

DECISION-MAKER:	CABINET
SUBJECT:	SOUTHAMPTON LOCAL ECONOMIC ASSESSMENT
DATE OF DECISION:	22 NOVEMBER 2010
REPORT OF:	LEADER OF THE COUNCIL
STATEMENT OF CONFIDENTIALITY	
Not applicable.	

BRIEF SUMMARY

This report summaries the draft Local Economic Assessment (LEA) for Southampton and seeks agreement to consult on its content.

RECOMMENDATIONS:

- (i) To delegate authority to the Executive Director, Corporate Policy and Economic Development following consultation with the Leader of the Council to consult on the draft Local Economic Assessment for Southampton; and
- (ii) To delegate authority to the Executive Director, Corporate Policy and Economic Development following consultation with the Leader of the Council to take any other action necessary to meet the Council's obligations under the Local Democracy, Economic Development and Construction Act 2009 in respect the duty to produce a Local Economic Assessment (LEA).

REASONS FOR REPORT RECOMMENDATIONS

1. To meet the timetable of preparing and approving a LEA by 31 March 2011.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. The Council could argue that as its administrative area has been included within Hampshire Local Economic Assessment, publication of which was led by Hampshire County Council, it has fulfilled its statutory obligation which provides for groups of local authorities to publish LEAs. However, because this LEA covers the whole of the 'Hampshire Local Economic Area' Southampton's economic position and priorities are not fully reflected. This has been communicated to the County Council.
3. An LEA could have been produced for South Hampshire facilitated by the Partnership for Urban South Hampshire. However, as the duty applies to upper and unitary authorities and PUSH is neither of these things this was not a tenable option. The refresh of the PUSH Economic Development Strategy has provided valuable data and insights in supporting the LEA for Southampton.

DETAIL (Including consultation carried out)

4. The Local Democracy, Economic Development and Construction Act 2009 places an obligation on each upper tier and unitary authorities to produce a Local Economic Assessment. Where appropriate local authorities can prepare a joint LEA for a coherent economic area. The purpose of the LEA is to ensure local authorities and their partners develop a sound understanding

of local economic conditions to inform existing local strategies and strengthen the economic role of local authorities.

5. The previous government also issued statutory guidance on the content of the LEA. The coalition government has said that it intends to revoke this on the grounds that local councils are best placed to decide what their LEA should include. There is no indication as to whether the coalition government intends to retain the requirement for LEAs to be produced in the future. This may become clear in the White Paper on Sub-Regional Economic Development expected to be published at the end of October. Any updates will be given at the Cabinet
6. In April 2009 the Council and the Southampton Partnership adopted an Economic Development Action Plan that sets out our priorities for action in the period until 2013. This publication, based upon extensive research, includes much of the data required for a LEA. In addition, PUSH has been refreshing its Economic Development Strategy. These two documents along with other existing publications act as the basis of the Southampton LEA.
7. To summarise the draft Southampton LEA:
 - emphasises the important role of Southampton in driving forward the economy of South Hampshire and the potential it has for playing that role into the future based upon existing and proposed economic infrastructure
 - highlights the role of the city centre in generating new jobs and the potential for residents to secure those opportunities
 - stresses the importance of economic infrastructure such as the port of Southampton, higher education and further education in underpinning economic growth
 - Sets out the challenges the city faces in raising the skills of residents, generating more jobs, and encouraging business start up and growth
 - Describes future prospects and refers to the actions currently being carried out to secure future growth
 - Places the above in the context of social and environmental factors
8. It is intended that key stakeholders in the city economy be consulted in December and January. This will be carried out by email and one to one meetings will also be offered.

RESOURCE IMPLICATIONS

Capital/Revenue

9. In placing this obligation on local authorities the previous government provided £65,000 of Area Based Grant to support preparation. Just under £10,000 of this has been used to engage consultants to support preparation of the LEA. This grant will act as the source of funding for consultation and publication purposes.

Property/Other

10. There are no property implications at this time.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

11. The Local Democracy Economic Development and Construction Act 2009

Other Legal Implications:

12. None

POLICY FRAMEWORK IMPLICATIONS

13. The draft LEA is consistent with the Council's Policy Framework Implications.

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KEY DECISION? Yes/No No

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	None.
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Documents In Members' Rooms

1.	None.
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Integrated Impact Assessment

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	No
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Other Background Documents

Integrated Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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