

Developing financial systems in support of the place, climate and levelling up agenda

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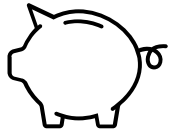
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The Context to the Question



Local Authority finances are strained to levels not seen before. The LGA estimates the funding gap to near £8bn by 2025.



Over 260 councils have declared climate emergencies with 'net-zero targets' ranging from 2028 to beyond 2050.



Economic growth has stagnated and the economic and fiscal outlook is unprecedentedly challenging. This creates an even greater imperative for levelling up to succeed.

What do we mean by a financial system

A Capital Convener

A means of convening and allocating capital for the purposes of undertaking a given purpose or delivering a particular objective.

Financial systems establish the mechanisms and processes through which capital can be exchanged both intra and inter-organization.

1

Appraising the use of Capital

Financial systems can establish the means through which the use of capital is appraised. This includes assessments to ensure its use is viable, sustainable and affordable.

In particular, this provides a framework to prioritise the use of scarce capital.

2

Monitoring the Impact of Capital

Once capital is deployed, financial systems can provide a lens on the degree to which capital is delivering its intended impact.

This can help to ensure the efficiency of the use of capital and drive the realization of benefits and outcomes.

3

Developing financial systems in support of the place, climate and levelling up agenda

Applicability to the place, climate and levelling up agenda

Confidence Gap

Nascent sectors suffer with a confidence gap between investors and adopters which financial systems can bridge.

Outcomes Focus

Regeneration and green infrastructure requires a clear focus on the achievement of outcomes, which financial systems can create the necessary incentives for.

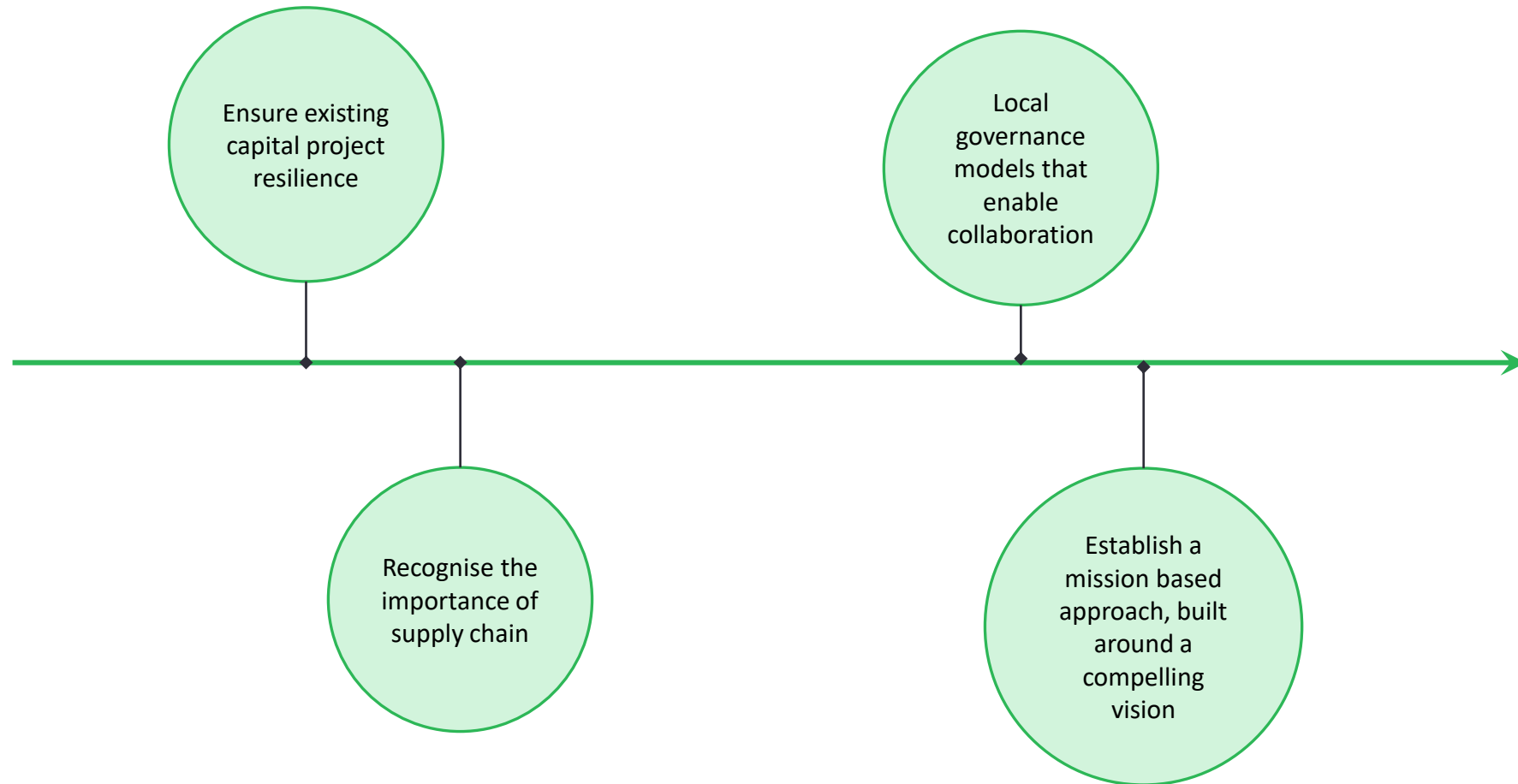
Seed Capital

The provision of seed capital can be highly effective in creating the momentum required to crowd-in capital in order to deliver the agenda.

Public Private Partnership

The progress required on place, climate and levelling up inherently requires a complex interface between public and private sector, which will be intertwined with the supporting financial system.

The role of the Local Government sector



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