

Developing a consistent Approach to Economic Assessments

Project report

Introduction

This report aims to tell the story of the project, to summarise the achievements and to provide information on any 'lessons learnt' in order to help similar projects in the future. The two-year RIEP-funded project included the appointment of a full-time co-ordinator from July 2009 until end of June 2011. This report examines the key achievements of the project in the first and second year. Just before the second year of the project commenced there was a change in Government. This impacted on the project in a number of ways which are discussed in detail in the report.

Background

In November 2008, the South West Observatory hosted an event with the Regional Improvement and Efficiency Partnership (RIEP) to consider the merits of developing a joined-up approach to Local Economic Assessments (LEA).

The outcome of the event was resoundingly positive, with participants including all strategic authorities, regional organisations and DCLG, buying into developing a consistent approach to LEAs where appropriate; outlining work that needed to be done; and asking the Observatory to take a lead role in supporting Local Authorities in developing consistency in their approach to LEA evidence.

The RIEP agreed to fund a post at the SWO Core Unit to support to support Local Authorities in their work on LEAs and to facilitate agreement on the foundations of the evidence base. This work was steered by a multiagency group with strong Local Authority representation, balancing consistency of approach across the region with the need to allow local flexibility.

Issues identified included the need for:

- consistent and comparable economic assessment data and method across the region;
- more collaborative working to save costs;
- increased communications and networking;
- addressing local authority capacity and skills constraints in economic assessment;
- to share best practice;
- to enable joint commissioning

Following agreement at the event, a steering group was convened to draft an action plan. A key priority for action and one which received a great deal of support at the event was the creation of a co-ordinator post to be hosted at SWO.

Key Achievements Year One

In July 2009 the Local Economic Assessment Evidence Coordinator role commenced. The purpose of the role was to coordinate and lead work to support local authorities in working together to develop a common evidence base to underpin their LEA. The LEA Evidence Coordinator was Local Authority facing. The work was steered by a multi-agency group with strong Local Authority representation.

Contacts and Web Resource

The first task in the role was to establish a list of key contacts within each Local Authority. These contacts were obtained by phoning each upper tier authority. Once a contact was made, with everyone's agreement, these were shared within the group and a number of dedicated LEA web pages were established on the SWO website: <http://www.swo.org.uk/local-economic-development/local-economic-assessments/>

A questionnaire was sent to all the Local Authorities with the LEA duty. This questionnaire helped to identify the LEA Local Authority areas of concern. As a result of this questionnaire the work programme was established and refined.

Core Indicators

In November 2009 local authorities and regional bodies met for an LEA event. The aim of the day was to work towards some consensus regarding the themes common to Local Authorities across South West Local Economic Assessments. The plan was then to make some progress towards agreeing where, and how, those themes may be addressed in a consistent way without being prescriptive. Amongst other things, the event and attendees brought up the idea of "key questions" that an LEA might seek to answer. Slides from the event can be found at <http://www.swo.org.uk/resources/local-economic-assessments/lea-evidence-day/>

Following on from the November 2009 event a multi disciplinary group was established to establish core indicators that could be used to answer key questions and to provide consistency in the use of data and an ability to compare aspects of LEAs. Consensus was achieved around a set of common core indicators. Guidance was written so that, if Local Authorities chose to address certain key questions in their LEAs, the appropriate indicator and the way it should be used were suggested. The work done by the SW group in choosing indicators informed the work on indicators done by ONS for LEAs. There was wide support for the indicators across the region with SWO Core Unit providing data packs for each upper tier Local Authority <http://www.swo.org.uk/local-economic-development/local-economic-assessments/>

Mapping Functional Economic Market Areas (FEMA)

Guidance at the time from DCLG indicated that geographies covered within the LEAs "should, as far as possible, match real economic geographies or functional economic market areas (Functional economic market areas are spatial areas that can be mapped by a combination of the key indicators of economic activity and across areas)". South West Observatory Core Unit led and managed a joint commission on behalf of a partnership of Upper Tier Local Authorities, the South West Regional Development Agency, South West Councils and the SWO, for work to help understand and map Functional Economic Market Areas (FEMA) across the region. Following a competitive tender process managed by SWO Core Unit, SQW Consultancy were appointed to produce an interactive mapping tool and a report with multivariate analysis. The project mapped FEMAs within the South West (and up to two districts outside of the region) using a number of variables. It was not intended that there should be a 'FEMA for the South West', instead a number of different datasets can be viewed and overlaid by the user of the FEMA mapping tool to help paint a picture of how the region actually functions within and outside of administrative boundaries. The FEMAs will also change depending upon which data sets the user chooses. The final product contained over 100 datasets which could be mapped and over-layed to create a map of a locations functional

economic market area. The project aimed to improve outcomes by avoiding duplication of effort and pooling resource. It also provided a shared evidence tool for the region.

It is also worth noting that the tender brief was agreed by the Local Authorities involved, that a steering group was established to steer this work and that five meetings were held. On 13 April 2010 a meeting including all LAs was held to reaffirm buy-in and to keep the client group informed. Through good working relationships, HCA data was also secured to be included with the tool.

The output was a CD containing free GIS software to enable data layers to be viewed by the user. The maps that are viewed can be exported as a picture so they can be used in strategies, PowerPoint presentations and other documents. The mapping tool product and a specific FEMA Report was launched on 18 June 2010. <http://www.swo.org.uk/local-economic-development/functional-geographies/>

At this event, Oxford Economics also presented the forecasting report commissioned by the Economy module (SWRDA) that would also be useful for informing Local Economic Assessments. At the request of Local Authorities, SWO commissioned further analysis from Oxford Economics taking out the skewing effect of London to make like for like comparisons more apparent.

Other achievements

- On 30 June 2010 an event showcased LEAs from around the region, providing an opportunity to share best practice whilst also getting an update from central government. The event was very well attended. <http://www.swo.org.uk/local-economic-development/local-economic-assessments/events/>
- The LEA Evidence Coordinator attended monthly LEA steering group meetings in West of England, Gloucestershire, Somerset and Bournemouth Dorset Poole sharing good practice and insight.
- Regular contact was maintained with all of the LAs which included phone calls, visits and emails.
- Draft LEAs were reviewed by the coordinator and comments passed back to the LA.
- Contacts were made outside of the South West region in order to share best practice. This included Local Authorities.
- Working with the LSC to provide consistent analysis of the National Employer Skills Survey (NESS) for each upper tier Authority
- A presentation was organised for the LAs from the Audit Commission to ensure the links between the LEAs and CAA process were understood.
- Wider South West Observatory products were made available in a timely way to LAs, for example the Skills Learning and Intelligence module (of the South West Observatory) provided a worklessness analysis.
- SWO worked with the ONS on their Local Profiles to ensure they met LA needs and to avoid unnecessary, additional analysis by LAs (part of the ONS Local Profiles Reviewer Group).

- Bi-monthly LEA Steering group meetings ensured the work remained focused and met the needs of the LAs
- To ensure the correct people received information, presentations were given at the regional intelligence group meeting, the Regional Economic Development Officers group and the West of England Heads of Economic Development group. Distribution list were revised accordingly.
- Work was undertaken to ensure other documents with a statutory duty were consistent / aware of LEAs. For example a presentation on LEAs were given to the Regional Joint Strategic Needs Assessment Leads and contact details were shared.
- LAs were kept informed about the SW Growth Scenarios research, commissioned by SWC and RDA, to ensure it is referred to in LEAs and that the work would meet the LA requirements.
- Where LEAs were commissioned, information was shared with consultants to help reduce LA costs.
- An article on the South West approach to LEAs with written and published in LARIA magazine.
- A response to DCLG was written on the LEA guidance consultation. The response was on behalf of SW and on behalf of ARO
- The LEA coordinator presented at a CPRE workshop (linking LEA to LDF) and also to other LAs outside of the South West. Additionally, she was invited to speak at a LGIU event on 15 July to tell them about the approach.

The first year of the project focussed entirely on LEAs and assisting LAs to achieve this evidence base, whilst trying to provide efficiency's where appropriate. All South West Authorities with the duty to produce LEAs were on board and recognised the importance of understanding their local area. During this time the Government changed. There was uncertainty around LEAs: Would the duty continue? Would funding continue? As South West LAs were already so far down the line with LEAs all continued to produce their Economic Assessment. This was not the case in other parts of England, where work on LEAs had not progressed very far. However with the change in government came new policy areas.

Key Achievements Year Two

LAs continued with their LEAs, most working towards the original government deadline of 31 March 2011 to produce a LEA. However, it quickly became apparent that the key contacts established in year one were also actioning emerging economic development policy.

The LEA evidence coordinator role was extended (with agreement from the steering group) to include new and emerging local economic development policy. Rather than working purely on Economic Assessments the role broadened to look at emerging policy, including Local Enterprise Partnerships and the Regional Growth Fund.

Trusted Voice

The established network was expanded and information on emerging local economic development issues fed through to contacts in a timely manner. Network contacts were assured that the information they were looking for would be delivered to their inbox saving time and reducing duplication. With widely recognised and proven expertise, the LEA Evidence Co-ordinator provided an economic development help desk function to the LAs and others interested in Local Economic Development.

The website LEA section on the SWO website was expanded to include a section on Local Economic Development and remains one of the most popular pages on the website <http://www.swo.org.uk/local-economic-development/>

Social Media

In order to obtain more information, extensive use was made of social media methods during the second year. A Twitter account was established (now with over 300 followers), LinkedIn was used in order to follow groups (e.g. from RDA to LEP), at the time of writing, the LEA Evidence Coordinator is the most influential person in this LinkedIn group.

Both the Trusted Voice and Social Media activities have raised the profile of SWO and the South West approach to co-ordinated information gathering and sharing on local economic development. For example Local Chambers of Commerce and Nomis contacted SWO regarding specific issues via these sources and national bodies have sought information on local developments in the SW (telephone conversations).

Community of Practice

A Regional Growth Fund Community of Practice group was set up and is managed by SWO. The group has 52 members and holds information on the RGF. This has been a good way to raise the SWO profile.

Work with external agencies

Building on the relationships developed in the first year with the HCA, information has been shared and discussed with the hope of extending the HCAs Signet tool to include economic data. This could result in what would be in effect a national FEMA tool.

The co-ordinator regularly updates LEA / Economic Development leads with relevant information from local, regional and national sources, through emails, dedicated web pages on the SWO website and in person through regular meetings. The project is innovative and unique to the South West. It demonstrates the efficiencies that can be achieved sharing resource, doing once for all, sharing best practice and joint commissioning.

LGUI, Rocket Science and IDeA have recognised the value of the coordinated South West approach and have invited the coordinator to speak at events they have hosted.

Appendix A summarises the original objectives. Appendix B is a summary table of LEAs (in no particular order) to show if they have used the SEAT product, Core Indicators and Oxford Economics forecasts.

Lessons Learned

- A programme of tangible outputs, especially in the second year of the project would have been a useful outcome rather than ad hoc digests etc e.g. local profiles, analysis for LEP area's, Enterprise Zone data reports
- The audience was limited to Upper Tier LAs, establishing District contacts early on would have added another dimension to the project

Conclusion

The project has delivered what it set out to and more. Being Local Authority led meant that it met the needs of the audience and it wasn't top down. The flexible approach enabled emerging themes to be actioned. With the changing political landscape it is clear that the project may have benefited from more tangible outputs in the second year.

Through their LEAs the South West Local Authorities have created a robust evidence base from which LEPs can be informed about their local issues. For many LEPs the LEAs will be the starting point when they start to prioritise their focus. This puts the South West LEPs in a stronger starting position than other areas who do not have a clear understanding of the story of their place. The West of England LEA follows the same structure as their LEP bid themes.

The project does prove the principle that coordinating a common function can be successful and useful and could be applied to themes outside of economic development.

Statements of support for the project

"I have had the unique experience of being involved with the LEA RIEP project from both the regional and local authority perspectives and I have to say it has been invaluable to have you in post. The regionally co-ordinated and commissioned work on FEMAs (particularly the SEAT tool) and growth scenarios have been very useful, saving us time and effort locally.

Somerset's LEA will be published shortly and it has been very useful to have a regional input from you throughout the process.

Moving forward, I would certainly find it useful if your role continued to provide signposting to relevant RGF and LEP guidance/progress updates. Given the central importance of economic development to the Coalition Government's agenda, the help you provide will continue to be very important as I see it.
Regards"

Carrie-Anne Hiscock, Senior Economist, Somerset CC

"I find the Observatory updates useful and they have led to follow up and action on my part on a number of occasions – keep them coming!"

Stephen Horscroft, Strategy Integration Officer, Economic Development, Cornwall Council,

"I really appreciate you being on the lookout for policy developments/good practice and getting the information to my desktop."

Bill Cotton, Director of Economic Development, Forward Swindon On behalf of Swindon Borough Council we are responsible for developing the town's economy and culture and delivering regeneration.

"From my perspective I found a central coordination point really useful and have also liked having the articles etc you find forwarded on. I think we could definitely learn from this as working as a region has helped share best practice and saved

costs on the FEMA work. Perhaps we should consider how the LEPs across the patch work together going forward.”

Suzie Masterman, Regeneration Policy Officer, Torbay Development Agency

Suggestions for future projects with LAs

- Provide economic intelligence help-desk support with analysis and report writing capacity.
- Assistance with FEMA tool
- Coordination of relevant data sources including data purchases as appropriate.
- Development of suites of district profiles
- Early census analysis
- In term of how SWO support – although early days, I anticipate that we will need to do some form of annual refresh – probably not in as much detail, but developing a local commentary based on changed data and up to date local knowledge. Do we know if the ONS profiles will continue? If not, can the SWO provide these?
- Keep providing a key point of contact re: LEAs and LEPs
- Provide regular information updates on national policy/progress across the region, esp. re LEP evidence support arrangements as they emerge.

Appendix A

Date	PID Milestone Stage	Description	Output summary
01/06/2009	Stage 1	New suitable coordinator recruited and in post.	Recruitment successful. Post holder started in post on 1 st July 2011. Bi-monthly steering group meeting established.
31/08/2009	Stage 2	Baseline and project progress report drafted, for Steering Group comment.	List of key contacts established in each LA with the Duty. Questionnaire completed by all SW LEA leads to establish 'state of play' including capacity, funding, priorities for the work. LEA web pages developed.
07/10/2009	Stage 3	Steering Group comment on baseline report and research by 30/09/2009. Programme Board to consider approving Stage 2 funding payment by 07/10/2009.	Discussion paper prepared and draft core indicators established.
By 30/11/2009	Stage 3	Final baseline report and gap analysis presented at regional conference organised by coordinator.	LEA event on 3 rd November 2010 to bring together LAs to discuss core indicators, key questions and LEA issues.
By 31/01/2010	Stage 3	Workshop note and revised action plan circulated with Steering Group approval.	Core Indicators sub-group established. Liaised with ONS and other regions to ensure our core indicators did what we intended. Core indicators don't have to be bought into in their entirety.
By 15/03/2010	Stage 3	Have achieved regional agreement on a common data set and methodology by April 2010, alongside a progress report to the Steering Group on key project achievements.	Agreement reached on Core indicators. Functional Economic Market Area work commenced with support (financial from 15 out of 16) to map the FEMAs in the South West
By 15/03/2010	Stage 3	Programme Board in liaison with Steering Group and Programme Manager to have considered project progress and year 2 funding approval.	Remit expanded to assist with emerging Economic Development policy.

By 31/03/2011	Stage 4	Completion of successful economic assessments across the region by April 2011, evaluated by local authorities through a technical peer review event.	All South West LEA's completed (a few just awaiting final sign off before going public). All being used as part of the evidence base to help LEPs identify issues. Limited interest in an event of this kind at this time, however a review has been conducted by email. Results in Appendix B
------------------	---------	--	--

Appendix B

LA	Draft available?	OE Forecast s used?	Core indicator s used?	FEMA used?	Links to LEPs?
Bristol	Y	Y	Y	FEMA referred to in the Bristol LEA. SEAT will be used for the West of England Partnership Area LEA	Y. Noted that with an enhanced role for LAs in ED that a strong evidence base is now very important
Bath and North East Somerset	Y	N – not available when completed	N – not available when completed	N – not available when completed but economic linkages referred to	N – not available when completed
Devon	Y	N - not available when drafted	N	Y	N – However LEA prepared in order to support future LEP and strategy development
Cornwall	Y	N	Y	N	Y – the LEA is based upon the same geography as the LEP and the assessment was used directly in the LEP bid. Additional socioeconomic analysis was also developed to inform the LEP bid
Dorset	Y	Y	N – were in original drafts but appeared too outdated as time went by.	Y	Y – mentioned within the LEA but LEP not yet established
Torbay	Y	Y	Y	Y	N – Not specifically mentioned. Completed before LEPs were really organised. Is being used to underpin our

					Economic Strategy and through that Torbay's priorities for the LEP.
Plymouth	N - Work on the LEA is ongoing. New staff member recently appointed who will be tasked with production of State of Plymouth report on biannual basis		Most likely	Most likely	N – LEP proposal has been submitted; awaiting outcome
Isles of Scilly	N - Work on the LEA is ongoing.				
Wiltshire	Partial. Wiltshire has taken the approach of developing a series of Factsheets to meet its LEA obligations and in such a way, meet the varying needs of users and enable data to be updated as it is released during the year. Six have been completed, 4 in progress. Detailed analysis planned on some topics 2011/12. Recruitment of an economist is currently on hold due to a period of reorganisation within the authority.	N – will use the forecasts commissioned for core strategy. But we did look at the employment forecasts you provided. I will be looking at the other forecast data you produced e.g. GVA.	Y but not all	Not yet.	N – application with Government
Gloucestershire	Not yet, a draft has been produced awaiting sign off to publish.	N	Y	Y	Y
South Gloucestershire	Y	Y	Y	Y	Y linked to WoE LEP
North Somerset	N – Sections currently undergoing	Y	Y	Y	Y – via link into WoE LEA. Y – WoE LEP

	review. Target of June 2011 for full draft				established
Bournemouth	Y	Y	N – were in original drafts but appeared too outdated as time went by.	Y	Y – mentioned within the LEA but LEP not yet established
Poole	Y	Y	N – were in original drafts but appeared too outdated as time went by.	Y	Y – mentioned within the LEA but LEP not yet established
Swindon	Y	N – not available when completed	N – not available when completed	N – not available when completed but economic linkages referred to	N – not available when completed
Somerset	Y Final document available by 25 th March 2011	Y	Y	Y	Y - Somerset is within the Heart of the South West LEP
West of England	N	Y	Y		Y – follows the LEP submission bid themes of People, Business and Place

Of the 16 Local Authorities in the South West with the Duty to produce an LEA, 10 have used the Core Indicators developed by the South West Observatory, nine of the LEAs have used the Oxford Economics Forecasts and 12 used the SEAT (functional economic market areas) tool within their final LEA. This is great when you consider that 3 LEAs were completed before these products were available.