

Global to local

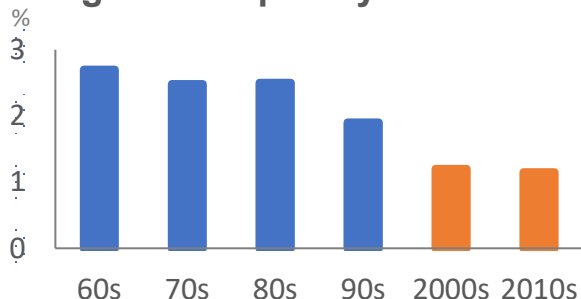
**Local government finance and economics
in a changing world.**

Mark Gregory, Visting Professor of Business Economics

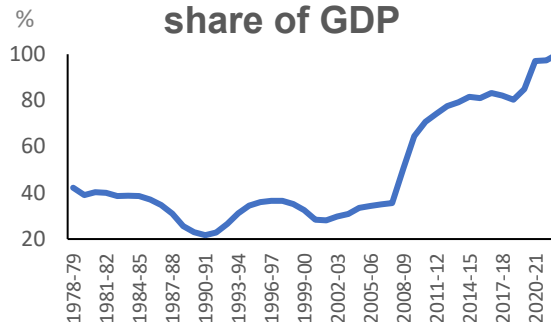
10th September 2025

Where we were – a challenged economy.

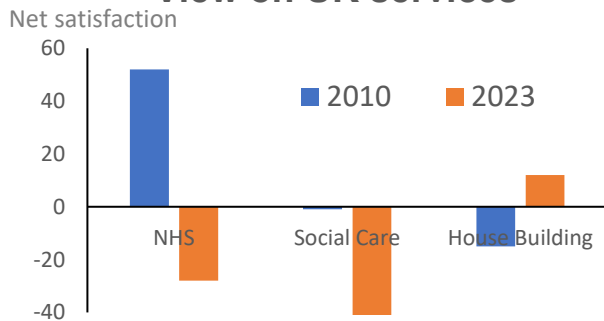
Annual average UK GDP growth/capita by decade



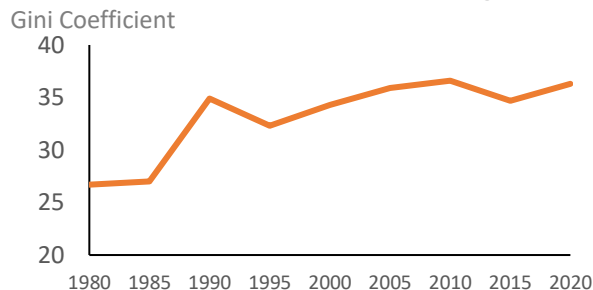
UK Public sector debt as share of GDP



View on UK services



UK Income Inequality

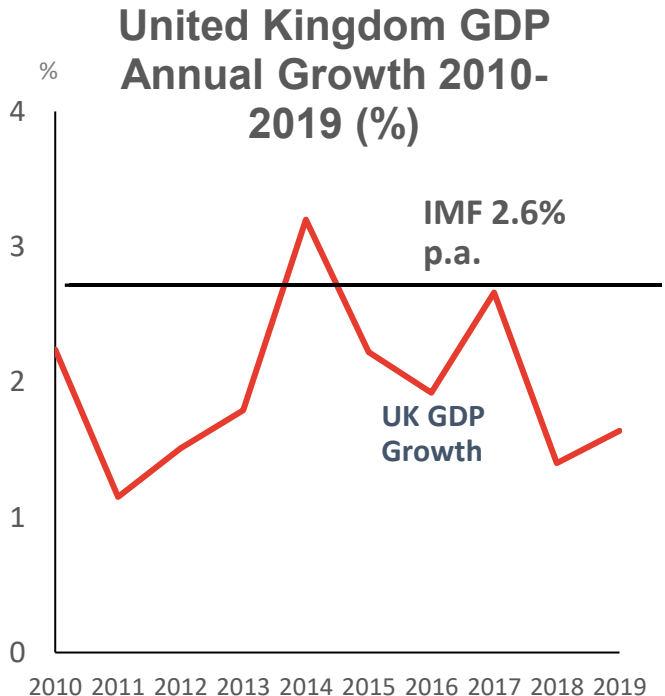


Source: ONS, Resolution Foundation, British Social Attitudes Survey, University of Staffordshire analysis.

Things could only get better?

Labour's 5 Missions

- Economic Growth
- Build a clean economy superpower
- Reclaim our streets
- Rebuild the NHS
- Breakdown barriers to opportunity

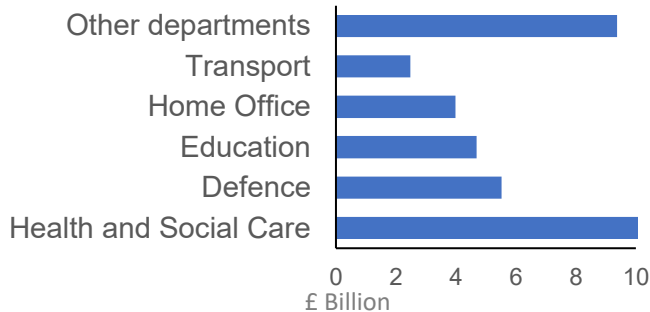


We got more than we expected...

"the only way we can put more money in people's pockets and fund our public services over the long-term is by growing the economy and backing Britain's wealth creators."

Rachel Reeves, Daily Mail, 24th May 2024

Increase in current spending 2024/25

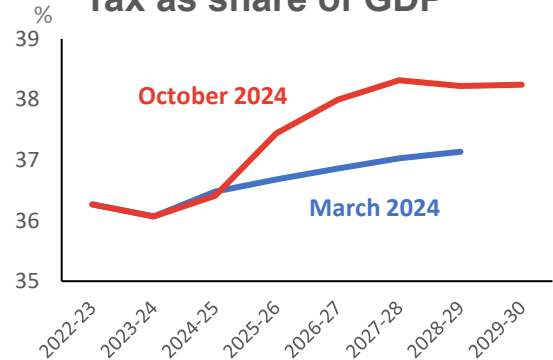


Sources: Office of Budget Responsibility

Public spending as share of GDP

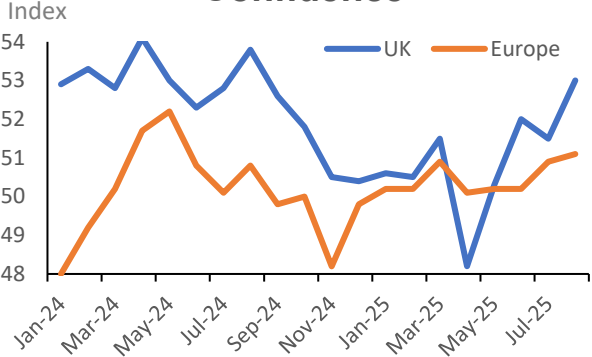


Tax as share of GDP

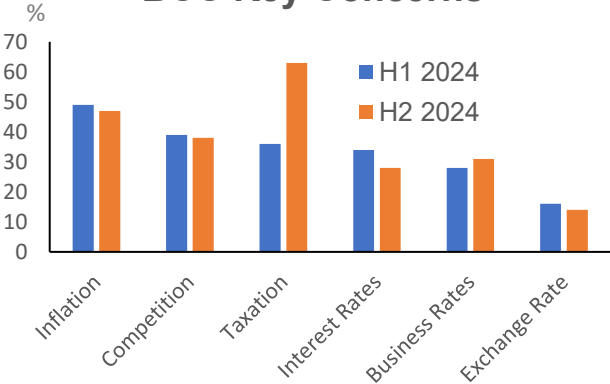


...yet it didn't feel like it.

UK and EU Business Confidence



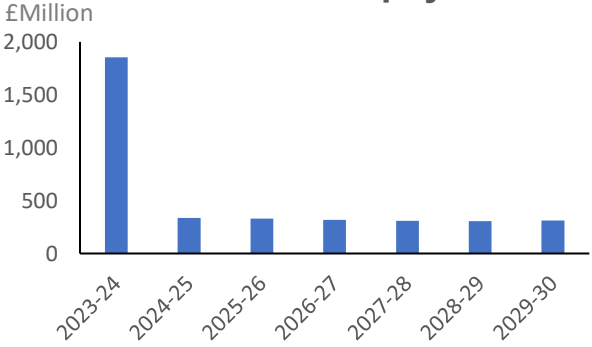
BCC Key Concerns



UK Consumer Confidence



UK Winter fuel payment



Sources: ONS, OBR, University of Staffordshire, GFK. BCC.

Meanwhile...

"Since 2001, we have lost almost 60,000 factories and millions of good-paying jobs,"

"I'm not saying trade is the only reason, but it is a significant reason why Americans are working longer hours for low wages and why we are seeing our jobs go to China and other low-wage countries."

We need trade that "represents the working families of this country, that rebuilds our manufacturing base,"

Bernie Sanders

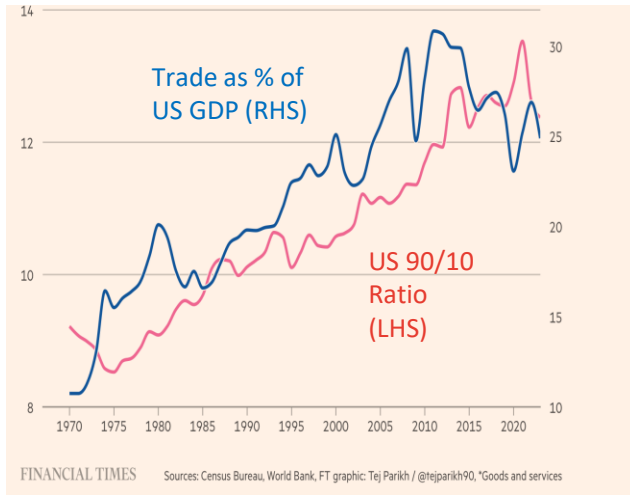
"The economic winners of globalisation are the asset rich elites (Piketty 2014) and the metropolitan professional class of creative, media, knowledge and finance workers, and opinion formers."

"Low-paid, low-skilled migrant labour enabled government and business to sustain a highly flexible labour market and avoid the costs of both technological innovation and the training of a skilled and productive workforce."

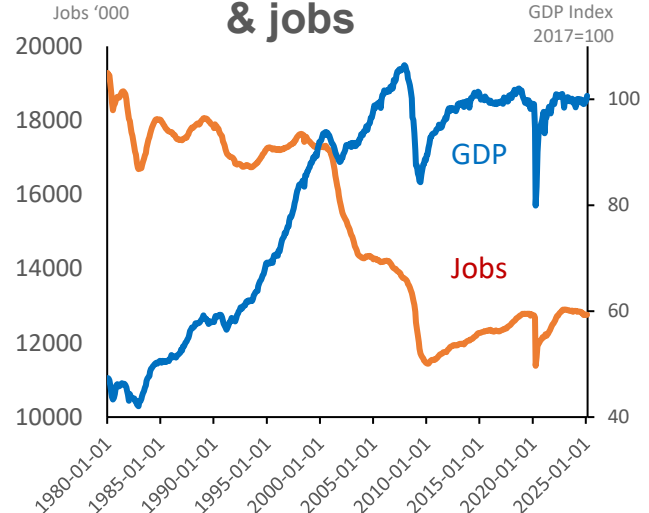
Rachel Reeves, 2018

...Trump's arguments have some merit...

USA: Trade intensity & income inequality



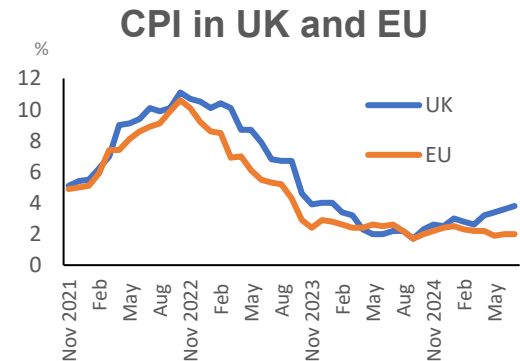
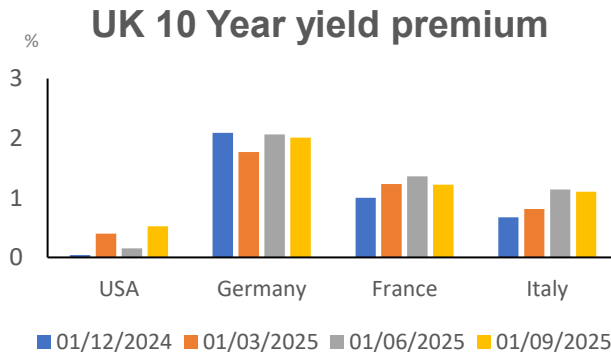
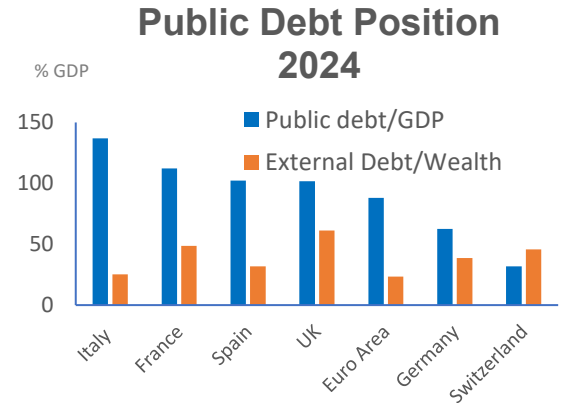
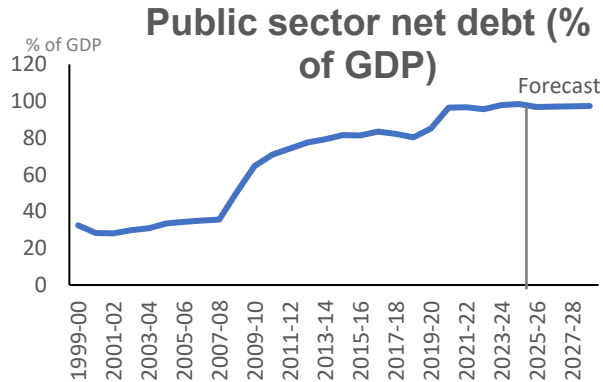
US Manufacturing GDP & jobs



...and have helped put place back on the agenda, but...

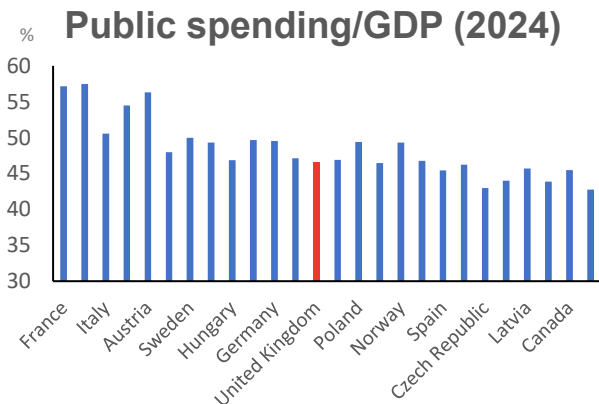
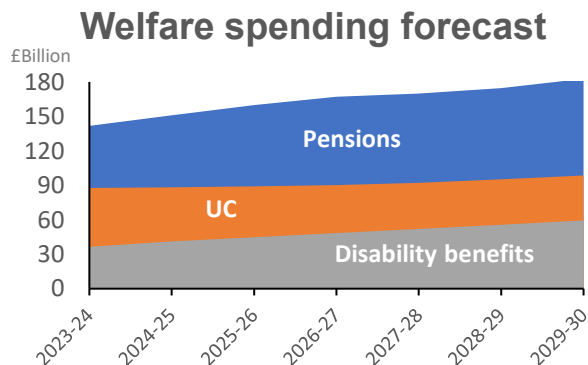
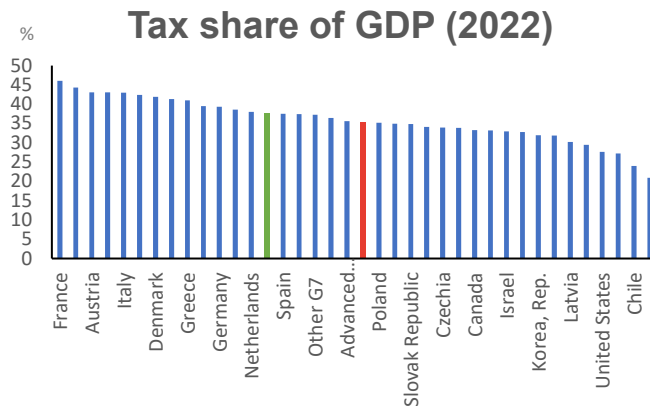
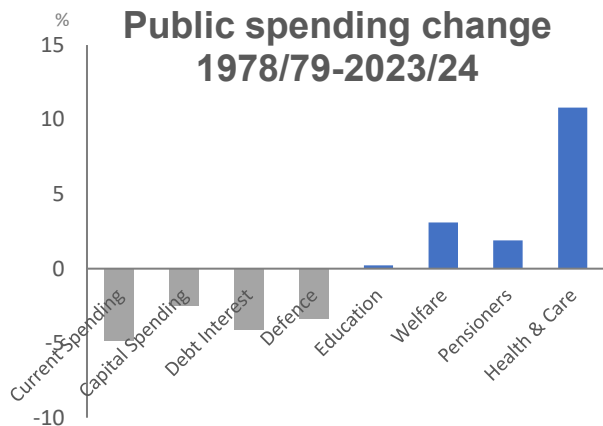
Source: World Bank, Financial Times

...geo and domestic economics collided.



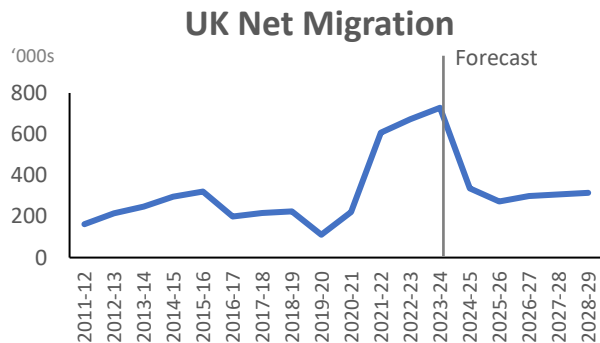
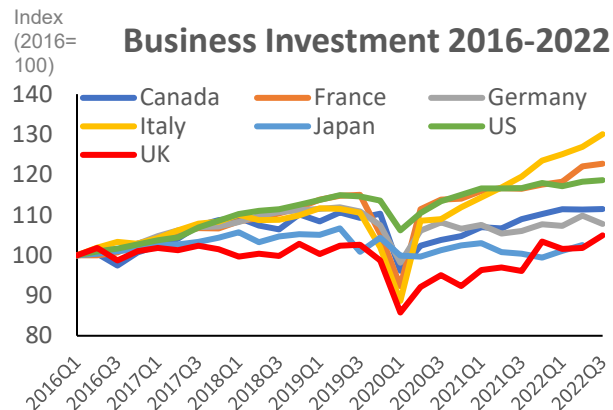
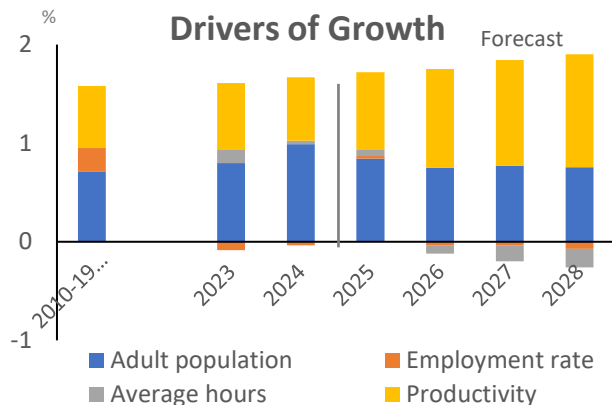
Sources: ONS, OBR, University of Staffordshire analysis, UBS.

We are at a fork in the road...



Sources: Office of Budget Responsibility, OECD

We need to increase productivity...



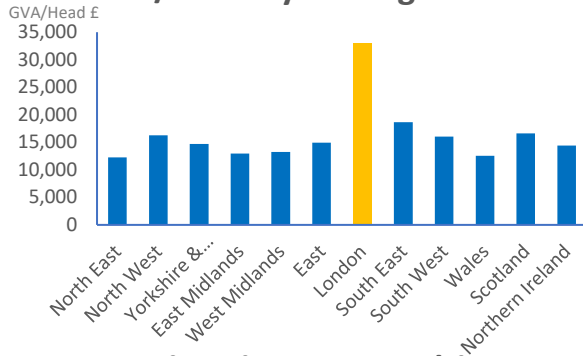
Labour market reforms

- National Insurance changes
- Reduced immigration
- Enhanced worker rights
- Support for AI
- Skills policy
- Welfare reform

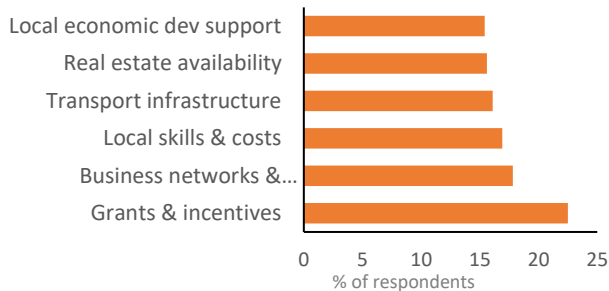
Sources: ONS, OBR, OECD, University of Staffordshire analysis.

...and place seems to be the answer.

GVA/Head by UK Region 2022



UK regions investment drivers (2023)



Place leaning policies

- Devolution
- Local Government Reform
- Industrial Strategy (Clusters)
- LGPS Reform/NWF/BBB
- Green Book Review
- Housing and Planning
- Climate and Energy

SA Competencies

- Transport & Local Infrastructure
- Economic Dev & Regeneration
- Housing & Planning
- Skills & Employment
- Environment and Net Zero
- Health & Wellbeing
- Public Safety

Sources: ONS, OBR, University of Staffordshire analysis, EY, IFS.

But which place?

- Strategic Authorities and Mayors set up to drive growth and productivity but typically won't be FEAs and TTWAs.
- Industrial Strategy sectors and clusters don't reach everywhere, need to start bottom up.
- Can/should growth and delivery be separated? Especially to drive productivity.
- Where do neighbourhoods, communities, towns fit?

And what resources?

- Is Fair Funding “fair”?
- Fair funding for delivery but what about for growth?
- More local revenue raising economically sensible
- More to life than property taxes – what about local digital taxes?

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