

**SOUTH EAST ENGLAND COUNCILS
EXECUTIVE COMMITTEE**

Date: 7 December 2010

Subject: **Future provision of economic data**

Report by: Tim Stansfeld, SEEDA Director of Strategy



Recommendation:

SEEC Executive is asked to consider the paper and consider how it wishes to pursue the future provision of economic data and intelligence following the closure of SEEDA.

1. Introduction

- 1.1 SEEC is actively considering how to ensure it has access to good quality economic data and intelligence, appropriate to its priorities, following the closure of SEEDA. This paper summarises the research programme which SEEDA has carried out in recent years, as a basis for consideration by SEEC of its own future needs. While SEEDA will not formally close until 31 March 2012, the budget for 2011-12 will be focussed on meeting legal commitments. This means it is not likely that SEEDA will continue this research programme beyond the end of the current financial year.
- 1.2 I would anticipate that Local Enterprise Partnerships (LEPs) will be the key customer for much of the economic research and data which SEEDA has been providing to date. In this regard it will be for each LEP to determine its own information needs, based on its own priorities and plans. At present LEPs are still in the process of developing their plans. Where a number of LEPs require the same information and economic analysis there may well be economies of scale by providing this jointly. However any detailed appraisal of this opportunity must probably wait for LEPs to have defined their own priorities. Another issue to be resolved is the data requirements of non LEP local authorities.
- 1.3 However SEEC has also expressed a significant interest in having access to key economic data and intelligence. In my opinion having at its disposal expert advice and analysis for the regional and local economies and the economic development issues facing them will have four particular benefits for SEEC, although it is of course for SEEC itself to assess this. The benefits are:
- Being able to make the case for the south east effectively
 - Providing a sound basis for policy and investment decisions
 - Defining and monitoring progress against SEEC's objectives
 - Enabling SEEC to speak authoritatively on economic issues.
- 1.4 This paper describes SEEDA's economic research programme, with examples, in order to assist SEEC in determining its own needs for data. It may be that this is something which could be considered further by the SEEC Member Task Group on data.

- 1.5 SEEDA is also keen to find a home for its existing analytical products. One option is for SEEC to have access to the main SEEDA Research & Evaluation Library. This would need to be looked at in detail as some legal issues (e.g. copyright) would need to be resolved first. More detail on the contents of the library is set out in the Appendix A, and the full list of research 2008-10 is at Appendix B.
- 1.6 It is also important to be aware that the future provision of regional economic intelligence is still being considered by central government. There is appetite from BIS to continue to provide some of the RDA and Regional Observatory functions after closure of the RDAs. This could potentially mean some limited intelligence would continue to be available to SEEC and / or LEPs at no cost to them. However at present no details are available and there is no indication of the timing of decisions by BIS on this issue, which may be dependent on funding availability. SEEC also need to consider whether in this eventuality it would still want to have its own analytical capacity, separate from Central Government. This could be particularly important when making the case for the South East, for example.

2. SEEDA Economic research programme

- 2.1 The research programme comprises four separate components:
- Monthly Economy Updates – regular summary of economic and business conditions
 - Economy Reviews and Evidence Base Papers – six monthly and on-demand
 - Commissioned Report and Business Surveys – six monthly and on-demand
 - One-off and “on demand” research and analysis of key topics.
- 2.2 Much of the data is publicly available free of charge. Other data, such as Annual Business Inquiry data and economic forecasts has to be purchased, or in the case of business surveys, specially commissioned. The key element of the added value is that the Research & Economics team is capable of analysing and making sense of the wide variety of data published, and making it available in a readily understandable form, with clear key messages for the economy.
- 2.3 Delivery of the complete programme has required an economic research team (comprising a GIS function) of five people, each with particular specialisms and expertise, together with a budget of over £200,000 for data purchase and commissioning reports and surveys. This has provided the programme of research and an on-request service of briefings and key data to SEEDA and partners. More detail on each of the four components, and on the Research and Evaluation Library, is set out in the Appendices below.

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Detailed description of SEEDA research programme

1. Monthly Economy Updates

In addition to regular economic and labour market data from official sources a vast amount of 'soft' (qualitative) intelligence is available from third parties. Monthly Intelligence Snapshots, Economy Dashboards and Labour Market Updates provide a summary of:

- economic and labour market conditions
- key challenges and hotspots
- business specific intelligence
- Opportunities for action/potential policy responses.

Monthly Intelligence Snapshots provide the latest information with accompanying expert analysis of it. It ensures an appropriate policy response and also enables users to speak authoritatively about economic conditions and be seen as a wholly credible source of expertise.

Example: Monthly Intelligence Snapshot
Monthly Economy Dashboard

2. Economy Reviews and Evidence Base Papers

A regular review of economic trends has been produced twice a year for the South East region and for a number of sub-regional economies. These take account of updated estimates and forecasts of GVA and employment, which are published every three to six months. SEEDA has prepared regular South East Economy Reviews that also include local analysis. Specific local area reviews have been produced on demand in recent years, for example for Kent and Medway. In addition to Economy Reviews SEEDA has produced a number of Evidence Base Papers (e.g. Regional Economic Strategy Evidence Base, Coastal South East Evidence Base, and County Level Evidence Base papers used to support Local Economic Assessments).

The economy review includes analysis of trends and all new data published in the preceding six months, and also summarises the results of one off research carried out in the period, as set out in section 4 below.

The following areas are covered in each review:

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| A. Global/National Overview and Outlook: | GDP, activity, orders, labour market, costs, prices, monetary and fiscal policy etc. |
| B. Sub-regional Overview and Outlook: | GVA. Business performance, activity, orders, labour market, redundancy notifications, sectors, forecasts/projections, housing market etc |

In addition to quantitative intelligence the review also includes some qualitative intelligence specific to each area.

Example: South East Economy Review
Kent Economy Update

3. Commissioned Reports and Business Surveys

Direct surveys of businesses using either telephone or postal surveys provide a much more detailed snapshot of business conditions and concerns than the official data. This provides the opportunity to address a broader range of policy related questions than is available elsewhere.

In addition to being useful leading indicators of economic performance, business surveys have provided an invaluable check that SEEDA has been addressing the right issues of concerns to business, backing up the expert views of a business led Board. Such surveys are not as expensive as might be imagined, running at about £20-£25 per response for a survey of around 15 minutes per company.

In addition to Business Surveys, over the past couple of years SEEDA has commissioned a number of Economic Appraisals, Impact Assessments and Evaluations from external sources. NB. A number of similar studies are regularly conducted in-house.

Example: the questionnaire from the latest business snapshot survey (653 businesses across all counties in the South East)

4. One-off and “on demand” research and analysis of key topics

Specific research is required depending on priorities, and also on economic conditions at a particular time. Research & economics team has carried out a number of in-house studies recently, such as:

- Public sector redundancies: potential impact on the South East, August 2010 and December 2010 (forthcoming update)
- The geography of key sectors in the South East, April 2010 and December 2010 (forthcoming update).
- Socio-Economic Impact Assessment of Portsmouth Naval Base (jointly with the University of Portsmouth)
- A Perspective on the impact of the downturn on the Thames Gateway (jointly with economists from the East of England and London)
- Specific sector & market intelligence and FDI support.

These types of research project can be tailored to a range of geographies, from an individual town to the Greater South East.

Example: Public sector redundancies: potential impact on the South East, August 2010.
The geography of key sectors in the South East, April 2010

SEEDA is keen to find a home for its analytical products and services as they're to be required in the future. One option is for SEEC to have access to the main SEEDA Research & Evaluation Library. This would need to be looked at in detail as some legal issues (e.g. copyright) would need to be resolved first.

SEEDA Research & Evaluation Library

1. Economic Research & Evaluation Studies

1.1 Commissioned Reports

1.2 Other Reports (largely in-house reports, e.g. regional and local evidence base papers, sector studies, monthly reports, policy & economics briefs etc).

1.3 Evaluation Studies.

2. Data

2.1 Business Survey Data

2.2 Other data (largely in-house developed databases e.g. RES 2006-16, Priority Sectors etc.)

2.3 GIS databases and maps.

3. Regional Models

3.1 Regional Forecasting Model - output available at district and county level

3.2 Regional Economy Environment Input Output (REEIO) Model – South East

3.3 Skills Foresight Model – output available at South East and County level (the unique source of skills intelligence developed by Skills Insight and Experian, it needs to be updated)

3.4 South East Input Output Model – output available at South East and County level (it requires updating but could be extremely useful for impact analysis).

List of SEEDA research reports 2008-10

The Research & Economics section of SEEDA website has been revamped. It holds a range of in-house research reports & papers produced by SEEDA economists and commissioned reports by SEEDA across a wide range of economic development themes. <http://www.seeda.co.uk/what-we-do/economic-intelligence-and-research>

A brief list of reports (excluding sector and market intelligence, data and GIS maps, impact and evaluation work) produced in-house over the past two years:

1. Monthly Reports

Monthly Intelligence Snapshots (since September 2009)
 Monthly Economy Dashboard (from July 2009 to November 2010)
 Policy & Economic Briefs (largely unpublished reports, from June 2003 to January 2010)
 South East Labour Market Update (since October 2008)
 South East PMI Report (from December 2009 to November 2010)
 Monthly economy updates to SEEDA staff and on-demand presentations to partners.

2. South East Economy Reviews and Evidence Base Papers

Profile of the South East, February 2010
 South East Economy Review - Public sector redundancies, August 2010
 Coastal West Sussex Economy Briefing, March 2010
 South Hampshire Economic Reviews, March 2010
 Margate-Thamet Economy Update, March 2010
 South East Economy Review, March 2010
 South Hampshire Economic Review, February 2010
 Kent Economy Update, September 2010
 Kent Economy Update, September 2009
 A perspective on the impact of the downturn on the Thames Gateway, July 2009
 South East Economy Review, June 2009
 Kent Economy Update, May 2009
 Milton Keynes Economy Update, January 2009
 South East Economy Review, October 2008
 West Sussex Economic Review, May 2008
 South East Economy Review, May 2008
 South East England Economy Review, June 2009
 South East England Economy Review, October 2008
 South East England Economy: A joint response to changing economic circumstances, Aug 2008
 South East England Economy Review, May 2008.

3. Business Surveys

Business Survey Snapshot, November 2010 (forthcoming)
 Business Survey Snapshot, March 2010
 National Business Survey Quarterly Snapshot South East, Oct 2009
 SE Business Use of Air Travel Survey, Sept 2009
 National Business Survey South East Report, July 2009
 National Business Survey Quarterly Snapshot South East, Mar 2009
 RDA National Business Survey - South East England Summary (January 2009)
 National Business Survey South East England Report, Jan 2009
 National Business Survey South East England Report, Aug 2008.