



CEDOS

CHIEF ECONOMIC DEVELOPMENT OFFICERS' SOCIETY

ADEPT

ASSOCIATION OF DIRECTORS OF ENVIRONMENT, ECONOMY, PLANNING
AND TRANSPORT



Recession Report

3

February 2010



The Chief Economic Development Officers Society (CEDOS) provides a forum for Heads of Economic Development in upper tier local authorities throughout England. Membership includes county, city and unitary councils in non-metropolitan areas. The Society carries out research, develops and disseminates best practice, and publishes reports on key issues for economic development policy and practice. Through its collective expertise, it seeks to play its full part in helping to inform and shape national and regional policies and initiatives.



The Association of Directors of Environment, Economy, Planning & Transport (ADEPT) represents local authority Strategic Directors who manage some of the most pressing issues facing the UK today. The expertise of ADEPT members and their vision is fundamental in the handling of issues that affect all our lives. Operating at the strategic tier of local government they are responsible for crucial transport, waste management, environment, planning, energy and economic development issues. ADEPT membership is drawn from all four corners of the United Kingdom.

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1. Introduction

- 1.1 The ADEPT Planning & Regeneration Committee (PARC) and the Chief Economic Development Officers Society (CEDOS) are undertaking a joint research project *“Taking forward economic regeneration & place shaping in times of recession”*. Monitoring the impact of the recession and in particular, action being taken by our member authorities to facilitate the exchange of information and ideas and identify best practice, is a key part of our joint work.
- 1.2 This report is the third of a series aimed at keeping members informed on developments and to demonstrate to national and regional decision-makers the pivotal role of local authorities in taking action to counter the impact of the recession and position local and sub-regional economies to take advantage of recovery from recession when it comes. This report is even more comprehensive, with input from an increased number of members.
- 1.3 Despite the impact of the recession on local authority finances, ADEPT/CEDOS member authorities have devoted substantial resources to tackling the recession through their economic development and regeneration activities. With their first-hand understanding of local economic circumstances and working alongside their local business community and other organisations, they have put in place and implemented substantial programmes of action to counter the effects of the recession in their areas.
- 1.4 With case studies and examples from across the country, the report highlights the wide range of actions taken, including:
- convening summits of businesses and key stakeholders, setting up and leading task forces and putting in place recession action plans and programmes;
 - business support through advice and information, actions to ease small business cash flow problems, local buying initiatives and sourcing from local businesses, providing business finance;
 - employment initiatives including redundancy support, re-training programmes and apprenticeship schemes and being in the forefront of developing initiatives to tackle the growing problem of unemployed young people, including leading bids to take up the opportunities offered by the Government’s Future Jobs Fund;
 - bringing forward infrastructure and related schemes, unblocking stalled schemes and using capital programmes to invest in new infrastructure to assist in immediate local economic difficulties and to help local economies emerge from the recession.

- 1.5 Our member authorities are planning ahead to position their areas to take advantage of the economic recovery when it comes by carrying out research, developing action plans and launching new strategies, and planning and implementing pro-active initiatives and projects. There is no doubt that this will be an uphill task. Already, the recession has had a significant adverse impact on local authority finances. The looming public expenditure cuts to help deal with the record level of Government borrowing coupled with the announced intention to protect health, education and police spending, means local authorities are having to plan for cuts of 20%, 30% and more over the next 3 years and beyond.
- 1.6 This, together with reductions and refocusing of Regional Development Agency (RDA) funding, proposed cuts in growth point funding and the dramatic reduction in Local Authority Business Growth Incentives (LABGI) funding, which many local authorities have used to finance their economic development activities, could jeopardise the ability of local authorities to take a lead role in ensuring the recovery of their areas from the recession. Examples in this report from different areas of the country emphasise the risk.
- 1.7 The Pre-Budget Report underlined local government's vital role in driving economic outcomes. The Government's recently issued national framework for regional and local economic development *Partnerships for Growth* emphasised the key role of elected local authorities in achieving economic growth. It makes it clear that action on economic development is an important part of local authorities' place-shaping role and that local authorities along with the RDAs will lead implementation on the ground. ADEPT/CEDOS member authorities intend to take a key role in achieving economic recovery and sustainable growth through their economic development and regeneration leadership and action but there is real concern that their ability to do so could be seriously compromised unless action is taken to address the crucial issue of resources.

2. The recession and its impact

Credit crunch & recession

- 2.1 In January 2009, in the wake of the banking crisis and the credit crunch, Britain officially went into recession for the first time since 1991. In the final quarter of 2008, the economy shrank at the fastest pace for nearly 30 years following a 0.6% decline in the third quarter. The fall in Gross Domestic Product (GDP) was the biggest since the second quarter of 1980. The sharp decline continued in the first quarter of 2009 when the economy contracted by a further 1.5%.
- 2.2 By this time, the impact of the recession had spread across economic sectors. Manufacturing had been hard hit with production falling by a seasonally adjusted 6.5% in the 3 months to the end of February 2009 compared to the previous 3 months – the most rapid decline in the sector since records began in 1968, including during the last 2 recessions. The fall in manufacturing output helped to drag down overall industrial production by 5.8% in the three months to the end of February 2009 – the sharpest rate of decline since 1974.
- 2.3 By March 2009, it had become clear that the world economic recession was the deepest since at least the 2nd World War, initiated by the global financial crisis and accentuated by a dramatic contraction in international trade. In the UK, the Treasury predicted in April's budget that the economy would contract by 3.5% in 2009 – the biggest annual decline since 1945. Others took a more pessimistic view with several leading institutions predicting a decline of more than 4%. The International Monetary Fund, predicted a 4.1% decline and a further 0.4% contraction in 2010.
- 2.4 By mid year, at the time of the 2nd ADEPT/CEDOS Recession Report, there had been some encouraging signs, although both the Bank of England and the OECD counselled caution. OECD said *"the recovery is likely to be weak and the economic and social damage long lasting"*. In the second quarter of the year, ONS adjusted data showed that the UK economy declined by a further 0.6%.
- 2.5 Subsequently, there were some more positive, albeit sometimes fluctuating indicators, for example in relation to manufacturing output. Some analysts were forecasting the end of the recession and, in the case of one well known national institute, that it had already ended. In fact, ONS adjusted figures for the 3 months to September, indicated that the economy continued to shrink for the 6th consecutive quarter, with GDP falling by a further 0.2%. Compared with the same period a year previously, the economy contracted by 5.2%, with output in the UK 6% lower than it was at the peak in the first quarter of 2008.
- 2.6 By the time of December's Pre-Budget Report, it was clear that decline in UK GDP was significantly worse than had been forecast in the March Budget, with an expected decline for 2009 of -4.75%, the biggest fall since the 1920's. However, the Chancellor forecast that GDP growth would return by the end of the year, picking up to 1.25% in 2010, although others were more pessimistic – the IMF in its half-yearly World Economic Outlook had forecast UK growth in 2010 at 0.9%.
- 2.7 In the event, the ONS provisional data for the final quarter of 2009 published in late January 2010, showed the UK achieving some economic growth after 6 consecutive quarters of decline, which have seen the economy shrink by around 6%. However, the GDP growth of 0.1% was below what many had been forecasting, with both the service and industrial sectors growing by only 0.1%. Whilst the figures may be revised upwards in due course, equally the car

scrappage scheme and the end of year return to VAT at 17.5% may have had the effect of bringing forward spending from early 2010 into late 2009, without which a 7th quarter of decline could have been possible. Just as 2 consecutive quarters of contraction are required before a recession is officially announced, it may be wise to wait for a further quarter's figures before it is declared over.

- 2.8 Clearly, the outlook and the sustainability of the recovery remain uncertain, not least as a result of the impact of the budget deficit and attempts to control it. Moreover, the World Economic Forum has highlighted the global risks ahead¹ and as the Bank of England Monetary Committee has pointed out, the UK economy continues to remain vulnerable to outside shocks.

Unemployment and worklessness

- 2.9 The consequences of recession on employment were seen throughout 2009. Unemployment had risen continuously with ONS data showing the broad International Labour Organisation measure had reached 2.49 million in October, the highest level since early 1995. However, the increase during the previous quarter was the smallest for 18 months and in late January 2010, ONS figures revealed that during the 3 months to November 2009, the number of unemployed fell by 7,000 to 2,458 million, the first quarterly fall since the period from March to May 2008, although the unemployment rate was unchanged at 7.8%.
- 2.10 At the same time, the number of employed people fell by 14,000 to 28.92 million. Full-time employment fell by 113,000, exceeding the growth in part-time employment of 99,000. Men in full-time jobs continue to be particularly adversely affected. The number of men employed fell by 55,000 compared to a 41,000 rise for women. There continues to be a pattern of the figures being driven by women finding part-time jobs with men, predominantly, losing full-time ones. A number of economists have forecast that there could still be further rises in unemployment to come and Yvette Cooper, the Work and Pensions Secretary has warned that unemployment could resume its upward path in the next few months.
- 2.11 Youth unemployment continues to be a particular problem. In October 2009, 952,000 16-24 year-olds were out of work, a quarterly rise of 6,000 and the highest figure since records began in 1992. Subsequently, ONS reported that the total fell to 927,000 in the three months to November 2009, although the unemployment rate for the age group remained unchanged at 19.7%. In June 2009, Department for Children, Schools and Families figures showed that 835,000 young people in England aged 18 to 24 were classified as NEETs (Not in Education, Employment or Training), 100,000 more than 12 months previously. A report published by the OECD in September stated that the UK had one of the highest proportions of NEETs of any developed country.
- 2.12 In August 2009, the ONS reported that the number of workless households had reached 3.3 million, an increase of 240,000 households from 2008, the largest year-on-year increase since 1997.

Impact on local authorities

- 2.13 Local authorities are having to manage serious pressures on their budgets with rapidly increasing demand for council services resulting from the recession coinciding with reduced income from parking and planning charges, lower returns from investments and as a result of falling property values. A survey by the Local Government Association (LGA) in December 2008 showed that three in four councils had had to revise their budgets as a consequence of the downturn. Research published by the LGA in May 2009 revealed that an estimated 6,700 council jobs had been lost in England over the previous six months, with the rate of job losses expected to continue at the same pace over the course of the next year.

¹ Global Risks 2010
World Economic Forum
January 2010

- 2.14 There is no doubt that local authorities are facing extremely challenging times both in the short-term and in the future, with the next spending round certain to be much tougher than CSR07. In May 2009, the Local Government Minister John Healey called on councils to lead their communities through the downturn and local authorities are doing just that. They are at the centre of helping people, businesses and other groups through the tough economic times. As this paper shows, CEDOS/ADEPT member authorities are in the forefront of taking action to tackle, not only the immediate effects of the recession on their local and sub-regional economies but also in planning ahead to position their areas to take advantage of the emergence from recession when it comes.
- 2.15 With the effects of the recession likely to continue for a considerable time, the ability of local authorities to continue their lead role in economic place shaping will require the issue of resources for local authority economic development activity to be re-addressed by Government. The original report of the review of sub national economic development and regeneration (SNR) made it clear that local authorities need better incentives to deliver economic development. The reality is that the drastic reduction in LABGI funding along with the increasingly tight funding for local government expected in the next Comprehensive Spending Review, is likely to severely compromise the ability of local authorities to lead the economic recovery of their areas.
- 2.16 Since our last report, the severity of the financial challenge facing local government has been put into even sharper perspective. December's Pre Budget Report (PBR) forecast net Government borrowing in 2009/10 to be £178 billion – equivalent to 12.6% of GDP – and £176 billion next year. Reducing the deficit will be the major issue for the next Government, whatever the outcome of the General Election, which must be held no later than 3 June 2010. As far as the present Government is concerned, the Chancellor announced in the PBR that spending growth will reduce after 2011/12 to help halve the deficit over the next four years, with public sector current expenditure to grow by an average of 0.8% a year in real terms from 2011/12 until 2014/15.
- 2.17 However, as the LGA has pointed out, the PBR commitments to protect funding for education, police and health, will increase the likely reductions in funding in other areas of public sector spending. In December a joint SOLACE/CIPFA paper² looked at 'headline' cuts scenarios including 15% cuts in current public spending over the next 3-year spending round 2011-14, with the possibility of further cuts in the subsequent 2014-2017 spending round. Moreover, it made the point that *"the price of protecting major budgets such as the NHS or schools will be a need to deliver deeper cuts in 'unprotected services'. For some services this may mean cuts of 20% or more in the period 2011-14"*.
- 2.18 Local authority-led economic development and regeneration is also being affected by cuts in and re-focusing of RDA budgets and the Government proposal to cut £128 million off the £295 million it had originally allocated to the 75 growth partnerships.
- 2.19 Information provided by ADEPT/CEDOS members underlines the severity of the situation, for example:
- **Gloucestershire:** the County Council has current plans for 500 job cuts and is looking at spending plans options over the next 5 years, with cuts of 10%, 20%, 30%, etc;
 - **Norfolk:** the County Council is reviewing structures and management posts as part of the need to save £140 million to meet the expected cut in Government funding in the next three years;

² After the Downturn
CIPFA/SOLACE
December 2009

- **Nottinghamshire:** the County Council has a set budget of £480 million for 2010/11, with savings of around £33 million to be made, and a re-allocation to meet the increasing demand for services, especially in adult social care and children's safeguarding. The Council predicts that revenue grant will reduce from 2011/12 onwards and as a result it anticipates having to save a further £32 million in 2011/12 and a further £20 million in 2012/13. The Economic Regeneration Service is expected to make a 10% cut (around £200,000) in 2010/11 affecting both the staff and development budgets;
- **Slough:** Future planning for economic development and regeneration spending is taking into consideration different scenarios including large budget cuts;
- **Cambridgeshire:** Cash funding for the County Council from all revenue sources is likely to remain constant over a 5-year horizon. Taking inflation and demand pressures into account, this equates to a 35% reduction in revenue spending with a similar pattern for capital spend;
- **Shropshire:** The Council has had to propose a £7 million reduction in the budget for 2010/11. The Economic Development Service has had to reduce its staffing levels and notify a number of external organisations that it has supported through Service Level Agreements that their 2010/2011 funding will either be reduced or cease altogether. This is part of a wider, cross-council exercise to transform services to be more efficient and less costly. The team, however, continues to be successful in securing EU and RDA funding to support initiatives. Additional funding has been allocated through the Local Area Agreement (LAA) and LABGI for 2 years. This enables the roll out of the new Shropshire Business Enterprise Fund to mitigate the impact of the recession on the county's businesses and to support those wishing to start up in business;
- **Hampshire:** Future budget prospects for economic development are uncertain and are dependent on continued LABGI funding. RDA cuts may be more significant than Council's;
- **Essex:** A particular source of concern is that cuts to the national Learning and Skills Council (LSC) capital projects programme mean there will be no significant further education capital investment in Essex for the foreseeable future. Homes and Communities (HCA) Growth Fund reductions will result in a loss of over £6 million in 2010/11. This does not include the Thames Gateway over-programming and cuts that have seen tens of millions lost from Thames Gateway South Essex;
- **Suffolk:** The County Council is under serious pressure to contain its budget. In capital terms, it will be difficult for the Council to enter into any new major regeneration projects as a partner. This will restrict the capacity to stimulate the local development market and innovate in the provision of business support. In revenue terms, the County Council's economic development function is having to plan for a zero increase, which could amount to a reduction in real terms. The availability of LABGI in recent years has proved helpful in providing a budget to fund local economic development interventions but the expected squeeze on public sector budgets will create pressures for these funds to be used elsewhere in the authority;
- **West Sussex:** The increasing financial pressures from loss of income and increased demand on services is affecting both tiers of local government in West Sussex. Each authority is reviewing its spending and priorities for 2010/11. The County Council has to find efficiencies in the order of £58 million.

3. Actions to counter the recession

3.1 CEDOS/ADEPT member authorities are taking a pro-active approach to tackling the problems of the recession by putting in place comprehensive packages of initiatives. They are devoting substantial resources to meet the needs of the severe economic downturn, for example:

- **East Sussex County Council** has set up a £1 million Recession Fund.
- **West Sussex County Council** has provided an additional £531,000 to augment delivery of the *Keep West Sussex Working* action plan plus an additional £360,000 to support coastal regeneration and skills development initiatives.
- **Kent County Council** has established a £2 million fund for economic regeneration including LABGI, plus £120,000 specifically to support the *Backing Kent Business* campaign.

Gloucestershire County Council commits over £500,000 LABGI resources

CASE STUDY Gloucestershire

The County Council is planning to use the £538,000 it received from the Local Authority Business Growth Incentive (LABGI) to add to the funding it has already set aside to counter the impact of the recession in Gloucestershire over the next two years.

The additional resources are being used on a number of new initiatives including:

- developing a detailed programme to promote local goods, services, businesses and tourism;
- working closely with the Federation of Small Businesses to promote a 'keep trade local' campaign;
- additional investment in skills development & training;
- continuing the *Parklife* project to link together companies in the same geographical area, on business parks or in the same vicinity to take advantage of networking, skills development, staff recruitment & business advice;
- employing a recession support coordinator to coordinate activities of partner organisations that offer help & advice to ensure they meet the needs of local communities, including additional support to the voluntary & community sector and establishing a freephone service.

3.2 Looking in more detail at actions being pursued, they can be grouped under a number of broad headings:

- Summits, task forces & action plans
- Business advice & support
- Boosting business income & cutting costs
- Business finance
- Employment initiatives
- Unemployed young people
- Infrastructure
- Lobbying

Summits, task forces & action plans

- 3.3 Many authorities have convened recession summits bringing together representatives of key organisations (e.g. Buckinghamshire, Cambridgeshire, Devon, Nottinghamshire, Suffolk), set up task forces and are implementing action plans designed to counter the local impact of the recession (e.g. Cheshire East, Cheshire West and Chester, Cornwall, Cumbria, Derby, Derbyshire, Durham, Gloucestershire, East Sussex, Hertfordshire, Lancashire, Luton, Shropshire, Slough, Somerset, Tees Valley, Warwickshire, West Sussex and Worcestershire).
- 3.4 Action plans have to be founded on a detailed understanding of the impact of the recession on local areas and ADEPT/CEDOS members are at the forefront of continually gathering, analysing and sharing information on their local areas. Member councils have carried out surveys of local businesses, commissioned studies on the local impact of the recession and developed on-line recession tracking services. They provide regular updates and briefings and disseminate information to raise the profile of the impact of the recession on their areas.
- 3.5 Examples of summits, task forces and action plans are:
- **Worcestershire County Council** convened an open meeting in late 2008 to identify actions needed to address recession issues and in December 2009 held a follow up on the theme of *you said – we did*.

Nottinghamshire – Economic Prosperity Summit and follow-up

The County Council jointly hosted, with the City Council and Nottingham Development Enterprise, the *Our Future Prosperity* summit in January 2009 to share with 120+ business leaders and 30+ stakeholder organisations an understanding of the impact of the recession on the local economy and to consider additional support and developments for businesses and the local economy. It jointly hosted a series of follow-up breakfast events in June and July covering the key themes identified at the summit of: science and innovation, enterprise and skills, reputation and aspiration, transport and infrastructure. A second summit is planned for early 2010.

The Council has established a 'virtual' cross-departmental Economic Development and Regeneration Board and has developed its corporate economic resilience thinking to maximise the economic outcomes of all that it does as a major employer, provider of services, procurer and holder of assets.

CASE STUDY Nottinghamshire

- **Gloucestershire County Council** and the county's economic partnership, *Gloucestershire First*, set up an economic task force, to help local businesses in the recession, and plan for the economic recovery.
- **Derby City Council:** Building on action already taken, a high-level action plan has been produced feeding into the overall plan being developed by Derby City Partnership.
- **Devon County Council's** *Weathering the Storm* conference bringing together public, private and voluntary sectors across the county in February 2009 was followed up in December with a *Catching the Tide* event focusing in particular on the opportunities and challenges of emergence from recession.

East Sussex County Council – Recession Policy, Task Force & Action Plan

CASE STUDY
East Sussex

The County Council:

- agreed a policy to “take account of the effect of the economic downturn on residents, businesses and services in the County Council’s business and financial plans to ensure that the effects for local people are minimised as far as possible in the short term and that, in the longer term, the area is well placed to emerge in a strengthened position at the end of the current period of economic uncertainty”;
- set up a task force of partners including Boroughs and Districts, Jobcentre Plus, major employers and voluntary and community sector representatives to pull together local intelligence on the impact of the economic situation in each part of the county;
- put in place a recession action plan backed by a one-off £1 million recession fund. The plan is built on a strong local evidence base so that actions are targeted against priorities and their success can be properly measured. It has three areas of focus: a) businesses b) residents and c) the voluntary & community sector and communities.

- **Lancashire County Council** has set up 2 inter-related corporate task forces: a cross-directorate Recession Response Co-ordinating Group to monitor the impact of the recession and agree actions and a Business Support Task Force, which is working with partners to introduce initiatives to help businesses, save jobs and support people back into work and ensure that Lancashire is ready to take advantage of opportunities arising from economic recovery.

West Sussex – Joint Local Authority Action Plan

CASE STUDY
West Sussex

A County Upturn Action Plan is being developed to support people, businesses and communities through the economic downturn – and beyond.

West Sussex County Council and its partners – particularly the Districts and Boroughs – are taking the lead in developing a co-ordinated approach to mitigating the impact of the recession on residents and the business community. The joint local authority action plan *Keep West Sussex Working* demonstrates the intent of all the West Sussex local authorities to work together not only to deal with the short-term issues but also to build the foundations for continued action in the longer term. The plan sets out proposals and is work in progress. Information and data is shared across all councils to ensure scarce resources are targeted towards those areas, people and businesses in greatest need. A lead officer has been determined for each strand of the plan and they work through existing networks of subject specialists across the councils. Progress is reported to the County Joint Leaders’ Group. The Public Service Board has an allocation of £1 million towards a range of economic development projects to be delivered through the local sub-regional partnerships. This is now being spent on capital and revenue projects to improve business parks, support skills development and act as a catalyst for bringing forward stalled private sector developments. Overall the County Council has approved nearly £900,000 to augment delivery of the initial *Keep West Sussex Working* action plan proposals.

- **Luton Borough Council** set up a high level Recession Task Force bringing together key service areas with agencies such as Jobcentre Plus and community and voluntary sector support agencies. This identified a need for additional capacity within organisations providing debt advice. An additional £100,000 to support the development of debt advice was allocated from the Council's recession fund.
- **Somerset County Council** is leading the Somerset Economic Recovery Plan, working with partners across the county.
- **Hull City Council** has led development of an Earnings Plan for the city, which was agreed by the Local Strategic Partnership *OneHull* in May. The plan focuses both on promoting and supporting enterprise to help the city recover from the recession and on building longer-term economic growth.
- **Wiltshire Council** is taking an area action force approach with key partners South West RDA, Jobcentre Plus, Business Link and local economic partnerships working to share local intelligence and coordinate a response to the economic downturn, for example when businesses are proposing redundancies.

Slough Borough Council – Council Task Force Proactive Response

CASE STUDY Slough

The Council launched a task force to support local residents and businesses through the credit crunch and economic uncertainty. The Slough Economic Taskforce brings together the Council's senior management team and specialist officers to ensure that the Council is providing the right advice, resources and support to local people. Initiatives put in place include:

- advice and information on the Borough Council website – advice for businesses includes billing collections & debt recovery, business grants, European funding, credit crunch help, advice and information;
- credit crunch leaflet for residents, providing information on where to go for help & advice on housing, benefits, employment, training and debt;
- annual Job Fair – workshops held for the first time in January 2009 on support available to people who are unemployed or facing redundancy;
- steps 2 employment workshops and job clubs, CV writing support, application form filling and interview techniques;
- ongoing programme of SME seminars/workshops;
- SME's invoices paid within 10 days;
- exploring any options on business rates;
- increased support for volunteering options;
- New Entrepreneurs Network;
- additional money secured for targeted employment support project for 16-25 year olds & BME males, tracking NEET figures, looking at opportunities available & bringing together partners to take action on rising 16-25 year old unemployment;
- working through children's centres to track rising unemployment amongst parents & add to available services.

Business advice & support

3.6 Helping businesses survive the recession has been a key area of local authority action. Joining with partner organisations, councils have invested resources and taken prompt action to ensure local businesses have been able to access the necessary advice and support. Actions taken include:

- **Slough, Essex, Nottinghamshire, Derbyshire, Suffolk, Cumbria, Lancashire and Luton** are examples of member authorities that have organised business advice workshops, seminars and networking events, provided web site advice and produced and distributed advice and information guides to businesses. As an example, Essex County Council has held networking events for over 1,000 local businesses, enabling them to grow their contacts, meet new suppliers and talk to business support agencies to understand what help is available. It has mapped what is available in a free pamphlet *Where can I go for help with my business?* Some 10,000 businesses have already received a copy, which is also accessible on the council's website.

East Sussex County Council – Business Support

East Sussex County Council has teamed up with Business Link Sussex to develop an intensive programme aimed at supporting up to 300 local businesses. Support will be free for businesses based in the county that have up to 250 employees.

The council has allocated £100,000 to the project. The programme consists of three elements: a face-to-face review of the business and an action plan based on its specific needs; ongoing telephone support; and assistance in finding any further specialist help needed.

Business Link Sussex aims to ensure that businesses are healthy and have the best possible chance of surviving recession. Its business advisers have a specialist understanding of all areas of running a small firm and offer practical advice as well as personal support.

CASE STUDY
East Sussex

- **Worcestershire:** Support for business start-ups, which are seen as an option by people made redundant; and provision of an extra £59,000 funding p.a. for 2 years to *Destination Worcestershire* to promote tourism in the county and increase visitor spend and numbers.

Dorset – Extra funding for Business Mentoring Scheme

Dormen – the Dorset Business Mentoring Programme – provides one-to-one mentoring support for businesses throughout the county. During its first three years of operation, the programme has supported over 300 businesses ranging from sole traders to medium sized companies.

The programme has been developed through a partnership of local authorities, public and private sector agencies, private sector institutions and higher/further education establishments.

The *Dormen* team is currently in the process of working with 139 businesses and to meet the extra demand resulting from the recession, Dorset has been successful in obtaining £40,000 of additional funding from the South West Councils Economic Challenge Fund to increase the capacity and specialist skills offered through the countywide mentoring scheme.

CASE STUDY
Dorset

- **Hampshire:** The County Council has put in place a package of support for the retail industry covering both businesses and employees made redundant. 59 people have so far participated in training programmes for redundant shop workers. A dedicated website has been launched to promote independent shops, with 8000 shops listed. 154 retailers have attended IT training. Town centre events have been held, with more planned.
- **West Sussex:** Invested £80,000 in Business Link to provide additional support to businesses and individuals who are seeking to start up and investing more resources for business information in libraries. Additional support has been provided to help budding women entrepreneurs. A sustainable business network was launched in November to help businesses become more resource efficient and reduce costs.

Kent County Council – Backing Kent Business Campaign

Kent County Council's *Backing Kent Business Campaign* has 2 key components:

- 10 commitments to Kent business – setting out how the County Council, as a large player in the Kent economy can support businesses effectively;
- Developing a *new relationship business community* – the Council has joined with key business representative organisations to develop a shared agenda in responding to the recession.

The commitments to business are:

1. Speed up the payment of invoices from 30 days to 20 – in some cases this is now down to 7 days;
2. deliver the County Council's capital programme of £850 million over the next two years to provide more employment opportunities for Kent firms;
3. Establish Kent property enterprise fund and work up the County Council's vacant unsold property assets into joint venture developments with the private sector;
4. Expand the County Council's approved list of contractors – Over 600 have been approved to go onto the select list of contractors since the launch of the campaign;
5. Streamline council contracts to make it easier for small and medium sized firms to apply and open up and raise awareness of tendering opportunities in and outside Kent;
6. Provide a 'Kent business support centre' on the council's website and through a team of advisers, improve access to council procurement and support;
7. Support and signpost businesses to regional, national and European grants;
8. Lobby government for a reduction and removal of unnecessary regulation and bureaucracy;
9. Encourage and facilitate consortia of Kent businesses to compete for larger public sector contracts outside the county;
10. Review Kent's marketing and promote the county's unique selling points.

CASE STUDY Kent

- **Cheshire East:** Additional advice targeted towards vulnerable client groups, new and high-risk businesses; survival guide to the recession; use of web portals and local information centres to provide signposting advice to businesses and vulnerable groups as a one stop shop linked to the main Cheshire East website.
- **Dorset:** Working with Business Link to enhance the business support offer across the county, utilising new locations and technology to reach micro businesses. Additional funding achieved for the Dorset mentoring scheme. In October 2009, the Dorset Economic Partnership & Business Link co-hosted a 2nd Dorset business conference attended by over 80 businesses, with very positive feedback from delegates.

Hull City Council – The Hull Deal

Working with partners across the city, the City Council has brought together information on a comprehensive package of support for local businesses. The *Deal*, which became operational in April offers:

- *Free impartial business advice* – from Business Link;
- *Premises* – Council operated managed workspace centres throughout the city with *easy in – easy out*, monthly license agreement terms;
- *Grants and loans* – through the Hull Acorn Fund plus support to access other funding;
- *Local Work Guarantee Scheme* – direct access to support for the recruitment and training of new staff including wage subsidies and training grants;
- *Training* – access to training, higher skills opportunities and learning progression through the University, Hull College and other training providers;
- *University of Hull* – range of business services including enterprise centre, logistics institute, research facilities, knowledge transfer partnership, product development and consultancy;
- *World Trade and Export* – links to support from the Hull & Humber World Trade Centre, with expert advice and practical support on exploiting overseas market opportunities;
- *Employment Searches* – links to employment and job search initiatives in Hull;
- *Job Matching* – provided through partners *City Works*.

CASE STUDY Hull

- **Tees Valley:** The local authorities are providing a range of business support initiatives in their respective areas to combat the recession including workshops, buy local campaigns, business networking, enhanced business grant and enterprise funds and employment area improvement.
- **Hull:** The City Council signed the *Regional Pledge* in early 2009, which commits local authorities to a number of actions, which will support business. The Council has also signed-up to the *Small Business Engagement Accord* (Federation of Small Businesses). In April, the *Hull Deal* – a comprehensive business support package became operational.

- **Wiltshire:** *Business In Crisis* helpline delivered in partnership with Business Link offering free specialist professional advice to small businesses in need of immediate support; *Adapt to Survive* innovation programme – the Council has secured funding from the Regional Improvement & Efficiency Partnership to support businesses affected by the recession by providing active learning and the opportunity to apply for a voucher for £250 towards specialist advice to create a plan of innovative actions to improve performance and prepare for future economic recovery.
- **Central Bedfordshire:** The Council is working with Business Link to develop a free training and development support package for retail businesses in Dunstable, where 20% of retail units are currently empty.

Shropshire Council – Business Support Programme

Action by the Council includes:

- engaging with banks to explore their policies to support business with cash flow issues and inviting banking representative to join the Shropshire Business Board;
- bids submitted to grant schemes to secure external funding to support businesses including: Business Waste Recycling (BREW), RE:think Energy scheme (the Renewable Energy Capital Grants Scheme), Shropshire Sustainable Tourism Business Grant, Redundant Building Grants, Rural Enterprise Grants;
- promotion of business support opportunities through *Invest in Shropshire* website and promotion activity, including a quarterly Council Economic e-bulletin;
- identification and delivery of training to the unemployed, employees and businesses through the Council's learning, employment and training service;
- sector support, including the tourism industry, to mitigate the effects of the recession with extra marketing, networking and support from other agencies including a quality grant scheme.

CASE STUDY Shropshire

- **Devon:** The Devon *Business Angels* programme is a joint initiative between the County Council and the Devon & Cornwall Business Council to match investors to local businesses to encourage and facilitate growth, enterprise and diversification. 16 businesses have been supported to date with £1.4 million invested and a further potential £11 million to draw upon. The focus has been on the marine and renewable energy sectors.
- **Oxfordshire:** Working through the Oxfordshire Economic Partnership, the County Council has a lead role in a business support task group that brings together all the local authorities and business support organisations to coordinate support to businesses affected by recession.
- **Somerset:** The County Council has earmarked £100,000 to fund a *Business Boost* scheme that started in May 2009. Jointly delivered with Business Link, this provides enhanced support for businesses during the downturn, comprising assistance in developing individual business recovery plans and *Business Boost* vouchers that provide financial assistance for implementing the plans.

Boosting business income and cutting costs

- 3.7 To help tackle the extra pressures on businesses as a result of the recession, CEDOS/ADEPT member authorities have been at the forefront of taking action to boost local business income, reduce business costs and ease cash flow problems, particularly for small and medium sized businesses.

Local buying

- 3.8 An important area of action has been intensifying efforts to generate local business income by promoting local buying and reviewing procurement policies to facilitate more local sourcing. Examples are:

- **Local buying/sourcing campaigns** as in Cheshire East, Derbyshire, Devon, Gloucestershire, North Yorkshire, Shropshire, Staffordshire, Somerset and Telford & Wrekin;
- **Promoting local spend** as in Cheshire East through the instigation of a loyalty card and running of a coordinated events and festival programme to increase town centre footfall and widen the retail offer; and a programme to increase benefit take-up and maximise retention of business rate relief in order to generate and retain local spend capacity;
- **Meet the Buyer/local procurement events** as in Worcestershire, Dorset, Essex, Hull, West Sussex, Durham, Luton, Shropshire and Oxfordshire;
- **Reviewing and implementing changes in Council procurement policies and processes** to support local SMEs as in Cambridgeshire, Cumbria, Essex, Hull and Nottinghamshire. Developments include:
 - **Cumbria County Council** adopting a new sustainable procurement strategy and, with the Chamber of Commerce, launching an electronic trading platform;
 - **Nottinghamshire County Council**, who have put in place an LM3³ process to demonstrate the position and power of local sourcing and spend and to maximise opportunities through investment schemes still in the pipeline;
 - **Hull City Council** – as part of a procurement transformation process, the Council has agreed to incorporate social clauses in its contracts. Workshops and events are being held to raise awareness about the policy and the opportunities available;
- **Business training** – as in **Wiltshire and Oxfordshire**, where the Councils are developing new training around trading with the local authority through a consortia approach by SMEs.

³ Local Multiplier 3 [LM3] was developed by the New Economics Foundation as a tool to identify how organisations, including local authorities, can improve their local economic impact.

Business costs/cash flow

3.9 Another key area has been action to reduce business costs and ease cash flow problems. Initiatives include moves to pay local businesses more quickly, raising awareness of the small business rate relief scheme and freezing rents of business units. Examples are:

- **Derbyshire:** Waiving all rental increases in County Council business units in 2009/10, loaning out electricity consumption meters to small businesses to cut costs, campaigning to ensure all small businesses claim small business rate relief.
- **Buckinghamshire, Derbyshire, Cumbria, North Yorkshire, Nottinghamshire, Oxfordshire, Shropshire, Slough, Staffordshire and Essex** – are examples of CEDOS/ADEPT member authorities that are intending to reduce the time taken to pay invoices from small and medium sized businesses to 10 days. As an illustration of progress, in Staffordshire, where the County Council spends £360 million each year on purchasing goods and services, currently 88% of payments to their suppliers are achieved within 10 working days, helping the cash flow of 8,000 businesses per week.
- **Staffordshire:** Frozen rents on enterprise centres – rent charges on all of Staffordshire County Council's managed workspace accommodation have been fixed at current levels until April 2010, helping up to 400 businesses each month.

Derbyshire County Council – Comprehensive Buy/Source Local Programme

CASE STUDY Derbyshire

Derbyshire has developed and reinforced a comprehensive package of measures to encourage local buying and sourcing, including:

- *Source Derbyshire* – renewed publicity campaign for the Council's award winning *Buy Local* website to get more local companies to advertise purchasing requirements;
- *Support Local Traders* – widespread *Near-Buy, Shop Local* publicity campaign and town based competitions supported by Chamber of Commerce/Chambers of Trade to encourage local purchasing – £25,000 County Council budget agreed for prizes, with District and Town Councils helping to organise;
- *B-line/Gold Card* – renewed publicity for local discount schemes involving 2,500 local traders;
- *Trusted Trader* – waiving £50 registration fee for the scheme in 2009/10 to encourage more local businesses to join/be promoted – £25,000 County Council budget has been agreed for District Councils helping to promote the scheme;
- working with major suppliers/sub-contractors to pay invoices quickly and buy local;
- review of tendering practices/procedures to make them more accessible to local businesses.

CASE STUDY
Essex**Essex County Council – Review of procurement processes to support SMEs**

The County Council is reviewing its processes to:

- make its procurement portal easier for SMEs to navigate;
- review the gearing and ratio modelling used in its current auditing of suppliers' accounts, which can penalise smaller companies with small turnovers/larger overheads;
- reassess its required insurance levels at pre-qualification questionnaire (PQQ) stage of the tendering process, in particular the level of professional indemnity cover it requires;
- work with Business Link/Federation of Small Businesses to encourage bids from consortia of local SMEs.

Already the County Council:

- has systems in place to pay SMEs within 10 days of receipt of an invoice;
- has made it easier for local businesses to trade with the Council by signposting business services and making its procurement portal easily accessible from the front page of the Council website;
- County Council procurement has been represented at various business events.

- **Cheshire West & Chester:** Reviewing collection of business rates and how the authority deals with businesses that fall into arrears.
- **Essex, Derby, Durham, Shropshire, West Sussex and Tees Valley** are examples of areas where member authorities are raising awareness of the Business Rates Deferral scheme and the Small Business Rate Relief Scheme. In Essex it had been estimated that around 60% of eligible small businesses do not currently claim, resulting in over £50 million of support being unclaimed. The County Council reports that the take-up rate is increasing across the county as a result of awareness raising and in a number of districts, take up rate is now above 90%, in contrast to the UK average of less than 50% buying local and sourcing from local businesses.

Business finance

3.10 A number of ADEPT/CEDOS member authorities have existing business loan and/or grant schemes, which are being used to assist local businesses in an economic climate where lending and overdraft facilities from commercial sources are especially difficult. These, together with new developments and initiatives, are making an important contribution to helping businesses survive and develop. Some examples are:

- **Buckinghamshire:** The County Council put £100,000 of its LABGI funding into a countywide Business Challenge Fund under which grants of up to £5,000 were made available to companies of all sizes to help them invest in their future and counter the effects of the recession. The Fund was a considerable success and was significantly over subscribed. The Council hopes to be able to repeat the support in 2010.
- **Suffolk:** The County Council and District/Borough partners have agreed to extend support for an existing rural economy scheme under which rural pubs, shops and post offices receive free business advice as well as access to up to £5,000 in grants to help strengthen and diversify their business.

Hull City Council – £750,000 increase for its Acorn Fund

Begun 5 years ago, the Acorn Fund is a Hull City Council funded initiative delivered by the Hull Business Development Fund Ltd., a wholly owned subsidiary of the Hull & Humber Chamber of Commerce, Industry and Shipping. The Fund aims to provide SMEs and community/social enterprises with a grant/loan towards capital projects to assist the start-up and survival of new businesses, which might otherwise struggle to raise finance. Businesses will normally be less than 3 years old or diversifying to qualify for support. The Scheme offers a grant of up to 50% of eligible costs, with a maximum award of £5,000 per business and loans up to 100% of eligible costs normally to a maximum of £10,000 although exceptions can be made. Expenditure is for specific capital projects that will help the business to grow.

The City Council has announced an increase of £750,000 in capital resources for the Fund, which has been successful recently in securing further Working Neighbourhoods Funding (WNF) to introduce a microfinance element, bringing the WNF contribution to £1.27 million over two years to March 2011. The Council will consider the longer-term future in the next 6 months.

The Acorn Fund is continuing to receive a high level of enquiries and applications for funding, particularly as businesses struggle to access finance from traditional sources. In its 5 years of existence, 813 businesses have been supported with loans/grants, 2096 new jobs created, 888 jobs safeguarded and 395 new businesses created.

CASE STUDY Hull

- **Staffordshire:** The County Council is working with the Black Country Reinvestment Society (BCRS) to deliver the Staffordshire Business Support Fund. The County Council is providing £500,000 of funding to be matched by European Regional Development Fund money provided by Advantage West Midlands. From November, BCRS has been able to provide loans to county small businesses of £10-50,000, repayable over a four year period.

Essex County Council – Banking on Essex gathers momentum

CASE STUDY Essex

Essex County Council has established its *Banking on Essex* initiative to provide a means of helping local businesses access credit in cases where commercial banks have restricted lending. Loans are available on a short-term basis (between 6 and 18 months), must be secured, and will be awarded in tens of thousands rather than hundreds of thousands of pounds. Working with Santander Group, the focus of the initiative is on existing businesses that have had their credit supplies reduced. The County Council has budgeted up to £50 million for this initiative.

The *Banking on Essex* initiative is gathering momentum and has already won national recognition. Marketing commenced in October 2009 following testing of the process and systems and making improvements. Lending is underway with nearly a quarter of a million pounds lent in the first trading month, and a positive pipeline of demand running counter to seasonal trends in the rest of the banking sector. In January 2010 *Banking on Essex* also began to offer overdrafts of up to £100,000 to eligible businesses in the County.

What has been achieved so far is only a part of the work to be done, which will ultimately create an SME banking and business support model that reflects business needs and not solely profit maximisation.

- **Cumbria:** The County Council is to manage the new Cumbria Intensive Startup Support Programme (ISUS) being funded by the North West Development Agency, Cumbria's six borough and district councils and the West Lakes Renaissance urban regeneration company. The scheme, which is forecast to be worth over £2 million in business support over the next five years, aims to create more than 300 new businesses in the first year.

Shropshire Council – Business Enterprise Fund launched

CASE STUDY Shropshire

Shropshire Council has launched the Shropshire Business Enterprise Fund to provide grants to businesses in response to the current difficulties in obtaining finance and to counter the impact of the recession in the county including the high level of empty shops. The fund has 3 components:

- A *Retail Business Grant scheme* to encourage the uptake of small vacant retail premises vacant for more than 6 months. The grant will be in the form of a payment against the first 6 months of the business rates demand following occupancy. The maximum grant is £1000, with the business contributing an amount of match funding equal to the value of grant;
- A *Business Start-Up Grant scheme* to promote business start-ups in Shropshire open to anyone not in employment who wants to start up their own business or is in the process of setting up a business and not yet trading. Capital grants are available for start-up businesses of £500 to £1500. For a grant of £500, the business will need to provide at least 20% match funding. For higher grants, match funding to the value of the grant is sought.
- The *Business Booster Grant scheme* has been set up to promote business growth, sustainability and development of Shropshire SMEs trading for less than 36 months. Capital grants are available of £1000-£5000, with businesses required to provide match funding to the value of the grant sought.

- **Wiltshire:** Work is being progressed on a community finance initiative by an inter-organisational group to address access to finance and credit by individuals and small businesses, which are excluded from mainstream banking support. As part of the initiative, business loans will be supported through work with the Fredericks Foundation, which has an established mechanism for delivering small loans to businesses experiencing difficulties in accessing credit. It is hoped that a loan pot of between £200,000 and £400,000 for Wiltshire based businesses will be secured for future delivery.

Lancashire County Council – Develops new products for its Rosebud Fund

CASE STUDY Lancashire

The *Rosebud Fund* offers financial help by way of loan, equity or a combination of the two from £5000 to £75,000 and is available across all business sectors for new and existing businesses. It brings together financial services and business development services, including the appointment of non-executive directors where appropriate. Originally set up in 1986, the Fund has invested over £4 million in over 250 Lancashire businesses, helping to create thousands of local jobs.

The County Council continues to develop the Fund:

- the *Rosebud micro-loan pilot product* has been further developed to capture innovation and improve the quality of potential higher growth businesses that progress to a full Rosebud financing proposal. Now in its second phase with over 50 new businesses started in 2009 and £600,000 of private sector funding secured, this pilot has been very positively received by the business community. By offering a fast track process for micro-loans up to £5000 as soon as the recession began to bite, this provided easy access to first step venture capital. Facilities were created for 60 micro-loans during 2008 and this was used up within a few months;
- *High Growth Business sector investment* – The Rosebud business finance product now includes specific enhancements for high growth business sector investment and over 250 enquiries have been dealt with over the last 6 months with over £1 million of private sector equity secured. The Rosebud investment product normally attracts £3 for every £1 invested by the County Council;
- *Chamber of Commerce membership* – 3 year's free membership of the 3 Lancashire Chambers of Commerce have been negotiated for businesses being invested in by Rosebud to encourage networking and improved growth;
- *New venture capital* – Further development work is planned to secure an increased Lancashire presence of high growth sector businesses building on the current specific incentives for businesses in tourism, creative/digital and environmental technologies. Around £5 million of funding, which should create a capacity of over £20 million of new venture capital, has been put in place.

Employment initiatives

3.11 Employment initiatives are an essential component of the pro-active response of CEDOS and ADEPT member authorities to counter the effects of the recession. The wide range of actions includes advice and information, redundancy support, re-training programmes and apprenticeship schemes. For example:

- **Slough:** Employment seminars and workshops to support jobseekers and people fearing redundancy.
- **Hampshire:** Re-training programmes and workshops in IT skills to improve redundant sales staff employability in a range of sectors. Grants totalling £14,500 have been made to voluntary organisations to create more volunteering places. An Apprenticeship Grant Scheme to businesses has been launched to boost apprenticeships in the county.

Staffordshire County Council – Community Volunteer Programme

CASE STUDY Staffordshire

Launched at the beginning of July 2009, this initiative will provide placements for the unemployed to gain both formal and informal training opportunities, develop skills and enhance confidence, whilst making a positive contribution to maintaining and improving the County Council's country parks and public rights of way. It has led so far to the recruitment of 71 volunteers completing 302 volunteer sessions and work estimated to be worth some £24,000. Operating at its current capacity the estimated value of work over a 12-month period would be in excess of £95,000.

Set up to also help people back into full time employment or education as well as provide a valuable resource to enhance the county's environment, this programme has already helped 9 volunteers to find work and 2 have gone into full-time education. All these volunteers believe the programme has had a positive effect on their recruitment, giving them a positive life experience to talk about at interview.

To enable this programme to continue its expansion, additional resources are to be allocated to increase capacity and potentially double volunteer places and programme outputs.

- **West Sussex:** Collaborating with Jobcentre Plus to match up companies forced to downsize with those seeking new employees; funding an apprenticeship scheme for up to 200 over the next two years (70 recruited to date); put in £50,000 to support the Higher Education Funding Council for a Chichester University graduate employment scheme.
- **Cheshire West & Chester, Cumbria, Durham, Norfolk, Shropshire, Suffolk, Telford & Wrekin, Tees Valley and Wiltshire/Swindon:** examples of ADEPT/CEDOS member authorities involved in developing redundancy response/support initiatives.
- **Dorset:** Employment and Skills Board being established under the auspices of the Multi Area Agreement with Bournemouth and Poole Councils. Related MAA priorities on business growth, skills, connectivity and infrastructure.

Lancashire County Council – Tackling unemployment and worklessness

CASE STUDY Lancashire

The County Council has put in place a range of measures to tackle unemployment and worklessness including:

- *Work-Start/Future Horizons* – The Council is maintaining its focus on tackling worklessness and narrowing the gap for people living in the most deprived areas of the county. At a cost of £300,000, 3 Employability Project Officers (EPOs) took up post in September to work locally and with all the major public sector service providers in Lancashire to identify and develop pilots, projects and programmes to ensure a more coordinated response through commissioning and other local service developments to reduce worklessness. Through the Lancashire Economic Partnership's Worklessness Board, partners have developed a multi-agency joint investment framework to reduce worklessness, which will provide the context for the work of partners and EPOs. *Work-Start* and *Future Horizons* pilots in the County Council are being extended to other local authority partners with 9 out of 12 district councils signed up to the new service provided by the County Council.
- *Transferring skills pilot* – The Council has developed a pilot model and funding for 5 social enterprises to recruit 5 new business managers, recently made redundant from the private sector, to strengthen the business controls and commercial drive of these enterprises.
- *Back to Work Campaign* – a joint campaign between the County Council and the Lancashire Evening Post will provide information on new job opportunities and training programmes for recently redundant individuals and long-term workless residents. Individual and business case studies will also feature to highlight the opportunities available and the range of support services on offer.

- **Nottinghamshire:** The County Council coordinates the Nottinghamshire Worklessness Forum (now working under the recently established Nottingham & Nottinghamshire Employment & Skills Board), which focuses on understanding the impact of the recession on worklessness to inform multi-agency interventions, with targeted support in areas of high adult unemployment and deprivation. Weeks of action targeted on worklessness hotspots took place in Autumn 2009. An apprenticeship brokerage service is being developed by the Nottinghamshire Connexions Service, which is jointly funded by the County and City Councils.

Telford & Wrekin / Shropshire Councils – Co-ordinated redundancy support

CASE STUDY Telford & Wrekin / Shropshire

Telford & Wrekin and Shropshire Councils, with their key partners Jobcentre Plus and the Learning and Skills Council – are co-ordinating activity through the Telford and Shropshire Recruitment and Redundancy Support Group. *One Telford* has increased its visit programme to the top 100 companies to understand the impact of the recession and is also increasing support through the HR Forum.

CASE STUDY
Hull**Hull – Local Work Guarantee**

The Local Work Guarantee offers participants a place on a paid 3-month community programme to prepare and inspire them to go on to full-time employment. It is a Working Neighbourhood Fund (WNF) funded worklessness project. Whereas most worklessness projects have focused on supporting the long-term unemployed, the Hull Guarantee focuses particularly on unemployed people who have been claiming Jobseekers' Allowance (JSA) for less than 12 months.

This 'short term unemployed' group form 85% of the Hull JSA cohort. They generally have no or low skills and when in employment, earn very low pay and are very vulnerable when employers are under pressure to cut costs. As a result of these factors, this group tends to spend only short periods in employment interspersed by periods of unemployment – the classic 'revolving door'.

The aim of the project is to provide a period of employment linked to a training plan to enable participants to break out of the short-term low skilled employment cycle and achieve sustainable employment. The project also offers employers:

- a subsidy of £75 per week for up to 39 weeks for employers who directly employ candidates following the work placement (subject to a commitment to continued training).
- ongoing support during the extended subsidy period to ensure its success.

As an added incentive, six months into their long-term employment contract, employees will be paid a bonus of £250 (paid for by Yorkshire Forward, the Regional Development Agency).

- **Durham:** The County Council is implementing a range of employment initiatives including: advice & resource centres in the main towns affected by the recession, local employment teams, support groups and response groups, actions to reduce the impact of the downturn on young people not in education, employment or training (NEETs) and support for apprentices.
- **Derbyshire:** The County Council has recently recruited 38 apprentices to its workforce and is supporting an additional 15 placements through a local apprenticeship scheme at a cost of £52,000.
- **Wiltshire:** The Council is a partner in the European Social Fund (ESF) *Response to Redundancy* project, which covers Wiltshire and Swindon and aims by 2010 to place into training 568 individuals, who have either been made redundant or are under notice of redundancy to help them either retain employment or find new employment. 284 of these need to move into a job with further work based training.
- **Oxfordshire:** The County Council and the economic partnership are working with the District Councils to run jobs clubs for the unemployed and those under threat of becoming unemployed to meet a range of service providers. Discussions are underway to expand this to a countywide initiative using LABGI funding. For NEETs, the County Council is recommending to the County Local Strategic Partnership a focus on skills issues and a NEETs summit to identify what else needs to be done.
- **Luton:** The Council is managing a range of programmes to support training through ESF and the RDA economic participation programme to reduce unemployment and also targeted on individuals on incapacity benefits.

- **Staffordshire:** 2 key initiatives are: the Community Volunteer Programme for the unemployed and *Connections to Opportunities (C2O)* – a £1.2 million programme being developed with partners to tackle worklessness in hard to reach communities. It aims to help 1,000 people who have been unemployed over a 3-year period.
- **Cumbria:** The County Council is piloting a Workstart scheme for temporary clerical and administration posts to try and encourage a wider reach of applications from the unemployed and disadvantaged groups. With Jobcentre Plus, Carlisle College and the LSC, the Council has launched the scheme to provide intensive training and work trials for people who, it is hoped, will then be matched with future job vacancies.

Suffolk – Action to promote employment

Suffolk County Council and its partners are implementing a series of projects in 2009/10 as a key part of combating recession issues in the short, medium and longer term. Some of the short-term actions are:

- *Suffolk Employment Care* – Assisting those with mild to moderate mental health issues to remain in existing employment where possible or for those out of work to find suitable new employment;
- *LEAP Centres (Learning Enterprise Access Points)* – Developing a network of LEAP Centres to spread the promotion of learning and training for all, increase access to opportunities in the more remote communities and align funding between agencies at a time of reduced funds for adult learning. The service has received 8,121 enquiries in 12 months and there is evidence that the LEAPs are becoming an important stepping stone to re-employment and, in some high demand areas, acting as a vital support service for Jobcentre Plus. Partners are currently reviewing the successes and long-term integration and sustainability of the LEAP model.
- *Enterprise For All: Pre-start and start-up support* – With a consortium of enterprise agencies and the Princes Trust, this project provides intensive outreach and engagement followed by bespoke support and personal skills training, targeting budding entrepreneurs and disadvantaged groups including women, over 50s and lone parents with emphasis on the methods to contact and establish trust with Black, Asian & Minority Ethnic Groups (BAME);
- *Pathways to Employment (P2E)* – Aims to raise the aspirations of young people aged 14-16 years who are at risk of disengagement from learning or becoming NEET (not in education, employment and training), offering an accredited programme of work-related learning and work based experience to provide progression to employment with training;
- *Redundancy Network* – To create a responsive support network to provide access to available funding and quality support for those facing redundancy through advice, guidance, signposting and training with a single point of contact to minimise confusion for employees/employers when faced with downsizing, restructuring or closure;
- *Apprenticeship Scheme* – In the early stage of development with the aim of offering a countywide approach and engaging with public, private and voluntary and community sector organisations.

CASE STUDY Suffolk

Unemployed young people

- 3.12 There is increasing concern about the rising level of unemployment amongst young people as a result of the recession (see paragraph 2.8 above). CEDOS/ADEPT member authorities have been at the forefront of developing initiatives to tackle the problem and responding to the Government's request for councils to spearhead bids for its £1 billion Future Jobs Fund (FJF) as for example, Derby City Council, Luton Borough Council and Cambridgeshire, Cumbria, Devon, Gloucestershire, Nottinghamshire, Oxfordshire, Somerset and West Sussex County Councils.
- 3.13 Some individual examples and case studies of initiatives and Future Jobs Fund programmes, which illustrate the range of member authority actions are:
- **Hampshire:** The County Council is piloting an apprenticeship programme for 30 places with the intention to roll out the pilot with more places next year. A consortium FJF bid has been successful with the county, districts and unitaries delivering a programme of 900 jobs. First jobs are being advertised.
 - **Shropshire:** Shropshire Council's successful FJF project is on target with the Council's County Training securing pledges to create 60 jobs with community or environmental benefits by the end of March 2010. There are plans to bid for additional funding to extend the initiative beyond March. In addition to its programme of work-based training, County Training now offers *Entry to Employment (e2e)* for 16 to 18 year olds who are considering whether to progress onto work, college or training. It is a learning programme, providing personalised support designed suit individuals' learning style and needs, including essential skills, ICT, work based qualifications or practical experience in a work placement.
 - **Suffolk:** The County Council has been awarded £1.2 million from FJF to support 200 young people between 18-24 to receive a work placement/training with a public or voluntary sector employer in areas such as horticulture, arts and administration. Delivery of the programme started in November with all profiled jobs to be allocated by May 2010. There has already been interest from businesses in participating in a further bid that is likely to be submitted in 2010.
 - **Dorset:** The County Council is leading on an FJF bid for the sub-region, based on the Bournemouth, Dorset and Poole MAA. The number of eligible young people has increased markedly since the start of the recession, and highlights the demographic challenge of an ageing population and workforce. The bid, submitted in November 2009, will provide for over 500 jobs with a wide range of mainly 3rd sector and local authority employers.
 - **Hull:** The bid for £1m of FJF, submitted as part of a sub-regional bid by the Humber Economic Partnership, has been successful and has been matched with £300,000 of Working Neighbourhoods Funding. 150 long-term unemployed 18-24 year olds will be guaranteed 6 months employment on community benefit projects. After assessment, suitable participants will be offered the opportunity to move onto an apprenticeship framework, with employers receiving a £100 wage subsidy for 36 weeks. Others will continue with their community employer and will start work trials with prospective long-term employers. The aim is that 50% of the group will achieve sustainable employment, with half of these becoming apprentices.

CASE STUDY
Essex**Essex County Council – Essex Apprentices**

Essex County Council approach is two-fold – increasing the number of public sector apprentices and supporting the private sector to take on new employees. The proposals are designed both to help Essex enterprises through the recession and also to ensure that local businesses have the right skills when the recovery comes. It is an ambitious plan that, over three years, will see almost 1,000 young people undertake apprenticeships in the public and private sectors.

As part of the initial phase, some 120 young people have embarked already on an innovative programme of training and placements with 40 engineering and manufacturing businesses in Essex. Apprentices are employed by Essex County Council and benefit from real-life business exposure and further education provision at local colleges in Basildon, Harlow or Colchester. Local businesses are – thanks to placements being funded by the European Social Fund, Essex County Council and the Essex Partnership – able to test-drive enthusiastic workers, who they may later choose to recruit. This approach, helping local firms take on young recruits when market conditions might otherwise mean they felt less able to invest for the future, is very much designed to ensure Essex is well placed when economic conditions improve.

Over the next two years, Essex Apprentices will support 780 youngsters to gain Level 2 qualifications in other key sectors identified in the Essex Economic Framework but currently not served or under-represented by existing provision, including the public sector, maritime, ICT, aviation, environmental technologies, sustainable construction, electronics, creative & cultural industries, ports & logistics.

Essex County Council's commitment to increase the number of apprentices it employs as a local authority offers young people the chance to build vocational skills and gain valuable work experience. Successful apprentices can then decide, when the labour market is more buoyant, whether they remain in the public sector or move to the private sector.

- **North Yorkshire:** County Council initiatives include the further development of apprenticeship opportunities in the authority and expansion of suitable vacancies with increased geographical spread based upon the concentration of NEET young people; an in-house graduate programme to address the shortage of graduate opportunities in North Yorkshire and Real Start Roadshows rolled out to schools across the county providing information, support and guidance to young people approaching the end of their education.
- **Norfolk:** The County Council secured £2.3 million through FJF to create 356 jobs by March 2010. The jobs created will be based mostly within social enterprises and sectors such as green construction, clerical, gardening and plastering. A continuation bid has been submitted to extend the programme for a further 6 months and focused on areas of high unemployment and particularly on lone parents as well as continuing the project for 18-24 year olds. The County Council also registered the second jobstart nationally. Since then the number of successful candidates has continued to grow, with 120 jobs created so far.

- **Slough:** A new initiative is a project to provide tailored and very specific support targeted at 16-25 year olds and black and minority ethnic males, 2 of the most vulnerable groups to unemployment and returning to the labour market. The initiative has received funding from the Regional Improvement and Efficiency Partnership. A Berkshire-wide FJF bid has been successful and will mean the creation of 10 jobs for the Borough Council. Another bid to the next round of FJF, if successful, will create further jobs in the Borough's environmental services sector. The Council is looking into the potential of working with Connexions and providing targeted support to NEETs in 2 NEET hotspot areas.
- **Staffordshire:** A second FJF coordinated by the County Council and submitted through Stoke on Trent City Council has been successful. This will create 370 new jobs across 14 public, private and third sector organisations at a cost of some £2.4 million, including 34 posts at Staffordshire County Council and 57 at Stoke on Trent City Council. In total, 1,348 new jobs will be created at a cost of approximately £8.4 million across Staffordshire and Stoke on Trent in unemployment hotspots and targeted at unemployed 18-24 year olds.

Durham – Actions to help young people not in education, employment or training

CASE STUDY Durham

Durham County Council actions to reduce the effect of economic downturn include encouraging young people in schools to continue in learning post 16 and delay entry to the labour market, by:

- delivering the *September Guarantee* of an offer of a learning place for all 16 and 17 year olds and planning provision with 14-19 partners;
- supporting young people to be retained in learning and reduce premature leaving;
- encouraging take up of funding opportunities e.g. education maintenance allowance where family incomes fall within limits;
- working with partners to identify and recruit to employment opportunities – Working Neighbourhoods Fund has been secured to recruit apprenticeship consultants in the Easington area and to deliver a project aimed at securing employment for 18 year olds leaving learning in the Sedgefield area;
- working with the newly created National Apprenticeship Service to promote opportunities in County Durham and encourage public sector organisations to recruit young people including apprentices and working with partners to implement all of the flexibilities available to retain apprentices in work or full-time programmes in further education.

CASE STUDY
Wiltshire**Wiltshire Council – Wiltshire Potential Programme**

As the economy emerges from recession, growing businesses will need young people with skills. To meet this need and to tackle the immediate problems of youth unemployment, the *Wiltshire Potential Programme* comprises a range of measures to provide a coherent range of options for young people in the county in employment, education or training.

A successful partnership bid has secured just under £3 million from the Future Jobs Fund to support the creation of 450 additional/new temporary jobs across Wiltshire for 18-24 year olds who have been claiming Job Seekers Allowance for between 39 and 50 weeks and who otherwise would remain long-term unemployed. The FJF is supporting them not only with an employment opportunity but also developing them as assets for the Wiltshire economy and all the jobs created will deliver direct community benefit.

Wiltshire Council and Wiltshire College are working in partnership to deliver a public sector apprenticeship programme across the county. Graduate careers workshops are taking place across Wiltshire with Bath Spa and Bath University running sessions for graduates returning to the county to help them find jobs, work experience or volunteering opportunities.

A mentoring programme for NEETs is underway so both the young people and the senior staff members of Wiltshire Council are able to learn from each other and hopefully inspire the young people. A work experience programme for NEETs will enable them to experience different professions and careers to support them in gaining employment or entering education or training to pursue a chosen career.

- **Durham:** In County Durham the FJF is to provide over £6.5 million to help create over 1,000 employment opportunities, lasting at least 6 months, within the public, community and voluntary and private sectors. The project will be targeted at long-term unemployed people aged 18-24 in hotspot areas. This was the Durham County Council bid as part of the Tyne & Wear consortium.
- **Lancashire:** The County Council's economic development company, Lancashire County Developments Ltd and partners have bid successfully for a total of £9 million from FJF to deliver 3 programmes on MAA footprints and provide in total 1,428 jobs over the next 18 months.

Infrastructure

- 3.14 ADEPT/CEDOS member authorities are active in maintaining and bringing forward infrastructure and related schemes (e.g. Telford & Wrekin, Norfolk, West Sussex, Wiltshire and Staffordshire), unblocking stalled infrastructure schemes (e.g. Hull, Nottinghamshire) and using their capital programmes to invest in new infrastructure (e.g. Cambridgeshire, Shropshire) to assist in immediate local economic difficulties and to help local economies emerge from the recession.
- 3.15 Some examples and case studies, which illustrate the range of member authority actions are:
- **Lincolnshire:** Using the County Council's capital programme to develop a major industrial park and invest in a continuing programme of managed workspace. The County Council is also preparing schemes to support the growth of sectors that will create new jobs e.g. innovative businesses and those that are adapting to climate change. Over the past 3 months, the County Council has attracted around £4 million of Regional Development Agency and EU grants to support these initiatives.
 - **Dorset:** The County Council sees the importance of maintaining investment programmes, and has brought forward £10 million of capital spending on smaller local projects from 2010/11 to 2009/10, to help stimulate the local economy.
 - **Hampshire:** 10 Smarter Working Centres are due to be opened to offer flexible workspace for businesses and individuals, providing a collaborative working environment. With space bookable by the hour, the cost is less than a third of the typical cost of traditional office workspace.

Shropshire Council – Investing in infrastructure to stimulate the economy

Consideration of the economic climate was a key element in planning the 2009/10 capital programme and prioritising key actions, which include:

- A 5-year Capital Strategy based on prudential borrowing and capital receipts, the centre piece of which is market towns revitalisation;
- development of the Shrewsbury Food Enterprise Centre, including stepped rents for new businesses and provision of business support, advice and training for tenants;
- development of employment land – Tern Valley Business Park Phase II, Ellesmere Business Park Phase II, Shrewsbury Business Park Phase II;
- *Invest in Shropshire* – promotion of the county as a business location, including marketing of available premises;
- provision of council-owned small workshops with support to social enterprises and tenant companies.

CASE STUDY Shropshire

CASE STUDY
Lincolnshire**Lincolnshire County Council – Investing to create a major new industrial park**

The County Council has been working with Siemens, one of Lincolnshire's largest private sector employers, to secure the long-term future of the company in the county by taking the lead on the creation of a new 80 acre strategic employment park at a net cost of £10 million, of which 30 acres would be used by Siemens to construct its new production facility and the remainder offering opportunities for other employers wishing to locate to a high profile site.

However, Siemens has decided to undertake a review of its worldwide turbine operations and is unable to commit to the project until the review is complete. It is hoped that the Siemens review will affirm its presence in Lincoln but even if it does not, the County Council believes that the creation of a major industrial park that can attract high value engineering businesses is vital for the future economic prosperity of Lincoln and the county.

- **Cheshire East:** Package of support to improve town centres to make them a more enticing environment for retail customers, including seeking new uses for empty shops.
- **Cheshire West & Chester:** Examining opportunities offered from Council building assets such as business start-up units to see if they can be made more accessible to enterprises.
- **Suffolk:** Incubator Centre development to increase opportunities for new business start-ups with flexible tenancy agreements in areas of deprivation. The units will be developed with office space and workshop options and will be fully supported through integrated business support and start up programmes. The County Council has also invested in developing the managed *Brightspace* Business Centre specifically aimed at new and emerging social enterprises, offering *easy in-easy out* terms and a range of support services and networking opportunities for social entrepreneurs.
- **Somerset:** The County Council is providing £75,000 to be matched by an equivalent amount of local contributions for a Market Towns Regeneration Fund to support regeneration schemes in Somerset's market towns that will increase their economic resilience and recovery.
- **Cumbria:** Construction is now underway on a £158 million Private Finance Initiative scheme to build a new 5 mile Carlisle Northern Development Route and maintain a further 92 miles of existing roads in north Cumbria. The bypass became a victim of the credit crunch when the bank withdrew funding in late 2008 and the main contract was put on hold. The County Council continued to finance accommodation works and recently secured funding from a group of banks for the contract to be let. The road is expected to be completed by April 2012.

- **Devon:** The County Council is making a significant investment in infrastructure projects to help stimulate the local economy: £235 million to provide new schools, £1.4 million for Skypark, a major office, industrial and manufacturing space, £750,000 for community infrastructure in coastal towns, £1.7 million for implementing the Devon Employment Space Strategy and £700,000 towards implementing the county ICT strategy.
- **Lancashire:** The County Council has brought forward parts of its capital spend programme and has invested £7 million in a high quality business office space in Rossendale.

Staffordshire County Council – Accelerating delivery of major capital programmes

CASE STUDY Staffordshire

The development of major capital programmes is being maintained, whilst efforts are in place to accelerate delivery. Examples include:

- *Stafford – Tipping Street Development* – a key element of the Stafford Town Centre Master Plan that will stimulate investment in the town. The development consists of 12,000 sq.ft. of retail space, 135,000 sq.ft. of energy efficient office space for around 1,600 County Council staff and visitors. Following a review of the Tipping Street business case, the County Council's cabinet has given the town centre development their stamp of approval. Construction is due to be complete by Summer 2011 and will provide a catalyst for further regeneration in the town;
- *Keele University Science Park* – Staffordshire Highways is delivering the £3 million highway improvement project on behalf of Keele University with the County Council providing £750,000 to support the infrastructure. The work will facilitate the third phase of development at Keele University, delivering a further 40 acres of land for the development of the University and the Science Park. The development will incorporate a new branded conference and training hotel, further innovation centres and post graduate accommodation.

Lobbying

3.16 An important area of action has been seeking to influence Government through lobbying on key issues that affect local economies and business needs. Examples of actions being taken by CEDOS/ADEPT member authorities include:

- **Norfolk:** Lobbying Government to allow business rate payments to be deferred to allow a short-term break particularly for tourism businesses that rely on seasonal income.
- **Cornwall:** Arguing for more flexibility in the use of the European Regional Development Fund and the European Social Fund.
- **Derbyshire, West Sussex:** Lobbying Government on the need to reduce the National Non-Domestic Rate for 2009/10.

Oxfordshire County Council – Lobbying for local choice on skills

CASE STUDY Oxfordshire

The County Council has lobbied the Government to devolve functions to the local level under the Sustainable Communities Act. The importance of responding to the needs of local employers was a key driver behind the bid to bring together adult skills funding and responsibilities under an integrated adult skills agency.

Other county councils such as Kent have put in similar bids and Oxfordshire received explicit support from other authorities e.g. Hertfordshire County Council. Such a body would bring together adult skills funding and responsibilities under a single body that would:

- identify the training needs of both businesses and individuals;
- support businesses in getting local people back into work and at the same time enhance their own career opportunities;
- work with local colleges to maximise the use of available resources.

Local authorities that submitted bids are currently awaiting the decision of the LGA Selector Panel.

4. Preparing for economic recovery

4.1 As well as focusing on actions to tackle the impacts of the recession, CEDOS/ADEPT members are looking to the medium/longer term to position their areas to prepare for and take advantage of economic recovery. Actions include carrying out and assessing the results of research (e.g. Cambridgeshire, Central Bedfordshire, Hull, Lancashire, Suffolk, West Sussex, Wiltshire), developing action plans and new strategies (e.g. Gloucestershire, Cumbria), implementing and planning specific initiatives and projects (e.g. Slough, Essex, Shropshire, Tees Valley).

4.2 Some individual examples and case studies, which illustrate member authority actions are:

- **Dorset:** Working with partners through the Bournemouth, Dorset and Poole Multi Area Agreement to develop a vision for the green knowledge economy in the sub-region in preparation for the upturn in the economy. This provides a coherent focus for the various strands of activity being pursued through the MAA and seeks to maximise synergies between the environment and economic growth. The vision is to develop a strongly performing sub-regional economy which delivers better quality jobs, reduces the carbon footprint, and increases sustainability and resilience to further economic downturns. Proposed investment programmes focus on the green built environment, green business innovation, natural capital and the creative/cultural sectors.

Cumbria – New Economic Strategy launched

This new economic strategy was launched by Lord Mandelson at the Cumbria Economic Summit in February 2009. The Strategy outlines strategic priorities which give the best opportunities for job and wealth creation:

- the opportunities of energy and the low carbon economy;
- raising the attractiveness of *Destination Cumbria* as a place to live, invest, work and visit.

The key wealth creation drivers will be supported by the main support facilitators in the economic strategy:

- a once-in-a-generation opportunity to transform Cumbria's education, skills and research and achieve a step-change in aspirations;
- a better focused support for business, enterprise and employment;
- development of key infrastructure as a platform for business growth;
- innovative stewardship of Cumbria's land and landscape to build a thriving rural economy and improve access to services.

Partners in Cumbria are engaged in bringing forward a number of important key infrastructure projects, which will provide a catalyst for the recovery of the Cumbrian economy.

CASE STUDY Cumbria

CASE STUDY
Cambridgeshire**Cambridgeshire County Council – Upturn Action Plan**

A County Upturn Action Plan is being developed with the economic prosperity partnership of the LAA, based on key objectives/policies to:

Grow a world-class knowledge based, low carbon economy -

- focus business support on likely future high growth sectors that can help drive the area out of recession;
- focus inward investment on the future high growth sectors, including the targeting of international technical consultancies within those sectors.

Encourage the resource efficient growth of a diverse and robust economy across the whole of Greater Cambridge -

- provide greater support to businesses in the areas disproportionately affected by the recession;
- focus improvement on the public realm in the area's market towns.

Build a strong skills base and high levels of economic participation -

- ensure training courses match needs of local employers across the private sector and in identified future high growth sectors, with an employer-led skills forum needing to be established to promote employer training needs;
- ensure the 14-19 Plan and the new secondary schools construction programme reflect the needs of the economy by focusing the school specialisms on future high growth sectors.

Develop sustainable Infrastructure and a high quality of life -

- maximise the economic development benefits of major capital schemes by aligning economic interventions with schemes.

- **Derbyshire:** The County Council is trying to secure further funding to continue its major regeneration project – a 200 acre business park with a new motorway junction on the M1 with infrastructure provision, land reclamation and servicing of the next phase ready for the upturn.
- **Shropshire:** In addition to using its capital programme to stimulate the local economy over the current year, the Council is looking ahead and planning to bring forward new employment land, considering future land acquisitions for employment sites and planning a programme of transport improvements including a proposed Shrewsbury North West Relief Road to reduce congestion and improve accessibility. As well as improving the resilience of businesses during the recession, the Shropshire Business Enterprise Fund supports start-up businesses to set up and be in a position to take advantage of the eventual upturn in the economy. External sources of funding have been secured to support and further develop key sectors of the county's economy – e.g. environmental technologies – to capitalise on the county's strengths and grow knowledge-intensive sectors.

- **Central Bedfordshire:** The Council is currently carrying out research into requirements for small business/start-up space to identify demand as the area emerges from recession over the next few years.
- **Lincolnshire:** The County Council has allocated its LABGI grant to economic development and is to use some of it to create a project, in partnership with the Lincoln Business School, to help business leaders work together with academics on creating robust futures for their business. It is getting a sense that businesses are increasingly interested in strategy at this time, and the university link is particularly important in this regard. With the county seeing significant problems in the construction industry, the Council has designed and is about to launch a project to enable construction businesses to benefit from the move towards green technologies. It includes training centres teaching the installation of green technologies, project funding to help businesses implement new schemes, and collaboration to help green supply chains.

Tees Valley – Preparing for the Economic Upturn

Tees Valley Unlimited and the Joint Strategic Unit are preparing for the economic upturn by ensuring strategic initiatives are in place to deliver economic impact. The key elements are:

- ensuring a £5 billion investment in petrochemicals, energy, biofuels, port, logistics, digital/multi media and advanced engineering sectors is delivered. This covers work on the North Tees/South Tees Development Framework which identifies the infrastructure needed, the identification of barriers to investment that will need to be tackled and raising the understanding by Government of how the Tees Valley can contribute to the development of a new industrial economy for the nation;
- developing the case and funds to meet the provision of higher level skills which the post-recession economy will require and through working with Department of Work and Pensions (DWP) and Jobcentre Plus help provide those out of work with the skills to compete in the new economy;
- through the *Single Conversation* develop an integrated approach to the provision of new housing, housing growth and the regeneration of the most deprived communities to make the case in the next Comprehensive Spending Review to show how long term regeneration is essential in delivering economic opportunities;
- use the MAA and the long-term investment plan to show how Tees Valley intends to use scarce public sector resources matched with the private sector to achieve economic impact and as part of this, developing new funding models for regeneration, which bring in private sector resources.

CASE STUDY Tees Valley

- **Hull:** The Earnings Plan of *OneHull*, the City Local Strategic Partnership, developed principally by the City Council with the support of partners focuses on promoting and supporting enterprise both to help the city through the current economic downturn and the need to build an economy based on the key theme of enterprise and aligning the city's opportunities in the renewables, port/logistics, healthcare and food sectors, all of which need to reflect growth opportunities at a national and international level. The plan will be underpinned by a series of supporting action plans on employment, detailed actions on enterprise and business support, and the need to secure future funding to support the city's longer term economic growth. These action plans will be developed and agreed by *OneHull* over the coming months.
- **Durham:** Actions include: economic downturn task force analysing the new economic landscape that is emerging to prepare County Durham to take advantage of the upturn; using the county aftercare programme to identify opportunities which will help businesses take advantage of the upturn, including the manufacture of products that meet the low carbon agenda.

Suffolk County Council – Focus on sectors with existing strength & future potential

CASE STUDY Suffolk

Suffolk is preparing for the recovery by identifying those sectors, which are existing strengths and/or have the greatest potential for growth in the future. The five sectors identified are energy, ICT, tourism, food and biotechnology.

The energy and ICT sector are two areas where major employment growth is predicted to benefit Suffolk, alongside the more traditional sectors of tourism and port development. There are plans to develop a 15 hectare *PowerPark* site in Lowestoft, adjacent to the *OrbisEnergy* renewable energy enterprise hub, as a centre of excellence in marine engineering, focusing on a mix of offshore wind operations and maintenance, marine engineering and research, gas storage, carbon capture and storage, and on-site training centres to support the development of the energy sector. It is estimated that by 2020 an additional 950 direct and almost 4,000 indirect jobs will be created from development at the *PowerPark*, helping to create an energy cluster at Lowestoft.

The ICT sector will benefit from the regeneration of BT's research and development operation at *Adastral Park* at Martlesham.

Evidence suggests that Suffolk's key sector strategy is relatively recession resistant. Of the 18 fastest growing companies in the county, one third are in the county's energy, ICT and food sectors.

5. Contacts for further information on individual initiatives

For further information on the initiatives outlined in this report, please contact the following:

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