

# REPORT TO THE EXECUTIVE

Report No. 9

<b>Date of Meeting</b>	<b>4 December 2008</b>
<b>Title of Report</b>	<b>Economic Impact on North Wiltshire</b>
<b>Portfolio</b>	<b>Policy</b>
Link to Corporate Priorities	Buoyant Economy.
Key Decision	No
Executive Workplan Ref	N/A
Public Report	Yes

## Summary of Report

To inform the Executive of the state of the economy within North Wiltshire and provide options to reduce the impact of the recent economic downturn on our communities.

## Officer Recommendations

1. To note the content of the Council's Economic Assessment and approve its wider distribution to partners and businesses within North Wiltshire.
2. To approve the granting of funds to CAB (£38K) and North Wiltshire Credit Union (£8K)
3. To approve additional funding of £10K for the business start up scheme.
4. To approve a new scheme to support the marketing of local businesses, (£10K)
5. To approve the commissioning of Economic/Business seminars, (£10K)
6. To approve a contingent budget of £10K for any of the business support initiatives that prove most successful

Other than those implications agreed with the relevant Officers and referred to below, there are no other implications associated with this report.

Financial Implications	Legal Implications	Community & Environmental Implications	Human Resources Implications	Equality & Diversity Implications
YES	NO	YES	Not directly from this report	Not directly from this report

<b>Contact Officer</b>	Stuart McGregor – Assistant Chief Executive <a href="mailto:smcgregor@northwilts.gov.uk">smcgregor@northwilts.gov.uk</a> 01249 706219
------------------------	--

## **1. Introduction**

- 1.1 This report informs the Executive of the current economic position with North Wiltshire and provides proposals for minimising the impact of the current economic downturn within the District.

## **2. Options**

- 2.1 Option 1: To agree the recommendations.
- 2.2 Option 2: To propose alternative recommendations.

## **3. Background Information**

- 3.1 Recent events in the UK economy have received much coverage in the media. The effects of the downturn can be seen on a daily basis. Central Government have taken action to support the economy and Local Government is also expected to do so.
- 3.2 To ensure that any action or investment is worthwhile, affordable and effective, the Executive commissioned officers to undertake work to assess the position in North Wiltshire and to provide options for actions that could be taken.
- 3.3 The approach was twofold and the actions recommended in this report follow the initial request from the Executive.
- What can we do to help individuals?
  - What can we do to help businesses?

## **4. Help for Individuals**

- 4.1 Review of housing benefit requests and the monitoring of employment statistics reflecting job losses confirmed that the economic downturn is having an effect in North Wiltshire.
- 4.2 There are already a number of benefits, organisations and packages to help individuals during times of reduced income or increased debt. The approach to-date has been to increase publicity for these benefits and organisations. However, we are also aware that the local Citizen Advice Bureau (CAB) has a resource issue due to a continuing increase in requests for their support.
- 4.3 After consultation with partners and officers, it is recommended that the Council increases its support to partner organisations that are best placed to help individuals and offer independent advice and assistance.
- 4.4 It is recommended that the CAB be supported with an additional one off grant of £38,000 to provide for the employment of an additional debt caseworker. As many people during times of financial hardship find it difficult to manage debt and work out agreements to repay loans or credit, it is also proposed that we provide a grant to the North Wiltshire Credit Union of £6,000 toward software which will enable them to

provide a client direct debit/payment plan service. In addition a vacant shop premise has been identified in Redlands that could be offered to the Credit Union rent free for 12 months with a small grant towards refurbishment. The total cost being £8,000 to help prevent homelessness.

- 4.5 These grants can be funded from an existing economic ear marked reserve set up for 2008/09.
- 4.6 In respect of benefits for Council tax, housing benefits and mortgage aid. Officers will widen the advertising of the financial support available from other relevant organisations.

## **5. Supporting Businesses**

- 5.1 To better understand the problem and likely future position a full economic assessment report was commissioned from GWE Business West Research.
- 5.2 The final report provides valuable information in respect of the North Wiltshire area. In summary as North Wiltshire has a diverse business sector base and a large commuter population it is considered that the economic downturn should not impact upon North Wiltshire as severely as many other areas..
- 5.3 However, a reduced impact does still constitute some impact and therefore proposals have been considered to minimise these.
- 5.4 It is recommended that the Council Economic Review be circulated, supported by the report from GWE Business West Research, to partners, business groups and large employers to demonstrate the position in North Wiltshire, to help inform those groups that whilst other areas are suffering major economic problems, the position in North Wiltshire should not be so great and that there is a need not to 'talk our local economy down'. With further positive steps by all partners it should be possible to ride out the current economic climate better than most areas.
- 5.5 There is a need to promote the use of local businesses and help them market themselves. It is possible for local businesses to improve their position by attracting the community to shop and procure goods and services locally. A side benefit that is equally valid is that by shopping locally consumers will help reduce carbon emissions and so provide an environmental benefit in addition to a local economic one and will reduce fuel costs.
- 5.6 When North Wiltshire District Council set out its plan to support communities with £0.5 m of grants to community buildings for 'Energy Grants' the purpose has threefold:
  - 5.6.1 To reduce consumption of energy through insulation measures and increased energy efficiency so as to provide 'Environmental Benefits'.
  - 5.6.2 To reduce the cost of utilities for community assets/groups, so lowering their costs and aiding 'Sustainable Communities'.

- 5.6.3 To promote the use of local business to provide the improvements so 'Helping the local economy'.
- 5.7 One interesting observation which the Council wishes to build on is that the area has one of the highest business start-up rates in the region and even more importantly one of the highest survival rates (it is recognised that most new businesses are at greatest risk during the first two years of existence). It is therefore recommended that additional funds be put into the existing Business Start-up Scheme and the criteria changed to include businesses in both their first and second year of trading.
- 5.8 In addition, it is also proposed that a new grant for businesses be introduced to specially aid them to market themselves more effectively. The exact details and criteria need to be confirmed, and it may be that it would be best undertaken in conjunction with local Chambers of Commerce.
- 5.9 In line with the Central Government request the Council is now processing all invoices for payment for smaller businesses as soon as possible and aiming for an average of 10 working days. This will have a moderate effect on the cashflow of the Council, but should provide a positive impact on those businesses trading with us.
- 5.10 To provide the wider business community with more suggestions and advice it is proposed that the Council sponsor the Chambers of Commerce to run seminars in each of the small towns to promote the various agencies that can provide practical and valuable support.
- 5.11 The Executive and officers would also be seeking feedback on any other practicable suggestions for support for businesses and regeneration/development of the economy in North Wiltshire would also be welcomed that the Council might provide in the limited time it has in existence to the 31 March 2009 or proposals that it might make to the New Wiltshire Council.
- 5.12 The cost of these business support proposals is estimated to be as follows:-
- |   |      |
|---|------|
| a) extending Business Start-up Scheme         | £10k |
| b) introducing market grant                   | £10k |
| c) commissioning Chamber of Commerce Seminars | £10k |
- 5.13 Given the need for action and swift responses the Executive are recommended to endorse a moderate contingency and acknowledge that funds may flex between the schemes dependent on their take up and success. It is recommended that a total package cost of £40k to support businesses be approved, to be funded from Local Area Business Growth Initiative grant.

## **6. Human Resource Implications**

- 6.1 There are no direct Human Resource implications.

**7. Equality and Diversity Implications.**

7.1 There are no direct Equality and Diversity implications.

**8. Community and Environment Implications.**

8.1 The Council is looking to help support the local community during this recent downturn. This reports looks to put forward a number of schemes to support our local communities and individuals. In addition, the increase support locally and marketing of local business should reduce the impact on the local environment.

**9. Legal Implications**

7.1 There are no direct legal implications

**10. Financial Implications.**

8.1 The report contains some financial implications, however the funding can be contained within existing budgets (earmarked reserves).

**11. Risk Assessment**

9.1 There is a risk that the local economy could suffer further if no action is taken, this will impact on the authority by increasing benefit claims and a loss of Council Tax and Non Domestic Rate income. There is no risk of overspend as the budgets involved will be controlled

<b>Appendices:</b>	<ul style="list-style-type: none"><li>• None</li></ul>
<b>Background Documents Used in the Preparation of this Report:</b>	<ul style="list-style-type: none"><li>• <b>Economic Assessment of North Wiltshire (December 2009).</b></li></ul>

**Previous Decisions Connected with this Report**

<b>Report</b>	<b>Committee &amp; Date</b>	<b>Minute Reference</b>
<ul style="list-style-type: none"><li>• None</li></ul>		