

## *Chapter 1*

# **Defining the Objectives of Local Development Strategies**

*by*

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Defining the objectives of a local development strategy is the initial step of a prior assessment process. Defining the right and feasible objectives requires an understanding of how local economies work and how they are connected with processes that operate at different spatial scales. In identifying the objectives for local economic development, it is crucial:

- To understand the complex interplay between a wide range of social and economic factors. This can help to isolate the specific barriers to growth and help to avoid creating unforeseen outcomes of interventions.
- To determine the most appropriate scales of intervention. The vertical links between regional, sub-regional and local processes of change mean that strategies need to fit well together, that different interventions may be appropriate at different spatial scales and that strategy and implementation may best apply at different scales.
- To establish links between the priorities and objectives at different spatial scales to avoid conflicts across the vertical levels of strategy development.
- To identify and include all relevant agents of change. Effective partnership working is essential for the implementation of strategies and this puts emphasis on ensuring that all the appropriate agencies are involved and can contribute to the process of identifying priorities and hence in “owning” the strategies.
- To identify the intended beneficiaries and ensure that maximum benefit is targeted at them.
- To consider the durability of outcomes in order to avoid the problems that too many interventions have only short-term benefits.

## Introduction

The ultimate objective of any local development strategy must be to overcome the weaknesses and build on potential strengths of target areas. Well-defined objectives need to prompt focused efforts to create, maintain and/or improve economic and social conditions of a location, whether for an underperforming area or for an already steadily growing local economy.

In considering what may be the most appropriate objectives for local development strategies and interventions, policy makers and practitioners participating to the process face two main questions:

1. Understanding the origin and nature of the economic challenges confronting such areas.
2. Considering the types of intervention that might be most relevant.

Gaining agreement about objectives is a process that requires, but does not always receive, considerable attention, reflecting a number of obstacles:

- The situation is often complex and this leads to the impression that it is too difficult to determine priorities.
- Strategies may conflict across different agencies or spatial scales.
- Residents and/or businesses may have different priorities.
- It is difficult to get the private sector on board.
- It may be perceived that the strategy can only tackle the supply-side issues – the market determines demand.
- Monitoring and evaluation are considered as unnecessary and premature and the whole exercise as too bureaucratic.
- There is no clear understanding of the need for a specific development strategy when the local area is already prosperous.

This chapter will address some of these issues and show which activities are important in arriving at appropriate objectives. Some of the responses to the list of the obstacles may include:

- Thinking about how best policy could maintain or accelerate growth. Considering whether all sub-areas are equally competitive, and how strategy could help to harness untapped potential to advance growth and spread development.
- Developing a model of area-based change, using an appropriate conceptual framework, *e.g.* “theories of change”.

- Developing vertical links through partnerships with the relevant agencies.
- Establishing a public agencies forum to sensitise stakeholders to the varying goals and to develop shared “visions” for the future.
- Developing a consultation process to explore views and seek compromises.
- Ensuring that meetings are task-oriented rather than talking shops. Seeking to engage a high-profile private sector person as board chair or member.
- Considering how to influence the supply chains of businesses so that greater local procurement can generate employment.
- Establishing as full a baseline as possible to help track change and identify future impact and effectiveness. Using the baseline to gain a better understanding of current problems and potentials and to inform the development of objectives for the strategy.
- Establishing monitoring and evaluation objectives that will be of genuine use in helping to refine the strategy in future. Convincing stakeholders of the real potential of monitoring and evaluation to be more than just bureaucratic “bean counting”.

## **Understanding local economic performance**

The crucial element in assessing the delivery potential of local development strategies is to understand the specific causes of an area’s performance. If we can acquire a better understanding of the nature of local economies, this can provide the basis for deciding the specific objectives that may be most appropriate for any local development strategy.

Often, this task of characterising an area’s balance sheet of assets and liabilities is approached in terms of some form of SWOT analysis – specifying the strengths, weaknesses, opportunities and threats faced by an area. This can be a helpful exercise in thinking through what should be the prime objectives of policy and in considering what is feasible in terms of future economic development. This can be useful because it moves the policy agenda away from simplistic conceptions which aim to address problems but which ignore potentials within an area. Linking the two – and ensuring that local economies capitalise upon potential areas of growth as well as addressing problems of under-performance – can be an important element of development strategies.

Using SWOT approaches to define objectives for local development strategies is helped by thinking systematically about an area's economic problems and opportunities in relation to a set of demand factors and/or supply factors. The elements in which an area may be deficient will clearly help to guide the choice of objectives for policy intervention.

### *The mix of economic activity*

An area may develop economic problems because it has a high proportion of activity concentrated in sectors that are declining nationally or that have low productivity. This is frequently the case with old industrial areas which have an inherited legacy of, for example, textile factories or shipbuilding or coal mining or other activities which may no longer be as viable in a world of intensifying global competition. It may equally be true of other areas dominated by sectors that are no longer attuned to patterns of contemporary consumption. Seaside resorts in many northern European countries are a case in point: they had a strong economic rationale when large numbers of people took holidays within their own countries, but now that the holiday and tourist markets are global, places that lack reliable sunshine or the lure of the exotic face uncertain futures. The same can be true for some types of rural area, where agricultural restructuring may have generated surpluses of marginal or unproductive land, the future uses of which are uncertain, especially in the absence of subsidy of some kind. Equally, for many smaller towns, villages and rural areas, increased mobility and competition from multinational corporations in larger settlements have put at risk small shops, post offices and many of the traditional privately owned local service outlets.

One approach to better understanding the economic needs of areas is the use of shift-share analysis. This, with appropriate advice and help in the first instance, can provide an easily used tool to enable local practitioners to look at economic performance by partitioning growth into two main components:

1. A “proportional” component which is the outcome of the mix of activity in an area (so that places with a high proportion of low-performing activities nationally or regionally would be expected, other things being equal, to have lower rates of growth).
2. A “differential” component which measures the performance of an area, holding its sectoral mix constant, to see whether it over-performs or under-performs when measured against the regional or national performance of the same mix of activities.

Use of this shift-share technique can be a powerful way of identifying whether the economic characteristics of an area are the result of poor performance (and hence suggest a need to boost productivity through, for

example, investment in plants and machinery, higher skill levels, greater product or process innovation or more effective marketing); or alternatively are the result of the inherited mix of activity (and hence suggest a need to diversify local economic activities).

### *Entrepreneurialism*

In global fast-moving competitive markets, being at the forefront of products and processes has become ever more important for local economies. Local economic development strategies may emphasise innovation in processes and products, allowing local areas to capitalise on market potential. This can apply as much to services as to manufacturing: for example, producer service firms may become more competitive if they have up-to-date computer facilities or efficient information systems, with beneficial consequences for the satisfaction of customers. Local development practitioners may be able to measure the degree of innovation through indicators such as the rate of new firm formation or the number of patents for new products and processes.

To stimulate entrepreneurialism, local development practitioners can reflect upon the potential of strategies which encourage entrepreneurs to establish new businesses. This may include encouraging local universities to develop partnerships with local businesses and industries, or encouraging commercial activity amongst their researchers – to the benefit of both universities and the local economy. Relevant university activity may include spin-outs and enterprise creation, offering technical advice to local firms, developing courses for students that meet labour market needs, and the placement of students on industrial experience projects in local businesses. These kinds of knowledge-based approaches are increasingly popular in local economic development strategies, and can have important benefits in advancing or sustaining competitive advantage. There may also be an important challenge in encouraging more local procurement policies by public agencies and private businesses for their goods and services. These can generate greater local employment and help to ensure that more of the benefits of economic activity are retained in the local area.

### *Skill levels*

There are often highly significant differences between areas in terms of levels of skills and these can impact directly on the locational choices of potential business investors making decisions about whether to site in one area as against another. This, in turn, can have major implications for the competitiveness of different local areas. Educational performance at school level often tends to “bunch” geographically, with some areas having high-

performing schools and others with low performance as those parents who are economically able to determine their choice of housing move to areas with “good” schools, thereby creating a form of educational polarisation which can be reflected in variable levels of place competitiveness. Educational performance can have consequences for the desirability of some areas over others – and that too has economic impact because of the differential ability of areas to attract or retain skilled residents.

Equally, for many firms, the availability of high-quality graduate staff can be an important locational determinant. Places that lack universities, or good colleges, or that are not successful in retaining students in the area once they graduate, will therefore be at a disadvantage. By contrast, there are numerous instances around the world – the well-documented case of the Cambridges in the United Kingdom or Massachusetts in the United States for example – where local or regional economic competitiveness is in no small part a consequence of the presence of networks of globally significant research-based universities with links to local firms. The implication for local development strategies is either that policy objectives ought to help local areas to develop appropriate research bases through universities or other institutes, or that existing research capacity should be exploited more effectively for the benefit of the local and regional economy.

### *Premises*

Local development policy makers may also reflect upon the availability of land and premises as a key determinant of the locational decisions of businesses. Large firms often require large attractive sites on which to locate, and increasingly many businesses look for “intelligent” buildings as an important aspect of their activities or high-profile buildings as a way of boosting their image. In a more general sense, both advanced manufacturing and service activities often look for attractive environments not merely to underline their self image, but also to attract high-quality staff. Here, the presence of good leisure and cultural facilities in an area can be important attractors. The supply of adequate sites and premises is limited in some urban areas, notably those in which degraded and fragmented stocks of brownfield land are a legacy of industrial restructuring or where high levels of economic activity create market pressures on available sites and premises.

Such considerations, not least in the context of urban areas, are clearly one of the justifications for the range of environmental and “cultural” interventions that may form one of the objectives of local development strategies. These, of course, are important aspects of local economic development in their own right, helping areas to benefit from demand for the consumption of leisure, retail or cultural services. But they are also important in a broader sense, in contributing to place attractiveness.

Desirable environments, iconic buildings and the creation of a “sense of place” can be significant in attracting new economic investment and facilitating local development.

### ***Worklessness and ill health***

The proportion of the working-age population that is in employment is one of the most significant elements of the gross value added (GVA) or gross domestic product (GDP) of an area. Whether formally defined unemployment is high or low, the overall proportion of economically active people in an area is a key aspect in the labour supply element of development. In some areas, large numbers of people who are not formally unemployed may remain outside the labour market for a variety of reasons: on the grounds of ill health or physical incapacity; through social constraints such as the need to look after children or infirm relatives; or sometimes simply through the discouragement that arises from the difficulty of finding jobs. These people represent potential unused “assets” that could raise the productivity of an area. For under-performing areas, local development strategies need to focus on both supply and demand sides in the labour market: helping to create new employment, but also cultivating a labour force with the appropriate skills, and removing barriers to entry to the workforce and increasing the supply of “employable” people. For high-performing local economies, too, development strategies can also focus on employability, trying to boost labour market participation rates in order to help meet the demand from employers.

In both cases, tackling health problems can represent an important element in the wider effort to increase the number of employable people, with consequent benefits for broader local competitiveness. Although many of the health problems of areas are constraints that can take a long time to correct, some can have more immediate impacts. For example, smoking-cessation projects or anti-drug programmes may result in alleviating common problems relatively quickly. Other approaches may focus on the provision of childcare and crèche facilities, or on appointing personal advisors who can help individuals to assess their suitability for certain jobs and assist in finding placements. In appraising potential objectives, local practitioners ought to consider these “softer” elements of economic development, which can be vital in creating the conditions in which competitiveness can flourish.

### ***Communications***

Accessibility can be an important element in determining the level of demand for the goods and services of local areas. Poor road and rail

communications add to the cost of delivering products to market and, perhaps as importantly, can delay the response time and reliability of delivery. When, increasingly, just-in-time systems have become an important aspect of the supply of goods and services, the inability of an area to meet fluctuations in demand and to respond rapidly to changes in market demands can work to its disadvantage.

Considering the ways in which good electronic communications can make places more competitive could be an important focus of policy-maker deliberations in arriving at clear objectives. For example, not to be connected to broadband networks – or indeed not to have sufficient expertise to exploit the potential of electronic networks – can work to the disadvantage of local economies. Policy makers ought to reflect on the now extensive research evidence that some of the most successful regional and local economies around the world are those that are the most “wired up”, with well-developed information and communication technology infrastructures supported by a workforce skilled in their maintenance and exploitation. For local development strategies, there is a need to consider how best to determine objectives that can encourage the upgrading of physical and electronic communications of areas in order to connect them better to the potential markets outside.

### ***Travel to work***

Labour markets operate over ever larger spatial areas as mobility increases and as the distance that people can commute grows ever longer. This represents an issue of growing importance in determining objectives for local development strategies. It means that local areas need to be well connected to employment nodes and that their residents may need to be prepared to travel further than in the past in order to access jobs that lie considerable distances away. This may in part be a question of improving public transport links, but may also be a matter of encouraging people to overcome any reluctance to consider working outside their immediate neighbourhood. For example, in many “traditional” industrial areas work was literally to be found on the doorstep since factories and houses were intermingled in a single neighbourhood and workers could walk short distances to work. Many such areas no longer have local jobs since factories have closed. Even where there are adequate transport links between the home and the workplace, there is sometimes a psychological barrier to be overcome in persuading local residents to look for work outside their neighbourhood rather than attempting to provide new jobs locally. Conversely, the challenge may be to persuade potential employers, who may “red-line” neighbourhoods that are thought to house unreliable or “difficult” residents, to offer jobs to people from such areas. Overcoming these kinds of



obstacles can have important economic benefits, both for buoyant local areas (where the supply of labour can be improved and increased) and for lagging areas (where addressing labour market exclusion can have social as well as economic benefits).

A rather different but related situation may apply to areas with large proportions of ethnic minority households. Here there may be psychological barriers within the minority communities connected to the fear of real or perceived prejudice from people outside their local neighbourhoods. There may, in such circumstances, be a case for encouraging the establishment of ethnic-minority businesses or of re-training individuals from ethnic minorities to offer them specific skills that would enable them to seek jobs in the wider labour market.

## **Identifying priorities for local economic development strategies**

In light of the many factors which contribute to local economic performance, we outline six issues that can usefully be explored by policy makers to help arrive at informed decisions with regard to the objectives of local development strategies.

### *Understanding local policy needs*

While the overall objective to improve economic performance may be clear, the precise mix of relevant interventions may be much less clear, given the complex interactions between the socio-economic elements of the local context. This is a key issue for local development strategies, and one that merits especial attention in thinking about objectives.

It is therefore often helpful to develop models of inter-linkages between the numerous indicators of local conditions and to identify which elements pose especially difficult links in the “map” of inter-relationships. Disentangling cause and effect relationships in this respect is unrealistic, but an understanding of the complexity of the socio-economic context of the local areas in which development strategies are formulated is nevertheless vital if policy makers are to avoid developing initiatives which, while benefiting one aspect of an area’s circumstances, fail to appreciate the knock-on consequences for other socio-economic dimensions. Diagrammatic representations of the interplay of socio-economic factors can provide one means by which policy makers can begin to develop an understanding of the potential impacts of local development strategies. Another approach is to try in a more qualitative way to “map” how an area might change in the future as a result of different forms of intervention.

Theory-based approaches, for example, have become increasingly popular as a means of appraising potential impacts arising from a programme's activities. Such approaches can encourage policy makers to develop scenarios dependent upon a range of possibilities in respect of a development strategy's impacts. The Logical Framework (LogFrame) method or "objectives-orientated project planning" provide approaches which emphasise the importance of identifying objectives and the anticipated impacts at different time points.

The LogFrame approach involves identifying the "programme logic" by exploring causal links in terms of a linear sequence, from inputs, via processes, to outputs, outcomes and final impact. Again, if used sensitively, this can be useful in taking account of the totality of the local socio-economic context and linking its change to quantitative measures of performance which relate to the different stages of a local development strategy. Where the more qualitative theory-based approaches can be of greater value, however, is in moving beyond simplistic causal links with which some variants of LogFrame are associated and taking account of multi-linear relationships. The point here is that policy makers seeking to develop objectives for local development strategies need to try to understand the dynamics of the process of neighbourhood change to consider how achievable the priorities are.

### ***Linking the priorities of local development strategies***

Questions about the geography of local development strategies raise the critical issue of how policy makers can devise approaches which marry the priorities of interventions at these different spatial scales. Evidence suggests that what happens at the regional or city scale in respect of development strategies is often divorced from intervention at the more localised neighbourhood level.

This frequent failure to develop complementary priorities at different spatial scales has often prompted central government efforts to promote more integrated and better co-ordinated policy making. "Joining-up" policy efforts – both horizontally across the different agencies involved in a particular development strategy in local areas, and vertically amongst the different tiers of government – is increasingly recognised as a priority for effective intervention. In determining the priorities for a local development strategy, this means considering three principal issues: first, identifying the relevant actors across public, private and voluntary sectors; second, ascertaining which of their activities could complement the potential foci of the strategy to be developed; and third, brokering agreement amongst the partners about the specific detail of the priorities and their respective roles in delivering them.

This, of course, is by no means a straightforward process. In many countries it has been compounded by the decline of monolithic government, the related fragmentation of institutions and the consequent proliferation of various agencies as part of wider governance networks. This has exacerbated the longer standing difficulties of agreeing objectives for local development strategies in a wider context of conflict between different functional departments of government, and between different levels of central and local government. Identifying and agreeing shared priorities represents a considerable challenge where deeply embedded institutional agendas prevail, and where cultures of inter-agency working are poorly developed. The result, in some instances, is that exhortations for joining up never result in effective partnership working, and any collaborative activity tends to be restricted to high-level discussion centring on uncontroversial issues about which there is a high degree of pre-existing consensus. In contrast, the detailed practical issues – synchronising funding cycles, integrating monitoring and evaluation approaches, sacrificing narrow, institution-specific goals – are more likely to be ignored, in case their contentiousness threatens the stability of inter-institutional coalitions.

These are issues to which national governments have become increasingly attuned. Attention has been devoted to devising incentives for collaborative working, moving beyond mere exhortation. One particular priority has been to try to ensure that mainstream public expenditure – on routine production and consumption services – dovetails with the objectives of local development strategies. The longer term aspirations of such approaches are that the outcomes of time-limited, area-based interventions should last beyond the end of a policy, programme or strategy, and that future mainstream expenditure should routinely and automatically perform the tasks previously tackled through special, short-term and spatially focused initiatives. In these ways, policy makers can embed within their interventions a more long-term approach that has often been lacking in many local development strategies. The principal difficulty, however, is that attention to the specifics of mainstreaming is often not uppermost in policy makers' minds when determining priorities. If local development strategies are to have impacts that last, thinking about how best to prioritise objectives which relate to the integration of local development strategies and mainstream spend is vital.

### ***Identifying and including agents of change***

It is important not just to think of established state and quasi-state agencies, but also to involve actors from other stakeholder groups. This can mean business groupings, where the challenge is to engage firms which tend not to look outward or which lack well-developed traditions of corporate

social responsibility, but which nevertheless exert substantial influence both on local labour markets and, through the multiplier effects of their activities, on the wider economies of the areas in which they are located. It can also mean involving local residents, where again the challenge is partly one of involving those most marginalised from existing decision-making processes. While involving established groups such as resident or tenant associations, amenity groups, business, commerce and trade alliances, voluntary sector bodies or trade unions is often a practicable short-term goal, it is not necessarily the case that people drawn from these groupings will be representative, especially if the objective of a local development strategy is to involve marginalised or excluded residents in a meaningful way.

Whether for businesses or residents, engaging the “hardest to reach” groups, as well as those displaying a readiness at the outset to become involved, can play a vital role in contributing to a local strategy’s effectiveness. And while governments may urge local agencies to involve an inclusive range of participants in the policy-making and delivery process, this is often difficult to reconcile with the parallel stress on performance management and the output-oriented mentality it inculcates amongst local actors.

In all these respects, a key issue for local development strategies is how to develop objectives that can help to build effective local capacity. This applies in particular to certain types of areas: for example, to rural areas, where the scattered nature of people and firms can constrain the extent to which (or the pace at which) capacity develops; or in marginalised urban areas, characterised by poorly developed social capital and a reluctance to get involved in decision-making processes linked to local economic development. In both instances, practitioners ought to look towards some of the best practice examples of efforts to build capacity and involve different stakeholder groups. In rural areas, for example, the European Union LEADER II and LEADER+ initiatives have actively encouraged community “animation” and capacity building (for example, through community-based local action groups established in Ireland’s development areas).

### ***Ensuring durability of outcome***

One of the problems that frequently arises from the absence of joined-up ownership and implementation of local development strategies is that any gains are more likely to be ephemeral than if a range of partners can show continued support over a long period. Locally based development strategies have often been viewed as fundamentally short term in nature. In part, this is a conscious and explicit approach, where limited-life intervention can be justified as a means of restoring market equilibrium or because they are experimental in nature. More commonly, however, it is the result of the

politically expedient nature of locally focused intervention – which provides a demonstrable illustration of political interest in resolving problems, often generating tangible, physical results.

Whatever the precise explanation, it is clear that too often long-term strategy is not given due priority in developing local development plans. The implication is that alertness to the timeframe around which local intervention is to occur must be an important priority for policy makers in devising objectives. To do so is difficult, however, in the context of pressure to demonstrate impact over the short term, not least to satisfy demands imposed by internal and external audits of performance and policy efficiency. This, in turn, reinforces the need for local development to be integrated with mainstream services, which tend typically to be viewed as permanent aspects of local governance – in contrast to the perception of local development initiatives as fleeting “stopgaps”. Changing such perceptions has therefore to be a key priority if objectives are to be defined satisfactorily and policy efficacy to be maximised. Prior assessment, as part of the evaluation process, clearly has to take account of the extent to which long-term involvement of partners, and a realism about the gestation time of the impacts of any strategy, are embedded in local development objectives.

### ***Identifying target groups and ensuring the distribution of benefit***

The question of “who benefits” from policy intervention has, of course, long preoccupied policy makers. In crude terms, local development strategies have, at various times, been viewed either as overly concerned with particular groups, whether businesses, sectoral client groups or geographically defined residents. This, in turn, has generated criticism of the mal-distribution of benefit arising from a local development strategy. Local policy makers ought at the outset to be clear about who are the intended beneficiaries of a policy, and to spell out in detail the mechanism for ensuring that impacts are distributed along the lines envisaged. Too often this has proved not to be the case: the archetypical instance is the property-led approach to local economic development, where state-led investment to improve malfunctioning local land and property markets is assumed to benefit not just land owners, developers and occupiers of sites and premises, but the wider array of residents in and around the intervention area, through the nebulous process of “trickle down”.

While such approaches are now widely discredited, they do provide a reminder of the need not only to identify the desired beneficiaries of intervention, but also the need for policy makers to develop the means by which local markets can be managed to ensure that the intended recipients benefit. This means reflecting on the ways in which objectives can relate in clear ways to particular target groups or areas. It also means thinking about

how best to tailor intervention so that impacts “stick” to the right area and group. For example, any locally based development strategy has to be conscious from the beginning that benefits within an intervention area could “leak” outwards to surrounding areas. Equally, there needs to be an awareness that benefit can be displaced from surrounding areas, in which case a zero-sum game results (even if there are distributional arguments in favour of shuffling development from one area to another). The issue here is that these problems can only be averted if policy makers are aware of them when formulating local strategies at the outset.

### ***Ensuring that monitoring and evaluation continuously inform the updating of objectives***

Identifying clear objectives with regard to monitoring and evaluation must also be a key priority for policy makers in any prior assessment or *ex ante* appraisal of potential objectives for a local development strategy. This means thinking not only about the basic requirements of funders and/or auditors of performance, but also about the ways in which monitoring and evaluation objectives can be used to contribute to the development and refinement of local development strategies. To do this, there is a need to avoid purely audit-influenced monitoring and evaluation arrangements which are seen as bureaucratic and burdensome by local policy actors, but rather those that have a demonstrably useful role in helping to promote “organisational learning” and the improvement of policy.

Governments are becoming more sensitised to these issues in developing guidelines for monitoring and evaluation. In the United Kingdom, revised guidance on the evaluation of regeneration programmes reflects a shift away from simply enumerating project outputs in relation to public money expended, and instead emphasises the importance of defining outcome-based measures of performance which relate directly to policy objectives (ODPM, 2003). The guidance cautions against over-reliance on readily quantifiable outcome measures. While “value-for-money” considerations continue to be important, these guidelines also recognise the need to relate monitoring and evaluation to the evolution of policy itself, encouraging formative approaches which can help to refine objectives during the course of a local development strategy.

## Defining Objectives – Summary of Do's and Don'ts

### Do's

- Consider which statistical indicators ought to be assembled as part of the appraisal process, and which benchmark areas should be selected to help in identifying local development strategy objectives.
- Consider the scale at which intervention should occur and ensure that objectives complement strategies directed towards different scales.
- Identify and include agents of change, building capacity for stakeholder involvement where it is lacking.
- Ensure that development strategy objectives are written with the long-term durability of outcomes in mind, and with the emphasis on a long-term perspective.
- Develop an understanding of the local economic and social context and its implications for the performance of the local economy.
- Identify the target groups to benefit from a local development strategy and ensure that objectives are constructed so that outcomes are distributed equitably.
- Develop at the outset clear objectives for future monitoring and evaluation of policy.

### Don'ts

- Don't assemble data at too aggregated a scale, limiting the degree to which it can be used flexibly. Assemble data only for a particular time period, preventing an appreciation of the trajectory of local economic performance over time.
- Don't ignore the relationship between the target area for a local development strategy, and the surrounding area – an appreciation of the effects of intervention of one upon the other is essential.
- Don't exclude particular stakeholder groups from the process of building a consensus about which objectives to pursue as part of a local development strategy.
- Don't focus purely on objectives which relate to short-term outcomes, but which ignore their longer term sustainability in the absence of continued intervention.
- Don't adopt a one-size-fits-all development strategy which ignores the specificities of the local area.
- Don't rely purely on market forces to distribute benefits, particularly to those groups most marginalised from local labour markets.
- Don't assume that monitoring and evaluation arrangements can be established after a development strategy has begun to be implemented. Monitoring and evaluation should not be viewed as burdensome, but should feed directly into the refinement of policy, as a development strategy evolves.

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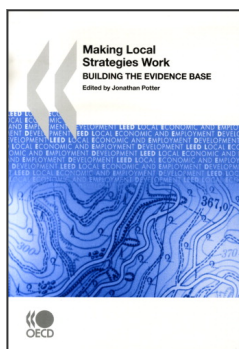
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