

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Planning Portfolio Holder 13 July 2010
AUTHOR/S: Executive Director, Operational Services / Corporate Manager,
Planning and New Communities

ADDRESSING THE ECONOMIC DOWNTURN QUARTERLY REPORT – 1 APRIL 2010 TO 30 JUNE 2010

Purpose

1. This report serves as an update on the delivery of actions proposed to mitigate the impact of the recession on South Cambridgeshire District.
2. This is not a key decision. However, Cabinet requested that quarterly reports be presented at Portfolio Holder meetings.
3. Appendix 1 details the progress made against actions identified in the Cabinet reports of 16 April, 2 July 2009, 1 October 2009, 14 January 2010 and 8 April 2010.

Recommendations and Reasons

4. It is recommended that the report be noted, including:
 - (a) progress made on the economic downturn measures
 - (b) the continuing support for measures and actions, designated to the Portfolio Holder responsible for Economic Development, and detailed in the report and Appendix 1.

Background and Summary of Actions

5. Key activities are:
 - (a) The District Council successfully delivered, "Step-Up", a business competition, launched on 16 March 2010 with the Cambridge News and partners. This business support project was delivered in partnership with the Chamber of Commerce, Business Link and private sector partners (Golly Slater Public Relations, Street Accountants, Taylor Vinters Solicitors and Regus.) The prize, awarded at the final event on 30 June 2010 and sponsored by all partners, resulted in business support of approximately £30,000 for the winner, including significant private sector (c £20,000) and external support.

Aimed at stimulating business innovation and start-up, the competition also enabled those who entered, to improve their performance. Two practical workshops were facilitated, designed to aid businesses to apply to the competition. Additionally, the competition process aided potential businesses to focus on how they might practically apply techniques and knowledge learnt to preparing (and presenting) a business idea.

The competition enabled business support in more a critical time in the economy, also attracting new business and interest to the District.

Feedback from the media, participants and the business community has been positive, particularly as the competition allows further businesses to be supported that might otherwise not have received this support.

In delivering business support through the competition, the Council is able to demonstrate that it:

- **is a listening Council**, understands business issues
- **is open for business**, ~ encourages and supports businesses practically through the competition working with private and public sector partners.
- prompts businesses seek advice and support from agencies to allow strengthened business planning and start-up
- promotes the District to the media and partners as a **business friendly authority**, proud of its businesses and their success and **open to new business**.

Business, business organisations as well as participants complimented the Council on the initiative, which aided business support and much needed finance that fledgling businesses always require.

- (b) In March 2010, the Finance and Staffing Portfolio Holder approved a change to the definition of the enhanced prompt payment performance indicator (SF752) in line with that set by the Department for Business Innovation and Skills (BIS). In support of businesses through the recession, the 2010/11 target is to pay 70% of undisputed invoices within 10 working days (rather than elapsed days under the old definition). The volume of invoices paid within 10 working days was 84.6% in April and May 2010.
- (c) South Cambridgeshire District Council has implemented the Cabinet approved decision to sign up to the Prompt Payment Code. The Council's application is pending approval with Institute of Credit Management, responsible for managing this project for BIS. The Council aims to set an example of paying suppliers on time and as per agreed terms. These practices aid good business practise and cash flow, important to small businesses especially and particularly in more challenging economic times.
- (d) The Business Support Fund with a value of £50,000 aimed at supporting companies most at risk from the slowing economy delivered in partnership with Business Link continues to show very good results. To June 2010, 40 businesses have been assisted. Businesses have also been given further Business Link support, giving added value. The scheme has additionally facilitated 13 new companies to Business Link East. Following the success of the Support Fund, the Portfolio Holder, as designated by Cabinet plans to extend the fund. (Refer to par 6 and item 4 of the Appendix 1)
- (e) The Hardship Rate Relief Scheme has continued to receive applications for assistance. Seven requests have been awarded since April 2009. The cost of awarded hardship rate relief to 30/06/2010 for SCDC is approximately £15,000 (Refer to item 1 Appendix 1)

6. Future steps proposed actions over the period are:

- (a) continued implementation of the hardship rate relief scheme building on its present success,
- (b) continue the delivery of the Business Support Fund with Business Link to aid companies requiring specialist business support or training. Given the success of the Fund to date, aiding a variety of businesses across a number of sectors in the District, The Portfolio Holder has decided to allocate £20,000 of the (to date) unallocated funds to further support businesses in the District. (Refer to par 5.4, 7 and Appendix 1, item 4)
- (c) the remaining unallocated £2,850 be used piloting an electronic payment system. (Par 7, Appendix 1, item 8). Pending a successful result of the pilot, any remaining/under utilised spending be allocated to this initiative.
- (d) improving ways for the District to attract business (Appendix 1, item 10)
- (e) following the implementation of the budgeted initiatives (detailed in this report) any remaining funds, as agreed by Cabinet on 14 January 2010 and designated to the Portfolio Holder, will be applied in support of businesses, as appropriate

Implications

7. Financial	<p>Council made available a total of £150,000 to aid businesses in South Cambs affected by the recession.</p> <p>At June 2010, £127, 150 had been spent or committed. This figure includes commitments arising from NNDR hardship relief applications.</p> <p>A contingency fund of £22,850 is available to be allocated to further initiatives as detailed in paragraphs 6.1.2 and 6.1.3</p>
Legal	All measures have been referred for legal advice as appropriate.
Staffing	Tasks are executed in addition to reduced numbers of staff in the New Communities team.
Risk Management	None
Equal Opportunities	None

Consultations

- 8. In preparing this report the Finance, New Communities, Environmental Health, Community & Customers Services have contributed.

Effect on Strategic Aims

9.	<p>Commitment to being a listening council, providing first class services accessible to all.</p> <p>Many of the measures outlined in this report are based on feedback from partner agencies, businesses and local residents, and are intended to support our aim of providing excellent services. A pro-active approach is being taken to the promotion of these measures.</p>
	<p>Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all.</p>

There are well-documented links between economic prosperity, health, wellbeing and community safety. The measures in this report are intended to maintain the local economy.
Commitment to making South Cambridgeshire a place in which residents can feel proud to live.
It is hoped that local residents will welcome actions that the council is taking to support businesses through the recession.
Commitment to assisting provision for local jobs for all.
The Council's commitment to support businesses through the recession is a key element of the authority's pledge to assist in providing jobs and prosperity across the district for all residents.
Commitment to providing a voice for rural life.
Small businesses form a key part of the life of a strong rural community.

Conclusions / Summary

10. This report provides Cabinet with a brief update on the current position with regard to activities being undertaken to support local businesses and the economy during the recession.

Background Papers: the following background papers were used in the preparation of this report: Cabinet Reports: 15 January, 12 February, 16 April, 2 July 2009, 8 October 2009, 14 January 2010 and 8 April 2010.

Contact Officer: Nicole Kritzinger – Principal Lead: Economic Development & Tourism
New Communities Team
Principal Lead: Economic Development & Tourism
Telephone: (01954) 713454

Summary of Council Actions and Progress to date:

Active			
Actions	Timescale	Budgeted	Progress to date and evaluation
<p>1. Hardship Rate Relief:</p> <ul style="list-style-type: none"> Reviewed the existing policy to facilitate the award of rate relief to assist businesses at imminent risk of failure and to ensure a fair allocation process and agreed budget. Continued publicity has been employed through the economic newsletter, website, meetings and contact with businesses. 	Available over 2009/10 - 2010/11	£25,000	<p>Scheme available. A marked increase in applications has occurred.</p> <p>7 requests awarded</p> <p>Cost of awarded hardship rate relief to 30/06/2010 is approximately £15, 000.</p> <p>Future Action proposed:</p> <p>Continue the scheme.</p>
2. Freeze fees for taxi licensing, trade refuse collection and other environmental health services as recommended by the Portfolio Holder 27 January 2009	Available over 2009/10	£15,500 Actual cost: £17, 150	In place – Completed.
3. Lobby Minister for Local Government regarding NNDR and Minister for Energy regarding fuel poverty issues.	February 2009	-	Minister's response received.

4.Economic Development Programme																							
<ul style="list-style-type: none"> • ‘How to Win Contracts’ event with other public authorities at the Belfry Hotel, Cambourne 	4 June 2009	£3,000	Completed. Attended by 100 businesses (target 70-80). Positive feedback received on practical value of the event.																				
<ul style="list-style-type: none"> • Business Seminar on surviving the economic downturn at Duxford IWM 	1 July 2009	£5,000	Completed. Positive feedback received on practical value of the event. On track																				
<ul style="list-style-type: none"> • Business Support Growth Fund with vouchers of £1,000 each launched and delivered with Business Link. This offers direct specialist business support for businesses affected by the recession. 	September 2009 – March 2011 or until cash value is achieved.	£50,000	<p>The current voucher activity is shown in the table below:</p> <table border="1" data-bbox="1415 563 1917 635"> <thead> <tr> <th>Issued</th> <th>Activated</th> <th>Redeemed</th> </tr> </thead> <tbody> <tr> <td>40</td> <td>30</td> <td>27</td> </tr> </tbody> </table> <p>The vouchers are providing a wide selection of assistance and this is broken down into the following:</p> <table border="1" data-bbox="1415 730 2047 1011"> <thead> <tr> <th>Assistance Sought</th> <th>Number of Companies</th> </tr> </thead> <tbody> <tr> <td>Website Development</td> <td>16</td> </tr> <tr> <td>Training</td> <td>3</td> </tr> <tr> <td>Coaching</td> <td>1</td> </tr> <tr> <td>Marketing Assistance</td> <td>18</td> </tr> <tr> <td>Business Development</td> <td>2</td> </tr> <tr> <td>TOTAL ASSISTED</td> <td>40</td> </tr> </tbody> </table> <p>10 of these organisations were also new to the Business Link East service, showing added value in that the programme has delivered additional businesses to be assisted by means of Business Link</p> <p>The table below details the sectors supported in the District:</p>	Issued	Activated	Redeemed	40	30	27	Assistance Sought	Number of Companies	Website Development	16	Training	3	Coaching	1	Marketing Assistance	18	Business Development	2	TOTAL ASSISTED	40
Issued	Activated	Redeemed																					
40	30	27																					
Assistance Sought	Number of Companies																						
Website Development	16																						
Training	3																						
Coaching	1																						
Marketing Assistance	18																						
Business Development	2																						
TOTAL ASSISTED	40																						

- “Step-Up” South Cambridgeshire District Council Business competition (“Dragon’s Den”- style) to stimulate business start-up. Delivered in partnership with the Chamber of Commerce, Business Link and the private sector.

£10,000 for SCDC
Total value of
£30, 000 with
sponsorship.

Sector	Number of Companies
Accommodation & Food Service Activities	1
Administration & Support Services	3
Construction	5
Education	1
Human Health & Social Work	1
Information & Communication	4
Manufacturing	10
Other Service Industry Activities	2
Professional, Scientific & Technical	11
Transport & Storage	1
Wholesale & Retail	1
TOTAL ASSISTED	40

Future Action:

The Portfolio Holder has designated a further £20,000 to this Fund. This will be delivered with the support of Business Link as a partner to this initiative until March 2011 or until all allocated.

Completed – with monitoring

- Business Link, Chamber of Commerce and private sector sponsorship of £20,000
- Practically (through business support) demonstrated the Council’s commitment to business
- Held workshops with Business Link to assist businesses
- Competition allowed access to finance needed by SMEs in all economic climates
- Positive feedback from participants and businesses as well as business organisations
- Competition identified further businesses to be supported.
- Calls for an annual repeat of this project

<p>5. Develop financial options to help development continue at Orchard Park</p> <ul style="list-style-type: none"> • Plot C3 transferred to affordable housing from market sales. BPHA funded by HCA, with support by SCDC. • Persimmon Homes commenced work on Plot B1, as result of transfer to C3 to BPHA. Martin Grant has commenced work on Plot D. • Application for HCA Kickstart funding submitted • Further work planned with partners on the private rented sector and self-build/eco housing options. • Construction started on 3 new sites since April. • Study commissioned for innovative delivery models with meeting set up about a private rented initiative. 	<p>April 2009</p> <p>May 2009</p> <p>June 2009</p> <p>October 2009 – March 2011</p> <p>November 2009</p>	<p>HCA funding provided</p>	<p>All three house-builders are back on site, and higher level of reservations than last year.</p> <p>Project bids were unsuccessful. Will look to resubmit in winter 2009.</p> <p>Completed. Application not successful</p> <p>City Council considered land disposal options for K1, March 2010 City Council preparing for a consultation to take forward Phase 2 of the self commissioned housing project. Future Action: Report to Portfolio Holder meeting in May 2010</p> <p>PRSi discussions with house builders and HCA proved scheme unviable</p>
<p>6. Provide rent-free space for CAB at SCDC</p>	<p>March 2009</p>	<p>Within existing budgets</p>	<p>Offered – but unlikely to take up offer without financial grant to cover additional costs for CAB</p>
<p>7. SCDC staff:</p> <ul style="list-style-type: none"> • Financial well being event to signpost 	<p>April 2009</p>	<p>£2,000</p>	<p>In place, completed</p>

<p>staff to appropriate organisations who can offer counselling and practical advice for themselves and family members</p> <ul style="list-style-type: none"> Offer short-term projects to existing staff rather than agency staff <p>Revise the staff relocation terms so that the sums available can be used flexibly, without increasing the total claimed.</p> <p>Human Resources organised publicity on PPC (Positive People Company) to aid staff in the recession. Support is offered through counselling on various matters.</p>	<p>February 2009</p> <p>December 2009</p> <p>August 2009</p>	<p>Potential saving</p> <p>Potential saving if new staff can be retained whilst unable to sell former home</p>	<p>In place, ongoing</p> <p>Work has commenced</p> <p>Action completed</p>
<p>8. Aim to pay 70% of undisputed invoices within 10 working days</p>	<p>February 2009 - ongoing</p>	<p>Up to 10 days interest on sums paid</p>	<p>Future actions:</p> <ul style="list-style-type: none"> Measure amended from 80% of undisputed invoices in 10 days to 70% of undisputed invoices in 10 working days. That the electronic system of invoicing be investigated as a means to achieve improved cash flows. Publicising the prompt payment code, once approved, to encourage businesses to do the same and aid cash flow to suppliers.
<p>9. Small businesses that are identified as likely to benefit from rate relief will be targeted and encouraged to apply for this benefit</p>	<p>May 2010</p>	<p>Within approved budgets</p>	<p>Completed.</p> <p>Small businesses targeted and contacted. Small Business Rate Relief available until March 2011, pending any alternate advice</p>

			from BIS (Department for Business, innovation and Skills
10. Improve ways of helping firms relocate to South Cambridgeshire, including property search and identification systems and associated marketing and /investment attraction.	Ongoing to March 2011	£10,000	Current Meetings held with East of England International regarding inward investment. Meetings and discussions also held with the tourism office, neighbouring councils, businesses and commercial agents to develop a tool/mechanism for improved investment. A commercial property database is being developed with colleagues to show available commercial space and market the District
11. Planning Policy SPD/DPD to be produced to strengthen support for economic development	Ongoing March 2011TBC	From existing resources	Current To be included within the review of core strategy.
12. Support to local volunteer centres experiencing increased demand for placements as a result of the recession.	October 2009 – March 2010	£5,000	Completed 2 Local Volunteer centers have received funding allowing for additional support through volunteering as a mechanism to both develop skills for employability following redundancy. Similarly, organisations that might otherwise be understaffed benefit.

