

Member blog: Practical steps to local economic development in uncertain times

Economic development in the UK is in a strange and difficult, but potentially very interesting place. At the national level, employment is at a record high, unemployment is low, but many jobs are poor quality; productivity is weak and falling; and the economic future is looking far from rosy. There is great variation in the challenges faced by local areas across the UK, but the productivity challenge is certainly prevalent across much of the south of England.

A recent attempt to develop a national Industrial Strategy appears to have been side-tracked for the time being by more pressing political crises. There is no national approach to economic development, no serious funding for local economic development, and the looming possibility of Brexit/uncertainty induced weak economic growth. The UK leaving the EU offers an opportunity to rethink our approach to local economic development, in the hope that things might change for the better.

So what needs to be done, and what can practically be done at a local level? The National Industrial Strategy Green Paper is an exposition of a national approach to economic development, but also serves as a good starting point to consider what might be done at the local level. I have below, drawing loosely on the Industrial Strategy, set out some very high-level thoughts about the challenges we face.

What needs to be done?	What can practically be done locally?
Raise productivity <ul style="list-style-type: none">- Grow high productivity sectors- Increase productivity across all sectors, especially the necessary but low productivity ones	Support high productivity sectors through ensuring the delivery of appropriate local training and investment in any infrastructure that is needed (e.g. transport infrastructure or specialist sites and premises) Help to increase productivity in sectors like healthcare and food and drink through ensuring the delivery of appropriate local training, and providing support to those businesses with the potential to improve their quality Provide business support to help new start businesses to scale-up and realise their growth ambitions

Raise the quality of jobs	Attract inward investment, support export trade, and provide support to those businesses with the potential to improve their quality
Ensure that workers have the skills that are needed by industry	Ensure the local delivery of training that is needed by local businesses. Respond flexibly to the needs of SMEs in ways which are financially viable Seek funding to invest in more and better local training infrastructure if it is needed
Increase investment in R&D and innovation	Encourage local businesses to work with HE, FE and other institutions Deliver infrastructure that can help to deliver this (e.g. innovation centres or similar)
Ensure or enable the necessary infrastructure to support growth - Strategic infrastructure - Local infrastructure	Deliver or lobby Government and others to deliver strategic infrastructure (e.g. roads, broadband) Find the funds to deliver local infrastructure (e.g. site access, general employment property, enterprise centres)
Support export trade and inward investment	Attract inward investment, support export trade, and provide support to those businesses with the potential to improve their quality
Support the mobility of labour - Physical mobility - Social mobility	Encourage (through the planning system) the delivery of affordable homes for workers and their families Ensure the delivery of high-quality education, and encourage those in disadvantaged areas to get qualified and consider employment opportunities

None of this is easy. Each sentence belies a huge complexity of tasks, and it will require a combination of national willingness, local capacity and expertise, funds and possibly changes to rules and regulations to enable and deliver this.

With very limited funding for economic development, can you make better use of existing funding by focusing on a small number of interventions with the highest level of return; stop doing some things and focus on others; lobby for more funds; or do something else entirely?

Exactly how you go about doing this will depend on local circumstances, and be specific to your local area. If you would like to discuss this further then please contact me at Hardisty Jones Associates: gareth@hardistyjones.com

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