

MEETING:	COMMUNITY SERVICES SCRUTINY COMMITTEE
DATE:	5TH OCTOBER 2009
TITLE OF REPORT:	FIGHTING THE ECONOMIC DOWNTURN
PORTFOLIO AREA:	ECONOMIC DEVELOPMENT AND COMMUNITY SERVICES

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To report on activity being undertaken to address the effects of the downturn in the economy.

Key Decision

This is not a Key Decision.

Recommendation

THAT the Committee note the report.

Key Points Summary

- The County has been affected by the economic downturn with an increase in unemployment and businesses ceasing to trade.
- Whilst the Council's Economic and Community Services are leading in the intervention to address the effects of the downturn, a Herefordshire Partnership and cross organisational approach is being taken in recognition that the downturn impacts on people's lives in many different ways.
- The effects of the downturn are being addressed with short term and long term measures, and that the County has to continue to look forward to prepare for recovery.
- Herefordshire has been helped through the downturn by its diverse business base without the reliance's on one or two major employers and small and home based businesses have shown strong resilience.
- Recent media reports and local intelligence suggest the first signs of growth, though the expectation is that growth will be slow.

Alternative Options

- 1 No alternative option.

Reasons for Recommendations

- 2 To inform Members of the Community Services Scrutiny Committee of the activity to address the downturn in the economy.

Introduction and Background

- 3 The downturn in the economy has affected the County. Claimant count (Jobseekers Allowance) has raised 100% between July 2008 and July 2009 (1,505 to 3,009). The County has seen a number of business closures. More people are presenting as homeless and there is an increase in people experiencing dept.
- 4 A number of intervention activities have taken place. These have been schemes which specifically support business and employment creating opportunities. A “Fighting the Downturn Action Plan” has been produced by the Economic and Community Services working with the Economic Development Partnership Group. This action plan has been adopted by the Herefordshire Partnership Board and Area Based Grant has been allocated to deliver the action plan.

Key Considerations

- 5 The following section gives a brief outline of new activity to address the effects of the downturn:
- 6 Business Booster Grant – a new programme offering small to medium size businesses grants of between £500 and £5000 to provide 50% of match funding for new schemes to diversify product base to enter new markets.
- 7 Training Voucher – a new fund offering grants of up to £750 for businesses to upskill their workforce to prepare for future markets – to contribute 25% match funding.
- 8 Roadshows and support programme – eight events in different parts of the County to address business queries and concerns. To involve a number of organisations including HM Revenue & Customs, Business Link, Hereford & Worcester Chamber of Commerce, Federation of Small Businesses and the Rural Hub – starting in November.
- 9 Tourism – additional support to capitalise on a home market. Including creating a new Fishing and Angling package.
- 10 Future Jobs Fund and Connections to Opportunities – two programmes that aim to address unemployment levels. Including addressing barriers to employment and long term unemployment. Both programmes externally funded.
- 11 Advice Support – additional support to Citizens Advice Bureau (CAB) to meet the demands of employment and debt enquiries.
- 12 Information – dedicated website created (www/Herefordshire.gov.uk/downturn) to give advice to businesses and individuals – including interactive guidance on grants available. Information leaflet also produced and widely distributed, and e-newsletter for businesses listing the latest opportunities.
- 13 Artwork in shop windows – to address unsightliness of empty shop windows, art work was commissioned for shops in Hereford. This to be rolled out in market towns.

- 14 Supplementary Planning – reduction in the planning obligation for 106 for developments under 5 properties and business developments in key locations.
- 15 Payment times – Herefordshire Council committed to achieving a 20 day payment on undisputed invoices, working towards a ten day time scale (currently 15 days average).
- 16 Business Portal – the portal has been established on the internet to enable local companies to be aware of public service contracts. Recent intervention to increase opportunities for businesses is for all service contracts over £5k to be placed on the portal.
- 17 In addition to the short term intervention mentioned above, the council are pursuing long term schemes such as development of industrial land as part of Rotherwas Futures and Model Farm in Ross in preparation for the recovery, and building on the assets of the County to attract new companies.
- 18 The Strategic Housing Service have a number of support mechanisms to address the impact of the downturn. These include offering a range of preventative interventions aimed at reducing the risk of homelessness. To enable access to private sector rented property a rent/deposit scheme provides rent in advance and deposit payments through a loan to be paid to agents/landlords on behalf of households at risk of homelessness. Loan payments are offered in certain circumstances to offset rent arrears when this would help prevent someone leaving their home where the local authority considered it would otherwise have a duty to provide temporary accommodation. Via the CAB the council funds a debt advice service and court desk service to help households remain in their existing accommodation.
- 19 Private sector landlords are also being offered the opportunity to lease their empty property to the council for the purpose of offering homeless households on the waiting list a home. The properties can be managed either by the Housing Association or a letting agent to whom the council will direct prospective tenants.

Community Impact

- 20 The economic downturn is having a significant impact on communities. As well as council intervention organisations such as CAB and Job Centre Plus are addressing the challenges of businesses and communities.

Financial Implications

- 21 Additional funding for fighting the downturn has been allocated from Area Based Grant for £100k to spend by March 2009.

Risk Management

- 23 The risk of the schemes as presented do have the desired effect to addressing the effects of the downturn and do not have significant impact. However, schemes have been formulated by working with the Economic Development Partnership Group which includes representation from the business community and employee organisations.

Background Papers

- None