

# Local Economic Assessments

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- Legislation in place
- Duty to come into effect on 1 April 2010
- CLG consulting on draft statutory guidance
- IDeA published more detailed guidance/community of practice
- IDeA planning a further programme of support for local authorities for 2010/11
- ABG funding provided for 2010/11

- Draft guidance seeks to:

- Set duty in its context (ie. “Partnerships for Growth”/regeneration framework)

- Provide clarity around the purpose and aims of duty

- Set out broad principles and themes that should underpin assessments

- Set out the framework for taking forward the new duty and where it fits within local, sub-regional and regional strategy and delivery architecture

## Why are LEAs important for localities?

- Enable local authorities and partners to develop a shared evidence base and shared understanding of the strengths and weaknesses of the local economy
- Help to ensure that different economic interventions at different spatial levels are aligned and complementary and based around common assumptions of local economic conditions
- Local planning/transport/housing/employment & skills policies etc all drawing from a consistent economic evidence base
- Tool for linking regional policy with localities thereby helping to shape regional strategy
- With less resources the need for accurate understanding of economy is all the more important

## Draft guidance – What is expected of localities?

- Identify factors that impact on businesses in their area and the economic well-being of communities
- Need to understand the functional area over which the key markets operate and frame assessment around this
- Place based - need to understand the wider picture but also identify economic priorities for specific localities
- Local authorities should collaborate in preparing assessments where there are strong economic linkages
- Need common approach and common evidence base across each region to inform regional strategy

- Government will not be quality checking assessments per se
- But process/framework ensures that there are checks in place:

Consulting/engaging LSP & LAA partners integral

Partners to test and challenge LEA assumptions

LAA negotiations to test/challenge evidence

CAA to monitor how assessments have been used to inform policy priorities

Regional strategy & LDFs informed by LEAs- evidence for both thoroughly tested through EiPs

- Although scope for flexibility – element of consistency needed to enable areas to be compared
- Need to ensure comparing like with like
- Crucial for development of sub-regional and regional economic policy
- Processes for developing LEAs & regional strategy need to be aligned
- Partners to develop regional framework for determining how LEAs inform regional strategy & enable different areas to be compared
- Develop common approach across each region based round core evidence base

## Key Challenges for Local Authorities

- Make an honest assessment of your localities' contribution and place in the wider economy & mutual dependencies with other areas
- Build assessment around functional economic area whilst not losing sight of particular challenges of specific areas & neighbourhoods
- Look at what your assessment reveals in terms of the potential for developing economic partnerships with other areas
- Not a bid document - need honest appraisal of economic strengths, weaknesses and opportunities
- Not just a data gathering exercise – need to tell a story of place – where it has come from/where it is now/where it is going in the future



## Key Challenges - continued

- Engage with businesses/understand their needs & what is hindering local business investment
- Use assessments to help fulfil sustainable development requirements – impact of economy on the environment & impact of environmental risks
- Think about the future direction of the economy ie. in context of climate change and ageing population
- Look for synergies between other social & environmental evidence bases (ie. crime, health needs, child poverty) and LEAs
- Different LA departments need to work together

- IDeA national programme of support
- Key regional partners – RDAs, regional observatories, regional statisticians
- Local authorities and key partners need to come together at a regional level
- Standardise and share data/avoid duplication of effort/joint procurement of data/pool capacity
- RIEPs need to think through how they can support capacity building
- Government Offices stand ready to support/broker relationships

- Timing of new duty can never be perfect
- Plan timeline setting out how LEA will inform strategies & funding decisions ie. SCS, LDF, LAAs & regional strategy
- How can first assessment inform next suite of LAAs (2010/11-2013/14)?
- Regional authorities need to think through how local evidence bases will inform development of evidence for first regional strategy
- CAA will look at how local authorities have used assessments to inform policy priorities