



## Partnership & Place Overview & Scrutiny Committee

14<sup>th</sup> December 2010

### Report from the Director of Strategy, Partnerships & Improvement

For Information

Wards Affected:  
ALL

## The Local Economic Assessment

### 1.0 Summary

- 1.1 This report provides background to Brent's Local Economic Assessment (LEA) and sets the current context for the local economy. Attached to the report is an executive summary of the LEA which has been compiled as a synthesis of key findings and issues for consideration by members of the Overview and Scrutiny Committee.
- 1.2 The full report is available on request and is awaiting a final set of recommendations from the consultants who undertook the research.

### 2.0 Recommendations

- 2.1 That Members consider the overall implications of the LEA findings in relation to implementation of the Borough Plan.

### 3.0 Detail

- 3.1.1 As of the 1st April 2010, all upper tier local authorities were required by statute to prepare a Local Economic Assessment (LEA)<sup>1</sup>. This duty is part of a policy to grant local authorities greater power and influence over supporting economic growth in their area. The Council received a one off grant to pay for this piece of work.

<sup>1</sup> This duty was outlined in Part 4 of the Local Democracy, Economic Development and Construction Act 2009

The purpose of LEAs is 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.

3.1.2 CLES Consulting and Shared Intelligence were commissioned by the London Borough of Brent in summer 2010 to provide a comprehensive and up-to-date assessment of Brent's economy and labour market. This Local Economic Assessment (LEA) is a comprehensive assessment of the borough's economy. Alongside this LEA, the London Borough of Brent (LB Brent) has prepared a Borough Plan. The LEA and the Borough Plan are complementary documents that together will help shape the priorities for Brent's economic development. A key purpose of the LEA is to set out the challenges and opportunities that need to be addressed to deliver sustainable economic growth.

3.1.3 The Brent LEA reflects the key messages of a number of LB Brent studies and strategies including for example the Borough Plan and Local Development Framework. It is also anticipated that the LEA will be used to inform further revisions of these and other future strategic documents including a Child Poverty Strategy for Brent. Where possible, this LEA also incorporates the key priorities and messages of sub-regional and regional strategies, including the London Plan and the Economic Development Strategy recently published by the London Mayor.

3.1.4 Local Councils have long had a role in supporting their local economies, largely through providing information and advice to small businesses, and more recently working with disadvantaged groups to reduce worklessness. However, recent government policy has increased expectations on Councils and their partners to have a more significant impact on "place", and a clearer vision of how they can work together to improve society, the economy and the environment.

3.1.5 The financial, institutional and policy framework for local economic development are undergoing profound changes. The announcements contained within the recent Spending Review, which confirmed that local Government funding would fall by 26% over the next four years will have a profound impact on their resources for economic development interventions, particularly given their non-statutory nature.

## **3.2 The Brent economy in context**

- 3.2.1 It is important to understand the economic context within which Brent businesses are operating in order to identify ways in which to support them. There is an emphasis in government policy on making assessments of functional economic areas. These are areas that can be described as reasonably self-contained in relation to for example commuting or housing markets. In many parts of the country these functional economic areas operate at sub-regional level.
- 3.2.2 In London, however, it is necessary to understand the role of a London borough in relation to London as a whole. While there may be some helpful understanding that can be gained from looking at economic issues at a West London level, it can be argued (and this is supported by an analysis of commuting patterns of Brent residents for example), that the Brent economy needs to be considered in relation to its role within the wider London economy.
- 3.2.3 The future prospects for businesses in Brent depend at least in part on the form and patterns of growth across London. This applies in particular to the potential for growth in offices in Wembley, and major retail growth across the borough.
- 3.2.4 There are some particular features of the Brent economy that are unique within London but which require consideration within the London context.
- Firstly Brent is home to the national stadium at Wembley, and is therefore a national and international visitor destination. The area around the stadium is a major regeneration and development area.
  - Secondly the Park Royal industrial estate, part of which falls within Brent's boundary, is one of the largest manufacturing estates in Europe, and its location so centrally within London is unique in London. As such its effective functioning is of strategic regional significance.
  - Thirdly, while Brent is not classified as an Inner London borough, some of its neighbourhoods suffer from levels of poverty and worklessness more often associated with parts of inner London, along with high levels of migration and ethnic diversity.
- 3.2.5 There are a wide range of factors likely to be driving change in the Brent economy over the coming years. These include technological change, environmental – climate change, and changes in society including attitudinal and lifestyle changes.
- 3.2.6 There are a number of factors that will have a significant and perhaps more immediate bearing on Brent's economy, and these are:
- Future economic growth at a global, regional and local level;
  - The spatial distribution of growth within London, including the extent to which Brent can exploit its comparative advantages and key attractions, in relation for example to Wembley, and Park Royal industrial estate;

- Demographic change such as migration and changes in the working age population;
- The impact of government spending cuts on employment and service provision; and,
- The impact of government policies, particularly welfare reform, the introduction of the Work Programme and reassessment of incapacity benefit claimants, and skills and education policies.

3.2.7 These factors are explored in more detail in the full LEA. The attached executive summary follows the structure of the full LEA. It provides a summary of economic context in which Brent operates including global economic circumstances, UK and London's economic performance. Subsequent sections provide a summary of the main findings and issues to consider covering: business performance; quality of life, housing, transport and the environment.

#### **4.0 Financial Implications**

4.1 None

#### **5.0 Legal Implications**

5.1 None

#### **6.0 Diversity Implications**

6.1 None

#### **7.0 Staffing/Accommodation Implications (if appropriate)**

7.1 There are no staffing implications

#### **Background Papers**

Appendix 1: Executive Summary of the Local Economic Assessment

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