



**Local
Economic
Analysis
Profile (LEAP)**

LEAP draws together the key elements of local area economic profile with a view to creating a robust evidence base. From this, we develop a strategy, which identifies any market failures and the interventions necessary to correct them. The analysis captures all of the variables necessary to understand the health of a local economy.

These variables include:

- BUSINESS SERVICES (a growth sector in most places);
- SECTOR GROWTH AND FERTILITY (does the area capture growing and new firms – in those sectors that matter);
- PRODUCTIVITY (are firms adding value);
- FOREIGN DIRECT INVESTMENT (a key stimulus of innovation);
- RETAIL (an indicator of ‘attractiveness’ of an area to its residents and workforce);
- INNOVATION (without an area will ultimately decline).

Finally, we create two reports that draw together the results of the analyses into a coherent strategic framework that identifies market failures (if found) and the possible strategic interventions that might be deployed to address them. One of the reports is in a presentation format to make dissemination amongst strategic partnerships easier. We also present our findings and respond to questions about them.

LEAP is modular; LEAP A is the basic product; other modules may be added as required. LEAP is also comparative. LEAP compares the study area with two others. One is the UK and the other is by agreement – but can be any UK geography defined by ward / output area / postcode / other.

CORE A	Agreement / deployment of geographical boundaries	£650
LEAP A	CORE ANALYSIS	
	<ul style="list-style-type: none"> ▪ Extraction of official data by 4-digit SIC ▪ Calculation of Firm and Employment LQs and Percentages of Economy ▪ Identification of strength SICs ▪ Grouping of strength SICs into potential clusters ▪ Calculation of employment per firm ▪ Calculation of loss / gain of firms to equal UK capacity 	<p>LEAP A will create a basic picture of area strength and weakness by comparison with the UK and one other agreed area. It will show how many firms and employment the area will need to lose or gain to equal comparison areas.</p> <p>The analysis will also cluster firms and employment.</p>
	Total LEAP A	£2,625
LEAP B	BUSINESS SERVICES – CHOICE AND CAPACITY	
	<ul style="list-style-type: none"> ▪ Calculation of choice and capacity indices ▪ Extraction of census population data ▪ Calculation of density figures ▪ Calculation of loss / gain of firms to equal UK capacity 	<p>The choice and capacity indices measure the strength of business services. They combine to indicate (a) the competitiveness of business services and (b) the extent to which demand from population of business can be met. LEAP B also measures firm density and identifies the firm / job creation (loss) necessary to equal the UK density.</p>
	Total LEAP B	£2,325

CORE B	Extraction of TCR data and assignment of geography	NC
LEAP C	GROWTH AND FERTILITY	
	<ul style="list-style-type: none"> ▪ Calculation of number of births and birth-rate – Sector ▪ Calculations of percentage of firms growing – Sector 	Firm growth and the creation of new firms are key indicators of an area's economic vibrancy. LEAP C identifies growing fertile sectors and assesses the extent to which these are congruent with the area's strengths (revealed in LEAP A).
	Total LEAP C	£1,000
LEAP D	PRODUCTIVITY	
	<ul style="list-style-type: none"> ▪ Calculation of GVA and GVA per employee – Sector 	A key measure of a firm sector's success and local areas will wish to increase overall GVA and GVA per head over the long term.
	Total LEAP D	£975
LEAP E	FOREIGN DIRECT INVESTMENT	
	<ul style="list-style-type: none"> ▪ Calculation of FDI firms and as percentage of stock – sector ▪ Calculation of FDI firms – by country code 	FDI is 'good' because foreign firms stimulated innovation. LEAP E will assess the presence of these firms and again whether they are found in the area's industrial strengths – thereby stimulating innovation in them.
	Total LEAP E	£975
LEAP F	RETAIL VARIETY	
	<ul style="list-style-type: none"> ▪ Calculation of RVI 	Retail is an important sector for most areas because it is an expression of sophistication of local demand and the attractiveness of the area. The Index of Retail Variety combines four statistical measures to offer a comparative assessment of retail.
	Total LEAP F	£1,900
LEAP G	INNOVATION	
	<ul style="list-style-type: none"> ▪ Extraction of patent data – 3 digit patent code ▪ Linking of patent codes to identified clusters ▪ Summary of patent data by clusters ▪ Calculation of patents per year 1995 - 2003 	Innovation is a crucial litmus test of the health of a sector and should be a by-product of industrial concentration. If it is not, the sector is likely to be 'unhealthy'. 'New' Innovation activities (combined with new firm creation) may also suggest the development of new innovative sectors. LEAP G identifies the firms and sectors that are patenting and assessing congruence with sector concentrations.
	Total LEAP G	£3,500

LEAP REPORT	Report and Presentation	
<ul style="list-style-type: none"> ▪ Report writing ▪ Development of strategic issues ▪ Development of recommendations and interventions ▪ Presentation – format report writing 	<p>The identification of market failure and the development of public sector intervention to correct it are essential routes to the accessing of funding. The LEAP report will draw together the findings of the analysis and create a robust evidence base for recommendations associated with a strategic way forward. We prepare two reports. One is a conventional 'text based analysis' the other is in presentation format for use at meetings. We present our report at any agreed forum.</p>	
Total Report		£4,750
Total Full LEAP Analysis		£18,000 £18,700

Note: Core A must be part of any analysis. Core B must be done for LEAP elements C-G inclusive. For Less than full LEAP analysis, report fee by arrangement.