Delivery Plan 2016-2021
19 This was based on published infrastructure gaps from Hertfordshire, Essex, Oxfordshire, Kent, Staffordshire and Surrey

Quantifying the infrastructure gap – Kent county council example

Sector	Description	Total infrastructure costs - 2031	Total secured/ expected funding	Total infrastructure funding gap
Transport	Major projects Lower Thames Crossing and associated strategic road corridor through to the Channel ports, Crossrail extension to Ebbsfleet, a solution to Operation Stack and lorry parking	£9.96 billion	£7.68 billion	£2.28 billion
Health and social care	Major projects include transformation of the health estate and implementing KCC's accommodation strategy	£2.76 billion	£1.82 billion	£939 million
Education	Major projects include providing sufficient education places caused by growth, especially in secondary education	£1.18 billion	£643 million	£540 million
Utilities	Major projects include sufficient county-wide energy and water provision	£1.03 billion	£995 million	£33 million
Community and culture	Major projects include Tunbridge Wells Cultural Hub and county-wide sports and recreation provision	£400 million	£271 million	£128 million
Natural environment	Major projects include the Thames Estuary flood risk management programme and flood risk and coastal erosion protection for the Romney Marshes	£1,039 million	£1,004 million	£35 million
Total		**£16.37 billion**	**£12.42 billion**	**£3.95 billion**

Strategic spatial planning

Striking the right balance between housing and infrastructure is further complicated by the current fragmented system of planning development in which district councils oversee housing planning whilst county councils manage local infrastructure investment. This is a legacy of previous policy changes such as the introduction of the Planning and Compulsory Purchase Act (2004) which abolished structure plans and with it the statutory plan-making role of county councils. Whilst Section 29 of the 2004 Act does enable county councils to have a strategic planning role by working with their districts through Joint Committees, they can be timely to set up and cannot be created if there are both county councils and unitary authorities involved in the plan-making partnership.

Whilst the vast majority of county councils that we interviewed said that there is good co-operation with their planning authorities and vice versa, they acknowledged that the disjointed approach can make planning complex and time consuming. Planning authorities also face pressures as a result of reductions in central government funding which has often resulted in a shrinking workforce. Coupled with the high cost of producing local plans, there is a need for a more combined plan-making process between districts and counties which could help deliver immediate and potentially significant cost savings. Also, given the polycentric nature of many of the county authority areas, spatial planning is only likely to become more challenging.

Our analysis of the maximum and minimum number of planning applications made by districts within county council areas highlights significant variation in commercial planning decisions across county council areas (Figure 18). The largest variation across county areas can be seen in Cambridgeshire, where there is a difference of 71 decisions between the districts with the highest and lowest number of planning decisions. This variability underlines the need for more strategic approach to planning that can respond to the different needs across a large area.

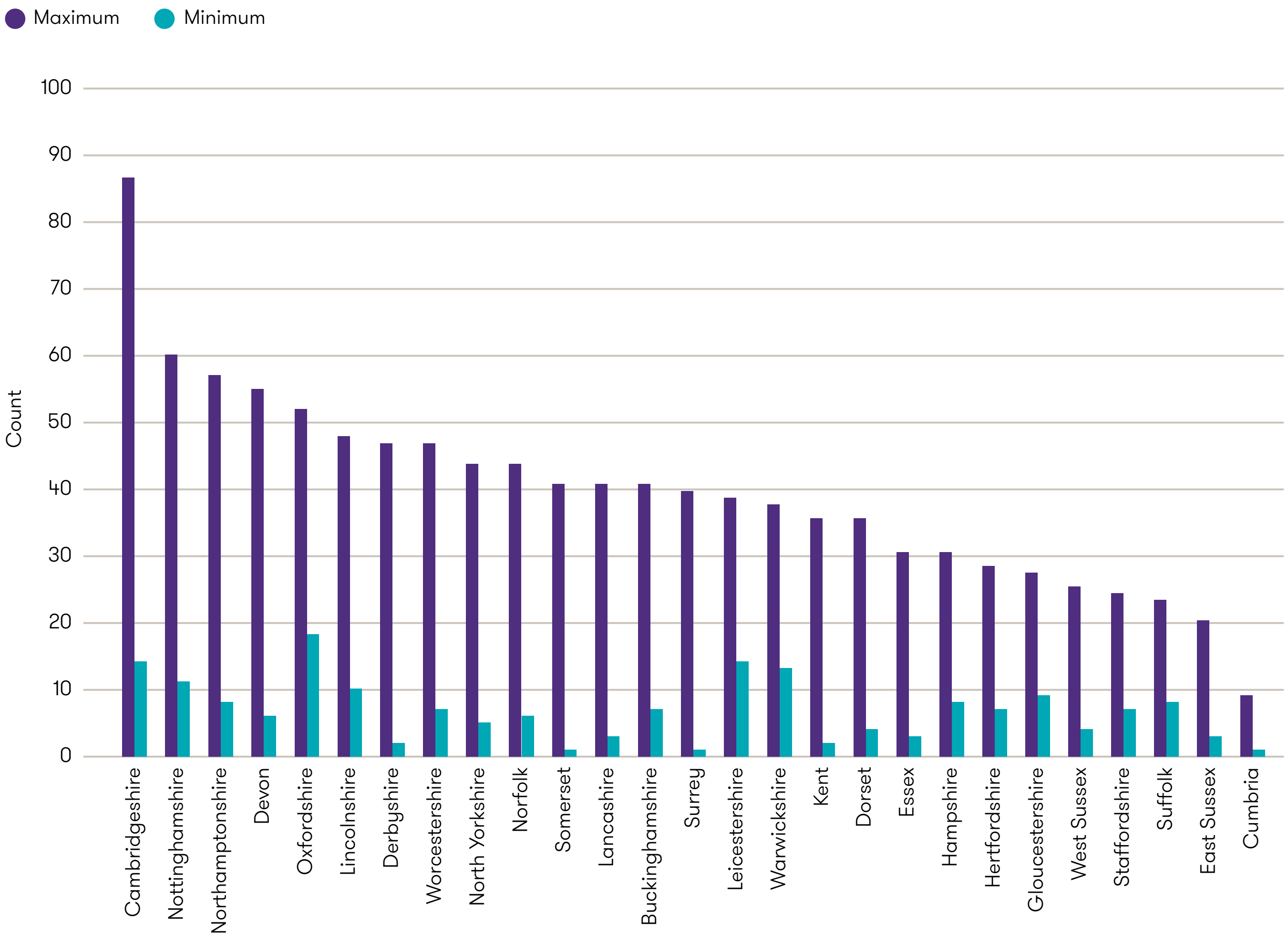
A process that is coordinated and led by the county authority could help to overcome the current fragmented approach to housing and planning. A recent paper by the Town and Country Planning Association and CCN proposes therefore that the government should create a more 'clearly defined role for counties' in the strategic planning process[20], which would encourage counties and their districts to play a greater part in addressing the housing crisis. Alongside this, there is recognition that sustainable growth should be addressed in an integrated way, whereby the place-shaping role of local plans is managed alongside the setting and delivery of strategic infrastructure and economic priorities[21].

In the absence of any guiding national framework on strategic spatial planning, a handful of county authorities have sought to provide local place leadership and have created their own strategic dialogue around infrastructure provision[22]. Staffordshire County Council, for example, is the first county in the Midlands to create a Strategic Infrastructure Plan (SIP). The SIP is a non-statutory collaborative approach to planning which aims to quantify the scale and quality of infrastructure provision required to support future growth. Importantly, the SIP aims to not only explore the challenges being faced across Staffordshire but also consider the cross-border impacts with neighbouring authorities[23]. Whilst these types of initiatives are imperfect, they are an important step closer to providing a more coherent, place-based approach to strategic decision making. A number of other county authorities have also pursued the route of non-statuary strategic plans or Growth Frameworks, these include Surrey, Suffolk, Norfolk and West Sussex.

Oxfordshire County Council has gone down a different route by committing to produce a joint statutory spatial plan (JSSP), known as the Oxfordshire Plan 2050 as part of the Oxfordshire Housing and Growth Deal agreement with the Government. This plan brought together the six Oxfordshire authorities to provide an integrated strategic planning framework and evidence base to support sustainable growth across the county to 2050, it included the planned delivery of new homes and economic development, businesses infrastructure providers and statutory bodies[24]. However, whilst Oxfordshire County Council can play a role in the Governance of the plan, there is no joint decision making and therefore the decision-making power still lies with the five local planning authorities.

20 TCPA and County Councils Network (June 2018) Building for the Future – The Role of County Councils in Meeting Housing Need
21 Catriona Riddell Associates & CCN (2018) County Councils and Strategic Planning – a review of current and emerging practices
22 Royal Town Planning Institute, UWE Bristol, PBA (2019) A smarter approach to infrastructure planning
23 Staffordshire County Council (2019) APPENDIX A - STRATEGIC INFRASTRUCTURE PLAN TENDER BRIEF
24 Landuse (2019) Oxfordshire Joint Strategic Plan – Sustainability Appraisal Scoping Report.

Figure 18: Commercial planning decisions (2017/18) – County areas



Variation within county councils

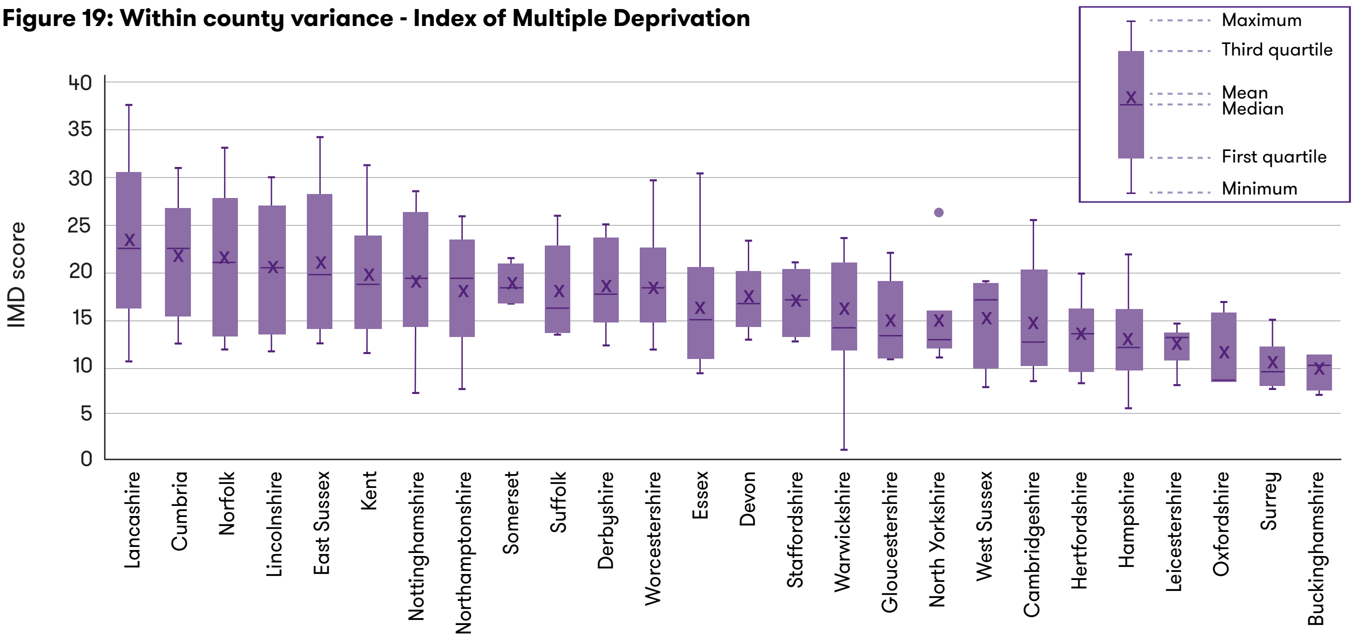
The challenges discussed above around infrastructure and housing are further complicated by the variation in socio-economic conditions that exist within county authorities. It is a variation that highlights both the complexity of managing growth as well as the importance of an intimate understanding of place in terms of providing intervention and investment. To illustrate this, the remainder of this section explores variation within county council areas at a district level[25] using a small selection of key socio-economic measures. We have only looked at the variations within county councils, rather than county unitary authorities, due to the availability of data. However, we would expect similar trends in these areas, that have similar characteristics as county council areas.

The Index of Multiple Deprivation (IoD 2019) is a particularly useful measure for understanding spatial variation in deprivation across areas. The indices ranks each Lower Level Super Output Area (LSOA) in England from most deprived to least deprived and is based on 39 separate indicators covering the themes of income, employment, education, health, crime, barriers to housing and services and living environment. Although the data is primarily for local analysis, it can be aggregated up to describe relative derivation for high-level administrative geographies such as districts[26].

Figure 19 shows the variation in overall deprivation levels between the districts within each county council area using a 'Box and Whisker' chart which shows the distribution of data into quartiles, highlighting the mean and outliers (as represented by a dot). This illustrates that some county council areas contain wide ranging deprivation levels at the district level. Generally speaking, areas with the highest overall deprivation (left side of chart) also have the greatest variation in deprivation levels across the districts. For example, within Lancashire, Burnley has very high deprivation levels whilst Ribble Valley has comparatively lower levels. Other county council areas have lower overall levels of deprivation but contain one or two outliers which are much more challenged than the rest of the districts. In North Yorkshire, the majority of districts have lower deprivation scores but Scarborough has a significantly higher score. Conversely in Buckinghamshire, it has very low deprivation overall and very little difference between individual districts.

This range in deprivation presents county council areas with a significant challenge in relation to growth as it requires decisions to be taken on whether investment should be made in areas that have greater need or if it should focus on areas where there are greater opportunities. It is a challenge that can only be truly addressed at the level of an individual place.

Figure 19: Within county variance - Index of Multiple Deprivation



Source: MHCLG, English indices of deprivation (2019)

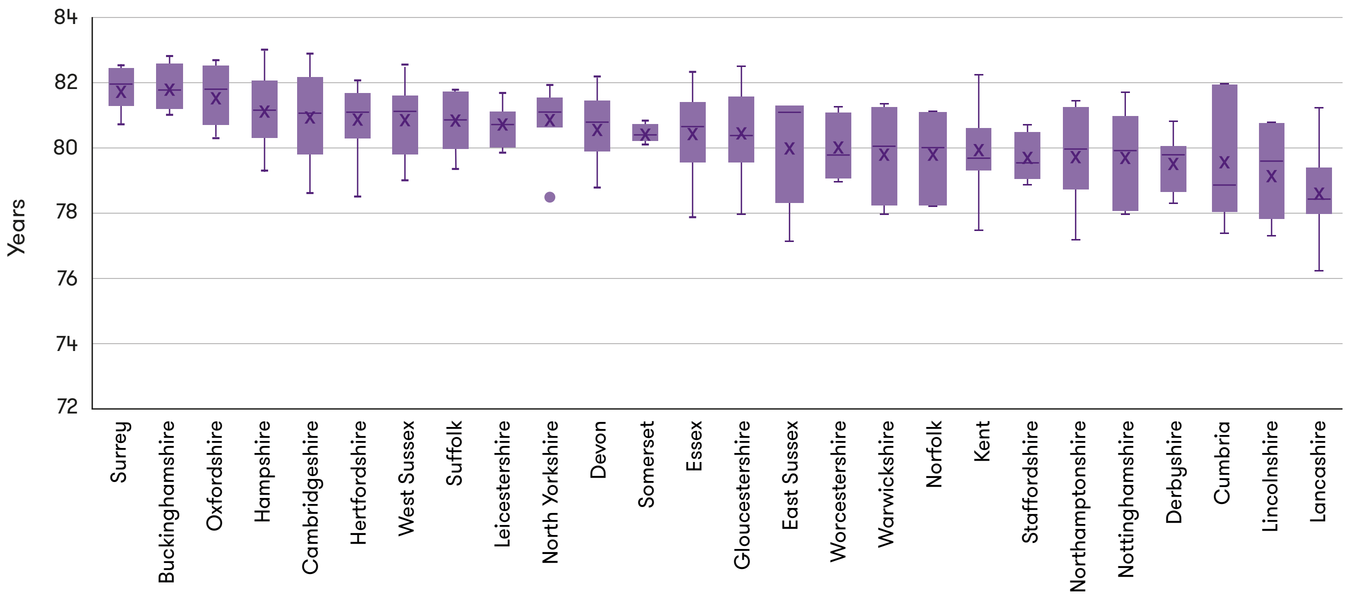
25 This variance analysis looks at difference in performance between districts and therefore only includes the 26 County Authorities and excludes the Unitary authorities. It should also be noted that variation will of course exists within districts and at the neighbourhood level.
26 Ministry of Housing Communities and Local Government (2019) The English Indices of Deprivation

Deprivation is also closely linked to health, with people living in more deprived areas more likely to suffer from ill health and premature death. The high burden of disease in deprived areas generates higher use of health and social care services, higher unemployment, and lower productivity[27]. Health inequalities exist both between and within local authority areas, with almost 20 years of extra healthy life enjoyed by those in the longest-living areas compared with those in the shorter-lived areas[28].

Looking across the county council areas in Figure 20, it is clear to see that whilst male life expectancies are generally high across a large number of county council areas, some of the county council areas have marked differences in male life expectancies between their districts. Overall Lancashire, Cumbria and Kent have the greatest gaps in male life expectancy, with a difference of five years between the district with the longest life expectancy and the one with the shortest. Even county council areas that have very high overall male life expectancy are faced with different levels of male life expectancy across their districts. For example, in Cambridgeshire, the average male life expectancy ranges from 83 years down to 79. This further illustrates the wide ranging lived experience of residents and the importance of local tailored policies, programmes and investment.

Health inequalities are not however caused by one single issue, but a complex mix of environmental and social factors which play out differently in different places[29]. Reducing the spatial disparities in life expectancy is therefore considered an important priority in relation to growth[30] and in recent years there has been an increasing move towards a place-based approach to health, where local commissioner and providers across sectors work together with local communities to meet the specific needs of that geographic locality[31]. Strategies that are multifaceted and complimentary across multiple stakeholders are therefore more likely to succeed and given the wide geographic and strategic lens that county authorities provide, they are well placed to provide a more place-based approach to managing health and wellbeing of the population.

Figure 20: Within county variance - male life expectancy



Source: ONS, Life expectancy at birth (2016-18)

27 Public Health England (2019) Place-based approaches for reducing health inequalities: main report
28 Local Government Association (2017) A matter of justice – Local government's role in tacking health inequalities.
29 Public Health England (2019) Place-based approaches for reducing health inequalities: main report
30 UCL and Institute for Innovation and Public Response (2019) A mission-orientated UK Industrial Strategy
31 Public Health England (2017) Reducing health inequalities: system, scale and sustainability

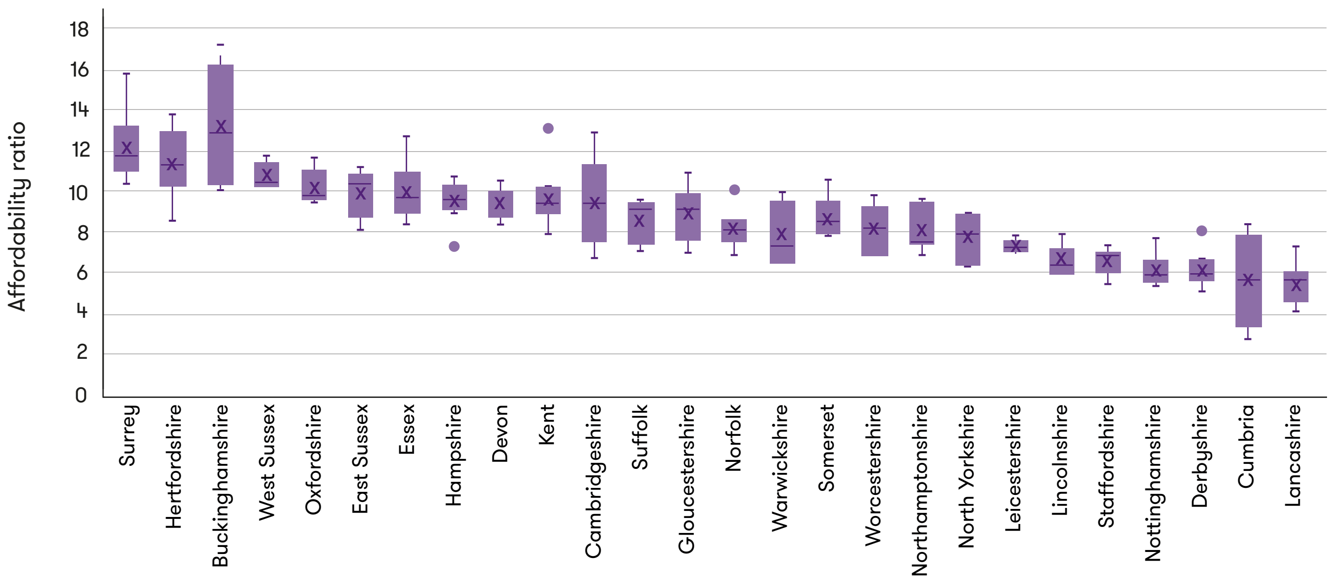
Furthermore, a number of county authorities have recognised how important health and wellbeing is to the wider growth agenda. For example, Oxfordshire County Council recognises the significant benefits for local people that can be achieved through bringing together planning for housing, infrastructure and the economy with planning for resident health and wellbeing. The initiative of 'Healthy place shaping' is being driven by Cherwell Council but Oxfordshire County Council see this as an essential component of their strategic planning frameworks and is embedded within their governance structure and workstreams of their Growth Deal and Growth Board[32]. In Essex County Council, they have recognised how important 'good design' is to the mental and physical health of communities.

Many of the case study authorities that we interviewed also recognised the importance of health and wellbeing to reducing demand on services further down the line and thereby freeing up more capital for investment in growth.

As discussed on page 31 of this report, housing affordability is a major challenge that county authorities are facing.

However, affordability levels can vary significantly across county authority areas, which further complicates the picture. Figure 21 shows the variation in district affordability ratios within county council areas, with a larger affordability ratio indicating lower levels of affordability. Buckinghamshire has one of the highest affordability ratios of all counties, but this masks large disparities within the county council area. For example, Aylesbury Vale has an affordability ratio of 10.13 whilst in Buckinghamshire it is much greater at 16.73. A similar range in affordability levels is seen in the comparatively more affordable County of Cumbria, which has district affordability ratios ranging from 2.76 in Copeland up to 8.25 in Eden. In some of the county council areas there are clear outliers (as illustrated by the dot) where places have bucked the trend. Examples of this include Sevenoaks in Kent, North Norfolk in Norfolk and Derbyshire Dales in Derbyshire which all have significantly higher affordability ratios than the rest of the districts in the county. Conversely, Gosport in Hampshire is an outlier as it has a much lower affordability ratio, and therefore is comparatively more affordable than the other districts in the county.

Figure 21: Within county variance - affordability ratio



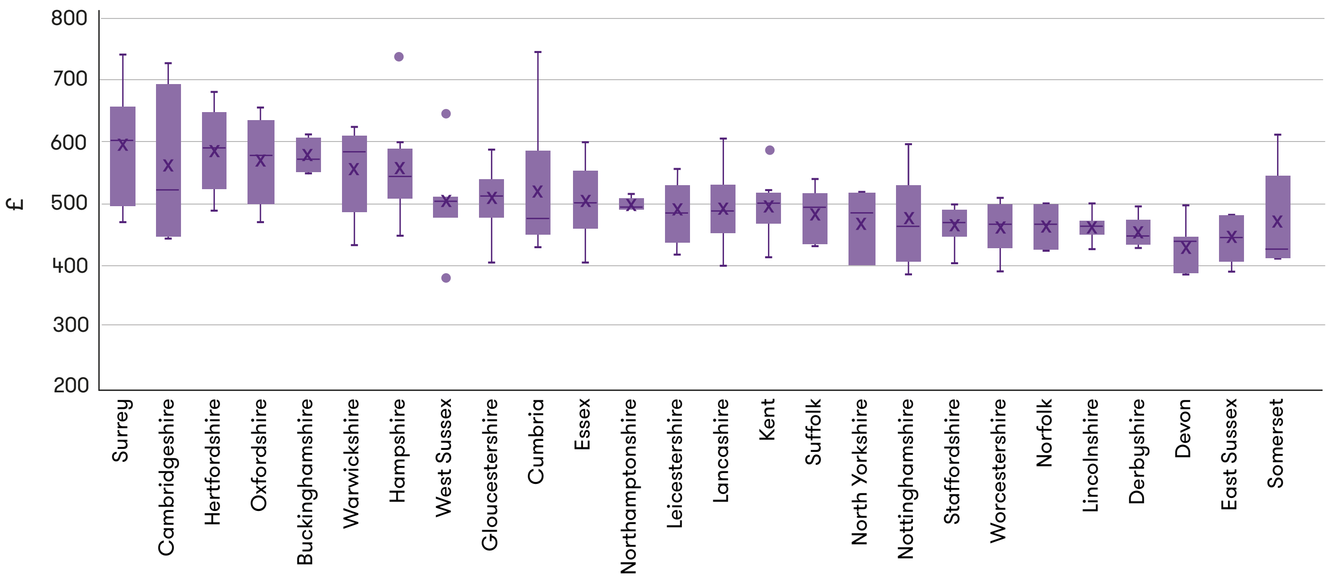
Source: ONS, Ratio of house price to residence-based earnings (2018)

32 Oxfordshire Growth Board (2018) Healthy Place-shaping in the Wider Growth Agenda

Alongside deprivation, health and housing affordability, there is also wide variation in workplace prosperity across county council areas, as demonstrated in Figure 22 which illustrates the variation in mean weekly workplace earnings between districts. A number of county council areas have clear outliers (as marked by the dots), such as West Sussex which has very high workplace earnings being generated in Crawley (£644) and much lower levels in Arun (£379). Other areas such as Northamptonshire see very little variation in the mean workplace earnings across its districts.

The differences in workplace earnings across county council areas is also reflective of the polycentric nature of many of the authorities, which are characterised by multiple centres of economic activity, rather than a single core centre, each with their own strengths, challenges and opportunities. In some cases, this can bring benefits, for example a number of counties that we interviewed said that their area has been more resilient to economic fluctuations due to different urban centres having different sector strengths.

Figure 22: Within county variance - workplace mean weekly earnings (£)

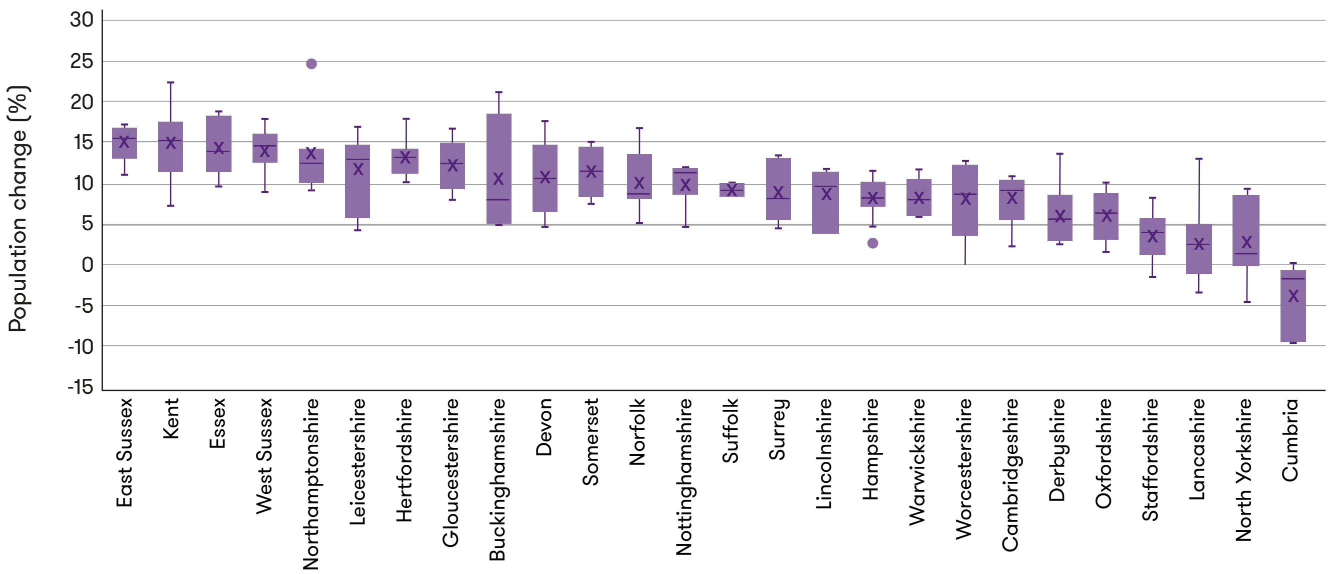


Source: Annual Survey of Hours and Earnings (2019)

A final variable we explore here is how projected population change will vary across county council areas. Figure 23 shows the range in districts projected growth rate in total population between 2018 and 2041. Some county council areas, such as Buckinghamshire and North Yorkshire, have a wide spread of district growth rates, whilst for others such as Suffolk, projected growth is more uniform across the county council area. A couple of areas also have clear outliers, such as Corby in Northamptonshire which has a projected growth rate of 24.9% compared to a district mean of 13.8%. The variability reflects that growth is by no means uniform across county areas and future proofing areas will require an in-depth understanding the variable nature of this growth and how this need can be met in a sustainable manner.

Taken together, these differences underline the danger of a 'one size fits all' approach to policy or programmes across county areas. Rather, it requires a combination of an intimate knowledge of place, a joined-up approach to delivery and freedom and powers to make decisions across a broader spatial scale. Place-based strategies can also take various forms depending on the need or problem being addressed, which works well for county authorities given that challenges play out differently across areas.

Figure 23: Within county variance - projected population growth (2018-2041)



Source: ONS, Population projections (2018)

The relationship between places and the importance of connectivity

County authority areas are not isolated islands and their relationship to wider functional economic areas has a profound impact on the scale and nature of growth. As noted already, the vibrancy of both city and county authorities is inextricably linked. To explore this further, this chapter looks at physical and digital connectivity in order to understand the relationship between places and the implication this has for growth.

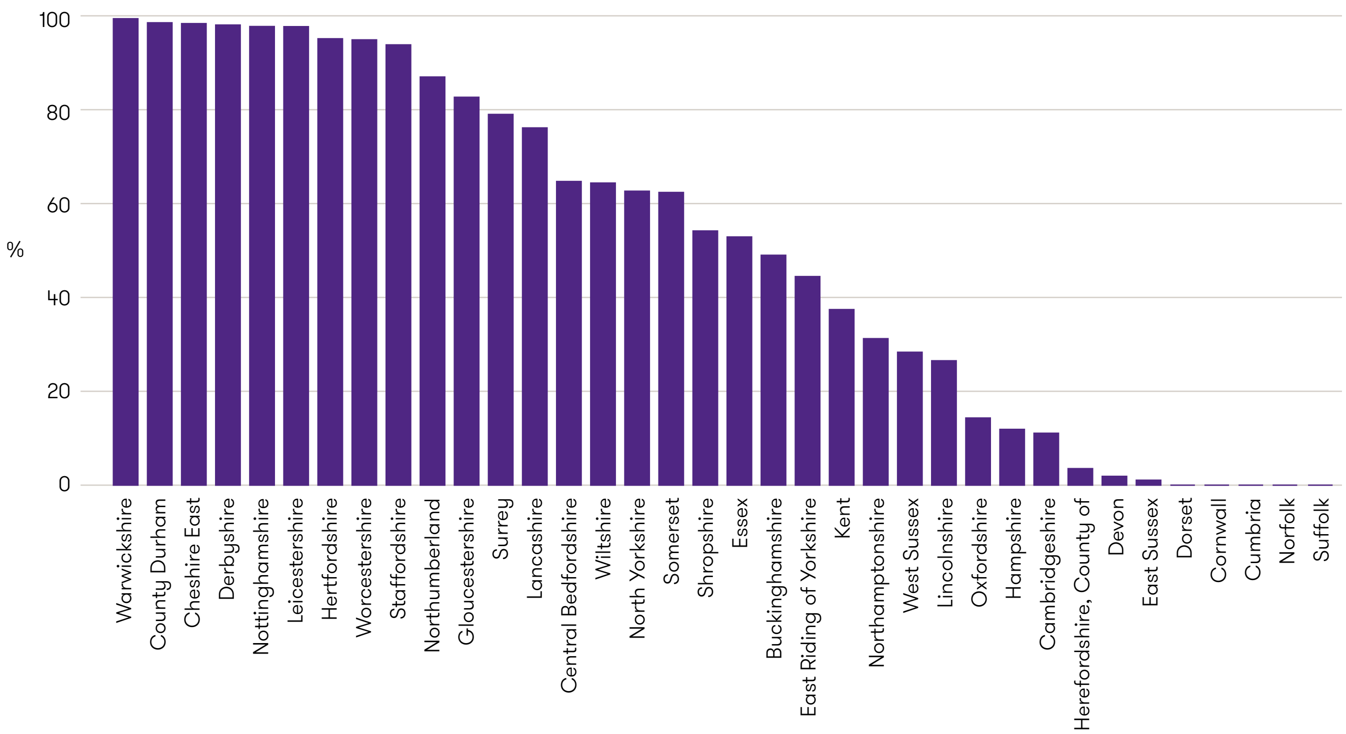
KEY FINDINGS

- Being close to large economic hubs, such as London and Core Cities, presents both risk and opportunities for county authority areas. Whilst county authorities can benefit from access to high-wage jobs, there is a risk of losing skilled workers and graduates.
- Proximity to large cities also creates risks when they expand outwards through housing growth, placing additional pressure on supporting infrastructure.
- Infrastructure provision is critical in ensuring that places and people are linked. New transport developments, such as HS2, offers improved links over a much wider area.
- Transport planning also has to adapt to changing attitudes towards transport: whilst people continue to value mobility, they also care about adverse impacts of transport on climate, health and quality of life and about their own travel experience as congestion mounts.
- Despite high levels of people travelling to work by car in county authority areas, many councils are putting in place more sustainable forms of transport to reduce this dependency.
- Connectivity is not only physical but virtual and the presence of superfast broadband is a particular requirement for those more rural counties.
- County authority areas that currently have lower Superfast/Ultrafast broadband availability are the areas that have seen the greatest increase in availability over the past three years which perhaps suggest that these areas are investing more heavily in broadband roll out in order to address the low levels of accessibility.

Proximity to Core Cities can present both opportunities and risks for county authorities. Being close to these economic hubs provides an opportunity for the flow of goods, people and knowledge, which is why having the right transport infrastructure in place is so crucial to supporting and sustaining these economic flows.

Cities are therefore an important source of jobs, particularly for those county authorities that are in relatively close proximity to Core Cities or London. Figure 24 shows the proportion of the county authority areas' population that falls within a Core City[33] or London commuter catchment[34]. Of all the county authority areas, Warwickshire has the highest coverage within a Core City catchment, which is reflective of its close proximity to Birmingham and being within a commutable distance from Nottingham. At the other end of the spectrum, Suffolk, Norfolk, Cumbria, Cornwall and Dorset all fall outside of a Core City or London catchment. Each of these areas are also rural in nature, having over 60% of their population classified as living in rural areas, which one would expect given their distance from Core Cities. This will have a direct impact on the nature and type of growth that will take place in these geographies.

Figure 24: Proportion of county authority areas' population living within Core City commuter catchment



Source: Grant Thornton; ONS (2018) mid-year population estimates

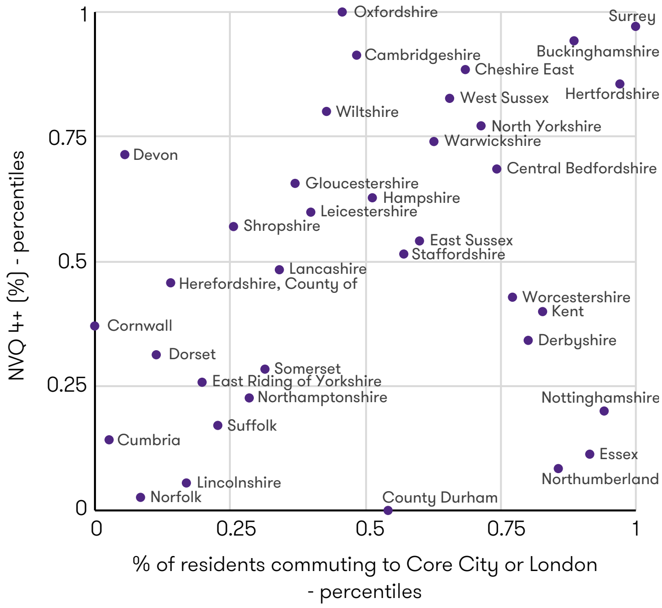
33 Core Cities in England include Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield
34 The 'Commuter' catchment is defined as a 90-minute public transport catchment and 60-minute drivetime combined.

Commuter data from the 2011 Census[35] also gives a good indication of the actual flows of people between cities and county authority areas. Looking across all county authority areas, 9% of workers commuted to a Core City or London[36], but this varies hugely across the different county authority areas, ranging from 30% in Surrey down to 0.7% in Cornwall. This movement of people is often being driven by high-skilled people which is explored further in Figure 25. The top right of the scatter chart includes areas that have highly skilled residents and a high proportion of workers commuting into Cities. For example, in Surrey, Hertfordshire and Buckinghamshire a high proportion of workers will be commuting into London, whilst in Cheshire East and North Yorkshire their closeness to Core Cities such as Manchester, Leeds and Sheffield will account for the higher proportions of out-commuters. Interestingly, areas in the top left corner of the chart could be described as being more self-contained, as these county authority areas have high levels of skilled residents but low levels of workers commuting into London or Core Cities. This is also a reflection of these areas containing their own notable economic hubs such as Oxford (Oxfordshire), Cambridge (Cambridgeshire), Exeter (Devon) and Leicester (Leicestershire), each providing important employment opportunities for the skilled residents.

With planned transport investment, such as HS2, there is an opportunity for building greater links with large economic hubs over even longer distances. For example, in Cheshire East the development of HS2 station at the Crewe hub will provide a rapid link to London and other major cities and boost local growth through the creation of 37,000 new jobs and 7,000 new homes[37]. Coupled with attractive land values, this creates a perfect combination to attract decentralised office markets, regional hub employers and major retailing[38].

For some of the county authority areas that surround London, such as Hertfordshire, Kent and Essex, part of their attractiveness is that they can offer a high quality of life and access to green space whilst also benefiting from quick transport links into London. But this in itself also presents a risk, as the competitive advantage that London has over some of the surrounding towns results in a drain of skills away from the local economy. The constant stream of skilled workers into London to access better paid work also risks creating 'dormitory neighbourhoods'[39].

Figure 25: Percentage of workers commuting to a Core City or London (%) vs. percentage of residents qualified to NVQ 4+ (%)



Source: Census (2011); Annual Population Survey (2019)

Looking across all county authority areas, **9% of workers commuted to a Core City or London**, but this varies hugely across the different areas.

35 This is the most recent source of data at this spatial level
36 'Core Cites' is defined as the local authority areas within which the Cities are located and 'London' is all London boroughs i.e. Greater London
37 https://www.hs2.org.uk/stations/crewe/
38 https://www.cheshireeast.gov.uk/highways_and_roads/roadworks/major-projects/hs2_in_cheshire_east/economic_benefit_of_hs2.aspx
39 Hertfordshire LEP (2018) Hertfordshire Fit for the Future

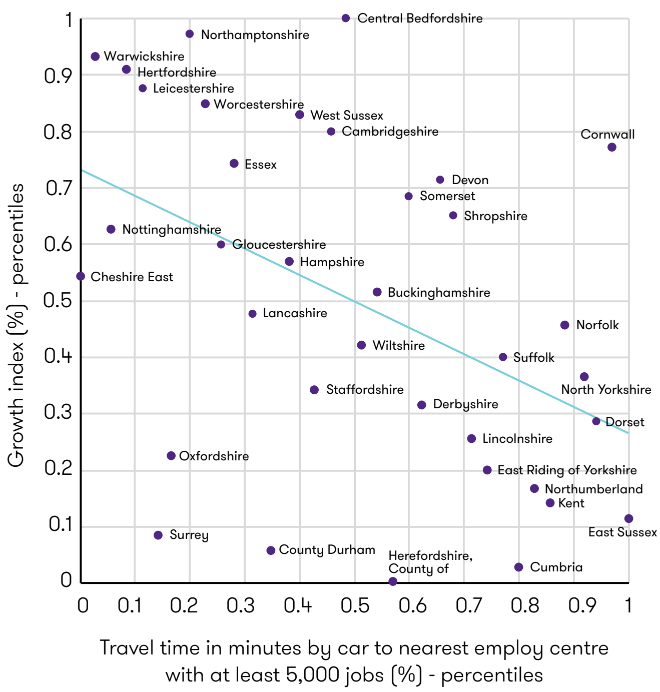
A further challenge faced by some of the county authority areas that surround London is that as London expands outwards through housing pressures, it becomes more difficult for neighbouring county authorities to deliver sustainable developments and large-scale settlements to the same extent as other areas. It is a challenge that requires county authorities to think more innovatively in how they plan for future housing developments. For example, Surrey Future[40] 2050 Place Ambition reflects the growth ambitions of the local planning authorities and therefore includes proposals for four new communities across the county which have been subject to public consultation, some of which utilise existing urban settlements, to ensure that the land is used in the most efficient and versatile way[41]. The growth of London will also place increasing pressure on existing infrastructure and local services in surrounding county authority areas, which is something that must be factored into future planning.

There is therefore a careful balance to strike between maximising the benefits of close proximity to a large economic hub (e.g. Core Cities or London) whilst retaining high-net worth individuals and protecting the unique identity of the county authority area[42].

However, growth is not dependent on close links with Core Cities and London. In fact, when we correlated the proportion of a county authorities population that falls within a Core City or London catchment against a Growth Index[43] it shows that there is no clear correlation between the two.

However, what is clear is that access to employment centres is important to improving local employment opportunities and driving growth. This is shown in Figure 26 which correlates the Growth Index against the time it takes in minutes to travel by car to the nearest large employment centre (defined as having over 5,000 employees). Although the correlation is not notably strong, it does suggest a relationship between these two variables, with areas performing strongly on the Growth Index also tending to have shorter average travel times to reach employment centres. However, there are some exceptions to this pattern, such as Surrey which has short journey times but lower growth, and Cornwall which conversely has longer average journey times to reach employment centres with over 5,000 employees and yet is achieving high levels of growth. It is another finding that underlines the complexity of growth and the need to understand the place-based nuances in order to best effect change.

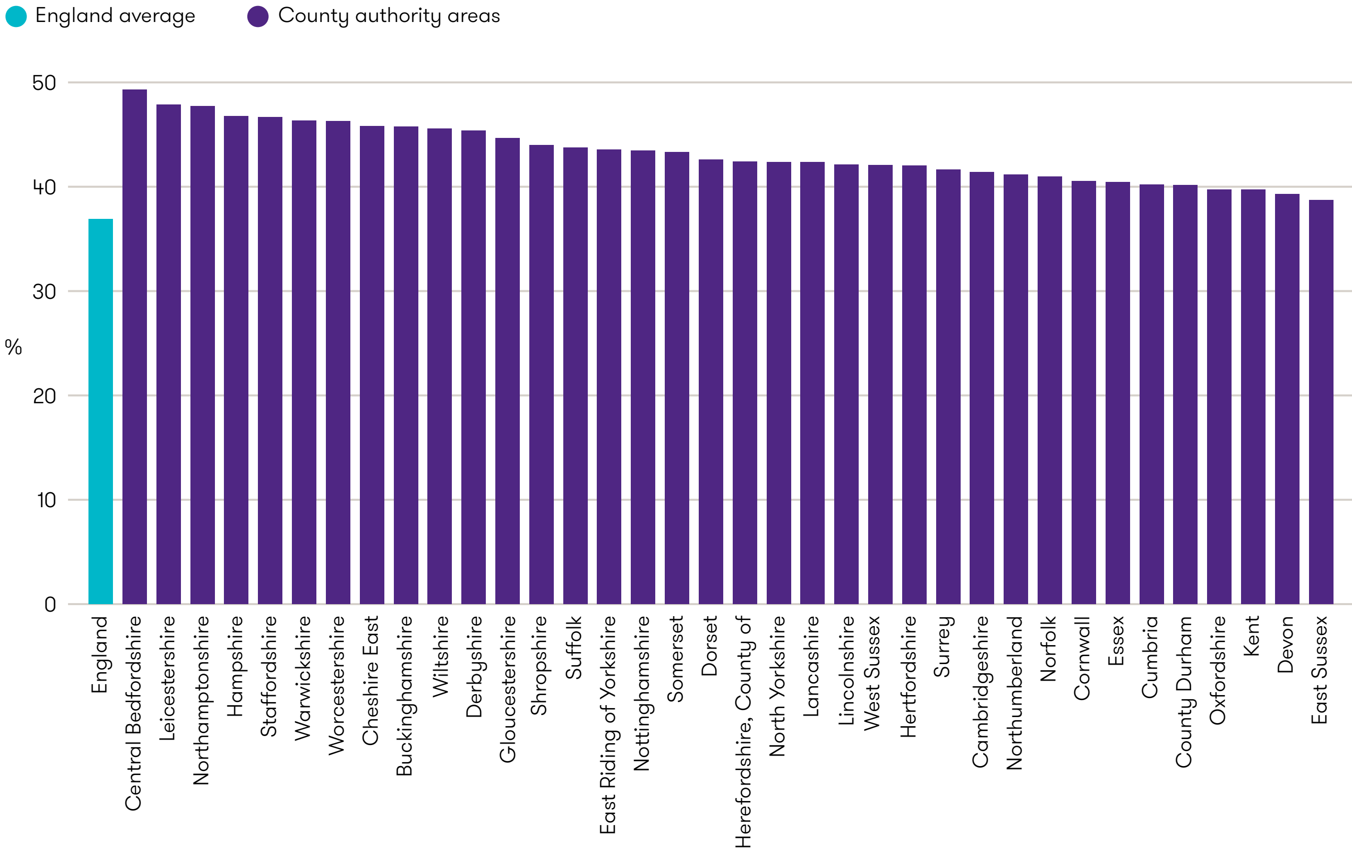
Figure 26: Travel time to employment centre vs. growth index



Source: Grant Thornton (2019); DFT, Journey time statistics (2016)

40 The eleven Surrey Districts and Boroughs and Surrey County Council are working together under the auspices of the Surrey Future Steering Board. Partners include Coast to Capital and Enterprise M3 Local Enterprise Partnerships, Gatwick Diamond Initiative and Surrey Nature Partnership
41 Surrey Future (2019) Surrey's 2050 Place Ambition
42 Hertfordshire LEP (2018) Hertfordshire fit for the future
43 The Grant Thornton 'Growth index' looks at five year growth across businesses, employees, GVA, total population and dwelling stock

Figure 27: Proportion of population travelling to work by car/van



Source: Census (2011)

The polycentric nature of many of the county authority areas means that there tends to be a higher reliance on cars for travel than other local authority areas, particularly for those areas that are more rural in nature. Figure 27 shows that all of the county authority areas have levels of dependence on cars above the England average. The highest figure overall is in Central Bedfordshire at 49% whilst the lowest figure is in East Sussex at 39%.

Many of the county authorities that were consulted are however recognising the importance of moving towards more sustainable and integrated modes of transport that reduce their carbon footprint, such as walking, cycling, public transport and car share schemes. For example in Hertfordshire, county councillors recently approved plans to form a new enhanced partnership with bus companies and a number of highway improvements to improve bus reliability. This will be delivered through the new Intralink Enhanced Partnership which will see bus companies and local authorities work more closely together to improve the bus networks. Key plans include prioritising bus and coach services in traffic, improving the image of bus travel, upgrading bus infrastructure and more closely integrated bus network.

Transport planning also has to adapt to changing attitudes towards transport: whilst people continue to value mobility, they also care about adverse impacts of transport on climate, health and quality of life and about their own travel experience as congestion mounts[44]. The case study county authorities we interviewed were very aware of these changes and pressures and many are finding ways to integrate more sustainable modes of transport into their future growth planning. For example, Hertfordshire is planning to implement a Mass Rapid Transit system (MRT) which will provide a cost-effective and sustainable transport system to better connect some of Hertfordshire's biggest towns and reduce dependence on cars[45]. Other county authorities, such as Cornwall, are taking softer approaches to reducing car reliance, such as supporting car share initiatives and supporting the introduction of car clubs that use low CO2 emitting vehicles[46].

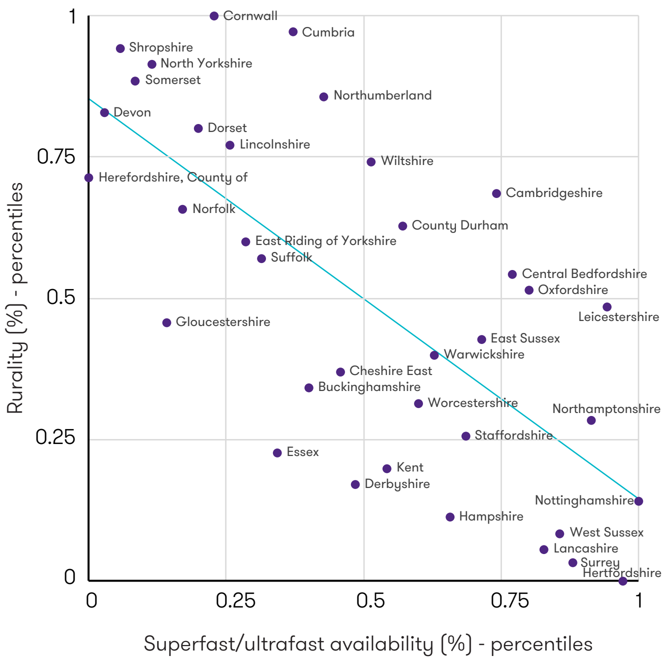
44 Department for Transport (2007) Towards a Sustainable Transport System
45 https://www.hertfordshire.gov.uk/about-the-council/news/news-archive/new-rapid-cross-county-transport-system-proposed-for-hertfordshire
46 Cornwall council (?) Connecting Cornwall: 2030 the strategy

Digital connectivity

Connectivity, however, is not just about physical infrastructure, how places connect digitally is becoming increasingly important. There is growing evidence to suggest that extending broadband to an area can affect productivity, the number of businesses, and local labour market outcomes such as employment, income and wages[47]. In recognition of this, the UK Government launched a superfast broadband programme (BDUK programme) enabling the delivery of superfast broadband to those areas that would not be reached by private investment[48]. This succeeded in meeting its target last year of 95% coverage of broadband with a speed of at least 24 Mbit/s and the programme is still continuing to fund superfast roll out beyond this[49].

Whilst access to high-speed broadband (superfast, ultrafast and full-fibre) is increasing across the country, it is still a major problem in the UK that is disproportionally affecting rural areas. The 2018 Connected Nations report by Ofcom found that there is a significant difference between the availability of superfast broadband in urban and rural areas, with 97% of premises in urban areas having access to superfast broadband compared to 74% of premises in rural areas. Figure 28 shows the correlation between rurality and the proportion of premises that have access to Superfast/Ultra fast broadband for all county authority areas. This shows a relatively strong correlation between the two factors (with a correlation coefficient of 0.7), with more rural county authority areas, such as Shropshire, North Yorkshire and Somerset having a lower proportion of premises with access to either Superfast or Ultrafast broadband.

Figure 28: Rurality vs. superfast/ultrafast broadband availability (%)



Source: Ofcom, Connected Nations (2018); ONS Rural-Urban classification (2011)

47 https://whatworksgrowth.org/policy-reviews/broadband/evidence-review/
48 House of Commons Library (2018) Superfast broadband in the UK
49 Ofcom (2018) Connected Nations 2018 UK report

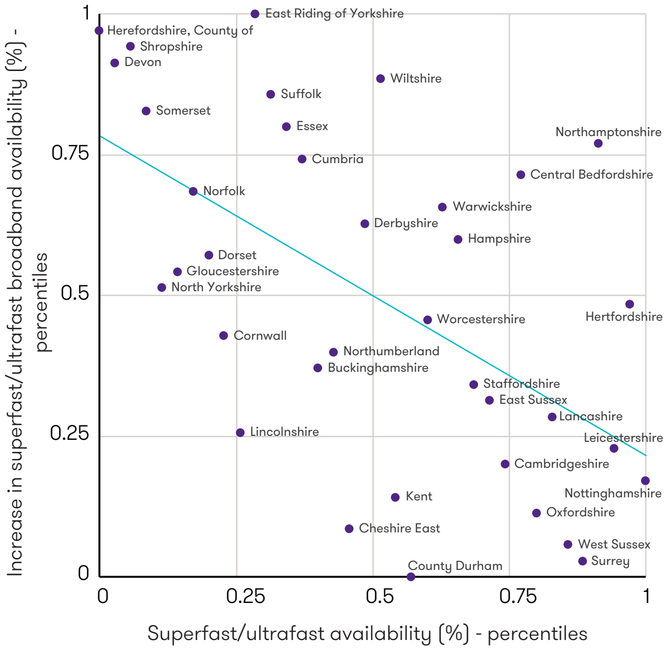
Better broadband and mobile infrastructure has the potential to transform the rural economy with greater potential for home working and small business growth, and fewer constraints on operating from remote locations[50]. Figure 29 shows that the county authority areas that currently have lower Superfast/Ultrafast broadband availability are the areas that have seen the greatest increase in availability over the past three years which perhaps suggest that these areas are investing more heavily in broadband roll out in order to address the low levels of accessibility. For example, East Riding of Yorkshire, has had the greatest proportional increase in the percentage of premises able to access Superfast or Ultrafast broadband, increasing from 67% of premises in 2016 to 90% in 2018. The Broadband East Riding Programme, which is entering its third Phase of work, will have contributed to the increase in availability. This procurement is funded by efficiency savings from Phase 1 and grant funding from the European Agricultural Fund for Rural Development (EAFRD), with the possibility of further increasing Phase 3 rollout by early utilisation of programme take up funding[51].

To ensure that no areas are left behind, some of the county authorities that we interviewed also discussed how parts of their county authority area were benefiting from the Government's Better Broadband Voucher Scheme. This is a UK-wide government subsidy scheme to provide an affordable, basic broadband installation to homes and businesses that are unable to access a broadband service with a download speed of at least 2 Mbps – and who will not benefit from the superfast broadband roll out within the next 12 months.

Some rural communities have invested in full-fibre networks through a more bottom up approach to community schemes, which present a more place-based model of delivery. One such example is the Herefordshire Community Networks (FTTP) scheme covering an initial 28 properties, mixed residential and small business[52].

In summary, both physical and digital connectivity are important but complex factors in influencing the potential for economic growth within a county authority area. Authorities must find a balance between reaping the benefits of proximity to large economic hubs, whilst retaining high-net worth individuals and protecting the county authority's unique identity. The expectations of residents to have efficient and sustainable transport links must also be met, alongside high broadband coverage, even in rural areas. By providing the right physical and digital infrastructure, county authorities can expect to see economic growth through improved earnings, higher employment rates, and increased business counts.

Figure 29: Superfast/ultrafast broadband availability vs. change in availability (%)



Source: Ofcom, Connected Nations (2018)

50 House of Lords (2019) Time for a strategy for the rural economy
51 https://broadband.eastriding.gov.uk/rollout/
52 https://www.gov.uk/government/publications/community-led-broadband-schemes/case-studies

Placed-based growth – the county perspective

This chapter looks at the specific role being played by county authorities in driving place-based growth.

The chapter begins by highlighting the significant financial contribution to growth related spend. Between 2015/16 and 2018/19, county authorities and districts spent £32.8 billion on growth related spend, of which 58% was contributed by county authorities. However, as the analysis shows, investment in growth has become increasingly complex as different funding sources have different bidding methods, delivery bodies and allocation methods. Together this results in a complex picture which adds time and doesn't necessarily see county authorities benefiting to the same extent as city authorities.

Investment is however only one part of the county role, indeed perhaps a more significant role played by county authorities is around the influence they exert over growth. This subsection identifies six core ways in which county authorities are exerting their influence, which includes taking the lead in bringing together different parties and stakeholders to create and then deliver the strategic vision of place, facilitating delivery by removing particular barriers to growth and playing a leading role in communicating about place.

This chapter concludes by looking at the results of this investment and influence. By providing an overview of some of the different actions and activities delivered by county authorities this subsection highlights what county authorities are doing on the ground to deliver growth. These actions can take many forms including investing in critical transport infrastructure, creating new forms of governance to formalise place-based growth, partnering with industry or education and empowering community led initiatives.

By looking at growth through the County perspective, a number of barriers and opportunities are identified. Many of these are then picked up in the final chapter of the report around recommendations.

Investment

In delivering growth, investment is critical. This section seeks to explore investment through two lenses. The first looks at the amount of investment county authorities have made. The second looks what wider investment has flowed into county authority areas.

KEY FINDINGS

- Despite significant other financial pressures county councils and county unitaries have continued to make a more significant contribution to growth related spend, accounting jointly for 58% of the £32.8 billion gross revenue and capital expenditure made by all county authority areas (county councils and their districts, plus county unitaries).
- When benchmarked against other authority types, county councils and county unitaries jointly contribute 23.2% of total growth expenditure nationally, which is the highest share overall. The second highest contributor to growth expenditure is London boroughs, at 21.6%.
- County unitaries have a much higher growth expenditure per capita figure of £347, which is over double that of the county councils (£168). However, this is still lower than Core Cities, London boroughs and Unitary authorities.
- Change in growth related expenditure is quite marked across the different authority types. County authorities saw growth in revenue expenditure of 6.7% which is comparable to the district's rate of growth, whilst growth by county councils was lower at 2.6%. For capital expenditure, growth was very similar between county councils and county unitaries but both outpaced by London's growth rate of 18%.
- These differences, reflect that firstly county councils have experienced increased pressure on budgets due to reductions in government funding and increasing demand for services, resulting in the prioritisation of statutory services. Secondly, the responsibilities held by county councils are predominately statutory, whereas district councils have control over more discretionary services and therefore have greater potential to generate income.
- Alongside the direct investment made by county authorities there are a number of other sources of funding that flow into localities from both Central Government and Europe. These funding streams can be complex with many differing in terms of the criteria, bidding processes, delivery bodies and allocation methods resulting in county authorities having to invest significant amount of time and resources to secure a small amount of funding.
- Disparity exists in the allocation of funds between county authorities and non CCN authorities. Looking at four specific funds we have calculated that the total funding received by county authorities is £11,262m whilst for non-county authorities the total is £14,001m. This is equivalent to £438 per head of population in county authority areas and £463 per head in non-county authority areas.

Local authority growth expenditure

County authority investment

Using data sourced from the Ministry of Housing, Communities and Local Government, local authority expenditure, both gross revenue and capital, has been segmented to extract services that were deemed as 'growth related' from planning to highways to cultural related services. Table 1 and 2 provides a summary of the service lines that we have identified as 'growth related' expenditure.

By analysing this 'growth related' expenditure it is apparent that there has been significant investment by local authorities* into growth related services. Between 2015/16 and 2018/19, there was £82 billion gross revenue and capital expenditure invested by local authorities* into growth related services, 40% of which was by county authority areas (counties and their districts plus county unitaries).

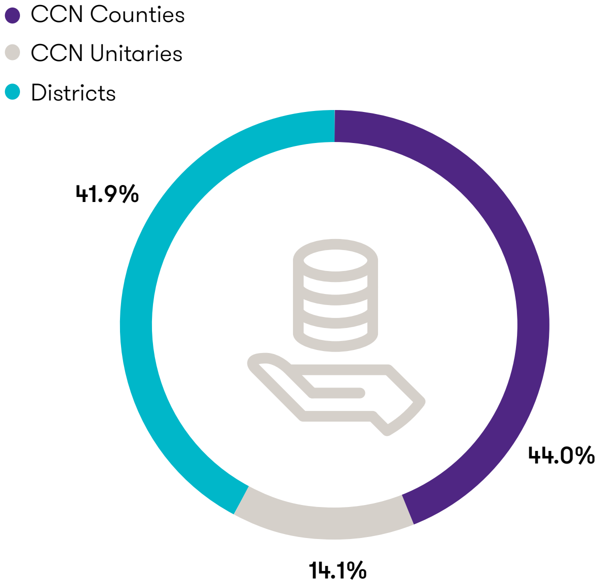
Of the £32.8 billion gross revenue and capital expenditure contributed by county authority areas, 44% of this was by county councils, 14.1% by county unitaries and 41.9% by districts (Figure 30). County councils and county unitaries therefore jointly accounted for 58% of growth expenditure in county authority areas, which highlights that despite significant other financial pressures county authorities have continued to make a more significant contribution to growth related spend.

In the following charts, growth expenditure in county authorities is benchmarked against seven other authority types: districts, Core Cities, London boroughs, metropolitan districts and unitary authorities. In order to avoid double counting, Core Cities that are metropolitan districts or unitary authorites are not included in the other groupings e.g. Bristol is classified as a Core City and therefore is not included in the unitary authority group.

Figure 31 shows that London boroughs contributed the greatest amount to growth expenditure between 2015/16 and 2018/19, at £17.8 billion county councils had the second highest total growth expenditure, at £14.4 billion, whilst county unitaries contribution was lowest at £4.6 billion. As a collective the total amount of growth expenditure made by county councils and county unitaries was £19 billion, which exceeds the London total.

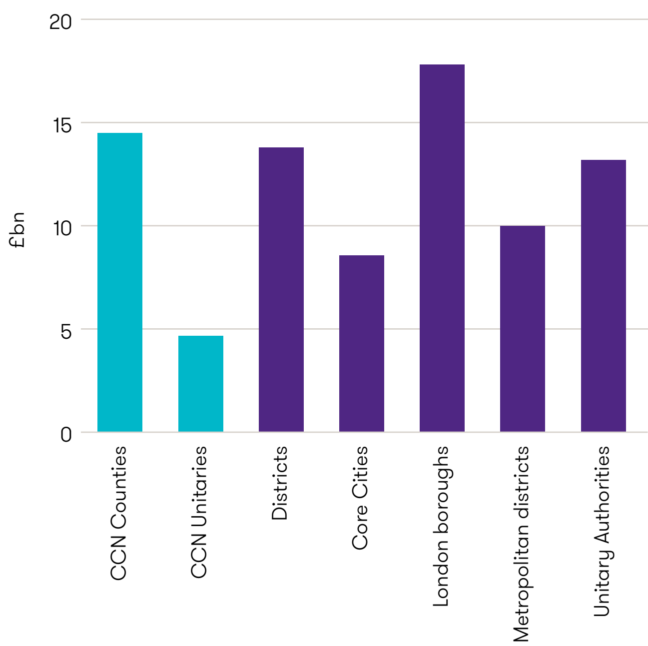
* excluding City of London and Isles of Scilly

Figure 30: Percentage share of total gross revenue and capital expenditure contributed by county authority areas (2015/16-2018/19)



Source: MHCLG (2018-19)

Figure 31: Growth expenditure (2015/16-2018/19) – Total (£bn)



Source: Revenue Outturn, MHCLG (2018-19)

Table 1: Revenue Outurn - spend lines classified as 'growth related' (2018/19)

- Post-16 provision
- Highways maintenance planning, policy and strategy
- Public and other transport planning, policy and strategy
- Structural maintenance - principal roads
- Structural maintenance - other LA roads
- Structural maintenance - bridges
- Environmental, safety and routine maintenance - principal roads
- Environmental, safety and routine maintenance - other LA roads
- Bus lane enforcement
- On-street parking
- Off-street parking
- Support to operators - bus services
- Support to operators - rail services
- Support to operators - other
- Public transport co-ordination
- Airports, harbours and toll facilities
- Arts development and support
- Heritage
- Museums and galleries
- Theatres and public entertainment
- Foreshore
- Open spaces
- Tourism
- Library service
- Trading standards
- Port health (excluding levies)
- Port health levies
- Licensing - Alcohol and entertainment licensing; taxi licensing
- Crime reduction
- Safety services
- CCTV
- Agricultural and fisheries services
- Street cleansing (not chargeable to highways)
- Trade waste
- Building control
- Development control
- Conservation and listed buildings planning policy
- Other planning policy
- Environmental initiatives
- Economic development
- Economic research
- Business support
- Community development

Table 2: Capital expenditure: spend lines classified as 'growth related' (2018/19)

- Post-16 provision and other education
- Roads, street lighting and road safety
- Parking
- Public transport (bus)
- Public transport (rail and other)
- Airports
- Ports and piers
- Tolled roads, bridges, tunnels, ferries and public transport companies
- Housing
- Culture and heritage
- Open spaces
- Tourism
- Library services
- Community safety
- Agricultural and fisheries services
- Street cleaning (not chargeable to highways)
- Trade waste
- Planning and development

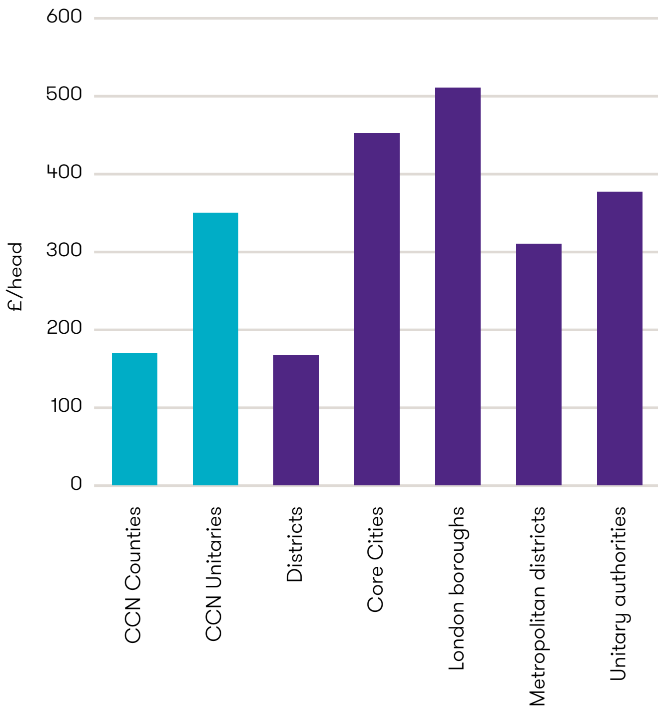
Figure 32: Growth expenditure (2015/16-2018/19) – National share (%)

Source: Revenue Outturn, MHCLG (2018-19)

This variation in growth expenditure across the authority types is also reflected in the national share bar chart (Figure 32). Overall London boroughs had the greatest share of growth expenditure, at 21.6%, followed by county councils at 17.6%. Whilst the county unitary share was lower at 5.6%, when combined with the county counties this equates to a combined share of 23.2% of all growth expenditure, the highest share of all authority types.

The per capita figures (Figure 33) are for the latest year of data (2018/19) and are based on mid-year population estimates relating to that year of spend. While county, district and unitary authorities in county areas are responsible for 40% of the £82 billion gross revenue and capital of investment by local government on growth related services between 2015-2019, investment per capita is significantly lower than major urban areas. In 2018/19 the combined investment per capita by county and district councils in two-tier local authority areas was £333, whilst by comparison, London boroughs spent over 50% more per capita (£507), and Core Cities 35% more per capita (£449). Equally, CCN unitary authorities' investment of £347 per capita is 23% lower than Core Cities and 31% lower than London. It is important to note these figures exclude additional investment by the Greater London Authority and Mayoral Combined Authorities.

Figure 33: Growth expenditure (2015/16-2018/19) – Per capita (£/head)



Source: Revenue Outturn, MHCLG (2018-19)

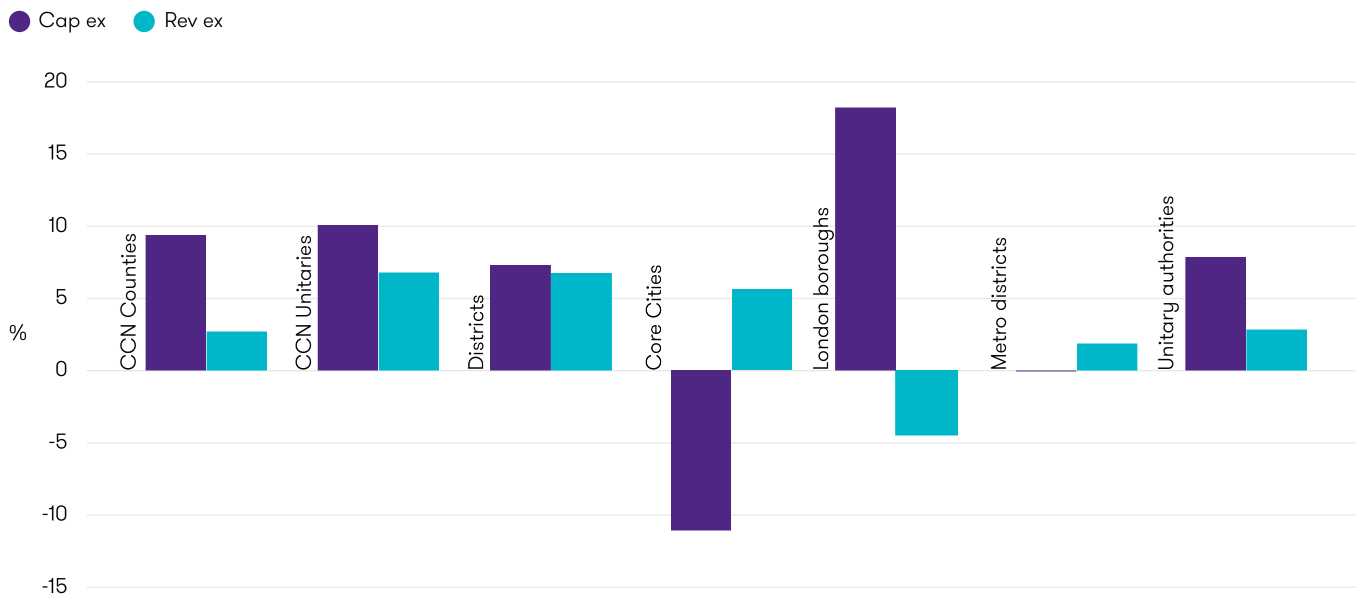
Figure 34 shows the percentage change in growth related capital and revenue expenditure between 2015/16 and 2018/19. This shows that there has been some significant variation between the different authority types. For growth related capital expenditure, London experienced the greatest increase over the time period, increasing by 18%, which is far larger than growth seen across the other authority types. By contrast Core Cities saw a marked decrease in capital expenditure over the same time period, decreasing by 11.3%. County councils and county unitaries both had similar growth in capital expenditure, increasing by 9.3% and 10% respectively.

For growth related revenue expenditure, London boroughs were the only authority type to see a decrease in expenditure over the time period. Overall county unitaries and districts had the greatest increase in growth related revenue expenditure, both increasing by 6.7%. By comparison, county councils had comparatively lower growth (2.6%). It is a finding that points to two key differences in the experience and powers of the two-tier authorities. Firstly, county councils have experienced increased pressure on budgets due to reductions in government funding and increasing demand for services, resulting in the prioritisation of statutory services. Secondly, the responsibilities held by county councils are predominately statutory, whereas district councils have control over more discretionary services and therefore have greater potential to generate income.

Does growth expenditure drive growth in the local economy?

Alongside considerations of how much has been invested it is also important to consider the impact of any investment made. To do this robustly, analysis would need to be undertaken over a significant time period. At this stage, due to data limitations, this is not easy. It therefore raises an important consideration in relation to place-based policy making around both the time-period over which change should be expected and the availability of consistent data to measure this robustly. This impacts on both national and local politicians as well as those agencies responsible for data collection and management.

Figure 34: Change in growth related capital expenditure and revenue expenditure between 2015/16 and 2018/19



Source: Revenue Outturn, MHCLG (2018-19)

Wider investment

The direct investment made by county authorities is of course only one source of investment in local place-based growth. There are a number of other sources of funding that flow into localities from both Central Government and Europe. These funds often flow through LEPs which makes analysis of the specific funding to county authorities difficult to assess. As a result, the following analyses looks at a small number of individual funding streams in order to provide an illustration of some of the wider trends and challenges that exist in relation to investment.

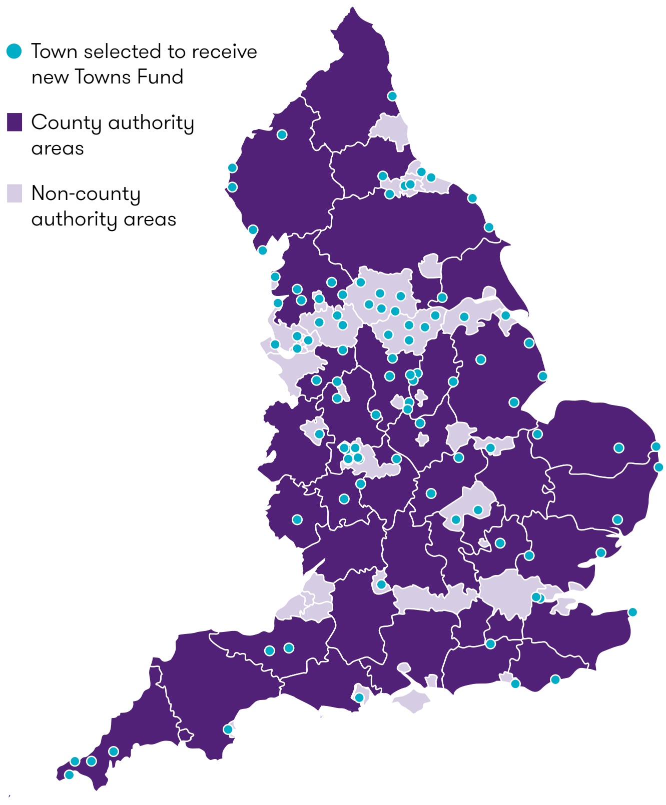
One of the first observations to be made when looking across the different funding streams relates to the complexity that multiple sources introduce. Different funding streams have different criteria, different bidding processes and different allocation formula (Table 5). The result of which is that county authorities have to invest a significant amount of time and resource to secure relatively small amounts of funding. Through our interviews with county authorities, a number also noted that once funding is allocated, individual sources of funding can also be difficult to join up and unnecessarily restrictive due to different funding conditions attached to each grant and different defrayment timescales.

A second important observation is the level of disparity that exists in the allocations between county authorities and non-county authorities (Table 3, Table 4). By comparing investments from different funding options (summarised in Table 5) across county authority and non-county authority areas, we can see that county authorities tend to receive less total funding overall. While the total difference seems relatively small, when considering the area covered by county authority areas this suggests an imbalance in funding allocations. When broken down by authority type, England's Core Cities received on average 33% more funding per capita, while other urban metropolitan areas receive almost a quarter (23%) more.

This scale of imbalance varies across the different funding types analysed and in some cases county authority areas receive slightly more funding, particularly when calculated on a per capita basis. One example of where county authority areas fair slightly better is on Towns funding. The recently launched Towns Fund has invited 101 towns across the country to develop proposals for bespoke deals that will boost productivity, skills and living standards in specific towns.

In order to estimate the amount of funding that different authority types will receive, we have allocated £25 million per town, which is the maximum amount that a town can receive through a Town Deal[53]. Positively, from a county authority perspective, 54 of the towns selected are within a county authority area and equates to £1,350m which is higher than the amount in Non-county authority areas (£1,175m). However, as Figure 35 shows, while county authorities receive slightly more total funding, there is a disproportionate clustering of recipient towns in non-county authority areas.

Figure 35: Towns invited to develop proposals for Towns deals



Source: MHCLG (2019)

53 Towns Fund Prospectus (Nov 2019). Ministry of Housing Communities & Local Government

Table 3: Investment by authority type

	Total towns funding (£m)	Total innovate UK grant (£m)	Total EU funding allocation (£m)	Total growth deal award (£m)	Total funding (£m)
County authority areas	1,350.00	2,531.78	4,245.19	3,135.22	**11,262.19**
Non-county authority areas	1,175.00	2,954.92	4,560.97	5,310.23	**14,001.13**
Core City	*50.00*	*512.55*	*978.89*	*1,157.29*	*2,698.72*
*London**	-	*643.73*	*440.57*	*1,847.79*	*2,932.09*
Metropolitan district	*625.00*	*1,073.91*	*1,768.39*	*912.41*	*4,379.71*
*Unitary authorities***	*500.00*	*724.74*	*1,373.12*	*1,392.74*	*3,990.60*
England	**2,525.00**	**5,486.70**	**8,806.17**	**8,445.46**	**25,263.32**

*Excludes City of London. It should also be noted that London would receive much of their non-LA funding for infrastructure via the GLA and specific TFL schemes which are not included in this analysis.
**Excludes Isles of Scilly

Table 4: Investment per capita by authority type

	Towns funding (£/capita)	EU funding (£/capita)	Growth deal funding (£/capita)	Innovate UK funding (£/capita)	Total funding (£/capita)
County authority areas	52.47	98.41	165.01	121.87	**437.76**
Non-county authority areas	38.86	97.72	150.83	175.61	**463.01**
Core City	*10.75*	*110.22*	*210.50*	*248.87*	*580.35*
*London**	-	*72.33*	*49.51*	*207.63*	*329.47*
Metropolitan district	*76.63*	*131.67*	*216.82*	*111.87*	*537.00*
*Unitary authorities***	*58.59*	*84.92*	*160.90*	*163.20*	*467.62*
England	**45.12**	**98.04**	**157.35**	**150.90**	**451.40**

*Excludes City of London. It should also be noted that London would receive much of their non-LA funding for infrastructure via the GLA and specific TFL schemes which are not included in this analysis.
**Excludes Isles of Scilly

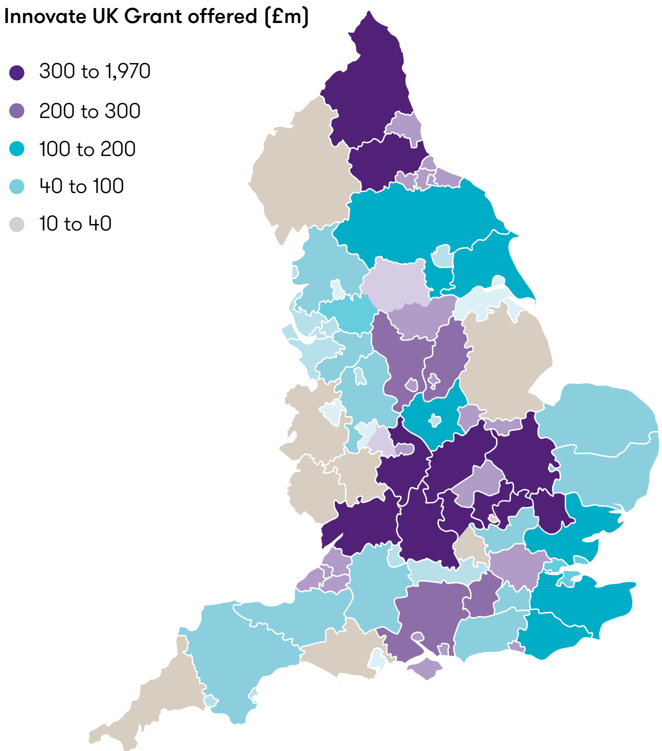
Whilst county authority areas receive slightly less EU funding overall than non-county authority areas, it is still a significant amount although it should be noted that this is skewed by Cornwall's notable high allocation, which accounts for almost a quarter of the total county authority areas allocation.

On Growth deals, whilst the per capita figure for county authority areas is higher than non-county authority areas, at £165, it is notable that metropolitan districts and Core Cities get much higher allocations per capita, at £217 and £211 respectively.

County authorities also see less investment than their more metropolitan counterparts when comparing the allocation of Innovate UK grants (Figure 36, Table 4). Innovate UK provide funding for innovative or disruptive projects that contribute significantly to UK economy[54]. Of the projects funded by Innovate UK between 2004 and October 2019, 43% were based in county authority areas amounting to a total of £3.1 billion. Despite this, county authority areas have received only 37% of the total funding from Innovate UK since 2004, with non-county authority areas receiving £5.3 billion. In part, this is because the average amount granted to projects in county authority areas was £224,000 compared to £291,000 in non-county authority areas.

The differences in funding to county authorities and non-county authority areas are further complicated by the grant funds going to LEPs to distribute to locally. Since their inception LEPs have been identified as the strategic bodies that oversee local growth and investment programmes[55], operating across more than one local authority. The government has already allocated £9.1 billion to individual LEPs through Growth Deals, with a further £2.9 billion expected by 2020-21[56] (Figure 37).

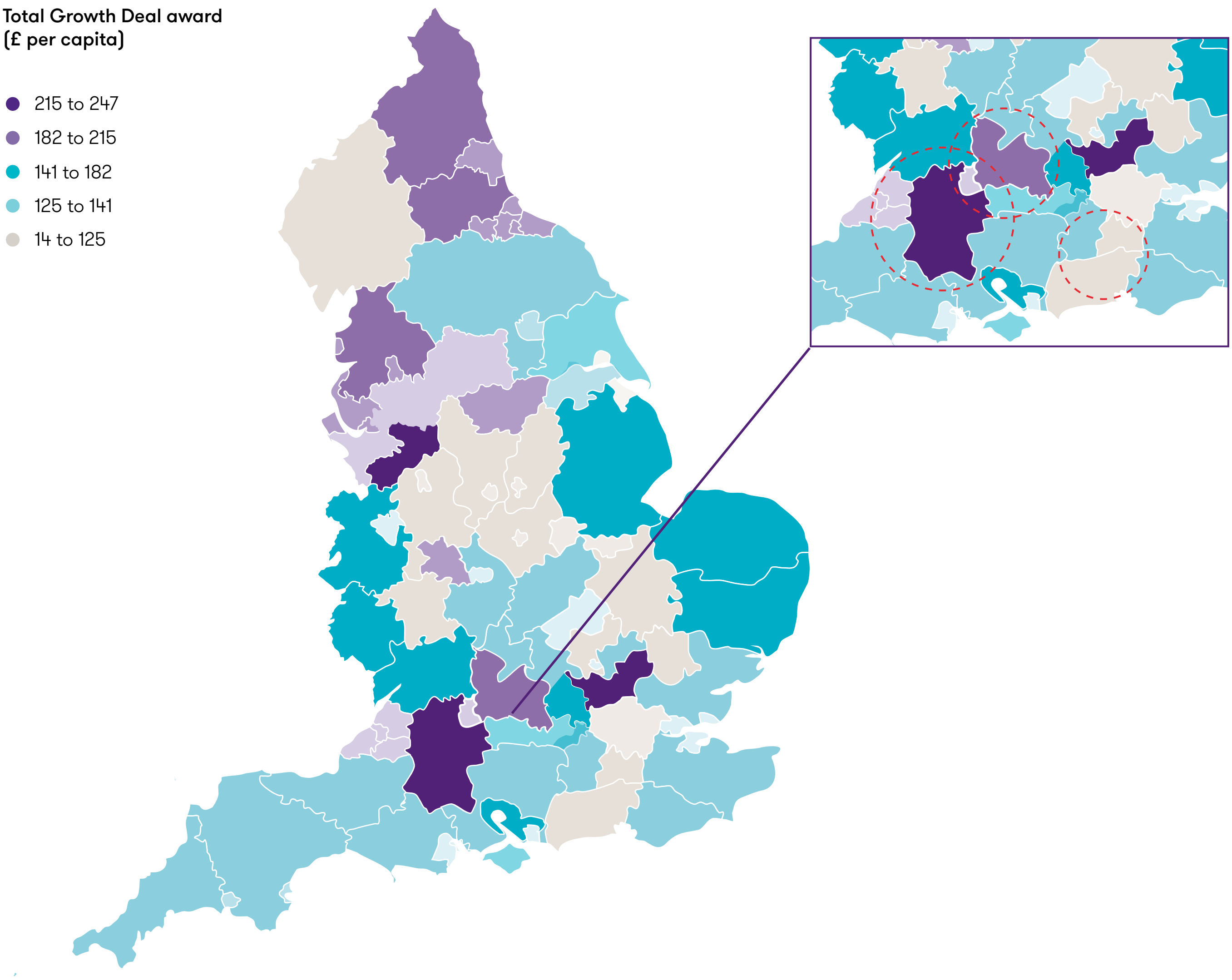
Figure 36: Innovate UK grant allocations to LEP areas



Source: Innovate UK (2004-2019)

54 https://www.gov.uk/government/organisations/innovate-uk
55 Local Enterprise Partnerships: an update on progress (2019) NAO
56 Local Enterprise Partnerships: an update on progress (2019) NAO

Figure 37: Total growth deal award to LEPs



Source: MHCLG (2019)

As can be seen in Figure 37, LEPs have received significantly differently amounts of funding which will in turn have directly impacted on the level of resources that flow into county authority areas to support growth. It is a pattern that is further complicated where county authorities sit across multiple LEPs (see Figure 36). For example, areas in east Surrey are covered by the Coast to Capital LEP which has been awarded on average £14.83 per capita from Growth Deals, while areas in west Surrey are covered by Enterprise M3 which has been awarded £128.53 per capita.

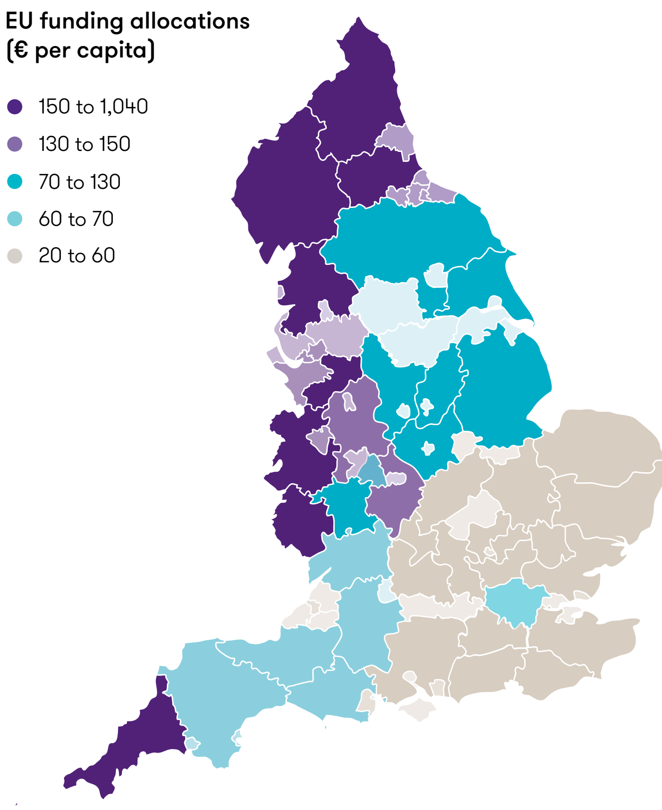
Alongside the growth deal monies LEPs have also been the recipient of EU monies which has seen significant regional variation as illustrated by Figure 38.

Taken together, the investment picture is extremely complex and requires a significant amount of investment of people, time and resources to secure bids. This was further evidenced in many of our conversation with the case study authorities.

At the heart of this complexity sits the relationship between county authorities and LEPs. The strength of this relationship appears to vary significantly across the country. It is also a relationship that appears to be changing. For some county authorities it is becoming less strategic and more transactional. For others, the LEP has become part of a wider stakeholder group focused on effectively managing investments and ensuring that funding is strategically aligned to local priorities. To achieve this, a number of the county authorities that we interviewed – for example Staffordshire County Council and Cornwall – have established a place-based leadership board that brings together key strategic partner organisations, including LEPs and District councils.

There can be no doubt that the picture around investment in growth – be that direct investment by county authorities or indirect via district authorities or LEPs – is complicated. In part this relates to the need to create stronger and more robust evidence around the impact of investment on growth. It is also about timing and the need to consider both investment and outcomes over longer time horizons. The disparities in funding amounts is also reflective of historic policy focuses that have prioritised investment in city region economies. However, it is also a complexity that is created by the governance structures and responsibilities that have developed over the last decade. If investment in growth is to achieve the maximum possible impact, it is essential that much of this complexity is removed.

Figure 38: EU funding allocations per capita to LEP areas



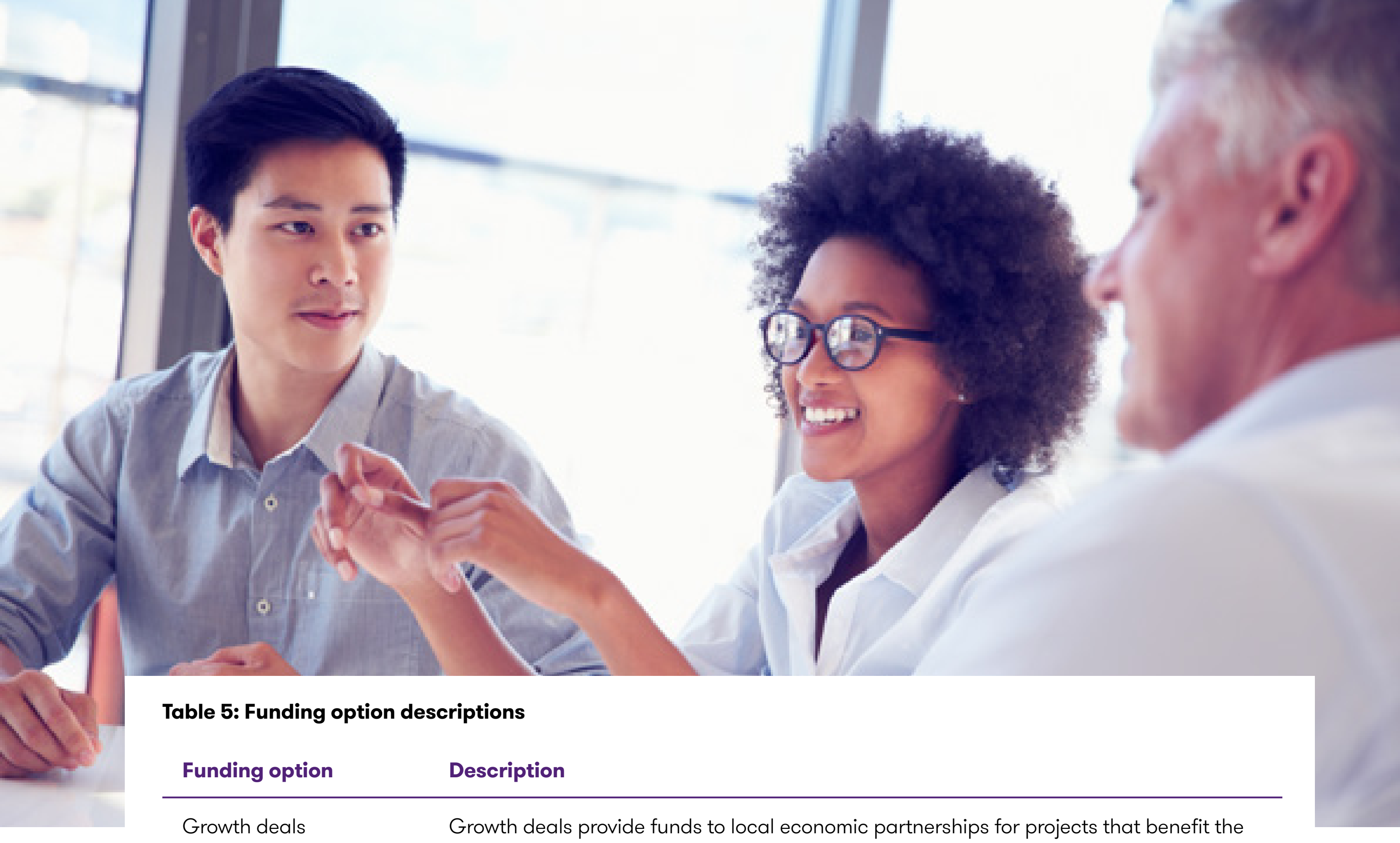


Table 5: Funding option descriptions

Funding option	Description
Growth deals	Growth deals provide funds to local economic partnerships for projects that benefit the local area and economy[57]. In 2014, all LEPs submitted Strategic Economic Plans to be used for negotiations on Growth Deals from the Single Local Growth Fund created in the 2013 spending review. By 2017, three rounds of growth deals had been awarded with a total value of £9.1 billion[58]. In order to calculate funding for county authorities from LEPs, we have proportionally allocated the total LEP funding to individual districts based on their population.
EU funding	Every EU region may benefit from the European Regional Development Fund (ERDF) and the European Social Fund (ESF). The ERDF focuses on innovation & research, the digital agenda, supporting SMEs, and the low-carbon economy[59]. The ESF focusses on improving employment, social inclusion, education, and institutional capacity[60]. In order to calculate funding for county authorities from LEPs, we have proportionally allocated the total LEP funding to individual districts based on their population.
Towns funding	101 towns across England have been awarded a Town Deal from the £3.6 billion Towns Fund[61]. The objectives of the Towns Fund are: • to drive Urban regeneration, panning and land use • to support skills and enterprise infrastructure • to develop physical and digital connectivity. For these calculations we have assumed that all towns will get a maximum allocation of £25 million.
Innovate UK	Innovate UK is part of the UK Research and Innovation, driving growth by enabling, supporting, and funding business research collaborations that drive business investment into research and development[62]. Government backs funding is awarded to organisations that research and develop a process, are testing innovation ideas, and collaborating with other organisations[63].

57 https://www.gov.uk/government/collections/local-growth-deals
58 https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN07120
59 https://ec.europa.eu/regional_policy/en/funding/erdf/
60 https://ec.europa.eu/regional_policy/en/funding/social-fund/
61 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/843843/20191031_Towns_Fund_prospectus.pdf
62 https://www.gov.uk/government/organisations/innovate-uk/about
63 https://www.gov.uk/apply-funding-innovation

Influence

Alongside financial investment it is clear that county authorities play a vital place-shaping and place leadership role through the influence that they exert. It is a role that plays out in a number of guises.

Six core ways county authorities exert influence

Convener

County authorities regularly take the lead in bringing together different parties and stakeholders to create and then deliver the strategic vision for a place. This convening role is increasingly being formalised, be that through a place-based vision or through governance structures such as the Growth Boards which have been established in Oxfordshire and Hertfordshire. By convening partners, county authorities have been able to leverage resources and ensure a shared focus on action.

The Oxfordshire Growth Board is a joint committee of the six councils of Oxfordshire together with key partners including the University of Oxford, NHS Oxfordshire CCG, Homes England, Environment Agency and Oxfordshire Local Enterprise Partnership (OxLEP). It has been set up to facilitate and enable joint working on economic development, strategic planning and growth, overseeing all the projects agreed in the Oxfordshire Housing and Growth Deal and Oxford City Deal alongside the OxLEP. An important commitment as part of the Housing and Growth deal is the Oxfordshire Plan 2050 which is a joint statutory spatial plan (JSSP) that will help deliver new homes, including affordable and social housing and infrastructure to the county. This has also undergone a public consultation allowing communities and organisations to have their say on the vision and aspirations of the county.

Facilitator

Closely linked to the convening role, county authorities have often facilitated delivery by removing particular barriers to growth. This has generally occurred through local leadership or through strategic investment. For example, facilitating activity by taking a head-lease, unlocking or releasing land around a strategic investment or facilitating conversations with Central Government around a particular opportunity or investment.

Durham County Council is moving its main headquarters from a site on the edge of Durham city centre to the city centre in 2021. This will make the current County Hall site at Aykley Heads available for a new business park development which will build on the County's existing expertise in research and data and growing business services sector. Durham County Council is leading on this development and expect this 20-year plan to support 6,000 jobs in ICT, fintech and professional services and deliver a £400 million boost to the local economy. As well as the jobs supported on Aykley Heads, it is expected that the new city centre headquarters will drive growth in Durham city centre and support the further regeneration of the city's riverside.

Vision-setter

A clear and unified place-based strategy is increasingly seen as important to driving place-based growth. County authorities are frequently taking the lead role across multiple partners in establishing this vision/clarity of purpose. These visions are place as opposed to organisation focused and are taking a longer-term view that seeks to look beyond the short-term financial pressures. It is a process that requires clear place-based leadership alongside boldness and creativity. Where a local authority is able to establish a longer-term vision it provides an invaluable framework against which strategic priorities can be set and investment decisions made. The vision provides a roadmap for the place brining partners and budgets together.

In July 2019, Surrey County Council launched the Surrey 2050 Place Ambition, a bold plan that combines the aspirations of Boroughs and Districts, the County Council and the two Local Enterprise Partnerships, into whose footprints Surrey falls in, with a focus on 'good growth'. It is an agreed growth strategy for Surrey which sets out three long term strategic priorities and eight Strategic Opportunity Areas, which will be shaped and delivered within the context of Surrey's shared growth vision, principles and values[64]. A fundamental priority of good growth for Surrey is to ensure that no-one is left behind. There is recognition that people and place are inherently linked and although residents in Surrey enjoy a high quality of life, it is a region not immune to health and wellbeing challenges in relation to factors such as mental health.

64 Surrey County Council (July 2019) Surrey 2015 Ambition

Communicator

County authorities have often played the lead role in communicating about the place. Be that in terms of investing time to engage and communicate with Members about individual projects; or leading on the discussion with government around investment; or promoting the strengths and opportunities that exist within a particular place; or communicating place-based visions to communities and businesses. County authorities have also led on communicating with and learning from other county authorities.

The Cornwall and Isles of Scilly Leadership Board was set up following the publication of a report by the Governance Review External Group (GREG) which made the case for strengthened and collaborative strategic leadership and governance of Cornwall and the Isles of Scilly. The Leadership Board formally brings together the political leadership of Cornwall and Isles of Scilly Councils, the Chairs of the Key strategic partnerships and non-executive Chairs of partner organisations[65]. One of the main functions of the Board is to provide strong and visible collective leadership of Cornwall and the Isles of Scilly to realise the full economic, social and environmental potential of the region[66]. Importantly, the Board provides a unified voice to speak as one on issues of common interest, concern or relevance. An example of this is the New Frontiers document which sets out a number of requests to Government to help them prepare for the opportunities and challenges of Brexit.

Capacity

County authorities have also provided additional capacity around delivery. For some this is around providing resources (people and time) to support the development and delivery of key projects and programmes. For others it is drawing on the personal and political networks of key members to support engagement with Central Government or to build relationships and consensus across different stakeholders.

In recognition of the important role that skills play in driving economic output, Hertfordshire County Council has been integral in establishing a Skills Partnership with Hertfordshire Local Enterprise Partnership and the Department for Work and Pensions. The first Skills Strategy, launched in 2015, had success in easing recruitment difficulties and the percentage of hard to fill vacancies that are a result of skills shortages has reduced[67]. The new update Skills Strategy sets out an action plan around five core themes and includes targets around supporting young people to transition from education to employment and supporting adults to adopt a culture of lifelong learning.

65 Partners include The Surrey Nature Partnership and the Surrey Employment and Skills Board
66 https://www.cornwall.gov.uk/media/31283378/lb-terms-of-reference.pdf
67 Hertfordshire LEP (2019) Hertfordshire Skills strategy to 2020.

“Seed funder”

As noted above under facilitation, county authorities have often used their limited financial resources to enable strategic leaderships by using capital programmes to fund projects, release wider opportunities or unlock latent potential. While relatively small sums of money are involved, the catalytic nature of this investment is much greater as it either helps realise other sums of investment, or it provides confidence to the market or it aids commercial viability for key projects.

In a commitment to growing the world-class life science cluster in Cheshire and Greater Manchester, Cheshire East Council has partnered with the Greater Manchester Combined Authority, Cheshire and Warrington LEP, and Manchester Science Partnerships, to create the Greater Manchester and Cheshire Life Sciences Fund. It is a seed and early stage venture capital fund investing in a range of life science businesses across all stages of development, with contributions from both private and public sector partners, the size of the fund at first close is £30 million and significant additional private sector investment is expected over the next 12 months. Cheshire East Council has invested £5 million in the fund. Fund Manager, Catapult Ventures, has ambitions to increase the size of the fund to c.£60 million, creating one of the UK’s largest early stage life science funds.

The important influencing role played by county authorities can often be undervalued or it can be hindered by a range of different barriers (see page 89) that mean that significant time and resources are required. There is a need therefore to consider how this important strategic-influence role can be better enabled and supported.

For some aspects, this will require a change in powers (for example giving counties similar statutory responsibilities to Combined Authorities for Spatial Development Strategies). While for others it will be about ensuring that the ‘County Voice’ can be heard.


BUSINESS PLAN

Action

This section moves from the general trends and patterns observed around place-based growth and examines the specific activities and actions that individual county authorities have taken in relation to delivering place-based growth. To do this, this section looks through the lens of the 10 case studies of individual county authorities.

KEY FINDINGS

Activities and actions undertaken by county authorities to drive place-based growth can be broadly categorised into the following eight themes:

1. Partnering with industry and education
2. Creating new forms of governance to champion place-based growth
3. Innovation to enable and maximise sustainable development
4. Setting out a shared vision of growth
5. Articulating a clear message to investors
6. Championing skills development
7. Empowering community led initiatives
8. Investing in critical transport infrastructure

These case studies are not a comprehensive overview of everything that is happening within an individual locality, rather they provide a 'pen-picture' of different places, priorities and actions. The case studies deliberately focus in on different actions. Some of the case studies look at a particular programme (e.g. developing Garden Communities within Essex); others look at governance mechanisms to facilitate growth (e.g. the establishment of a Growth Board in Hertfordshire); and others look at place specific opportunities (e.g. the Cheshire Science Corridor and Crewe Hub in Cheshire East).

Across the case studies a number of common factors emerge many of which have been identified in the preceding chapters and others of which are picked up in the recommendations section. Through these case studies it is also possible to identify a suite of common actions and associated enablers and barriers to place-based growth. The remainder of this section looks in more detail at these.

Actions taken by case studies

Through our conversations with the county authorities, we were given the opportunity to hear some of the many ways in which county authorities are supporting Place-based growth in their areas. Below are some examples but full details can be found in the accompanying Case Study Actions pack.

Partnering with industry and education

Durham

Joint working with Durham University
The County recognises the central importance that the University can play in supporting the growth of higher value jobs and skilling up the population. Durham County Council has a well-established relationship and working charter with Durham University. This works and has successfully created science hubs to drive forward innovation and enterprise. Most notable perhaps is North East Technology Park (NETPark) which was opened in 2004 and is managed by Business Durham, the economic arm of Durham County Council. NETPark supports innovative high-tech businesses as well as providing cutting edge, state of the art design, development and prototyping facilities. Durham University built the first development at NETPark and remain a key delivery partner. Most recently, Durham University was awarded £1.4 million to develop a University Enterprise Zone will further strengthen the NETPark through the collaboration of researchers and businesses.

Essex

The Catalyst Project with University of Essex
The Catalyst Project is a local partnership between University of Essex, Suffolk County Council and Essex County Council working to improve community services for vulnerable people using the University's expertise in data analytics. The work will help Suffolk County Council and Essex County Council target public service initiatives where they are most needed, improve outcomes through earlier intervention, and introduce new evidence-based evaluation techniques to determine their full impact. The project was awarded £2.2 million from the Catalyst 'universities as anchors' funding initiative by the Higher Education Funding Council for England (HEFCE).

Funding to support Stansted Airport College
Stansted Airport College is the first purpose-built education facility at a UK airport providing courses in a range of subjects including aviation, engineering, aircraft maintenance, cabin crew, hospitality and event management. It is a joint venture between London Stansted and Harlow College with additional funding from the South East Local Enterprise Partnership (SELEP), Essex County Council, Uttlesford District Council and the Savoy Trust. Following a successful launch there are plans to extend the site as well as creating the UK's first aviation education and skills campus at the site[68].

68 https://mediacentre.stanstedairport.com/stansted-airport-college-builds-on-successful-first-year-by-exploring-plans-for-the-uks-first-aviation-education-and-skills-campus/

Hertfordshire

Creation of private companies to unlock housing growth
In a commitment to find new ways to use its land and assets to unlock housing growth, Hertfordshire Council setup a new company in 2017 called 'Herts Living Limited' (HLL). On creation of this company, the council announced its intention to enter into a joint venture partnership with a private sector partner that will add property development expertise[69]. In the summer of 2019, HLL received significant funding commitment from its shareholder, to enable it to develop smaller housing sites. The company is also currently working on opportunities within the 'One Public Estate' to maximise value whist being sensitive to the principle of good placemaking, social impact investment and the better provision of local services[70].

North Yorkshire

Private partnership to progress broadband roll-out
The Superfast North Yorkshire project is built around a partnership between North Yorkshire County Council and BT to deliver next generation superfast broadband to the County, and also brings together other initiatives to address rural access to better broadband. It has seen the region grow from 64% up to 90% connectivity over last five years and the County has the aspiration to achieve 92/94% connectivity in the next two. This focus will ensure better prosperity and opportunity for those living outside the urban centres and improve the connectivity of the County to the rest of the Country.

69 TCPA and CCN (June 2018) Building for the Future – the role of County Councils in meeting housing needs
70 https://hertsliving.co.uk/#link4

Creating new forms of governance to champion place-based growth

Oxfordshire

Growth Board to facilitate joint working and embed 'healthy place-shaping' in the wider growth agenda

The plans for infrastructure investment and economic development centre around the Oxfordshire Growth Board. The Board is a joint committee of the six councils of Oxfordshire together with key partners including the University of Oxford, NHS Oxfordshire CCG, Homes England, Environment Agency and Oxfordshire Local Enterprise Partnership (OxLEP). It has been set up to facilitate and enable joint working on economic development, strategic planning and growth, overseeing all the projects agreed in the Oxfordshire Housing and Growth Deal and Oxford City Deal alongside the OxLEP. A core aim of the Growth Board is to embed 'healthy place-shaping' into their current strategic planning through the Growth Deal mechanism and through influencing local plans.

Cornwall

Creation of a place-based Leadership Board to provide a unified voice

In 2016, a formal decision was made to establish a Cornwall and Isles of Scilly Leadership Board which brought together the political leadership of Cornwall Council and Isles of Scilly Council, the Chairs of the key strategic partnerships (C&IoS Local Enterprise Partnership, C&IoS Local Nature Partnership and Cornwall Health and Wellbeing Board), representation from Cornwall's MPs, Devon and Cornwall Police and Crime Commissioner, Chairman of Kernow Clinical Commissioning Group, President of Cornwall Chamber of Commerce and the Chairman of the Cornwall Association of Local Councils[71]. The Board provides collective leadership of Cornwall and the Isles of Scilly, progressing shared ambitions for the area and working together to tackle issues and challenges[72]. Importantly, it allows the council to speak with a single unified voice to be able to raise common interests and concerns. The Board has been particularly important in making the case for devolution to Government.

71 https://www.cornwall.gov.uk/media/29114913/cornwall-and-isles-of-scilly-leadership-board-open-letter.pdf
72 https://www.cornwall.gov.uk/council-and-democracy/working-in-partnership/cornwall-and-isles-of-scilly-leadership-board/

Staffordshire

Strategic Infrastructure Plan (SIP)

Staffordshire County Council is the first county in the Midlands to create a Strategic Infrastructure Plan (SIP). The SIP is a non-statutory collaborative approach to planning which aims to quantify the scale and quality of infrastructure provision required to support future growth. Importantly, the SIP aims to not only explore the challenges being faced across Staffordshire but also consider the cross-border impacts with neighbouring authorities.

Nottinghamshire

Spatial Planning and Health Framework 2019-2022

Nottinghamshire County Council have set up a non-statutory 'Spatial Planning and Health Framework 2019-2022' which provides a more holistic overview of health and planning across Nottinghamshire. This aims to ensure that health/social care infrastructure requirements are considered to meet the growth requirements of the population of Nottinghamshire[73].

73 https://www.nottinghamshire.gov.uk/media/1740041/notts-spatial-planning-health-framework.pdf

Innovation to enable and maximise sustainable development

Essex

Garden communities

Essex has focussed on the development of Garden Communities. There are plans for Garden Communities across the county, including sites in North Uttlesford and Easton Park in Uttlesford district, Chelmsford Garden Village, Harlow Gilston Garden Town and Dunton Hills Garden Community in Brentwood. In addition, North Essex Garden Communities Ltd (NEGC) set up in 2017 by the councils to take forward proposals put forward by the local authorities for a further three new Garden Communities. The three communities could deliver up to 43,000 new homes to garden community principles, providing significant employment opportunities and accompanying infrastructure[74].

The County council is actively involved in every stage of the process, from shaping and informing the District Local Plans, master planning and actively engaging with the operational delivery groups member delivery boards. A key part of the design principles of these garden communities is health and wellbeing, digital and smart technology, and striving to achieve the Town and Country Planning Association Garden City principles. Essex County Council has been actively involved in the design stage to ensure that they deliver sustainable, attractive and healthy places for people to live, work and play[75].

Staffordshire

Stafford Station Gateway

The Stafford Station Gateway Masterplan is an example of a project that is promoted by a partnership between Staffordshire County Council and Stafford Borough Council and aligns with the Make it Stoke-on-Trent & Staffordshire LEP Major Projects & Strategic Sites Portfolio. The Masterplan sets out to develop a 28-hectare derelict site near Stafford station, which will be one of the main stations along the HS2 line, from Birmingham to Manchester. This line will connect Stafford to London in approximately 50 minutes compared to the current time of around two hours. The newly developed site will offer new office space and homes, with the aim pf providing an exciting and vibrant area that will create the right environment for people to live, work and enjoy the area[76]. The investment will also take advantage of the high skills base and growth of digital, advanced manufacturing and professional services in the area[77]. Access and connectivity are key to the project, with the delivery of the £60 million Stafford Western Road, which will help ease congestion in Stafford Town Centre, and provide a strategic link between the north and west of the town. Integral to the overall vision is the HS2 connected rail station.

74 https://www.ne-gc.co.uk/about/
75 Essex County Council (July 2019) Health and wellbeing board- Garden Communities in Essex
76 https://www.expressandstar.com/news/local-hubs/staffordshire/stafford/2017/06/28/mammoth-500m-scheme-to-overhaul-derelict-land-in-stafford-unveiled-/
77 Midlands Engine (2019) Invest in Great Britain and Northern Ireland – Stafford Gateway North

Setting out a shared vision of growth

Surrey

Surrey 2050 ambition

The Surrey 2050 Place Ambition combines the aspirations of Boroughs and Districts, the County Council and the two Local Enterprise Partnerships, into whose footprints Surrey falls in, with a focus on 'good growth'. The shared vision of growth is outlined in three strategic priorities:

1. Improve connectivity both within Surrey and between strategically important hubs.
2. Enhance the place offer of Surrey's towns.
3. Maximise the potential of our strategic economic assets.

The third priority is to focus strategic interventions in eight Strategic Opportunity Areas that have been identified as areas that can support the Council's priority industrial sectors and improvements to connectivity both within Surrey and between other strategically important economic areas.

Oxfordshire

Oxfordshire Plan 2050

The Oxfordshire Plan 2050 is one of the commitments made by the six Oxfordshire authorities as part of the £215 million Housing and Growth Deal, which recently finished public consultation. The Oxfordshire Plan builds on the foundations set by the current Local Plans and aims to look at the strategic planning issues for the period up to 2050. The team requested public views on which broad locations should be considered for large-scale housing or employment, infrastructure projects, or for strategic environmental designations. Its contents are due for publication soon.

Articulating a clear message to investors

Cheshire East

Science corridor

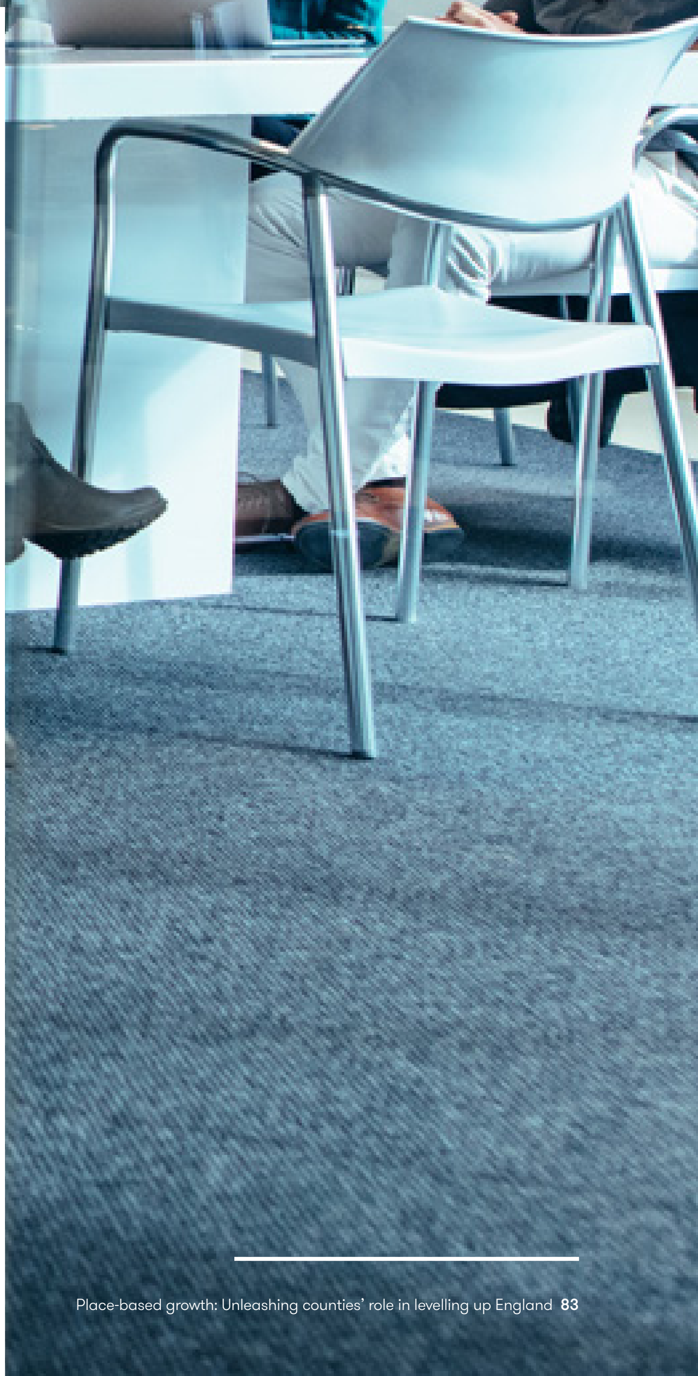
The Authority is supporting the development of the Cheshire Science Corridor, which is focused on the strength of the science sector in the region with businesses such as AstraZeneca, Recipharm, and Waters Corporation and research and science facilities such as Jodrell Bank linked to the University of Manchester. Activities have centred around Alderley Park and in February 2015, the Council's Cabinet approved the adoption of the Alderley Park Development Framework, which seeks to guide any future development on the site. Alderley Park was also given Enterprise Zone status in April 2016 supporting its development of new businesses. At the heart of the site is the BioHub incubator which provides high quality lab and office incubation space to life science SMEs. Since its launch in 2013, the BioHub has become home to over 120 companies employing over 400 people[78].

Cornwall

Space sector

One area of particular focus for the Council is supporting Cornwall's growing space sector and for Cornwall to become internationally renowned for space technology. In September 2019, the Council's Cabinet voted to invest up to £12 million in development of the Spaceport Cornwall Programme, which (if supported by the full Council later this year) will be used to develop facilities and operational capabilities at Cornwall Airport Newquay that would enable plans by satellite launch company Virgin Orbit to send small satellites into space from Spaceport Cornwall using a modified Boeing 747[79]. Spaceport Cornwall could eventually create 480 jobs and contribute £35 million a year to the local economy[80].

78 https://www.cheshireeast.gov.uk/business/major_regeneration_projects/cheshire-science-corridor.aspx
79 https://www.cornwall.gov.uk/council-and-democracy/council-news-room/media-releases/news-from-2019/news-from-september-2019/cabinet-agrees-to-support-investment-in-spaceport-cornwall/
80 Cornwall Council (2018-2019) Annual Report 2018-2019



Staffordshire

i54 South Staffordshire

This is a hugely successful and nationally significant 97-hectare (240 acre) employment site in the centre of the UK. Staffordshire County Council has been central to its delivery and has worked in partnership with Wolverhampton City Council, South Staffordshire District Council and the Stoke-on-Trent & Staffordshire and Black Country Local Enterprise Partnerships to develop. The project has included the delivery of a new motorway junction onto the M54 to provide improved access to the site and is now home to a Jaguar Land Rover engine plant and high value employers in various sectors including aerospace, security printing and scientific food testing. The scheme represented a step change and transformation in the regional economy to higher value employment opportunities. There are already over 2,000 people employed at i54, which will rise to more than 4,000 when the existing site is fully built out, whilst the extension will create the opportunity for the private sector to deliver up to 1.8 million square feet of employment space, generating £600 million of private sector investment and creating up to 2,700 more jobs in the area.

Championing skills development

Staffordshire

Skills partnership

The County Council has been integral in establishing a skills partnership with key providers and stakeholders across the region. The Education and Skills Strategy: Partnership Framework, which met in the summer 2019 for the first time, is a wide range of providers, partners and stakeholders from across the education and skills landscape with the aim of understanding and improving the provision of skills-based education in the County. Through the partnership approach it is hoped the County will build new, collaborative ways of working to deliver a skills programme not in isolation[81].

81 https://www.staffordshire.gov.uk/Education/Education-and-skills-strategy.aspx

Empowering community led initiatives

Cornwall

Jubilee Pool regeneration

One example of a community led initiative supported by the council was the restoration of the Jubilee Pool in Penzance which had suffered decline over the years and was significantly damaged during storms in 2014. The pool was handed over to a community interest company (Friends of Jubilee Pool) who crowd funded in order to raise money for the extensive restoration. The refurbishment has included the use of geothermal energy to heat the pool and has attracted world-wide attention featuring in the New York Times 52 places to Go in 2017[82].

North Yorkshire

Volunteer-run libraries

In 2010 the County Council provided a review of the future of the 44 libraries in the area, the outcome of which was that rather than closing these the community would volunteer to keep them operating. North Yorkshire County Council is continuing to support community-led libraries by offering professional staff support, access to new book stock and its library management system, as well as broadband connectivity[83]. Working with the community in this way has helped enable 42 of the libraries to stay open and provide important community hubs.

Durham

Powered by People programme

'Place' is extremely important to Durham and the county has been making greater efforts to promote and celebrate everything that is has to offer to new businesses considering relocating to Durham. In 2019 Durham launched a campaign called 'Powered by People' which celebrates the success stories of individuals and businesses, demonstrating the areas competitive advantage.

82 https://www.nytimes.com/interactive/2017/travel/places-to-visit.html?_r=0&mtrref=undefined&gwh=3849C6ACE9D22773FBF9AE15A287FC69&gwt=pay&assetType=REGIWALL
83 https://wslaw.co.uk/insight/north-yorkshire-county-council-hails-volunteer-run-libraries/

Investing in critical transport infrastructure

Nottinghamshire

Investing in the A46 corridor

Considerable investment is currently being placed on improving the A46 corridor which aims to open up huge development opportunities, connect goods to market, improve journey times and provide better employment links for residents. In September 2019 is was announced that the government has approved a £450 million investment in Newark which will dual the A46 from Farndon to Winthorpe and improve the roundabouts at Cattle Market and Winthorpe. Importantly, this will improve connectivity not just across Nottinghamshire, but also across Leicestershire and Lincolnshire. Nottinghamshire County Council helped secure this funding through several years of passionate campaigning, in partnership with Transport for the East Midlands and Newark's MP Robert Jenrick.

Essex

HIF funding to unlock growth in Colchester and Chelmsford

In August 2019 Essex welcomed the £318 million government infrastructure funding boost which will deliver two major infrastructure projects – £218 million for a new Beaulieu railway station and North East Bypass in Chelmsford and a further £99.9 million for the A12/A33 link road in Tendring/Colchester. The funding will also support the development of a rapid transit system linking the new Colchester/Tendring borders development with Essex University, Colchester Town Centre and the Colchester North Rail station. The network, which would grow alongside North Essex, aims to reduce congestion, improve air quality and provide quick and easy access into and out of Colchester and Braintree, linking into other public transport hubs[84]. Both projects were the subject of Housing Infrastructure Funds bids, led by the County Council and supported by City, Borough and District Councils and local MPs[85].

84 https://www.southeastlep.com/essex-secures-more-than-300m-from-government-for-infrastructure-and-housing-growth/
85 https://www.essexhighways.org/highway-schemes-and-developments/bids-and-funding/housing-infrastructure-fund.aspx

North Yorkshire

Investing in an integrated transport system to connect to transform connectivity across the region

The County is developing a modern integrated transport system connecting North Yorkshire to the rest of the North and the UK. The Strategic Transport Plan outlines how a £70 billion pipeline of investment would transform connectivity across the North and unlock £100 billion additional GVA and support the creation of up to 850,000 new jobs by 2050[86].

The Investment Programme, which accompanies the Strategic Transport Plan, contains transport interventions that would transform connectivity across Yorkshire, and the rest of the North. Specific projects include transformational change on the Leeds – Harrogate – York Railway line, new A59 bypass of Harrogate and new rail infrastructure to enable Leeds – Newcastle in 60 minutes with phase one allowing Leeds – Harrogate in 15 minutes.

86 https://transportforthenorth.com/70-b-blueprint-transform-north-economy/

Enablers to place-based growth

Through the case studies it was possible to identify a number of inter-related enablers to place-based growth. These included:

Strong local leadership
Perhaps the single biggest enabler to place-based growth as it not only establishes the strategic vision and direction, but it also helps convene and engage different partners. It creates an ambition and agenda that people can get behind and work towards. In an environment where there are multiple stakeholders involved and different priorities and politics (see below), strong leadership can create a clear – and importantly – shared vision for a place which enables partners to work together in a single direction.

Quality of relationships
Closely linked to leadership is the quality of relationships, this is something that was deemed to be particularly important where politics may differ. These relationships are therefore built on a combination of maturity and trust. It is a combination that enables individuals to put place before organisational or political agendas. Within this a number of places highlighted the personal capacity of key individuals in earning trust and respect and ensuring that strong relationships were formed across multiple stakeholders at both the national and local level.

A partnership approach with governance structures that facilitate joint working
Where it worked well, places pointed to effective partnership working across health, education, police, LEPs and districts. In the majority of cases this partnership working was supported by specific governance groups. These groups had a strategic, place-based remit and therefore provided a single point of contact or a single view of priorities. Partnership working was not, however, limited to the strategic level, with some places highlighting how effective partnership also worked at the neighbourhood level. This very localised governance was seen as particularly important for engaging local communities.

The creation of joint strategic plans
Attempting to align the long-term spatial priorities with economic, environmental and infrastructure priorities on a county geography. Joint Strategic Plans often flowed out of the partnership and governance structures noted above and were particularly effective when they related to planning as they enabled decisions to be taken over a larger spatial area and provided a strategic focus that addressed one of the biggest barriers to place-based growth (see next page).

Clear communication
All of the above were also strengthened through clear communication. This was particularly the case where there were a large number of local partners as communication was seen as a key influencing tool. It was noted that while 'horizontal' communication across local partners was strong there were often more challenges in relation to 'vertical' communication with central government.

Funding
There can be no doubt that funding continues to play an important enabling role. This is particularly the case as county authorities have wrestled with the challenges of austerity and increasing demand pressures on core statutory services. For a number of places, it was the enabling and unlocking role that smaller pots of money could play in facilitating the delivery of larger schemes and programmes that was particularly important.

Barriers and challenges to place-based growth

In terms of identifiable barriers and challenges, some of these were the direct opposite of the enablers noted, others were unrelated. They included:

The complexity of a two-tier structure
The variation in powers and responsibilities between county and district authorities was seen by many to introduce a complexity that made delivering growth more time-consuming and less efficient. At its worse the two-tier system created mistrust and severely constrained growth, but even where relationships were strong the sheer number of partners to engage significantly slowed down the decision-making process. More practically, and particularly in relation to planning, the two-tier structure was also seen to significantly hinder the ability to plan coherently for the place.

The relationship with LEPs
Relationships with LEPs varied across the case study areas from those which were very strong through to those for whom the LEP simply 'passported' funding. Regardless of the strength of relationship the challenge to place-based growth was one of complexity and in particular a lack of clarity over responsibilities with the skills agenda and business support both cited as examples. There was also the additional challenge of needing to relate to more than one LEP. For some this was the result of formal LEP boundaries with a county authority part of two LEPs, for others it was a case of needing to strategically engage across multiple LEPs.

The number of partners that needed to be engaged
Alongside multiple districts and the LEP, county authorities are required to engage with multiple partners in relation to place-based growth. Some of these partners are locally specific while others are national or sub-national bodies (e.g. Homes England). Three challenges in particular were identified: the first was the time it could often take to engage and involve all of the relevant partners; the second was the confusion it created, particularly when consulting with central government; and the third was the challenge of ensuring all partners agree on the vision and priorities for a particular place.

Local politics
A further barrier identified was local politics often trumping place priorities either through a desire of particular groups to retain control or a lack of overall control delaying decision making and preventing action or driving single local issue agendas, many of which are often 'anti-growth' or opposing particular development plans.

Engagement with central government
It was noted that conversations around growth often required engagement with at least three different central government departments which only added to the complexity and time-consuming nature of delivery. Alongside this, there was a perception that central government is often geographic centric with policies and investment felt to favour particular regions or geographies over others (for example the investment in the Northern Powerhouse or the focus on housing in London and the South-East). A further challenge of engaging with central government was felt to be the short (often five year) planning and election cycles, this was seen as a particular issue in relation to place-based growth as interventions would often take a number of years to deliver local change.

The need to deliver growth in an uncertain context
A range of uncertainties were identified through the case studies from the uncertainty about the nature of future economic growth with the rise of automation, to the increasing environmental challenge through to Brexit. The primary impact of this uncertainty was the challenge it posed to planning beyond a very short time horizon. It was a challenge that was felt to be exacerbated by the fact that the National Planning Policy Framework has resulted in a short term focus on housing, rather than longer term strategic planning around infrastructure.

The diversity of place
As has been noted earlier in the report the very nature and diversity of place in itself presents a significant challenge to delivering place-based growth from the need to consider poly-centric economies; to the need to make decisions around investment in maximising opportunities or responding to needs; to addressing specific local challenges and issues. The often multi-faceted nature of these challenges meant that there were no easy answers but county authorities have sought to manage these through a rigorous focus on place-based growth.

Conclusions

With place-based growth firmly at the forefront of the Government's policy agenda this report underlines the vital role that county authorities have in the successful implementation of this. County authorities are both the places in which much of this growth or 'levelling up' will need to occur as well as a vital instrument for driving change through their investment, influence and action.

It is clear through our analysis that county authorities face complex and multi-faceted challenges across the business environment, living standards and enabling infrastructure. Challenges where the 'gap' to the national average is often significant. It is a challenge that in some places is exacerbated by the variability in performance that exists within county authority areas. Taken together, these differences underline the danger of a 'one size fits all' approach to policy or programmes across county areas. Rather, they clearly point to a requirement for policy and action that combines an intimate knowledge of place, with a joined-up approach to delivery and a suite of freedoms and powers to make decisions across a broader spatial geography.

Addressing these challenges is also hampered by a complex and inefficient funding system, resulting in county authorities having to invest a significant amount of time and resource to secure relatively small amounts of funding. Our analysis of four specific funding streams shows an imbalance of funding between county authority areas and non-county authority areas, which is in part reflective of historic policy focuses that have prioritised investment in city-region economies.

Within this context, county authorities have not stood still. Through the research that has underpinned this report it is clear that through their investment, influence and action, county authorities have enabled and delivered a broad range of different activities that have enabled place-based growth. It is a mix that includes the establishment of new governance structures, spatial frameworks and investing in critical infrastructure. Alongside this, county authorities are convening, facilitating, communicating, envisioning and leading multiple stakeholders to ensure that action happens.

The following recommendations seek to build on the effective work that has already taken place and the place-leadership role that county authorities are performing while also addressing head on a number of the challenges that are clearly holding back growth. These recommendations have been drafted with the county authorities in mind but they are actually broader than that, they are recommendations to enable place-based growth and address spatial imbalances. They are recommendations to help level up the economy.

Place-based growth recommendations

1 **Rather than a focus on the 'north-south divide', government economic and investment assessments should identify those places where the 'gap' is greatest** – either to the national average or between different places – and focus investment decisions on closing that gap and levelling up local economies.

2 **Funding processes need to be streamlined and simplified.** New funding should be focused on building capacity to deliver strategic growth priorities. This could lead to increased efficiencies if fragmented funding is rationalised into fewer funding streams, or in a single funding pot, with the result that more money is actually spent on frontline delivery. The proposed UK Shared Prosperity Fund is welcomed but it has to (i) focus on reducing inequality both between different places and within different places; (ii) be aligned and joined up with other funding pots, and (iii) local government must have a key role in deciding how the funding is allocated.

3 **The Devolution White Paper must consider how devolution of powers to county authorities could assist in levelling-up the country.** This should include devolving significant budgets and powers down to councils, shaped around existing county authorities and local leadership but recognising the additional complexity in two-tier local authority areas and whether structural changes are required. A more open, transparent and structured approach to devolution would enable county authorities to respond to local growth challenges whilst delivering more effective services for residents, creating new jobs and adding value to the national economy.

4 **Growth Boards should be established in every county authority area.** As part of this a statutory duty should be placed on county authorities to convene and coordinate key stakeholders (which could include neighbouring authorities). The Growth Boards should be governed by a national framework and guidance, and have clean growth at their core. This framework would cover the agreed 'building blocks' for growth – powers, governance, funding and capacity. The establishment of these boards should learn from the existing examples already in place across the country. In line with the new burdens doctrine, this new commitment must be fully funded by Government.

5 **Growth Boards should be insight and data led.** Learning from the Local Industrial Strategy evidence bases, Growth Boards should develop a clear, consistent and common evidence base that identifies strengths, opportunities and challenges for the place and develop data driven approaches to identifying priorities, solutions and appraisal of investment.

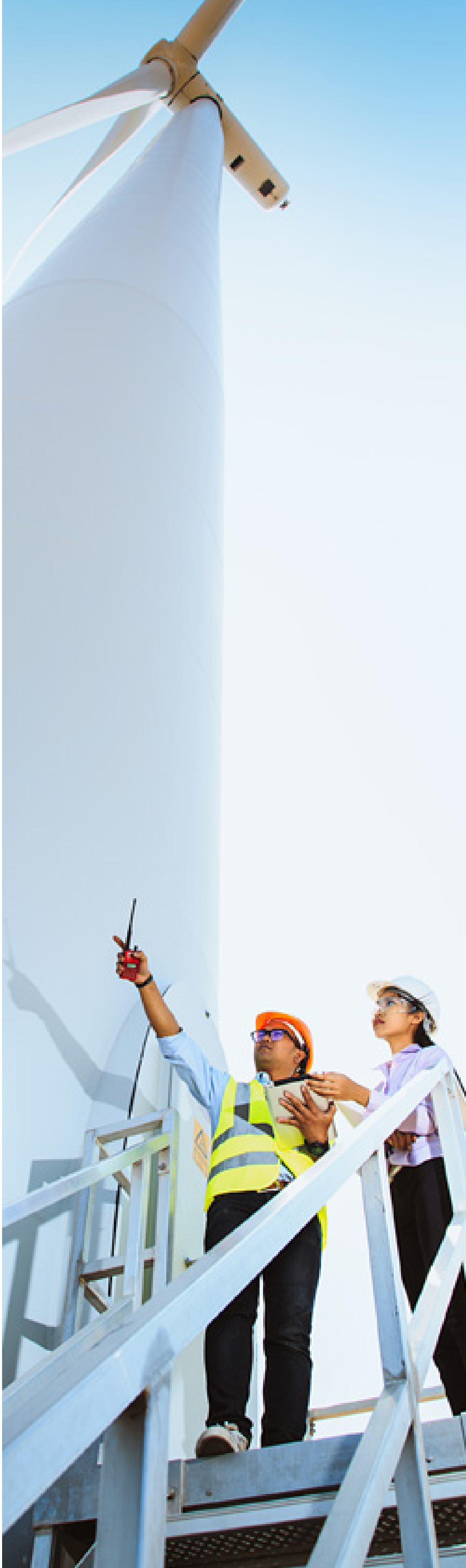
6 **Planning responsibilities should be reviewed with responsibility for strategic spatial planning given to county authorities.** In line with the recently published final report of the Building Better, Building Beautiful Commission, Government should consider how county authorities, along with neighbouring unitary authorities within the county boundary, could take a more material role in the strategic and spatial planning process. Any review should include changes to CIL and S106, including extending the Strategic Infrastructure Tariff to county areas, to ensure that strategic decisions are being made that can drive growth, remove the risk adversity that exists within the system and enable decisions to be taken across a wider geography. This will enable a more coordinated approach in responding to market conditions in the development of strategic sites. It is a change that would give additional powers that will help areas to leverage extra funds, convene and align strategically and ultimately deliver new infrastructure and homes at pace. It is a pace of delivery that will drive further savings as places see the dividend of growth sooner.

7 **The National Infrastructure Commission should ensure greater consideration of the infrastructure requirements in non-metropolitan areas.** National infrastructure assessments could consider how better investment in infrastructure outside metropolitan areas could link to wider growth related matters that would help to level up the economy across the country. Importantly, the National Infrastructure Commission needs to address the gaps in funding identified by the county infrastructure plans. Greater consideration should also be given to the role of planning obligations, planning gain and locally led delivery vehicles such as development corporations or similar. This should include infrastructure needed for a digital and low-carbon economy as well as improving transport connectivity.

8 **Skills provision and growth need to be aligned.** At the heart of this sits a need to ensure that the current and future workforce have the skills required to deliver future growth. In part this relates to digital and technology skills but it covers a much broader range of growth needs (and skill levels) from climate change to housing provision to the delivery of core infrastructure. The Government has committed in their 2019 election manifesto to a £3 billion National Skills Fund and local government must play a key role in how this funding is allocated to meet skills needs in a locality. The geographic scale of county authorities provides an opportunity to think strategically about the commissioning of skills for places. For this to succeed some skills funding would need to be devolved to this spatial scale as well as to employers.

9 **Review structures and powers to ensure a greater degree of co-terminosity around places building on county geographies.** This review would ensure that decisions about a 'place' are being made about a consistent 'place'. It would remove the need for different conversations and streamline the approach to making decisions. This in turn would increase the speed at which decisions are made and actions are taken. It would also make it easier for national bodies, such as the National Infrastructure Commission to consider how their recommendations and priorities impact at the local level.

10 **Bring talent together.** Currently talent and expertise are spread across multiple organisations within a place. Joining up key growth teams and pooling budgets at a county scale will grow capacity and create more effective and better resourced delivery teams. It will drive a greater pace of change and will ensure more of a step change in growth as opposed to incremental improvements.



Appendix: Case studies action pack

Case study

Cheshire East

The area in context

Indicator	Cheshire East
Total population	380,790
Total dwelling stock	175,230
Total businesses	19,575
Total employees	189,000
GVA per job (£)	78,921
Employment rate (%)	81.4
Mean earnings (£)	33,812
Land mass (Ha)	116,637.63

Source: See footnote[1]

Cheshire East is a unitary authority established in 2009 as part of the local government reorganisation. It has a strong mix of businesses with advanced manufacturing, pharma and science, and transport being particularly prevalent with excellent links to the rest of the North West and the UK.

Cheshire East is a "place of places" covering the former boroughs of Macclesfield, Congleton, Crewe and Nantwich, with rural and urban populations and considerable natural landscapes including the Peak District National Park, Cheshire Plains, and parts of the South Pennines Moors all within its boundaries. The region has a strong industrial heritage with the railway in Crewe, the silk industry in Macclesfield and Congleton, and the salt industry of Middlewich and Nantwich. It is connected to the Midlands Engine transport infrastructure and a gateway to the Northern Powerhouse and will benefit from the major investment in the high-speed rail connection (HS2) at Crewe. The Authority has significant affluence and prosperity in the North East of the region and pockets of deprivation centred around the former industrial centres such as Crewe and parts of Macclesfield.

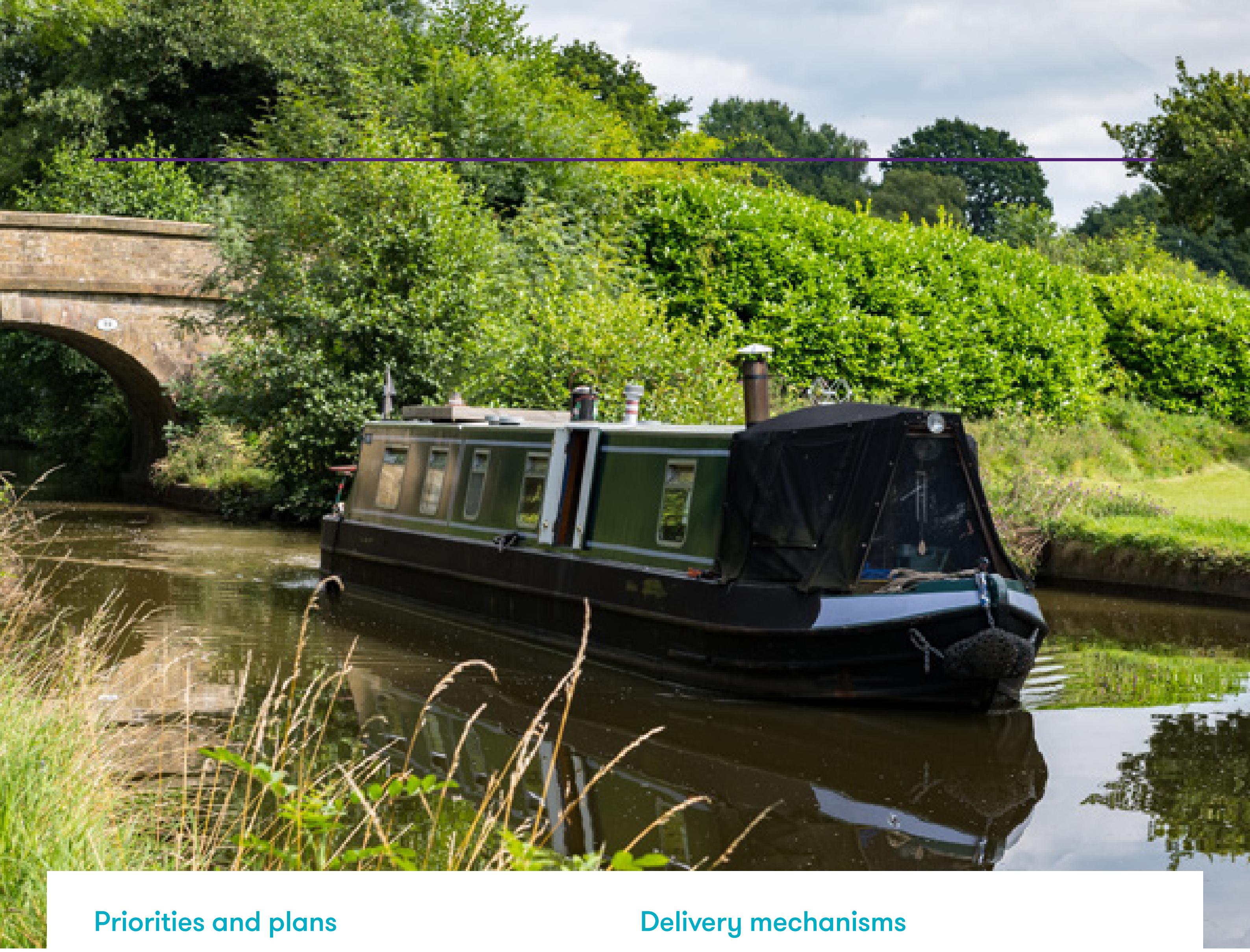
The challenge of growth

Cheshire East growth challenges are more difficult to articulate as one distinct place than other unitary areas, and the region although connected by its boundary, is composed of areas with significantly different needs and challenges. Consequently, a real understanding of place has been needed to develop a growth strategy which sits within the unitary authority but is appropriate for all the towns within the boundaries.

Housing is expensive and in shorter supply in the more affluent areas and impacts the workforce's ability to live in all parts of the borough.

There is inequality in the borough with life expectancy and health outcomes differing in the County and therefore discrepancies in the skill levels and opportunities in its population.

1 ONS, Mid-year population estimates (2018); ONS, Dwelling stock (2018); Inter Departmental Business Register (IDBR) (2019); Business Register and Employment Survey (2018); ONS, Regional gross value added (balanced) local authorities by NUTS1 region (2018); Annual Population Survey (Sept 2019); Annual Survey of Hours and Earnings - resident analysis (2019); Census (2011)



Priorities and plans

Cheshire East adopted its Local Plan Strategy on 27July 2017. It sets out the overall vision and planning strategy for the borough and identifies strategic sites and locations that will accommodate most of the new development needed.

The plan's key policies are highlighted below:

- Develop brownfield sites, where possible, to minimise the use of greenfield
- Strategic Green Gap, open countryside or Green Belt sites
- Ensure a town-centre first policy to support the main urban centres and deter out-of-town development
- Deliver new homes of the right quality, in the right location at the right price; providing access to low cost and affordable housing to support the growing economy
- Support new development with the right new infrastructure; the plan proposes at least eight miles of new roads and substantial upgrades to the overall transport network
- Focus new housing development in strategic locations through the creation of a new sustainable urban village and urban extensions, rather than a dispersed growth model that would undermine the well-defined character and strengths of the market towns and smaller villages.

Delivery mechanisms

In order to support and deliver growth the Authority has acknowledged the central government's drive for more housing across the UK. However, housing alone will not drive the inclusive and sustainable growth needed for the region and it has been important for the Authority that it develops a more sophisticated understanding of its housing strategy. The region has land available and sites that are attractive to developers but leaving housing development purely to the market will result in expensive housing in areas which a large proportion of the working population cannot afford. Housing strategy for Cheshire East, therefore, is centred around affordable, sustainable units which are attractive to the workforce and led by the need for employment in the area. It has assessed the need to build approximately 36,000 homes between 2010–2030.

The Authority's plans for growth have also centred on the regeneration of key towns and support to rural communities to link the region more effectively. The council has been involved in the releasing of sites and identifying infrastructure to support this regeneration.

Cheshire East has played a significant role in the development of the Crewe HS2 Hub Station plan at the existing Crewe site. Under existing proposals, Crewe station will be served by two trains per hour to London, one terminating at Liverpool via Runcorn, and one at Preston via Wigan and Warrington. From 2027, these services will connect Crewe to the new high-speed service to London. In this it is hoped the region will act as a focus for regeneration and a lever for growth and these benefits would not just serve Crewe, but right across Cheshire East, the North West, North Wales, Liverpool and the Potteries. Cheshire East has developed a draft Crewe Hub Area Action Plan (CHAAP) and this outlines the Authority's vision for the development including the creation of 26,000 new jobs[2].

The council has exerted its influence over the various parties including Network Rail, HS2 Ltd and partner authorities so that they understand that the development of the station and surrounding area is more than a transport project and could potentially act as a major lever for growth.

In October 2019, Cheshire East Council Cabinet approved a new strategic vision for Macclesfield October 2019. The plan significantly recognises the uniqueness of place in Macclesfield and how that can potentially shape the towns regeneration.

It focuses on Macclesfield's strong cultural and economic identity such as the Treacle Market, the biennial Barnaby Festival, its independent shops, heritage assets and an affluent catchment population[3].

The Authority is also supporting the development of the Cheshire Science Corridor, which is focused on the strength of the science sector in the region with businesses such as Astra Zeneca, Recipharm, and Waters Corporation and research and science facilities such as Jodrell Bank linked to the University of Manchester in the region. Activities have centered around Alderley Park and in February 2015, the council's cabinet approved the adoption of the Alderley Park Development Framework[4], which seeks to guide any future development on the site. Alderley Park was also given Enterprise Zone status in April 2016 supporting its development of new businesses. It is also the base of some of Astra Zeneca operations in the region (also based outside Macclesfield) and currently houses the global Advanced Lead Discovery Centre for cancer research.

The Council has also created in partnership with the Greater Manchester Combined Authority, Cheshire and Warrington LEP, and Manchester Science Partnerships, the Greater Manchester and Cheshire Life Sciences Fund[5]. It is a seed and early stage venture capital fund investing in a range of life science businesses across all stages of development, with contributions from both private and public sector partners. The size of the fund at first close is £30 million and significant additional private sector investment is expected over the next 12 months. Fund Manager, Catapult Ventures, has ambitions to increase the size of the fund to c.£60 million, creating one of the UK's largest early stage life science funds.

In addition, Crewe is one of only six areas in the United Kingdom that have been identified by the British Geological Survey[6] as having the potential to exploit deep geothermal energy. In July 2014 the Council's Cabinet made the decision to pursue deep geothermal as part of the region's sustainable economic plan and has received funding from DECC to undertake feasibility studies for district heating networks in Crewe Town Centre, Macclesfield Town Centre, and rural-off grid gas areas.

2 https://www.cheshireeast.gov.uk/planning/spatial_planning/cheshire_east_local_plan/area-action-plan-for-crewe/crewe-area-action-plan.aspx
3 https://www.cheshireeast.gov.uk/pdf/business/major-regeneration-projects/macc-regen/macclesfield-strategic-regeneration-framework-2019.pdf
4 https://www.cheshireeast.gov.uk/pdf/planning/alderley-park-dev-brief.pdf
5 http://www.gmclifesciencesfund.com/
6 http://www.bgs.ac.uk/research/energy/geothermal/

Barriers

Uncertainty on key national policies is damaging to forward planning and could potentially slow down growth. Ultimately it is reducing confidence in decision making and developing further plans. Infrastructure plans and growth strategies are planned for longer term and uncertainty discourages new investments and confidence. With large scale projects like those centred around HS2, clarity of future plans will drive the growth.

The complexity of funding and the drip feed of new funding has implications for authorities in trying to ensure access to funding for growth. While helpful, small pockets of funding such as the Stronger Towns Fund, do not support large infrastructure projects. The Authority would rather have single conversations with government around a longer-term plan to look at what it would deliver over an extended time frame. Having a single funding pot that growth would support would be beneficial.

Success factors

Partnership and a good team around the Authority. While a unitary approach makes some of the infrastructure planning easier and land development more straightforward, achieving growth across them also requires all stakeholders, partners and government departments to be on the same page of the strategy. Success is when the projects happen and bring employment and prosperity, not just the planning of them. The strategic plan must be in place with a clear vision which all parties can articulate and understand.

Success is also down to aligning growth with the funding strategy of the local authority. Due to large land holdings the council has been able to forward fund and raise capital.

Case study

Cornwall

The area in context

Indicator	Cornwall
Total population	565,968
Total dwelling stock	277,370
Total businesses	24,255
Total employees	213,000
GVA per job (£)	51,127
Employment rate (%)	76.7
Mean earnings (£)	23,266
Land mass (Ha)	354,618.7

Source: See footnote[1]

Cornwall is a large unitary authority created in 2009 that is defined by its unique geography, heritage and culture which have been shaped by both land and sea.

Cornwall has a strong sense of place with growing numbers of people expressing their national identity as Cornish, which in 2014 was included in the Council of Europe's Framework Convention for the Protection of National Minorities. The Council plays an important role in shaping Cornwall's future and embodies the aspiration for Cornwall to have greater levels of devolved governance which reflects its unique offering. In 2015, Cornwall became the first rural area to get a devolution deal, giving it greater power over public sector funding. Cornwall is also an important tourism destination, welcoming over five million visitors each year for their holidays. In the last few years the traditional view of Cornwall has shifted as it increasingly becomes a hotbed of innovation, as illustrated by the pioneering generation of geothermal energy.

The challenge of growth

The rural and dispersed nature of the area presents a challenge to raising productivity and whilst significant progress has been made in relative economic performance, Cornwall remains one of the poorest regions in Northern Europe. For example, whilst employment has been increasing, wages remain low[2]. This is also exacerbating the housing affordability issue which is a big issue that the Council is addressing through direct intervention.

The challenge for Cornwall is attracting evolving investment that can sustain their success. If the UK had remained in the EU, Cornwall would have expected to receive funding as a 'less developed region' in the 2021 to 2028 programme period, which would have brought in approximately £500 million of investment[3].

1 ONS, Mid-year population estimates (2018); ONS, Dwelling stock (2018); Inter Departmental Business Register (IDBR) (2019); Business Register and Employment Survey (2018); ONS, Regional gross value added (balanced) local authorities by NUTS1 region (2018); Annual Population Survey (Sept 2019); Annual Survey of Hours and Earnings - resident analysis (2019); Census (2011)
2 Cornwall and Isles of Scilly LEP (2017) Vision 2030
3 Cornwall Council (2018) New Frontiers – Economic Growth to 2030

The Council is aware of the inequalities that exist across Cornwall and is focused on creating the conditions for inclusive growth and creating a self-sustaining economy by harnessing its natural assets, including renewable energy sources and lithium deposits. Cornwall is committed to shaping its own destiny, with the Council at the forefront of that approach through effective place leadership.

Priorities and plans

In Cornwall's latest annual report[4], they set out five core priorities for growth:

- **Healthy Cornwall**: Better health for everyone; protect and improve the lives of vulnerable adults; provide care of hospital leavers, increase the aspirations for our young people; children are kept healthy and safe; fewer children living in poverty.
- **Homes for Cornwall**: Provide 1,000 homes through the Council; raise standards of privately rented; bring empty properties back into use; support land trusts and other providers to deliver homes; lobby to protect residents impacted by welfare reforms; fewer people living in fuel poverty.
- **Green and prosperous Cornwall**: Use council land to create jobs; invest in skills required by current and existing employers; more apprenticeships; pay the Living Wage Foundation; reduce waste by increasing reuse and recycling; support the development of renewable energy and environmental growth; aspiring to a clean Cornwall that residents and visitors are proud of.
- **Connecting Cornwall**: Improve sea, rail, road, air and bus networks; link bus and rail timetables, ferries and the airport; give communities more influence to improve roads; enhance broadband and mobile connectivity.
- **Democratic Cornwall**: Communicate better with our communities; lobby for fair funding; seek further devolution from Whitehall to Cornwall and within Cornwall; make Cornwall Brexit ready; strengthen local democracy, local decision making and local service delivery.

One area of particular focus for the Council is supporting Cornwall's growing space sector and for Cornwall to become internationally renowned for space technology. In September this year, the Council's cabinet voted to invest up to £12 million in development of the Spaceport Cornwall Programme, which (if supported by the full Council later this year) will be used to develop facilities and operational capabilities at Cornwall Airport Newquay that would enable plans by satellite launch company Virgin Orbit to send small satellites into space from Spaceport Cornwall using a modified Boeing 747[5]. Spaceport Cornwall could eventually create 480 jobs and contribute £35 million a year to the local economy[6].

Given the location and geography of Cornwall, making sure people are digitally connected is a top priority for the Council. Investment in superfast broadband over the last eight to nine years has resulted in an extensive superfast network across the county and has helped to drive new tech clusters. Superfast Cornwall was first set up in 2011 and there have been three separate phases of the programme. The current programme runs from 2018 to 2020 and specifically aims to reach the areas that are 'hardest to reach' in Cornwall[7], thereby making sure that no area is left behind. Cornwall has also been leading the way in full-fibre connectivity, with 37% of homes connected to fibre-to-the-premises broadband, compared to a national uptake of 8%. The roll-out is now focused on connecting the remaining 63% of premises[8].

Physical connectivity between places is equally important for the Council, with large investment into an integrated public transport system, supported through the devolution deal. As a result of actions of the Council, there has been a 9% increase in passengers for buses and a 21% increase in mainline use of trains. Through increasing public transport usage, and reducing car reliance, the Council is also supporting green credentials in terms of sustainable growth and has recently committed to becoming carbon neutral by 2030.

4 Cornwall Council (2019) Annual Report 2018-2019
5 https://www.cornwall.gov.uk/council-and-democracy/council-news-room/media-releases/news-from-2019/news-from-september-2019/cabinet-agrees-to-support-investment-in-space-port-cornwall/
6 Cornwall Council (2018-2019) Annual Report 2018-2019
7 https://www.superfastcornwall.org/current-programme/
8 https://www.cornwalllive.com/news/cornwall-news/cornwall-uk-poster-boy-superfast-3391984

Cornwall is also taking an active role in supporting place-based growth in local communities. One example of a community led initiative supported by the Council was the restoration of the Jubilee Pool in Penzance which had suffered decline over the years and was significantly damaged during storms in 2014. The pool was handed over to a community interest company (Friends of Jubilee Pool) who have crowd funded in order to raise money for the extensive restoration. The refurbishment has included the use of geothermal energy to heat the pool and has attracted world-wide attention featuring in the *New York Times'* 52 Places to Go in 2017[9].

Delivery mechanisms

The County outlines a number of mechanisms through which place-based growth is delivered including:

Place-based Leadership board

- In 2016, a formal decision was made to establish a Cornwall and Isles of Scilly Leadership Board which brings together the political leadership of Cornwall Council and Isles of Scilly Council, the chairs of the key strategic partnerships (C&IoS Local Enterprise Partnership, C&IoS Local Nature Partnership and Cornwall Health and Wellbeing Board), representation from Cornwall's MPs, Devon and Cornwall Police and Crime Commissioner, Chairman of Kernow Clinical Commissioning Group, President of Cornwall Chamber of Commerce and the Chairman of the Cornwall Association of Local Councils[10]. The Board provides collective leadership of Cornwall and the Isles of Scilly, progressing shared ambitions for the area and working together to tackle issues and challenges[11]. Importantly, it allows the Council to speak with a single unified voice to be able to raise common interests and concerns. The Board has been particularly important in convincing government not to turn off the tap in terms of devolution.

Funding

- EU funding has been an important form of direct investment into the area and the Council is focused on ensuring the Shared Prosperity Fund provides a like for like replacement post Brexit. EU funding has supported a wide variety of seminal projects such as The Eden Project, roll out of Superfast Broadband, Cornwall Airport Newquay and the duelling of the A30. Three innovation centres have also been built using funding form the EU Regional Development Fund.
- Camborne, Penzance, St Ives and Truro have been selected by the government as four of the 100 towns to benefit from the new Towns Fund. Once approved, it is hoped that the new Town Deals will help to improve connectivity, provide vital social and cultural infrastructure and boost growth – with communities having a say on how the money is spent[12].
- Cornwall and Isles of Scilly Investment Fund (CIOSIF) is a collaboration between the British Business Bank and the Cornwall and Isles of Scilly LEP, supported by ERDF funding. The £40 million fund aims to support access to finance where barriers exist for SME's and seek to address an equity gap in start-up, early stage and development capital[13].
- Importantly, when the Council approaches the end of the year, any surplus from funding is invested in an economic match fund which is used to support cash flow initiatives. The Council has a growing £1.2 billion capital and investment programme which is focused on generating place-based growth.

9 https://www.nytimes.com/interactive/2017/travel/places-to-visit.html?_r=0&mtrref=undefined&gwh=3849C6ACE9D22773FBF9AE15A287FC69&gwt=pay&assetType=REGIWALL
10 https://www.cornwall.gov.uk/media/29114913/cornwall-and-isles-of-scilly-leadership-board-open-letter.pdf
11 https://www.cornwall.gov.uk/council-and-democracy/working-in-partnership/cornwall-and-isles-of-scilly-leadership-board/
12 https://www.cornwall.gov.uk/council-and-democracy/council-news-room/media-releases/news-from-2019/news-from-september-2019/four-cornish-areas-to-benefit-from-new-towns-fund/
13 https://www.ciosif.co.uk/

Pilot schemes

- From May 2020, Cornwall is the first rural area to be given the opportunity to run and fund a pilot scheme to bring down the cost of travelling by bus. This is being achieved through a £23.5 million funding package over the next four years for a 'reduced bus fares' pilot[14]. This will help to connect communities to work, education and socialising and is important for tackling climate change.
- In 2015, Cornwall was successful in becoming one of the five regions in the UK to pilot 100% business rates retention and continues to do so. This has meant that around £6 million of additional funding is now retained in Cornwall each year[15].

Community Network Areas

In 2009 the Council established 19 community network areas (CNA) based around groupings of parishes and electoral divisions and supported by senior directors. Each CNA has a community network panel which is a local forum enabling partnerships between Cornwall councillors and representatives from town and parish councils within the CNA[16].

State sized intervention

The Council has developed a reputation for taking responsibility for delivering improvements to national infrastructure. One example of this was the £70 million dualling of 4.5km of single carriageway on the A30 which the Council part-funded and delivered on behalf of Highways England to eradicate severe congestion and delays. The project has delivered wider economic benefits in excess of £134 million to the Cornish economy and removed one of Cornwall's significant physical growth constraints.

Barriers

The impact of Brexit and the loss of EU funding provides a significant challenge and risks Cornwall's economy flat-lining especially if the government fails to provide replacement funding to the same financial level.

As a predominantly rural county, the Council has evidenced that it is frequently 'excluded' from policy initiatives through the government's policy and funding focus on cities, something which they have challenged through their 'Britain's Leading Edge' campaign and network.

Short term shifts in government policy, such as the PWLB being increased by 1%, creates an unstable economic context to work within and undermines approaches.

Success factors

Respect that places have a long history and culture that will long out live any public body. It is therefore important to 'go with the grain' of places and understand their aspirations and stories so that initiatives are truly place-based.

Building trust and ongoing engagement with local communities is key to success, especially in relation to housing growth.

Creating an inclusive and shared ambition with everyone pulling in the same direction to achieve those goals and outcomes.

14 https://www.cornwalllive.com/news/cornwall-news/bus-fares-reduce-price-cornwall-3378049
15 https://www.cornwall.gov.uk/community-and-living/communities-and-devolution/devolution/devolution-to-cornwall/business-rates-retention-pilot/
16 Cornwall Council (2014) A public guide to Community Network Panels

Case study

Durham

The area in context

Indicator	Durham
Total population	526,980
Total dwelling stock	242,010
Total businesses	13,795
Total employees	171,000
GVA per job (£)	51,661
Employment rate (%)	72.5
Mean earnings (£)	27,594
Land mass (Ha)	222,606.26

Source: See footnote[1]

County Durham is a large unitary in the North East that was formed in 2009, replacing the previous two-tier system of county council. It is a diverse area with affluent pockets alongside pockets of high deprivation.

Historically County Durham has long been associated with coal mining up to the late 20th century, but since then it has been going through a phase of restructuring and is home to large innovative organisations including Atom Bank, Hitachi Rail and GlaxoSmithKline. The County is also the home of Durham University which is ranked amongst the world's top 100 universities. County Durham also has great environmental and cultural assets including beautiful rural areas, heritage coastlines, thriving market towns and the Durham Castle and Cathedral UNESCO World Heritage Site.

The challenge of growth

Being a diverse area, Durham County Council fully recognises that some areas struggle to attract private investment and therefore part of the challenge of inclusive growth is to enable economic opportunities for all communities. Durham County Council's focus is to attract investment to areas that have a competitive advantage and embed them in the local economy with supply chains and a competitive workforce. A core part of this is ensuring that the infrastructure is in place to link people from other areas to the core competitive centres, such as the city centre which offers strategic advantages with its main transport links and university.

1 ONS, Mid-year population estimates (2018); ONS, Dwelling stock (2018); Inter Departmental Business Register (IDBR) (2019); Business Register and Employment Survey (2018); ONS, Regional gross value added (balanced) local authorities by NUTS1 region (2018); Annual Population Survey (Sept 2019); Annual Survey of Hours and Earnings - resident analysis (2019); Census (2011)

Priorities and plans

Since becoming a new unitary in 2009, Durham County Council quickly focused its attentions on recognising opportunities with regard to the economy and tourism and how best to leverage these opportunities through working in collaboration with the government, LEP and educational institutions. This has resulted in a £3.8 billion investment programme which is currently underway across the county.

The County Durham Plan presents a vision for potential housing, jobs and the environment until 2035 as well as the transport, schools and healthcare to support it[2].

The plan aims to:

- continue the economic growth and investment in the county
- secure more and better jobs in Durham
- address the causes of climate change and adapt to its affects
- create and enhance vibrant communities for all of its towns and villages
- provide a wide choice of quality homes to meet everyone's needs and ensure they're built where people want to live, reducing the need to travel
- secure the infrastructure to support new development and to relieve congestion and improve air quality
- protect the natural and historic environment.

The County recognises the central importance that the University can play in supporting the growth of higher value jobs and skilling up the population. Durham County Council has a well-established relationship and working charter with Durham University. This works and has successfully created science hubs to drive forward innovation and enterprise. Most notable perhaps is North East Technology Park (NETPark) which was opened in 2004 and is managed by Business Durham, the economic arm of Durham County Council. NETPark supports innovative high-tech businesses as well as providing cutting edge, state of the art design, development and prototyping facilities. Durham University built the first development at NETPark and remain a key delivery partner. Most recently, Durham University was awarded £1.4 million to develop a University Enterprise Zone will further strengthen the NETPark through the collaboration of researchers and businesses.

Durham County Council is moving its main headquarters from a site on the edge of Durham city centre to the city centre in 2021. This will make the current County Hall site at Aykley Heads available for a new business park development which will build on the County's existing expertise in research and data and growing business services sector. Durham County Council is leading on this development and expect this 20-year plan to support 6,000 jobs in ICT, fintech and professional services and deliver a £400 million boost to the local economy. As well as the jobs supported on Aykley Heads, it is expected that the new city centre headquarters will drive growth in Durham city centre and support the further regeneration of the city's riverside.

Forrest Park (Newton Aycliffe) is set to be one of the largest parks in the North East, following planning permission to develop a 55-hectare site for commercial and manufacturing use which could create up to 3,200 jobs and boost the county's economy by almost half a billion pounds over the next 20 years[3].

'Place' is extremely important to Durham and the county has been making greater efforts to promote and celebrate everything that's good about the county. In the last six months Durham launched a campaign called 'Powered by People' which celebrates the success stories of individuals and businesses, demonstrating the areas competitive advantage.

Cultural regeneration is also a core focus area for the county and has helped to attract both tourists and new businesses to the area. Many of the cultural events help to position the county as a great place to live and work. The Lumiere programme is the UK's largest light festival and attracts people from all over the county to Durham. It first took place in 2009 as a one-off event, but following support from the county and other sponsors it has been returning every two years since then.

'Place' is extremely important to Durham and the county has been making greater efforts to promote and celebrate everything that's good about the county.

2 http://www.durham.gov.uk/article/7440/What-is-the-County-Durham-Plan-
3 https://www.durham.gov.uk/article/21879/Multi-million-pound-business-park-plans-given-the-green-light

Delivery mechanisms

Durham County Council outlines a number of mechanisms through which place-based growth is delivered including:

- **Capital programmes:** It is not uncommon for the Council to use its own capital programme to fund opportunities. For example, the Council recently funded a project known as 'Integra 61' which is a vital £4.5 million scheme to improve Junction 61 of the A1 at Bowburn which will lead to the creation of 5,000 new jobs. The improvements are part of a larger project which will see construction of 101 acres of industrial units and 270 homes in the area[4].
- **Headlease:** Durham County Council will often facilitate projects through taking headlease over a particular project. This is only considered feasible where the financial risks have been thoroughly assessed and there is a return for the Council. A current example of this is at Milburngate in Durham city where Durham County Council are facilitating development through a headlease. This is a mix of office space, leisure and residential properties in the heart of the city.
- **Business Durham:** This is the economic development arm of the county which aims to attract capital and inward investment to the county and develop an innovative economy where businesses are supported to flourish. Businesses in Durham can benefit from significant grant funding towards capital projects through the County Durham Growth Fund which was launched. The ERDF programme, which will be delivered by BE Group on behalf of Business Durham, can provide grant support of up to 40% to SMEs towards capital investment projects of £100,000 or more[5].
- **Funding through the LEP:** County Durham has been allocated £63 million from the North East Local Enterprise Partnerships Local Growth Fund which has supported a range of projects that have supported economic growth. These include new employment development sites and business parks, highways improvements, innovation programmes, business growth, cultural and tourism projects, and a new railway station.
- **Government funding:** An example of this is the Future High Street Fund which is geared towards reinventing town centres. Bishop Auckland is one of the 50 new shortlisted areas across the country that is now going through the second phase of funding that will help transform the high street. It is hoped that the package of investments will improve accessibility and transport connections as well as the reuse of property on Newgate street[6].
- **Durham University:** Funding through the University is another route through which innovation can be enhanced in the area. Recently, Durham University was awarded over £1.4 million to support collaboration between university researchers and SME's[7]. This will take the shape of a University Enterprise Zone (UEZ) which will encourage universities and businesses to work together to support local economic growth and will also support the development of business accommodation at the NETPark. Durham University is also undertaking an estate masterplan valued at over £700 million, which will improve, expand and modernise their colleges across Durham City.

4 https://durhammagazine.co.uk/durham-news/work-starts-on-4-5-million-durham-junction-improvement-scheme/025810/
5 https://www.cliveowen.com/2019/06/cd-growth-fund/
6 https://www.durham.gov.uk/article/21950/Future-High-Street-Funding
7 https://www.neechamber.co.uk/our-members/news/durham-university-awarded-14m-to-support-industry-and-academic-collaboration

Barriers

Lack of funding has sometimes held back the progression of projects, and Durham County Council feels that even if the government could release a small amount it would have the potential to unlock huge opportunities and stimulate growth. Durham County Council feels that perhaps the government could be more alive to these opportunities by being more on the ground and understanding of local opportunities. Where there is a lack of funding, Durham County Council has had to think creatively and work closely with investors, developers and businesses to give them the confidence to invest in the County.

Brexit is also seen as a barrier as it has created such uncertainty which results in things having to be put on hold. Under recent European investment programmes, County Durham has ranked amongst the highest areas of need in the EU. Durham County Council and the County Durham Economic Partnership have been lobbying the Government directly and through national partnerships to raise awareness of the needs of the county in advance of the launch of the Shared Prosperity Fund. This investment is vital in order to overcome some of the socio-economic problems that have been constraining economic growth for several decades.

Durham County Council fully recognise that in order to support growth across the whole county it has to be focused on their areas of competitive advantage and then grown outwards through supply chains.

Success factors

Having ambition and clear strategy that is realistic and deliverable and developed with partners is seen to be a recipe for success.

Working collaboratively has been a key feature of Durham County Council's plans and has helped them to leverage the competitive advantage of Durham city. Partnerships are particularly strong in Durham and this has helped to create a real sense of community and pride in belonging.

When Durham County Council become a unitary, there was a real drive and passion to focus on identifying what the areas competitive advantages are and how further opportunities can be leveraged from these. The new focus is how that success can be built upon which will require further forward planning over the next 15-20 years.

Durham County Council feels that the benefits of being a unitary authority is that they have control on decision making and strategy in addition to increased capacity due to their scale of being a large organisation which gives them flexibility. Previously it could have been necessary for up to eight organisations to have to agree to move a project forward. Now one strategy is developed and then agreed before being delivered. Decision making is much simpler as is the coordination and use of services to support the overall county-wide vision.

Durham County Council also feels that some of their success in driving growth is down to their positive and proactive approach to facilitating growth. They pride themselves in being open to ideas, approachable and supportive.

Essex

The area in context

Indicator	Essex
Total population	1,477,764
Total dwelling stock	635,010
Total businesses	65,540
Total employees	589,000
GVA per job (£)	60,397
Employment rate (%)	78.1
Mean earnings (£)	33,405
Land mass (Ha)	346,438.95

Source: See footnote[1]

Essex is a county of coastline and countryside, with historic market towns, post war New Towns and – in Chelmsford – one of the UK's newest cities.

Essex is a vibrant and diverse County with some of the wealthiest areas in the country like Uttlesford, and some of those most in need such as parts of Tendring.

There is diversity in the business sector with the community made up of 98% SME. With engineering experience in the South, financial companies based in Chelmsford and strong connections to the Silicon Fen and the Cambridge digital sector. There is an entrepreneurial success rate in the County with an average of 235 start-ups for each £1 billion of gross value added (GVA) – a rate that is higher than London. However, the region has a growth rate of 0.9% a year over the last decade and while good this currently sits below the UK average[2].

It is well connected to the major cities that surround it, such as Cambridge, Ipswich and London and has excellent transport links to the rest of the country and the world, with airports at Stansted and Southend.

The challenge to growth

The County does have a significant division between rich and poor with places like Clacton, one of the most deprived in the UK, and Uttlesford one of the wealthiest, with a life expectancy 18 years apart. This brings challenges supporting those most in need economically and enabling better health outcomes to reduce health inequalities. In addition, people living in the periphery of coastal areas face the challenge of being less well connected to economic hubs than those living in more central areas.

1 ONS, Mid-year population estimates (2018); ONS, Dwelling stock (2018); Inter Departmental Business Register (IDBR) (2019); Business Register and Employment Survey (2018); ONS, Regional gross value added (balanced) local authorities by NUTS1 region (2018); Annual Population Survey (Sept 2019); Annual Survey of Hours and Earnings - resident analysis (2019); Census (2011)
2 https://assets.ctfassets.net/knkzaf64jx5x/1ELIBOBH1qfrP4DoNp94wt/666ca3ba06a9cfd85b77536dccfd595f/ESSEX_ORGANISATION_STRATEGY.pdf

The proximity to major places of employment such as Cambridge and London have significant consequences for the region. The County has stated that while benefiting from these sources of employment is important, they also wish to encourage the county's residents to live and work in the county. Retaining and attracting young people and families to work and live in the region is therefore a core focus.

The county also wishes to focus on upskilling the population across the age range. While Essex has highly skilled and professional residents, significant parts of the county are less skilled and can therefore face other barriers to economic inclusion. There is also a mismatch between skills offered and those which employers may need in the future. Combined with the quality of further education provision and fewer people in Essex having level 4 qualifications than in the rest of the UK, there is a shortage of digital skills and other STEM subject professions.

Businesses would like to see more facilities and available land in the right places and of the right types to grow or move to the region. In addition, the fact that Essex's business community is dominated by SMEs and smaller micro businesses is a challenge for increasing productivity as their scale can mean they can find it difficult to commercialise new ideas, access development finances, explore new markets (including export markets) and attract investment.

The two New Towns are now entering their fourth generation and consequently the demography has changed since they were created. Many workers have been left behind and few have the skills needed to help cutting edge businesses to succeed. Too few residents benefit from high value jobs, which are not on the radar of local young people and adults.

There is also a mismatch between the national image of the county and the local reality: the Essex brand does not fit the real opportunity presented to people, communities and businesses.

Priorities and plans

Essex County Council set out its priority to enable inclusive economic growth in the Organisation Strategy 2017-2021. It aims to help people in Essex prosper by increasing their skills, enable Essex to attract and grow large firms in high growth industries and target economic development to areas of opportunity.

Essex will publish its new Industrial Strategy shortly. The emerging themes to be set out by the South Essex Local Enterprise Partnership are building communities for the future, modelling future connectivity, accelerating business and productivity growth and maximising natural assets.

To this end growing new communities, investing in infrastructure and upskilling of their population are significant priorities for the County to encourage and develop the workforce and ensure that the County continues to be a great place.

Essex has focused on the development of garden communities. There are plans for garden communities across the county, including sites in North Uttlesford and Easton Park in Uttlesford district, Chelmsford Garden Village, Harlow Gilston Garden Town and Dunton Hills Garden Community in Brentwood. In addition, North Essex Garden Communities Ltd (NEGC) was set up in 2017 by the Councils to take forward proposals put forward by the local authorities for a further three new garden communities. The three communities could deliver up to 43,000 new homes to garden community principles, providing significant employment opportunities and accompanying infrastructure[3].

The Council is actively involved in every stage of the process, from shaping and informing the District Local Plans, master planning and actively engaging with the operational delivery groups member delivery boards. A key part of the design principles of these garden communities is health and wellbeing, digital and smart technology, striving to achieve the Town and Country Planning Association Garden City principles. Essex County has been actively involved in the design stage to ensure that they deliver sustainable, attractive and healthy places for people to live, work and play[4].

3 https://www.ne-gc.co.uk/about/
4 Essex County Council (July 2019) Health and wellbeing board- Garden Communities in Essex

Aside from the eight garden communities, there are several further large infrastructure projects planned over the coming years which will support rapid growth in Essex. One of these is the Lower Thames Crossing which will provide an important physical connection between Kent, Thurrock and Essex through the development of a new motorway connecting to the crossing. Essex Council provided backing for the option in 2018 with the hope that it will provide a safe and reliable route that will link with the wider economy and bring greater regional growth.

All these priorities are done with the ultimate aim of improving the quality of life, work and prosperity of its residents across the whole of the county.

Delivery mechanisms

The County, supported by Chelmsford, Colchester, Tendring and Braintree councils, applied to the Housing Infrastructure Fund (HIF) for support for the main infrastructure projects – covering £218 million for a new railway station and bypass in Chelmsford, and the £99.9 million for the A120/A133 link road in Tendring/Colchester[5]. The funding will also support development of the first stage of a rapid transport system linking the new Colchester/Tendring borders development and Essex University with Colchester Town Centre and the Colchester North rail station. The network, which would grow alongside North Essex aims to reduce congestion, improve air quality and provide quick and easy access into and out of Colchester and Braintree, linking into other public transport hubs[6].

There are some significant projects where businesses and the County have worked together, such as the Aero Engineering Training centre at Stansted (MAG provide the capital for the land, and Stansted Airport have provided £5 million) and the County is supporting those centres of excellence by providing £3.5 million grants.

The County has worked with SELEP on a number of other projects and supported a £1 million innovation warehouse in Harlow which has encouraged a number of companies to come or remain in Essex.

It has also made strides to harness new technology and data analytics skills and has actively sought partnerships with the county's universities and colleges. For example, University of Essex has established the Essex Centre for Data Analytics (ECDA). The ECDA is at the core of the 'Essex Innovates' programme, a data science and AI partnership between Essex County Council, Essex Police and Essex University (University of Essex is home to the Institute for Analytics and Data Science).

Additionally, the Catalyst Project is a local partnership between the University of Essex, Suffolk County Council and Essex County Council working to improve community services for vulnerable people using the University's expertise in data analytics. The work will help Suffolk County Council and Essex County Council target public service initiatives where they are most needed, improve outcomes through earlier intervention, and introduce new evidence based evaluation techniques to determine their full impact. The project was awarded £2.2 million from the Catalyst 'universities as anchors' funding initiative by the Higher Education Funding Council for England (HEFCE).

Structurally, the Council has looked to established specific governance for their growth programs, establishing skills, business, and economic groups and boards to manage and assess the development of these key plans.

The Council is currently exploring the feasibility of setting up an innovative locally led development corporation to deliver the three North Essex garden communities. This would give Councils direct control over the delivery of future housing growth and the land acquisition process. In addition, it would be able to borrow directly from government and private funders to ensure key infrastructure is delivered early within each garden community[7].

5 https://www.southeastlep.com/essex-secures-more-than-300m-from-government-for-infrastructure-and-housing-growth/
6 https://www.tendringdc.gov.uk/council/news-pr/news-listing/transit-system-better-connect-north-essex
7 https://www.ne-gc.co.uk/north-essex-development-corporation-moves-a-step-closer/

In 2018 the Council restructured the Planning and Development Service to bring together existing planning and development resources into one service and provide capacity to focus on the strategic growth proposals. This includes the different town planning phases required to deliver garden communities, a new power station at Bradwell, and strategic employment proposals including the expansion of Stansted Airport and the relocation of Public Health England to Harlow. This new capability of providing strong engagement and a corporate response on strategic developments has been well received by the district councils.

The Essex Planning Officer Association (EPOA) has provided a shared space to come together to discuss planning issues that affect the whole of Essex and produce planning guidance documents. An important and influential publication commissioned by the EPOA was the Essex Design Guide which is used as a reference guide to help create high quality places with an identity specific to its Essex context[8]. This year the EPOA launched a design review panel, consisting of over 40 local specialists, to help local authorities in the county assess the quality of applications.

Barriers

A number of barriers were identified to delivering place-based growth, including:

- recognition that building productive relationships between partners takes time, with the need to create and then work towards a common vision
- district to district relations can sometimes come under strain when there is a duty to co-operate
- private sector funding is also not where it should be and currently too much of the increase in land value once planning permission for development is granted is taken by land owners, land agents and speculative site promoters. The lack of proper management over land value has resulted in an infrastructure deficit, which places a huge burden on the public sector to retrofit.

Success factors

Place-based growth requires significant amount of consultation, communication with existing communities and those who the County would want to move here. It cannot be achieved in isolation and the County must be adept at bringing all the stakeholders, population, businesses, and authorities together at the beginning of any growth-based programme. As part of this, having a shared vision from the outset is critical.

Having individuals with the right skills and collaborative relationships has also enabled the Council to create strong partnerships with central government, as well as across districts and communities.

Enabling people across and beyond the county to recognise an image of Essex that fits with the reality of the place, not a national stereotype.

Financial support and innovation must be prioritised in order to ensure the County operates at the right pace to match the regions needs in the future.

8 https://www.essexdesignguide.co.uk/

Case study

Hertfordshire

The area in context

Indicator	Hertfordshire
Total population	1,184,365
Total dwelling stock	491,120
Total businesses	65,640
Total employees	649,000
GVA per job (£)	62,783
Employment rate (%)	78.1
Mean earnings (£)	37,616
Land mass (Ha)	164,307

Source: See footnote[1]

Hertfordshire County Council is a two-tier local authority with a large population of round 1.2 million. It is a polycentric region with a number of small market towns and larger conurbations like Hatfield, Welwyn, Letchworth and Stevenage.

Hertfordshire is a region with a long tradition in pioneering town planning and regeneration. The County is home to major life sciences businesses and research capabilities and is well placed right at the heart of the 'golden research triangle' that links Oxford, London and Cambridge. Other sector specialisms in the region include film and media and advanced manufacturing with companies like Airbus as a major employer. There are opportunities for spatial growth along the radial M1/A1/M11 North South corridors but the East/West connectivity needs improvement and investment. It has low unemployment, good schools and higher education facilities, low levels of crime and most of its residents are healthy and well.

The challenge to growth

Like other counties with a close proximity to London, the region is expected to face significant population and housing growth over the next 25 years and it is anticipated that the population will grow by 175,000 by 2031. This population is aging and increasingly experiencing long term complex health conditions which will undoubtedly generate demands on services and infrastructure.

Over the last decade, productivity in Hertfordshire has declined compared to the national average with the County facing challenges by being located on the edge of London. The outflow of commuters to London compared to the inflow is a major consideration for the County and a focus for the council to ensure sustainable employment opportunities for all of its workforce.

There is pressure on local transport infrastructure, a shortage of housing that people can afford, a loss of employment land, and challenges surrounding the support of the evident decline of the post-war New Towns and high streets.

1 ONS, Mid-year population estimates (2018); ONS, Dwelling stock (2018); Inter Departmental Business Register (IDBR) (2019); Business Register and Employment Survey (2018); ONS, Regional gross value added (balanced) local authorities by NUTS1 region (2018); Annual Population Survey (Sept 2019); Annual Survey of Hours and Earnings - resident analysis (2019); Census (2011)

Priorities and plans

In July 2019 the Council published its priorities for Hertfordshire in a new corporate plan[2]. It outlines four ambitions:

- For everyone to have the opportunity to live in active, vibrant communities.
- Hertfordshire's strong economy to continue to grow, with resilient and successful businesses that offer good employment opportunities and help maintain a high quality of life for all.
- For everyone to have the opportunity to enjoy a happy, fulfilling and independent life.
- For everyone to have the opportunity to live healthy lives for as long as possible and to live safely in their communities.

The Council's priorities are therefore the delivery of at least 100,000 new homes by 2031, the regeneration of town centres including Stevenage, Hatfield and Watford Riverwell, improvements of Hertfordshire's strategic road and rail network and the development of the County's key high value and high skill sectors, such as the global excellence in life sciences, advanced manufacturing and creative media.

In support of the delivery of these new homes and communities, a study commissioned by the Hertfordshire Infrastructure and Planning Partnership (HIPP), which consists of Hertfordshire County Council, the 10 district councils and Hertfordshire LEP, assessed the likely cost of the infrastructure that the County will need – such as transport, schools and healthcare facilities. The projected total infrastructure bill is nearly £6 billion, of which £1.4 billion has already been identified or is being raised through funded schemes. The study reviewed the potential costs of delivery alongside currently identified secured funding, potential funding from public, private and developer contributions highlighting a remaining funding gap estimate of over £3.59 billion at 2018 prices[3].

2 https://www.hertfordshire.gov.uk/media-library/documents/about-the-council/data-and-information/corporate-plan-2019-25.pdf
3 https://www.hertfordshirelep.com/news-events/news/hertfordshire-councils-gear-up-for-growth/

Delivery mechanisms

Growth Board

Hertfordshire's 11 local authorities and LEP have set up a Growth Board to work together to support the delivery of good, sustainable growth in the County. It also aims to align strategic planning across the County, with an agreed pipeline of infrastructure projects to support the County's priorities.

The Board has a clear ambition of a different relationship with the government and hopefully more devolution. The County applied to be a part of the Business Rates Retention Pilot area in 2018. As a result of the successful application, Hertfordshire's local authorities will now keep 75% of growth of local business rates, estimated to be worth £11.3 million[4].

The County has established two joint planning groups each with their own strategic plan, covering the North West Central and South West regions. The County is supporting these groups alongside the LEP.

The Sustainable Travel Town (STT) programme

STTs are an innovative approach to reshaping the local highway network and places as a whole, in line with the sustainable transport objective. The Council has asked local organisations to submit proposals in 2018 and will be reviewing these in due course[5].

Local authority housing companies

Several Hertfordshire Councils have set up property companies to generate revenue and address housing needs, an approach pioneered locally by Broxbourne Borough Council with Badger BC Investments Ltd. As part of this, Hertfordshire County Council has established a property company, Herts Living Ltd., which will deliver over 6,000 homes over the next 15 years. Its future pipeline includes some 40 sites, ranging from smaller sites to large urban extensions, with a total gross development value of up to £2 billion[6].

Hertfordshire skills strategy

In partnership with Hertfordshire LEP and the Department for Work and Pensions, the Council has produced a detailed skills strategy to ensure that the County's workforce and future labour market are best equipped to meet employers' needs[7].

Garden villages and towns

East Herts, Epping Forest and Harlow district councils, along with Essex and Hertfordshire County Councils, are working together on the Harlow and Gilston Garden Town. This is supported by £6 million government funding over two years to help deliver the projects, with a further £1.4 million of funding being provided for the delivery of the new towns. Plans are being developed for new neighbourhoods to the east, west and south of Harlow, along with seven new villages to the north, with major investment in transport, jobs and community infrastructure to support new and existing residents in the Harlow area[8].

The County is also supporting businesses harnessing technological advantage, and the region is home to a group of businesses, such as Ocado and Tesco Labs, which are using data to transform the future of logistics.

4 https://www.hertfordshire.gov.uk/about-the-council/news/press-releases/hertfordshire-to-get-11m-boost-from-business-rates.aspx
5 https://www.hertfordshire.gov.uk/services/recycling-waste-and-environment/planning-in-hertfordshire/transport-planning/sustainable-travel-town-programme.aspx#DynamicJumpMenuManager_1_Anchor_7
6 https://www.hertfordshire.gov.uk/media-library/documents/environment-and-planning/planning/hertfordshire-fit-for-the-future.pdf
7 https://www.hertfordshirelep.com/what-we-do/priorities/skills-employment/skills-strategy/
8 https://www.bbc.co.uk/news/uk-38486907

Barriers

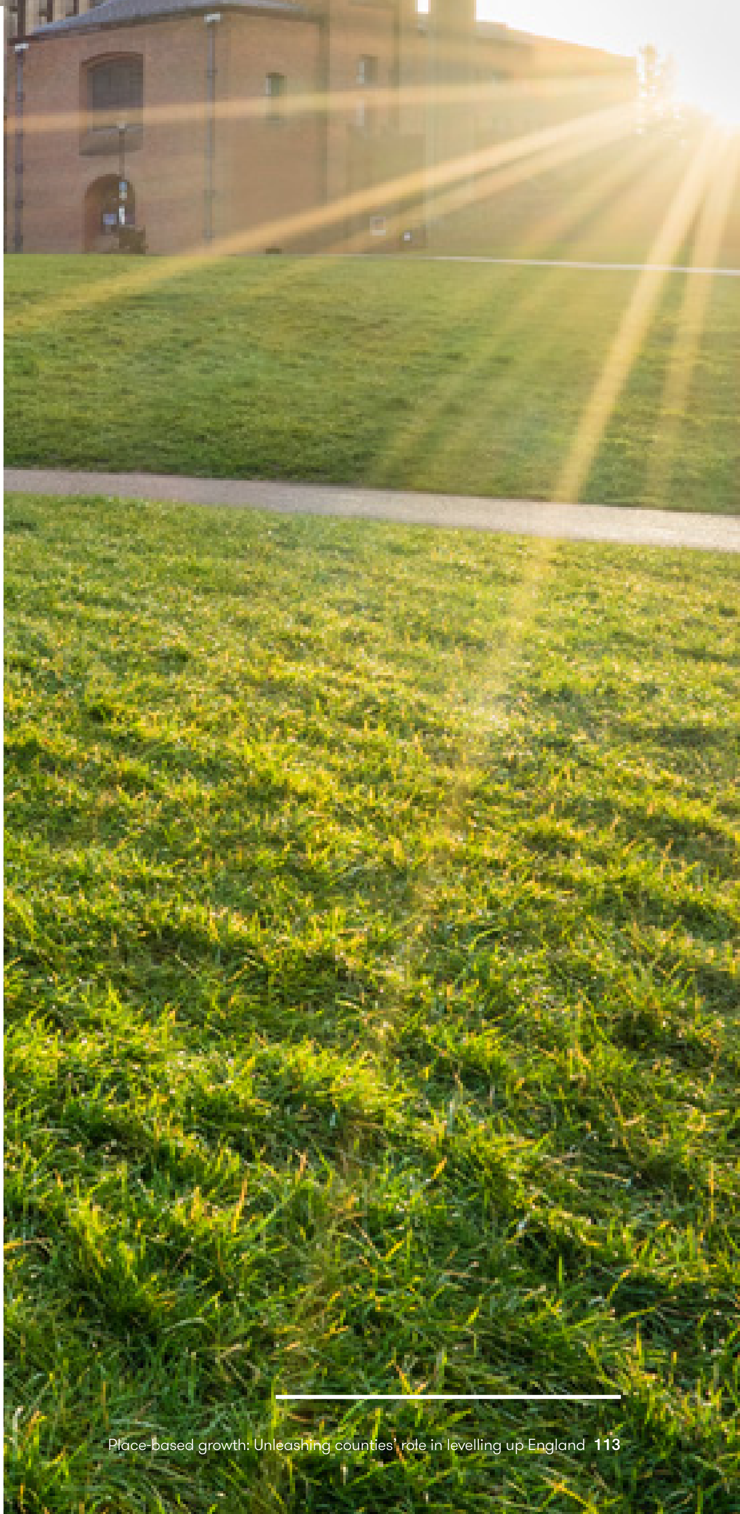
Barriers to delivering place-based growth include the large number of stakeholders involved, and often those organisations are heading in slightly different directions. Keeping everyone on track and moving in the same direction can be challenging and requires trust in relationships and building the mutual understanding of working together towards a set of shared goals at pace. While strategic plans help, and the Growth Board will go some way to bring the right people together on growth, conflicts and complexities still arise.

The region benefits from a supportive LEP which matches the boundaries and ambitions of the county. This has helped the County articulate its strategic growth plans clearly and is not a barrier to their growth plans.

Success factors

Hertfordshire's success will be delivering on the County's ambitions and ensuring the County is adequately prepared for the future growth of the region. Building houses alone is not enough but securing the future prosperity and health of its citizens successfully will be the measure of current growth plans.

The setting up the Growth Board has helped to mobilise the Council for growth.



Case study

North Yorkshire

The area in context

Indicator	North Yorkshire
Total population	614,505
Total dwelling stock	291,190
Total businesses	32,735
Total employees	271,000
GVA per job (£)	53,007
Employment rate (%)	79.4
Mean earnings (£)	29,116
Land mass (Ha)	803,761.29

Source: See footnote[1]

North Yorkshire is England's largest county stretching from the east coast towns of Scarborough, Whitby and Filey to within almost 10 miles of the country's west coast.

The County is sparsely populated with its two largest towns, Harrogate and Scarborough, acting as the main focus of business-led growth and cultural development. The County has significant natural capital, including the majority of the Yorkshire Dales and the North York Moors within its boundaries. Around 40% of the County is covered by national parks. Businesses in the County are spread across a variety of sectors and around 90% are SMEs making it resilient to significant economic shocks. North Yorkshire is a productive County, generating over £13.5 billion of GVA per annum. The York and North Yorkshire sub-region generates £23,023 GVA per head of population which is higher than that of either Greater Manchester (£21,626) or West Yorkshire (£21,457)[2].

The challenge of growth

The County has an ageing population and many younger people leave the area following secondary and further education in order to pursue careers and cultural experiences in the country's major cities. The County also has many people who come to the region to retire which adds to the costs associated with an ageing population and increases the demographic who have come to the end of their working life. People who are 65 years old and over make up 23.9% of the County's population, compared to 18% in the population of England as a whole[3]. In addition, a significant proportion of the County's well educated and prosperous population work in the major cities that border the region such as Leeds and Manchester. Retaining high-net worth individuals and younger demographics is therefore a key priority for the County.

1 ONS, Mid-year population estimates (2018); ONS, Dwelling stock (2018); Inter Departmental Business Register (IDBR) (2019); Business Register and Employment Survey (2018); ONS, Regional gross value added (balanced) local authorities by NUTS1 region (2018); Annual Population Survey (Sept 2019); Annual Survey of Hours and Earnings - resident analysis (2019); Census (2011)
2 https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/overviewoftheukpopulation/november2018
3 http://www.thesearchpartnership.co.uk/2019/05/13/north-yorkshire-house-price-index-reveals-a-five-year-high-for-harrogate-2/

The scale of the region also means there is complexity and costs in connecting the population and ensuring rural citizens are supported in the same ways as those living in the major towns.

Affordable housing is an issue as housing costs are relatively high when compared to wages. For example, Harrogate is extremely prosperous and has some of the highest property prices in England, while Ryedale District has among the highest wage to house price ratios in the North of England[4].

Low wages and high house prices mean that a relatively well educated affluent resident population are more likely to be employed out of the County and in some cases out of the region, while lower paid jobs in retail, social care and hospitality are filled by workers from surrounding cities and towns. The issues are most keenly felt in the more remote parts of the County, particularly on the coast and in the more rural areas of Ryedale District where wages are significantly lower than other parts of the County. Harrogate and Selby has the highest average wages by residence in Yorkshire and Humberside, while Scarborough and Ryedale has the second and third lowest.

Priorities and plans

The County Council developed a growth strategy in 2017 which forms part of the council's wider plan to make North Yorkshire a place with a strong economy, with a commitment to sustainable growth that enables its citizens to fulfil their ambitions and aspirations[5].

The strategy outlines the Council's role in supporting and developing growth and innovation in partnership with a number of key enablers and highlights the following as its key priorities:

- the provision of an efficient transport system
- improvements in skills and education to support the needs of local businesses
- enhanced and high quality mobile, digital communications infrastructure
- ensuring the population is healthy, happy and safe
- promoting the provision of high quality housing and attractive places to live
- development of business growth with a focus on a greener economy
- supporting businesses with improved infrastructure and responsive upper tier services particularly trading standards.

As part of its key role in developing a plan for economic growth, North Yorkshire County Council also emphasises its role in managing and supporting the various stakeholders in the development of a shared delivery of growth including the County's district councils, York, North Yorkshire and East Riding Enterprise Partnership Local Enterprise Partnership, national parks, local nature partnership and the unitary authorities within the wider region.

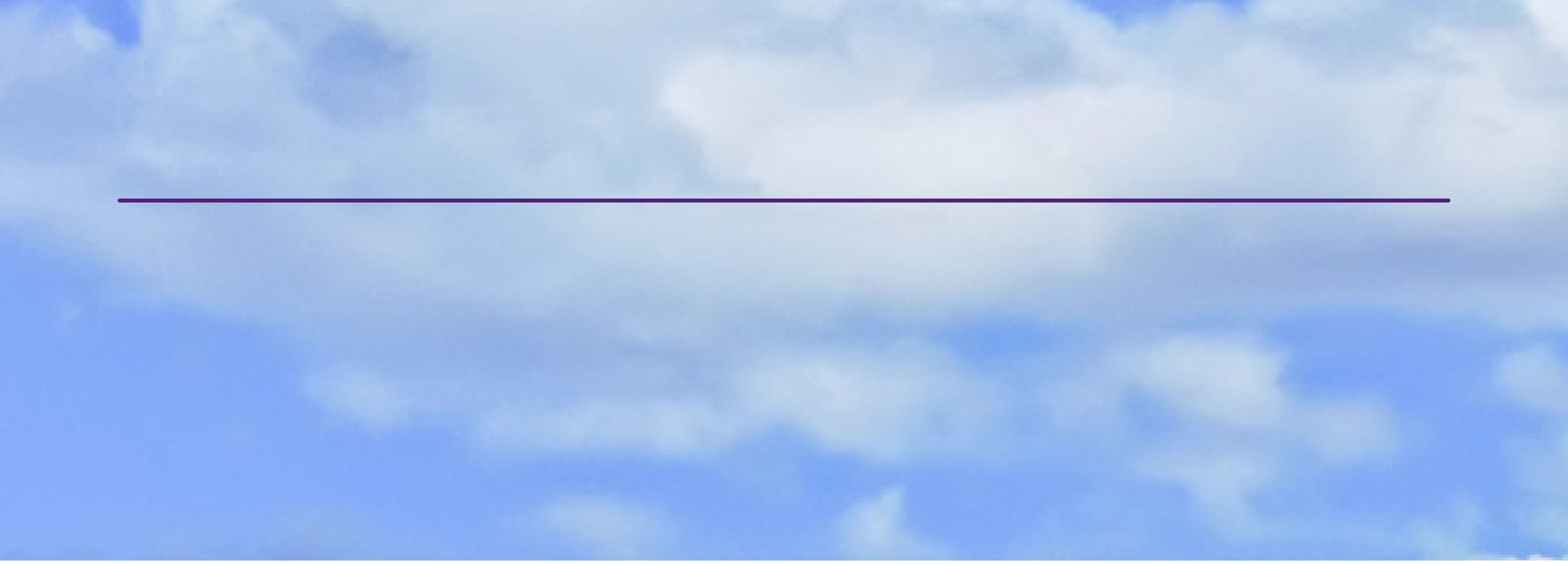
With a rural and smaller urban population, connecting the region is a major priority with digital and infrastructure connectivity a major focus. The Superfast North Yorkshire project is built around a partnership between North Yorkshire County Council and BT to deliver next generation superfast broadband to the County , and also brings together other initiatives to address rural access to better broadband. It has seen the region grow from 64% up to 90% connectivity over the last five years and the Countyhas the aspiration to achieve 92/94% connectivity in the next two. This focus will ensure better prosperity and opportunity for those living outside the urban centres and improve the connectivity of the County to the rest of the country[6].

The Council is also focused on developing a modern integrated transport system connecting North Yorkshire to the rest of the North and the UK. The Strategic Transport Plan outlines how a £70 billion pipeline of investment would transform connectivity across the North and unlock £100 billion additional GVA and support the creation of up to 850,000 new jobs by 2050[7].

The Investment Programme, which accompanies the Strategic Transport Plan, contains transport interventions that would transform connectivity across Yorkshire and the rest of the North. Specific projects include transformational change on Leeds – Harrogate – York Railway line, new A59 bypass of Harrogate and new rail infrastructure to enable Leeds to Newcastle in 60 minutes with phase one allowing Leeds to Harrogate in 15 minutes.

The council is also focused on increasing housing quality and affordability and has worked with the LEP, other bodies and developers to ensure completion of 1,830 new homes by 2017 and plan to build more. Part of these plans include the creation of Brierley Homes, a private company founded and owned by North Yorkshire County Council set up in 2016 which recently built its first houses in the village of Thorpe Willoughby near Selby. The developments are used to make profit which can be used to pay for the increasing cost of adult social care and children's services at the Council[8].

4 https://www.northyorks.gov.uk/sites/default/files/fileroot/About%20the%20council/Strategies,%20plans%20and%20policies/A%20Plan%20for%20Economic%20Growth%202017.pdf
5 superfastnorthyorkshire.com/#home
6 https://www.northyorks.gov.uk/strategic-transport-prospectus
7 http://brierleyhomes.co.uk/
8 http://www.richmondshiretoday.co.uk/profits-from-county-councils-property-firm-could-be-spent-on-social-housing/



Delivery mechanisms

North Yorkshire together with West Yorkshire Combined Authority were successful in a bidding to become part of the trials of the retention and pooling of business rate growth. The County Council together with the county's district councils, the City of York and West Yorkshire authorities, bid together for the scheme and is piloting 75% business rates retention until 2021. This is expected to bring in nearly £23 million for the expanded membership of which half will go towards fostering regional and economic growth and half to support the financial stability of member authorities. The pool is made up of 14 local authorities and is administered by Leeds City Council[9].

The York, North Yorkshire, East Riding and Hull Directors of Development Group has developed a Joint Housing Investment Plan with support and engagement from Homes England. The Joint Housing Investment Plan addresses long standing barriers to accelerated new housing development and aims to deliver 6,000 new homes per year over the next 20 years.

£15.1 million funding for the next stage of the digital connectivity projects has been financed by North Yorkshire's successful bid, along with its wholly owned connectivity provider NYNet and the County's seven district councils, to the Department of Digital, Culture, Media and Sport's Local Full Fibre Networks Challenge Fund. It will support the next phase of the County's digital expansion and will involve the provision of 180km of new fibre to 370 public sector sites in several towns including Harrogate, Scarborough, Skipton, Whitby and Settle by 2021[10].

Within the County, district councils have been successful in bidding for funding to support town centre regeneration and mitigate the effects of the loss of high street retail. This includes successful future high street funding for Scarborough, and Northallerton; Heritage Action Zone Funds for Selby, Scarborough, Skipton and Northallerton; town deals for Scarborough and Whitby.

The York, North Yorkshire and East Riding Local Growth Fund (LGF), managed by the York, North Yorkshire and East Riding Local Enterprise Partnership (LEP), has provided funding to a broad range of the County Council work. This includes highway improvements and flood alleviation work, skills capital schemes at North Yorkshire FE colleges and road schemes at Dalton Bridge and J47 of the A1(M) amongst others[11].

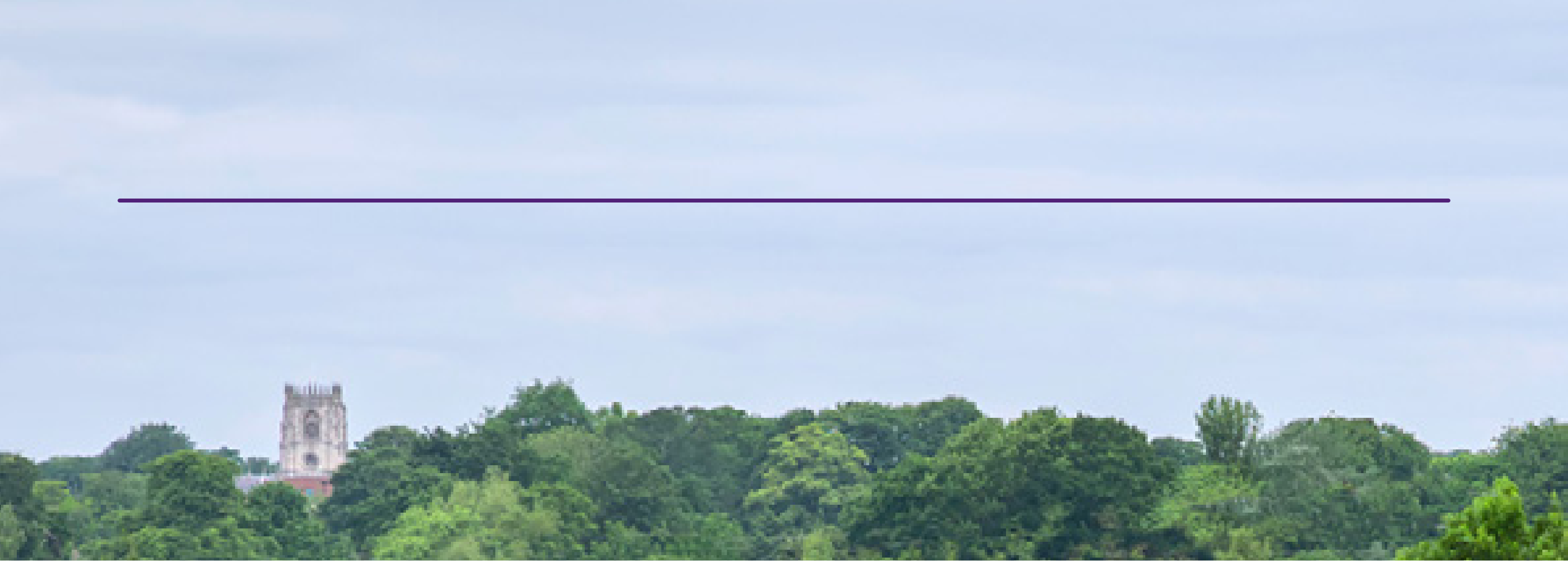
In support of the Council's aim to improve the environmental impact of its population, the LEP has also supported the development of the Allerton Waste Recovery Park project. In October 2014, the council started a contract with Amey to create the Allerton facility. From September 2018 it is fully operational and will process up to 320,000 tonnes of waste per year from York and North Yorkshire councils. It is developing new technologies to recover waste for commercial applications such as an anaerobic digestion plant which produces a biogas which generates renewable electricity and an energy from waste plant which burns the waste and uses the steam generated to feed an electricity generating turbine that produces enough electricity to supply about 40,000 homes[12].

9 https://www.leeds.gov.uk/your-council/performance-and-spending/business-rates-pool
10 https://www.northyorks.gov.uk/news/article/ps151m-boost-fibre-broadband-infrastructure
11 https://www.businessinspiredgrowth.com/wp-content/uploads/2019/07/LEP-Annual-report-2019-Low-Res-digital.pdf
12 https://www.northyorks.gov.uk/allerton-waste-recovery-park

In 2018, York, North Yorkshire and East Riding Infrastructure Board, of which the County Council is a board member, signed off a £700,000 ERDF contribution enabling the installation of three rapid electric charging points, ‘Hyper Hubs’, are to be sited strategically across the city of York. Two of these Hyper Hubs, sited at Poppleton Bar and Monks Cross Park and Ride sites, will service commuter routes supporting commuters who wish to live and work in the region with green energy options[13].

A concerted effort has been made to build capacity across North Yorkshire’s District Councils in order to ensure that strategic growth projects can be developed to the point where opportunities for delivery can be exploited and projects delivered in a timely and professional manner. Work has been undertaken to identify a pipeline of potential development projects and to begin appropriate feasibility and project planning work so that they can be successfully progressed should the opportunity or the imperative arise. In this way the County hopes to access funding and investment which is otherwise lost to other areas and regions. This is being achieved through the combined working of directors of development to develop a shared set of priorities and resources for delivery.

13 https://www.businessinspiredgrowth.com/wp-content/uploads/2019/07/LEP-Annual-report-2019-Low-Res-digital.pdf



Barriers

The biggest barrier to the County's growth is the failure to grasp the size and scale of the County and successful distribution of the prosperity of major cities and market towns across the region. The relative mismatch between jobs and skills and housing as well as addressing transport needs means that the required interventions of increased house building, delivering better paid jobs and a more efficient transport system are structural and subject to the limitations of the planning system and the capacity of the construction industry to deliver new homes. To address this, partners across the County have developed a long term spatial framework for the whole of North Yorkshire looking ahead up to 30 years or two local plan periods.

There are 10 separate planning authorities in North Yorkshire and consequently there are multiple decision makers, meaning that long term planning for infrastructure investment such as new settlements is difficult. In planning terms there is often a direct tension between the requirement on local planning authorities to achieve targets to build new homes and the statutory responsibilities of the upper tier authority to deliver highways, education and social care for a growing and ageing population. These issues can exacerbate the needs of nearby conurbations which share issues connected to housing availability and skills but are not part of a regional approach to long term planning.

Success factors

Effective communication and broad stakeholder involvement, including the local people, is essential to ensure the success of place-based strategies.

In 2017 North Yorkshire County Council launched a new plan for economic growth, which focused on the Council's role in delivering economic growth in England's largest rural County. To ensure the successful delivery of the plan, the Council created a corporate working group focused on delivering the key aims and aspirations of the plan, increased wages, improving the quality of employment and ensuring opportunity for all of the County's residents. This new internal structure included the creation of the Infrastructure Delivery Group with a specific focus on ensuring that S106 (legal agreements between Local Authorities and developers) and Community Infrastructure Levy contributions from new developments make appropriate provision for education and transport needs. There remains work to do to resolve the pressures that exist between the aspirations to build new homes, deliver affordable homes and provide for schools and roads without impacting development viability and North Yorkshire County Council is taking a positive pro-active approach to this problem.

Devolution at York and North Yorks level allows for more control over funding and decision making. Streamlining key local government functions in relation to economic and housing growth can help to unlock opportunity at the scale of the York and North Yorkshire sub-region. Strategic long term spatial planning, aligned to strategic delivery of skills provision and business support can help to unlock opportunities to build on existing high value sectors such as advanced manufacturing and food manufacturing, and can also improve large scale but low value sectors such as the visitor economy and agriculture with a view to delivering higher levels of productivity. In addition a greater focus on transport planning and the delivery of improved universal digital communications alongside the creation of new low carbon, more efficient transport networks can deliver benefits of agglomeration and allow the wider rural York and North Yorkshire sub region to compete with larger urban conurbations as part of the northern powerhouse.

Directors of development across York and North Yorkshire have been instrumental in delivering the first phase of strategic planning and shared resources. This work enables longer term infrastructure developments to be better planned and delivered and has the potential to create efficiencies and co-ordination in terms of local plan development and in unlocking housing growth, through the development of a joint housing investment plan, developed with Homes England. This approach supports the aspiration to combine resources in a more formal way, through a devolved combined authority and to streamline the political decision making functions to ensure a focus on wider strategic goals which can address long term issues of population change and low productivity.

Delivery of the spatial framework represents a view of development opportunities beyond current local plan periods and in doing so enables a more ambitious and proactive approach to future growth in which infrastructure planning and the creation of new or expanded communities can be successfully planned and delivered. This approach both harks back to regional spatial strategies and a planning hierarchy but also provides a new approach to long term development which has at its heart the recognition that future development will need to be significantly different in terms of volume and quality. Providing the homes which are needed for a growing and ageing population while also providing housing which is accessible for a wide range of purchasers and which enables better integration of employment and workforce needs, meeting the needs of businesses and also improving opportunities for all of the sub-regions residents.

Case study

Nottinghamshire

The area in context

Indicator	Nottinghamshire
Total population	823,126
Total dwelling stock	362,620
Total businesses	26,840
Total employees	302,000
GVA per job (£)	52,176
Employment rate (%)	77.2
Mean earnings (£)	29,067
Land mass (Ha)	208,477.38

Source: See footnote[1]

Nottinghamshire is located in the East Midlands and is a diverse area encompassing rural settlements, large towns such as Mansfield and Worksop and smaller market towns; the county surrounds the City of Nottingham.

Nottinghamshire's economy has historically been dominated by traditional industries and has gone through a period of restructuring and diversification. The county has disparities in wealth and productivity, which broadly splits the county into two parts – more prosperous areas in the East and South compared to those in the West and North which has a history of mining and traditional industries. The county is well connected to other parts of the country via the East Coast Mainline and the Midland Mainline and by major road routes, including the M1, A1 and A46. East Midlands Airport is also in close proximity providing international connections. Nottinghamshire is particularly proud of its investment in broadband and is currently the best connected county in the East Midlands and one of the best in the country (Nottinghamshire County Council, Dec 2018).

The challenge of growth

Productivity is a major challenge which is also reflective of the wider region that generally suffers from a productivity gap. Whilst Nottinghamshire children and young people achieve high levels of educational attainment across the county, there are parts of the county where the adult population currently lacks higher level skills.

There are also significant disparities in income levels across the county, and whilst employment rates are generally good, there are parts of the county where employment tends to be lower grade employment.

1 ONS, Mid-year population estimates (2018); ONS, Dwelling stock (2018); Inter Departmental Business Register (IDBR) (2019); Business Register and Employment Survey (2018); ONS, Regional gross value added (balanced) local authorities by NUTS1 region (2018); Annual Population Survey (Sept 2019); Annual Survey of Hours and Earnings - resident analysis (2019); Census (2011)

Priorities and plans

Nottinghamshire Council Plan (2017-2021) outlines four key priorities for the county. Nottinghamshire will be:

- a great place to bring up your family
- a great place to fulfil your ambition
- a great place to enjoy your later life
- a great place to start and grow your business.

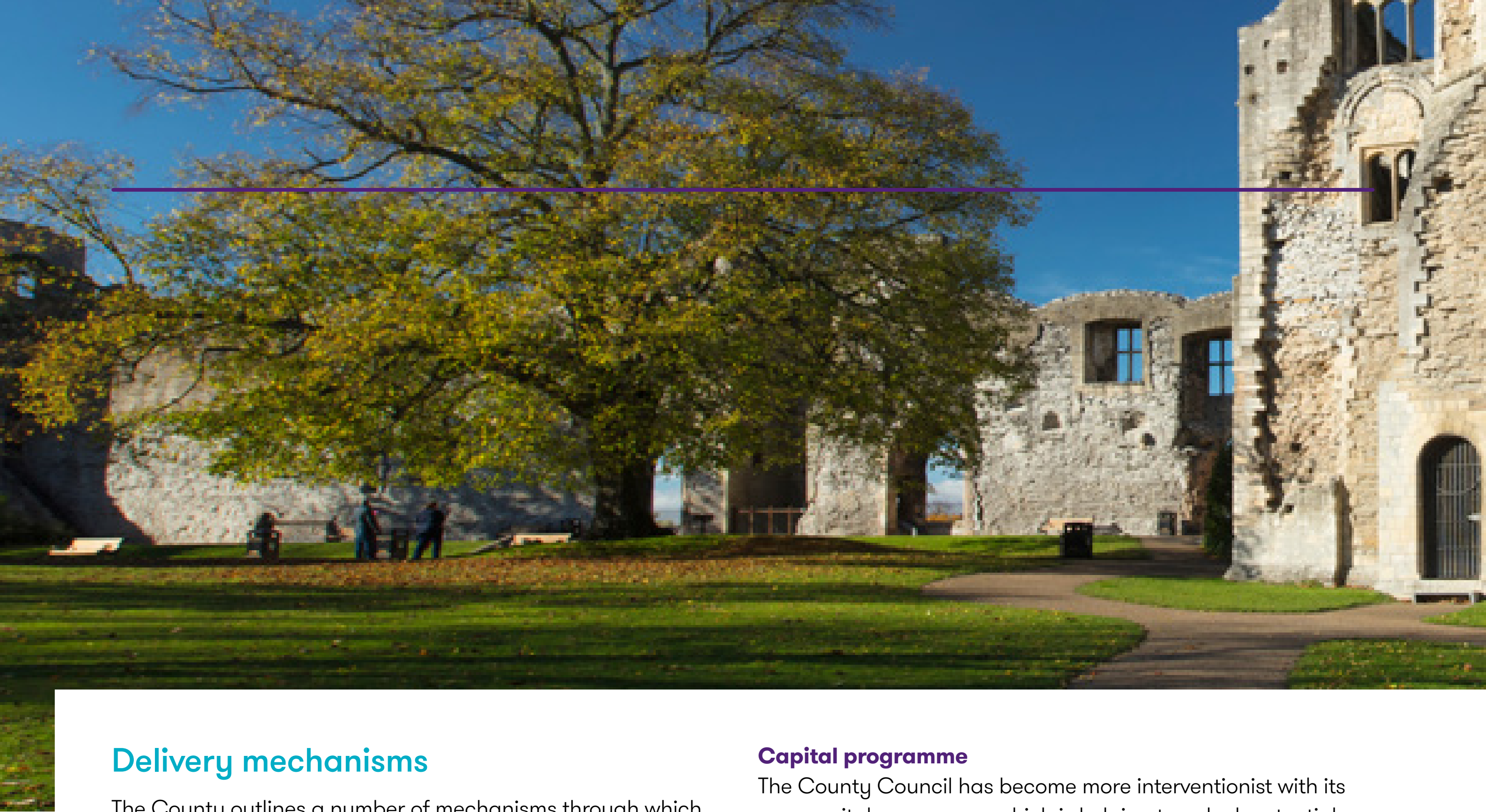
Infrastructure led growth is a key way in which Nottinghamshire is looking to attract investment, increase productivity and prosperity. Nottinghamshire is well placed to do this because of its central location within the country and it's natural growth corridors. Considerable investment is currently being placed on improving the A46 corridor which aims to unlock significant development opportunities, connect goods to market, improve journey times and provide better employment opportunities for residents. Following partnership work with Midlands Connect and neighbouring counties, in September this year the Government committed to make the necessary investment to dual the A46 from Farndon to Winthorpe and upgrade the roundabouts at Cattle Market and Winthorpe, tackling significant congestion and investing in the A46 corridor.

The proposed HS2 station at Toton is a significant growth opportunity which is of regional and national significance. The development will not only attract new businesses but also to deliver socio-economic benefits to local and regional communities. The development of the hub station and neighbouring sites could result in the creation of over 5,000 new homes and up to 10,000 additional jobs[2].

The County Council has, over the last three years, driven forward the implementation of a regional growth strategy to capture the growth benefits of HS2 in partnership with neighbouring County and City Councils and District and Borough partners. As a result of this work, in 2018 the Government invited the County Council as part of the Midlands Engine to bring forward a new model locally led Development Corporation. This new body will not only deliver the development at Toton, but also integrate the opportunities with those at the soon to be decommissioned Ratcliffe on Soar power station and the neighbouring East Midlands Airport in Leicestershire. The Secretary of State announced in October 2019 an intention to approve the incorporation of this new delivery vehicle.

The Council itself is also increasingly using its own land for development as a stimulus for growth particularly through a series of growth corridors. The Council's strategy is to use land to shape place, creating new jobs and housing, but also improving the environment and outcomes for communities. This goes beyond a simple strategy of disposing of land for capital receipts, to working with partner delivery agencies to masterplan and bring forward early investment in infrastructure. There are a number of examples of this, including at Berry Hill (the Lindhurst Development) in Mansfield and at Top Wighay in Gedling. These two developments see over 2,000 houses, new schools, new road infrastructure and green public space as well as over 1,500 jobs for local communities in some of the less prosperous parts of the county.

2 https://www.nottinghamshire.gov.uk/jobs-and-working/working-for-us/place-department/high-speed-2



Delivery mechanisms

The County outlines a number of mechanisms through which place-based growth is delivered.

Central Government bids

Nottinghamshire has increasingly invested its own revenue to develop a pipeline of projects and major schemes to bid for government funding, particularly in relation to housing, infrastructure and major roads.

Regional agencies

The Midlands Engine and Midlands Connect, have been hugely supportive and influential in securing funding. For example, the county worked closely with Midlands Engine to put in a direct bid to DFT for the HS2 development at Toton. The recent commitment of roads investment to upgrade the A46 network was the result of a five-year campaign led by local MP Robert Jenrick, Midlands Connect, Transport for the East Midlands and the County Council.

Whilst the LEP has served a purpose of injecting funding into areas, they have now depleted funding sources and their future remains uncertain until more clarity is provided on the Shared Prosperity Fund.

Private-sector partnerships

Nottinghamshire has also partnered with BT Openreach and BDUK to deliver the 'Better Broadband for Nottinghamshire' (BBfN) with the aim of pushing Nottinghamshire towards 100% broadband coverage. In 2018, the County Council secured an extra £1 million to extend its roll-out of digital infrastructure, which means that over 98% of residential and business premises across the county can access superfast broadband speeds[3].

Capital programme

The County Council has become more interventionist with its own capital programme which is helping to unlock potential across the county.

Spatial framework

Nottinghamshire County Council have also set up a non-statutory 'Spatial Planning and Health Framework 2019-2022' which provides a more holistic overview of health and planning across Nottinghamshire. This aims to ensure that health/social care infrastructure requirements are considered to meet the growth requirements of the population of Nottinghamshire[4].

Development corporation

Plans are currently underway to establish an East Midlands Development Corporation which is being funded by the government. The focus will be on maximising and accelerating development opportunities and strategic transport connectivity across the East Midlands, and particularly around the HS2 station at Toton, East Midlands airport, SERGO Logistics Park, Chetwynd Barracks and Ratcliffe-on-Soar power station[5].

3 https://www.nottinghamshire.gov.uk/newsroom/news/rural-communities-to-get-further-broadband-boost
4 https://www.nottinghamshire.gov.uk/media/1740041/notts-spatial-planning-health-framework.pdf
5 https://www.nottinghamshire.gov.uk/newsroom/news/once-in-a-generation-east-midlands-development-cor

Barriers

A number of barriers were identified to delivering place-based growth. Whilst the county acknowledges that they have a good working relationship with districts, having two-tier local government structures with a split responsibility in delivering planning and development in place can be a constraint in securing strategic county-wide place-based growth.

The council recognises the wider barriers to particular growth sectors, in which the county (and Derbyshire) have a number of growth companies. One example of this is in the construction sector which is trialling new innovative and sustainable forms of construction, such as offsite manufacturing of housing. The barriers to growth of this sector are around the planning system, funding and lending and mortgage-ability (NHBC report).

Success factors

The county feels that building confidence and internal capacity will help them earn trust from districts and will ultimately enable greater collaboration.

Strong political (and managerial) leadership
A strong ambitious programme of investment building confidence and giving certainty to developers that the council will work 'with' the industry to secure investment and growth.

Strategic relationships with key partners and agencies
The voice and strength of the Midlands Engine and Midlands Connect is powerful in driving growth across the region and through strong support and engagement, the County Council has secured benefits for local residents and businesses. The County Council also benefits from having two universities on their doorstep – University of Nottingham and Nottingham Trent University – with whom they work very closely.

Innovative delivery partnerships
The county council chose not to go down the path of creating a housing company, instead has created a design/build partnership (Arc Partnership) and a highways company (Via East Midlands) which bring capacity and capability in designing and delivery of infrastructure, masterplanning, procurement and delivery of development.

Strong stewardship of finances means that even after sustained period of financial constraint, the county council continues to invest in growth.

Case study

Oxfordshire

The area in context

Indicator	Oxfordshire
Total population	687,524
Total dwelling stock	290,350
Total businesses	31,670
Total employees	365,000
GVA per job (£)	58,000
Employment rate (%)	82.7
Mean earnings (£)	33,996
Land mass (Ha)	260,491.51

Source: See footnote[1]

Oxfordshire is characterised by a mixture of rural and urban populations which centre around the City of Oxford and its university and knowledge community.

The County is marked by historic market towns such as Wantage and Chipping Norton and rural areas like the Chilterns and Cotswolds, all areas of outstanding natural beauty. The strong economy is diverse across the region, with particular sectors – such as automotive, life sciences, space technologies and electronics, all focused around the "knowledge spine" of the County. Oxford benefits from its position within the "Cambridge, Milton Keynes and Oxford Arc[2]" which is home to globally significant centres of research expertise, educational institutions and some of the greatest concentrations of knowledge-based employment. The university is a world leading centre of research and innovation and also a centre for transformative technologies such as digital health, data analytics and autonomous vehicles. It has a thriving visitor's economy with the County welcoming nearly 30 million visitors a year which accounts for around 10% of all employment[3]. It does, however, remain a largely agricultural County by land use, with agriculture covering 74% of land use, with a lower population than neighbouring Berkshire and Buckinghamshire.

The challenge of growth

The division and split between urban and rural populations in the County means the challenges differ greatly from place to place. Much of the county is affluent and prosperous but pockets of deprivation remain around the City of Oxford and Banbury with 15 local areas in the 20% most deprived in the country[4]. Connectivity is centred around the economic centre of Oxford and some rural areas struggle with transport and digital connectivity. The National Infrastructure Commission (NIC) report "Partnering for Prosperity: a new deal for the Cambridge Milton Keynes-Oxford Arc[5]" identifies that the economic success of the corridor is threatened by poor east-west connectivity.

1 ONS, Mid-year population estimates (2018); ONS, Dwelling stock (2018); Inter Departmental Business Register (IDBR) (2019); Business Register and Employment Survey (2018); ONS, Regional gross value added (balanced) local authorities by NUTS1 region (2018); Annual Population Survey (Sept 2019); Annual Survey of Hours and Earnings - resident analysis (2019); Census (2011)
2 https://www.nic.org.uk/our-work/growth-arc/
3 https://www.experienceoxfordshire.org/visitor-spend-target-exceeded/
4 https://www.oxfordshire.gov.uk/sites/default/files/file/about-council/CorporatePlan.pdf
5 https://www.nic.org.uk/publications/partnering-prosperity-new-deal-cambridge-milton-keynes-oxford-arc/

As with other counties, its population is ageing with the number of people aged 85 and over increasing by 55% by 2031. The population is set to grow by 27% by 2030[6].

Over one third of Oxfordshire's employment is in Oxford which indicates the city's strategic importance to the County and wider regional economy. The future economic prosperity of Oxford and the prosperity of the County as a whole are therefore very closely linked and this reliance encourages some disparity across the County. Private investment is centred around the city and the "knowledge spine" of Harwell, Banbury Bicester and the Council must extend prosperity throughout the County.

Oxford's research businesses and universities are competing in a much more global environment where the workforce, academics and students are internationally mobile. Its offerings must compete with other global research centres like Cambridge and Palo Alto to attract and retain its status and prosperity against this competition.

Average house prices in Oxfordshire are over 10 times median earnings and up to 17 times median earnings in the City of Oxford[7]. The city's prosperity means that majority of the population in the County and its key workers cannot afford to live in the city.

Priorities and plans

The corporate plan sets out the Council's strategic direction for four years until 2022. Its main priorities are:

- to give every child a good start in life and protect everyone from abuse and neglect
- enable older and disabled people to live independently
- support a thriving local economy by improving transport links to create jobs and homes for the future.

The plans for infrastructure investment and economic development centre around the Oxfordshire Growth Board. The Board is a joint committee of the six councils of Oxfordshire together with key partners including the University of Oxford, NHS Oxfordshire CCG, Homes England, Environment Agency and Oxfordshire Local Enterprise Partnership (OxLEP). It has been set up to facilitate and enable joint working on economic development, strategic planning and growth, overseeing all the projects agreed in the Oxfordshire Housing and Growth Deal and Oxford City Deal alongside the OxLEP.

In addition to the goals of building new homes and infrastructure across the county, its main priorities include:

- developing the Oxfordshire Growth Hub (with continued government funding) to deliver quality driven targeted support, sector advice to increase SME market penetration and to accelerate scale-up of high growth companies
- identifying Oxfordshire's specific skills needs and encouraging local providers to align their provision to address these needs
- building on Oxfordshire's strong international profile and world-leading science and technology clusters to investigate measures to boost inward investment and exports.

The Oxfordshire Infrastructure Strategy (OxIS)[8] is an Oxfordshire Growth Board project involving the Council's six local authorities and OxLEP, with the purpose of prioritising the Council's infrastructure requirements to 2040 and beyond.

The Oxfordshire Plan 2050 is one of the commitments made by the six Oxfordshire authorities as part of the £215 million Housing and Growth Deal, which recently finished public consultation. The Oxfordshire Plan builds on the foundations set by the current Local Plans and aims to look at the strategic planning issues for the period up to 2050. The team requested public views on which broad locations should be considered for large-scale housing or employment, infrastructure projects, or for strategic environmental designations. Its contents are due for publication soon.

Over one third of Oxfordshire's employment is in Oxford which indicates the city's strategic importance to the County and wider regional economy.

6 https://www.oxfordshire.gov.uk/sites/default/files/file/about-council/CorporatePlan.pdf
7 https://www.oxfordshiregrowthboard.org/housing-and-growth-deal-home/
8 https://www.oxfordshiregrowthboard.org/wp-content/uploads/2018/04/oxis_stage2.pdf

Delivery mechanisms

The Oxfordshire Growth Board has secured £215 million of government investment for new homes and infrastructure across Oxfordshire.

The Oxfordshire Housing and Growth Deal provides £60 million for affordable housing and £150 million for infrastructure improvements, including road and rail. This will accelerate the agreed ambition of building 100,000 new homes across Oxfordshire by 2031 to address the county's housing shortage and expected growth. This deal is supported by the development of an Oxfordshire Joint Statutory Spatial Plan (JSSP), building on the existing Local Plans, the Oxfordshire Infrastructure Strategy and Oxfordshire Local Transport Plan Delivery that is centred around the major investment projects outlined through the OxIS strategy which include:

- East – West connectivity
  - Improvements to the A34 and A40 and rapid bus routes linking key locations
  - East-West rail connecting Oxford to Cambridge
  - Redevelopment of Oxford train station
- Housing growth and quality of settlements
  - A new garden town for Didcot, West Oxfordshire Garden Village
  - Major developments in the county including the Northern Development Arc
  - Continued investment and support of the key areas already experiencing growth such as Banbury and Bicester
- Support for business and incentives to attract private investment
  - Incentives to encourage businesses to locate and expand within the Science Vale UK
  - Extension and support for enterprise zones across the county

This is shaped within the context of key corridors in which the local infrastructure projects focuses:

- Knowledge Spine North
- Knowledge Spine South
- A44 Corridor
- A4074 Corridor
- A40 Corridor
- A420 Corridor
- A4260 Corridor
- Oxford
- M40 Corridor Eastern[9]

Oxford is also one of 19 cities to have won the government's City Deal contest. It was chosen for the huge growth potential of its knowledge-based economy, centred on its enterprise and innovation zones, and for its contribution to the wider national economy.

9 https://www.oxfordshiregrowthboard.org/wp-content/uploads/2018/04/oxis_stage2.pdf

Barriers

Uncertainty around the political leadership, both locally and nationally, has affected the County's ability to implement their plans and plan future funding. Changes in political leadership at local level have the potential to change the focus of growth plans.

Too many counties and regions chasing too many different pots of many different sources of funding.

The current short term funding agreements are not conducive to successful infrastructure delivery and longer term planning of funding to match the growth plans would enable better growth. In addition, pinning funding against housing is understandable but as this is only within the current plan period then it forces short termism. There is also rarely enough revenue support to go with the capital funding, creating a pressure within local authorities that successfully bid for the capital.

There is additionally a significant funding gap between the cost of the infrastructure Oxfordshire is likely to need by 2040 and the funding available to deliver it. Oxfordshire County Authorities commissioned research to identify the infrastructure funding gap which is currently calculated to be £7.14 billion[10]. It is one of the highest in the County authorities reviewed.

There is current tension between the desire for climate action and increased growth – without a national response to this then the tension gets played out locally.

Success factors

The certainty of funding and clarity of the funding pots for growth would be beneficial. Clearer infrastructure investment funds supported by private investment will drive growth. In line with this, a strategic national view of infrastructure planning where the local picture is central should be implemented. Regional/national infrastructure plans would be useful so that everything connects up.

Other key infrastructure providers need to be more part of the picture, such as Highways England, National Rail, Energy providers etc – these often become a constraint to delivering in a timely way.

10 https://www.oxfordshiregrowthboard.org/wp-content/uploads/2018/04/oxis_stage2.pdf

Case study

Staffordshire

The area in context

Indicator	Staffordshire
Total population	875,219
Total dwelling stock	383,090
Total businesses	33,020
Total employees	349,000
GVA per job (£)	51,519
Employment rate (%)	79.2
Mean earnings (£)	28,240
Land mass (Ha)	262,027.95

Source: See footnote[1]

Staffordshire is a two-tier authority area within the heart of the West Midlands and whilst over 80% of the County is rural, the majority of the population live in urban areas.

The regions' major towns include Lichfield, which has city status, Stafford, the county town, Burton upon Trent, Cannock, Newcastle-under-Lyme, Leek, and Tamworth. The county covers an area of over 1,000 square miles and is the largest county in the Midlands by population. It is a region of wild landscapes with the Peak District National Park in the far north and Cannock Chase, an area of outstanding natural beauty in the south. The County was historically a major centre of coal mining in the UK but has now refocused its economy around its strategic position in the centre of England with logistics and manufacturing companies now based there. It has excellent connections to the rest of the UK and is a major transport hub for the UK economy. Staffordshire has a low crime rate and therefore one of the safest places to grow up in the country. The schools are some of the top performing in the Midlands with nearly 90% of Staffordshire schools rated 'good' or 'outstanding' by Ofsted.

The challenge of growth

While employment is high and unemployment low in the County, the major challenge is productivity which is relatively low. Mean incomes are therefore lower than many other counties so enabling people to get better paid jobs is a major focus to improve the living standards of its population.

Whilst business survival rates are very good in Staffordshire, the area suffers from a low business start-up rate.

1 ONS, Mid-year population estimates (2018); ONS, Dwelling stock (2018); Inter Departmental Business Register (IDBR) (2019); Business Register and Employment Survey (2018); ONS, Regional gross value added (balanced) local authorities by NUTS1 region (2018); Annual Population Survey (Sept 2019); Annual Survey of Hours and Earnings - resident analysis (2019); Census (2011)

Levels of house building in parts of Staffordshire, like many other areas across the county, are failing to keep up with the needs and demands of the growing population. Not enough new homes or the right variety of homes are being built, and the costs are continuing to rise faster than incomes. Housing for key workers, young people and the elderly are all needed to ensure the population can access a good quality of accommodation.

Staffordshire has identity but does not yet have a strong identity like some other country authorities and in order to attract investment and people to the region to live and work, this identity and the benefits of living in the county need to be articulated better.

Priorities and plans

Connecting Staffordshire is the County Council's Strategic Plan which sets its priorities for the next five years. Its vision for Staffordshire to be "a county where big ambitions, great connections and greener living give everyone the opportunity to prosper, be healthy and happy."[2]

It aims to ensure the people of Staffordshire will:

- have access to more good jobs and share the benefits of economic growth
- be healthier and more independent
- feel safer, happier and more supported in and their community.

The county will achieve this through:

- **Infrastructure:** Supporting the construction of more housing to meet the growing needs of families and people young and old. Staffordshire authorities are required to accommodate housing and economic growth, delivering on average 4,339 dwellings per annum, or 86,772 dwellings over the next 20-year period.
- **Economic growth:** Creating the right conditions for economic growth across the whole of Staffordshire that produces more, better paid jobs for residents, including connectivity and digital infrastructure.
- **Skills:** Improving education and skills provision.
- **Health, care and wellness:** Having a joined up approach to health, care and wellness that encourages people to take responsibility for their own health and plan for their future, so that we can support those who really need it.
- **Children and families:** Having a network of support to help people manage their own problems and stay safe and well.

A longer-term plan to coordinate future development and economic growth opportunities across Staffordshire has been approved by the County Council's Cabinet in October 2019. The Council, working with the district and borough councils, Stoke-on-Trent City Council and infrastructure providers, have commissioned a Strategic Infrastructure Plan (SIP) to support the planned construction of new homes and improve job opportunities through the delivery of high-quality infrastructure including transport, schools, health facilities, green spaces, leisure facilities and digital connections[3].

The plan is to support the county's vision for a more joined up approach to infrastructure planning and to understand the sub-regions longer term needs to support growth of the population and business base. It aims to better understand and quantify the type and level of infrastructure investment required to be able to deliver upon the levels of growth planned for the County.

Delivery mechanisms

Delivery of growth in the County in recent years has focused on areas where appropriate infrastructure capacity exists (or can be expanded to accommodate growth) and can support housing development to ensure the growing population has good accommodation alongside sources of employment.

Areas which are already seeing large scale development include Stafford town, Liberty Park in Lichfield, Keele Science and Innovation Park in Newcastle-under-Lyme, Rugeley power station in Cannock Chase, Branston Locks in East Staffordshire and Blythe Vale in Staffordshire Moorlands. The County Council has supported many of these, and other developments throughout the county in recent years through the provision of land and/or strategic infrastructure improvements.

There continues to be a focus on significant development around the Stafford town region and this regeneration is supporting the council's aim of rebalancing the Staffordshire economy with higher paid jobs across a wider range of sectors. The Council in partnership with Stafford Borough Council are managing the Stafford Station Gateway Masterplan which will unlock land around Stafford rail station and includes 75,000 sqm of offices, 800 new homes, 120 bed hotel/conference facilities, 2,000 sqm of retail/leisure, 3,000 sqm of industrial, 1,500 multi-storey parking spaces, and railway station upgrades together with 6.5 hectares of urban green and civic space. The Council has also provided £15.5 million to support the construction of the 1.2km Stafford Western Access Route (SWAR), which will run through the west side of Stafford town centre and support housing and employment growth throughout the town[4].

2 https://www.staffordshire.gov.uk/Your-council-and-democracy/Documents/FINAL-Strategic-Plan-2018-to-2022.pdf
3 http://moderngov.staffordshire.gov.uk/documents/s130098/Appendix%201%20-%20Draft%20Strategic%20Infrastructure%20Plan.pdf
4 https://www.midlandsengine.org/wp-content/uploads/CCS151_CCS0119406380-002_CIP_Midlands_Inserts_Stafford-Gateway-North.pdf

The County Council is currently driving the progress of an extension to generate an additional 100 acres of fully serviced employment land alongside i54 South Staffordshire. This is a hugely successful and nationally significant 97-hectare (240 acre) employment site in the centre of the UK, which Staffordshire County Council has been central to the delivery of and has worked in partnership with Wolverhampton City Council, South Staffordshire District Council and the Stoke-on-Trent and Staffordshire and Black Country Local Enterprise Partnerships to develop. The project has included the delivery of a new motorway junction onto the M54 to provide improved access to the site and is now home to a Jaguar Land Rover engine plant and high value employers in various sectors including aerospace, security printing and scientific food testing. The scheme represented a step change and transformation in the regional economy to higher value employment opportunities. There are already over 2,000 people employed at i54, which will rise to more than 4,000 when the existing site is fully built out, whilst the extension will create the opportunity for the private sector to deliver up to 1.8 million square feet of employment space, generating £600 million of private sector investment and creating up to 2,700 more jobs in the area.

The Council has also supported the development of Liberty Park, Lichfield, adjacent to Lichfield Trent Valley Railway Station, a £38 million development of 441,000 sqft of industrial and warehouse units that plans to create hundreds of jobs. In order to develop the Liberty Park site, access improvements were required which involved replacing the existing bridge over the West Coast Mainline and new roads providing the access to the site. The work was carried out by the county council and cost £4 million funded by the Stoke-on-Trent and Staffordshire Enterprise Partnership's Growth Deal, with additional financial contributions from a private developer called Liberty Property Trust[5].

An additional example of a site developed with County Council investment is the Innovation Centre, IC5, at Keele Science and Innovation Park. The site is adjacent to Keele University and continues to expand, providing high-value, high-wage jobs within the area[6].

The growth strategies that the county council have agreed with a number of district and borough councils set out the priorities and actions the authorities will jointly take to support growth within the area. For example, within the Staffordshire Moorlands, the councils are supporting the regeneration of Cheadle town centre including a redesign of local health services, whilst the development of plans for Leek's Mill Quarter and the Wharf Road area of Biddulph are currently underway.

Clearly an important aspect of supporting economic growth within the County is ensuring that residents have the right skills to be able to take advantage of job opportunities that are created. The County Council has been integral in establishing a skills partnership with key providers and stakeholders across the region. The Education and Skills Strategy: Partnership Framework, which met in the Summer 2019 for the first time, is a wide range of providers, partners and stakeholders from across the education and skills landscape with the aim of understanding and improving the provision of skills-based education in the County. Through the partnership approach it is hoped the County will build new, collaborative ways of working to deliver a skills programme not in isolation[7].

The County Council also helps to support skills programmes and schemes for individual employment and housing developments, including supporting district/borough councils in securing employment and skills plans from developers to ensure local businesses and residents can benefit from developments within their area.

5 https://www.libertyparklichfield.com/
6 https://www.keele.ac.uk/business/scienceandinnovationpark/
7 https://www.staffordshire.gov.uk/Education/Education-and-Skills-Strategy.aspx

Barriers

Within the County, infrastructure planning has generally progressed on a theme-by-theme and area-by-area basis and has therefore been somewhat disjointed and has not provided a holistic view of infrastructure requirements across the county. To help to address this, the County Council has commissioned the creation of the SIP to assess the current infrastructure capacity within the County, set out expected level of housing and employment growth over the next 20 years and identified the likely required investment in infrastructure that will be required to support this growth.

With regards to the funding of infrastructure, the SIP identifies a gap in funding which has yet to be matched and addressing this gap will be a barrier to overcome. In addition, a number of national policies and initiatives have been designed for problems that are specific to the South East property market where values are high and therefore do not translate to rest of England. For example, the Community Infrastructure Levy has proven far less likely to generate the required investment in infrastructure in areas where land values are lower and viability of schemes is more of an issue. The County Council argues that funding should therefore be more regionally applied to understand the challenges of growth locally.

The governance of regional and sub-regional organisations also remains confusing, including overlapping LEP areas, adding a layer of complication which should not be there.

Success factors

By their nature, two-tier authorities have a strong political will to work together and must have a clear vision of their strategy. It is an advantage that they are proficient in partnership working and operate in a two-tier environment to influence the various stakeholders. Creating an environment of trust has helped to strengthen these partnerships and is critical to success.

Attracting significant private investment is also clearly necessary to ensure success and the ability to clearly articulate a vision and economic plan makes this process easier. Clear messages from all the partners across the County region make private investment more likely.

Case study

Surrey

The area in context

Indicator	Surrey
Total population	1,189,934
Total dwelling stock	493,880
Total businesses	65,025
Total employees	564,000
GVA per job (£)	77,027
Employment rate (%)	81.8
Mean earnings (£)	43,020
Land mass (Ha)	166,249.81

Source: See footnote[1]

Surrey benefits from its proximity and connections to London and is the second wealthiest place in the UK.

It is home to 381 European companies, has a highly skilled workforce and, for the most part, the quality of life is high with easy access to the coast, countryside and two of the UK's busiest airports. As a result of this prosperity, Surrey is also one of the most densely populated shire counties in England, with a population of 1.2 million. By 2031, the county's population is forecast to grow by another 106,000 people, making an increase of 9%[2]. Alongside this growth in population, it is also a county where the population is ageing; one in five people are currently aged 65 and over, with an expectation that this will grow by 100,000 by 2040.

The challenge of growth

A growing and ageing population places significant challenges on local authority provisions, especially in relation to health, wellbeing and connectivity.

Compounding some of these issues is Surrey's geography. Although 87% of the county is within urban areas, 74% of its land is covered by national and international protection designations such as Green Belt and Areas of Outstanding Natural Beauty. This places significant restrictions on development and may create challenges as Surrey's population grows and demand for housing increases. Adding to these challenges will be pressure on Surrey's infrastructure arising from London which is also set to deliver a large number of new homes each year to meet ambitious housing targets.

1 ONS, Mid-year population estimates (2018); ONS, Dwelling stock (2018); Inter Departmental Business Register (IDBR) (2019); Business Register and Employment Survey (2018); ONS, Regional gross value added (balanced) local authorities by NUTS1 region (2018); Annual Population Survey (Sept 2019); Annual Survey of Hours and Earnings - resident analysis (2019); Census (2011)
2 Surrey County Council (2019) Surrey Place Ambition

Surrey is a 'polycentric' county with no single large and/or dominant town or city. Consequently, this may have implications for its growth. Although there are good infrastructure connections into London, there are also significant problems with congestion of roads, which is estimated to cost the local economy £550 million each year, and there is comparatively little infrastructure to support East-West journeys across the county. The county has three distinct geographic regions: suburbia, market towns and rural villages, which have their own unique issues. Ensuring that things like access to 5G internet are achievable and consistent across all three regions is difficult, but one which the county recognises is important and is putting plans and provisions in place to make it a reality.

Despite its comparative economic strengths, the pace of growth within Surrey is slowing and so there is an element of futureproofing the county, by identifying growth areas and industries and adapting accordingly. This includes an understanding that the future of economic growth is likely to be more localised as the UK moves from an industrialised economy to a knowledge economy. This economic shift is likely to include a move away from big businesses and towards more socially-based enterprises, smaller businesses and local supply chains and is something that the County Council is keen to be at the forefront of supporting and enabling.

Priorities and plans

There are a number of strategies, plans, programmes of activity and initiatives aimed at securing the future prosperity of Surrey. The Community Vision for Surrey – 2030, was developed in conjunction with local residents and a wide range of partners and is focused on enabling people to live healthy and fulfilled lives. These ambitions include:

- residents living in clean, safe and green communities, where people and organisations embrace their environmental responsibilities
- journeys across the county are made easier, more predictable and safer
- everyone having a place they can call home, with appropriate housing for all
- businesses in Surrey thriving
- well-connected communities, with effective infrastructure, that grow sustainably.

In July 2019, the Surrey 2050 Place Ambition was launched – a bold plan that combines the aspirations of boroughs and districts, the county council and the two Local Enterprise Partnerships (LEP), whose jurisdictions Surrey falls in, with a focus on 'good growth'[3].

Good growth is defined as:

- proportionate and sustainable, focusing on the places where people both live and work
- supporting overall improvements to the health and well-being of our residents
- supported by the necessary infrastructure investment - including green infrastructure
- delivering high quality design in buildings and public realm
- increasing resilience and flexibility in the local economy
- building resilience to the impacts of climate change and flooding
- planning and delivering at a local level while recognising that this will inevitably extend at times across administrative boundaries.

A fundamental priority of good growth is to ensure that no-one is left behind. There is recognition that people and place are inherently linked and although Surrey enjoys a high quality of life, it is a region not immune to health and wellbeing challenges in relation to factors such as mental health. Within Surrey, it is estimated that 10,600 children aged 5 to 15 have a mental health disorder and so in aiming to address these issues through things like greater community engagement, the county council is not only addressing an immediate need, but also creating sustainable workforces and communities for the future. An example of no-one being left behind can be found in the gaming sector in Woking. This is a global industry that has developed within the county and has a focus on recruiting a high-functioning, neuro-diverse workforce to further strengthen and develop the industry.

Community hubs are also a key way in which Surrey is trying to empower people to help themselves. The purpose of the hubs is to provide information and support to help people stay independent. They also offer valuable peer to peer support and a venue for people to access specialist clinics and sessions[4].

3 https://www.surreycc.gov.uk/__data/assets/pdf_file/0004/201874/Surrey-Place-Ambition-Version-1-July-2019.pdf
4 http://www.thesurreyhubs.org.uk/about-the-surrey-hubs/

The three strategic priorities for Surrey 2050 are:

- **Improve connectivity both within Surrey and between strategically important hubs:** This is particularly important given the decline in public sector funding for infrastructure projects. The county recognises the need to develop a series of shared strategic infrastructure priorities with a focus on both physical and digital infrastructure.
- **Enhance the place offer of Surrey's towns:** The majority of homes, services and jobs within the county are in urban areas. However, Surrey's proximity to London means that its options for delivering sustainable development and large new settlements are limited compared to other parts of the country. As a result, the focus is on maximising the potential of existing urban areas, as well as developing four new communities in: Dunsfold, Longcross, South Godstone, Wisley.
- **Maximise the potential of strategic economic assets:** The county believes that the greatest potential for 'good growth' is to invest in areas that offer opportunities to boost productivity and maximise the value of its strategic assets (for example, universities, transport hubs and strategic employment sites). Of particular focus will be the Strategic Opportunity Areas (SOAs) that can support the county's priority industrial sectors of professional and business services, life sciences, ICT, aerospace and defence, 5G, satellite and cyber security. The SOAs are:
  - SOA 1: Longcross-Staines-Heathrow Corridor
  - SOA 2: Woking Hub
  - SOA 3: Guildford Hub
  - SOA 4: Blackwater Valley Corridor
  - SOA 5: Cranleigh-Dunsfold Corridor
  - SOA 6: Epsom-Leatherhead Corridor
  - SOA 7: M23- Gatwick Corridor
  - SOA 8: South Godstone

More recently, the County Council has declared a climate emergency and put in place programmes, including extensive public engagement and 'challenges' to address the matter. Alongside this, the county has appointed Arup to prepare an infrastructure investment study and associated economic development strategy.

Delivery mechanisms

The County Council receives very little in the way of government funding and so a number of projects within the county are funded by the council's own capital programmes.

Two towns within the county have received some funding from the Housing Infrastructure Fund. In July 2019, it was announced that Woking had been granted £95 million for development of the town centre, including highway and railway infrastructure improvement that will lead to the development of 13 housing development sites with a total of 4,555 homes. The successful bid for funding was a partnership between Surrey County Council and Woking Borough Council[5].

Similarly, Guildford received £10 million in Housing Infrastructure funding, which is to be used a new bridge in Ash. The construction of the bridge will not only ease congestion in the borough but will also unlock potential for over 1,700 homes[6].

With regards to LEP funding, Surrey County Council falls under two LEPs; Enterprise M3 and Coast to Capital and although relationships with the LEPs are really positive the routes to funding are less clear on account of this.

5 Surrey County Council, Cabinet minutes – 16 July 2019
6 Inside Housing, 1 February 2018

Barriers

There is a mix of economic wealth within the county and some social deprivation, which leads to disparity in life expectancy and health and wellbeing outcomes. A consequence of the county's wealth means that when it comes to funding to try and address these social and wellbeing issues, it is often overlooked, and it is a challenge to be granted a fair hearing for funding. Within Surrey, there are over 23,000 children living in poverty. There is also a significant rise in foodbank usage, with 111% increase in three-day supplies distributed between 2014 and 2017[7].

Although there are significant benefits to quality of life for Surrey's residents on account of its rurality and easy access to green space, there is a sense that conservative land use may hinder the further development of the county.

Within Surrey, there are 11 districts all of which work collaboratively on initiatives, but all are different and have different challenges.

Public bodies across Surrey, such as NHS, probation services and police have different commissioning and accountability structures in place for the services they provide and outcomes they seek to secure. This can hinder effective collaboration, making it more difficult, time-consuming and/or costly. More effective collaboration would be possible if there were a single accountable body for all local public services. The role of such a body would be to co-ordinate public services but also to liaise with charities and businesses in the region to build and strengthen relationships and create a co-ordinated approach to the development of the county.

Success factors

There are three ways in which the County Council can engender further success in place-based growth:

- **Act as a convenor:** Taking the lead in gathering people together, having discussions and agreeing priority actions in relation to place-based growth priorities, securing the alignment or pooling of resources against agreed priorities.
- **Delivering placed-based leadership:** This leadership should be based on the quality of relationships with key individuals across the system. The rationale being that if you have the right people, with the right place-based mindset, acting in the best interests of everyone, it will be a powerful driver of change.
- **Putting in place robust mechanisms and measures:** To assess the progress being made against given objectives concerning social and economic progress and using them to stay on track and drive remedial action and improvement activity.

7 https://www.surreycc.gov.uk/__data/assets/pdf_file/0009/193905/Item-11-Annex-A-Vision-2030-Evidence-base.pdf

About us

Grant Thornton UK LLP

Grant Thornton UK LLP has a well established market in the public sector and has been working with local authorities for over 30 years. We are a leading provider of advisory, consulting and audit services, counting over 40% of English upper-tier local authorities as clients.

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If you have any questions about this report or would like to find out more about our approach to working with local government please contact:

Phillip Woolley
Partner, Public Services Advisory
T +44 (0)161 953 6430
E phillip.woolley@uk.gt.com

Rob Turner
Director, Public Services Advisory
T +44 (0)20 7728 2741
E rob.g.turner@uk.gt.com

Cordelia Canning
Manager, Public Services Advisory
T +44 (0)20 7728 2702
E cordelia.l.canning@uk.gt.com

Guy Clifton
Director, Public Services Advisory
T +44 (0)20 7728 2903
E guy.clifton@uk.gt.com

CCN

Founded in 1997, the County Councils Network is the voice of England's counties. A cross-party organisation, CCN develops policy, commissions research, and presents evidence-based solutions nationally on behalf of the largest grouping of local authorities in England.

In total, the 26 county councils and 10 unitary councils that make up the CCN represent 26 million residents, account for 39% of England's GVA, and deliver high-quality services that matter the most to local communities.

The network is a cross party organisation, expressing the views of member councils to the government and within the Local Government Association.

General enquiries:
T +44 (0)20 7664 3011
E countycouncilsnetwork@local.gov.uk

The County Councils Network Office
5th Floor, Local Government House,
Smith Square,
London, SW1P 3HZ

Grant Thornton

grantthornton.co.uk

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