

**Institute of Economic Development
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18th September

Dear Prime Minister, Chancellor, and Secretary of State,

The Government has set out a significant ambition to shift power, funding and responsibility out of Westminster and give places greater control over their own economic futures.

As Executive Director of the Institute of Economic Development (iED), the UK's leading professional body for economic development practitioners, I strongly support that direction. It is something we as an organisation have been calling for, over several years.

Right now, the question is no longer whether government should devolve or not. It is whether places have the capability to turn those new powers into positive economic outcomes.

Economic development professionals are the people who translate national policy into local delivery. They bring forward investment, engage employers, unlock sites, develop regeneration programmes, support businesses and connect opportunities in skills, infrastructure and innovation with the needs of local economies.

Yet, economic development remains a discretionary local authority function, leaving the very capacity needed to deliver the Government's ambitions vulnerable when local budgets are under pressure. This matters even more as the scale of devolution grows.

Greater local responsibility for skills, employment, transport, housing, innovation and economic growth brings enormous opportunity. But transferring powers alone will not transform local economies. Put simply, responsibility cannot be devolved successfully without the people, expertise, institutions and resources to use those powers effectively.

The consequences of getting this wrong will not be felt equally in different places across the country, based on their existing economic strength.

As you prepare your White Paper, we are asking you to address six priorities:

1. Make economic development a statutory function. Require upper-tier and strategic authorities to maintain a properly resourced economic development function and publish a five-year economic strategy, creating a stable foundation for devolved delivery.

2. Build the capability blueprint around the profession. Co-design the Government's promised blueprint together with economic development professionals. Back the plan with

investment in CPD, accredited pathways and two-way interchange between local and central government.

3. Make fiscal devolution work for every type of place. Balance incentives for growth with fair equalisation, multi-year settlements and funding that recognises the needs of post-industrial towns, coastal communities and rural economies.

4. Define good growth, and measure it. Establish a definition of ‘good growth’ that goes beyond GDP and jobs, to consider equality of opportunity, quality of employment, environmental outcomes and the distribution of benefit within places – including who gains and where.

5. Do not leave places outside the mayoral map behind. Ensure these communities have a meaningful voice within strategic authorities, with devolved funding and neighbourhood-level delivery reflecting their distinct economic challenges.

6. Put business engagement at the heart of devolved delivery. Build structured employer engagement into local decision-making so that skills, business support and investment are shaped by the businesses that will employ, train and invest.

Ours is not an argument against devolution. Our focus is on giving it the best possible chance of succeeding.

Your Government has made the argument for devolution more forcefully than any administration in decades. The risk now is not one of ambition but of powers being transferred faster than the ability to use them.

The White Paper is the moment to close that gap and ensure places have not only the freedom to shape their economic future, but the capacity to deliver it.

We stand ready to work in partnership with you in delivering the devolution settlement, and offer the experience and expertise of the iED’s nearly 1,600 members as a resource in shaping the White Paper and turning its vision into outcomes.

Nigel Wilcock

Executive Director, Institute of Economic Development