



Centre for Local
Economic Strategies

briefing

Liberal Democrat Party policy on economic development and regeneration

October 2009

Authors: Richard Muscat Senior Policy Researcher and Jessica Smith, Policy Researcher, CLES, 0161 236 7036, richardmuscat@cles.org.uk, jessicasmith@cles.org.uk

INTRODUCTION

This is the second in a series of briefing papers that aim to help practitioners in the field of economic development and regeneration 'get to grips' with what a potential change in government and approach would mean for them. This briefing will examine and analyse the key policy themes to emerge from the Liberal Democrat Party. The Liberal Democrats have released a number of policies over the last few years however the caveat is that the detailed specifics on how some of these policies would be implemented or funded has often not been released with them.

THEME 1: DEVOLUTION OF POWER

Key policy document:

- *'The power to be different'*¹
- *'Tackling the fiscal crisis: A recovery plan for the UK'*²
- *'Pocket Guide to Liberal Democrat Policies'*³

As outlined in the CLES Briefing September 2009 reviewing Conservative Party policies, devolution features heavily within the three main party's policies, with all acknowledging the need for greater local control of budgets and decision making powers. However, the UK is still highly centralised in terms of the distribution of power. Even though Local Government raises a substantial amount of tax revenue at the local level, local authorities only have direct control over 5% of the total taxes collected⁴. The Liberal Democrats released "The power to be different" in 2007 which outlined their priorities for readjusting the relationship between the local and central level.

¹ Accessed at http://www.libdems.org.uk/policy_papers_detail.aspx?title=The_Power_to_be_Different&pPK=e007b757-86e2-49f6-adb5-e3d2ede03e1f

² Accessed at <http://www.libdems.org.uk/siteFiles/resources/PDF/Tackling%20the%20fiscal%20crisis.pdf>

³ Accessed at <http://www.libdems.org.uk/www.libdems.org.uk/media/documents/policies/Pocket%20Guide%20July%202009.pdf>

⁴ Available at: <http://steconomice.uoradea.ro/anale/volume/2008/v3-finances-banks-accountancy/040.pdf>

Scrapping nationally set targets for local government

As public spending expenditure has expanded, central government has used targets to ensure that the extra resources that were being supplied produced the necessary reforms and improvements in service. The Liberal Democrats however, believe that Labour has taken this process too far and local government is currently too constrained by the need to demonstrate to central government that it is meeting national priorities. Therefore the Liberal Democrats are proposing to radically reform the current audit and inspection regime, bringing it in line with the principles in the European Charter of Self-Government. The party proposes to introduce an inspection which utilises inspectors drawn from councillors, and will provide an objective assessment of councils' performance. The assessment would be based on peer reviews, drawing on the experiences from the similar style reviews conducted by the Improvement and Development Agency.

Locally raised tax revenue

As mentioned, local government in England only controls 5% of the total amount of tax that they raise. Without the ability to raise and control local taxes or have more control over a greater percentage of the tax revenue raised, Local Authorities will not be able to truly determine their own priorities or put their own vision for the area into action.

To address this, the Liberal Democrats have proposed a long term ambition to increase the level of revenue raised locally to 75%. The first step would involve relocalising business rates and replacing them with a system called Site Value Rating, while introducing a Local Income Tax based on the ability to pay in place of council tax. The Liberal Democrats estimate these initiatives would take locally generated income up to 50%. To achieve the 75%, the party would promote further localisation of income tax, with equivalent cuts in the level of national income tax.

Equalisation would not be scrapped completely but instead would be decided by a committee of local government councillors elected on a politically and geographically representative basis. For larger scale infrastructure projects, Private Finance Initiatives would be scrapped and independent ways of raising capital would be permitted, for example the issuing of bonds.

CLES analysis and comment:

CLES wholly agrees that local government should have more control over a greater percentage of the tax revenue they raise. Addressing the unbalanced financial system between central and local government will allow local councils to shape their localities how they see fit rather than relying on unreliable short term funding streams provided by central government.

The Liberal Democrats' proposals around locally raised revenue goes much further than the other two main parties. While the Conservatives have addressed the current situation by proposing to allow local government to keep any uplift in business rates for six years, the Liberal Democrats have gone one step further in recommending a complete relocalisation of business rates. In the longer term this would be supplemented by a localisation of income tax which would provide local government with the resources to drive regeneration and economic development forward in a locality. These are ambitious plans and if implemented would provide local authorities with the locally raised finance they need to drive forward the development of sustainable communities within their locality.

The majority of localities would benefit from this type of initiative, for example Westminster Council believe they would have been able to build Crossrail themselves if they had been allowed to retain business rates, rather than needing central government assistance⁵. However as much as it would be a good thing, CLES realises there would still need to be a type of equalisation to ensure that those local authorities that are not starting with the strongest of business bases were not unfairly hindered and suffered even more decline due to lack of appropriate funds.

⁵ CLES/Localis fringe event – Conservative Party Conference 2009

Regional structures

At this year's Liberal Democrat party conference, the Liberal Democrat Shadow Chancellor, Vince Cable, released a paper entitled *'Tackling the fiscal crisis'* which looked at a range of measures which would save costs without affecting frontline services. Regional organisations and structures were identified as areas that should be abolished. Both the government offices of the regions and the Regional Development Agencies (RDAs) were named, with the paper suggesting scrapping the RDAs would save £2.3 billion annually. The document recognised that while RDAs appear to be more valued in 'traditionally depressed' areas, such as the North East, they serve a 'far less obvious purpose' in the South East of England and London. Scrapping the government offices could potentially save over £2 billion a year and eliminating this tier of administration could be done without affecting services.

Interestingly, in *'The power to be different'* the Liberal Democrats remain committed to providing directly elected Regional Assemblies for those English areas that want it. The ability to create democratic regional government is still on the statute book and the Liberal Democrats intend to allow areas that wish to establish directly elected Regional Assemblies, which will have further powers devolved from central government, to be able to do this.

CLES analysis and comment:

Like the Conservative Party, the Liberal Democrats have recently come out and said they will scrap RDAs and devolve power down to the local level. While it is absolutely right more power and resources need to be channelled through local authorities and groups of local authorities, CLES still believes there is value in retaining a regional spatial planning function.

There are advantages to having a regional level of governance; firstly, it allows the creation of a long-term economic strategy for a region which can be used to plan and direct long-term prioritisation above local short-term political time frames and decisions. Secondly, it creates a set of priorities for action which all localities within a region can benefit from. Strategic spatial planning of transport infrastructure, growth points, coastal planning and dealing with climate change require scales which move beyond the local. Thirdly, it creates a regional frame for central decisions. It provides scale to decision making, between the centre and the local, which is helpful, in terms of a first stage in redistribution of central resources and activity.

The Regional Development Agencies in their current guise may not be fit for purpose anymore but there needs to be a discussion about what will replace this structure if they go, especially as both the Conservatives and Liberal Democrats do not seem to have decided which spatial level is the most appropriate for devolving powers down to.

THEME 2: ECONOMIC INCLUSION

Key policy document:

- *'Fairer Future Economic Recovery plan'*⁶
- *'Centre Forum – A balancing act: fair solutions to a modern debt crisis'*⁷

The country is currently in the midst of the worst post-war recession in terms of economic output and has experienced a cumulative drop of 5.7% in its GDP levels. This drop in business output has led to companies making a wave of redundancies with the claimant count (which measures the number of people claiming Jobseeker's Allowance) reaching a twelve year high of 1.58 million in July 2009. The Liberal Democrats have been vocal around the need to cut taxes to help struggling families, reform the banking sector and help people who lose their jobs or have debt problems. They have proposed a number of initiatives that they hope will create a fairer society

⁶ Accessed at <http://www.libdems.org.uk/www.libdems.org.uk/news/liberal-democrat-economic-recovery-plan-12693499.html>

⁷ Accessed at <http://www.centreforum.org/publications/a-balancing-act.html>

by restructuring the tax system so that high wage earners contribute more financially towards the running of the country.

Cutting taxes

The Liberal Democrats aim to make the tax system permanently fairer by cutting income tax for people on low and middle incomes. By raising the threshold at which people start paying tax the Liberal Democrats calculate they will take over 4 million people out of tax and cut people's income tax bills by £700. This would be paid for by closing tax loopholes which benefit the wealthy, such as taxing capital gains as income.

CLES analysis and comment:

From the documents that have been released, it does seem that the Liberal Democrats are committed to a redistributive tax system which will target upper class wealth to ensure lower and middle classes are not unduly affected. CLES agrees that the burden of the bank bailout and investment made by the Government to pull the country out of recession should not disproportionately affect the lower and middle classes. There are some interesting proposals and the party states that they will close tax loopholes which unreasonably benefit the richer members of society. Unfortunately the policy lacks detail explaining how these initiatives would be paid for.

Property wealth

The Liberal Democrats recently announced a policy to introduce a flat rate levy to supplement council tax on residential properties above a threshold. This policy came from Centre Forum (an independent, liberal think-tank) in a paper entitled *'A balancing act: fair solution to a modern debt crisis'*⁸. The paper proposes that more revenue should be raised through property taxes as wealth is much more unevenly distributed than income and the majority of it comes from housing. It suggests a flat rate levy of up to 1 per cent on property values above a threshold, as at the moment a £2 million house pays the same tax as one worth £500,000. They recommend that local authorities decide the actual level of tax and the threshold at which to implement it.

CLES analysis and comment:

The "mansion tax" fits with the Liberal Democrat's general theme of moving to a more redistributive tax system. There are, however, a lot of issues around how you could actually implement a scheme like this. There would be a need to ensure that valuations are fair and accurate, given that the last valuations were done 18 years ago. A new revenue stream would need to be created to pay for the increased cost of administration given the likely number of appeals and there will also need to be an assessment of the ability of residents to pay since the proposed tax is based on the value of the property and not the owner's income.

Creating a more diverse, less profit-driven financial sector

In order to tackle the recent financial crisis and ensure it does not happen again, the Liberal Democrats are keen to enact stronger financial regulation on the banks and support a more diverse, less profit-driven financial sector. Incentives within the financial sector need to be better aligned with the broader goal of building a better society. The Liberal Democrats are keen to reduce the dominance of 'the city' and promote the mutual building societies and credit unions to create an effective local banking infrastructure that can nurture local enterprise and keep local economies independent. They are also keen to improve access to financial services through the Post Office network which has also been mentioned by both the Labour and Conservative party.

CLES analysis and comment:

CLES and Urban Forum have recently produced a paper⁹ which explores how the country's financially excluded are discriminated against when accessing financial services and argues for a

⁸ Accessed at <http://www.centreforum.org/publications/a-balancing-act.html>

⁹ CLES & Urban Forum (2009) 'Banking on change: Community Reinvestment and re-thinking the UK financial system', Accessed at: <http://www.cles.org.uk/information/104581/rr16/>

piece of UK legislation that is based on the Community Reinvestment Act in the USA. CLES argues a UK version should go further and cover all financial institutions to ensure there is no inequity in terms of how financial products are priced to different members of society. While the Liberal Democrats have not specifically mentioned the financially excluded, their ideas around creating a stronger more effective local banking infrastructure using mutual building societies, credit unions and the Post Office would go some way in making financial services more accessible to disadvantaged communities.

THEME 3: ENERGY AND CLIMATE CHANGE

Key policy document:

- *'Zero Carbon Britain – taking a global lead'¹⁰*

Over the last ten years UK carbon emissions have risen not fallen. Climate change is a global environmental threat and there is a need for the UK and other developed countries to take a lead in cutting emissions and transforming themselves into low-carbon economies. Climate change and the way in which the country will generate the power it needs in the future is a key topic for the three main political parties. The Liberal Democrats' approach is to prevent nuclear proliferation and use renewable sources, while concentrating on measures to develop greener travel and assist communities.

Developing the green economy and financing adaptation

The Liberal Democrats would initiate a green fiscal stimulus package based on useful investment. This will mainly be developed around funding insulating and energy efficiency, for example insulating every school and hospital within five years and all homes in ten years; purchasing hundreds of new trains and investing in rail infrastructure; building 40,000 extra zero carbon social homes over two years with government funding 60% of the costs; and the roll-out of 'smart-meters' so everyone has one within five years.

To encourage households to become more energy efficient, the Liberal Democrats would bring in 'warm homes' packages that will provide 'green loans' to allow people to use the savings they make from lower energy bills to pay back the cost of improvements.

Generating carbon free electricity

Interestingly the Liberal Democrats are completely opposed to the building of new nuclear power stations. Instead they pledge to produce at least 30% of electricity from renewable sources by 2020 rising to 100% by 2050. This challenging target will be met by using guaranteed 'feed-in' tariffs to drive a massive programme of investment in renewable energy such as wind, wave and solar.

The Liberal Democrats also recognise the short falls of the current grid network and will work towards investing in creating a dynamic smart grid which will provide a much higher level of flexibility in demand than the present grid can offer. In the longer term the smart grid would support the electrification of transport which could charge at night when demand is low.

CLES analysis and comment:

The Liberal Democrats' focus is very much on tackling climate change at the local level and is concentrated on retrofitting existing housing stock and public buildings. While this is an important part of mitigating the effects of climate change it is a shame they do not go further and actively look into how they can create a micro generation culture within the UK so that energy production takes place closer to the source of use. There are some sensible suggestions; however they do not go far enough. Initiating a micro generation revolution would create a stronger green economy in the long run while generating a bigger fall on household fuel bills.

¹⁰ Accessed at http://www.libdems.org.uk/policy_papers_detail.aspx?title=Zero_Carbon_Britain&pPK=e3d16313-b63b-4d58-b092-477a0bf6c7e1A

Like the Conservatives, the Liberal Democrats are keen to offer 'green loans' which will provide a source of finance for households keen to upgrade the carbon efficiency of their dwelling by using the projected savings on fuel bills to cover the repayments. It is encouraging that two major parties are looking at ways of providing innovative financing tools to allow people to retrofit their homes and not have to forward fund the financial burden that would usually be associated with this type of work.

The proposal to generate 100% of the country's energy needs by 2050 completely from non-nuclear renewable energy is incredibly ambitious and would require an enormous amount of Government resources to actually achieve this. While CLES is a strong supporter of utilising the country's full renewable energy potential, there is more scope for the Liberal Democrats to achieve this goal by complementing their policy on large renewable energy projects with ideas around how they would also encourage the decentralisation of energy generation to the local level.

THEME 4: TACKLING YOUTH UNEMPLOYMENT

Key policy document:

- *'A Lifeboat for the Lost Generation: Tackling the Challenge of Youth Unemployment'*¹¹

It is increasingly being recognised that tackling the levels of young people that are not in education, employment or training (NEET) is crucial if we are to avoid short term unemployment leading to future worklessness. Young people can find it particularly challenging to enter employment in a contracting jobs market. With fewer qualifications and a lack of work experience, young people can struggle to compete with older individuals. Tackling the problem of NEETs has been a policy priority of the Labour Government for a number of years, and it is with interest that we consider how the Liberal Democrats propose tackling youth unemployment.

A new '90-day promise'

The Liberal Democrats propose the development of a commitment that no young person spends more than three months unemployed without getting financial support to access training, education, work experience or professional help to improve their chances of getting a job. For young people aged under 25, the Liberal Democrats would provide financial support enabling them to go back to college to gain level two or three qualifications, vocational qualifications, complete a Foundation Degree, take part in an internship or undertake work experience.

Introduction of paid internships and fully funded apprenticeships

Recognising that young people often lack the necessary work experience to compete with more experienced candidates, the Liberal Democrats suggest making it easier for young people to undertake paid internships or work experience while claiming a weekly training allowance of £55 a week. The Liberal Democrats propose helping 800,000 young people enter paid internships at no cost to employers, with the aim of developing their skills and strengthen their CVs. The Liberal Democrats also propose the introduction of apprenticeships fully funded by Government.

CLES analysis and comment:

It is encouraging to see that the Liberal Democrats are appreciating the importance of tackling youth unemployment as it is clearly crucial in order to prevent worklessness in the future. CLES welcomes the idea of a 90-day promise which has the potential to be an effective way of ensuring that young people remain engaged in work or education, and thus avoid long-term unemployment. Published earlier this year by CLES, *'Making it work: Analysing different ways of tackling worklessness'*¹² argued that to be successful, a worklessness intervention ought to provide personalised and individualised support. The 90-day promise could, potentially, be a way of delivering such an approach and preventing short term unemployment becoming long term

¹¹ Accessed at: http://www.libdems.org.uk/siteFiles/resources/PDF/Lost_Generation.pdf

¹² CLES (2009) 'Making it work: Analysing different ways to tackling worklessness', Accessed at: <http://www.cles.org.uk/files/103791/FileName/Makingitwork%28web%29.pdf>

worklessness.

CLES also welcomes the Liberal Democrats' commitment to apprenticeships. However, the party's proposal to fully fund apprenticeships is ambitious and is likely to be extremely expensive. Furthermore, would the fact that the employer has not invested their own money in the apprentice mean that there would be no incentive to offer them a job once the apprenticeship came to an end? The Liberal Democrats' proposals, therefore, do not address the problem that in many areas there simply are not the employment opportunities available for young people, a situation exacerbated by the current economic context.

THEME 5: EDUCATION

Key policy document:

- *'Equity and Excellence: Policies for 5-19 education in England's schools and colleges'*¹³

Linked to the issue of tackling youth unemployment is that of education reform. In the last five years we have seen significant changes in the Labour government's policy with regard to education, most notably the increase of the participation age to 18. This briefing will now go on to consider what changes the Liberal Democrats propose to make to the education system.

Education leaving age

Tackling levels of young people that are not in education, employment or training (NEET) has been a key policy priority in recent years and is seen as crucial in order to prevent future worklessness, as it is more difficult for those who have spent periods not in education, employment, or training to enter employment in later life. Published in 2007, *Raising Expectations: staying in education and training post-16*, set out the Labour Government's plans to reduce the number of young people that are NEET. The most striking, and controversial, element of the new strategy is the Government's aspiration that by 2015, all young people will stay on in education or training until 18. At present, young people are only legally required to remain in education until 16.

The Liberal Democrats propose scrapping this idea claiming that making post-16 education, employment or training compulsory is not appropriate for some groups, such as teenage parents, and young people with mental or physical health problems. Moreover, they argue that those young people that are most at risk of becoming NEET have often already dropped out by 16 and are unlikely to comply post-16. The Liberal Democrats suggest that rather than criminalising young people for not wanting to participate, efforts should be focused on improving the curriculum to make it more engaging for young people, raising standards so that by age 16 all young people have the skills and motivation to continue.

Reforming the curriculum

As noted above, the Liberal Democrats suggest that reforming the curriculum may be an effective way of maintaining young people's interest in education. The Liberal Democrats propose replacing the existing 600 page National Curriculum with a 20 page 'Minimum Curriculum Guarantee', which they suggest would enable each school to make judgements about the best curriculum to offer its pupils and the introduction of a new General Diploma for all children in state funded schools and colleges to create a 14-19 qualifications framework. Pupils would start the General Diploma at age 14, with existing academic, vocational and apprenticeship qualifications being incorporated into it. The Liberal Democrats also propose legislating to give pupils the right to move from school to college or work-related learning provider at age 14.

CLES analysis and comment:

It has been suggested that the school leavers of 2009 will be particularly negatively affected by the economic recession¹⁴. As such, it is encouraging to see that the Liberal Democrats have

¹³ Accessed at: http://s3.amazonaws.com/ld-migrated-assets/assets/0001/0387/89_-_Equity_and_Excellence.pdf

singled out the educational achievement of young people as a priority issue. It is also interesting to re-visit the debate about the education leaving age. CLES believes that it is important that there is adequate choice and support post-16, and raising the participation age to 18 may go some way to achieve this. However, CLES is uneasy with the Labour Government's plans to introduce criminal sanctions against those young people that do not participate¹⁵. CLES believes that in order to tackle levels of young people that are not in education, employment or training, steps need to be taken to raise young people's aspirations around employment and education so that young people *want* to stay on post-16, rather than being forced to. Reforming the National Curriculum may play a part in achieving this. As such, we welcome the Liberal Democrat's more flexible approach to post-16 education and training. However, it is unclear what real value a new General Diploma would be and, moreover, how the current framework of qualifications would be incorporated.

THEME 6: RURAL AFFAIRS

Key policy documents:

- *Speech by Tim Farron MP, Shadow Secretary for Environment, Food and Rural Affairs, at the Liberal Democrat Conference 2009*¹⁶

In recent years, the general direction of travel within central government policy and the key underlying themes of economic development and regeneration policy have been overwhelmingly focused on the 'urban'. It is with interest, therefore, to see how the Liberal Democrats are engaging with rural affairs.

Introduction of a powerful food market regulator

In his speech Tim Farron MP (Shadow Secretary for Environment, Food and Rural Affairs) highlights the problem of farmers being underpaid by the 'supermarket giants' for their produce. Farron argues that the principles of fair trade ought to be applied to all farmers, 'whether they are from Columbia or Cumbria'. He proposes the introduction of a 'powerful food market regulator' to enforce fair trade for British farmers.

Tackling the affordable housing challenge

A lack of affordable housing is a challenge that faces many rural areas. Farron pledges that they would give councils the power to increase tax on second homes in those areas worst affected and that this money could be harnessed to create affordable homes for local families. Another idea put forward is the conversion of disused and underused farm buildings into affordable homes for local people and that this scheme, already adopted in South Lakeland, would help the Liberal Democrats create 50,000 new affordable homes in Britain's rural communities.

Rural services

The preservation of rural services is one of the most significant issues facing Britain's rural areas. The Liberal Democrats pledge that they will 'not let a single rural post office close' and that the party plans to invest hundreds of millions into the post office network, 'to make sure that no rural post office will close and to open new branches to give life to communities'.

CLES analysis and comment:

It is encouraging to see the Liberal Democrats engaging with rural affairs. In particular, the idea of a new food market regulator is a bold and welcome idea. The Conservatives have also proposed ideas to support the British farming industry, such as sourcing from British farmers in public procurement and improving food labelling to make it easier for consumers to identify

¹⁴ The University of Sheffield & The Prince's Trust (2009) *The prospects of this year's school leavers*, accessed at: <http://www.princes-trust.org.uk/PDF/Prospects%20of%20summer%202009%20school%20leavers.PDF>

¹⁵ For more on this, see CLES Bulletin No.55, 'NEET Strategy: Raising the participation age, an opportunity for all?', Accessed at: <http://www.cles.org.uk/information/102033/cb55/>

¹⁶ Accessed at: http://www.libdems.org.uk/news_detail.aspx?title=Speech%3A_Tim_Farron_speaks_about_rural_Britain_at_Liberal_Democrat_Conference&pPK=4fc37f4d-83bf-4736-832d-6c19702aef3d

British produce.

Safeguarding the future of rural post offices is likely to be a popular policy for rural electorate, as is the tax on second homes. The party's idea of utilising underused buildings for affordable housing is interesting but likely to require significant adaptation of planning regulation. It is perhaps a little disappointing that there is not more detail on the party's plans to promote rural economic development. Clearly, ensuring a 'fair deal' for British farmers is an important step towards supporting the rural economy, however, it would have been valuable to learn more about how the Liberal Democrats propose to support non-agricultural industry in rural areas.

CONCLUSIONS

The rhetoric encapsulating Liberal Democrat policy concentrates mainly on empowering the local level while at the same time creating a more balanced, fairer society. The party has set out ambitious plans for the future and the policy is different in its aspirations compared to Labour and the Conservatives. The degree of financial devolution suggested by the Liberal Democrats is particularly striking with initiatives which allow local authorities to eventually be able to raise 75% of their financial revenue locally and proposals for the redistribution of wealth from property. CLES agrees with the Liberal Democrats in that there has to be a readjustment of power between the central and local level and only when local authorities have more control over locally generated finance can they properly shape and create resilient economies.

Despite the radical and interesting nature of the Liberal Democrats' proposals, the current lack of detail about how this policy might be implemented is frustrating. Without more detailed explanations, policy such as the commitment that no young person spends more than three months without support to find work or training, a less profit driven banking sector and 100% renewable energy generation by 2050, are schemes that voters may find unrealistic. The majority of the policies do not have sufficient substance behind them to allow the reader to get a real understanding for how the party will implement certain schemes. With the electorate seemingly disillusioned with Labour and historical party rivalries meaning these voters will not swap to the Conservatives, there is a real opportunity for the Liberal Democrats to make some ground. While it is likely there will be more detailed strategy during the run up to the election, it feels like the party are missing a trick by not releasing it sooner and providing the electorate with a more comprehensive proposal for how they would realistically run the country.

A key strength for the Liberal Democrats is that they have access to a great deal of local knowledge as they hold some strong positions within local government. The Liberal Democrats are in direct control of four of the eight Core Cities and these local authorities are at the forefront of innovative economic development policy. Currently Newcastle and Sheffield are pushing the Government to introduce Accelerated Development Zones which are based on a form of tax increment financing which use future business rates to pay for upfront development costs. These sorts of initiatives have the research and detail behind them and so provide the party with ready-made innovative policy that could be adapted for the national level.

Briefing is one of a series of regular policy reports produced by the Centre for Local Economic Strategies (CLES). CLES is a not-for-profit think-doing organisation, consultancy and network of subscribing organisations specialising in regeneration, economic development and local governance. CLES also publishes Local Work, Bulletin and Rapid Research on a range of issues. All publications are available as part of CLES membership services. To find out more about membership visit the CLES website or contact CLES to request a membership leaflet.

Centre for Local Economic Strategies & CLES Consulting

Express Networks • 1 George Leigh Street • Manchester M4 5DL • tel 0161 236 7036 • fax 0161 236 1891 • info@cles.org.uk • www.cles.org.uk