

# BROMLEY ECONOMIC PARTNERSHIP

**Meeting:** Economic Partnership  
**Date:** 9<sup>th</sup> November 2010  
**Subject:** Local Economic Assessment (LEA)  
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## 1. Recommendations.

The Partnership is asked to:-

- 1.1 Note the requirement for the Council to undertake a Local Economic Assessment (LEA).
- 1.2 Consider the information being collected/researched as set out in Appendix 1 and identify other relevant data/information sources that could be considered for inclusion.
- 1.3 Give consideration and comment on a mechanism of consultation with businesses, including the role of business in contributing to an assessment and how they should be involved.

## 2. Background

- 2.1 The previous Government's review of Sub-National Economic Development and Regeneration (July 2007) stated that local authorities should play a more central role in local economic development. It proposed that a duty should be placed on upper tier and unitary local authorities to assess the economic circumstances of their area.
- 2.2 The proposed economic assessment duty has now been formalised by the Local Democracy, Economic Development and Construction Act 2009.

## 3. The Local Economic Assessment Duty

- 3.1 Part 4 of the Local Democracy, Economic Development and Construction Act 2009 requires unitary authorities, including London boroughs, to undertake an assessment of the economic conditions within their locality - referred to as 'Local Economic Assessments' (LEAs).
- 3.2 The Act states LEAs should provide a comprehensive picture of the local economy. Their primary purpose should be to provide local authorities and partners with a robust analysis of local economic conditions, which in turn, should inform economic policies and interventions.

- 3.3 According to the duty, LEAs should spatially map economic conditions including:
- the comparative strengths, weaknesses, opportunities and threats facing the local economy;
  - local economic links and how the local market fits in with the wider sub regional and regional markets;
  - an analysis of the local causes of worklessness;
  - a review of the regeneration challenges of the area;
  - the impact of local economic development on the environment.
- 3.4 Assessments should be kept up to date and fit for purpose to enable local authorities to keep their Sustainable Community Strategy up to date. Assessments should ideally be reviewed annually and fully refreshed every 3 years.
- 3.5 LEAs should also underpin other local strategies such as the statutory Local Development Frameworks (LDFs), local transport plans and housing strategies.
- 3.6 LEAs will complement other information in providing a useful source of evidence in considering the performance of local economies and the effectiveness of local partners' actions in support of sustainable economic growth.
- 3.7 Bromley's assessments will inform local, sub-regional and the Mayor of London's suite of strategies - the London Plan, Economic Development Strategy, and Transport Strategy. London Councils will work to ensure that LEAs, particularly those undertaken by groups of boroughs, influence the London Development Agency's (LDA) spatial investment plans and the development of their programmes. This should ensure that policy making at all levels is based around a shared understanding of local economic challenges and geography and help to ensure that the economic interventions of different partners are aligned and complementary.
- 3.8 The duty came into force on 1st April 2010 and in order to help local authorities meet their new requirements, the previous Government produced statutory guidance setting out what LEA's should contain in broad terms. Since the change of Government, the statutory guidance has been removed, thus freeing up local authorities to decide locally how they undertake their assessments and monitor their local economy. The duty to undertake the assessment remains.
- 3.9 Further details on the LEA duty and its role in economic development are expected to emerge from the Decentralisation and Localism Bill, which is due to be announced in late November 2010. Officers will update Partners in due course regarding any developments on the LEA.

#### **4. Memorandum of Understanding with the Greater London Authority group**

- 4.1 London Councils has been working with the Greater London Authority (GLA), the London Development Agency (LDA), London boroughs and sub-regional partnerships to agree a common evidence base for all London borough assessments and to make best use of the analytical capacity held within London.

4.2 A Memorandum of Understanding (MoU) has been agreed, setting out 14 core indicators that should be part of each individual LEA and will enable London boroughs to benchmark their position against other boroughs. The MoU only identifies the core data to be included within each of the assessments. It is not intended to be a comprehensive list of data. It is expected boroughs will augment this data with evidence particular to their economic conditions and to reflect their own strategic priorities. The core data set is as follows:

- Resident population (both ONS mid-year estimates and GLA projections)-ONS, GLA
- Employment rate of working age population -APS
- Unemployment rate (both claimant and ILO) -ONS
- Number of jobs (workplace based) by broad industry group-ABI
- % of the working age resident population qualified to degree level or above-APS
- % of the working age resident population with no qualifications-APS
- % of the working age resident population qualified to at least Level 2 or higher-APS
- % of the working age resident population qualified to at least Level 3 or higher-APS
- % of the working age resident population qualified to at least Level 4 or higher-APS
- New business registration data-ONS
- Count of deaths of enterprises -ONS
- % of small businesses in an area showing employment growth (IDBR)-ONS
- % of Super Output Areas (SOAs) in the 20% most deprived in England (Index of Multiple Deprivation 2007) -CLG
- Public transport accessibility levels (ATOS) -TfL

## **5. Bromley's Local Economic Assessment**

5.1 The intention is to prepare a full assessment in 2010/11 to meet the duty with the next full assessment due in 2013/14 to coincide with the availability of substantial new information from the 2011 census (detailed census information should be available from 2013). As mentioned in 3.9 above, future LEAs are subject to any changes in legislation in the Localism Bill.

5.2 London boroughs are currently preparing their assessments and are at varying stages of completion. However, given the removal of the statutory guidance and shifting political landscape, officers deemed it wise to wait and learn from other authorities and sub-regional colleagues that have commenced preparation early. Bromley's LEA will build on economic profiles prepared by the Council in previous years, but the duty requires further information regarding the local population, housing, young people as well as business, skills and employment.

5.3 Officers are working across Council departments and with partners to identify where existing data requires updating and any additional requirements to meet the new duty. The Council will require the approval of the Executive to draw down funds to use for commissioning any studies or data that is identified as being essential to the LEA. The potential to undertake a borough based business survey (complementing the latest SLB survey) and other identified gaps in evidence to support borough priorities is being considered.

5.4 A key component in producing the LEA will be engaging and consulting with businesses. The Council will want to make sure it has a clear understanding of

what is necessary for business to flourish locally and for people to take advantage of economic opportunities.

- 5.5 Consultation with businesses could involve the use of the Council website, articles in the e-bulletin and communications with businesses via the Business Support and Town Centres Team. Feedback could also include consultation with key partners such the South East Chamber of Commerce and Business Link.
- 5.6 London Councils has been actively encouraging boroughs to work together on sub-regional assessments, in addition to undertaking their own local assessments. There are a number of advantages to sub-regional assessments; economic links and local markets rarely fall wholly within local administrative boundaries and a sub-regional analysis is more likely to reflect spatial trends. Sub-regional assessments will also be easier to translate into the Mayor's strategies and will be more effective in influencing LDA investment.
- 5.7 South London Partnership and Kingston University have produced a draft sub-regional economic assessment which covers the seven London Boroughs of Bromley, Croydon, Royal Borough of Kingston upon Thames, Merton, Richmond upon Thames, Sutton and Wandsworth. This assessment includes a SWOT (strengths, weaknesses, opportunities and threats) analysis of the sub-region and looks at some of the wider strategic issues facing the boroughs. The draft is available at: <http://lms.kingston.ac.uk/bbcswebdav/users/ku09656/SREA>
- 5.8 Bromley's LEA will highlight various key issues for the borough and will assist the Economic Partnership in identifying new issues to be examined. The LEA will also aid the Economic Partnership in reviewing its Economic Framework and inform any changes to their objectives and outcomes.
- 5.9 In addition to the core London Council indicators, Bromley is considering including the data set out in Appendix 1. The original guidance set out by Government was extensive and there is doubt as to how useful the full range of data would be. Sources such as the Joint Health Needs Assessment will be used as appropriate.