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Can Local Authorities help to deliver the growth agenda?



*Mission
Based
Government*

The five missions

1. Kickstart economic growth

to secure the highest sustained growth in the G7 – with good jobs and productivity growth in every part of the country making everyone, not just a few, better off.

2. Make Britain a clean energy superpower

to cut bills, create jobs and deliver security with cheaper, zero-carbon electricity by 2030, accelerating to net zero.

3. Take back our streets

by halving serious violent crime and raising confidence in the police and criminal justice system to its highest levels.

4. Break down barriers to opportunity

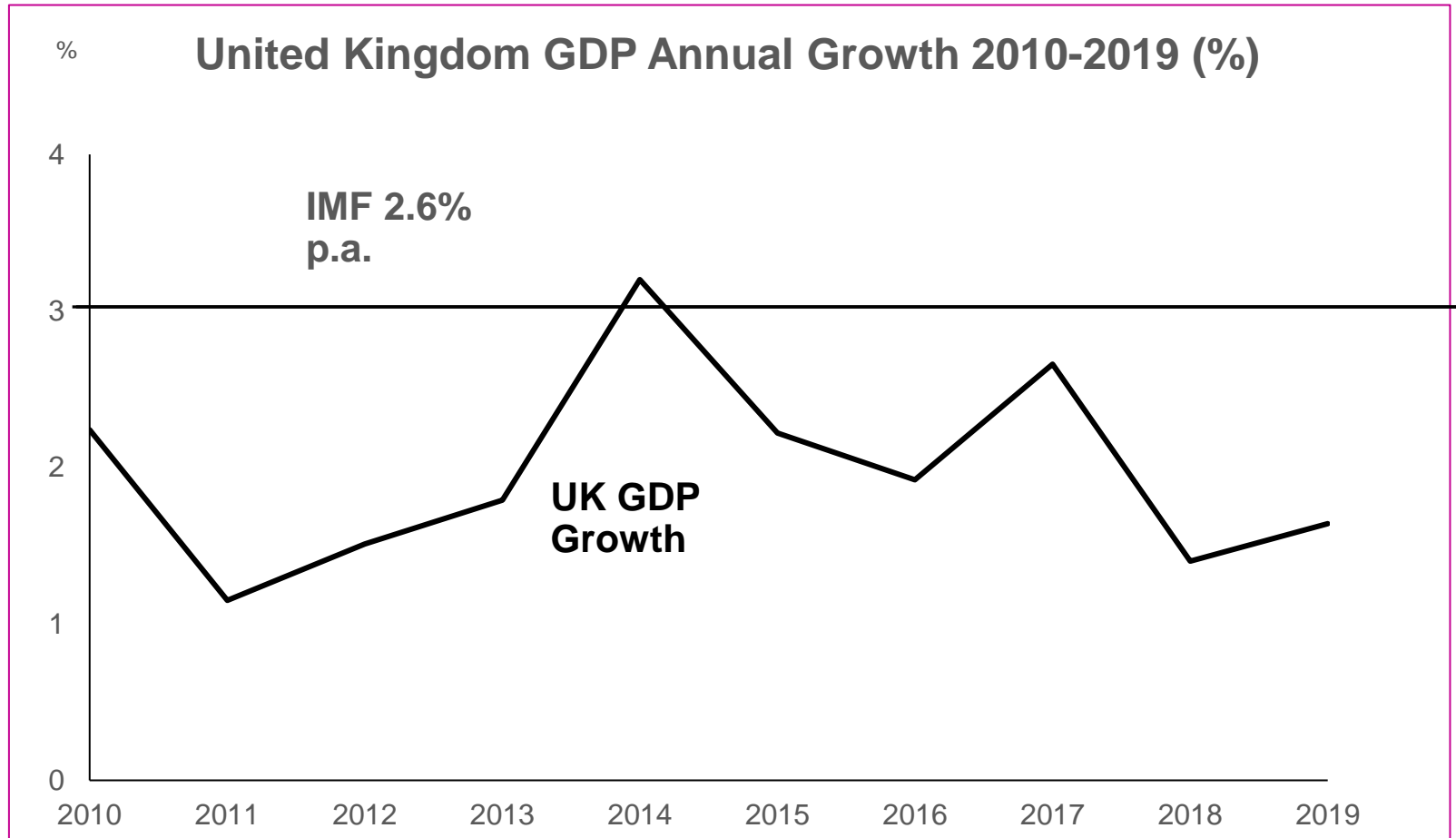
by reforming our childcare and education systems, to make sure there is no class ceiling on the ambitions of young people in Britain.

5. Build an NHS fit for the future

that is there when people need it; with fewer lives lost to the biggest killers; in a fairer Britain, where everyone lives well for longer.

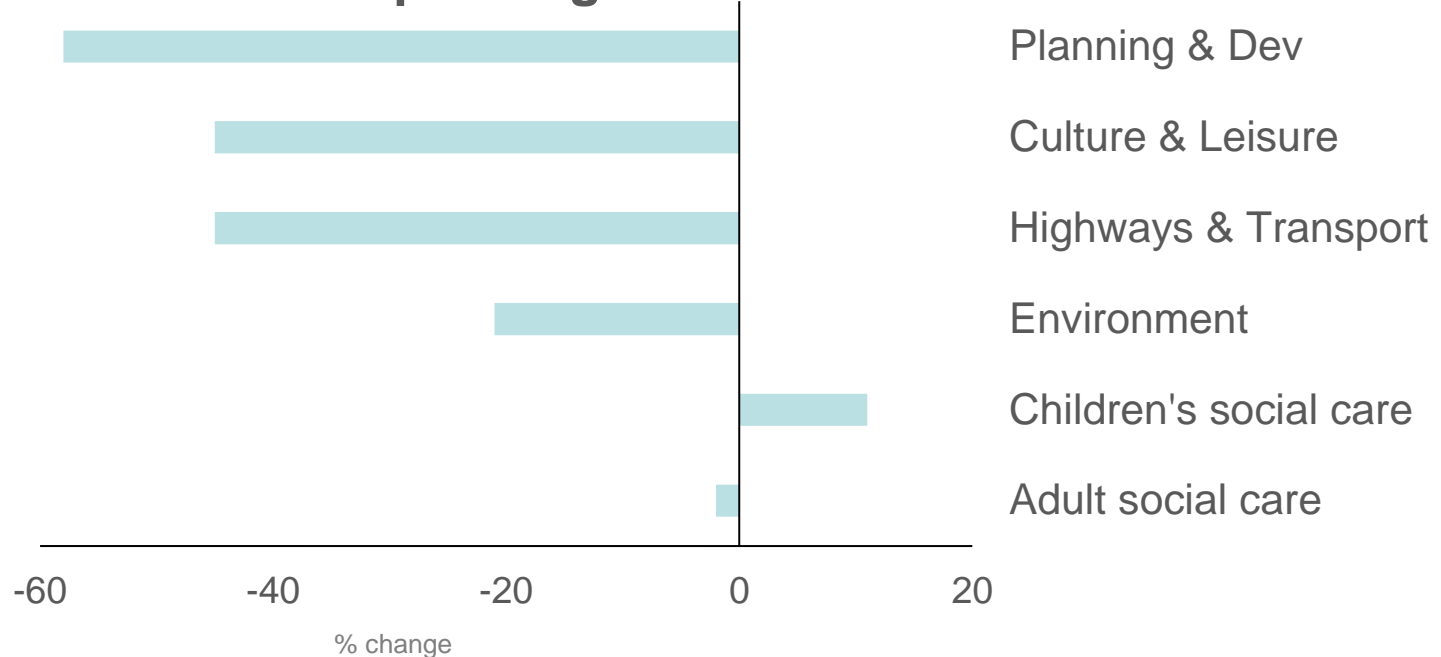
The Growth Mission

- Argument that if the UK had grown at the OECD average over the years from 2010 – the economy would be £143.3 Billion larger = to £58 Billion in tax revenues
- Predicted growth 1.1% 2024, 2.00% 2025, 1.6% by end of Parliament
- Borrowing to fall, inflation to fall
- Public spending.... But not seismic changes in local government



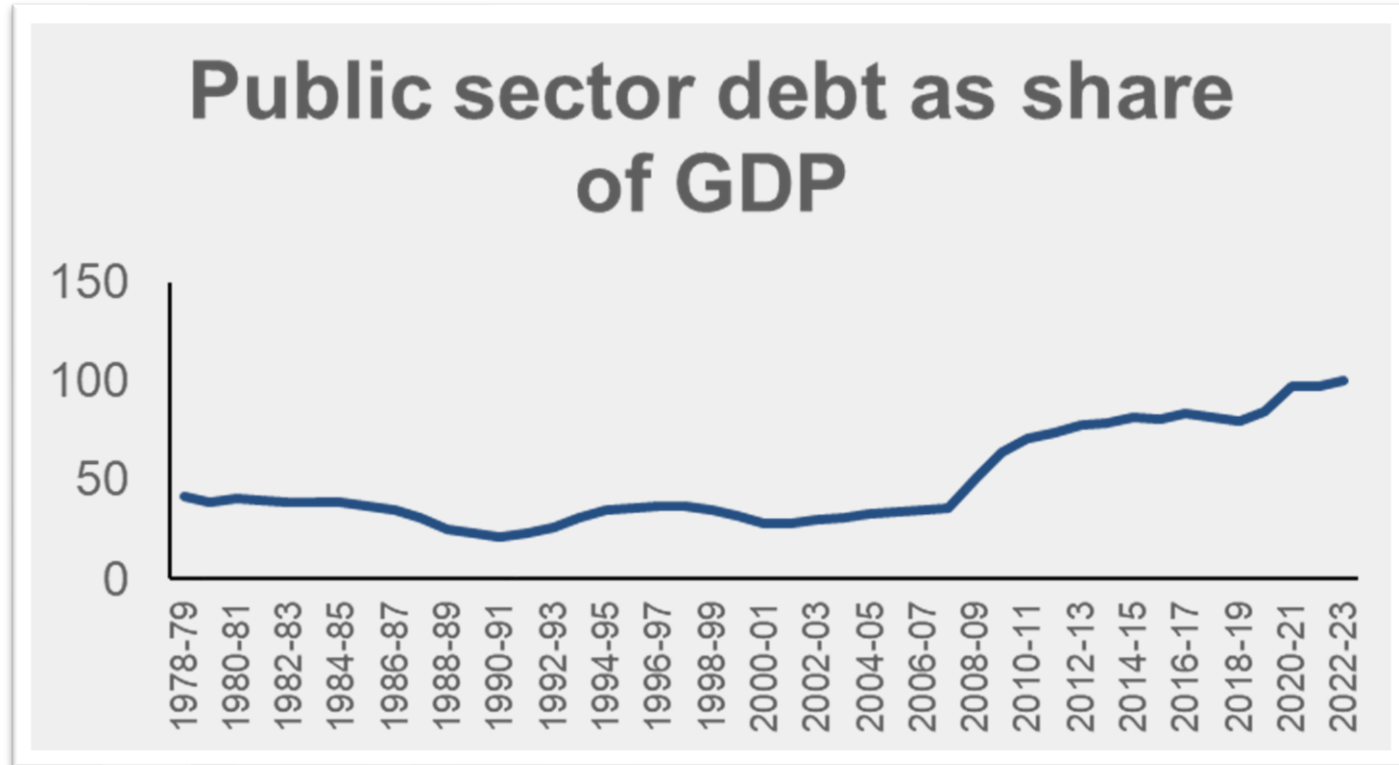
Sources: Office of Budget Responsibility, IFS, Bank of England, OECD

Change in per capita Local Authority spending 2010/11 to 2019/20

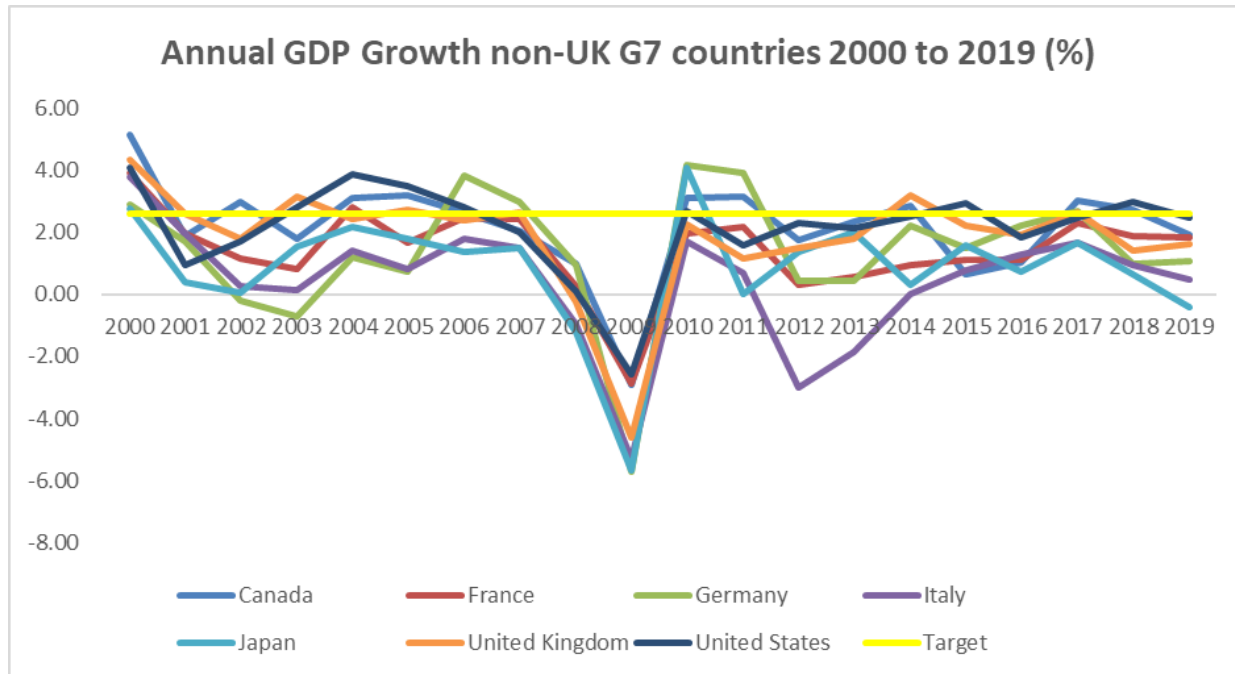


Source: IFS

Debt v Growth.....



Annual GDP UK / G7



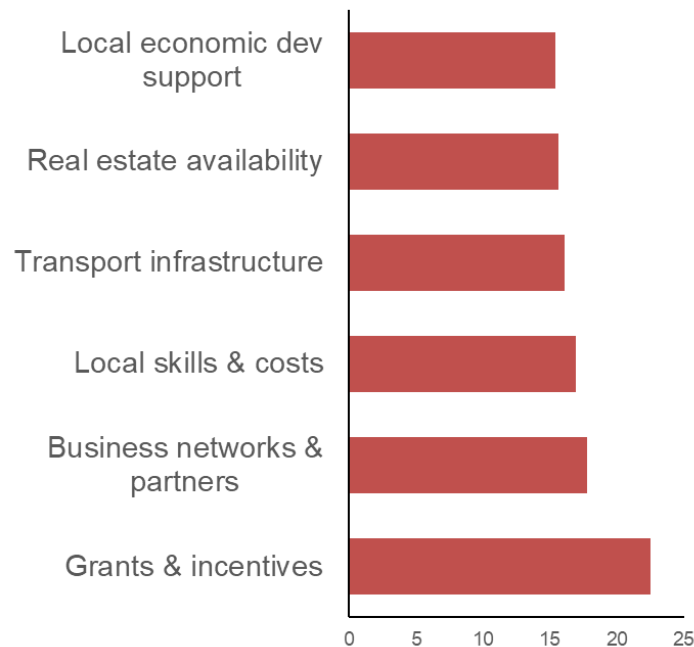
Wealth creators in the absence of public investment?

- Risk factors
- Infrastructure
- Transport
- Housing
- Innovation / Digital / Green Economy

Private sector need public sector investment

Source: EY UK
Attractiveness Survey

Drivers of investment in UK regions (2023)



They say ... we say....

- Restoring economic stability.
- Unleashing investment with a new National Wealth Fund, including GB Energy.
- Reforming planning rules.
- Reforming decision-making to shift power away from Westminster.
- Reforming the jobs market.
- Reforming the immigration and skills system.
- Introducing a modern industrial strategy.

Our findings

Mapping Local Authority services to Economic Growth Activities

Growth Activity	Market Making	Attract-iveness	Labour market	Innovation	Health
National Wealth Fund	●	●		●	
Planning reform		●		●	
Access to work			●		●
Skills & Immigration		●	●		●
Industrial Strategy	●	●	●	●	
New deal for working people			●		
Transport & Infrastructure	●	●			

Source: Staffordshire University analysis

Professor Mark Gregory University of Staffordshire

But then.....



Tariffs and Geo-political events

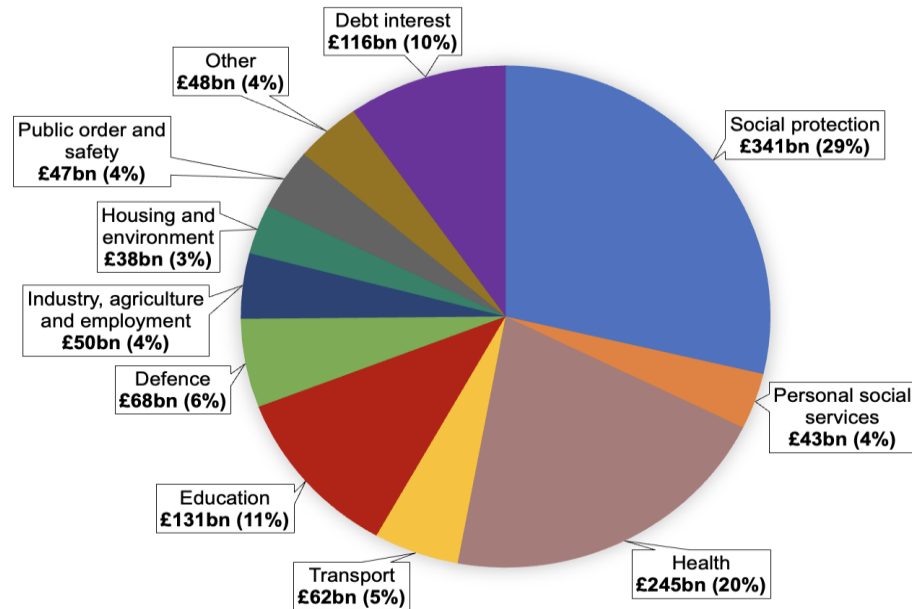
- Increased spend on defence
- US tariffs
- EU and China
- Stock market falls

Where do the latest economic shocks leave us on growth?

- Prospects of growth ↓
- Tax receipts and government income ↓
- Bank of England Interest Rates ↓
- International investors lend to governments at a cheaper rate ✓
- Debt-to-GDP gets better! ✓
- But... can you cut yourself out of a recession...

Are we creating the conditions for economic growth?

Public sector spending in Financial Year 2023-24



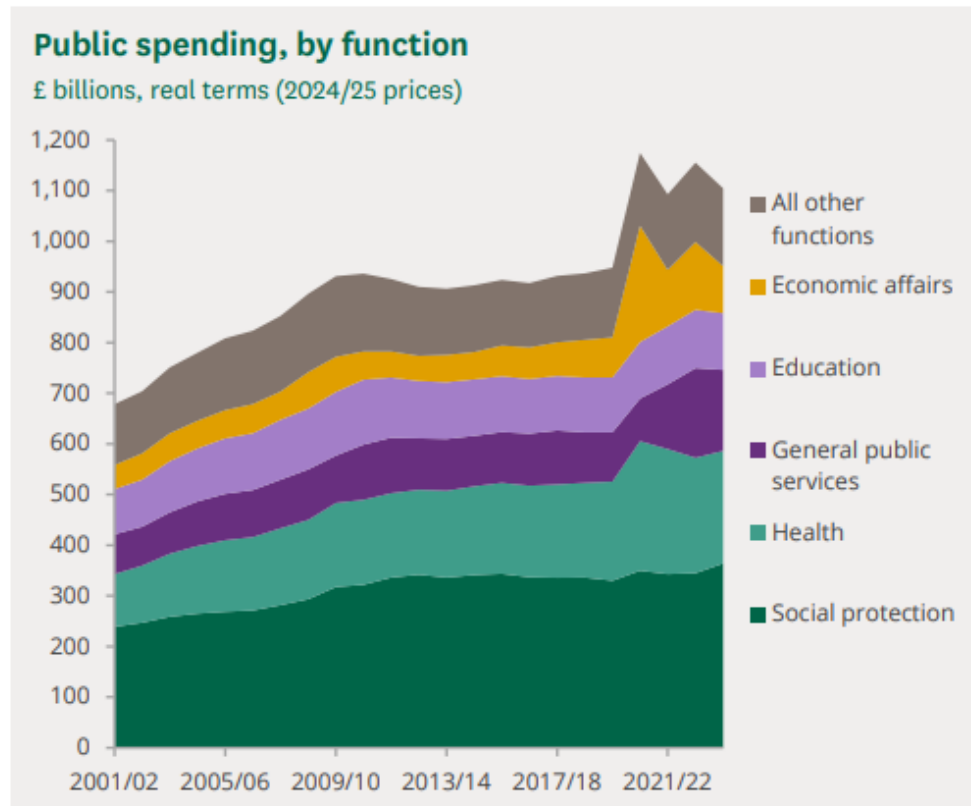
Total £1,189bn

Source: page 114 of the Spring Budget 2023 publication by HM Treasury

Local Government Finances

- Settlement provides £69.4 billion of core spending power available to local authorities in England.
- 24% is un-ringfenced settlement funding
- 14% in grants for social care
- 6% for other grants
- Remaining 55% is council tax. Overall core spending power in 2025/26
- £4.4 billion higher than in 2024/25
- 6.8% cash terms increase (or 4.3% when adjusted for inflation).

Spend by Function



Note: Real-terms figures calculated using GDP deflators. Growth in this deflator for 2020/21 and 2021/22 has been averaged across these years to smooth the distortions caused by pandemic-related factors.



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Research findings



Supporting Local Authorities as part of the growth agenda

- Estimating the investment required to enable councils to be part of the growth agenda
- Economic development resource to help identify opportunities, access funders, support start-ups and business development, foster innovation by working with universities and businesses, and site delivery. This will include an increased level of support for community, cooperative and social enterprises.

Work on the other missions

- **Planners** to support the proposed expansion in housebuilding and regeneration activity, more than doubling annual housebuilding delivery will place a heavy burden on council teams.
- **Transport planning** and delivery to support new and improved infrastructure and to take advantage of new legislation such as on the provision of bus services.
- **Skills and careers support** for all ages and experience levels to maximise the contribution of everyone in a place.
- Specialist skills to lead the transition to local **green economies**
- **Neighbourhood Services** – making places attractive to live and invest
- **Housing and construction** with skills and meeting needs
- **Town centres and high streets** – alongside reform of funding



Over to you:
What does this look like?

MISSION ACCOMPLISHED



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