



Final Report



Local Economic
Assessments in the West
Midlands

February 2010

Contents

Contents.....	2
Introduction	3
Summary of Progress in the West Midlands to Date.....	4
<i>Aggregation and Comparability</i>	7
<i>Geography</i>	10
<i>Breadth and Focus</i>	12
<i>Connections and Influence</i>	15
<i>Resources and Capacity</i>	19
Summary	22
Final Reflections.....	26
Appendix 1: Survey Responses.....	27
Appendix 2: Issues from Workshops.....	38

Introduction

This report commissioned by the West Midlands Leaders Board is intended to provide guidance to local authorities to assist them in producing their local economic assessments. It was commissioned recognising that all councils are at different stages in producing their assessments, that there are likely to be common issues that may need clarification and future support, and to ensure that individual assessments can be assembled to create a coherent picture sub-regionally and regionally to inform the single, integrated regional strategy.

In particular the work is intended to:

- bring together the range of national and regional work to date into regionally-specific guidance;
- develop a common understanding of the content and purpose of LEAs;
- encourage a degree of consistency and compatibility in LEAs to allow comparability and/or aggregation across sub-regional and regional geographies;
- identify areas where local authorities need support in delivering their LEA duty;
- identify areas where regional partners could provide support to the process.

It is our view that the latest version of the draft Statutory Guidance together with the Sector Led Guidance provides a generally sound basis for progressing Local Economic Assessments.

This report, therefore, expressly does not duplicate the emerging Statutory Guidance or the Sector Led Guidance produced for the Improvement and Development Agency (IDeA) and Planning Advisory Service (PAS) by Rocket Science. Instead its aim is to add specific and additional advice to councils in the West Midlands, taking into account the circumstances in the Region and the substantial progress already made.

The approach taken has been to draw out a limited number of key principles it is suggested councils should follow. In addition the report sets out issues where further action is recommended, including matters where further support may be required. We consider that this would form a suitably light-touch, common approach that recognises and balances the need for local discretion with the need for an appropriate level of consistency.

The process has been overseen by a steering group chaired by the Chair of the Regional Economic Development Officers Group (REDOG) and made up predominantly from local government including members from counties, metropolitan, unitary and district authorities alongside representatives from AWM, GOWM, IEWM, WMRO and the Leaders Board.

The substance of this report is drawn from two day-long facilitated workshops held either side of Christmas 2009, on 15th December and 11th January. Both were very well attended with representatives

from all metropolitan, county and unitary authorities and a good spread of districts from around the Region registering for both sessions.

The first session was informed by an on-line questionnaire to establish the current state of play of LEAs and views on particular issues related to the development of the assessments. See appendix 1 for the detailed findings from the survey.

The purpose of the first session was to give sufficient space for participants to raise and discuss issues, whereas the second session was more structured and focused around defining where there was broad agreement and where further action is needed.

Particular attention was given to the issues of:

- Aggregation and comparability of LEAs
- LEAs and functional economic geography
- Connections and Influence

There was a high level of engagement from participants throughout both days and informal feedback after both sessions suggests that practitioners highly valued the opportunity to share practice and discuss key issues in a structured way.

Following a brief summary of current progress in the West Midlands, the rest of this report is structured around key themes that arose from the workshops. Each theme, as appropriate draws on the draft statutory and sector led guidance, the survey responses and discussions at the workshops before setting out a limited number of principles and issues for further action.

Summary of Progress in the West Midlands to Date

As a Region, the West Midlands is among the most advanced in terms of building the necessary dialogues with agencies and colleagues and developing its thinking and delivery of LEAs. In doing so, it has adopted an open partnership approach.

A very brief summary of some of the relevant activity is set out below:

- In 2008, following the Sub-National Review which first indicated the new economic assessment duty, but prior to the draft LEA guidance, a working sub-group of local and regional officers was convened. Jointly funded by AWM and the WMRA, this worked with the West Midlands Regional Observatory (WMRO) to:

- develop a **Regional Integrated Economic Assessment (RIEA)** in October 2008. Working with local authorities the RIEA comprised a series of local economic profiles using consistent datasets.
 - develop a **set of core themes and indicators** for progressing LEAs. This includes a set of regional issues and core indicators that it was envisaged all LEAs should include as a minimum.
- Both the RIEA and the Core Principles have been superseded by developments in government policy and guidance and regional thinking. As part of the follow-up to the current Rocket Science report, WMRO are revisiting the core themes and indicators to update it in light of the formal consultation guidance and regional discussions on how LEAs can inform and be informed by the Regional Strategy.
 - Due to the delay in government advancing the statutory duty and guidance, the working group was dissolved with a view to the Regional Economic Development Officers Group (REDOG) re-instigating activity at an appropriate juncture. Supported by the West Midlands Leaders Board, REDOG held a well attended seminar in June 2009 and established a **LEA working group** to develop their thinking on LEAs. In July 2009 they undertook a short snapshot survey of REDOG to gauge authorities' progress to date on LEAs and explore concerns/ barriers and areas where regional support would be helpful.
 - In November 2009, the LEA working group commissioned Rocket Science to develop bespoke guidance for West Midland authorities.
 - **Most local authorities have already started work on LEAs.** They are however at different points in the process, with many in the early stages of raising awareness and bringing together appropriate colleagues while others have completed early iterations. They are taking different approaches in terms of scope and content; levels of consultation; whether they are developed in-house / out-sourced; timescales, etc. Those that are further through the process recognise LEAs will be an iterative process and they may need to revisit what they have done in light of the final statutory guidance.
 - Some sub-regions are exploring undertaking **sub-regional assessments**, aggregating local assessments. In addition, emerging thinking from the Joint Strategy and Investment Board (JSIB) is that sub-regional commentaries should be produced to inform the regional strategy process. These would be based on the following sub-regions: Birmingham; Coventry, Warwickshire and Solihull; Black Country (comprising Dudley, Sandwell, Walsall and Wolverhampton); Worcestershire; Shropshire, Herefordshire and Telford and Wrekin; and Staffordshire and Stoke-on-Trent.

- Discussions are taking place between AWM and the WMLB to develop thinking on how LEAs will 'talk to' the Regional Strategy on what information and advice will be needed from local authorities and the on-going processes that will be needed.
- The JSIB has commissioned work around **functional economic geographies**, intended to be a regional, shared resource to consistently inform LEAs. This is still work in progress, with a view to sharing it with local authorities during February.

Issues, Principles and Action

Consideration of the existing guidance from Government and the IDEA and the Planning Advisory Service and feedback from local and regional partners, suggested a number of key areas that needed exploring in more detail:

- Aggregation and Comparability
- Geography
- Breadth and Focus
- Connections and Influence
- Resources and Capacity

This section explores the issues associated with each of these areas. It also proposes a set of principles to guide LEA activity at the sub-regional and regional level and highlights actions that need to be addressed.

Aggregation and Comparability

What national guidance says . . .

Section 4.3 of the draft statutory guidance states that:

'local authorities in each region should seek to adopt a broadly consistent approach so that economic assessments are comparable and can readily inform sub-regional and regional strategies. Local authorities should work with the RDA and other regional partners to achieve this consistency across their region.'

This is echoed in the sector-led guidance which states that:

'If an assessment is to be effective it also needs key elements of analysis in common with LEAs undertaken by neighbouring local authorities. This is particularly important if your functional economic geography goes beyond administrative boundaries.'

It is on this basis the statutory guidance goes on to set out a core set of themes LEAs are expected to address as a minimum (see Breadth and Focus section below), to which local authorities are free to add in order to reflect local circumstances and issues.

To support the interrelationship between LEAs and regional strategies section 8.4 of the statutory guidance also states that:

'The responsible regional authorities, local authorities and other regional partners should establish a regional dialogue to establish how local economic assessments should best inform regional strategies. Where practicable, this should involve the development of a common approach to local economic assessments across the region and a core evidence base to all local economic assessments that enables the economic conditions of different areas to be compared and tracked over time. The development of local and regional economic evidence bases should be aligned as much as possible.'

However the sector-led guidance also states the importance of 'making the LEA real':

'whilst achieving these linkages it is important to produce something which really does tell the unique story of the place, or more accurately in most council areas, places for which you are responsible.'

Thinking in the West Midlands....

Discussions at the workshops recognised the **importance of being able to consistently compare** local areas to understand the degree to which particular issues impact on them and to identify where issues have such critical mass they are sub-regionally and/or regionally significant.

Whilst participants recognised the importance of a **consistent set of themes** (with related indicators) in enabling this, it was emphasised that this must not be too prescriptive. It was strongly felt that there needs to be a degree of **local flexibility** beyond this to enable LEAs to further explore locally-specific issues and to use locally-available data and intelligence.

Discussions highlighted concerns that the aggregation of information can sometimes result in a 'smoothing out' of local issues, where local detail is lost in developing a regional or sub-regional average. Some participants cited their experience of the Regional Integrated Economic Assessments, which, by solely using a core set of indicators for all local areas, had not sufficiently enabled the **added value of local understanding** of locally-specific issues. Participants highlighted the need to ensure that any approach to establishing regional consistency must still enable LEAs to flag up locally-specific issues in addition to any core set of themes/indicators.

The term **comparability** was therefore considered preferable to aggregation; comparability allows LEAs to be developed in different ways, yet be set alongside each other without losing local detail and colour to provide a coherent regional picture. This will also be important in establishing a common package of evidence that can facilitate and support discussions on key activities and funding priorities.

All of the region's local authorities are at different points in developing their LEA, are likely to use different approaches and formats, and will want to focus on different, locally-specific issues to inform

local policy and delivery. It was recognised that it was unfeasible and undesirable to expect all of the region's local authorities to undertake their LEA in exactly the same way.

However there was broad agreement that local authorities should be asked to produce a **short, summary document** (approx. 20 pages) based on a consistent structure as a key input into the evidence base for the Regional Strategy. As well as covering regionally determined matters, the document would also provide the space to highlight matters of local significance to the regional level. This summary document would present an objective, economic story of place evidenced and linked back by reference to the analysis in the 'full' LEA. It is envisaged that this will act as a key part of **on-going, structured dialogue** to ensure and regional policy is informed by local issues and local policy reflects regionally-significant issues. The JS&IB have recently stated that they wish to see these summaries based around **the six identified sub-regions** (Birmingham; Coventry, Warwickshire and Solihull; Black Country [comprising Dudley, Sandwell, Walsall and Wolverhampton]; Worcestershire; Shropshire, Herefordshire and Telford and Wrekin; and Staffordshire and Stoke-on-Trent).

To assist this process, WMRO and REDOG should work together to **revisit the original Core Themes & Indicators paper** to provide a set of reference data sets and indicators that might assist local areas in analysing and considering these regionally determined matters. It is, however, important that areas do not feel overly constrained by these suggested indicators and feel empowered to use local data and intelligence to provide an informed story of place.

It was also recognised that such summaries could usefully inform sub-regional evidence and policy and discussions with neighbouring areas on functional geographies. In parallel the regional local authorities' Chief Executives Task Force and the JS&IB have said that they would like to see the LEAs providing **regional and sub-regional commentaries**.

Another key line of discussion focused on the validity of forecasting during such economically unstable times and the practicality and value of developing or using a single model, particularly given the importance to calibrating models to specific local circumstance. With the draft guidance itself, being equivocal about the role of forecasting, in this context it seems that there is greater potential for using the more flexible scenario planning as a way of encouraging comparability in the way LEAs look to the future. It was recognised that there was a need for a degree of consistency in how local areas take forward economic modelling / scenario-planning so that these can be readily aggregated and compared at a regional level. It was thought there could be scope for LEAs to consider using a regionally agreed broad framework of assumptions, which could be refined and applied as appropriate locally to reflect particular circumstances. This may need to be a developing process to reflect work already completed locally and assumptions made, for example in developing local development frameworks. However, this would provide real benefits in terms of comparability and aggregation.

Regionally Agreed Principles

- Local authorities will work in their sub-regional groupings to produce a short summary document of their LEA structured around a regionally-agreed set of themes / questions.
- LEAs will include regional and sub-regional commentaries to place the LEA in its wider economic and geographical contexts.
- Whilst enabling sub-regional and regional comparability, LEAs must ensure they continue to reflect local distinctiveness and diversity both within and across local authority boundaries.

Actions to Take Forward

- The Leaders Board and AWM to develop a thematic, questions-based framework around which local authorities (in their sub-regional groupings) can structure a short summary document as key part of the on-going, two-way dialogue to inform regional strategy development.
- WMRO and REDOG revisit the original Core Themes & Indicators paper in light of the development of the above framework, providing a set of reference data sets and indicators that might be used to help explore and analyse these issues.
- Local and regional partners to develop thinking on the potential for a common approach to economic modelling and scenario-planning.

Geography

What national guidance says...

Section 6 of the draft statutory guidance highlights that a fundamental part of LEAs will be developing understanding of an area's functional economy and the links and relationships it has outside of its administrative boundary:

'Local authorities should work with neighbouring authorities to identify cross-boundary risks, opportunities and economic and infrastructure linkages. This economic mapping will be integral to any local economic assessment and will, to a large extent, determine the shape of the assessment. MAAs and city-region pathfinders already have an evidence base

covering the wider areas in place. However, where sub-regional cooperation is less developed this work should be carried out at an early stage of the process. Evidence assembled will inform the consideration of sub-regional economies in the context of the regional strategy.

Where strong economic links are identified, local authorities should consider the benefits of collaborating with neighbouring local authorities in preparing their local economic assessments. In some cases this may involve working across regional boundaries. Collaboration could take the form of a joint local economic assessment and in doing so local authorities would be meeting their statutory obligations in relations to the duty. It is important, though, that any joint assessment covering a functional economic market identifies the economic diversity of various localities as well as provide a broader picture of the wider economy.'

Thinking in the West Midlands....

The survey of local authorities highlighted that many were struggling to understand how they could best reflect the **complexity of functional geographies** within their LEA. Upper-tier authorities identified the understanding of their functional geography and its impact as one of the biggest challenges they face in taking forward their LEA.

Discussions at the workshops significantly developed participants thinking on functional geographies and how they might be addressed in LEAs. It was recognised that functional geographies work at various different levels (locally, sub-regionally, across regions, globally); differ depending on the issues being considered (travel to work, housing markets, shopping catchments, etc.); and vary over time. It was agreed that understanding functional geographies was not about drawing a single line on a map, but about **understanding a set of linkages and flows, and describing these through narrative and, where possible, suitable data** (it was recognised that whilst there are limitations to some of the data available to explore LEAs there are a range of sources that can be drawn upon).

Participants recognised the **importance of cross-boundary dialogue** in supporting analysis of functional geography, in particular to ensure there was a shared and common understanding of any linkages identified. It was also recognised that ensuring that a LEA includes a robust account of their functional relationships with other areas does not mean the LEA itself has to be jointly delivered by those local authorities, although in some cases they might choose to do this if appropriate. It was noted that some parts of the region were already looking to undertake some degree of analysis jointly with neighbouring areas, with some considering delivering a joint LEA.

It was also noted that **functional geographies can exist both outside and within** local administrative boundaries. Some upper-tier areas could potentially have more than one functional geography within their boundary and it was noted that this diversity should be recognised within LEAs.

Regionally Agreed Principles

- In considering functional geographies, LEAs should reflect on linkages within and outside of their administrative boundary. These can best be expressed within LEAs through a mixture of narrative and supporting data where appropriate.
- Whilst local authority administrative boundaries should act as building blocks for delivering LEAs they should not constrain understanding on functional economic geographies.

Actions to Take Forward

- Regional partners to explore how they might support local authorities seeking to engage in dialogue on functional geographies with neighbouring areas in other regions.
- WMRO and AWM to develop a 'menu' of sources to support local authorities' analysis of functional economic geographies.

Breadth and Focus

What national guidance says...

The draft statutory guidance (Section 3.1) emphasises that LEAs are:

'analytical documents that 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. This analysis should, in turn, inform their economic policies and interventions.'

Section 4.5 of the draft statutory guidance outlines the core themes that LEAs should address in some form:

Economic Geography:	- Economic linkages
Business and Enterprise :	- Structure of local economy - Enterprise and innovation - Business needs
People and Communities:	- Demography and geography - Labour Market - Skills - Economic and social exclusion
Sustainable Economic Growth:	- The natural and historic environment - Low carbon economy - Transport provision and other infrastructure - Housing
Economic Competitiveness:	- Overall economic competitiveness of area

The guidance also highlights (section 4.7) that LEAs *'should draw out the inter linkages between economic performance and other wider social and environmental issues'*, highlighting the need to interact with evidence on issues such as health, crime, child poverty, social exclusion, housing, education and environmental goods and services.

In doing this the sector-led guidance highlights the need to:

'build good relationships and links with those responsible for commissioning other work which may also help inform the scope and purpose of the LEA. Particularly important will be information and data collected for Local Development Framework Core Strategies, Strategic Housing Market Assessments and Sustainable Community Strategies along with Joint Strategic Needs Assessments.'

Thinking in the West Midlands....

The survey of local authorities and workshop discussions highlighted differing perceptions of what the focus of or approach to LEAs should be, in particular in terms of the point at which they become policy / strategy. The survey noted that whilst upper-tier authorities tended to see LEAs as a data-led process, lower-tier authorities were more likely to think they should be issues or strategy-led. Discussions at the workshops concluded that the assessments should be **objective evidence** which can then be used for a separate, but clearly linked process of policy development. Participants also highlighted that LEAs

should focus on the **analysis and intelligence** that can be drawn from data, rather than being purely data collection exercises. These conclusions match the emphasis set out in the draft statutory guidance. However they also recognised data will still play an important role in ensuring a **robust evidence base** for the issues identified (not least for the Regional Strategy's Examination in Public) and is likely to be included as part of the LEA's 'suite of documents'.

Discussions within the region, both to develop a core set of indicators and at recent workshops, have highlighted concerns that the thematic content of LEAs **could become too broad and unwieldy**. It was recognised that taking too broad an approach **could risk duplicating** the evidence base for the wider Sustainable Community Strategy and existing sources of evidence that underpin other non-economic policy fields. The survey of local authorities highlighted that upper-tier authorities in particular felt that agreeing the scope of the LEA would be a key challenge. As a consequence, there was agreement that the LEA should remain focused on telling the economic story of place, making appropriate connections with other policy areas but not attempting to cover the whole ground.

However many local authorities recognised that the new Duty is a key route to informing the new Regional Strategy and that with the loss of Section 4(4) under the Planning and Compulsory Purchase Act that had previously given metropolitan, county and unitary authorities the duty to inform the Regional Spatial Strategy there was **not yet an alternative route for feeding local, non-economic issues** into the regional level, including the monitoring requirements needed for Annual Monitoring Reports (both of existing RSS and future regional strategy). Bearing in mind the progress already being made on LEAs, it would seem that there is a need to ensure that there is a linked process for drawing in these non-economic issues from local authorities and ensuring that they are consistent with the economic input.

Critically participants recognised that the development of LEAs will be an **iterative process**. They were viewed as 'living documents' that will evolve as they continue to be developed. This was particularly important for those authorities that were already some way along the process prior to the final statutory guidance being published.

Regionally Agreed Principles

- LEAs are objective assessments of local economic conditions, not strategies. They will act as the objective evidence base to inform a range of local and regional policy decisions.
- LEAs should focus primarily on economic issues, making appropriate links to other thematic areas where they are seen to be supporting / hindering economic issues.
- In developing their LEA evidence base, local authorities should seek to join-up to existing evidence from other thematic areas as appropriate (e.g. education, planning, housing) , rather than duplicate this.

- There's a need to agree an appropriate mechanism for feeding non-economic issues into sub-regional and regional policy processes, joining up processes where appropriate.

Actions to Take Forward

- WMRO to work with local authorities (via REDOG sub-group) to update the regional 'Local Economic Assessments Key Themes and Issues' paper in light of latest version of the draft statutory guidance and the emerging thematic framework for LEAs' regional summary documents.
- AWM and the Leaders Board to consider how the process and mechanisms for the Regional Strategy will capture local inputs on wider non-economic issues and monitoring requirements.

Connections and Influence

What national guidance says...

Sections 7 and 8 of the draft statutory guidance set out the wide range of local and regional strategies, delivery plans and processes that LEAs will inform. These include:

Local:	<ul style="list-style-type: none"> Sustainable Community Strategies Local Area Agreements Local Development Frameworks Local Transport Plans Local housing strategies Work and skills plans (where applicable) Local authorities' commissioning role for 16-19 learning Comprehensive Area Assessment
Regional	<ul style="list-style-type: none"> Regional Integrated Strategy

The draft guidance emphasises the need to work closely across local authorities and their wider partnerships in developing LEAs in order to fully understand economic conditions and their links to wider issues (section 7.11-13):

'The Local Democracy, Economic Development and Construction Act 2009 requires principal local authorities for local economic assessments to consult such persons as they consider appropriate. Local authorities should seek to actively engage partners. Local authorities should seek to actively engage partners, involving them from the start of the process.'

As a minimum, local authorities should consult those LAA partners with functions particularly related to economic development in the preparation of their local economic assessments. Ideally, local authorities should engage their local strategic partnerships and sub-regional partnerships across MAA and city-region areas, in the preparation of their assessments.

It is particularly important that local authorities consult representatives of local business and social enterprise in the preparation of their assessments. The views of businesses should be reflected in the assessments. Local authorities should also consult statutory advisors for the natural and historic environment and also take account of views of parish and town councils, which are often responsible for providing local services.'

The sector-led guidance also highlights the centrality of stakeholders to 'telling the story of place':

'Setting out your story of place, and agreeing this as the foundation of your LEA with your stakeholders will help you to bring together evidence which explains your area.'

'Building the ownership and integration of the LEA across departments within the authority and across external stakeholders, particularly the RDA, will be vital for ensuring that the assessment is successfully and sustainably used and thus becomes the local economic evidence base of choice.'

As part of this the sector-led guidance is clear that one of the first steps in developing an assessment should be to:

'Identify an internal champion at member and officer level to help you make connections and influence internal stakeholders to lead the process of the LEA.'

Thinking in the West Midlands....

The survey of local authorities and the workshops recognised the **wide range of policy documents the LEAs should inform**. For both upper and lower-tier authorities the primary focus was considered to be local strategies, plans and funding processes, although all recognised the important role LEAs will play in informing the sub-regional and regional strategy.

Given the range of policy and decision-making processes LEAs are intended to inform, many participants noted that it was difficult to determine the **appropriate timings / key milestone points** for the development of their LEA.

Participants recognised the **importance of making links to other assessments**, e.g. planning, housing, worklessness, skills plans, etc. While there were useful discussions on what other linkages that might be made, broadly speaking these are adequately covered by the core connections set out in the guidance, with any additional local variations being a matter for the relevant councils. Similarly, there was little concern about place of worklessness assessments in LEAs, presumably as this had been sufficiently clarified in the draft statutory guidance.

It was recognised that there are efficiencies to be achieved in effectively making these broader links, rather than duplicating evidence across policy fields. It was noted that such an approach links closely with the Total Place agenda and the work of LSPs in better, more joined-up understanding of how one area of activity impacts on another. However many, particularly upper-tier, authorities envisaged that there might be difficulties in achieving **buy-in and involvement from other departments** outside of 'economic development' as they may not see the relevance or importance of a common understanding of local economic conditions. In the way REDOG has supported the thinking of economic development officers in relation to LEAs, it was felt that other **regional working groups** could be used to help raise awareness of the role and value of LEAs to other policy areas, thus supporting internal discussions within local authorities. LEAs can also play a key role in providing a sound evidence base to inform implementation and delivery planning processes.

The survey of local authorities found that in two-tier areas one of the key challenges lower-tier districts felt they faced was **ensuring that the district perspective was adequately incorporated** in their LEA, despite the duty to co-operate contained within the legislation. This was echoed at the workshops where participants highlighted that it will be important to ensure districts are fully engaged and involved in the development of LEAs given their understanding of their local economy, their planning functions and their relationships with local businesses and employers. However some districts raised uncertainty about the level of involvement they will be invited to have and/or their capacity to be actively involved throughout the process, particularly where they have no or a limited economic development team. Some participants highlighted that there may be some scope for sharing and/or pooling resources regionally or sub-regionally for some work.

Discussions also highlighted that the **elected members** understanding of what LEAs are and are not is critical to their buy-in. This will be key to ensuring LEAs remain objective assessments of local economic conditions, which will separately inform policy ambitions, and to enable and support effective discussions with neighbouring authorities on functional geographies.

When considering the **range of organisations local authorities might look to engage and consult** in developing their LEAs, it was noted that there will be some key stakeholders that each local authority is likely to want to involve (including statutory advisors), e.g. Homes and Communities Agency, Environment Agency, Skills Funding Agency, etc. Some participants felt that there could be economies

of scale in coordinating such discussions where appropriate and understanding the level of engagement that could be reasonably expected / provided by such partners.

Regionally Agreed Principles

- LEAs are likely to be a 'suite of documents' based on a single, shared objective analysis of economic circumstances, geared to a range of different audiences / purposes – a regional summary document to inform the Regional Strategy is just one of these.
- There is a clear role for local authority Chief Executives in championing a cross-authority approach to delivering LEAs, enabling effective and appropriate engagement of non-economic fields.
- It is key that the wider LSP understands the importance of LEAs and their relevance / use for non-economic policy fields and the LAA and CAA processes. It is not an exercise just for each LSP's economic sub-group or just for local authorities.
- In two-tier areas there is a need for clarification about how and when districts can be involved in the development of LEAs and the capacity they need to enable them to do this.
- The LEAs process needs to engage with and achieve buy-in from a wide range of partners and stakeholders, including elected members - there is a need for awareness-raising and capacity-building to support this at both local and regional levels.

Actions to Take Forward

- WMLB / AWM to map out the timing of the various national and regional policy / funding cycles LEAs are intended to inform as a starting point for further tailoring to local policy cycles.
- GOWM to write to LSP leads to emphasise the importance of the LEA across the breadth of their agenda.
- Regional partners to develop a series of capacity building materials and events to raise awareness on the purpose and content of LEAs amongst key groups, including regional officer working groups (e.g. planning, housing, transport, children's services), key regional consultees and elected members.
- WMLB/AWM / JSIB to engage with appropriate regional agencies and bodies to raise awareness of the LEAs and their relevance to them and to help coordinate inputs to the region's LEAs as

appropriate.

- Two-tier authorities to agree how districts can effectively engage in the LEA development process.

Resources and Capacity

What national guidance says...

The sector-led guidance recognises that authorities will be starting from different positions and that their assessments will vary according to a number of factors:

- *'The way in which economic development is positioned and currently resourced within the authority.'*
- *The real economic geography that your authority is working within rather than that imposed by administrative boundaries.*
- *The capability and capacity of research and analysis support within the authority:*
- *How authorities will use the assessment to influence strategies and interventions with their partners at local, sub-regional and regional levels.'*

The draft statutory guidance emphasises the importance of LEAs building on existing evidence (4.12) and highlights the availability of national and regional data sources and sign-posting that will be of use. It also notes the need to link into existing evidence in wider policy fields, including that held by partners. The role of evidence assembled by districts in two tier areas in delivering their planning functions is highlighted in particular (section 7.5):

'In two-tier areas, county councils and local planning authorities should seek to integrate the preparation of the county's local economic assessment with the assembly of economic evidence used to inform local planning policies'

Government has now allocated funding to support LEAs through the **Area-Based Grant** (£65,000 per upper-tier / unitary council; £6,000 for districts in 2010/11). Early indications suggest that because this funding is not ring-fenced, it may not ultimately be used to directly resource the LEA.

Thinking in the West Midlands....

The survey of local authorities and the workshop discussions concluded that, including the Area-Based Grant funding, most local authorities felt they had sufficient resource to deliver the LEA duty. However a number of district authorities felt that even with the ABG funding they had insufficient resource to effectively engage with and contribute to the LEA process.

Whilst most authorities feel they have the technical resource and staff to deliver the LEA, some highlighted that the need to develop a range of LEA documents suited to differing audiences may require further and /or different resource, in particular to enable on-going, effective dialogue with local and regional stakeholders and partners.

Some participants felt there was scope to achieve economies of scale through better information-sharing and potential **joint-purchasing** of data where there common data / information gaps are identified. Discussion also identified that suppliers can charge different councils different amounts for ostensibly the same information. In this case, a forum enabling authorities to compare the prices being quoted for similar information would help cost effective procurement even where joint purchasing was not appropriate.

A key conclusion from the workshops was that all participants felt that they had been beneficial in sharing experiences on their progress and plans for LEAs. It was felt that the group should be reconvened at future points to update on progress, address common emerging issues and share good practice. Many participants also highlighted the potential usefulness of an informal 'peer review' process in the region to provide a 'critical friend' to those undertaking LEAs.

Regionally Agreed Principles

- There is a need for on-going coordination of those undertaking LEAs to identify and address common issues / challenges and to support the sharing of good practice.

Actions to Take Forward

- REDOG to continue to coordinate a LEA sub-group to continue good practice sharing and development of regional principles.
- Local authorities to share information on data / information sources and where appropriate explore opportunities for joint-purchasing.
- Local authorities to consider the potential for pooling resources to support appropriate elements of the LEA process where this can achieve added value and/or efficiencies.
- IEWM to develop thinking about process and resource to enable an informal peer review

process to support shared learning and good practice within the region.

Summary

This section consolidates the principles and issues for further action outlined throughout the report in relation to:

1. Aggregation and Comparability
2. Geography
3. Breadth and Focus
4. Connections and Influence
5. Resources and Capacity

1. Aggregation and Comparability

Being able to consistently compare local areas is important in order to understand the degree to which particular issues impact on them and to identify where issues have such critical mass they are sub-regionally and/or regionally significant. To achieve will require the adoption of the principles and the delivery of the actions below.

Regionally Agreed Principles

- Local authorities will produce a short summary document of their LEA structured around a regionally-agreed set of themes / questions.
- LEAs will include regional and sub-regional commentaries to place the LEA in its wider economic and geographical contexts.
- Whilst enabling sub-regional and regional comparability, LEAs must ensure they continue to reflect local distinctiveness and diversity both within and across local authority boundaries.

Actions to Take Forward

- The Leaders Board and AWM to develop a thematic, questions-based framework around which local authorities can structure a short summary document as key part of the on-going, two-way dialogue to inform sub-regional and regional strategy development.
- WMRO and REDOG to revisit the original Core Themes & Indicators paper in light of the development of the above framework, providing a set of reference data sets and indicators that might be used to help explore and analyse these issues.
- Local and regional partners to develop thinking on how to take forward a consistent and shared approach to economic modelling and scenario-planning.

2. Geography

A fundamental part of LEAs will be developing the understanding of an area's functional economy and the links and relationships it has outside of its administrative boundary. To achieve this understanding will require the adoption of the principles and the delivery of the actions below.

Regionally Agreed Principles

- In considering functional geographies, LEAs should reflect on linkages within and outside of their administrative boundary. These can best be expressed within LEAs through a mixture of narrative and supporting data where appropriate.
- Whilst local authority administrative boundaries should act as building blocks for delivering LEAs they should not constrain understanding on functional economic geographies.

Actions to Take Forward

- Regional partners to explore how they might support local authorities seeking to engage in dialogue on functional geographies with neighbouring areas in other regions.
- WMRO and AWM to develop a 'menu' of sources to support local authorities' analysis of functional economic geographies.

3. Breadth and Focus

The LEA needs to provide local authorities and their partners with a robust analysis of the area's economic conditions. In doing this, consideration should be given to non-economic factors and how they influence the functioning of the economy. The principles and actions below will help local authorities design and undertake their LEAs in the appropriate way.

Regionally Agreed Principles

- LEAs are objective assessments of local economic conditions, not strategies. They will act as the objective evidence base to inform a range of local and regional policy decisions.
- LEAs should focus primarily on economic issues, making appropriate links to other thematic areas where they are seen to be supporting / hindering economic issues.
- In developing their LEA evidence base, local authorities should seek to join-up to existing evidence from other thematic areas as appropriate (e.g. education, planning, housing) , rather than duplicate this.
- There's a need to agree an appropriate mechanism for feeding non-economic issues into sub-regional and regional policy processes, joining up processes where appropriate.

Actions to Take Forward

- WMRO to work with local authorities (via REDOG sub-group) to update the regional 'Local Economic Assessments Key Themes and Issues' paper in light of latest version of the draft statutory guidance and the emerging thematic framework for LEAs' regional summary documents.
- AWM and the Leaders Board to consider how the process and mechanisms for the Regional Strategy will capture local inputs on wider non-economic issues and monitoring requirements.

4. Connections and Influence

The LEA needs to inform and influence a wide range of strategies, plans and funding streams at the local, sub-regional and regional level. To achieve this will require authorities to establish relationships with a variety of internal and external stakeholders.

Regionally Agreed Principles

- The LEAs process needs to engage with and achieve buy-in from a wide range of partners and stakeholders, including elected members - there is a need for awareness-raising and capacity-building to support this at both local and regional levels.
- There is a clear role for local authority Chief Executives in championing a cross-authority approach to delivering LEAs, enabling effective and appropriate engagement of non-economic fields.
- LEAs are likely to be a 'suite of documents' based on a single, shared objective analysis of economic circumstances, geared to a range of different audiences / purposes – a regional summary document to inform the Regional Strategy is just one of these.
- It is key that the wider LSP understands the importance of LEAs and their relevance / use for non-economic policy fields and the LAA and CAA processes. It is not an exercise just for each LSP's economic sub-group or just for local authorities.
- In two-tier areas there is a need for clarification about how and when districts can be involved in the development of LEAs and the capacity they need to enable them to do this.

Actions to Take Forward

- WMLB / AWM to map out the timing of the various national and regional policy / funding cycles LEAs are intended to inform as a starting point for further tailoring to local policy cycles.
- GOWM to write to LSP leads to emphasise the importance of the LEA across the breadth of their agenda.
- Regional partners to develop a series of capacity building materials and events to raise awareness on the purpose and content of LEAs amongst key groups, including regional officer

working groups (e.g. planning, housing, transport, children's services), key regional consultees and elected members.

- WMLB/AWM / JSIB to engage with appropriate regional agencies and bodies to raise awareness of the LEAs and their relevance to them and to help coordinate inputs to the region's LEAs as appropriate.
- Two-tier authorities to agree how districts can effectively engage in the LEA development process.

5. Resources and Capacity

LEAs need to build on existing evidence held at different spatial levels and by different partners. To minimise duplication and to improve efficiency identifying opportunities for joint commissioning/purchasing, and for sharing and exchanging approaches and experiences between authorities will be important.

Regionally Agreed Principles

- There is a need for on-going coordination of those undertaking LEAs to identify and address common issues / challenges and to support the sharing of good practice.

Actions to Take Forward

- REDOG to continue to coordinate a LEA sub-group to continue good practice sharing and development of regional principles.
- Local authorities to share information on data / information sources and where appropriate explore opportunities for joint-purchasing.
- Local authorities to consider the potential for pooling resources to support appropriate elements of the LEA process where this can achieve added value and/or efficiencies.
- IEWM to develop thinking about process and resource to enable an informal peer review process to support shared learning and good practice within the region.

Final Reflections

As a Region, the West Midlands is among the most advanced in terms of building the necessary dialogues with agencies and colleagues and developing its thinking and delivery of LEAs.

The aim of the report has not been to constrain the considerable thinking activity that has already been undertaken. It has been to add specific and additional advice and guidance to councils in the West Midlands, building on the Statutory and Sector-led LEA Guidance, whilst also taking into account the circumstances and progress to date in the Region.

The approach taken has been to draw out a limited number of key principles that councils should follow. In addition the report sets out issues where further action is recommended, including matters where further support may be required.

Adhering to these principles, resolving the outstanding issues, and ensuring that authorities are appropriately supported will ensure that there is a common understanding of the content and purpose of LEAs amongst authorities across the region and an appropriate degree of consistency and compatibility between LEAs to allow comparability and/or aggregation across sub-regional and regional geographies.

Appendix 1: Survey Responses

Prior to the first workshop an e-survey was sent out to all the Upper and Lower Tier Authorities in the region in order to build a picture of their position in relation to their LEA. The survey consisted of 4 elements:

1. Profiling questions to determine approach, progress, geography and resources;
2. Scope of influence that the LEA is likely to have;
3. Degree of Confidence amongst authorities in relation to delivering the LEA;
4. Outstanding challenges

The survey was completed by all 14 of the Upper Tier Authorities and 13 of the 24 lower tier authorities.

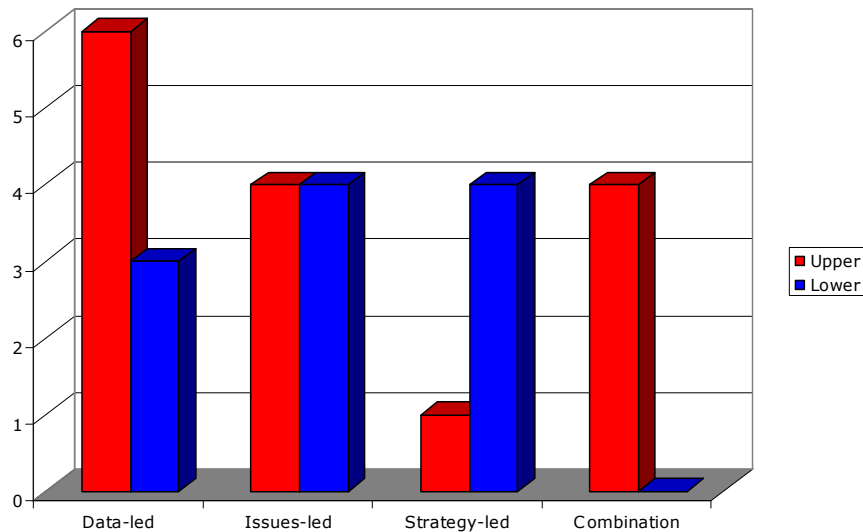
Approach towards LEA

Authorities were asked to select which statement best reflected their approach to their LEA. The three statements were:

- We envisage our LEA being primarily data-led and will only focus on issues that can be backed up with robust data
- We envisage our LEA being primarily issues-led and will not be constrained by the lack of robust data
- We envisage our LEA being strategy-led and only focusing on issues that have been identified as strategically important

Findings

- The majority of Upper tier authorities see their LEA as being primarily data-led;
- Lower tier authorities are more evenly split between issues-led and strategy-led.



Upper Tier Quotes:

“we would anticipate our LEA being based on robust data but also being strategically-led”

“Not just a data exercise – but identifies issues which can clearly be evidenced”

“Combination of data and issues led which will lead into a strategy”

Lower Tier Quotes:

“I suspect it will be some of all three. Most likely to be strategy-led”

“We envisage the LEA itself to be a data-led process that will help to identify issues and inform strategy”

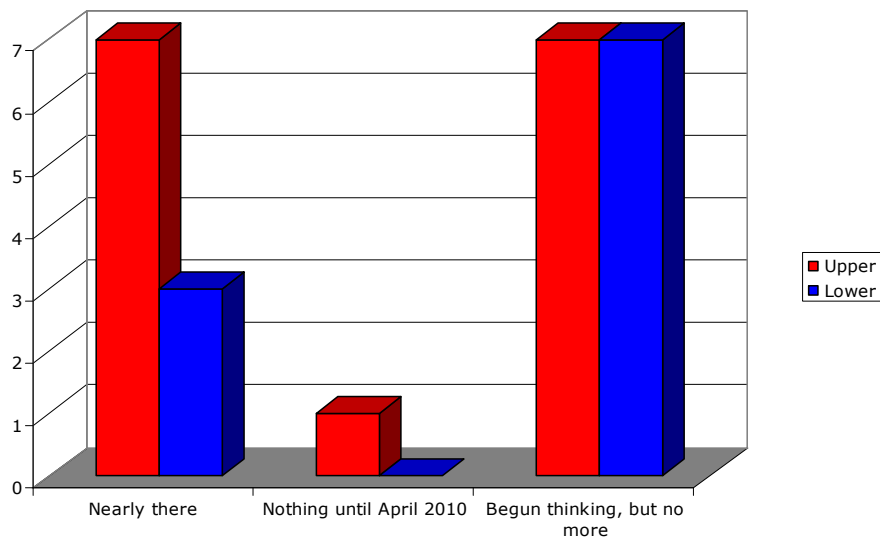
Progress to Date

Authorities were asked to select which statement best reflected their approach to their LEA. The three statements were:

- We have already produced a draft assessment and will have our final assessment completed asap after April 2010
- We will wait until the LEA Duty becomes law in April 2010 before we do anything.
- We have undertaken some thinking/early work on the LEA, but do not expect to start properly until April 2010

Findings

- Upper tier authorities are evenly split between having already produced a draft and undertaken some thinking/early work but will wait until April to start properly.
- Lower tier authorities are predominantly waiting until April.



Quotes:

“We are now starting the LEA in earnest and expect to have a completed first draft in February/March and a final version ready by the end of May”

“Have developed a key issues paper to kick start discussions with partners and identify areas for further research. Work on LEA is therefore ongoing, and will be completed by Summer 2010”

“I can not comment as I am not sure as to the progress”

LEA Geography

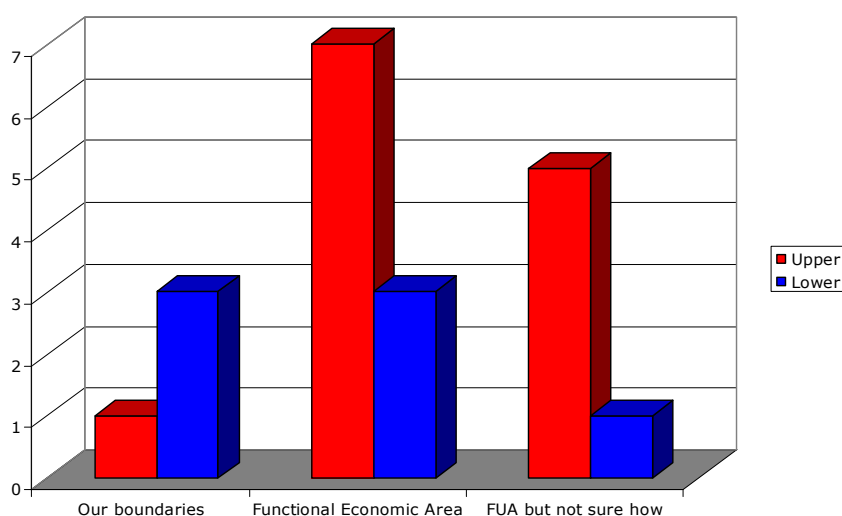
Authorities were asked to select which statement best reflected their approach to their LEA. The three statements were:

- We will focus our assessment within our administrative boundaries.
- Our functional economic geography is really complicated and in some instances extends beyond the county so we will flex the assessment accordingly.

- Our administrative geography does not reflect our functional economic geography but we are not sure how to address this mismatch.

Findings

- Upper tier authorities are split between recognising the variable nature of their FEGs and preparing to respond accordingly and those that recognised the variable nature but are unsure how to respond.
- Lower tier authorities are evenly spread between focusing on their administrative boundaries and the need for variation and flexibility



Quotes

“We are currently looking at data to get a better understanding of complexity of our functioning economic geography. This investigation will help inform the approach that we take”

“Awaiting WMRO work on functioning economic geographies; this work is urgently needed”

“We intend to focus on the administrative boundaries with the data but will consider functional economic geographies in the text and opportunities”

“The third option [administrative geography does not reflect its functional economic geography but we are not sure how to address this mismatch”

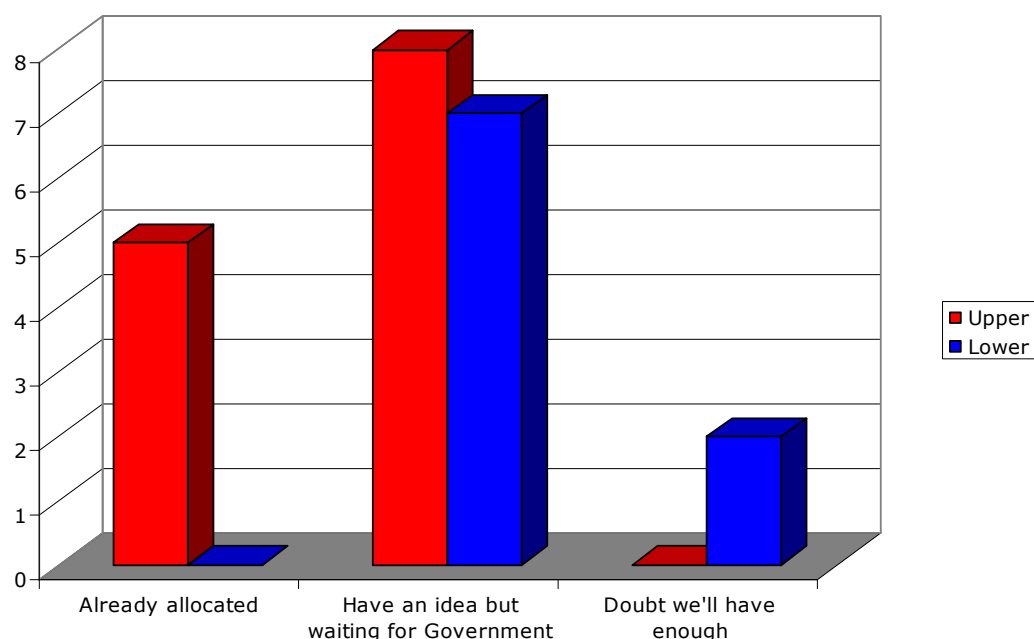
Resources

Authorities were asked to select which statement best reflected their approach to their LEA. The three statements were:

- We have already allocated resources for the assessment, including staff and designated budgets
- We have an idea of the resources required but are waiting to confirm the amount of funding provided by Government
- It is unlikely that we have the resources required to do the assessment, even if we are given additional funding.

Findings

- Most upper and lower tier authorities had a sense of the resources required to undertake their LEA but were waiting for confirmation from government.
- Several upper tier authorities had already allocated resources to delivering the assessment
- A small number of lower tier authorities but no upper tier authorities felt that they would have insufficient resources even if additional funds became available.



Quotes

“We have started the work by flexing the duties of existing staff, but recognise that this will need support if it is not to have a detrimental impact on other work”

“We have identified staff resources for the assessment however the scoping stage should identify whether this is sufficient and whether any further resources are required”

“As a district there is a focus on delivery and finding the capacity to be involved will be a challenge we have to manage”

“We still do not have enough information on how we, as district councils, will need to contribute to the assessment in order to make a judgement”

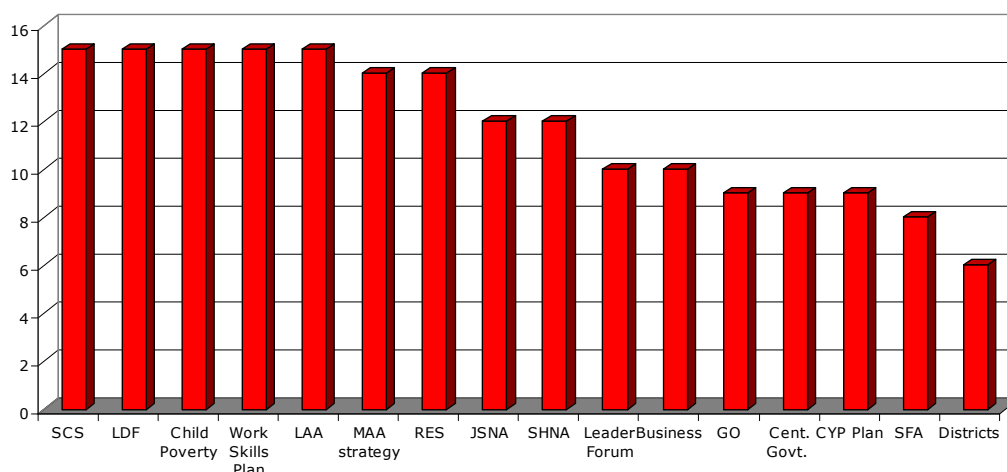
Scope of Influence

Authorities we asked to indicate from a long-list of strategies, evidence-bases and organisations all those they thought the LEA will influence.

Findings

- The top 5 for upper tier authorities consisted of:
 - community strategy;
 - LDF;
 - Child poverty assessment;
 - work & skills plan; and
 - LAA
- For lower tier authorities their top 5 was:
 - LAA;
 - other Districts;
 - LDF;
 - Regional Economic Strategy/SIRS; and,
 - Work & Skills Plan
- Upper tier authorities felt the LEA was least likely to influence districts whilst lower tier authorities felt that it was businesses that were least likely to be influenced.

Upper

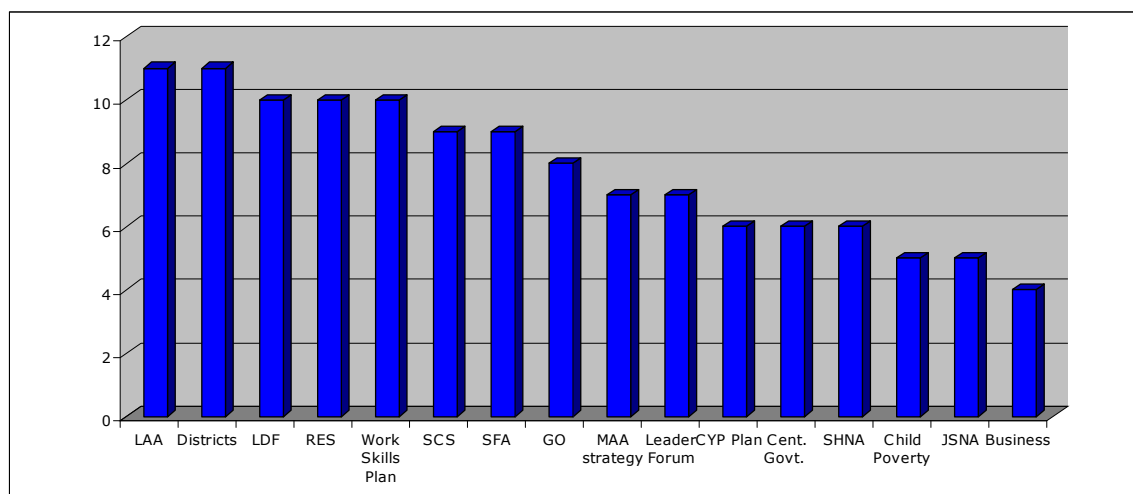


“CAA self-assessment/inspection process; Single Integrated Regional Strategy; Borough Economic Strategy; Local Transport Plan; Work programme for the economic partnership of the LSP; LAA Delivery Plans and inform negotiation with GOWM on targets; Funding applications”

“It will influence the LDF and Joint Core Strategy in the delivery side but it is a shame that the timescales do not correspond”

“Partners such as Chambers of Commerce”

Lower



“The

assessment cuts across all areas of work and so should influence them all. It will be down to the ED/research teams producing them to ensure that they become meaningful documents that feed into these areas”

Confidence

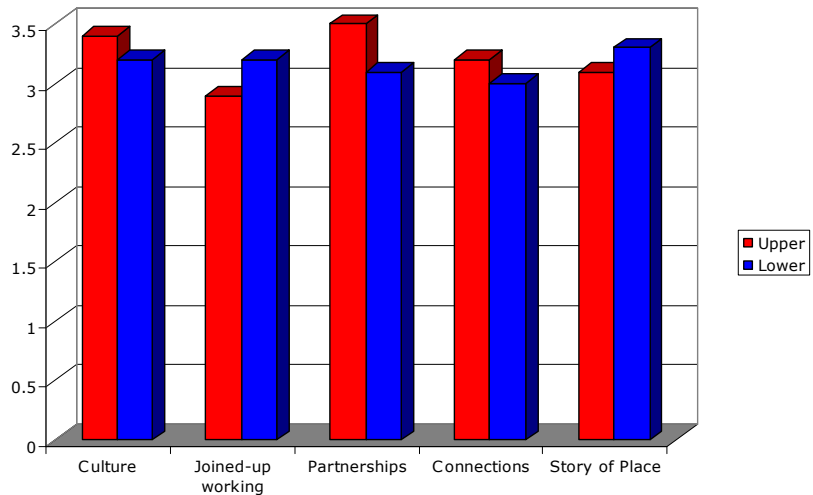
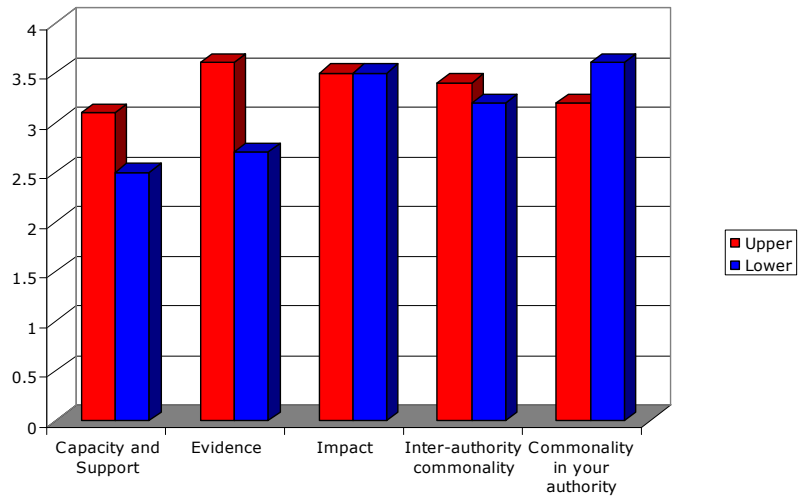
Authorities were also asked using a scale of 1 to 5 (1 being completely unconfident and 5 being completely confident) to rank their level of confidence in relation to a series of statements relating to their authority and the LEA. The statements were:

Culture	Your authority has placed economic development issues at the core of its strategic policy and operations
Joined-up Working	There is a strong history of cross-departmental working within your authority and that you have the internal structures and support in place to undertake the assessment.
Partnerships	Partnership working across different external agencies and stakeholders is well established
Connections	There are clear links identified between the LEA and Sustainable Community Strategies, Local Development Frameworks and Local Area Agreements
Story of Place	You have a narrative(s) that describes the unique characteristics of your place, how it functions, and relates to surrounding areas
Capacity & Support	You have the right levels of skills, resources and capacity to take full advantage of the assessment
Evidence	Your authority already uses a wide range of evidence to understand its economy and has access to internal research teams
Impact	The assessment will be taken forward and have direct impact on the work of our authorities and partners
Commonality	The other authorities in your region recognise the value of adopting a common approach to undertaking the LEAs
	Your authority recognises the value of adopting a common approach to undertaking the LEAs

Findings

- Upper tier authorities were most confident in relation to:
 - partnership working;
 - having an appropriate evidence-based; and,
 - the impact of the LEA on future work and activity;
- Lower tier authorities were most confident in relation to:
 - future impact;
 - value of a common approach across authorities; and,
 - having a robust story of place.
- Upper tier authorities were least confident about:

- internal joined-up working;
- having the right capacity and support; and,
- valuing a common approach.
- For lower tier authorities the lowest rated were:
 - capacity and support;
 - robust evidence base; and,
 - making the connections between the LEA and other activities.



Challenges

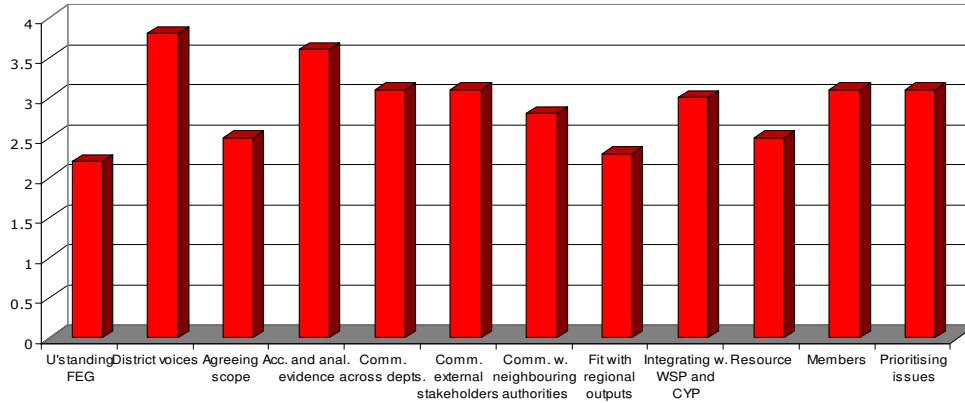
Finally authorities were asked to rank a set of challenges according to their difficulty (1 being the very difficult and 5 being not at all difficult):

- Understanding how our functional economic geography will have an impact on how we do the assessment;
- Ensuring that the district voice and perspective is considered and reflected in the LEA;
- Agreeing the scope of the LEA (i.e. whether to focus only on economic aspects or extend beyond these);
- Accessing and analysing evidence;
- Agreeing a common approach across the different departments of the authority;
- Agreeing a common approach with external local stakeholders;
- Agreeing a common approach with neighbouring authorities;
- Reaching an understanding with your regional bodies about how the LEA will relate and fit with the regional evidence base and proposed Integrated Regional Strategy;
- Integrating the requirements for the Work & Skills Plan and Child Poverty Assessment into the LEA;
- Having sufficient resource in terms of existing staff and dedicated budgets to engage in the LEA process;
- Engaging members and securing their support in the process and beyond;
- Prioritising the issues that the LEA should focus on.

Findings

- For upper tier authorities the most difficult challenges were:
 - understanding their FEG and its impact;
 - agreeing the scope of the LEA; and,
 - relating and connecting the LEA to the regional evidence base and SIRS.
- For lower tier authorities the hardest challenges were:
 - relating and connecting the LEA to the regional evidence base and SIRS;
 - ensuring the district perspective was adequately incorporated; and,
 - engaging members/ understanding FEG.
- In terms of the least difficult challenges, for upper tier authorities these were:
 - Reflecting the district perspective and
 - Accessing and analysing evidence.
- For lower tier authorities they were:
 - connecting the LEA and the LDF;

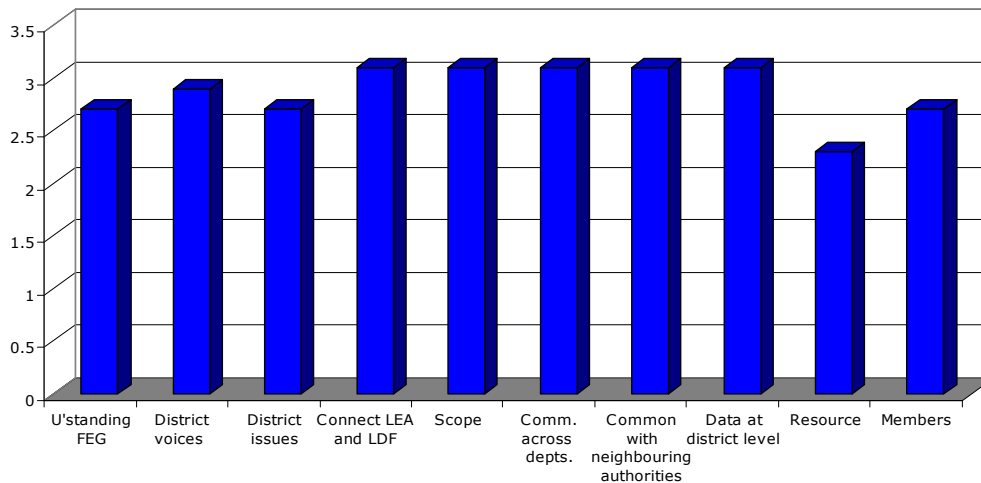
- agreeing the scope;
- communicating across internal departments and with neighbouring authorities; and
- accessing data at the local level.



“Some of this is unknown at this stage and therefore identified as potentially very difficult. Other areas I would assume we can manage without too much difficulty”

“Availability of data beyond traditional administrative boundaries may be challenging”

“Although we have staff who can technically deliver this work, the additional burden of the LEA against the backdrop of reducing staffing numbers will be very challenging”



Appendix 2: Issues from Workshops

The appendix provides a summary of the issues raised and discussed at the two workshops held in December and January in relation to:

- Functional Economic Geography (FEG)
- Aggregation and comparability
- Creating connections and influence

Workshop 1

LEAs and Functional Economic Geography

Issues

- Important to appreciate that FEGs operate at different spatial levels, at a neighbourhood, local, sub-regional, regional, supra-regional, national and international level.
- FEGs will change depending on what topic you are looking at – e.g. labour market, commercial activities.
- Economies all extend across regional boundaries, particularly for those authorities with links to the North West, East Midlands and South East regions (and London).
- The importance of the Birmingham City Region as a defined FEG for investment purposes.
- Focusing on labour market connections and linkages through the transport infrastructure are particularly important in the current economic climate
- Well-functioning economic partnerships at the sub-region level are already in place and geography is why partnerships come together in the first place.
- The relationship between the ability to aggregate and compare data and intelligence and the agreement of a FEG boundary. One fits with the other.
- First assessment being about understanding FEG as an underlying theme to the assessment and as the LEA is an iterative process.
- The WMRO work is a good starting point for the region and for FEG definitions.

Outstanding Issues and Challenges

- How to fit LEA geography with MAA geography – should MAA take precedence?
- Defining the most appropriate level at which to intervene is important, sub-regional level is the most useful.

- Data limitations. Only using outdated travel to work to define FEG is difficult, closure of one big factory could mean a move of people from one area to another – travel to work data could be wrong within a few months.
- Overcoming the political difficulties of getting members and partners to agree to a FEG when they are likely to be more concerned with local issues and at authority level. How do we go about agreeing boundaries between lower tier and upper tier authorities how does this process happen?
- Even a single county assessment must take into account relationships with Birmingham (and Manchester) especially where there are sectors which rely on a highly mobile workforce (i.e. knowledge economy). What are the most effective ways of doing this?

Aggregation and Comparability across the Region

Issues

- Important to have a robust foundation data set to be shared by all those undertaking assessments.
- A standard regionally used foundation data template would be a good starting point in terms of tackling the need for comparability and to assist in the process of aggregation at sub-regional and regional levels.
- Whilst accepting the value of the use of common data and approaches assessments should be drafted in a way which respects and reflects local distinctiveness and diversity.
- There is a link in data collation and management to Functioning Economic Geographies:
 - Some data is best considered at a regional level even as part of local economic assessments whilst other data is best considered at more local levels. For example data on transport might be best considered at a regional level whilst data on deprivation might best be considered on a local level.
 - FEGs don't follow administrative boundaries and data will need to be collected in a way which responds to cross regional issues where appropriate.
- There are opportunities to work together as a region to achieve bulk purchasing reductions as a means of accessing some proprietary data.
- There may be scope to develop a team approach to sharing data sets and the ability to manage, generate and interpret data across sub-regions.
- "REDOG" is a good forum to retain a practical discussion about aggregation, comparability and data sharing.

Outstanding Issues and Challenges

- Understanding the implications and nature of forecasting models (as these are invariably regional) as part of the process of preparing an LEA.
- Reflecting the regional picture and assumptions at the local level in assessments for example, 20 key impact locations have been agreed regionally and these need to be flagged up where appropriate through individual LEAs.
- Ensuring that LEAs whilst having a regionally informed context are also capable of influencing and driving elements of the regional strategy and approach where appropriate.
- Managing local as well as regional audiences in the context of data development, comparability and aggregation and the views of groups such as the LSP.
- Establishing a dialogue with planners and housing professionals about reconciling their data collection and development activities undertaken as part of the economic assessment, particularly issues around aggregation as they already have experiences, assumptions and approaches in their field around this process.
- Determining how broadly to scope the assessment. Some thinking needs to be done to reflect on how wide or narrow the LEA should be focused and its relation to the data sets used for the Regional Strategy. Some LEAs outside of the foundation indicators may have a significant focus on regeneration and environmental themes whilst others may wish to have a narrower economic focus.
- The political and organisational challenges of achieving aggregation whilst maintaining local distinctiveness.
- Managing locally generated and interpreted data in a framework which enables its regional context to be understood and vice versa.

Role of LEAs in creating connections and influence

Issues

- It is important to be clear about the role of the LEA, what its purpose is and what it should influence. There are opportunities to influence and connect, but the timings of the different strategies and plans will make this difficult.
- The LSP is a critical vehicle to be involved in the process.
- It should not be seen as purely economic process and partners need to understand the role the LEA will have in the delivery of services.
- It is important that it is seen as living document which is flexible to evolve and change as the economy develops, important that it does not sit 'on the shelf'.
- Although it is not a strategy the assessment must be seen and used as a strategic document within the authority and with partners.
- The importance of planning and transport colleagues in engaging and supporting the process is clear from the LDF perspective, but also to create relationships between economic and spatial/transport planning, given that transport is key to connecting labour markets and commerce.
- Members need to be engaged and see the value of the process and help to broker relationships within the authority, partners and neighbours.
- There has to be the right level of engagement with the business community and that the messages and outcomes produced talk the right language. There will probably need to be a number of versions that talk to different audiences.
- There is an opportunity to tie together all the different evidence and intelligence at the local authority and partner level to support the assessment, this would make sense where there is little capacity and resource.
- Districts play a critical role in understanding the relationships between local economies. It will be important to ensure they are fully engaged and involved in the development of county LEAs and will have access to local businesses and employers.
- Important not to consult too soon but be selective, important that time is spent getting members, Chief Executives and senior management engaged as a priority.
- Making explicit connections between the LEA and the CAA process. Important that the CAA reflects the process and that the outcomes influence the way in which the authority and its partners work together.
- Need for good project management principles and practice to engage and deliver the final document.
- Important to use the experience and resources of authorities that have been through this process and to create the conditions for future learning and support.

- Linkages with other key policy activities outside of the Regional Strategy such as the emerging sub-regional HCA driven “Single Conversations” will be important in scoping out and developing the LEA.

Outstanding Issues and Challenges

- Getting engagement with businesses as they are not interested in strategy. They will need to see that the LEA helps improve their productivity – this will present challenges about who and when they are engaged.
- Deciding who should lead. Should economic development take the lead or is it best placed with a strategic policy lead, need to understand the starting point from each authority.
- Reconciling the different lead in times and deadlines for assessments, refreshes and strategies do not fit with the timeline for the LEA.
- Reluctance of politicians to get involved particularly at election time and members may change so buy-in will have to start again.
- Achieving buy-in from Members to a sub-regional response as well as the overall LEA, they will be focused on local issues. There will need to be an education process.
- Addressing capacity issues. Some authorities have lots others have little particularly districts. How can this be resolved as this will likely affect the final output and could affect comparability?
- Engaging planners and other professional colleagues has been historically difficult. How can we use this process to create better connections and working?
- There are issues on the capacity of local partners to participate and get involved particularly the LSC, around skills and education. This is also an issue for internal colleagues particularly Children and Young People and role of the 14-19 relationship to skills.
- Guarding against the LEA being too local authority focused although duty for assessment rests with the authority, action and influence needs to be much broader.

Workshop 2

The summaries from Workshop 1 were used to prompt and structure the discussions in Workshop 2. Using the summaries as the starting point Workshop 2 focused on identifying and agreeing some principles and action to support the development of West Midlands LEA Guidance.

The discussions in Workshop 2 produced a number of common areas of understanding in relation to LEAs. These are summarised below.

1. The LEA is an opportunity to raise the profile of economic development through the LEA duty across the region. Important for senior officers, members and partners to understand their role, support and influence.
2. The LEA is an assessment not a strategy. It is important to recognise its strategic role; however it is an *assessment* which *informs* strategy.
3. Its focus should be on telling an 'Economic Story of Place' which is led by analysis not data.
4. Although it has direct links to other policy areas the LEA must come from an economic perspective. It should not be all encompassing and risk duplicating other existing strategies or evidence-bases.
5. LEAs need to understand and reflect Functional Economic Geography. As part of this it important to appreciate that FEGs operate at different spatial levels, at a neighbourhood, local, sub-regional, regional, supra-regional, national and international level. And that they will change depending on what topic you are looking at – e.g. labour market, commercial activities.
6. Whilst accepting the value of the use of common data and approaches assessments must be rooted at the local level and should be drafted in a way which respects and reflects local distinctiveness and diversity.
7. LEAs should play a critical role in helping to inform, shape and influence the SIRS. Accordingly there needs to be clear guidance on what information and intelligence is needed to do this and in what format.
8. Every LEA should produce a summary document in a common format which can be aggregated and compared at the sub-regional and regional levels.
9. A regionally agreed foundation data template would be a good starting point in terms of addressing the need for comparability and to assist in the process of aggregation at sub-regional and regional levels.
10. The outputs from the assessment are likely to be a suite of documents, tailored to different audiences, supported by various types of evidence.
11. Authorities should establish a peer review programme of LEAs. This will help moderate and test approaches for comparability as well as build capacity and expertise for leads across the region.