Introduction

The election is looming ever closer and in the last week the major political parties have finally published their manifestos. Labour and the Conservatives are competing to be seen as the most economically responsible, whilst they attempt to negotiate increasing disquiet about further public service reform amongst a large proportion of the electorate. However competition between the two major parties is no longer the only game in town: there has been rapid growth in popularity of parties such as UKIP and the Green Party who occupy political ground sacrificed during the race for the centre. The major parties now find themselves fighting a battle on two fronts; against their traditional opponents and against the smaller parties who are proving adept at gradually eroding traditional support bases and threatening what were once habitually ‘safe seats’.

Very little is certain about the outcome of the coming election, however what is increasingly clear is that our political landscape is undergoing fundamental changes that mean it is unlikely that we will return to the days of elections producing outright majorities any time soon.

At CLES our interest lies less with the changing political landscape itself, but instead what this changing political landscape means for local economies, local government and communities. The purpose of this bulletin therefore is to help make sense of the increasing plurality of opinions and rhetoric surrounding our local economies and the potential impacts of these multiple and conflicting policies. The bulletin summarises the key sections and themes of all party manifestos relevant to local socio-economic growth, and indicate the ways in which each policy will potentially impact upon our local economies, local government and communities.

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The Conservative Party

Devolution

The Coalition Government proposes to build upon its recent devolution deals made with a number of different city regions across the U.K., by extending the devolution of far-reaching, albeit varying levels of powers over economic development, transport and health to cities across the UK.
This includes the Coalition’s most recent round of devolution deals with Greater Manchester, Cheshire East, Cambridge, Sheffield and Leeds which devolves 100% of the growth in business rates to local councils. The reforms are linked to a devolved mayoral system of local government although in the cases of Sheffield and Leeds it appears that this system is not compulsory. These reforms would be supported by £13 billion investment in transport for the North as part of wider devolved regional transport reforms. So far devolution has been discussed largely in relation to growth of major cities and City regions, this emphasis is further supported by the proposal to develop locally-led garden cities and towns with the necessary infrastructure where communities demand it. The emphasis on localism within the Conservative manifesto also reaches right down to strengthening the right of local communities to bid for the ownership of local assets by giving them more time in which to do this.

**Employment and Skills**

To complement the Conservative’s growth driven devolution agenda the manifesto promises real term increases in the national minimum wage in the next parliament, taking it to over £8 by the end of the decade, alongside a rise in the level of a tax free personal allowance raised to £12,500. The manifesto intends that these proposals will stimulate growth by increasing the earning and spending power of a large proportion of workers within local economies. The Conservatives also propose to provide 30 hours of free childcare to encourage more parents into employment, reduce childcare costs and increase their spending power. Employment opportunities appear to be a clear priority for the Conservative Party, evidenced by their promise to support three million new apprenticeships so young people acquire the skills to succeed. The manifesto also concerns itself with the quality of opportunities available to existing employees and proposes to give those who work for a big company or in the public sector a new workplace entitlement to volunteering leave for three days a year.

**Labour**

**Devolution**

The Labour party has clarified its position on devolution in light of the Coalition Government’s recent devolution deals in partnership with a number of Combined Authorities. In response the Labour party has subsequently stated that it will give full control over the revenue from the growth in business rates to ‘powerhouse economic regions’ providing them with greater powers and freedoms with which to promote local growth. These reforms will be reinforced by an English Devolution Act which will devolve £30 billion pounds of funding to city regions and Counties...
over 5 years. Decision making over regional transport structures, skills employment, housing, business support and health and social care services will also be devolved to councils so that areas can exercise increased levels of co-ordination over commissioning and service delivery. For example councils will have the ability to co-ordinate and combine all forms of transport infrastructure into a single network with a smart ticketing system. The manifesto also empowers local councils with the power to shape their high streets and proposes a new English Regional Cabinet Committee, bringing together the council leaders from all major cities together with government ministers thereby ensuring that local councils have a greater ability to influence regional economic policy.

These reforms explicitly acknowledge the role that local government plays in promoting local economic growth and recognise the need to provide councils with the scope to deliver services tailored to their locality across the newly empowered regions.

Increasing levels of devolution will also be complemented by the creation of a Business Investment Bank, in conjunction with a network of regional banks to boost lending for small businesses to grow and provide more inward investment across the regions. Inward investment, particularly in the housing market, will be of paramount importance both nationally and at the local level in light of Labour’s promise to ensure that a least 200,000 homes be built per year by 2020.

**Employment and skills**

Employability and skills also forms a key part of Labour’s election campaign with the promise of one million new high technology and green jobs by 2025. The manifesto places a strong emphasis on the creation of a technically-skilled workforce with the promise to raise the standard and quality of apprenticeships so they last a minimum of two years. The quality of the current labour market is a clear concern for the party, as demonstrated by its commitment to increase the national minimum wage to £8 by the end of the next parliament and end zero hours contracts. Labour’s employment policies are supported by a further commitment to ensure 25 hours of free childcare provision to encourage parent’s greater participation in the labour market.

These reforms explicitly acknowledge the role that local government plays in promoting local economic growth and recognise the need to provide councils with the scope to deliver services tailored to their locality in conjunction with a greater capacity to attract and direct investment at the local level.

At the national level, transport devolution will be complemented by the establishment of an infrastructure commission to plan and secure the infrastructure that the U.K. needs, whilst providing overarching standards of provision across the newly empowered regions.
The Liberal Democrats

Devolution

Like the majority of manifestos the Liberal Democrats promise to devolve more economic decision making to local areas, prioritising the transfer of transport, housing and infrastructure funding, skills training and back-to-work support. Under their proposals, or ‘devolution on demand’, powers can either be devolved to a single council or group of councils, which will enable local government to have a greater capacity to exercise control over public service delivery alongside the introduction of greater community rights to run local services. However unlike other devolution models, the Liberal Democrats recommend that responsibility for public health and social care remains with government, although NHS and social care budgets would be pooled by 2018. These elements would be integrated into a national wellbeing framework for the NHS and local government. However like Plaid Cymru and the Green Party, the Liberal Democrats do emphasise the democratic element implicit within the devolution agenda and promise to introduce a new ‘community trigger’ mechanism to enable the public to require a review of a particular provision that is being poorly delivered. The manifesto proposes to develop the Community Budgets model for use in rural areas to combine services, and encourage local growth. Devolving responsibility for local infrastructure is a key policy approach within the manifesto for the Liberal Democrats who promise to integrate different modes of transport more effectively, including the introduction of smart ticketing. The Liberal Democrats also recommend the expansion of community energy and promise to build Britain’s first ever community energy strategy with the aim of encouraging councils to be proactive in delivering energy saving and electricity generation. The manifesto also proposes to put local authorities in the driving seat for plan-led development by requiring a 15 year plan of housing need, working with local councils to identify suitable sites.

As an additional support to ensure increased consumer spending power within local economies, the Liberal Democrats propose to raise the personal allowance to £12,500.

In order to encourage local growth and stimulate economies the Liberal Democrats propose to work with Local Enterprise Partnerships (LEPs) to improve effectiveness and coordination and use central government procurement policy as a tool for local growth and community development. For example by purchasing from diverse sources and using local labour, goods and services, the Liberal Democrats believe that local government can encourage other key stakeholders in the community to do the same. The Liberal Democrats also promise to prioritise business rate reform to lessen the burden on SMEs. The manifesto makes a promise to build on the success of the Regional Growth Fund which has created more than 100,000 jobs and secured £1.8 billion of private investment in local economies. As an additional support to ensure increased consumer spending power within local economies, the Liberal Democrats propose to raise the personal allowance to £12,500.
Employment and skills
The development of a skilled workforce is another key priority for the Liberal Democrats who promise to oversee a major expansion of high-quality and advanced apprenticeships, offering vocational education on a par with academic qualifications (double the number of businesses hiring apprentices). The manifesto also proposes to deliver an improved Work Programme in partnership with a newly empowered local government.

Green Party
Devolution
The Green Party also supports the growing devolution agenda and advocates that local authorities run local public transport and other local services. The Green’s also recommend that councils be given devolved powers over the level of business rates, which along with council tax would be distributed between local authorities by a council-led commission. The manifesto proposes that councils would keep a proportion of taxes collected locally such as income tax or VAT, and introduce their own fines and fees. This would be complemented by an increased ability to borrow in order to invest in social housing and public transport. These increased powers would also extend over local planning, and the police.

The Green’s promise to provide a £10 billion a year uplift in local authority budgets to allow the restoration of essential local services reduced or lost through recent cuts

The emphasis on localism and local actors as a means of production is seen again within the Green Party policies on local infrastructure. The manifesto proposes to break up the ‘big builder cartels’ and diversification of the house building industry so that more homes are built by small and medium sized builders and by community-led initiatives and cooperatives. Although the
manifesto proposes that devolved services should be carried out by a diverse range of local actors the party also recognises that services, such as transport must be integrated throughout the local area with regional smart payment systems, and must operate as part of a wider integrated system of national transport. The emphasis on local service provision is complemented by the Green Party’s opposition of privatisation of further education and its advocacy for the return of further education colleges to the democratic control of local government.

Environment

As a party with strong environmental values, the manifesto places a unique level of emphasis upon local environmental issues, and advocates for the increased localisation of the food chain by encouraging direct sales via local markets. The Greens remain the only party to provide this level of focus upon environmental issues and recognise the potential of the devolution agenda to deliver a greater capacity to address environmental concerns. This would be achieved by enabling local authority, community, and cooperatives to own energy companies which produce clean energy generation, thereby placing this type supply at the heart of our energy system.

Employment and Skills

The strong emphasis on the local level is interwoven throughout the manifesto as the Green Party recognise the potential capacity of embedded local actors to enact change, evidenced by their desire to encourage small firms as they believe they are less likely to create huge disparities of income and wealth than large corporations. This would be achieved by such actors playing a stronger role as local employers, complemented by both businesses and consumers, and keeping trade local by supporting local procurement alongside local authorities in order to support economically healthy and more equal local economies. In conjunction with this the Green Party propose to ensure that everyone who wants a job has a decent and secure one, and at the very minimum is paid the living wage.

UK Independence Party

Devolution

The only proposal relating to devolution within the UK Independence Party (UKIP) manifesto concerns the perceived inadequacy of the Barnett Formula. The Barnett Formula dictates the level of public funding allocated to Scotland, Wales and Northern Ireland and has been criticised for leading to unevenly distributing per capita spending in different areas of the U.K. UKIP state that the formula should no longer be used to determine annual increases in the block grant for the devolved administration. Instead UKIP follows the recommendations of the 2009 House of Lord’s Select Committee and proposes that a new system should be introduced which allocates resources to the devolved administrations based on an explicit assessment of their relative needs.
Businesses

The main focus of UKIP’s manifesto relating to local economies centres around support for small businesses, increased employment opportunities and the development of struggling town centres. UKIP proposes that business rates be cut for small businesses, and also promises to provide a 20 per cent rate relief for businesses with only one property with a rateable value less than £50,000. The manifesto also recommends introducing a scheme to support businesses with the issue of late payments. UKIP also promises to introduce a pilot scheme to improve access to trade credit insurance to small businesses. The insurance already exists in the market, however UKIP aims to improve the current level of provision by providing further support to small businesses.

Local economy

One of UKIP’s key local economic policies centres around their ‘Seaside Town Status’ scheme, which aims to fuel regeneration in coastal areas. The scheme will empower local authorities to access low-interest government loans to buy up and renovate poor housing stock and convert empty commercial properties into residential accommodation. UKIP also promises to boost the Coastal Communities Fund and expand its remit to end the ‘scattergun’ approach, which would see funding allocated according to income from a particular area, rather than supporting nationwide regeneration.

Housing

The regeneration of local housing markets and their role within local economic growth are also a particular concern for UKIP who wish to free local authorities from government-imposed minimum housing numbers, reverse current policies of facilitating large-scale rural residential developments, and promote smaller 6-12 unit developments in rural areas to extend existing villages. The manifesto also recommends that local authorities should be encouraged to require a proportion of self-build plots to be provided in all large developments, and suggests that large-scale developments should be allowed to be overturned by a binding local referendum triggered by the signatures of 5 per cent of electors within a planning authority area.

Although UKIP see housing development as a key economic driver it is clear from their manifesto that while they believe that the speed and level of development needs to be increased, the nature and location of developments must be carefully considered in relation to its impact on rural communities and the visual environment.

Employment and skills

Although the manifesto expresses concerns over the quality of employment, unlike the other parties UKIP’s proposals remain situation specific, such as its proposal to ban the NHS or third parties under contract from employing home care
workers on salaries below the minimum wage and/or zero hour contracts of any kind. This is complemented by their proposals to ensure that businesses hiring 50 people or more must give workers on zero-hours contracts either a full or part-time secure contract after one year, if the workers involved request it. UKIP also propose that there must be no exclusivity clauses in any zero-hours contract.

In order to support people's employment opportunities the manifesto proposes to allow other establishments to become vocational schools or colleges similar to those promoted in Germany and The Netherlands, so that pupils develop practical skills. UKIP also promise to introduce an option for students to take an apprenticeship qualification instead of four non-core GCSEs.

**Plaid Cymru**

**Devolution**

Plaid Cymru naturally takes a somewhat different approach to the question of devolution and the implications for both the local and national economies of devolved nations. Unlike the other party manifestos Plaid Cymru's manifesto takes a more radical view on devolution and focuses upon the social democratic element implicit within the concept by proposing a citizen-led constitution (similar to those in Northern Ireland and Scotland) in which the people of Wales will decide which matters lie in their own hands and which lie in the hands of Westminster. Plaid Cymru also propose a more independent Wales empowered to make decisions for itself and take more control over the destiny of both its national and local economies outside the influence of Westminster.

Plaid Cymru's manifesto takes a more radical view on devolution and focuses upon the social democratic element implicit within the concept by proposing a citizen-led constitution.

In line with Plaid Cymru's ambitions for more economic powers and investment within Wales, the party advocates the introduction of a Welsh Development Bank to support the creation of good credit lines for businesses as a further boost to local economies by ensuring increased levels of inward investment. Quality and availability of local employment opportunities are seen as a prerequisite of strong local growth throughout Wales. The strong emphasis on local economic growth and resilience woven throughout the manifesto is complemented by a commitment to create 50,000 new jobs through a focus on regional and local procurement which seeks to ensure that more Welsh public sector contracts are awarded to companies working across the country and within local communities. The quality of employment within Wales is also a priority for Plaid Cymru who propose an increase of the minimum wage to a living wage, enforced by sanctions against companies that do not comply with this policy. The focus on quality employment is also seen in the opposition to zero hours contracts and cuts in the public sector that are visible throughout the manifesto.


**Employment and skills**

Employment is a clear focus for Plaid Cymru who propose placing Job Centre Plus in the hands of the National Assembly to help those looking for work, by enabling the government to tailor employment support services to better fit Welsh employment needs both locally and nationally. This is complemented by strong support within the manifesto for the EU’s ‘Youth Job Guarantee’ which provides training or employment to anyone under 25 out of work for more than four months. To ensure that its employment targets can be met and accessed by the people of Wales, Plaid Cymru naturally place a robust emphasis on improvements in the quality and level of key skills education for all children, including literacy, numeracy, IT skills and thinking skills. This would also include a strong element of environmental education to ensure a crucial understanding of climate change from an early age.

The manifesto also touches upon the need for a higher level of investment for Wales’s physical infrastructure alongside a clear localism agenda, which advocates for a reformed housing planning framework as part of the Build for Wales scheme designed to place local needs first. Town Centres are a key priority for the party which recognises their role as engines of local growth by promising to deliver ‘hugely improved’ town centres with revamped public transport and an increase in essential local services, such as medical centres.

**Scottish National Party**

**Devolution**

Naturally the Scottish National Party (SNP) take a nationally focused approach towards devolution and propose that the City Deal system should be made available to all Scotland’s cities, in addition to Glasgow, with the aim of bringing substantial new investment to places that are key drivers of growth in Scotland.

The SNP want to find ways of improving access to finance for growing businesses and increasing inward investment across Scotland’s local economies.

The manifesto also proposes to increase investment in Scotland’s job creators. Through initiatives like the Scottish Business Development Bank, the SNP want to find ways of improving access to finance for growing businesses and increasing inward investment across Scotland’s local economies. The manifesto also promises a Scottish Business Pledge due to the SNP’s acknowledgement that a stronger economy emerges from a stronger society. The business pledge therefore includes commitments to pay the living wage, bans the use of exploitative zero-hour contracts and proposes to take forward a programme of innovation. In return, the Scottish Government will provide targeted support and advice to help companies export, grow, innovate and become more productive. The SNP also promises to deliver a £20 million local energy challenge fund. This fund provides support for projects from community groups, local councils
and housing associations, among others, with the aim of delivering 500MW of locally owned renewable generation by 2020.

The SNP manifesto acknowledges that economic growth is not an end in itself and should be sustainable with the resulting benefits fairly distributed across society. The manifesto therefore recommends an increase in the minimum wage to £8.70 by 2020 and wishes to expand the scope of the living wage. A central theme throughout the manifesto is the concept of inclusive growth which would allow more people in Scotland to share in the fruits of economic growth.

**Public services**

However in order to achieve this growth the manifesto proposes responsible increases in public infrastructure spending. Investment infrastructure forms a key part of the SNP’s plans to generate new jobs and support higher levels of growth, and promise to open up access to finances for businesses looking to expand. The manifesto also contains an ambitious programme of health and social care integration, ensuring that health and social care provision across Scotland is joined-up and provides a seamless service, especially for people with long-term conditions and disabilities. This reflects the SNP’s recognition that in order to develop a more economically resilient and more equal local economy, the concept of growth must be recognised as having a dual nature with social and economic growth seen as two equally important and interdependent aspects of a single concept.

**Employment and skills**

The manifesto also recognises the importance of skills development as a key economic driver within local economies and proposes to maximise opportunities for young people by supporting an increase to 30,000 Modern Apprenticeships, and the expansion of the Education Maintenance Allowance to an extra 22,000 school pupils and students. The SNP have also launched a £100 million Attainment Scotland Fund to support primary school pupils in some of our most disadvantaged areas to ensure the development of a skilled workforce.

**CLES thoughts**

There is still a long way to go to ensure that economic development recognises social as well as economic growth and prioritises the creation of resilient localities that demonstrate holistic economic growth, strong labour markets and skills, and enable socio-economic inclusion by promoting equality of opportunity.

**There is still a long way to go to ensure that economic development recognises social as well as economic growth**

With the increasing popularity of the devolution agenda and the steadily increasing pace of reforms the majority of manifestos make reference to local growth and the role of local government in achieving a strong local economy. However despite this renewed emphasis, the focus on localities is still only a small part of all manifestos, and any exploration of local government and local growth is conducted in
a limited and one-dimensional way with very little acknowledgement of the civil economy. Very few of the manifestos analyse the role of local councils and others stakeholders in implementing the proposed reforms or their potential for new ways of delivery, co-ordination, ownership and local democratic accountability.

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Of all the parties the Green Party grasped the opportunity provided by current devolution agenda to explore the purpose and potential outcomes of this agenda for multiple stakeholders within communities, and made the most references to local government and its role in promoting economic growth in partnership with other stakeholders. The manifesto also adopts a more a more innovative approach to local delivery and ownership. In contrast the SNP make far fewer references to the delivery of local growth, and instead focus upon devolution from the national perspective by exploring the benefits for Scotland’s national economy.

The debate around public services within the majority of manifestos has focussed on the ever decreasing resources with which they have to operate. However, it is equally important to ensure that public services are more reflective of user demands, based around more joined-up working with a focus on wider socio-economic and environmental benefits.

The recent devolution agenda was prominent throughout the manifestos, which exhibit a general consensus that local government should have a greater role in decision making, co-ordinating and delivering services. However, we feel there are some fundamental issues with what has been proposed. Firstly, there is a patchwork approach to devolution, with services such as healthcare, transport and education being carved up between different regions on a pick-and-mix basis. Secondly, there is too strong a focus on city regions which dominate the devolution conversation. Thirdly, accountability is largely ignored, although there are suggestions for a citizens-led constitution and community trigger; it is vital that devolution ensures positive social and economic outcomes for a locality, and as such it must be accountable to the community. Finally, the discussion around devolution failed to address its role in generating positive social outcomes.

It is important to ensure that public services are more reflective of user demands, based around more joined-up working with a focus on wider socio-economic and environmental benefits.
of social value, person-centred services, and co-production. The discussion around health suffers from the same failings and again focusses on the amount of resources that the service will have during the next parliament. Rather than continuing in this vein we must instead focus on improving the life chances for the poorest fastest, with activity that prioritises prevention over cure. Practically, this would involve more joined-up local approaches that tackle the wider determinants of health.

Despite these issues, one area where there has been significant steps taken to realise opportunity is in the pledges regarding an integrated transport network; each party referred to this in their manifesto. However councils must be given more extensive powers surrounding the delivery as well as the co-ordination of local transport services to ensure that the system is as high quality, affordable, and as bespoke as possible to meet local needs.

The manifestos also made references to town centre regeneration although these were rather limited. Moreover, the more fully developed scheme which was unveiled, (the seaside regeneration plan), has a traditional focus on retail-led physical redevelopment. Such an idea does little to develop a strong local economy, with a resilient town centre. The current approach fails in the build up to the election. All of the manifests provide commitments to addressing the issue of job creation, and good and sustainable jobs at that. There is some recognition that the Work Programme is not providing the answers to local skills and employability challenges, with some parties suggesting that training should be devolved to the local level, with local business utilised in delivery. In terms of sustainable work, there are two camps regarding salary, those parties who would embed the living wage as the minimum wage and those who would merely seek to see an increase in the minimum wage over the next parliament. We feel that local authorities and employers have a responsibility to pay the living wage and embed these principles in their supply chain, where possible. Finally, there is also a mixture of pledges with regards to zero hours contracts, with some opposition parties in favour of a ban, and others including the current government stating that they have a role in some sectors.

We must instead focus on improving the life chances for the poorest fastest, with activity that prioritises prevention over cure.

The current approach fails to create a new functionality for our towns, with a partnership of social and commercial sectors which is able to work on local priorities such as employability and skills, and health and well-being.

The issue of job creation has also been prominent in the build up to the election. All of the manifests provide commitments to addressing the issue of job creation, and good and sustainable jobs at that. There is some recognition that the Work Programme is not providing the answers to local skills and employability challenges, with some parties suggesting that training should be devolved to the local level, with local business utilised in delivery. In terms of sustainable work, there are two camps regarding salary, those parties who would embed the living wage as the minimum wage and those who would merely seek to see an increase in the minimum wage over the next parliament. We feel that local authorities and employers have a responsibility to pay the living wage and embed these principles in their supply chain, where possible. Finally, there is also a mixture of pledges with regards to zero hours contracts, with some opposition parties in favour of a ban, and others including the current government stating that they have a role in some sectors.
The manifestos also refer to policies that would seek to create a skilled workforce, with particular attention paid to apprenticeships. This is a welcome step as the commitments to increase the volume, and more importantly of these cuts. This traditional philosophy which assumes that capital investment coupled with efficiency cuts will lead to benefits for the supply chain and the creation of local jobs, fails to deliver the level of socio-economic growth needed for the majority of citizens to benefit. Our view is that it is necessary to secure a real terms growth in resources to local government, as decent public services and fairness are necessary for enabling all to benefit from economic policy. Therefore in order to achieve inclusive economic growth within local economies we need to create a double dividend strategy, whereby local communities are part of the system that creates success.

It is necessary to ensure that localised models of training, delivered through partnerships of multiple providers, business and individuals are introduced.

the quality of apprenticeships will go some way to bridging the current gap in vocational skills. However, it is necessary to ensure that localised models of training, delivered through partnerships of multiple providers, business and individuals are introduced. This will allow local government to take a long-term view of skills needs.

Although the 2015 general election manifestos do outline a number of progressive policies which begin to address the failures of the prevailing economic orthodoxy; many of the measures announced fail to show commitment to wholesale, soundly conceived political and economic change across local government. In particular, there is precious little reference to the social impact of reforms or the way in which the social economy can contribute and complement economic growth initiatives. The majority of manifestos remain wedded to the consensus view that public sector austerity will continue in the next parliament, and only differ as regards the rate, proportion and allocation

In order to achieve inclusive economic growth within local economies we need to create a double dividend strategy, whereby local communities are part of the system that creates success.