

HAMPSHIRE COUNTY COUNCIL**Decision Report**

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| Decision Maker: | Hampshire Economic Board |
| Date: | 14 December 2009 |
| Title: | Recession Measures Update |
| Reference: | 1108 |
| Report From: | Director of Economic Development |

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1. Executive Summary

1.1. The purpose of this paper is to consider a report on the special recession measures currently being undertaken by the Economic Development Office.

1.2. This paper seeks to:

- (i) summarise the aims of the four measures; and
- (ii) report on progress and achievements.

2. Contextual information

2.1. These measures were the subject of a report on 9 April 2009 to the Executive Member for Policy and Resources. They were intended to complement the actions identified by the Senate which could be taken by Local Authorities across the county, including business advice workshops and support for debt advice agencies. The Senate Economic Action Group tasked the Council with responding to a number of areas of challenge and leading a coordinated response:

- (i) supporting the independent retail sector and small and medium-sized towns;
- (ii) providing support for self-employed, small businesses and unemployed senior executives;
- (iii) providing help for work experience volunteering and the agencies which recruit and develop volunteers; and
- (iv) development of apprenticeship opportunities.

- 2.2. The special measures, costing £425,000, were funded from the "Local Authority Business Growth Incentive" (LABGI) allocation to the County Council.
- 2.3. Four measures were adopted:
 - (i) A Retail Support Package
 - (ii) Smarter Working Centres
 - (iii) Work Experience/volunteering and
 - (iv) Apprenticeships.

Retail Support Package

- 2.4. The retail sector has been hit particularly hard with footfall and profits down, especially amongst the smaller retailers. Vacancy rates remain high in towns such as Aldershot, Gosport, Andover, Fleet and Basingstoke at around 10%. Even typical country town locations such as Lyndhurst, Lymington and Fordingbridge are struggling to find tenants for the empty shops. With no obvious increase in customer spending apart from the usual Christmas boost on the horizon, the economic viability of the smaller retail centres is under threat.
- 2.5. This Hampshire County Council support package incorporates a number of measures aimed at supporting independent retailers through training, marketing support and workshops. It addresses the difficulties faced by those who have no corporate support or large scale marketing organisation behind them. It uses the opportunity of peer-to-peer support and specialist business training facilities to help squeeze costs and boost turnover. It will also show how effective use of the Internet can reach new markets, building on the expertise of eHampshire. A budget of £80,000 from the LABGI funds has been allocated to this.
- 2.6. The Retail Support package incorporates four key areas of work:
 - (i) **Supporting redundant shop workers**

This programme offers workshops in IT skills to improve redundant sales staff employability in a range of sectors. The training offers basic IT for those without any previous IT knowledge, through to advanced training workshops for those with some basic IT experience.

Progress

To date, 59 people have attended 6 training courses in Basingstoke and Alton, some people to all sessions. Drop-out rate is extremely low. In Alton, these places are oversubscribed. In the new year it is planned to organise further workshops in Alton, Eastleigh and Winchester. The County Council has partnered with Job Centre Plus in the organisation of these workshops - they have heavily promoted the workshops and referred clients. Delegates

have bonded and are forming their own support group and requesting additional training and this has been facilitated by providing an additional course based on job search using IT.

(ii) **Supporting Independent Traders**

Two specific projects to support small independent retailers across Hampshire have been set up:

(a) a new web site - www.shopinhampshire.co.uk

Progress

The web site was launched in July 2009 to promote independent retailers, giving them an on-line presence, offering access to a growing consumer market place. It has been heavily promoted in local media. We have included 40 towns and now have over 8,000 shops listed.

(b) **Retailer Workshops**

The aim of these workshops is to help retailers develop e-commerce and improve productivity and include workshops on enhancing company visibility, search engine optimisation, e-mail marketing, increasing customer loyalty and promoting repeat business.

Progress

The training programme aimed at helping small retailers began in October. These workshops are delivered by IT specialist trainers at different venues across the county - Andover, Romsey, Havant, Gosport, Fareham and Lymington and Lymington (including Brockenhurst retailers).

The number of retailers attending to date is 78; many of whom are attending several workshops so 154 attendances have been recorded. The relevant Local Authorities have provided venues free of charge for all these workshops. Feedback from the workshops has been extremely positive. An additional and unexpected benefit has been that the retailers in Gosport and Fareham, in particular, are forming user groups to transfer skills and are requesting workshops to help them get their own web sites up and running. These workshops are giving retailers the confidence to go forward with internet marketing which for many seemed a daunting task.

Quotes from some of the retailers attending the workshops:

"Opening the book and breaking the myths"

"Gave me the confidence to start"

"Everything was very useful, so glad I did the course".

Further training sessions are planned in Alton, Basingstoke, Eastleigh, Winchester, Gosport and Fareham to take place after the January sales busy period.

(iii) Town centre events

The County Council has been working with the Hampshire Town Centre Managers' Network across Hampshire to encourage additional town centre events, ie late night openings, food festivals and other special events aimed at getting more shoppers into town centres.

Progress

To date events have been supported in Eastleigh, Fleet, Romsey, Fareham, Basingstoke, Stockbridge, New Milton and Lymington. These include Local Produce Festivals, Halloween Festival, Christmas Xtravaganzas and late night shopping events.

(iv) Refurbishment of Empty Shop Units

To help improve the look of town centres and stop them looking run-down, small grants are being offered for window dressing empty shop units or to display community artwork. A themed option is being encouraged, for example, each empty unit in a particular town being dressed with quality themed posters to reflect the location of that town, ie yacht/sails/sea for coastal towns, ponies/trees for New Forest towns, etc.

Progress

To date one application has been received from Aldershot to match fund the costs of graphic panels for five shops in the town centre and this will be approved once landlords' consents have been obtained.

Smarter Working Centres

2.7. This measure addresses three issues:

(i) the needs of smaller local businesses to have a business club type 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) the need to support those groups of executives who have been made redundant and face social as well as work challenges. Redundant professionals, senior managers especially, report they are

not fully served by initiatives such as the current Job Centre Plus service portfolio.

- 2.8. This latter group, when brought together at venues on an 'executive club' type basis, has been shown to be effective in alleviating some of the personal and social issues faced by those made redundant perhaps for the first time. They are also often able to collaborate to identify new business opportunities as Associates or as Social Enterprises.
- 2.9. The measure aims to support the set up approximately 10-12 Smarter Working Centres (SWCs) across the county working with district councils and other partners. The Hampshire-wide network of SWCs will offer 'drop-in' low-cost shared work space, meeting and training rooms together with a communal/networking area. An SWC is aimed especially at start-up and smaller businesses in addition to supporting staff who work a long way from home or, if local, do not have adequate home working facilities. Demand research (July 2009) indicated that 81% of SMEs would consider allowing their employees to work from an SWC at least once per week.
- 2.10. Each SWC operator is tasked with providing a relevant and commercially viable (sustainable) range of facilities and services. The SWC offers fledgling businesses and entrepreneurs a supported environment with support and events provided by partner agencies like Business Link, Train2Gain, Job Centre Plus and its providers, as well as locally established self-help groups for individuals seeking work opportunities. The budget allocation from the LABGI fund for this measure is £100,000.

Progress

- 2.11. The programme was launched on 5 November via a web-cast during Smart Commute Week. Seven centres have been identified as being potentially open for business in January 2010, subject to Executive Member approval of the applications. These are:

Fordingbridge, Whitchurch, Havant, Basingstoke, Aldershot, Fareham, and Gosport.

- 2.12. Other venues that have been suggested include Milford-on-Sea, Lyndhurst, Warsash, Waterlooville, Tadley, Fleet, Andover, Winchester (Olivers Battery) and Alton but no formal applications have yet been received for these venues.
- 2.13. An on-line booking system is currently being finalised to allow ease of booking.

Work Experience and Volunteering

- 2.14. This measure aims to allow organisations to make proposals for grant aid from the Council specifically targeted at offering work experience and volunteering places. Experience of earlier recessions, and indeed early indications from the current recession, show that those people who can keep some form of work outlet, despite being unemployed, are more likely to get

back into the labour market, when the upturn comes. This could involve short breaks of work experience in willing host organisations to help broaden or diversify their skills. It could also involve various forms of volunteering. 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'.

- 2.15. The difficulty with the rapid rise in unemployment is that those organisations which could make good use of new volunteers are swamped with interest, but lack the means to recruit and train. In some particular areas, where there is an effective support infrastructure in place, the help that is needed is simply financial support for delivering the training. The budget allocation from the LABGI fund for this measure is £50,000.

Progress

- 2.16. Since the launch of this grant, scheme applications have steadily come in and eight grants (in total £14,431) have been made and two applications rejected (which did not demonstrate clearly enough how the funding would be used to move unemployed people into employment). The strong communication network in place for voluntary organisations in Hampshire is likely to prompt an increase in applications in the future and so further active marketing of the scheme is not considered necessary at this stage.

Apprenticeships

- 2.17. This measure offers a grant for an apprentice to be taken on, to help defray the on-job costs. The County Council is working alongside the National Apprenticeship Service (NAS) and the Learning and Skills Council (LSC), which help pay for the off-job training costs with the training provider. It is also sending out a powerful signal from the Council that it supports training investment, and apprenticeships in particular. Funds for the administrative costs have been matched by the LSC and enabled an administrator to be taken on for two years, to oversee the initiative and work alongside the apprentices and host companies.
- 2.18. The budget allocation from the LABGI fund for this measure is £195,000 over two years.

Progress

- 2.19. So far there have been very few applications through this scheme. Two grants have been awarded (each for £2,000), one is pending approval and no applications have been rejected. Since the launch, this scheme has not been actively marketed on the advice of the NAS as it was felt that the NAS advisers would be able to generate a considerable amount of interest in the scheme through their regular work with local businesses.
- 2.20. Anecdotal feedback has suggested that the high cost of insurance is a prohibiting factor in the recruitment of an apprentice for many businesses,

and so insurance costs will be added to the list of costs that can be covered by the grant. A promotional flyer, listing the grant criteria and link to the online application form, will be available by early December, for general distribution to small businesses at network events. A press release will also be issued through Corporate Communications and NAS will be asked to be more proactive in its promotion of the scheme.

3. Finance

- 3.1. The projected spend for each measure other than the Apprenticeship Scheme is currently on target (as explained above).
- 3.2. No special provision has been made for 2010/11 for the continuation of these measures other than for the Apprenticeship Scheme.

4. Recommendations

- 4.1. That the Hampshire Economic Board:
 - (i) note progress on the recession measures currently being undertaken and consider whether any immediate further action is required; and
 - (ii) at its meeting in April 2010, assess the impact of these recession measures after one year's activity and consider whether any further action should be taken.

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CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

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| | |
| Hampshire safer and more secure for all: | no |
| Corporate Business plan link number (if appropriate): | |
| Maximising well-being: | yes |
| Corporate Business plan link number (if appropriate): | |
| Enhancing our quality of place: | yes |
| Corporate Business plan link number (if appropriate): | |

Other Significant Links

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| | | |
| Links to previous Member decisions: | | |
| <u>Title</u> | <u>Reference</u> | <u>Date</u> |

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|--|-----------------|----------------------------|
| Executive Member for Policy and Resources | 660 | April 9 th 2009 |
| Direct links to specific legislation or Government Directives | | |
| Section 100 D - Local Government Act 1972 - background documents | | |
| <p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p> | | |
| <u>Document</u> | <u>Location</u> | |
| None | | |

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

1.1. This has been completed. The recession measures are likely to benefit people in all sections of the community, particularly those who are disadvantaged by the recession and unemployment.

2. Impact on Crime and Disorder:

2.1. The measures are unlikely to have any impact on crime and disorder other than providing work opportunities for people who may otherwise turn to crime though lack of useful employment.

3. Climate Change:

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

The Smarter Working Centres project could impact on our carbon footprint and energy consumption by providing additional opportunities to work and meet close to where people live. The initiative encourages more sustainable working practices and should reduce peak-time commuting and to a lesser extent 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?

Not applicable.