

# CHESHIRE EAST COUNCIL

## CABINET

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**Date of meeting:** 19 May 2009  
**Report of:** John Nicholson, Strategic Director - Places  
**Title:** Recession Mitigation Action Plan

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### **1.0 Purpose of Report**

- 1.1 To report upon the work of the Councils Recession Mitigation Task Group and to seek endorsement for the Recession Mitigation Action Plan including proposals for additional investment during 2009/10.

### **2.0 Decision Required**

- 2.1 That the Cabinet endorse the Recession Mitigation Action Plan attached as Appendix 1.
- 2.2 That the Cabinet approve additional investment of £331,000 linked to the proposals outlined in the Action Plan.
- 2.3 That delegated authority for the individual investment decisions arising from the Action Plan is given to the Portfolio Holder for Prosperity in consultation with other relevant Cabinet Members.

### **3.0 Financial Implications for Transition Costs**

- 3.1 There are no transitional costs associated with this activity.

### **4.0 Financial Implications 2009/10 and beyond**

- 4.1 The Action Plan contains a number of proposals which require additional investment totalling £331,000. The potential investment has increased from the previous level following the direction of the Task Group who wished to support additional activities that will increase the take up of benefits.
- 4.2 The proposals have been developed specifically to address recession mitigation and are therefore short-term by nature. All new investment will be delivered by end March 2010, and have also been developed to ensure there are no on-going revenue implications for future years.
- 4.3 The Task Group will also actively seek investment from other sources to match the Council's commitment including accessing the funding to support empty premises in town centres recently announced by the

Department for Communities and Local Government. The approach to NWDA will also seek to draw in additional investment.

## **5.0 Legal Implications**

- 5.1 There are no immediate legal implications linked to the proposed Action Plan

## **6.0 Risk Assessment**

- 6.1 The main risk associated with the activities outlined in this report is the need to put the interventions in place as a matter of urgency to ensure maximum support for local communities. The need for action will be balanced by a rigorous approach to performance monitoring of any additional investment agreed.
- 6.2 Where possible the investment proposals have been developed as a response to an evidenced need with a measurable output attached. However, not all recession mitigation activity can be easily measured and linked directly back to investment proposals contained in the Action Plan. There is a risk therefore that the additional investment proposed cannot be linked directly to any changes in local economic conditions. To mitigate this, the proposals where possible are linked directly to a measurable output/outcome with monitoring arrangements in place.

## **7.0 Background and Options**

- 7.1 The Cheshire East Council Recession Task Group was formed in February 2009 to develop a programme of activities which will mitigate the impact of the recession on trading businesses and local communities.
- 7.2 The Task Group comprises of Cllr Macrae; Cllr Brown and Cllr Keegan. There is also Officer representation from across Cheshire East, led by the Strategic Director - Places.
- 7.3 The Task Group met on 24 April and received a draft action plan which outlined a number of investment proposals that were discussed at length.
- 7.4 The investment proposals were designed to address the impact of the recession in terms of our local economy and unemployment statistics.
- 7.5 The Task Group have also reviewed the best practice of Councils across the country with regards to recession mitigation. The proposals contained in this report would put Cheshire East in a prominent position nationally with regards to this area of work.

## **8.0 Recession Mitigation Proposals**

8.1 The Recession Mitigation Action Plan attached as Appendix 1 contains a number of leadership actions and investment proposals for new activity or to expand current provision.

8.2 The leadership actions include:

- Cheshire East Council to facilitate a Task Force for the area which brings together the range of activities already underway by existing action groups such as the Recession Action Support Team (REST) with local employers and other key agencies.
- The Council to write to the Chair of NWDA seeking regional support on the basis of the evidence generated regarding the impact of the recession on the local economy.
- A PR/Marketing campaign outlining the actions of Cheshire East Council to support businesses and local residents through the recession.
- An internal Steering Group of key leads across the Council to review public facing services and to agree implementation of the Action Plan.

8.3 The investment proposals include:

- Recession Busting Information Campaign– use of web portals and local information centres to provide signposting advice and top tips to businesses and vulnerable groups. Will provide a one stop shop linked to the main Cheshire East website.
- Think Local – an information/PR campaign which targets businesses and residents to shop/buy/supply locally.
- Supporting our Town Centres – a package of support to spruce up our town centres to make them a more enticing environment for retail customers. This will include seeking new uses for empty shops as well as floral campaigns linked to the Tatton Flower Show.
- Business Support – provision of additional business advice for high – risk businesses.
- Boost to the Cheshire East Visitor Economy – a package of events and I – guides/ website developments to support local visitor attractions under the Discover Cheshire umbrella.

8.4 The Task Group requested that the Cabinet be presented with a number of options for investment linked to the proposed outcomes.

8.5 The Action Plan provides more detail on each of the above areas for investment, with a clear timetable and proposed outcomes/outputs. It also breaks down the activities with individual costs attached. This should enable Members to direct an increase or reduce the level of support for any of the activities against a range of scaleable options.

8.6 Many of the actions which do not require additional investment are already underway such as the development of the 'Survival Guide to the Recession' web portal which went live on 7<sup>th</sup> May.

8.7 Delivery of the Action Plan will be the subject of a press campaign highlighting the proactive role of the new Council on recession issues.

## **9.0 Overview of Day One, Year One and Term One Issues**

- 9.1 Delivery of the Action Plan will be through a range of services across Cheshire East Council. Proposals have been developed with each of the service areas to ensure they are deliverable within the timescales outlined.

## **10.0 Reasons for Recommendation**

- 10.1 An early analysis of the impact of the recession on Cheshire East has been undertaken. The evidence is not surprisingly confirming that the impact on local businesses is most significant in the Macclesfield area. Overall, the proportion of firms with a high or maximum risk rating in terms of credit/risk is 30% or more in seven Cheshire East wards. The sectors carrying the greatest level of risk are transport and computing.
- 10.2 In terms of unemployment, the number of Jobseeker's Allowance (JSA) claimants has risen faster in Cheshire East (116%) than in most neighbouring authorities.
- 10.3 The Recession Mitigation Action Plan will ensure that Cheshire East Council is demonstrating leadership and proactively support our local communities and businesses through the tough economic climate. The package of activity proposed will place Cheshire East as one of the most proactive Councils in the region.
- 10.4 The action plan contains activities which must be delivered in partnership with local organisations. Many of the actions proposed will demonstrate the intention of the new Council to work in partnership and where appropriate show leadership on a major issue affecting both communities and businesses.

### **For further information:**

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## Recession Mitigation Action Plan

<b>Leadership Actions</b>					
	<b>Action</b>	<b>tasks</b>	<b>Outcomes</b>	<b>Costs</b>	<b>Milestones</b>
<b>1.1</b>	To facilitate a Recession Task Force for Cheshire East including key public sector agencies and local employers	<p>Terms of reference for RTG to be revisited and revised as necessary.</p> <p>Form a task group. Contact to be made with:</p> <ul style="list-style-type: none"> <li>• Chambers</li> <li>• Job centre plus</li> <li>• CAB</li> </ul>	<p>Leadership/facilitation role of Cheshire East Council demonstrated</p> <p>Alignment of existing initiatives and funding to prevent duplication of effort</p>	From existing resources	<p>End May 09</p> <p>First meeting end June 09</p>
<b>1.2</b>	Cheshire East to write to NWDA requesting additional support for local economy – based on evidence supplied	<p>Further identification of high risk businesses/ sectors, in order to target business support actions</p> <p>Measure of JSA Claimants compared to non-claimants and reduced income situations (4 day weeks / reworking of contracts)</p> <p>Develop a collaboration excise with housing benefit claimant trends</p> <p>Review of tax income figures</p> <p>Quantify GVA impact</p>	<p>Recognition from NWDA of the efforts of Cheshire East on recession actions</p> <p>Engagement from NWDA on the CEC task force</p> <p>Data available to support CEC argument for regional/ national support</p>	From existing resources	Available end May 09

<b>1.3</b>	Establishment of an Officer Task and Finish Group to oversee the development and delivery of the proposals	<p>Instigate high-level officer group</p> <p>Direct management decisions of retail ownership under pension fund ownership through an LGA approach to influence pension funds.</p> <p>Review of property rents and their relationship to local economy factors.</p> <p>CEC procurement approach reviewed.</p>	<p>Corporate approach to delivery of action plan</p> <p>Development of a tailored evidence base to targeting of actions and measuring and reporting on results</p>	From existing resources	First meeting June 09
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#### Investment Actions

	Action	Options	Outcomes	Costs £	Milestones
<b>2.1</b>	<b>Recession Busting Information Campaign</b> providing information about existing support and advice currently available and increased support for take up of benefit provision.	<p>Development of a web-portal linked to the CE website;</p> <p>Increase funding for benefit take-up advice through the provision of a web based service</p> <p>Provide for short-term staff provision to provide direct support for benefit take-up.</p> <p>Meet the buyer event organised across the broad public sector to promote procurement opportunities for local businesses.</p>	<p>10% increase in business access to data</p> <p>10% Increase in take up of existing benefits and services by local residents</p> <p>Achieve 10% increase in uptake of available benefit packages</p> <p>10% increase in local supply provision to the public sector</p>	<p>Delivered in house</p> <p>5,000</p> <p>110,000</p> <p>2,000</p> <p><b>£117,000</b></p>	<p>Website portal in place by end June 09</p> <p>Campaign devised and launched end June 09</p> <p>Staff in post and drop-in events organised from end June 09</p> <p>Event run July 09</p>

2.2	Development of a <b>Think Local</b> campaign to promote 50% of resident spend with local businesses	Promotional message developed utilising radio and local network branding	10% Increase in the retention rate for local spend on purchasing of services and goods from local shops, businesses and suppliers	35,000  (option to increase or decrease with direct impact on level of penetration)	Campaign developed by end May 09. PR campaign to run throughout summer/autumn
				<b>£35,000</b>	
2.3	A package of measures designed to <b>Support our Town Centres</b> through the recession to increase footfall and retail spending through the summer /autumn	<p><i>The economic downturn is particularly challenging to town centres with their local based businesses. A needs assessment will be undertaken to apply actions from the following proposed options</i></p> <p>Streetscape improvements, including floral enhancements and signage</p> <p>Shop improvement grants</p> <p>Loyalty card to promote and reward local spend</p> <p>Promotion of vacant shop premises by community voluntary groups</p>	<p>Improved environment as an attractor for shopping and visitor spend.</p> <p>10 shop frontages improved,</p> <p>30 shops engaged and generating 15% loyalty card expenditure</p> <p>10 community groups attracted into town centres</p>	<p>10,000</p> <p>20,000</p> <p>5,000</p> <p>20,000</p>	July 09
				<b>£55,000</b>	

2.4	A package of <b>Business Support</b> for existing businesses.	Run a series of awareness raising and networking events with partners to promote access to business support packages for local businesses, targeting actions towards providing resilience support to high risk businesses	150 business to be made aware of current provision	8,000	Events designed and implemented July 09
		Run 'open for business' events to CEC Business Generation centres to both promote the range of services provided and to facilitate new business formation	10% Increase in customer base and facilitation of 10 new business start-ups.	5,000	First event July 09
		Provide a Business Directory service to identify the range of services and product provision within Cheshire East to promote a local market for sourcing business to business transactions	10% retention of business to business transactions within the locality	20,000	Web-page in place for end July 09
				<b>£33,000</b>	
2.5	A package of support for the <b>Visitor Economy</b> through the summer season.	Production of i-guides Website developments to support local visitor attractions under the Discover Cheshire umbrella.	Business cluster guides developed  10% increase in web booking	58,000	August 09
		Development of events, including supporting the Knutsford Floral Walk linked to promoting the Tatton Flower Show	Increase footfall and consumer spending in Knutsford during Tatton Flower Show – linked to Floral Walk	33,000	Event run July 09
				<b>£91,000</b>	

**Total Investment Package**

**£331,000**