

Report to: **Cabinet** **Agenda Item**  
Date: **28 April 2009**  
By: **Chief Executive**  
Title of report: **Recession: Update on impacts and Action**  
Purpose of report: **To update Cabinet on the agreed action plan to mitigate the impact of the recession in East Sussex on businesses, individuals and communities.**

**RECOMMENDATIONS: The Cabinet is recommended to:**

- 1. consider the latest information about the impact of the recession in East Sussex and the progress on the agreed action plan; and**
- 2. agree the proposed criteria for use of the one off fund.**

### **1. Financial Implications**

1.1 The impact of the recession on the County Council will continue to be managed through our Reconciling Policy and Resources processes including budget and performance monitoring. A one off fund of £1m (including £180,000 of existing funding) was agreed as part of the 2009/10 budget. Criteria for the Fund's use and an approvals process is proposed in this report.

### **2. Background**

2.1 In January 2009 the Cabinet considered a detailed report on the recession and agreed that an action plan be developed through discussions with a range of partner organisations, to deliver the agreed policy steer 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."*

2.2 The impact of the recession on the County Council itself will continue to be managed through the Reconciling Policy and Resources processes including budget and performance monitoring. This report focuses primarily on the external impact of the recession.

### **3. Action Plan Progress**

3.1 The recession action plan is built on a strong evidence base and has three areas of focus; a) Businesses b) Residents and c) the Voluntary and Community Sector (VCS) and Communities. As agreed in January, it remains important to recognize that, in all sectors, there will be significant variation across the different areas and communities of East Sussex and that plans will need to be flexible, responsive and based in strong partnerships both within and outside East Sussex. Appendix 1 details progress on the action plan. Highlights include:

- building a strong local evidence base so that actions are properly targeted against priorities and their success can be properly measured. Appendices 2 and 3 provide the latest briefing on claimant rates in East Sussex and information from SEEDA. Surveys of local residents and businesses are underway (results due in May) and we are working with voluntary sector colleagues to explore the experiences and views of the local sector.

## **Businesses**

- Paying small local businesses (SMEs) and VCS organisations more quickly (average payment reduced to 15 days since January).
- “Your County” and the website providing clear, reliable advice and signposting sources of more detailed advice. Providing advice through regular Trading Standards contacts and by joint leaflets with relevant Borough/District in some areas together with the National Non Domestic Rates (NNDR) bills.
- Working with Sussex Tourism Partnership to promote Tourism.
- Advice to rural businesses at South of England Show.
- Ensuring our c£1bn planned capital programme provides opportunities for local businesses.
- Continuing the implementation of our £100,000 investment in Business Link to support businesses in their planning;
- Exploring the potential to promote “social enterprise and ‘micro finance’ initiatives”.
- Trading Standards are:
  - Actively recruiting to the Buy With Confidence scheme for good local traders;
  - Maintaining an e-group called the ‘Business Support Network’ (BSN) to provide local businesses with information on commercial scams and on opportunities available for assistance during the recession;
  - Checking that businesses continue to comply with fair trading legislation, whilst disrupting rogue traders and those operating in the shadow economy, in order to ensure fair competition for those trading in the County – with goods and services being accurately measured, correctly described and priced.

## **Residents**

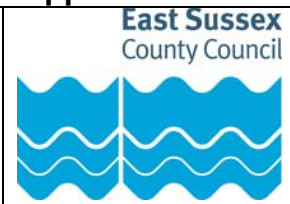
- Launching the campaign to increase access to fair credit through support for the credit unions.
- “Your County” and the website providing clear and reliable advice and signposts to sources of more detailed advice. We are also highlighting free activities and events in response to clear local demand for such information.
- Trading Standards are working to:
  - identify Loan Sharks operating in the community and close down their activities whilst signposting residents to possible alternative sources of financial support;
  - promote good local businesses to residents through the Buy with Confidence scheme, especially the elderly and vulnerable;
- We are continuing to work closely with partners to respond to community safety impacts.

## **Voluntary and Community Sector (VCS) and Communities**

- Ensuring VCS aware of entitlements to Business Link support.
- Financial support to “Speak up” (VCS Umbrella organisation) and Councils for Voluntary Services (CVSs) to ensure high quality support to the local VCS.
- Responded to 50% increase in requests for funding advice from VCS.

3.2 The proposed criteria for the Recession Fund are detailed at appendix 4. The criteria are broad enough to allow flexibility as the economic climate and its impact locally changes over future months. The proposed approach will ensure decision making is rapid and aligned with the Council's priorities and local evidence. Regular reports on its use will be made to the Lead Member for Strategic Management and Economic Development.

**Contact officers: Becky Shaw (x 81950) , Kieran McNamara (x81268) and Richard Hemsley (x81820)**

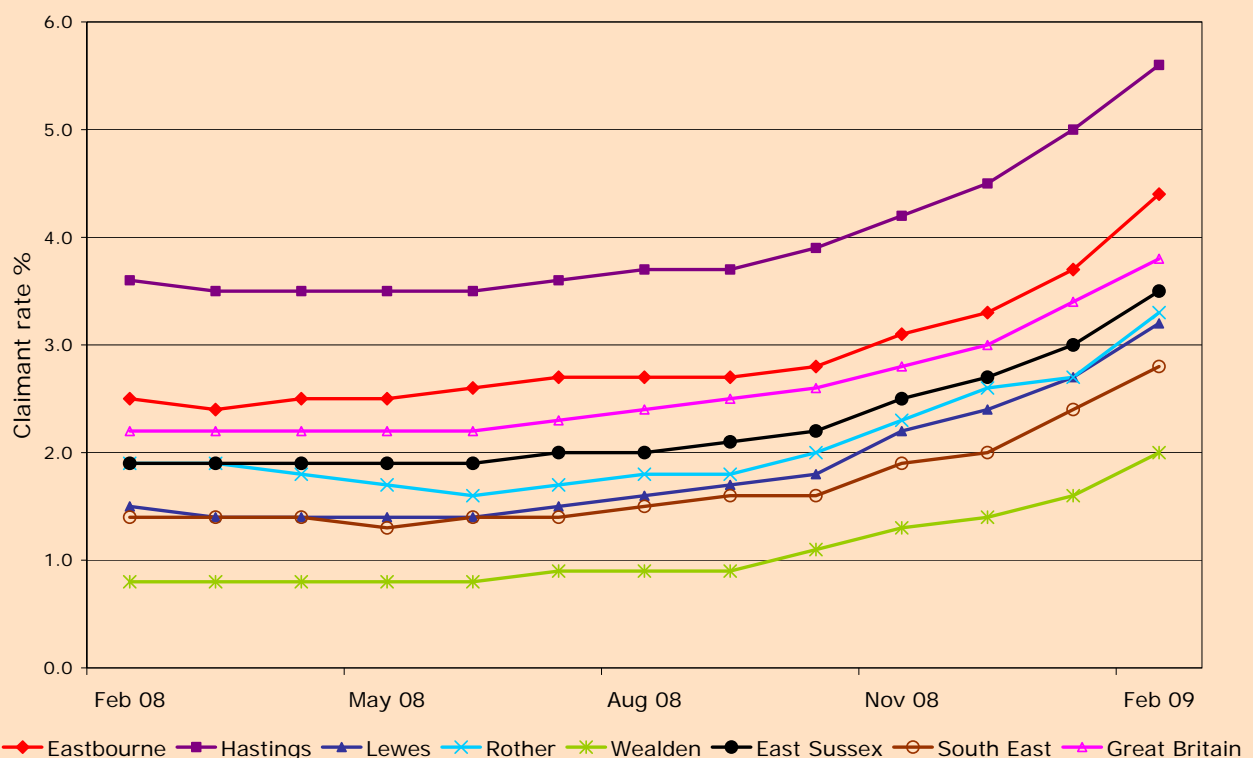


## JSA claimant count unemployment... in brief

**The number of people unemployed and claiming benefit continues to increase at unprecedented levels. In February 2009, the month-on-month increase was the largest rise since records became available at district level in 1983.**

- In February 2009, the number of people out of work and claiming benefits in East Sussex increased by 1,502, rising to 10,054, which is the highest number of claimants since March 1997. The monthly increase of 18% was larger than the increase for Great Britain (14%) but slightly lower than the South East region (19%).
- The claimant count rate in East Sussex now stands at 3.5%, the highest rate since May 1997. This is higher than the region (2.8%), but slightly lower than the average for Great Britain as a whole (3.8%).
- The annual increase was 4,553 in the year ending February 2009, or 83%, with the majority of this increase occurring over the last 3 months – 2,978 (42%). Claimant unemployment in the South East has more than doubled over the last year increasing from 69,630 in February 2008 to 142,170.
- Economic experts predict further increases in unemployment in the coming months.

### JSA claimant count rate by district, February 2008 – February 2009



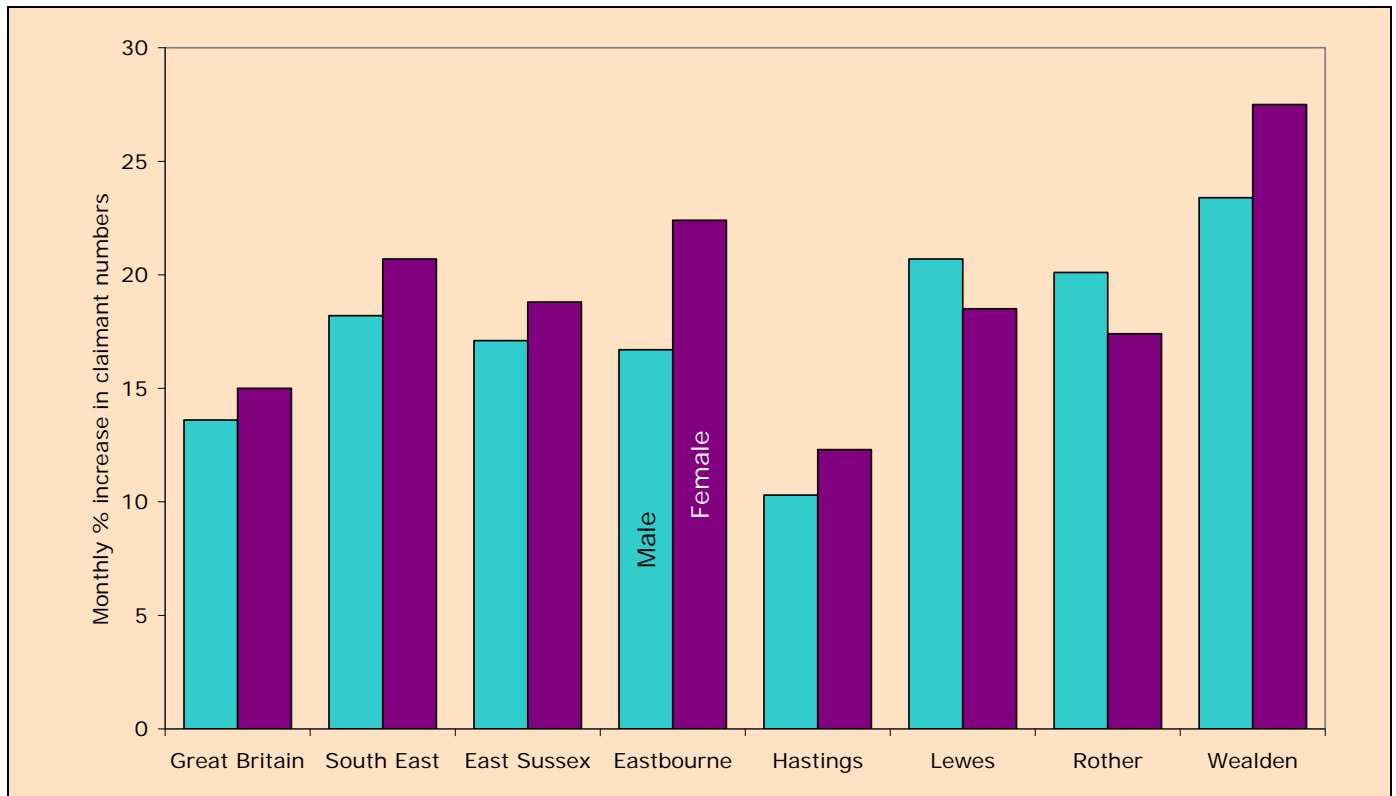
## Across the county

- **Eastbourne:** claimant numbers climbed by 365 to 2,353 in February. This increase of 18% was in line with the county average. The rate in Eastbourne now stands at 4.4%. Sovereign ward has been particularly badly hit, with numbers increasing over the year from 116 to 263 (127%). Devonshire has the highest claimant rate at 6.3%.
- **Hastings:** continues to have the highest claimant rate of all local authorities in the South East at 5.6%, compared to 3.5% in East Sussex. Numbers there rose by 11% in the month to February 2009, from 2,599 to 2,888. Central St Leonards ward still has the highest claimant rate in the county at 10.8%. Although the number of claimants has increased by 46% since February 2008, it is below the overall increase for Hastings of 54%.
- **Lewes:** saw a monthly increase of 289 to 1,705, an increase of 20%. Claimant numbers in Lewes have more than doubled in the year from 783 in February 2008. While at ward level the biggest percentage rises have been seen in rural areas, there are relatively few claimants there. However, some more urban areas have been particularly badly affected, like Newhaven Valley, where numbers have increased from 57 to 148, and the claimant rate is now 6.1%.
- **Rother:** a 20% monthly increase pushed numbers up to 1,486. The pattern closely mirrors the county picture and the claimant rate is now 3.3%. However, as in Lewes, while the biggest percentage jumps are in rural areas, the poorer urban areas are now seeing high claimant rates, with Bexhill Central rising to 6.8% and Sidley to 6.2%. An 83% annual increase in Rye means that the claimant rate there is now 4.9%.
- **Wealden:** claimant numbers have increased by 992 claimants to 1,622, an increase of 157% in the last year. Many of the rural and more affluent parts of the district have seen big rises in claimant numbers – in the combined wards of Uckfield the number of claimants has tripled, from 72 in February 2008 to 203 in February 2009.
- While claimant count rises in East Sussex have been steep, some counties/unitary authorities in the South East are seeing claimant numbers increase even faster. In Wokingham UA, numbers have almost tripled over the last year (191% increase) but they still have the lowest claimant rate in the region – just 1.7%. West Berkshire, Surrey, Bracknell Forest, West Sussex and Buckinghamshire have also seen much steeper rises than East Sussex.

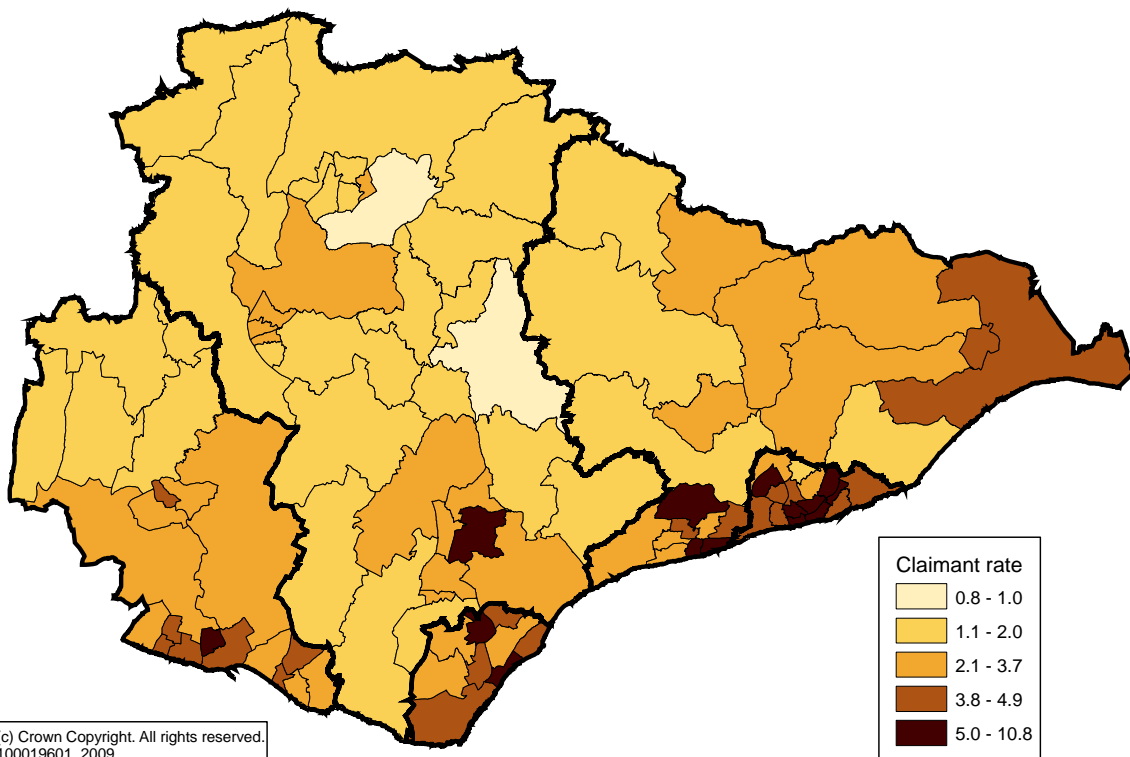
## Age and gender

- Unemployment in the county has been rising faster among males than females. Male unemployed claimants rose by 87% compared to 71% among females over the last year. However, in the last month in the county, female claimant numbers increased slightly faster than males, particularly in Eastbourne (22% increase among females compared to 17% males) and Wealden (28% females compared to 23% males). But females still only make up a small proportion – only one in four claimants in East Sussex being female.
- There was little variation in the rate of increase among different age groups in the county over the last year, but the most recent month seems to show under 25s being most affected everywhere except Hastings. In the county under 25 claimant numbers increased by 22% compared to a 12% rise in the over 45 age range.
- As yet, the effects of the increase in unemployment have not increased the number of long term unemployed people (more than 1 year) who are claiming, which remained the same in February 2009 as in the previous year (705).

## Percentage increase in JSA claimant count by gender, Jan 2009 – Feb 2009



## JSA Claimant count rate by ward, February 2009



Note: 3.8 is the national average figure

## JSA claimant counts and rates

	Claimant rate (%)			Number of claimants			% increase since February 2008
	December 2008	January 2009	February 2009	December 2008	January 2009	February 2009	
Eastbourne	3.3	3.7	4.4	1,781	1,988	2,353	75.1
Hastings	4.5	5.0	5.6	2,348	2,599	2,888	54.1
Lewes	2.4	2.7	3.2	1,259	1,416	1,705	117.8
Rother	2.6	2.7	3.3	1,170	1,241	1,486	70.8
Wealden	1.4	1.6	2.0	1,129	1,308	1,622	157.5
<b>East Sussex</b>	<b>2.7</b>	<b>3.0</b>	<b>3.5</b>	<b>7,687</b>	<b>8,552</b>	<b>10,054</b>	<b>82.8</b>
South East	2.0	2.4	2.8	104,304	119,776	142,340	103.8
Great Britain	3.0	3.4	3.8	1,117,512	1,243,064	1,416,213	71.8

## Further information

The Job Seekers Allowance (JSA) claimant count records the number of people of working age claiming JSA and National Insurance credits at Jobcentre Plus offices. Statistics are published monthly on the Nomis website.

The JSA claimant rate is defined as the number of claimants resident in an area expressed as a percentage of the working age population resident in that area. Working age is defined as 16-64 for males and 16-59 for females. The working age population figures are derived from Office for National Statistics mid-year population estimates.

The JSA claimant count is often used as an indicative measure of unemployment as it provides frequently updated information for a range of geographies. Care should be taken not to confuse this with ONS official labour market statistics which use the International Labour Organisation's definition of unemployment.

- Full claimant count data is published on the [Nomis website](#).
- Detailed statistics for JSA claimant counts by [gender](#), [age](#) and [duration of claim](#) are available on East Sussex in Figures.
- For further information please contact Lenna Santamaría on 01273 481619 or [mariahelena.santamaria@eastsussex.gov.uk](mailto:mariahelena.santamaria@eastsussex.gov.uk); or Helen Joslin-Allen on 01273 481346 or [helen.joslin-allen@eastsussex.gov.uk](mailto:helen.joslin-allen@eastsussex.gov.uk)

## Contact details

The Research and Information Team supports the strategic planning activities of the County Council's Transport and Environment Department. It also provides intelligence to assist with service planning and strategy development across East Sussex generally and has recently developed the East Sussex in Figures (ESiF) data observatory.

## REGIONAL INTELLIGENCE SNAPSHOT FOR THE SOUTH EAST

MARCH 09



Research and Economics Team (01483 470 162)

### SUMMARY OF ECONOMIC CONDITIONS

- The latest evidence from businesses and business representative organisations shows that the **rate of deterioration in business conditions** in the South East **has started to slow down**, with output, new orders and numbers employed being broadly flat compared to last month.
- **Manufacturing firms continue to face adverse trading conditions** in both domestic and export markets. Significant depreciation of the pound has so far failed to improve the fortunes of the region's manufacturers with depreciating currency continuing to put upward pressure on import prices.
- Largely anecdotal evidence from businesses suggests that there are signs of a **more positive outlook for the next few months**. Corroborating our latest business survey results (the Quarterly Snapshot), the latest EEF survey shows that the **region's manufacturers are more upbeat about the outlook** with businesses expecting a generally higher volume of new orders over the next three months.
- The **labour market continues to weaken**. Over the past quarter for which data is available the number of people in employment fell by 32,000 – the largest decline of any region – and the number of people claiming JSA reached 136,000 in February (the highest level since May 1997). With redundancy notifications in March increasing to 5,900 or 9% up on February the labour market is expected to weaken further over the coming months.
- **Inward investment inquiries are holding up** but difficulties in **obtaining investment finance remain an obstacle** in converting these into solid investments.

### KEY CHALLENGES AND HOTSPOTS

- **Falling demand, managing cashflow, and retaining skilled staff** to prepare for the upturn are some of the most pressing issues affecting businesses.
- **Accessing finance is still proving difficult for many businesses.**
- Further **weakening of the labour market in coastal areas, smaller commuter towns and rural areas** is of particular concern where even relatively small job losses could have a significant impact on demand. Further restructuring within the financial sector, lower demand for other services and the impact of falling incomes as a result of reduced revenues in the public sector are likely to lead to a new round of redundancies in these sectors over the coming months.

### BUSINESS SPECIFIC INTELLIGENCE / INFORMATION ON KEY QUESTIONS

- Anecdotal evidence suggests that the take up of the EFG has been slow due to the personal guarantees required, and several other strings attached.
- General feedback is that banks are still calling back existing credit arrangements and in some cases reducing overdraft facilities that have already been agreed. See Annex for sectoral and business intelligence.

## SOUTH EAST ENGLAND DEVELOPMENT AGENCY

### REGIONAL ECONOMIC UPDATE – March 2009

#### Annex – Sectoral Overview

The downturn has spread out across a broad range of sectors, with retail, construction and property related activity, manufacturing (especially automotive) and financial services affected the most. Furthermore, Business Link Surrey are seeing increasing volumes of enquiries from businesses in sectors they wouldn't normally hear from, such as dentists, solicitors, plumbers and opticians.

**Manufacturing:** continues to face adverse trading conditions in both domestic and export markets. A significant depreciation of the pound has so far failed to improve the fortunes of South East manufacturers. Manufacturers who import are continuing to feel pressure from higher import prices. A number of manufacturing firms have got into difficulties in March, including **Carringworth**, the West Sussex-based metal components manufacturer with about 250 staff, which has gone into administration, while the engineering firm **Active Signs** has also gone into administration with the loss of 70 jobs at its Ramsgate-based sign manufacturing business. **Kemble & Co**, the Milton Keynes based engineering firm is said to be considering plans to close its piano factory in Bletchley with the loss of up to 96 jobs.

The automotive sector is experiencing very challenging conditions because of low consumer confidence and high levels of uncertainty. New car sales are significantly down on last year, but there may be some slowing of the decline in April following the issuing of new plates in March. Uncertainty about the introduction of the 'scrapage tax' has severely dampened demand, as potential car buyers wait to see if there are likely to be any incentives on offer. The latest business specific intelligence includes the news that **Greens Motor Group**, the Kent-based Vauxhall car dealership, has gone into administration with the loss of about 70 jobs. Kent Economic Board report that used car sales are holding up, as are repairs and servicing. Defence orientated manufacturers are still doing reasonably well but some firms are concerned that government contracts could "dry up" over the next couple of years.

According to the latest EEF survey, manufacturers in the South East are less pessimistic about the next three months than they were previously. Businesses expect a generally higher volume of new orders over the next three months, with export orders being higher, while the outlook for the volume of domestic orders and volume of output is broadly flat. Employment levels and profit margins are expected to be lower, with further worsening of cash flow over the next three months. Cashflow and access to credit still remain significant challenges for the region's manufacturers.

**Energy:** The energy sector appears to be performing relatively well, with no major redundancies announced in the past two months, and a number of new plants to be set up and new jobs to be created. For instance, **Scottish Power** has unveiled plans for a new £500 million 1,000MW gas-fired power station at its Damhead Creek site in Kent, with the creation of 50 permanent jobs, while **Ceres Power** is to set up a fuel cell manufacturing plant in Horsham, Sussex, creating hundreds of jobs.

**Retail:** Footfall is holding up in some areas such as Brighton and Hove and Milton Keynes, although in West Sussex town centres footfall is down. Food shops are doing reasonably well, but fashion shops and high-end retail continue to struggle, as customers think hard before making non-essential or larger purchases. **Home Retail Group** has shed 300 of the 1,500 jobs at the Milton Keynes head office of its Argos and Homebase operations, while **Waitrose** is due

to create 140 jobs with the opening of a new store in Ashford, Kent later this year. The number of vacant shops is continuing to increase in many town centres, with more redundancies associated with troubled major national chains (eg. recent closures of **Principles** and **Marks and Spencer** stores across the region). Landlords are being flexible in offering monthly rental payments for retailers with cashflow problems. Some market traders are seeing a drop in trade as larger stores have reduced their prices heavily.

**Construction and property:** Developers are still trying to sell their stocks of new homes quickly at discounted prices in anticipation of further price falls. One of the most recent casualties of the downturn in house building is **Cadenza**, the Windsor-based house building firm, which has gone into voluntary liquidation. However there is evidence that some larger developments with long lead times (c. 18 months) are starting to come out of moth balls – suggesting that developers are planning to have projects ready to bring to market in anticipation of the upturn. As evidence of this preparation for the upturn, **Laing O'Rourke**, the Dartford based construction firm is to create a further 1,000 positions for construction apprentices, in partnership with ConstructionSkills, with 200 to be recruited this year. Some increase in construction activity has been reported in West Sussex due to falling raw material prices.

There are some reports of buyers still waiting for the housing market to bottom out, but there are signs of increased activity in several parts of the region. Kent Economic Board reports that demand from first time buyers with savings to draw on has increased significantly, which is borne out by increased auction sales and some growth in demand for domestic conveyancing. The rental market remains buoyant, although rents are static or falling.

According to Hampshire Economic Partnership employment levels in electrical, plumbing, heating and ventilation and air conditioning are predicted to fall by up to 50% and some apprentices may also be made redundant.

**Leisure and tourism:** The number of pub closures is increasing in some areas. The restaurant trade has been affected significantly by the downturn except in those cases where outlets (largely chains) offer discounts or special offers. Tourist operators are fairly confident of a good summer season, but less optimistic about the off-season. Conference venues are reporting a significant drop in bookings and luxury hotels are having to reduce their room rates to attract business customers, but budget hotels are doing well. **The Forbury Hotel**, a Reading-based luxury hotel that recently underwent a £6 million renovation, has gone into administration. Caravan parks are seeing an increase in bookings (up by 40% on a year ago). **Holidaybreak** is setting up a new chain of 9 Eurocamp campsites in the UK, including two sites in the New Forest. As the downturn continues to bite, visitor numbers at museums and heritage sites are increasing.

**Agriculture / land-based:** Businesses in West Sussex are reportedly benefiting from higher food prices and the weakness of sterling. Investor Development Managers report buoyant orders for horticultural growers from garden centres in West Sussex. However, the weak pound is leading to increases in the cost of imported inputs.

**Creative and cultural:** There is a mixed picture in this sector, with publishing, design and fashion, leisure, advertising and architecture generally struggling, while music, software and computer services are doing relatively well. Web developers are reportedly seeing increasing orders from businesses seeking new markets. Theatre bookings are holding up quite well, perhaps because people are swapping holidays for less expensive 'treats'.

Printed media (particularly local newspapers) are struggling due to reduced advertising spend and the challenge from online media. Many businesses are reducing their budget for printed media and switching to online media instead. A number of local newspapers in the region are

restructuring and shedding jobs. For example, **Kent Messenger Group** is planning to shed up to 159 of the 560 jobs at its media operations in Kent, and its printing, mailroom and distribution operations will be outsourced. Meanwhile, the **Reading Evening Post** is to move from a five-day to a twice-weekly publication.

Both feature film and TV production were lower than usual in the first quarter of 2009, but the outlook for the next few months is more positive, with significant budgeting and scheduling work taking place. However, the possible scarcity of good soundstage space in the second quarter of 2009 may limit the appeal of the South East and the UK more generally as a location for TV drama production, with consequent shifting of some projects to central and eastern Europe.

**Security Innovation and Technology:** From a general SME perspective, the market situation continues to deteriorate. Many major customers, potential customers and partner organisations are tightening their belts, reducing budgets and either cancelling or postponing previously planned projects. Very few companies have not laid off staff in the last few months and most have more cut-backs in the pipeline.

**Third sector:** Figures from Citizens Advice Bureaux indicate that the South East CABx have seen by far the largest number of enquiries of any region regarding unemployment benefits and redundancy. Between January and March 2009 there were more than 5,500 enquiries about Jobseekers' Allowance (almost one fifth of the total for England and Wales), and at least 5,000 enquiries relating to redundancy (more than one fifth of the total). This equated to more than 100 enquiries per working day. In addition, over 3,100 enquiries about mortgage arrears were received in this period, and more than 3,600 enquiries relating to council tax arrears.

**Redundancy Notifications:** According to HR1 data, the level of redundancy notifications in the South East in March was higher than in February. There were some 5,900 redundancy notifications in the South East in March against 5,400 in February 2009.<sup>1</sup>

Relative to their share of regional employment, the telecommunications and finance sectors have seen the greatest increase in redundancy notifications over the past month. These two sectors accounted for over 40% of all redundancy notifications, with telecommunications alone accounting for over one fifth of all redundancy notifications in the South East in the past month. There has been a relatively large number of redundancies in manufacturing, printing & publishing activities, construction and other business activities.

Berkshire and West Sussex recorded disproportionately more redundancy notifications than other sub-regions. For example, over a quarter of all redundancies notified via HR1s in the past month were recorded in Berkshire, which is well above its share of total employment within the South East.

With more than one in ten redundancy notifications, Horsham and Newbury, relative to their share of regional employment, were affected by redundancies disproportionately more than other urban areas, followed by Slough. Dartford and Bracknell were also affected disproportionately more than other urban areas.

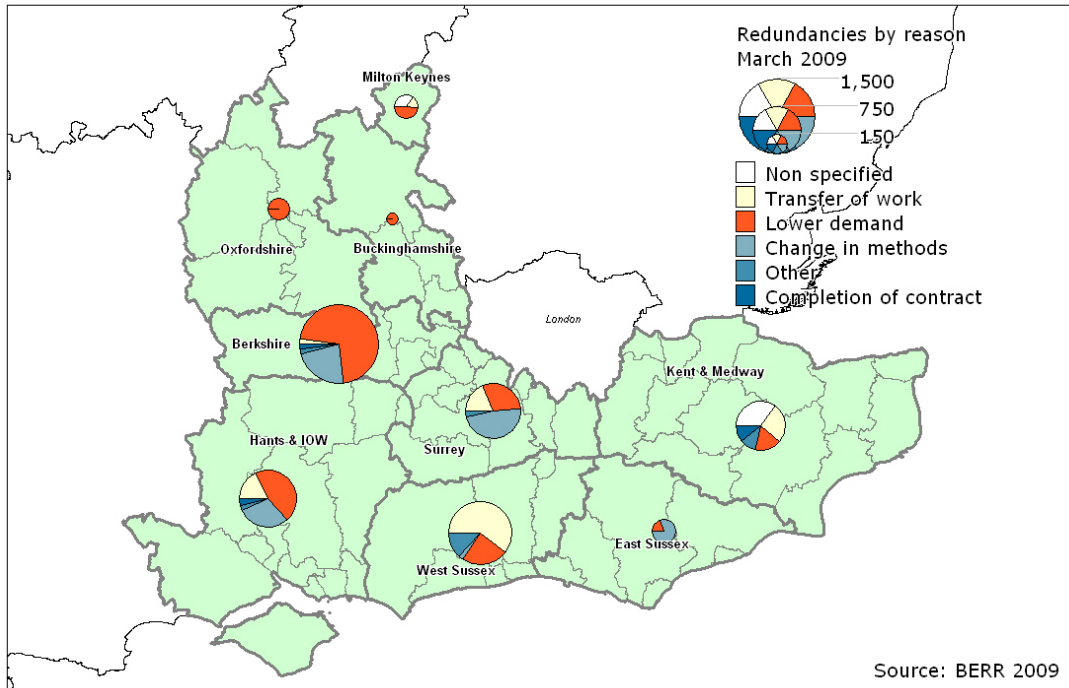
Over the past month there was a decline in the proportion of redundancy notifications in the South East due to lower demand. In March 2009 some 44% of redundancy notifications in the South East were entirely or partially caused by lower demand against almost two thirds in February and more than half in January.

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<sup>1</sup> Note that this data only captures redundancies of more than 20 employees; some of the job losses are not scheduled to take place until later in 2009; and in some cases the redundancies are happening in another region but are registered in the South East because it is home to the company's headquarters.

In Berkshire and Buckinghamshire lower demand accounted for over 70% of all redundancy notifications in March 2009.

### Redundancy notifications by sub-region, volume and reason March 2009 (Source: HR1 data via BERR / Job Centre Plus)



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## Recession action plan cabinet – April 2009

## Appendix 1

Actions proposed to address evidence gap		Lead	Timescales	Progress
1. To establish an evidence base drawing on a range of qualitative and quantitative information from national and local sources and using an agreed set of relevant local indicators to monitor and predict impacts of the recession in East Sussex.	1a) Review and identify current indicators, sources and gaps so, internally and with task force, we can agree a set of indicators.	Director of Policy & Communication (DPC)	Discussion at first taskforce	Initial indicators already being identified and to be discussed at Taskforce meeting on 17.4.09
	1b) Identify regular information requests/briefing needs/opportunities for engagement with partners	DPC		Done
2. Create a “task force” of relevant partners including B& Districts, H & B Task Force, JCPlus, FSB, Sussex Ent, NFU and VCS representatives (including CAB).	2a) Terms of reference/working practice agreed	DPC		Done Meeting 17.4.09
	2b) Identify specific contacts and any additional key partners	DPC	Ongoing	
3. Undertake urgently surveys of local businesses and the ESCC Residents’ Panel to assess impact on the ground and expectations and to use any information from Scrutiny reviews.	3a) Business survey issued, results available and action feedback	DPC	Results in May	Underway
	3b) Residents Panel issued results available and action feedback	DPC	Headline results in May	Underway
	3c) VCS questionnaire	VCS	Ongoing	Underway
	3d) Agree future need/programme of surveys in context of map of other partners surveys especially locally	DPC	End June	
4. To establish an internal group to meet virtually primarily (with an agreed terms of reference) of		DPC		Underway

representatives from all relevant services to guide the ESCC input to the above and agree reporting schedule.				
<b>Communications</b>				
5. To develop and deliver an effective and confident, partnership communication strategy (for residents, businesses, communities, elected Members and staff) using accurate information about the local position and action and signposting sources of advice and help. The strategy will include maximum use of existing channels and mechanisms as well as exploration of new approaches.	5a) Review current vehicles and messages and review potential vehicles to reach businesses, residents and VCS/Communities	DPC		Discussion at taskforce 17.4.09
	5b) Your County recession features	DPC		Done
	5c) ESCC Web site signposting	DPC	Ongoing	
	5d) Advice to Councillors	DPC/DLP	Ongoing	
	<i>Advice direct to business (see below)</i>			
<b>Best Practice</b>				
6. To maintain a comprehensive understanding of approaches being taken elsewhere and to encourage ideas from a wide range of sources.		All. DPC to collate	Ongoing	
<b>Action proposed to help businesses</b> (see 5 above for comms)				
7. To ensure a strong network of business support agencies is in place with an effective communication strategy.	7a) Review overall provision and strength of links to identify need and work jointly where needed	DPC		Ongoing by Business and Enterprise Group
	7b) Monitor success of Business Link scheme and review action after first phase	DPC	Ongoing	64 reviews undertaken to date & one case study contained in the Your

				County publication
	7c) To consider other opportunities to support local businesses including DEFRA/DECC (Real Help for Businesses Now' campaign) and (BETRE):	DPC	Ongoing	
	7d) Consider (with task force and Tourism partnership) potential to increase Tourism promotion work	DPC	Ongoing	
	7e) Explore potential to support businesses through increased concession/benefit take up and other cost reduction measures	DPC		Discussion at taskforce 17.4.09
	7f) Signposting to businesses <ul style="list-style-type: none"> <li>• Joint NNDR leaflet</li> <li>• Trading Standards</li> <li>• Review other vehicles post survey</li> </ul>	DPC DLP DPC	Ongoing	Done Underway
	7g) Advice to small rural at South of England Show	DPC	June 09	
	7h) Discussions with Sussex Enterprise and other Business Organisations about possible action	DPC	Ongoing	
	7i) Review other business support initiatives and their appropriateness	DPC/Dep CEX & DCR	Ongoing	
	7j) Sign up to Federation of Small Business Accord	DPC		Done
	7k) Review support to new business/enterprise and opportunities to create appropriate environment	DPC/Dep CEX & DCR	Ongoing	
8. To ensure, through Trading Standards and through joint work with Environmental Health and others, that standards are maintained and action taken against Rogue Traders.	8a) Actively recruiting to the Buy With Confidence scheme for good local traders 8b) maintaining an e-group: the 'Business Support Network' (BSN) to provide local businesses with information on commercial scams and on opportunities available for	DLP	Ongoing	

	<p>assistance during the recession</p> <p>8c) Checking that businesses continue to comply with fair trading legislation, whilst disrupting rogue traders and those operating in the shadow economy, in order to ensure fair competition for those trading in the County - with goods and services being accurately measured, correctly described and priced</p> <p>8d) Planning the 2009 Local Life Show to showcase good local businesses</p>			
<b>Action proposed potential issues for ESCC as purchaser from local businesses</b>				
9 and 10. To continue to explore faster payment to local Small and Medium Enterprises (SMEs) and Voluntary and Community Sector (VCS)	9a) Reduced payment times to local SMEs and VCS - Payment terms set at ten days – performance monitored and reported	Dep CEx & DCR	31 January 2009	Done - Terms changed in January and monitoring in place. Latest monitoring shows average SME payment period is down to 15 days
	9c) Respond to the findings of the Scrutiny Review of Procurement from SMEs	DLP/Dep CEx & DCR	28th April Cabinet	
	9c) Respond to the recommendations of the Government's (BERR) Glover report on SMEs .	DLP/Dep CEx & DCR		
	9d) Revise the procurement thresholds within the Council's Contract Standing Orders	DLP/Dep CEx & DCR		Approved by Governance Committee 10 March
	9f) Review compliance with Small Business	Dep CEx &	Ongoing	Initial review of

	Friendly Concordat	DCR/ Procurement Steering Group (PSG)		opportunities for repackaging of contracts being conducted with PSG.
	9g) Capital programme <ul style="list-style-type: none"> <li>Continuing to lobby through region to bring forward capital schemes (link road and academies plus maintenance)</li> </ul>	CEx	ongoing	
	9h. To explore potential of stimulus to housing construction through release of land via building licence, allowing deferred payment	Dep CEx & DCR		Initial options appraisal/comparison with Local Housing Company model
	9i) To explore method to encourage greater use of local firms as sub-contractors to main contractors on larger schemes	DLP/Dep CEx & DCR		Start with Contractor/Sub-contractor fair and development of local supply chain
11. To ensure business continuity arrangements are in place and staff are aware of the likely increase in businesses closure/receivership		DLP	Ongoing	
12. To ensure, through Reconciling Policy and Resources planning, maximum value for money is achieved.		COMT	Ongoing	

<b>Action proposed to tackle housing, transport and other lifestyle issues</b>				
13. To continue work with housing authorities through the Supporting People programme to consider the impact of the recession on the housing market (including those measured through Local Area Agreement targets) and on residents (especially the most vulnerable)	13a) Agree how to work in practice is impacts identified and links in place to Recession task force and East Sussex Housing Officers Group	DASC	Ongoing liaison	
14. Explore whether there is an increased use of public transport related to recession and consider next steps		DT&E	Ongoing	
15. Consider potential to improve maintain healthier living campaigns/skill provision.		DPC/DASC	Ongoing	
6. Local food:	16a) Consider potential value to be added by ESCC to promotion of local food/produce	DPC	By end June	
<b>Action proposed to support benefit entitlement take up and money management advice</b>				
17. To continue work with Credit Unions to encourage ethical saving by County Council staff and to increase local access to fair cost credit. (NB SERCO processing without charge)	17a. East Sussex Credit Union (ESCU) - Payment of £30,000 to increase capital and speed up loan requests.	Dep CEx & DCR		Payment made and campaign publicity in place
	17b. Hastings and Rother Credit Union (HRCU) - Payment of £5,000 to increase speed of processing requests	Dep CEx & DCR		Payment made and campaign publicity in place

	17c Explore mergers within East Sussex and with Kent to create more sustainable CUs	Dep CEx & DCR.		SEEDA are facilitating
18 Provide strong signposting to fair cost credit and financial advice and to ensure a strong network of benefit and income advice agencies is in place with an effective communication strategy	18a) Review current financial inclusion/poverty work/partnerships with county and value of one off event to create a Community Banking Partnership (CBP) and/or other initiatives in East Sussex.	Dep CEx & DCR.	Ongoing	
	18b) Work with JCP to facilitate their capacity issues/outreach work by making property etc available if needed	DPC	Ongoing	List of potential premises provided to JCP who are now considering.
18.1 Increase local access to fair cost credit for individuals	18d) Work with SEEDA/LG/B&HCC/DWP/CU re access to easy advice - Payment of £20,000 ESCC contribution	Dep CEx & DCR.		Contribution agreed – awaiting update from SEEDA
18.2 Reducing costs	18e) Promote buy with confidence scheme	DLP	Ongoing	
19. Protect residents through Trading Standards	19a) identify Loan Sharks operating in the community and close down their activities whilst signposting residents to possible alternative sources of financial support, 19b) promote good local businesses to residents through the Buy with Confidence scheme, especially the elderly and vulnerable disrupting rogue traders by attending at incidents when notified of their occurrence 19c) establish No Cold Calling Zones across the County and educating residents to be able to say 'No' to unwanted doorstep callers 19d) gather intelligence on national and international scams being perpetrated in the	DLP	Ongoing	

	County, taking action where possible, and providing support to identified victims			
20. To ensure ESCC provision linked up: current ESCC benefits work by Age Concern, DWP/ASC and Children Centre work and consider in context of 18b) how to address any gaps.	20a) Map current ESCC commissioning and/or facilitation of benefit advice provision	Dep CEx & DCR.	By end May	
	20b) Consider improvements e.g. promotion of financial literacy by using Children Centres, extended schools and Libraries (e.g. drop in sessions with CAB/JCP for debt advice/financial advice)	Dep CEx & DCR/DPC.	By end June 2009	
21.To continue to provide appropriate advice to staff (both to advise residents and personally)		DLP	Ongoing	
<b>Action proposed to tackle crime and community safety impacts</b>				
22. To continue to work with partners through the East Sussex Safer Communities Steering Group to consider the impact of recession on crime and fear of crime.		DPC	Ongoing	
<b>Action proposed to tackle impact on adult skills</b>				
23. To continue to work with partners through the Adult Learning and Skills Partnership, to consider the impact of the recession on adult skills provision, including the potential to explore opportunities within partners' control e.g. apprenticeship requirements in new or revised contracts	23a) Deliver agreed action plan	DPC	Ongoing	Recession major focus of the Board and separate sub-group created.

	23b) SEEDA due to produce employment/skills bulletin for each area by end March	DPC	Review value	Not yet received.
<b>Action proposed to tackle any impact on mental health issues</b>				
24. To continue to work with health and voluntary sector partners to consider and respond to the impact of the recession on mental health and relationship needs/provision (contact with Relate?) and also to explore, with partners, the potential contribution of cultural provision.	24a) Identify evidence of actual impact –	DPC/ DASC	Ongoing	
<b>Action proposed to tackle impact on VCS and communities</b>				
26. To continue to work with VCS and community partners to consider and respond to the recession.	27a) Collate requests for funding and coordinate with others including: District/Boroughs, PCTs, ESCC departments and Community Foundation	DPC	Ongoing	
	27b) Review requests in context of CPF allocations and others allocations	DPC	Ongoing	
	27c) Consider how best to support CVS in their support to VCOs: Informed by VCS survey. <ul style="list-style-type: none"> <li>• link to Business Link work?</li> <li>• Review in kind support/training by ESCC (and partners?)</li> <li>• Sharing best practice?</li> </ul>	DPC	Ongoing	
	27d) Responding to increase in number of volunteers through VDO including people on “short hours” and strengthen collaboration between East Sussex Volunteering Scheme and JCP.	DPC	Ongoing	
	27e) Work with Sent/SEEDA re volunteers and retaining business skills including Certificate in	DPC		

	Community Volunteering (Volunteering Passport).			
	28. To consider specific proposal by Tomorrow's People for local Employment Bond.	Dep CEx & DCR.	End May	
<b>Action to tackle impact on ESCC</b>				
	29. The impact of the recession on the County Council will be considered through Reconciling Policy and Resources processes, both through budget and target setting for 2009/10 but also through budget and performance monitoring during the year	COMT	Ongoing	
<b>Specific Resources</b>				
Collate bids - Agree criteria and process for use of one off allocation.		DPC		Done

## Appendix 4 Recession Fund –Guidance Notes



### 1. Introduction

The Council, in agreeing the budget for 2009/10, have agreed to a one off allocation which can be used over several years, to support the work to address the recession and the impact it has on residents, businesses and communities.

### 2. Priorities

Projects that the County Council wish to support using this fund will need to meet the criteria (detailed in 5 below), which in summary support the County Council's new policy steer under the [Strategic Management and Economic Development Portfolio](#):

**"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."**

### 3. Contact Details

If you would like to discuss a specific response to a local impact of the recession or a proposed project / potential for an application please contact **Kieran McNamara, Head of Strategic Economic Development and Skills 01273 481268.**

#### **Recession Fund programme support:**

If you have any queries about this fund and the eligibility of your project you can contact: Veronique Poutrel, External Funding Officer 01273 482859.

### 4. Other Funding Advice

If you require further information regarding other possible funding sources, please contact your departmental funding contact (internal applicants) or Véronique Poutrel 01273 482859

### 5. Decision making process : The decision making process will be as follows:

- All projects seeking support must first be assessed by the Strategic Economic Development and Skills' Management Team (SEDS MT) (including appropriate financial appraisals via Corporate Resources Department).
- All projects up to £20,000 (minimum £5,000) will be approved by the Head of Strategic Economic Development and Skills but will be referred to the Bidders Internal Group (BIG) to ensure appropriate corporate links and to ensure that there are no other relevant issues that had not been considered by SEDS.
- All projects supported above this value will follow the same procedure but will also require the approval of both the Director of Policy and Communications and Head of Strategic Economic Development and Skills up to the value of £100,000.
- All projects above this value will also require the lead Cabinet Member approval (Cllr Jones).

All applications will be determined within a month of complete applications being received.

This process is outlined in a flow diagram in section 7 (adapted from the ESCC Corporate Funding protocol).

Any project that is supported that involves outside partners or other external funding will also have to comply fully with the County Council Corporate Funding Protocol.

## 6. Eligibility Criteria

You should ensure that you meet all eligibility criteria for the scheme:

- Applications can be made either by teams within the County Council or external organisations which have the explicit support for the project of an ESCC team.
- All projects must:
  - deliver the Council's objective; *"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"* and:
  - be supported by a clear evidence base of need in East Sussex related to the recession; and
  - set out the intended outcomes of the project and how those outcomes will be measured; and
  - demonstrate good value for money; and
  - have a clear exit strategy.
  - *For internal teams there must also be a clear rationale for applying to this rather than other sources eg Invest to Save.*
- The fund must contribute no more than 75% to the overall project cost, except for projects under £10,000. Projects above £10,000 will need to demonstrate that they are of sufficient scale to achieve a significant impact or have the potential to do so.
- The fund can only be used to support projects with an overall value of over £5,000.
- The fund may be used to pump prime longer term opportunities (e.g. feasibility studies, research) but there needs to be a clear plan as to how the results of such studies will be taken forward and funded.
- Projects can be either capital and/or revenue based.

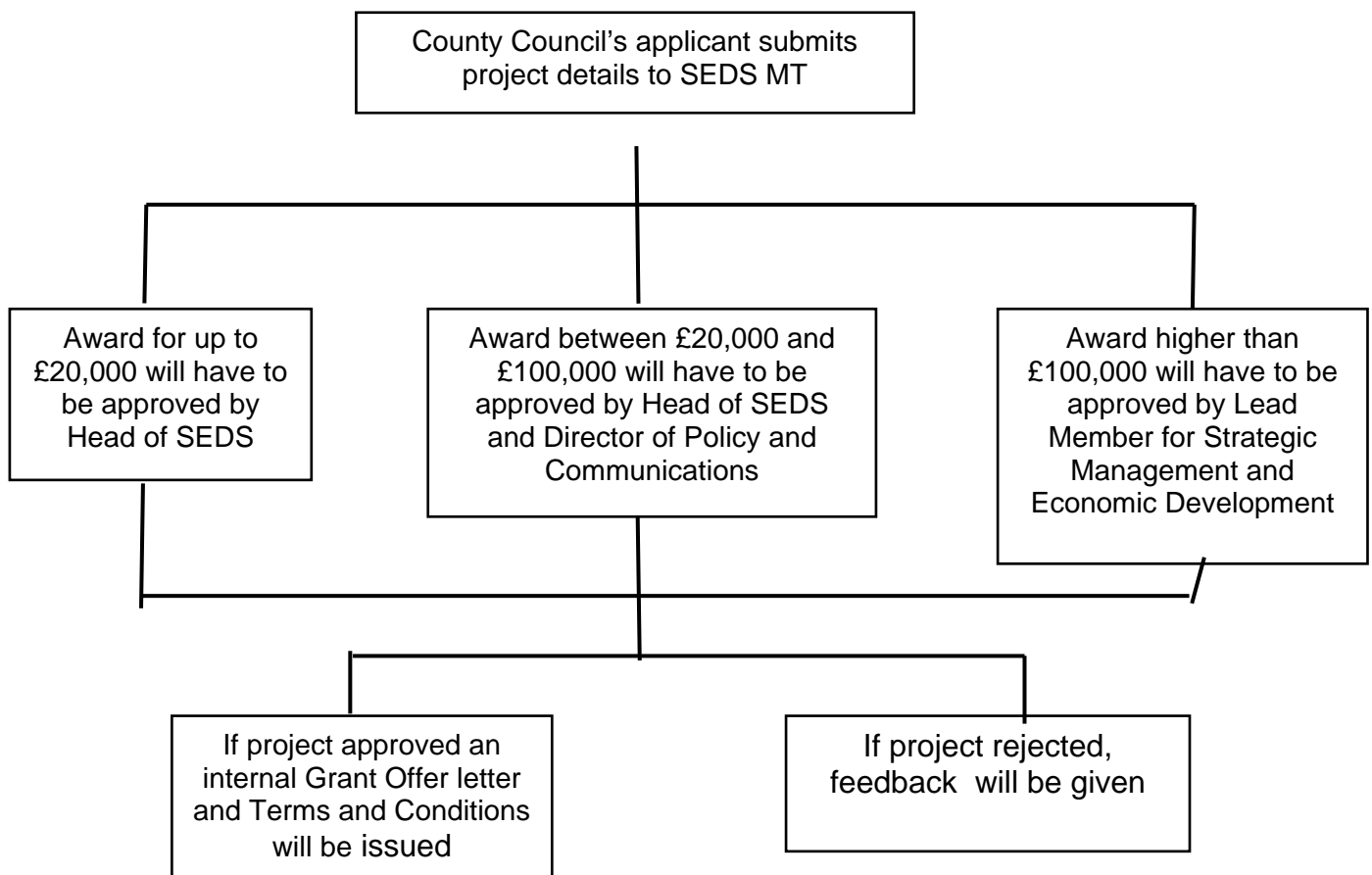
## 7. Conditions of Grant

- Only use the grant for the purposes agreed.
- Do not make any changes to either the costs or the activities without written agreement from SEDS

- Complete all spending and activities within the time agreed. SEDS will reclaim in full any unspent grant aid
- Repay the grant in part or in full as specified if your project fails to start or complete
- SEDS will withhold the grant or reclaim it if you do not keep to other terms of this contract.
- Maintain and provide access to (if requested) adequate records of all income received and expenditure incurred relating to this project.
- Provide a detailed evaluation of results specific to the project at the end of the project.
- If approval is subject to project specific additional information reporting requirements any such requirements will be agreed with the applicant and must then be supplied as agreed

## 8. Allocation procedure

This process is outlined in the flow diagram below



## 9. Guidance on Application Form

These notes will help you answer our questions fully. Please read them as you fill in the application form (not included in Cabinet report) . We do not give help notes for all questions. We will assess your application using the information you provide on the application and the information we ask you to send us.

We have provided you with enough space we feel you should need to complete the questions **please do not add additional pages to the application form.**

#### **A Aims and objectives**

Please describe how your project will meet the Council's policy steer mentioned under section 5.

#### **B Your organisation**

If external to ESCC, please describe your organisation including making it clear whether you are in receipt of any funding from the County Council, and if so how much and what it is for (whether grant or contract).

If internal to ESCC, for any significant scale project (do we want to add threshold?) a Project Initiation Document (PID) is required.

#### **C Need**

How do you know there is a need for your project? Tell us what you have done to find out about the needs of the people or organisations who will benefit. Mention any relevant research and consultation that you have carried out.

#### **D. Geographical area**

What geographical area will be covered by the service for which you are seeking funding? Please note that the County Council cannot fund work outside the county boundary.

#### **E. Outputs and outcomes**

Describe the overall outcome of your project and in addition up to six outputs that will result from your project and how they will be measured. Please relate these outputs back to the council plan's policy steer. Please ensure your outputs are linked to the council's priorities.

#### **F. Milestones**

For this section we want you to provide details on your project milestones. We need you to provide information on what you hope to achieve at pivotal points in your project, including project start and completion dates.

#### **G. Monitoring;**

How will you know if the service, activity or project is successful in achieving what it sets out to do? What will you monitor and how will you measure success in achieving your outputs?

#### **H. Project Costs particularly**

Please give details of the total budgeted cost of the service, activity or project for which funding is sought. This information will help to appraise whether the budget is realistic against the proposed service, activity or project.

#### **I. Match Funding**

Please give details of sources of match funding. These can be in-kind (staff time) or in cash and must represent at least 25% of the total project costs. The in-kind contribution should be a maximum of 10% of the match funding contribution.

**J. Partners**

Please give details of any related work you are doing or planning to do, with local organisations other than the County Council.

**K. Exit Strategy**

Please give details of what will happen at the end of period for which you applying for money. How will future needs and expectations be met?

The information supplied here will help us to support your project; it will also ensure that only successful projects spend their complete allocation of funding, as projects that do not meet their milestones may be asked to repay some or all of the grant.

\*  
\* \*

*For ESCC applicants:* the County Council has a [Corporate Funding Protocol](#) which must be followed whenever bidding for external funds or giving grants on behalf of the County Council, you will find full details of what is expected of use at the following page on the intranet.

An important part of the protocol is that all projects bidding for, or receiving funding, should be entered on the County Council's Corporate Funding Database, if you need your project to be entered please contact Jessica Stewart on 01273 481476.