

Subject: Statutory Local Economic Assessment Duty
Date of Meeting: 22 July 2010
Report of: Director of Housing, Culture and Enterprise
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Key Decision: No
Wards Affected: All

FOR GENERAL RELEASE**1. SUMMARY AND POLICY CONTEXT:**

1.1 County Councils and Unitary Authorities have a new statutory duty to complete Local Economic Assessments from April 2010. The assessment will bring together and fill gaps in existing data and intelligence in order to provide a robust analysis of the Brighton & Hove economy. This will form part of future evidence for: reviewing city strategies and used to help shape priorities for future City Employment & Skills Plan-related interventions. Most importantly, the timing of completing this thorough analysis aligns exactly with the forward looking data analysis work needed for shaping intelligent commissioning in the area of economic development at a time when, due to recessionary impacts and public sector budget predictions, it is most needed.

2. RECOMMENDATIONS:

2.1 That Cabinet notes the contents of the report and agrees the approach outlined in the report, to work closely with partners and maximise the benefit of this timely piece of work for the future intelligent commissioning intentions.

3. RELEVANT BACKGROUND INFORMATION**3.1 Background**

3.1.1 Central Government has provided funding of £65,000 through the 2010/11 Area Based Grant to support the completion of this piece of work. Government guidance indicates that the cost of completing the assessment should be in the range of £60 - £80k. The funding allocated is to research the necessary data, build the knowledge base and undertake any analysis or development work needed. Local Economic Assessments are to be completed by March 2011.

3.1.2 Local Authorities are expected to address a core set of themes in their assessment in order to ensure some degree of consistency and comparability is achieved across the country. The themes are as follows:

- Economic linkages

- Structure of local economy
- Enterprise and innovation
- Business needs
- Demography and community
- Labour market
- Skills
- Economic and social inclusion
- The natural and historic environment
- Low carbon economy
- Transport provision and other infrastructure
- Housing
- Overall economic competitiveness of the area

These themes map easily onto the authority's existing Core Priorities and 8 future city outcomes.

3.1.3 An additional condition for authorities such as Brighton and Hove that have a Futures Jobs Fund programme, was also to produce an Interim Work and Skills Plan for March 2010. This is as a precursor to the full work and Skills Plan that will form part of the final Local Economic Assessment. Brighton and Hove has completed this piece of work. This will form the basis for the full plan to be completed which will in effect also be the same piece of work as the new 3 year City Employment and Skills Plan also due for updating this year. The City Employment and Skills Plan links directly through to the Local Strategic Partnership.

3.2 Process and timetable

3.2.1 Action Plan and Data

The Economic Development team has prepared Local Economic Assessment action plan by working with partners to define and agree Brighton & Hove's functional economic area and reviewing datasets, identifying gaps in data and knowledge, and producing proposals to fill those gaps. This is attached at Appendix 1.

3.2.2 Consultation

Full consultation with internal and external partners is a statutory duty as part of the Local Economic Assessment and will take place throughout its development. In terms of relationships with external partners; businesses and local partnerships, Brighton and Hove is already well placed with good working relationships already established. Consultation and regular updates can be built into existing working structures and timetables in addition to tailored events. The development of the Local Economic Assessment is also programmed into the cycle of Member meetings for update and consultation, the timetable for this is attached at Appendix 2.

3.3 Outcomes and Relationship to Existing and Future Strategies

3.3.1 Local Economic Assessments will equip Local Authorities and partners with a common understanding of local economic conditions, be they geographical, social or environmental, and their impact on economic growth. This understanding should lead to improved economic interventions, including better

spatial prioritisation of investment to achieve sustainable development. At this current time, when the city is still feeling the effects of the recession and with cuts predicted in public sector spending, this level of up to date and in depth analysis will be very much needed. It will form the basis of the analysis needed to develop the commissioning approach with partners in the city at exactly the right time, both for the city council and the city.

- 3.3.2 Economic flows usually overlap local authority boundaries, so that the functional area over which the local economy and its key markets operate does not necessarily adhere to these boundaries. The Local Economic Assessment provides Brighton & Hove with an opportunity to not only measure economic conditions with the city, but also to define and analyse its functional economic area. Based on previous analysis using travel-to-work, housing, and retail catchment data, this area is likely to consist of parts of East and West Sussex.
- 3.3.3 The findings can also inform the parallel thinking on the development of Local Enterprise Partnerships as this develops, in terms of their desired remit both spatially and otherwise.
- 3.3.4 There are a number of existing strategies that will also dovetail with this work – inform it and be informed by it; the city council’s corporate priorities, the Community Strategy, the Economic Strategy and the Local Development Framework Core Strategy in particular. More specifically, the city’s City Employment and Skills Plan already fulfils the requirement to produce a Work and Skills Plan within the Local Economic Assessment.

4. CONSULTATION

- 4.1 Full consultation with internal and external partners is a statutory duty as part of the Local Economic Assessment and will take place throughout its development.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The costs associated with the Local Economic Assessments are expected to be covered by Central Government Area Based Grant funding of £65,000 in 2010/11. Funding would need to be identified for any work required following the assessments.

Finance Officer Consulted: Anne Silley

Date: 30/06/10

Legal Implications:

- 5.2 The Council is under a duty to prepare a Local Economic Assessment of its area under section 69 (1) of the Local Democracy, Economic Development and Construction Act 2009. A local authority must have regard to any guidance given by the Secretary of State as to:
- what an assessment should contain and how it should be prepared
 - when to prepare an assessment
 - when to revise any assessment, or any part or aspect of an assessment.

A local authority may revise the assessment, or any part or aspect of it, at any time. The process set out in the report is consistent with the legislation and the statutory guidance."

Lawyer Consulted:

Carl Hearsom

Date: 05/07/10

Equalities Implications:

- 5.3 The Local Economic Assessment provides an opportunity for the city council to be more informed of equalities issues relating to the local economy and target support accordingly.

Sustainability Implications:

- 5.4 A duty of the Local Economic Assessment will be to include a section on 'Low Carbon Economy'. This compliments the Business Retention and Inward Investment Strategy, which has identified Environmental Industries as a growth sector for Brighton & Hove.

Crime & Disorder Implications:

- 5.5 Any work that leads to the improvement of economic conditions in a location and an increase in employment opportunities, which this work is designed to do, is likely to have a positive impact on some of the causes of crime and disorder.

Risk & Opportunity Management Implications:

- 5.6 A risk analysis will be prepared as part of the project action plan. In addition, the identification of both risk and opportunity in an economic sense is what the assessment is designed to give.

Corporate / Citywide Implications:

- 5.7 The new statutory duty for Local Authorities to complete Local Economic Assessments is viewed as a real opportunity to fill gaps in knowledge about the city economy and inform future interventions in order to achieve the strategic objectives outlined in the Local Area Agreement, City Employment & Skills Plan and Business Retention and Inward Investment Strategy. Having a robust analysis of local economic conditions will inform Brighton & Hove City Council and partners' economic policies and interventions, to the benefit of the city.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 Not applicable in this instance, the requirement to produce this assessment is a statutory duty.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 The purpose of this report is to make the Cabinet aware of our obligations under Part 4 of the Local Democracy, Economic Development and Construction Bill

(clauses 63 and 64) which places a new duty on unitary authorities to assess the economic conditions of their area and to enlist support for the approach outlined.

SUPPORTING DOCUMENTATION

Appendices:

1. Summary of work to be undertaken in completion of the Local Economic Assessment including current data and gaps.
2. Members Process Timetable

Documents in Members' Rooms

None

Background Documents

None

