

 Executive 10 June 2009		Agenda Item No.
Title	Countering the Economic Downturn	
For further information about this report please contact	Paul Pinkney, Head of Economic Development and Regeneration (01926) 456016 paul.pinkney@warwickdc.gov.uk	
Service Area	Economic Development and Regeneration	
Wards of the District directly affected	All wards in the District.	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006		
Date and meeting when issue was last considered and relevant minute number	Executive 4 th February 2009 (785)	
Background Papers	Responding to the Credit Crunch, 22 nd December, 2008. Countering the Economic Downturn, 4 th February, 2009.	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No

Officer/Councillor Approval		
With regard to officer approval all reports <u>must</u> be approved by the report author's relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Relevant Director	27/05/2009	Andy Jones
Chief Executive	28/05/2009	Chris Elliot
CMT	28/05/2009	Bill Hunt
Section 151 Officer	26/05/2009	Mike Snow
Legal	27/05/2009	Peter Oliver
Finance	26/05/2009	Mike Snow
Portfolio Holder(s)	28/05/2009	Councillor John Hammon
Consultation Undertaken		
Meeting of all Districts in Warwickshire and Warwickshire County Council to consider response at a County level: 18/12/08. Meeting with Coventry and Warwickshire Economic Recovery Partnership consider response at sub-regional level, ongoing.		
Final Decision?		Yes

1. SUMMARY

- 1.1 The purpose of this report is to update the Executive on the actions that have been taken since the 4th February meeting to establish ongoing measures to counter the impact of the recession in the District. It also sets out a brief overview of the planning being undertaken for the medium and longer term to ensure that the District is prepared and in a strong position to benefit from economic development opportunities following an upturn.

2. RECOMMENDATION

- 2.1 The Executive note and agree the actions that have been taken by the Council (following the resolution of the Executive 4th February, 2009), the ongoing initiatives to counter the impact of the economic downturn and the importance of planning positively for future economic development opportunities as set out in Table 1 attached to this report.

3. REASONS FOR THE RECOMMENDATION

- 3.1 The recession is continuing to have a negative impact on both business and residents within the District. It is unclear how long the recession will last, at what stage we are at and what form the economic recovery may take. The Council is focussed on helping business and residents in the District counter the economic downturn during this period of uncertainty. Some of the measures being taken are highlighted in Table 1. At the same time the Council is working hard to ensure that it is prepared for economic development and regeneration opportunities and inward investment when the economic upturn occurs.

4. ALTERNATIVE OPTION CONSIDERED

- 4.1 Warwick District Council could take the view that there are other organisations which deliver support and advice to customers and that this should be relied upon. However, this does not take into account the severity of the financial downturn and the potential increase in people who may have the need to access such services. Moreover, it is difficult to gauge how severe or widespread the issues relating to the economic downturn will impact on Warwick District.
- 4.2 The Council could take on a more direct role in developing interventions. However, there would be a risk of duplication between the role of delivery providers (such as, Business Link, Chamber of Commerce, Citizens' Advice Bureaux, etc.) and could create unnecessary bureaucracy.
- 4.3 The introduction of Local Labour Clauses were considered but discounted. The Public Procurement Regulations 2006 do not permit the use of Local Labour Clauses since all potential suppliers within the EU must be given equal opportunity to bid for work that uses public funds. However, working with local businesses to help them understand the processes and how to submit successful bids is permissible and will be actively pursued.

5. BUDGETARY FRAMEWORK

- 5.1 A loan of £20,000 has been made to the Citizen's Advice Bureau.
- 5.2 Members will recall that at the Executive of 22nd December, 2008 additional resources of £30,000 were made available to counter the credit crunch. The majority of this fund was used by Revenues and Customer Services and Economic Development and Regeneration to produce a 'credit crunch guide' which was mailed directly to all households and businesses in the District. The remaining budget has and is being used to prepare additional marketing and promotions for the town centres and to deliver support and advice to business. It is anticipated that the actions set out in this report can be met through existing budgets. However, it should be noted that the action plan in Table 1 is ambitious. Additional resources would strengthen the Councils response to the current recession and ensure that the District is in a stronger position to attract inward investment in the future.

6. **POLICY FRAMEWORK**

- 6.1 The proposal looks to progress the policy set out in the Corporate Strategy 2008 - 2011:

Vision: "Warwick District: a great place to live work and visit."

Leadership

- provide clear community leadership and effective management of resources whilst delivering responsive public services in an open and transparent manner.

Environment

- provide high standards of environmental services across the district delivering a sustainable and quality environment.

Development

- create thriving town centres, keep pleasant villages and make the district an attractive place to live and work

Communities

- promote safe, vibrant and sustainable communities

Customers

- improve the efficiency of service delivery to the Council's customers

- 6.2 The actions being pursued by the Council fit within the Well Being Powers of the Council – i.e. the powers in section 2 of the Local Government Act 2000 for the Council to promote or improve the economic, social or environmental well-being of the area.

7 **BACKGROUND**

7.1 Warwick District Council's Response to Countering the Economic Downturn

- 7.1.1 In response to the recession an internal officer working group is continuing to meet to consider the Council's response to countering the economic downturn and ensure that it is coordinated and effectively managed. The 'Credit Crunch guide' was the first element of the Council's response to help the community counter the economic downturn by 'signposting' support that may be available to them.
- 7.1.2 The Council's website is a key part of the ongoing information and publicity campaign to ensure that residents and businesses are effectively signposted to the help that they need. The web pages have been organised to signpost individuals and businesses so that they can access help tailored to their needs.
- 7.1.3 Front line staff, on the customer helpline and at the one-stop shops, have been briefed on the help open to individuals and businesses that may be concerned by the economic downturn. This ensures that customers are directed to the relevant partner organisations with the minimum of fuss and time.
- 7.1.4 The Council has already seen a significant increase in the demand for frontline services particularly the Benefits Service. Visitor numbers to all of the Council's reception points are much higher than the corresponding point last year and the Benefits caseload (the number of claimants receiving benefit at any one point in time) is at its largest level for ten years. The case load has risen to 9,378 and for the first time in memory more people of working age (4,734) than pensioners (4,644) are claiming benefits.
- 7.1.5 The Council is continuing to work with colleagues at the Coventry and Warwickshire Chamber of Commerce to deliver additional seminars aimed at local independent small and medium sized (SMEs) firms in the District. The 'Weathering the Storm' seminar is designed to give businesses the forum to ensure that they are aware of the support available, the opportunity to ask the advice of a panel of experts and share best practice. The seminars have been delivered in Leamington Spa and Kenilworth (which was focussed on the retail sector). The seminars are being delivered on a rolling basis, with the next events at Warwick and then Stoneleigh Park (which will be focussed on issues impacting on the rural sector). The events will continue to be publicised through the local press, web site and business groups (such as the Chamber of Trade and the Rural Hub).
- 7.1.6 A loan of £20,000 has been made to the Citizen's Advice Bureau (CAB) so that they can continue their valuable debt and benefit advice in local communities. Officers are supporting CAB with efforts to secure longer term funding of the organisation. Member's will note that on this meeting agenda a report detailing plans for the Council to work much more closely with CAB at Riverside House.
- 7.1.7 The Althorpe Enterprise Hub is now open and fully operational and has welcomed several tenants in the high technology and creative industries sectors to the centre. Programmes of business training seminars are being held in partnership with Coventry & Warwick shire Chamber of Commerce (the Chamber) and Business Link. One to One business start-up mentoring is available every Tuesday and the Council is also able to draw on the services of an experienced adviser from the Chamber to support existing businesses that are experiencing trading problems as a result of the recession.

- 7.1.8 Officers are working with colleagues at Business Link and the Coventry and Warwickshire Chamber of Commerce to increase the availability of direct business advice to rural and urban independent SMEs. Some of this support has been delivered through Althorpe Enterprise Hub which has increased the localities that SMEs can access and will be delivered by experienced and knowledgeable advisors.
- 7.1.9 The Council's new Community Enterprise Officer started his duties in early May and is currently meeting all main business support partners in order to ensure a co-ordinated and effective programme of training courses, events and advice are available to potential new business in Warwick District. This is a 2 year post funded by Advantage West Midlands and the Local Strategic Partnership (WPEG) 'Narrowing the Gap' funding.
- 7.1.10 As stated above, the economic downturn is continuing to have an adverse impact on business and residents of the District. However, it is the consensus that the economy will see growth in the future and it is important that the Council is prepared to take advantage of the economic development, regeneration and inward investment opportunities. The Council is pressing forward with medium to longer term Economic Development and Regeneration projects set out in Table 1
- 7.1.11 The Council has acted in other ways to support the local economy. The Council removed the Managing Housing Supply SPD policy in February of this year, in order to enable residential development to come forward on brownfield land in the urban areas. The removal of this restriction has had a positive impact on the local development industry and may help bring forward some development in the short term.
- 7.1.12 The Council are making progress with its Core Strategy and this is a separate item on the Executive Agenda. When adopted, the Core Strategy will set a planning policy framework for the future development of the District, as well as protecting the District's important environmental assets. This framework will ensure that when the economy does recover, strategic opportunities for economic growth and regeneration are available and that benefits to the local community and environment can be secured from new developments. As part of gathering evidence to inform the Core Strategy, the Council has commissioned consultants to prepare a study looking at the needs and opportunities within the town centres (Warwick, Leamington and Kenilworth). Consultants have also been commissioned to review the future demand for employment land in the District and the availability and suitability of the existing supply. The reports are available on the website and will also be used to develop an economic development strategy for the District and strategies for the town centres. Indeed, the town centre managers (for Leamington, Warwick and Kenilworth) are working with partners to establish strategies for the period to 2026. This work should also be considered in the context of the Sustainable Communities Strategy (SCS) with the focus of theme 4 being the economy, jobs and recession planning. With a strong and effective plan for the future and an economic development framework, the Council can ensure that it plans effectively for economic recovery and the anticipated upturn.
- 7.1.13 The Council is working in partnership with the Homes and Communities Agency to prepare Area Action Plans (AAPs) for Leamington, Warwick and Kenilworth town centres. AAPs will supplement the Core Strategy in providing more detailed policy and land use allocations for each of the town centres in order to promote their

regeneration and maintain their vitality and vibrancy. AAPs can assist in securing a consensus as to the right strategic approach for an area and how best to implement the overall strategy. Following this approach, and in line with the SCS, AAPs will be considered as a possible tool to regenerate the key areas of deprivation in the District (such as, Crown, Brunswick and West Warwick).

7.1.14 In parallel with this strategic work, the town centre management initiatives for Leamington, Warwick and Kenilworth are working hard to ensure that the town centres are active and attractive over the summer period. Warwick Town Centre Manager is working with businesses to organise special promotions and events to celebrate the 30th anniversary of Warwick Folk Festival. The popular Shopping & Eating Out Guide is being reproduced to promote the town's businesses to visitors and residents. Leamington town centre partnership has identified opportunities to promote town centre business. For example, the current focus on the food and drink offer in Leamington, such as production of an 'Old Town Food & Drink Guide' (secured funding of £1,500 from Advantage West Midlands, launched at Canal festival, initial print run of 1,000 with similar run to go out in July). BID Leamington will be running the Food & Drink Festival again this year (29 & 30 Aug). Businesses are encouraged to have a stall at the event, and participate in the 'Taste Trail'.

7.1.15 The town centre managers are also working in partnership with Shakespeare Country to boost the visitor and local tourism trade. Initial signs indicate that this sector of the economy is bearing up well during the recession and has been helped by additional attractions at Kenilworth Castle and Warwick Castle (Elizabethan garden and dungeon attraction, respectively). This will include a promotion of the half price ticket offer to Warwick Castle. Cultural Services are also seeing promising footfall and income across the services that they provide, some areas of activity have even seen an increase year on year despite the economic downturn. The launch of the 'Wellness' campaign, rebranding and repackaging of the fitness benefits has had a positive impact. Cultural Services will continue to use e-marketing for the Spa Centre which has seen internet bookings increase by 50% of total bookings. The TCMs are linking in with the shop local focus and the celebrations for the 10th anniversary of Farmers' markets (in Partnership with E.G. Skett).

7.2 Role that Warwick District Council plays in the response to the economic downturn through the sub-regional partnership (CWERP)

7.2.1 Warwick District Council continues to be a lead partner in the Coventry and Warwickshire Economic Recovery Partnership (CWERP). CWERP has been established through the Coventry, Solihull and Warwickshire Partnership (CSWP), to proactively respond to the economic downturn on a sub-regional basis.

7.2.3 The Council is also working on additional opportunities that may be taken to work in partnership at the sub-regional level to deliver initiatives such as the 'Future Jobs Fund' that could benefit residents of the District and help with 'narrowing the gap'.

7.3 Ensuring that Local Businesses Can Benefit from Working with Warwick District Council

7.3.1 The Procurement Manager, supported by colleagues from Economic Development and Regeneration, will be holding a number of evening events for SMEs and other businesses in the District to ensure that they can benefit from working with the

Council. These events will enable the Council to explain the constraints of the Public Procurement Regulations, how the Council offers any contract opportunities and the procedures that take place. It is anticipated, that following the events, the Procurement Manager will offer to contact individual local businesses to alert them of opportunities which may arise to work with the Council. However, it will not be possible within the limitations of the regulations to offer any preferential treatment to these potential suppliers. The Procurement Manager and the Economic Development and Regeneration team will continue to work in partnership with other local business groups (such as the Chambers of Trade) to ensure that their members are aware of opportunities to work with the Council as they may arise.

- 7.3.2 The Council continues to be committed to the prompt payment of invoices, currently the policy is that invoices are paid within 28 days of receipt. This ensures that the business receives payment for goods and services promptly and helps with liquidity of the business concerned. The Council is looking into the potential to pay invoices to local business within a shorter time frame, in practice this is often the case now. In 2008/09 98.4% of invoices were paid within 30 days and 77% of invoices were paid within 10 working days.

TABLE 1

Project	Action	Time Frame	Responsibility
Brunswick Enterprise Zone	Physical works are ongoing to extend Brunswick Healthy Living Centre to provide a small 'community enterprise centre', this should be completed by summer 2009 and this new facility to be known as Brunswick Enterprise Zone will further extend the scope of the Council's work to encourage new business start ups. This will be managed by the Community Enterprise Officer and similar activities will be rolled out at other local community centres throughout the District during the year.	<ul style="list-style-type: none"> Summer 2009 	Economic Development and Regeneration
Court Street Creative Arches	Offering 12000 sq ft. of grow-on space to businesses in the creative industries sector. There is considerable interest in these facilities from businesses looking for relatively low cost premises. Of the 9 units available 3 are already reserved for potential occupiers. Over their first 5 years of operation Althorpe Enterprise Hub, Brunswick Enterprise Zone and Court Street Creative Arches are expected to generate at least 45 new businesses and create over 90 new jobs.	<ul style="list-style-type: none"> Summer 2009 	Economic Development and Regeneration
Spencer Yard regeneration project	Funding from Advantage West Midlands, for this project has been secured Following the purchase of the United Reform Church - the Council in partnership with the Loft Theatre Company and development partner City Spirits will be renovating the church to create a unique theatrical performance and rehearsal space. Planning application is expected to be submitted in the summer.	<ul style="list-style-type: none"> Planning application expected summer 2009. 	Deputy Chief Executive

Ford Foundary site	Development proposals – following the adoption of the Planning and Development Brief for the station area (September, 2008) the Council has been working proactively to attract an appropriate development opportunity for the site	<ul style="list-style-type: none"> ▪ Ongoing 	Economic Development and Regeneration/Planning
Chandos Street town centre development proposal	The Council continues to work closely with Wilson Bowden (development partner) to bring forward proposals for the site. The development would help strengthen the vitality and viability of the town centre through additional comparison goods floorspace. A planning application for the site is anticipated.	<ul style="list-style-type: none"> ▪ Planning application expected summer 2009. 	Planning
Warwick town centre development programme	Project group has now met informally twice to move the project forward. Officers are gathering evidence for the delivery of an Area Action Plan (AAP) for the town centre.	<ul style="list-style-type: none"> ▪ Evidence gathering Summer 2009 ▪ Adopt AAP Summer 2011 	Economic Development and Regeneration/Planning
Kenilworth Public Service Centre (KPSC)	Officers are evaluating the provisional offer that has been made for the purchase of the Wilton House site. It is proposed as part of the project that the capital receipt received from the sale of Wilton House would be used to part fund the development of the KPSC. The KPSC offers the opportunity to support the evening economy with the relocation of the theatre and to significantly enhance the visitor economy; offering a landmark building and better service provision - the customer hub will provide easy access to a whole host of services under one roof.	<ul style="list-style-type: none"> ▪ Ongoing, report to July Executive ▪ Evaluation of offer to purchase Wilton House, summer 2009. 	<p>KPSC – Deputy Chief Executive</p> <p>Sale of Wilton House – Economic Development and Regeneration</p>
Kenilworth Mere project at Kenilworth Castle	Officers have met with representatives of Advantage West Midlands and English Heritage. Both organisations have given informal assurance that they are willing to part fund the consultancy works which are necessary to move the project forward. Officers will be confirming the process	<ul style="list-style-type: none"> ▪ Feasibility studies – Spring, 2010 	Economic Development and Regeneration

	that will be followed as part of the project.		
Expansion of the University of Warwick	Support University of Warwick with their plans to expand.	<ul style="list-style-type: none"> ▪ Ongoing 	Economic Development and Regeneration/Planning
Development of Stoneleigh Park	Support Royal Agricultural Society of England with development of the Stoneleigh Park site.	<ul style="list-style-type: none"> ▪ Ongoing 	Economic Development and Regeneration/Planning
Pro Drive's proposal at Fen End	Support the proposals of Pro Drive to develop the Fen End site	<ul style="list-style-type: none"> ▪ Ongoing 	Economic Development and Regeneration
Highlight the availability of small business rate relief	Continue promotion of relief to local businesses, which can be up to 50% of the rates bill is available to all businesses that occupy only one property which is less than £15000 rateable value	<ul style="list-style-type: none"> ▪ 2009/2010 	Revenues and Customer Services
Kenilworth Town Centre Arrear Action Plan	Officers are gathering evidence for the delivery of an Area Action Plan (AAP) for the town centre. It is proposed that the Council works in partnership with the Housing and Communities Agency ATLAS team to produce the spatial strategies	<ul style="list-style-type: none"> ▪ Evidence gathering Summer 2009 ▪ Adopt AAP Summer 2011 	Economic Development and Regeneration/Planning
Leamington Town Centre Area Action Plan	Officers are gathering evidence for the delivery of an Area Action Plan (AAP) for the town centre. It is proposed that the Council works in partnership with the Housing and Communities Agency ATLAS team to produce the spatial strategies	<ul style="list-style-type: none"> ▪ Evidence gathering Summer 2009 ▪ Adopt AAP Summer 2011 	Economic Development and Regeneration/Planning
Deprived Wards (Crown, Brunswick and West Warwick) Area Action Plans	Officers are gathering evidence for the delivery of an Area Action Plan (AAP) for the town centre. It is proposed that the Council works in partnership with the Housing and Communities Agency ATLAS team to produce the spatial strategies	<ul style="list-style-type: none"> • To be programmed 	Economic Development and Regeneration/Planning
Leamington Waterside Regeneration Area	Officers are working in partnership with key stakeholders to bring forward the regeneration of this part of Leamington Old Town.	<ul style="list-style-type: none"> ▪ Ongoing 	Economic Development and Regeneration/Planning
Publicity and promotion campaign	Covering the emerging town centre strategies (2026), LDF core strategy, response to the economic downturn	<ul style="list-style-type: none"> ▪ 2009/2010 	Economic Development and

	and focus on inward investment		Regeneration/Planning
--	--------------------------------	--	-----------------------

