

The Local Benefit Analysis Toolbox – a strategic planning tool for local authorities

The REGINA project on Regional Innovation in the Nordic Arctic and Scotland focuses on sparsely populated remote regions with large-scale industries. REGINA has developed a framework for working with local smart specialisation strategies when a community is faced with major new developments or socioeconomic changes. A set of tools has been devised that can be used to better analyse and plan for such changes and developments. This fact sheet presents the Local Benefit Analysis Toolbox as a strategic planning tool for local authorities.

What is the Local Benefit Analysis Toolbox (LBAT)?

The LBAT offers a collection of tools that planners can apply in their local context to produce a location-based assessment of business development opportunities. In turn, this can be used to develop local policies and investments to maximise benefit from large-scale, resource-based industries through increased business activity and entrepreneurship.

The objective of the LBAT is to support the development of robust and comprehensive policies that allow local communities to prosper from their natural advantages.

What kind of tools does the LBAT include?

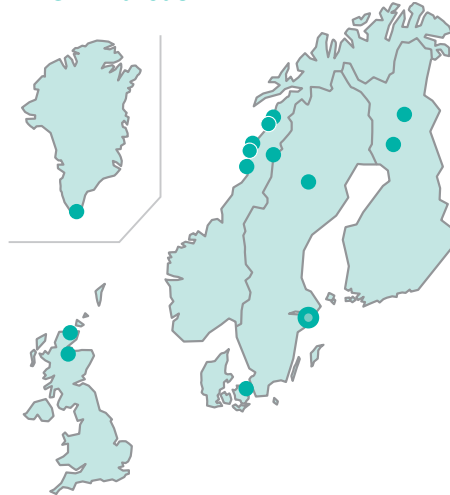
The LBAT includes nine tools and a four-step workflow. Planners choose different tools at each step, depending on their area's local character, context and needs. At the centre of the LBAT process is a comprehensive SWOT analysis, which is carried out along with local stakeholders.



Why use the LBAT rather than just conducting a SWOT analysis?

A useful SWOT analysis for strategic planning relies on robust organisation and comprehensive background knowledge. The LBAT is designed to carefully collect and analyse internal and external local factors before applying the SWOT procedure. In addition to providing a knowledge base, the guidelines shape the analysis so that it helps to generate appropriate policies for each local context.

REGINA areas



Lead Partner: Nordregio

Partners: Alstahaug Municipality, BioForsk, Brønnøy Municipality, Kommune Kujalleq, MidtSkandia Norway, MidtSkandia Sweden, Nordland Research Institute, North Highland College, Sodankylä Municipality, Storuman Municipality, University of Lapland

Associated Partners: Highland and Islands Enterprise, Nordlands Fylkekommune, Nordic Council of Ministers

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What results does the LBAT deliver?

Each tool in the LBAT can be used to generate a stand-alone report focused on specific issues related to maximising the local benefits of new industrial projects. These reports are useful ways of exploring different pathways that local authorities can use to increase local business. When the tools are combined in the four-step procedure, the LBAT creates Key Policy Outputs that are designed to support local policy-makers in creating new or revised business development strategies.

Overview of the LBAT

The LBAT follows a “stepping-stone” process in that there is a route from start to finish, but the user can select which stones, or tools, will be used in each of the four steps. Users can employ as many or as few tools as they require, depending on existing knowledge, but it is recommended that at least one tool is used in each of the four steps.

Please see [REGINA LBAT Guidelines for Implementation](#) for a full description of each tool: www.regina-project.eu.

1. Baseline Knowledge

The first step in the LBAT is to collect enough information to provide a knowledge base that allows for detailed analysis in later stages. Three tools can be used:

- ▶ Baseline Analysis Study
- ▶ Challenges and Opportunities through Stakeholder Workshops
- ▶ Questionnaire: Opportunities and Constraints for New Business

Highlight: The baseline analysis and stakeholder workshops reflect the first stages of the six-step Local Smart Specialisation Strategy and are evidence of the integral nature of the LBAT for the development of a local smart specialisation strategy.

2. Analytical Options

The results from the first step of the LBAT will provide the knowledge base for informed decision-making. There will be issues related to business and entrepreneurship, however, which will need to be explored or clarified to provide a clearer understanding before users carry on

with the SWOT analysis. Three tools have been created for users to analyse local enterprise:

- ▶ Qualitative research to explore Key Labour Market Issues
- ▶ Local Industrial Footprints Survey
- ▶ Business Survey

Highlight: The labour market research shows the cross-over between the social and business aspects of the project and how integral a role business plays in the local labour market.

3. SWOT Analysis

The SWOT analysis utilises the knowledge and qualitative results from the previous LBAT steps and tools. It encourages involving stakeholders and hosting workshops and follows a conventional procedure. Its comprehensiveness is based on the fact that the analysis builds on results from the previous steps and offers an output that can be directly used in the development of policy recommendations.

Highlight: The LBAT guidelines document gives full instructions for conducting the SWOT analysis as well as support for all of the other tools.

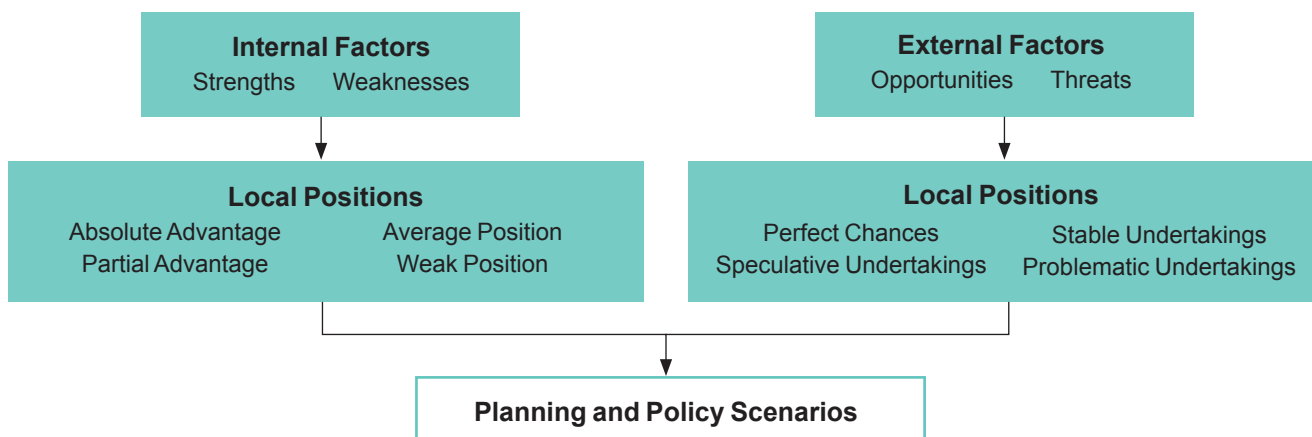
4. Policy Implications

The final step in the LBAT is used to interpret and disseminate the results of the SWOT analysis. It consists of:

- ▶ Key Policy Outputs – Guidelines
- ▶ Business Breakfast

Highlight: The Business Breakfast has been highlighted by partners as the most useful tool for disseminating information to members of the business community, as they are often too busy to meet during the day.

Upon completion of the SWOT analysis, further interpretation is needed to draw up policy positions. There is an interim step in the LBAT involving the local authorities deciding on policy positions, on the basis of internal and external factors. These positions are plotted in the matrix below, which then delivers planning and policy scenarios that support the development of local policy.





Nortopian Example

A local authority discovers large rare earth metal deposits while global markets are paying a high price for the commodity, a trend that looks set to continue. The local authority finds that the deposits are easy to extract and there are a limited number of other major producers of the same kind of metals.

After inputting the findings into the SWOT analysis, the results show an Absolute Advantage of large mineral deposits (big strength) with easy extraction (low weakness) paired with a Perfect Chance of high commodity prices (big opportunity) with little competition (low threat), all of which suggests that investment should be made in the mine.

Case studies

The REGINA project has been developed in collaboration with a number of local authorities in the Arctic and Nordic Regions, and the northern Highlands and Islands of Scotland.

Two councils in particular have been involved in working with the LBAT, Storuman in Sweden and Sodankylä in Finland. Below you will find some of the key findings from their work.

Other case studies are available at www.regina-project.eu.

► Key Policy Outputs from Storuman

The LBAT has been a success for Storuman, where investment scenarios have been used for planning purposes. The local council used a number of tools to maximum benefit. The process identified difficulties in accessing accurate statistical accounts of Swedish enterprise, and the solutions that were developed can now be used by other Swedish local authorities.

The LBAT has allowed Storuman to consult residents, including Sámi representatives and businesses, about the future industrial strategy for the area. For an area that is rich in natural resources, a cohesive and inclusive policy approach is vital for a sustainable future.

The local smart specialisation aspect of the LBAT has seen local planning authorities recognise strengths in the area and seek to replicate successful strategies across different sectors. The LBAT has enabled Storuman to recognise that:

- the local authority needs to push for investment to maximise benefits from its raw materials; however, measures will need to be put in place to process and add value to raw materials locally
- the preparedness and political decisiveness of the local council has been a benefit in the past and will be in future projects as well
- industries such as tourism, hydropower and innovation in rural medicine provide a proven strategy for sustainable development. However, development of natural resources must take place within the context of preserving opportunities for other livelihoods.



► Key Policy Outputs from Sodankylä

Sodankylä Council used the LBAT to allow the business community in the area to examine the best approach to meet the needs of the mining industry and maximise the benefit to local people. One tool that stood out in importance for the local authority, as well as offering a glimpse

of the flexibility of the toolbox, was the business breakfast, which was arranged before the SWOT analysis.

The planners in Sodankylä utilised the LBAT's inclusive nature to bring a community-led foresight approach to planning for a new Arctic industry. The advantages of using the LBAT over a conventional SWOT analysis were highlighted during the workshop stage, when the tools were identified as a useful approach and it was recommended that they be used again in the future.

The Sodankylä Municipal Council has drawn up a number of key policy recommendations for future planning based on the LBAT:

- The business development unit should be used as a facilitator to organise regular meetings between industry and local representatives.
- A platform should be created by the local authority to identify synergies for the groups involved.
- The private sector and the local authority need to work together to find accommodation and housing solutions, as well as marketing the local area in general.
- Industry needs to support educational services and vocational training for young people. This in turn will benefit the industry as it will guarantee a trained workforce in the local area.

For further information, please go to: www.reginaproject.eu

