



Press Release: More for Your Money

A National 'Local Investment Fund' should be set up to kick-start mass investment into the growing social and environmental markets, says a new report from Localis, the local government and localist think tank.

The independent report, written by Tom Shakespeare, proposes radically changing the social and environmental marketplace which exists within the UK. It suggests that local government is perfectly placed to be the catalyst for new growth and investment into the sector. The fund will channel resources from various sources, including local government through existing intermediaries and directly organisations. Private investors should be incentivised further with tax breaks, and the government should set up a Parliamentary Steering Committee to oversee the creation and governance of the fund.

Other key recommendations include:

- **Spreading risk and encouraging new growth:** Groups of Councils should set up a new sub-regional voluntary fund system for local Councils to replace or supplement PPP/PFI – which we call a 'Mutual PPP fund'. We believe this will help to encourage new growth schemes and will allow Councils to spread their risk more effectively over a larger area whilst simultaneously increasing investment.
- **Rethinking local government:** Councils should use their trading powers more widely to stimulate new markets and as a way of shifting service provision onto other providers and reducing Council tax.
- **Wider definition of 'capital':** The Treasury should widen the definition of the 'Supported Capital Expenditure' (SCE) loan and rebrand it as a 'Local Economic Development Loan' (LEDL) so as to ensure that the wider meaning of 'capital expenditure' is captured.
- **Paying back the debt of nationalised banks:** The Government should examine opportunities to create a duty on part or fully nationalised banks to place a set proportion of their investments into social or environmental schemes.

These recommendations represent an important step towards creating a more independent vision for local government finance. For Local Authorities to fully embrace their wider economic and strategic role, they must have a much greater stake in its improvement.

For more information about this report, or to request an interview or opinion piece on this topic, please contact Mike Morgan-Giles on 0207 340 2660 or email mike@localis.org.uk

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