



# *Regional Growth Fund and Sustainable Job Creation*

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## Different places saw different levels of private sector jobs growth even during the boom

**City**                      **Net additional private sector jobs generated (1998-2008)**

London                      321,400

Bristol                      37,200

Manchester                      33,700

Leeds                      25,400

Newcastle                      24,200

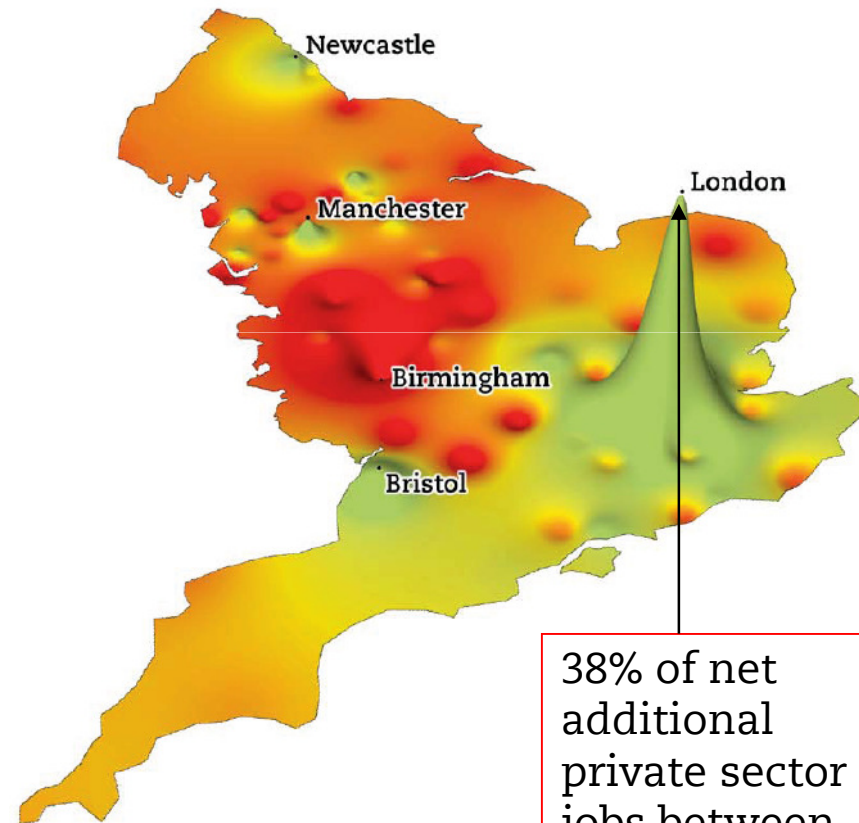
Birmingham                      -61,400

Stoke                      -20,900

Nottingham                      -15,600

Birkenhead                      -11,100

Leicester                      -8,500

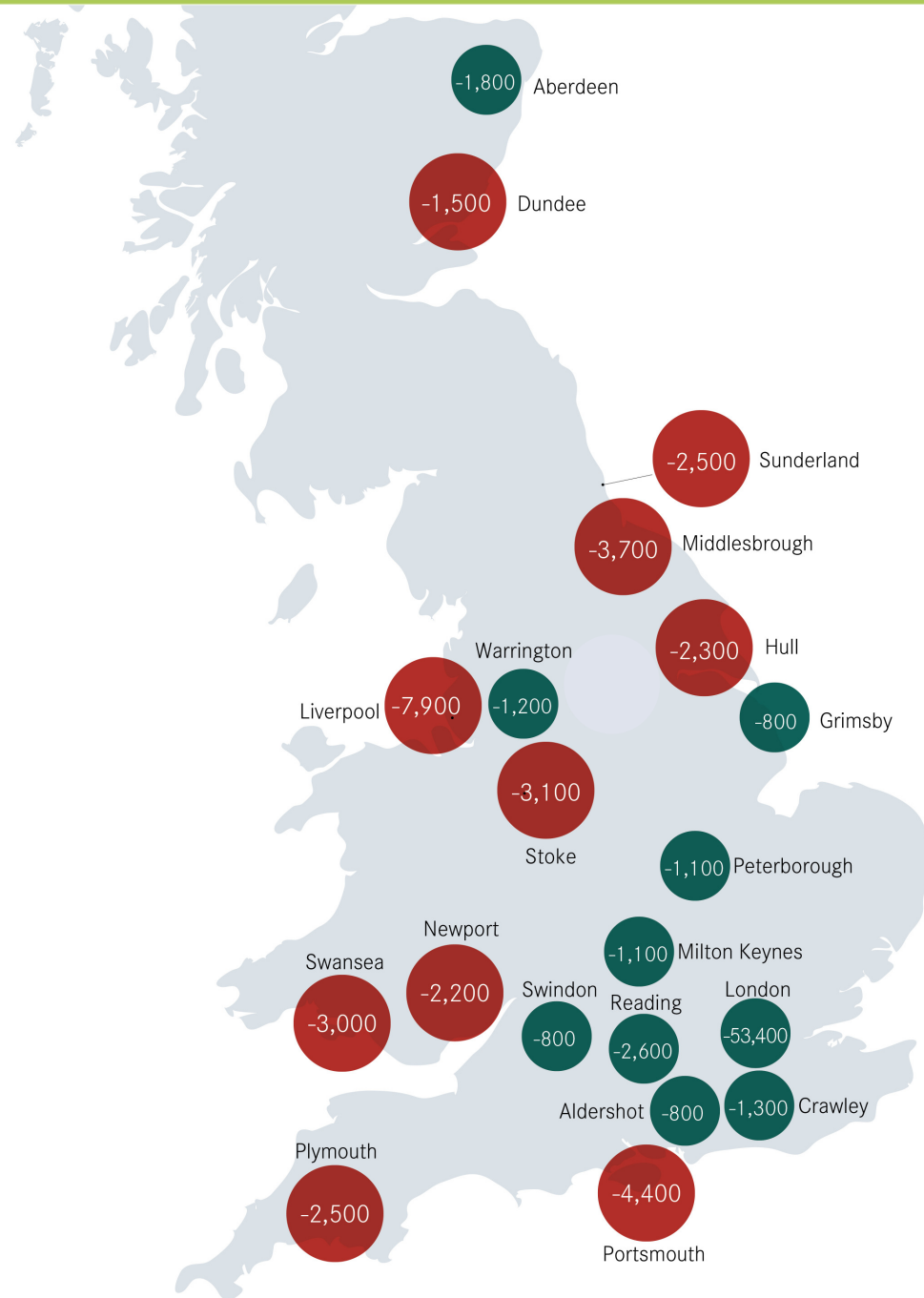


38% of net additional private sector jobs between 1998 and 2008.

Source: NOMIS 2010, Annual Business Inquiry, workplace analysis. Estimates based on jobs added between 1998-2005 and 2006-2008 to take into account changes in ABI methodology.



*As cities seek to rebuild their economies, public spending cuts will have more impact in some places than others...*





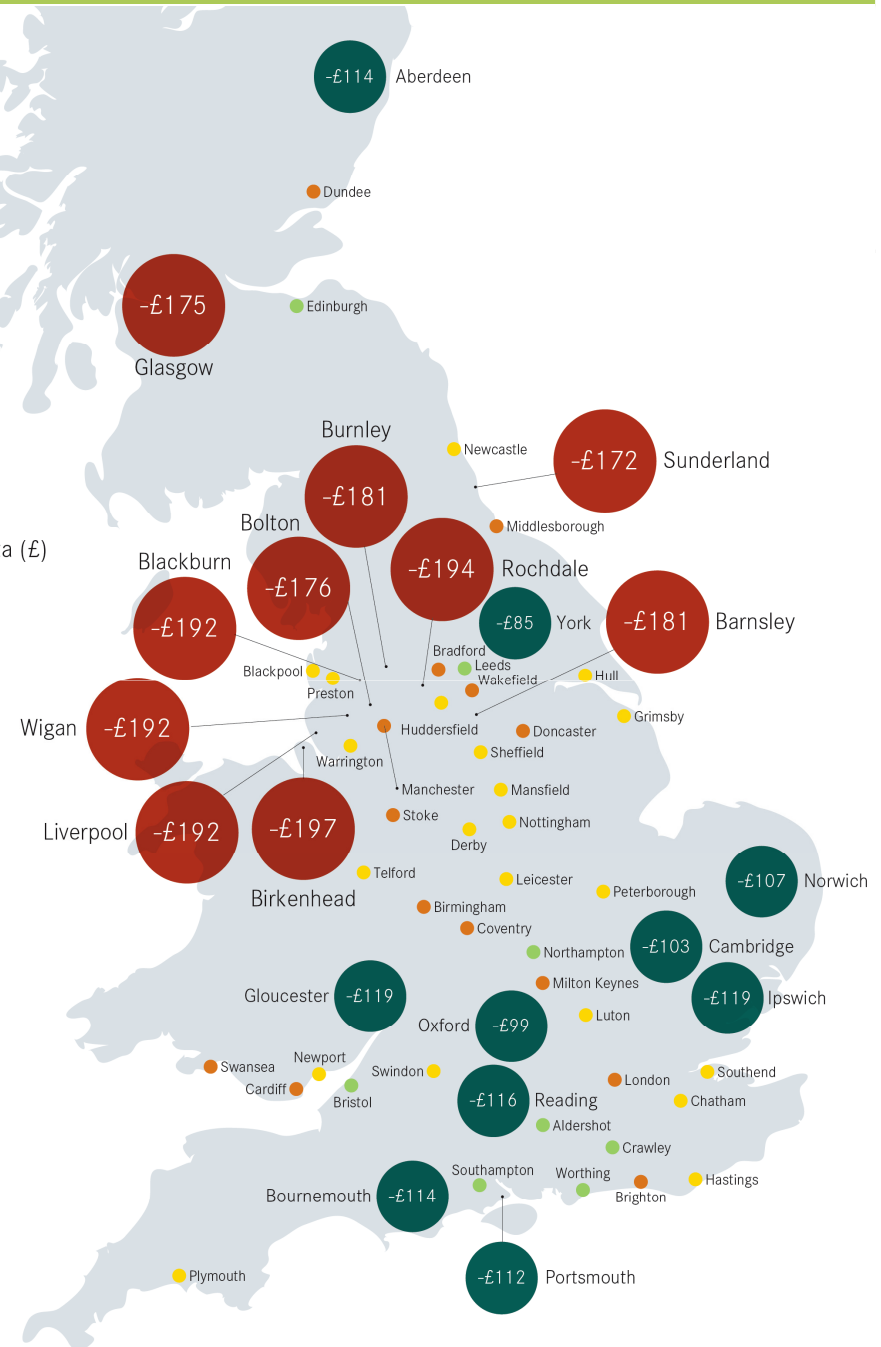
***As will welfare cuts  
– despite only 5%  
of the welfare bill  
being reduced.***

***The North West is  
particularly hard  
hit by 2014/15***

Map of welfare spending cuts per capita

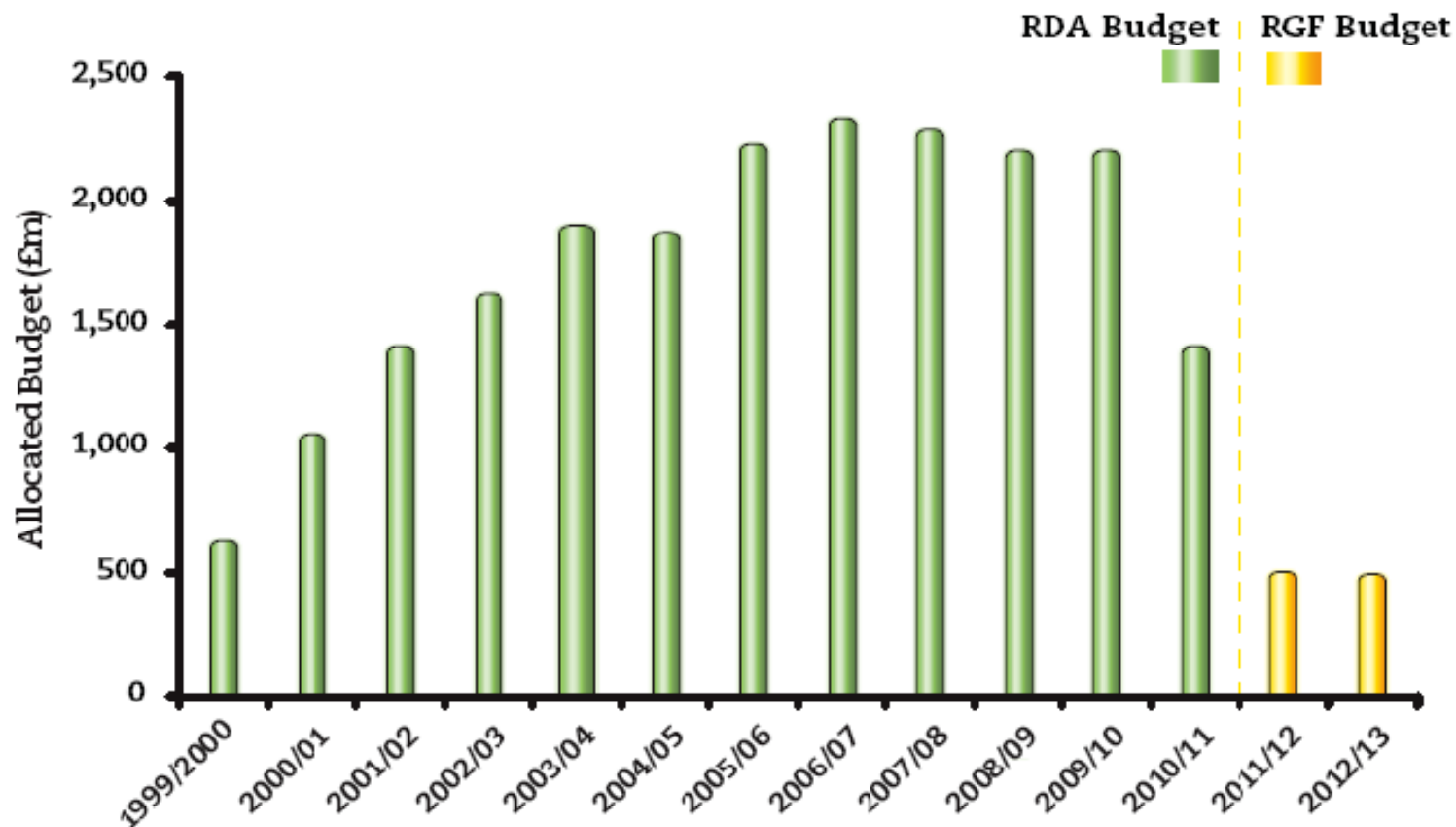
Welfare cuts per capita (£)

- 177 - 199
- 154 - 176
- 131 - 153
- 120 - 130
- 85 - 119





## *RGF attempts to address huge challenges with a small pot*

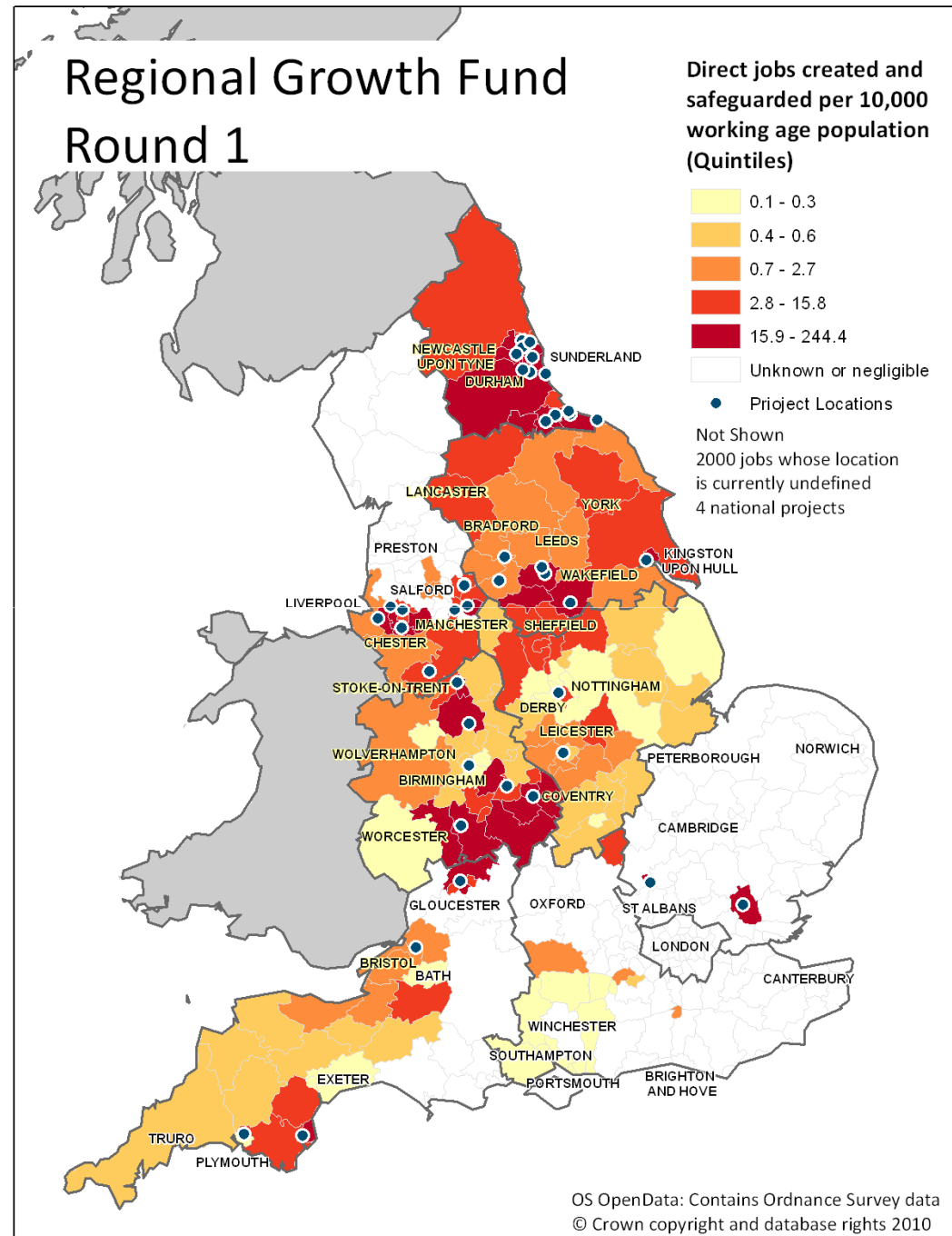


Source: Taxpayers' Alliance (2008) *Structure of Government No.3: The Case for Abolishing Regional Development Agencies*; BIS (2007) *RDA Finance & Governance*; HM Government (2010) *Consultation on the Regional Growth Fund*



## RGF Round 1 Allocations

- *Mix of capital investment, training and apprenticeships, R&D, SMEs and jobs at different skills levels*
- *Focus on some cities with strong growth potential i.e. Leeds and Bristol*
- *Also supporting cities hit hard by private and public sector job losses*
- *27k direct jobs and 100k indirect jobs*
- *Challenge – additionality and sustainability*

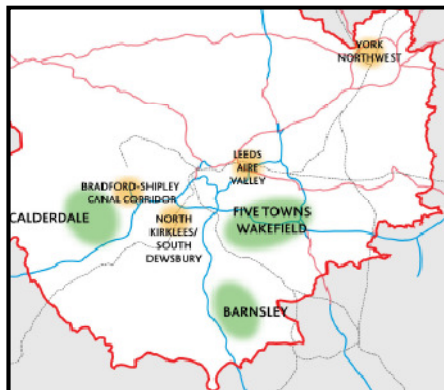




## *RGF and sustainable jobs*



- ***Maximising potential spillovers*** – could unlock further investment
- ***Aligning with strategies and funding streams across the wider functional economic area*** – working with LAs and LEPs to ensure project support local priorities; leveraging of ERDF bids
- ***Ensuring jobs are accessible*** – coordination across policy areas
- ***Focus on the wider drivers of growth*** – ensuring sustainability by investing in infrastructure projects and skills





## *RGF and sustainable jobs (2)*

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- ***Need to be clear what the RGF is for – jobs or mitigating public sector cuts***
- ***RGF cannot tackle UK divides on its own – more needs to be done to help places experiencing industrial change; permanent “Transformation Fund”***
- ***Redefinition of the ‘rebalancing’ agenda –***
  - *placing ‘city regions’ with significant potential at the heart of the economic growth agenda;*
  - *capitalise on the ‘core’ city and develop mutually beneficial links;*
  - *explicit strategies for cities facing industrial and population decline*







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