

**HAMPSHIRE COUNTY COUNCIL**

**Decision Report**

<b>Decision Maker:</b>	Hampshire Economic Board
<b>Date:</b>	27 April 2010
<b>Title:</b>	Recession Measures Update
<b>Reference:</b>	1460
<b>Report From:</b>	Director of Economic Development

**Contact name:** Frances Stokes

**Tel:** 01962 845767

**Email:** Frances.stokes@hants.gov.uk

**1. Executive Summary**

1.1. The purpose of this paper is to update the Board on the results of the package of recession measures undertaken by the Economic Development Office to support businesses and individuals through the recession.

**2. Issues Covered in Report**

2.1. This paper seeks to update the Board on the impact of the recession in Hampshire and progress with the four specific areas of action:

- (i) support for the independent retail sector;
- (ii) developing a network of 'smarter working centres';
- (iii) supporting opportunities for volunteering and work experience;
- (iv) supporting the provision of places for business apprenticeships.

**3. Background**

3.1. In April 2009, the Executive Member for Policy and Resources approved the allocation of £425,000 funding from the Local Authority Business Growth Incentive (LABGI) allocation to a range of initiatives aimed at addressing the impacts of the recession in Hampshire.

3.2. It was requested to review the proposals being put forward after one year to assess what, if any, further action should be taken and whether any further provision from the new economic prosperity reserve should be made.

3.3. The programme was drawn up following discussion at the Senate, which sought to deliver an integrated response to mitigate the impacts of the recession in Hampshire.

3.4. Since the programme was agreed, the Government has announced the Future Jobs Fund programme specifically to address the impact of the recession on young people. Hampshire was successful in a £5.8 million bid to provide 900 temporary jobs over 18 months, mainly in the public sector. The jobs are for six months and include on-the-job training and support to find work at the end of the period of employment .

#### **4. Progress Report**

4.1. The attached appendix sets out the targets, progress in December 2009 and progress as at March 2010. The following paragraphs provide officers' commentary on these results.

##### **Support for the independent retail sector**

4.2. This proposal put forward a number of measures aimed at supporting independent retailers through training, marketing support and workshops. It was aimed at addressing the difficulties faced by those who have no corporate support or large scale marketing organisation behind them. It demonstrated to retailers how effective use of the Internet can reach new markets. It also aimed to support people who had been made redundant from retail, one of the worst affected sectors in the recession. The programme was undertaken with the collaboration and support of other Councils and local town centre managers and Job Centre Plus.

##### **Budget: £80,000**

**Commentary** - This measure has exceeded its targets in terms of numbers of people it has helped. The measure has been closely monitored and evaluated. Response from both target audiences of redundant retail workers and retailers has been excellent, with high demand for future training programmes for both audiences and also for further development of the Shop in Hampshire project. There is £20,000 remaining in the budget to undertake this.

##### **Developing a network of 'Smarter Working Centres'**

4.3. This proposal addressed three issues:

- (i) the needs of smaller local businesses to have a business club type of venue where they can support each other and exchange best practice in the recession;
- (ii) the need to support those who are working at a distance from their normal workplace, who have no/limited home access or facilities; and

- (iii) those groups of executives who have been made redundant and face social as well as work challenges.

4.4. The proposal aimed to set up approx 10-12 Smarter Working Centres (SWCs) across the county, working with at least three District Councils which have also expressed an interest and using some of the piloted models, eg Whitchurch and Fordingbridge.

**Budget: £100,000**

**Commentary** – The initiative is broadly on target, with new SWCs in Havant, Gosport, Basingstoke and Fareham formally opened in the last month, centres in Aldershot and Lyndhurst approved and several others in the pipeline. Approximately £40,000 of the budget allocation remains to be applied by the grant scheme application end date of 30 June 2010. In excess of 50 businesses and/or individuals have so far registered as SWC members and there is good ongoing support from the project partners (Business Link, Job Centre Plus and Enterprise First) and local authorities.

**Supporting opportunities for volunteering and work experience**

4.5. This measure aimed at enabling organisations to make proposals for additional grant aid from the Council, specifically targeted at offering work experience and volunteering places. This is commonly regarded as an excellent interface between no work and fully paid work. It helps alleviate the potential isolation and de-socialisation that can arise through spells at home without contact with the world of work and can also help with the development of new skills. For that reason, it is commonly called the ‘intermediate labour market’.

**Budget: £50,000**

**Commentary** – There has been a good uptake of this grant scheme, with 14 applications approved to date and grants totalling £24,277. The grants are being used to increase the use of volunteering as a pathway to work in a number of ways. An example of grant use is the provision of a member of staff from a Volunteer Centre to work in a Job Centre to explain the benefits of volunteering to unemployed people and show them how to find a placement. The scheme will run for the financial year 2010/11 and it is expected that all funds will be allocated.

**Supporting the development of opportunities for apprenticeships**

4.6. This proposal encouraged a positive approach amongst businesses, by offering a grant of up to £4,000 per apprentice taken on to help defray the on-the-job costs. It would work alongside the National Apprenticeship Service and the Learning and Skills Council (LSC), which help pay for the off-the-job training costs with the training provider. It would also send out a powerful signal from the Council, that it supports training investment and apprenticeships in particular. The administrative costs could be matched by

the LSC and enable an administrator to be taken on for two years, to oversee the initiative and work alongside the apprentices and host companies.

**Budget: £195,000 over two years**

**Commentary** – After a slow start, applications to the grant scheme have picked up and 23 apprentices have been supported to date with grants totalling £52,789. Placements are introducing apprentices to a wide range of careers, including catering, scaffolding, carpentry and electronics. The scheme will run for the 2010/11 financial year. Running alongside this scheme for the business community, the Hampshire County Council apprenticeships pilot is underway, with 21 young people embarked on a programme of training and work experience in a wide variety of jobs with the council.

**Future Jobs Fund**

- 4.7. The details of this programme were the subject of a report to the Hampshire Economic Board on 20 October 2009. The programme will provide 900 fixed-term jobs to 18-24 year olds throughout the whole of Hampshire and the Isle of Wight. To date 370 people have been recruited under the Future Jobs Fund, 80 of which are employed by Hampshire County Council. As the project reached 89% of the Phase1 targets (exceeding the required profile of 80% to confirm the rest of the programme) at the end of March, the funding for the second phase of the project (12 months from April 2010) has been confirmed by the Department for Work and Pensions (DWP). The wide range and geographical spread of partners has ensured a wide variety of jobs and there has been a very low drop-out rate, with only 15 recorded to date.

**Village Community Grant Scheme**

- 4.8. In addition, work has been underway to provide support for village shops during the recession, particularly those that have faced the closure or reduction in service of their Post Office. The Village Community Grant Scheme offers funding to rural businesses to help increase the use of village shops and to create new community-led village stores, particularly in communities which have lost their post offices.
- 4.9. Hampshire County Council contributed £100,000 to the total fund using money from the Government's Local Authority Business Growth Incentive scheme (LABGI). SEEDA have contributed £300,000 over the three year period, bringing the fund total to £400,000.
- 4.10. 16 grants have been awarded so far to village shops totalling £221,113 matched by private and public sector investment of £241,754.
- 4.11. Out of the 16 village shops grant aided, Passfield, Froxfield, Minstead and St Mary Bourne lost their Post Office. West Meon had their's reduced to eight hours a week outreach service. The village shops that have been grant aided are Pilley, Headley (Ashford Vale), Minstead, West Meon, Sparsholt,

Froxfield, Grayshott, South Warnborough, East Tisted, Woodgreen, Passfield, Sherfield English, Goodworth Clatford, Chilbolton, Abbots Ann and St Mary Bourne. Grants have been awarded with the aim of attracting new customers and increasing footfall, through the refurbishment of the shops or through the purchase of new equipment and facilities.

## **5. Future Action**

- 5.1. The economy is now officially out of recession with a low level of growth (0.2%) reported in the last quarter of 2009. Despite this change in direction, it is likely that the effects of the recession will remain for some time and recovery will be slow. The Annual Business Inquiry data for 2009 will not be published until December this year, so much of the data illustrating the extent of the recession's impact on business is from 2008 and therefore does not give a clear picture. However, anecdotal evidence highlights some issues, including the constraint of access to finance for small businesses.
- 5.2. The labour market is a current indicator of the impact and extent of the recession, with claimant count figures available monthly. Unemployment appears to have stabilised and, despite the upturn in January's jobless total, the trend since August 2009 has been down. However, it is estimated that the employment rate is unlikely to reach pre-recession figures for some years, if at all.
- 5.3. With no evidence to suggest the need or scope for additional measures, the existing programmes should be continued and local conditions monitored and reviewed as the recovery progresses.
- 5.4. Due to the success in delivering Phase 1 of the Future Jobs Fund programme (around one third of the places so far), the Council, as lead partner and accountable body, has been offered the opportunity to bid to expand the existing programme by up to 100% within the time-frame of the existing contract. This would mean up to an additional 900 jobs by the end of March 2011 funded by the DWP.
- 5.5. Figures supplied by Jobcentre Plus, and increases in unemployment forecast nationally, show that there should be enough clients to fill the extra places and information is currently being gathered to assess the capacity of partners to source and administer the extra jobs.
- 5.6. Partners have already been contemplating some expansion but not to this level. There is no scope to include new partners, but it may be possible to involve a wider set of hosts, provided the original set of partners are the employing bodies.
- 5.7. As with the current programme, the financial risk of progressing the programme is minimal as the grant is paid incrementally as jobs are filled. However, this is a high profile programme and there is a risk to the reputation of the Council should the agreed targets fail to be reached. There is also a

risk of damage to the Council's reputation with DWP which could reduce the likelihood of success with future bids.

- 5.8. These risks are mitigated by the knowledge and experience gained through delivery of the existing programme as is evidenced by the current success rate and the offer from DWP.

#### **Support for the independent retail sector**

- 5.9. It is planned to run a further session of training courses in spring this year, following demand from both retailers and redundant retail workers. Upgrades of the Shop in Hampshire web site will also be made to improve functionality and additional marketing will be undertaken to improve the site. Retailers will also be given support to set up their own web-site following their training.

#### **Developing a network of 'Smarter Working Centres'**

- 5.10. It is anticipated that the remaining match-funding will be awarded by July 2010. Take-up, as well as quality, will be closely monitored over the following months with formal re-accreditation for each of the anticipated 10-12 centres to be conducted 12 months after their launch date.

#### **Supporting opportunities for volunteering and work experience**

- 5.11. The grant scheme will continue to be promoted and monitoring is due to begin as the first grant recipients enter the six month monitoring trigger point. This will provide information on the number of volunteer places created and whether or not the volunteers gained paid employment after their volunteering experience.

#### **Supporting the development of opportunities for apprenticeships**

- 5.12. Plans for the increased promotion of the Apprenticeships Grant Scheme are being made and a number of partners are now promoting the scheme, including training providers such as colleges. The Hampshire County Council pilot apprenticeship scheme is to be developed and rolled out as a mainstream programme.

### **6. Recommendations**

- 6.1. That the continuation of the current measures using the previous allocation of Local Authority Business Growth Incentive funding, as set out in section 5 of the report, be approved.
- 6.2. That an application for expansion of the Future Jobs Fund, as set out in section 5 of the report, be approved, commensurate with capacity to do so identified by the consortium partners.

2375Rpt/1460/FS

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	no
Corporate Improvement plan link number (if appropriate):	
<b>Maximising well-being:</b>	yes
Corporate Improvement plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	yes
Corporate Improvement plan link number (if appropriate):	

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u> Policy and Resources Future Jobs Fund	<u>Reference</u>  1004	<u>Date</u> 9 April 2009 20 October 2009
<b>Direct links to specific legislation or Government Directives</b>		
<u>Title</u>	<u>Date</u>	

## **IMPACT ASSESSMENTS:**

### **1. Equalities Impact Assessment:**

1.1. Assessments have all been undertaken for the measures listed.

### **2. Impact on Crime and Disorder:**

2.1. There will no obvious impact on crime and disorder as a result of these projects.

### **3. Climate Change:**

a) How does what is being proposed impact on our carbon footprint / energy consumption?

When established, the Smarter Working Centre Network will provide additional opportunities for individuals to work and meet close to where they live. This project encourages smarter working practices and could reduce commuting and business travel.

b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

In respect of the smarter working centres, there may be some impact on our carbon footprint/energy consumption as a result of less commuter traffic on the roads.

## Recession Report – Update March 2010

<b><i>Recession Report - figures supplied for 14 December 2009 Hampshire Economic Board</i></b>	<b><i>Latest Update 31 March 2010 figures</i></b>
<b>a) Retail Support Package</b>	
- Supporting Redundant Shop Workers - 59 people attended 6 training courses in Basingstoke and Alton	179 people attending 19 training courses in Basingstoke and Alton
- Shop in Hampshire web site set up with 40 towns and 8,000 shops listed	40 towns and 9,000 shops listed – three new towns in process of being added
- 78 retailers attending ecommerce training sessions at 7 venues	249 retailers attending ecommerce training sessions at 8 venues. More to be arranged in 2010 following demand from retailers
- Town centre events organised in 8 locations	Town centre events organised in 9 locations – 3 new applications o/s
- Refurbishment of Empty Shop Units - 1 application received - Aldershot	No further applications received
<b>b) Smarter Working Centres</b>	
- Five centres now operational (including the pre SWC site in Fordingbridge). - Eight centres including 1 x 'pilot' site and one self-financed Unitary site (PCC) approved. - 6 grants totalling £46,000 awarded to date. - The network to date has over 50 registered SWC members, 8 of whom have booked workspace and/or meeting rooms from 1 hour to 3 months duration.	Havant opened - 5 February Gosport opened – 24 February Fareham – opened – 16 March Basingstoke opened – 26 March Aldershot – opens 21 May Lyndhurst – opens 11 June Portsmouth – opens April tbc (PCC funded)  <b>Expressions of Interest/Applications WIP</b> Eastleigh Chilworth Science Park Alton, Andover, Meon Valley, Milford-on-Sea, Winchester
<b>c) Work Experience and Volunteering</b>	
8 grants awarded totalling £14,431	14 grants paid totalling £24,277.39
<b>d) Apprenticeships</b>	
2 applications received; total grants £2,000	23 applications; total grants paid £51,789