

News and Assignments - January 2010



Paul Hammond

Snow joke - it's the economy stupid!

There will be no mention of the weather in this paper suffice to say the fine body of men and women that professional economists appear to have shot themselves in the foot again! The BBC has been broadcasting estimates of the costs to the economy of the current cold snap of £230m per day...errr no make that £690m per day...no, it's more like £1billion. So ask any two economists the same question and you will get at least 20 answers, none of them the same.

You see measuring the economy, by and large, hangs on reliable recorded information and statistics. The availability of this empirical data generally lags the current time by a minimum of say 12 months if not longer. So, forecasting economic performance, estimating impact etc, is simply a matter of opinion – albeit informed. This brings me onto the next point...

Economic assessments – the subjective remains the key factor

Section 69 of the Local Democracy, Economic Development and Construction (LDEDC) Act places a new duty on county councils, unitary districts, mets and London Boroughs to prepare an assessment of local economic conditions. The duty is due to come into force on 1st April 2010.

The consultation on the DCLG guidance for assessments closes in March – there was a pre statute version available earlier in 2009. It is uplifting to see the duty of local authorities to promote economic, social and environmental well-being further cemented through a new duty to prepare an assessment of the economic conditions of their areas.

Assessments are to be wide ranging – linking to the local planning regime (LDF) and regional strategies. Key components are:

- Economic linkages and geography (sector supply chains, travel to work patterns, transport, city-regions etc).
- Business and enterprise.
- People and communities (population and labour markets).
- Sustainable economic growth (environmental impact and green business opportunities).
- Overall competitiveness (local strengths and weaknesses).



The core objectives of local economic assessments are to:

- Provide a sound understanding of the economic conditions in the area and how they affect the well-being of residents and businesses.
- Identify the economic linkages between the area assessed and the wider economy.
- Identify the comparative strengths and weaknesses of the local economy and the nature and form of local economic challenges and opportunities.
- Identify the constraints to local economic growth and employment and the risks to delivering sustainable economic growth.

The content and process for economic assessments appears relatively straightforward therefore and indeed mirrors what we have been recommending to clients for many years now. ***It's the analysis of the data and its utilisation that's the issue however.***

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Ask any two economists to define the current and future economic strengths and weaknesses of say Warrington and you'll get any number of answers and estimates – but they won't agree!

In practical terms the local authorities' partners will also have their own interpretation of data and interests to protect. It is not quite a case of back to square one but the economic assessments will add little unless the following principles apply:

- Leadership, vision and determination to deliver economic prosperity.
- Local authorities embracing enterprise and risk with economic regeneration as a corporate priority.
- Partnership and common purpose – horizontally and vertically.
- Real and equal engagement with the private and voluntary sectors, (will economic prosperity boards deliver?).
- A fair society – the delivery of economic and social inclusion as a priority (see Will Hutton's Guardian blog 9/01/10).
- Excellent communication.
- A robust and transparent mechanism for the determination and resourcing of priorities.
- SMART objectives.
- Good management and accountability.

Most of this is subjective – who leads, what risks will they take, where is the mutual interest for partners and communities? One Place and economic assessments are heading in the right direction but it is the soft issues, notably PEOPLE, their hearts and minds, which ultimately make a difference.



At Pureonline we have assembled a multi-disciplinary team of staff and expert associates in order **to address both the factual, interpretative and soft aspects of preparing and utilising an economic assessment.** It's only through this holistic approach that the chances of success can be maximised.



Future Jobs Fund – London Borough of Tower Hamlets

In the first phase of Future Jobs Fund we prepared a successful bid for the 2012 Host Boroughs. This included the London Borough of Tower Hamlets (LBTH). LBTH has had such a good experience of Future Jobs that they have retained our services in order to deliver an additional bid for further funds. The motivation of eligible clients has impressed partner employers and they have been coming forward with additional vacancies suited to 18-24 year olds who have been on the JSA register for between 10-12 months. The experiences of the first phase are being used to inform our design for phase two with wrap-around support for the beneficiaries including support post the six months of Future Jobs Fund resources.

Organisation Review – Business Support and Barking & Dagenham Chamber

Following our long association with Barking and Dagenham and especially business support in the Borough we are currently working with the Chamber events team to assess their strengths and weaknesses in the context of the current economic climate. Our critical friend role has been used to review the current market, customer satisfaction and the impact of events, the team's development need and future sources of funding.