

Memorandum submitted by St Edmundsbury Borough Council (EE 03)

Combating Recession—issues and initiatives

1. Key Messages

1.1 Unemployment in St Edmundsbury

- 1.1.1 The unemployment claimant count (people claiming unemployment related benefit) in St Edmundsbury has increased sharply since August 2008, in line with the UK average.
- 1.1.2 The unemployment claimant count in St Edmundsbury was 3.3 per cent in April 2009, a figure slightly below the Suffolk average of 3.5 per cent. Whilst this was the highest claimant count rate in the district since June 1997, it remained well below rates seen in the early to mid 1990's, peaking at 6.5 per cent in March 1993.
- 1.1.3 The number of people claiming unemployment related benefit in St Edmundsbury was 2017 in April 2009. This is up from 943 in April 2008 (114 per cent higher) and 875 in January 2008 (130 per cent higher).

Key data from Council Services

1.2 Council tax collection

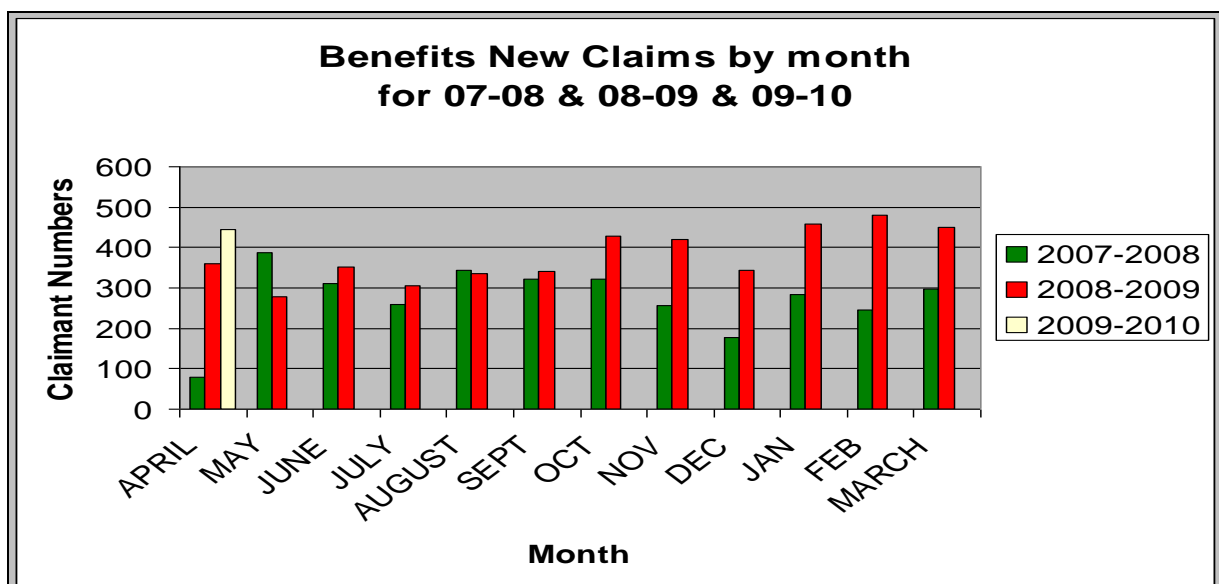
Headline: no noticeable impact as of yet

Our collection rate in 2008–09 was 98.25%, which was a marginal improvement on the previous year.

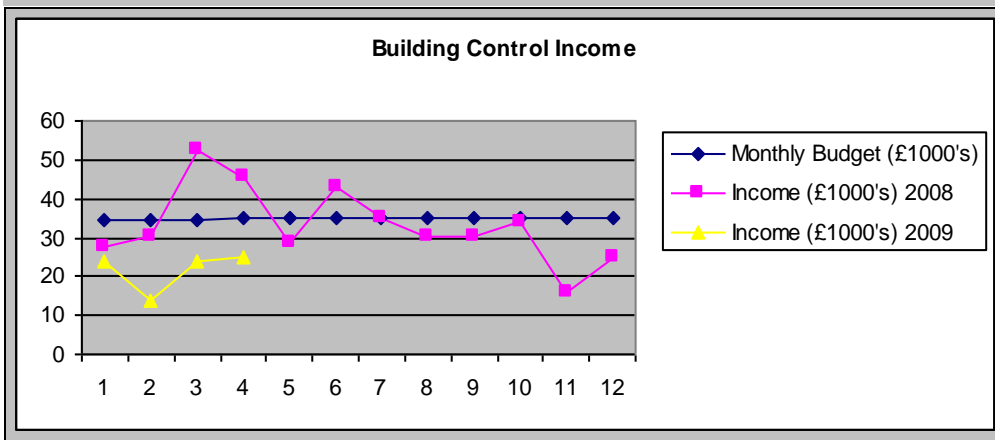
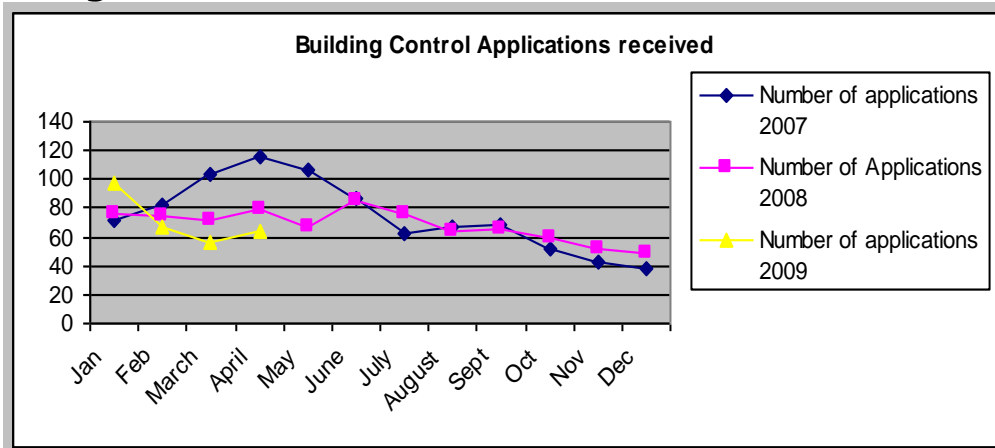
Collection rate At 28 th Feb 09 (%)	2005/06	2006/07	2007/08	2008/09
	98.21	98.25	98.19	98.25%

1.3 Housing Benefits

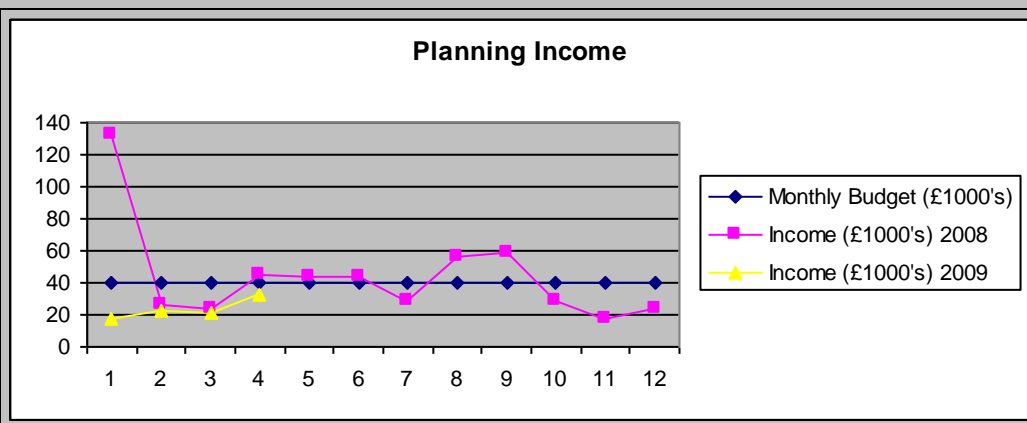
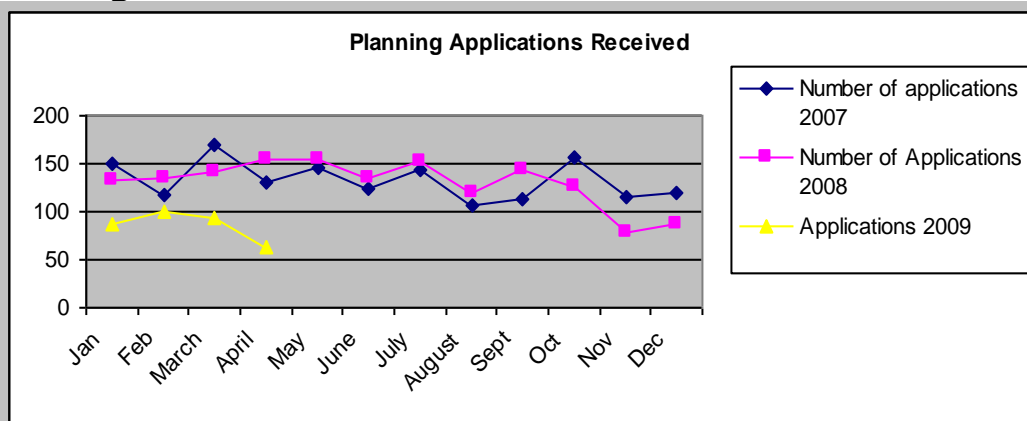
Headline: significant and sustained increases in the number of new claimants



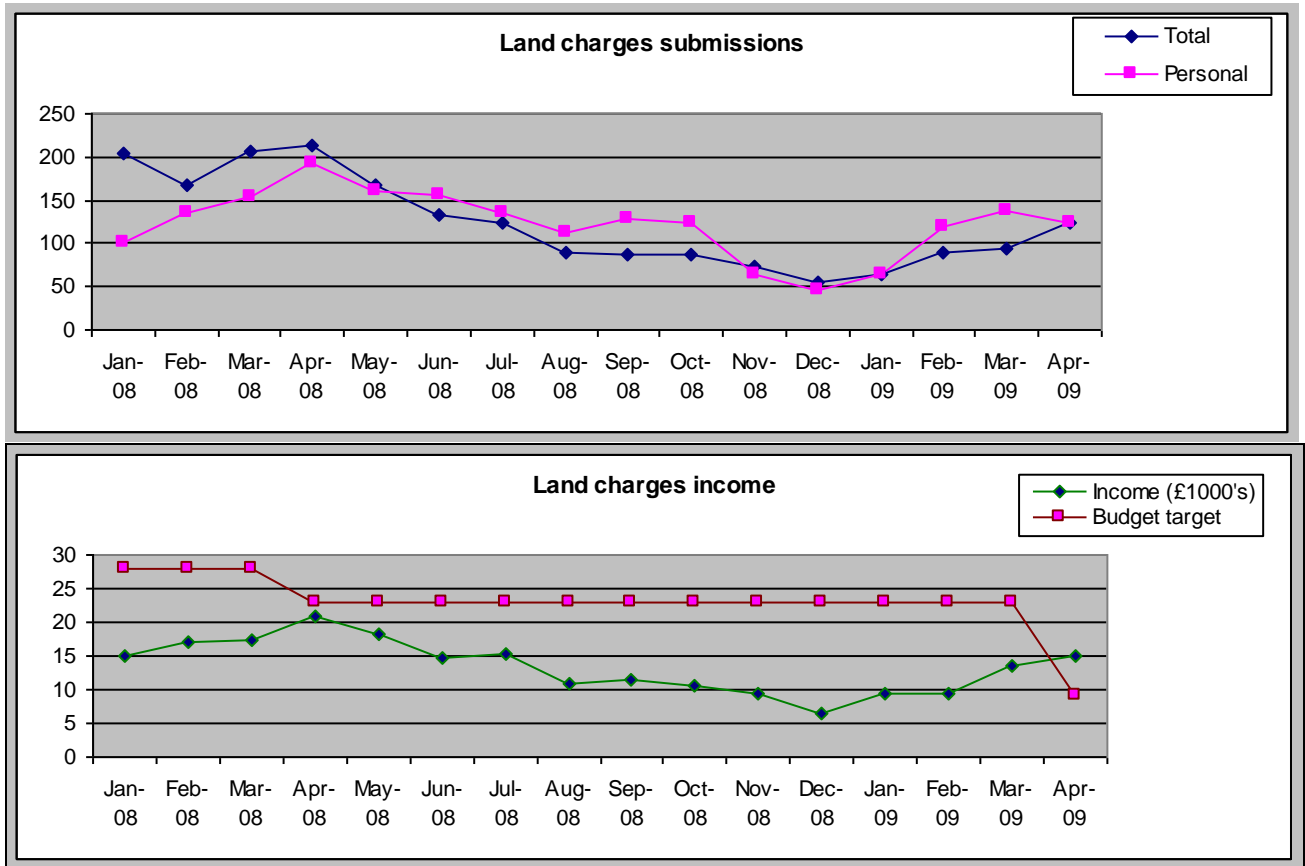
1.4 Building Control



1.5 Planning



1.6. Land Charges



1.7 Markets

Headline: both markets still holding their own, with strong interest from potential stallholders—the service has remained steady in the first two quarters of the year. The only slight trend is reluctance from some long term casuals to commit to permanent status.

1.8 Car Parking

Headline: parking events in Bury St Edmunds have increased significantly (15–20%) since the opening of the Arc development compared to the same period last year. Not surprisingly the highest growth is in the Cattle Market/Arc car park. All car parks in Bury are showing growth in events, except Ram Meadow which has similar patronage to last year. In Haverhill events are similar to last year, but trends are difficult to analyse owing the temporary loss of spaces on some of the popular car parks in the last couple of years. Season ticket income is down possibly because of the need for initial outlay, despite the attractive discount available. There is also better compliance with parking regulations perhaps indicating less financial risk taking.

1.9 Museums

The museums figure for May 08 to February 09 has reduced from 84,018 to 75,368 for the same period on the previous year; that means a 10% decline. In April 2009 there were 3,791 visits, an increase of 25% on April last year.

2. Credit Crunch—the impact on council services and our response

- Freeze of the Council Tax for 2009–10
- Impact of the recession on business tenants' ability to continue trading and the possibility of the council finding itself with unexpected empty properties (resulting in reduced income and extra costs); we have rescheduled NNDR debt.
- **Help and advice for those affected by the downturn**
 - supporting the Citizens Advice Bureaux to deliver debt advice
 - grants to low income households to bring homes up to a decent standard
 - free products and grants for low income households to improve energy efficiency and help with fuel poverty
 - housing advice & financial help
 - grants for village facilities such as shops, pubs, post offices and village halls.

3. What are we doing as a direct response to the recession?

3.1 Economic Development

- Businesses across St Edmundsbury will be benefiting from over £1.5million that St Edmundsbury Borough Council (SEBC) intends to invest directly in the local economy over the next two years. The bulk of the money comes from the Government's Local Authority Business Growth Incentive Scheme (LABGI) which rewards local authorities in accordance with the economic growth of their area by allowing them to retain revenue increases derived from business rates. St Edmundsbury has a strong economic profile and has received £1,174,417 over the last three years. LABGI money is not ring-fenced but St Edmundsbury has always chosen to use it to support economic growth. In relation to the last tranche we have deliberately prioritised it for schemes to boost local business at a time of recession.

Borough wide

- **£100,000** towards a **bursary and training fund for businesses** and individuals to unlock funding available under other government programmes (highlighted as good practice by EEDA and EERA).
- **£70,000** on training initiatives to be delivered by Mid Anglian Enterprise Agency (Menta) to address difficulties faced by businesses now and in the next six months, including advice for people made redundant or starting a new business. This will include establishing a training room in the Menta units (owned by SEBC) in Holland's Park, Haverhill
- **£61,000** to launch a New Business Competition
- **£66,500** for Business Park signs and business support
- **£30,000** contribution towards Christmas lights in Haverhill, Bury St Edmunds and Clare
- £2,700 to support online business directories for Bury St Edmunds and Haverhill
- £10,000 towards a campaign to encourage larger employers to implement green travel plans
- £5,000 subscription for the Greater Cambridge Partnership to make sure we keep our influence in the vital sub-region
- £10,000 for West Suffolk Marketing
- £10,000 for a local economy study

Bury St Edmunds

- £20,000 for town centre management
- £20,000 towards a marketing campaign for the town
- £20,000 for a visitor trail to encourage visitors to explore the whole town

Haverhill

- £35,000 for town centre management and events
- £25,000 for a shop fronts grant to encourage retailers to improve their shop fronts
- In addition to this funding, St Edmundsbury also has a capital receipt of £445,000 from the sale of the Vision Centre in Eastern Way, Bury St Edmunds to Menta. The Council intends to invest this money in repair works for their employment units on Hollands Road in Haverhill.

3.2 Finance

- Agreement to pay SMEs (small and medium-sized enterprises) within 20 days to help their cashflow (but SMEs do need to ask for this).
- We have undertaken a small business rate payers campaign, to encourage those business we think may qualify for Small Business Rate Relief to apply. So far, we have contacted nearly 250 businesses and made more than 100 follow-up telephone calls to encourage take-up; at the end April, 77 application forms have been returned, of which 76 have been successful (99%).

3.3 Housing

- Joint working with CAB, especially to develop a mortgage rescue scheme and debt advice to prevent homelessness.
- St Edmundsbury Borough Council has secured £320,000 from the Regional Housing Pot over the next two years for a scheme we have developed to give grants to low income households in the private sector to make improvements to their homes to bring them to 'decent homes' standard.
- A further £250,000 was secured for a Suffolk wide partnership from the Regional Housing Pot to set up a DIY energy efficiency scheme. This will enable low income households to receive free products to improve the energy efficiency of their homes e.g. Loft insulation, energy saving light bulbs etc.

3.4 Planning and Engineering

- We have more widely advertised the availability of car parking season tickets. Free residents permits are being offered to qualifying households, as well as the free parking already provided in off-street car parks for disabled drivers.

3.5 Leisure Services

Heritage

- Visitor figures are monitored daily and appropriate promotions are held to assist in increasing footfall. Indeed, offers are being promoted through E-Teamwork where if you fill in a questionnaire, print it out and bring it to West Stow, children (when accompanied by an adult) will be admitted free. The benefits to this strategy are two-fold, firstly this will generate more visitors and secondly it will produce a database of people who can be targeted for further promotions.
- Also West Stow are working with the Cafeteria who are offering significant price reductions to their menus to further improve the offer and promote extra visitors and increase secondary spend.

3.6 Communications

- A key part of our strategy is to make sure local residents are aware that the Council understands the economic situation, and of the various ways in which we can assist.
- With this in mind, we have already targeted Community Spirit as follows:

Community Spirit, SPRING 2009 issue (March):

- Wider story on who qualifies for Council Tax discounts
- 2009–10 budget
- Reminder of how much SEBC has saved over last few years. Ditto grants/other investment secured, to show we are on the ball/ever vigilant.
- Items to give concrete examples of how we are careful with YOUR money.
- Promote the range of advice we offer - from benefits, cutting fuel/energy bills, housing, eco dev, partnership projects.

3.7 West Suffolk Local Strategic Partnership

The WSLSP Board has asked the steering group to target work to address issues raised by the credit crunch in the next round of performance reward grant which is to be received and distributed in the coming financial year. A task and finish group is looking at the different ways this could be achieved and will report back to the Board with options.

4. What are the things we have already done (and will keep doing) to promote the economy, help struggling householders and keep the Council Tax to a minimum?

- Freeze of Council Tax for 2009–10.
- The Council also invests heavily in its local economy. In recent years, the Council has used its own capital reserves to secure a new cinema in Haverhill (as part of a £10m package to attract investment to the town) and bring the £100m Cattle Market scheme to Bury St Edmunds.
- In addition to its active economic development service, the Council organises events which are specifically aimed at boosting the local economy.

5. Possible Future Steps and Feedback from the Local Government Association Credit Crunch Summit (17 November 2008)

- 5.1 Research undertaken on behalf of the LGA has shown that localism becomes more important in a recession, because national and regional polices will not be able address the needs of different functional economic areas. The national pattern of economic slowdown is not uniformly spread across the country, nor evenly through any particular government office area. Local variations are very marked.
- 5.2 There are some areas where St Edmundsbury already has policies in place:
- energy efficiency grants,
 - fuel poverty grants,
 - paying invoices within 20 days to local SMEs.
- 5.3 **Supporting individuals**
- (i) campaign to encourage take-up of benefits,
 - (ii) debt and fuel advice—possibly through further support to Citizens Advice Bureaux,
 - (iii) interest-free loans for people at risk of losing their homes because they have missed mortgage payments.
- 5.4 **Supporting businesses**
- (iv) a campaign to encourage take up of small business rates relief,
 - (v) changes to procurement policies to support local businesses.
- 5.5 **Procurement event**

With Forest Heath District Council, St Edmundsbury put on an event called 'It's Your Opportunity' at Palace House in Newmarket on Tuesday 10 February 2009 to highlight opportunities for businesses to provide goods and services to public sector organisations.

- 5.6 **Providing advice and support on our website:**
<http://www.stedmundsbury.gov.uk/sebc/live/CreditCrunch.cfm>

6. Help for Businesses

- 6.1 Our normal business support:
- offering information on land and premises availability, transport, parking, etc.
 - offering advice on formulating business plans and general business information
 - offering grants for retaining village shops and Post Offices, for rural pubs with shop facilities and for village halls
 - signposting to sources of business support, advice and funding, principally through Business Link East
 - helping start-up businesses, in conjunction with the Mid-Anglian Enterprise Agency (MENTA)
 - offering small starter units in Bury St Edmunds and Haverhill, managed by MENTA
 - collecting the Business Rate (NNDR) and administering the various relief schemes
 - help and guidance with licence applications
 - facilitating major investment projects
 - enhancing town centre environments through landscaping, improving access, signing, street furniture, cleansing, maintenance, etc
 - helping retain and, where possible, improve shopping and services in rural areas
 - promoting the area to visitors and managing the Tourist Information Centre
 - managing the Bus and Coach Station and trying to improve transport services
 - ensuring an adequate supply of commercial sites and premises
 - providing a policy framework which will help existing firms to grow and new companies to start
 - seeking inward investment
 - working with local industry and training organizations to help ensure that the training on offer equips people with the skills local employers need
 - offering advice on planning and environmental issues
 - supporting town centre management in the two towns and activities
 - managing the provision markets in the two towns
 - produce a quarterly newsletter with information for businesses: give us your e-mail address if you would like to receive it
 - re-invest our LABGI money in the local economy
- 6.2 Recent Council initiatives to help counter the economic downturn (most funded from LABGI): See section 3.
- 6.3 The Government's pre-budget statement contained a number of changes to business rates, in order to help businesses:
- the threshold at which an empty property becomes liable for business rates will be increased temporarily; for 2009–10, empty properties with a rateable value of less than £15,000 will be exempt from empty property rates
 - businesses will be given more time to pay backdated business bills
 - small businesses will be entitled to rate relief during their first year of occupying a property, even if they join the ratings list after 1 April. The following advice has been given to businesses:

- The council does not set the business rate: that is set by the Government, although the council collects it.
- Small business rate relief may be available for small businesses that operate from one property. Your business may qualify if you meet certain criteria such as the property having a rateable value of less than £15,000.

6.4 New initiatives from other organisations specifically to counter the economic downturn:

- EEDA has produced a map of business support and asks us to make businesses aware of it (www.bizmapeast.co.uk). EEDA (East of England Development Agency)
 - has produced a map of business support (www.bizmapeast.co.uk)
 - gives some grants e.g. for research and development, for proof of concept, for business investment and small business loan
 - takeITon to demonstrate benefits of IT—free IT healthcheck
 - Enterprising Women—on-line network for business women
 - Olympic opportunities
- All Business Link workshops and services are now free and any business can ask for a free 10 point healthcheck (contact Business Link East on 08457 171615; www.businesslink.gov.uk). Business Link
 - have produced a recession survival guide
 - all workshops and services are now free
 - any business can ask for a free 10 point healthcheck
- Royal Bank of Scotland and NatWest have produced a booklet called 'Trading during the Economic Downturn' and are distributing it to small businesses. The banks ask us to remind SMEs of the importance of early communication of any problems they are facing to banks and other agencies, as it is much easier to put solutions in place if the problems are at an early stage.

7. Vion Food—Haverhill

7.1 The pig industry is a strong and important sector in the regional economy employing thousands of people throughout the supply chain from farm to table. It is not just important for Haverhill, but also for the economy of Suffolk and the wider East of England region. We are committed to ensuring that the region remains at the forefront of this industry and delivers the highest levels of quality, excellence and animal welfare.

7.2 The facility in Haverhill represents an important component of the pig industry in the East of England. Aside from the employment linked directly to the site, the supply chain includes jobs in the pig breeding, growing and finishing sector in the East of England which directly rely on Vion as a buyer of their high welfare, fully traceable pigs, and many more jobs indirectly in the pig feed and equipment supply trade. The public sector partners (EEDA St Edmundsbury and Suffolk County Council) are keen to safeguard this wider supply chain and in considering support it is therefore as important to include the potential for development and enhancement of the supply chain.

7.3 The Community Strategy for Suffolk focuses on the development of higher value added businesses and business sectors which are environmentally sustainable, to meet Suffolk's ambition to create the Greenest County. The development of higher value added food products, including quality products with a local provenance, very much fits with the aspirations of the Community Strategy.

7.4 Haverhill Building—Vion's current plan is to move all abattoir work and sausage making equipment to Malton, and the processing of all cooked meats to Haverhill. The processing element would be re-sited to a smaller area of the site, with some infrastructure requirements (building work, and the purchase and transfer of equipment etc.), and targeted improvements in efficiency within the processing chain.

7.5 Future—keeping with EEDA’s vision for the regional industry, and the sector, and its strategic use of RDPE to effect regional impact we would encourage the consideration of combining the first two elements with a larger scale overall project which fits with Vion’s vision of developing a world class facility at Haverhill. The parent company has a history in the Netherlands of utilising corporate social responsibility very effectively in creating and achieving a highly skilled workforce, and sustainable economic gain, a target with the public sector supports.

21 May 2009