Good Growth Everywhere: How Are We Going to Pay for It?

Philip Cox
Chief Executive
Cheshire and Warrington Local Enterprise Partnership

The Economy Post Brexit

- Cumulative borrowing £122bn higher by 2021
- Economy 2.4% smaller by 2021
- "An economy that works for all"

Devolution and Place

- Government committed to devolution to promote local economic growth
- Industrial Strategy will emphasise importance of 'Place'
- Northern Powerhouse and Midlands Engine
- BEIS Sponsor Ministers for LEPs

How do we pay for it now?

- Local Growth Fund
  - further £1.8bn in Autumn Statement
  - local economic development, roads, skills
- EU Structural Funds
  - £6bn across ERDF and ESF
  - Government underwriting to Brexit
- LEP Growing Places Funds
- 50% Business Rate retention
- Community Infrastructure Levy
- Local authority borrowing

New methods of paying for it

- 100% Business Rate retention
  - ➢ but with periodic reset

- Single pot for devolved authorities
- Infrastructure levy for Mayoral authorities
- Business Rate retention on Enterprise Zones
  - ➢ guaranteed for 25 years

CHESHIRE SCIENCE CORRIDOR ENTERPRISE ZONE

Developing new ways of funding good local growth

- £23bn National Productivity Investment Fund to underpin Industrial Strategy
  - £8bn for Housing
  - £3bn for transport
  - £4.75bn for R&D
- Partnership with Government to ensure funds used to support local economies
- Working with the market
- Local TIF

Capturing the benefits to invest in further growth

- Tax receipts 37% of GDP of which
  - Business Rates: 4% (1.5% of GDP)
  - Council Tax: 4.2%
- Public sector land value capture
  - Preston City Deal
  - Warrington High Level Bridge

In Conclusion

- Brexit intensifies the economic challenge
  - ➢ and the need to deal with it locally
- Government finances much tighter
- LEPs and LAs need to work in partnership with Government to exploit innovative solutions to fund local growth