

Written evidence submitted by Reading Borough Council (LRS0022)

Summary of submission from Reading Borough Council

Reading Borough Council is the unitary authority for Reading Borough, within the Thames Valley Berkshire LEP area. The Council is submitting evidence in view of the key role local authorities have to play in Post-Pandemic Economic Growth, and in view of the high priority which the Council attaches to the 'levelling up' agenda in particular. This is a particularly important issue for Reading as, despite having a successful economy by most conventional measures, the area is also one of the most unequal in the UK in terms of the polarisation of wealth and income. This underlines the importance of post-pandemic recovery and investment plans addressing 'levelling up' within all regions, and not just between the regions, of the UK.

The main points we would urge the Committee to consider are summarised below, with answers to specific questions posed in the call for evidence later in our submission.

- We believe that in general terms greater devolution of powers, resources and funding streams to local authorities to enable economic development, perhaps within a small number of key parameters set nationally to reflect over-arching strategic priorities, would best serve the interests of a rapid recovery and levelling up
- Many local authorities share the Government's ambitions with respect to 'levelling up' and have long-standing aspirations to deliver more inclusive growth and development- what they lack are the powers and resources to translate these aspirations into reality
- We share the Government's aims for inclusive growth and a green recovery and would urge that policy interventions and funding streams meaningfully support these priorities in a sustained way
- In considering the potential for different local government structures to help or hinder recovery, we would counsel against a 'one-size fits all' model at this time. All the institutions of central and local government should be focused on supporting recovery at pace: complex or controversial local government reorganisations would not be conducive to this.
- If new institutional arrangements are considered necessary (for example to address strategic regional/sub-regional issues such as spatial planning or transport), options which can be achieved quickly and cost-effectively should be favoured over more fundamental local government reform which would be an unhelpful distraction.
- While we believe that the Mayoral authority model may be appropriate for larger metropolitan areas with a clear, unifying identity, we believe this model would have limited value in a place like Berkshire where there are a number of strong local identities
- It is vital that the concept of 'levelling up' is applied within areas and regions which are relatively more successful as well as those traditionally seen as less successful, as inequalities can be stark within the former. For example, Reading has an unenviable

claim to being one of the most unequal areas of the country as the benefits of growth have not been shared evenly.

- Policies, interventions and funding streams designed to support ‘levelling up’ should therefore address the under achievement of economic potential in ostensibly ‘successful’ areas as well as that of under-performing areas especially as less investment per head would be needed in, for example, the south east, to generate the same quantum of growth in, for example, the North East

RBC responses to specific questions posed by the Committee

• Evidence base: what evidence exists to measure the performance of the various tiers of regional and local government in the delivery of growth? What evidence have regional and local leaders based their local or regional industrial strategies on, and what forms of stakeholder engagement were included in the drafting of priorities? Considering the cost of institutions, what cost benefit analysis exists to show the value for taxpayers’ money when compared to the delivery of wealth and job creation?

Local authorities who have developed strategies for ‘levelling up’ (variously called ‘inclusive growth’ or ‘community wealth building’ strategies) have identified relevant and appropriate evidence bases on which to base their plans. These are summarised in the LGA publication ‘Building more inclusive economies’¹ and we would commend the approaches highlighted in this report to the Committee.

The Thames Valley Berkshire LEP developed the draft Berkshire Local Industrial Strategy. Consistent with BEIS’s requirements, the process of BLIS development has been strongly evidence-based throughout. As well as the work of the Productivity Commission (The Commission was drawn from Berkshire’s business community and it included: individuals from both corporates and smaller companies; individuals who work with businesses in Berkshire (in an advisory/deliver capacity); and academics from the University of Reading). it has drawn on a substantial body of existing literature and data, including that generated by the six unitary authorities and by Thames Valley Berkshire LEP.

• Local structures: what structures exists across the country and how does this compare across different regions? How do these different tiers work together to deliver local growth? What good case studies exist, and can lessons be learnt from poor collaboration or leadership? How should local structures support delivery of regional growth across England? Do regional or local structures act in the best interests of local priorities and stakeholders or act more as a delivery arm of central Government? What should local authorities do more or less of to achieve these aims? Where should government focus its post-Covid-19 levelling up

¹https://www.local.gov.uk/sites/default/files/documents/5.66%20Driving%20inclusive%20growth%20in%20local%20areas_04_0.pdf

policy to best support regional growth: English regions, core-cities, towns, Growth Hubs and LEPs?

The experience of the LEP model in Berkshire (in the form of the Thames Valley Berkshire LEP) has been a positive one with local authorities working together well. That said, there is potentially scope for improved collaboration between neighbouring LEP areas on cross-boundary issues. If one of the Government's aims is to achieve recovery at pace, major reorganisation, particularly local government reorganisation, is unlikely to assist in this. As such, the emphasis should be on using existing structures and making them work better. A further example of collaborative working is within the transport area where Transport for the South East is now seeking statutory status. The proposal from Transport for the South East is designed to power-up the region's economic recovery from the effects of Covid-19 and accelerate investment in sustainable transport as part of a thirty-year transport strategy.

• Stakeholder engagement: how does each tier of regional or local government engage with delivery stakeholders (such as businesses, education providers, etc)? Do different tiers engage in different ways? Where are there examples of good practice? Do stakeholders believe the different tiers are effective and worthwhile to engage with? Do stakeholders consider certain tiers to be more of a constraint on growth as opposed to a delivery partner for growth?

Local authorities have a good understanding of their communities and have the skills and capacity to engage with them effectively. Engagement with business stakeholders is probably more variable between Councils but Reading has benefitted from the establishment of the Reading UK community interest company (a public-private partnership economic development agency) which has proven an effective vehicle for business engagement, not least as it is part-funded by the business community. The Oxford Growth Board offers another good example of collaboration.

• Sustainable local economies: how could a green economic recovery stimulate local economies and embed upskilling at a regional level? Which tiers are best placed to provide the leadership of local net zero and skills-based priorities? Should leadership responsibilities be separate from delivery responsibilities?

There are significant opportunities for a green recovery to stimulate local economies but this will require Government policies, interventions and funding streams to support a green recovery in a meaningful and sustained way. The Association of Directors of Economy, Environment, Planning and Transport (ADEPT) has produced a compelling 'Blueprint for Accelerating Climate Action and a Green Recovery at Local Level'² and we would commend the recommendations within this to the Committee.

²<https://www.adeptnet.org.uk/system/files/documents/Coalition%20Climate%20Asks%20Doc%20June%202020.pdf>

• Targeted regional investment: how could ‘shovel ready’ growth projects in England drive local growth and jobs? How could clustered R&D investment support local growth? How should priorities be agreed across the regions?

Care needs to be taken to ensure that the understandable desire to support ‘shovel ready’ projects does not simply result in funding being made available for projects which may have met the needs of the pre-Covid world but which are unlikely to meet post-Covid aims for an inclusive, green recovery which are shared nationally and locally. Schemes that are still in the pipeline but nonetheless need investment may offer better outcomes and may combined with other projects support broader ambitions including those to develop human capital.

• Regional funding: how should the UK Shared Prosperity Fund be specifically targeted to replace EU Funding and address regional inequality? What role should local structures play in allocating funding to best achieve regional growth? What role could the British Business Bank have in the post-Covid-19 levelling up of regional economies?

It is vital that the concept of ‘levelling up’ is applied within areas and regions which are relatively more successful as well as those traditionally seen as less successful, as inequalities can be stark within the former. For example, Reading has an unenviable claim to being one of the most unequal areas of the country as the benefits of growth have not been shared evenly. Policies, interventions and funding streams designed to support ‘levelling up’ should therefore address the under achievement of economic potential in ostensibly ‘successful’ areas as well as that of under-performing areas especially as less investment per head would be needed in, for example, the south east, to generate the same quantum of growth in, for example, the North East

• Project Speed: Project Speed will bring forward proposals to deliver government’s public investment projects. How should Project Speed identify and distribute growth opportunities into communities across the country to best achieve its levelling up agenda? What should the balance be between Whitehall decision making and local decision making? Do we have the capacity and capabilities at local and/or regional level to do this work on behalf of central government?

We support the intent behind ‘Project Speed’ as public investment projects clearly have a key role to play in economic recovery and ‘levelling up’ in particular with two important qualifications: (i) the nature of public investment projects supported and prioritised via ‘Project Speed’ needs to align with the Government’s stated priorities for an inclusive, ‘green’ recovery, and should reflect the new realities and patterns of demand which have sustained beyond the lockdown. Dusting off previous iterations of the roads programme, for example, is unlikely to achieve these objectives, not least as the demand case for transport infrastructure projects is likely to have changed significantly(ii) it is imperative that the proposed reforms to the planning system do not

undermine the vital place-shaping role of local planning authorities. Good local planning done in partnership with developers and with effective community engagement can add value to regeneration and development schemes. If left to individual developers, in contrast the opposite effect can prevail.

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