

Economic Development and Cultural Services Review Panel

Minutes of the Meeting held on Monday 9 February 2009

Present:

Mrs J R M Chamberlin (Chairman)

Mr J R Baskerville
Mr B J E Collins
Mr J L Collop
Mr R F Goreham
Mrs S E L Hutson

Mr J M Joyce
Mr C Lloyd Owen
Mr J F Pitt-Pladdy
Mrs T I Paines
Mrs S A F Rice

Cabinet Members Present:

Mr J R Gretton Cultural Services

Deputy Cabinet Member Present:

Miss E Collishaw Economic Development

1 Apologies and Substitutions

1.1 Apologies were received from Mr S Dunn (Mrs S Hutson substituting), Mrs B Hacker (Mr F Pitt-Pladdy substituting), Mr G Nobbs (Mr J Collop substituting), Mr A Pond (Mr J Baskerville substituting) and Mr B Iles (Mr C How substituting).

2 Declarations of Interest

2.1 No interests were declared.

3 Public Question Time

3.1 There were no public questions.

4 Local Member Issues/Member Questions

4.1 There were no Local Member issues/Member questions.

Items for Scrutiny

5 Cabinet Report – State of the Economy

5.1 Members received the annexed report (5) and were invited to consider and debate the Council's response to the emerging effects of the economic downturn on the Norfolk economy, along with possible actions.

6 Presentation

- 6.1 Mr Chris Starkie, Chief Executive of Shaping Norfolk's Future, gave a presentation which is attached as Appendix A.
- 6.2 Following the presentation, the Chairman introduced Ms Fiona McDiarmid, the new Head of Economic Development and welcomed the guests listed below, who had been invited to contribute to the discussion. Each guest introduced themselves and gave an overview of their area of expertise.

David Martin, Business Link East, presenting the small business perspective.

Mr Martin noted that of the 32,000 businesses in Norfolk, 14,000 had contacted Business Link in the first year of operation. There was no doubt that this number would continue to rise substantially due to businesses requiring external advice in response to the economic downturn. All business sectors had been affected and many would be looking for help and support to try to sustain their business in these unprecedented times.

In terms of the help that Norfolk County Council could provide, it was suggested that the authority should continue to support the co-ordination of the whole support structure including organisations such as Shaping Norfolk's Future, Business Link, The Chamber of Commerce, EEDA and all other relevant organisations, through the Business Support Alliance.

Rob Hetherington, Jobcentre Plus, presenting the employment perspective.

Mr Hetherington said that Jobcentre Plus (JCP) was responsible for helping unemployed people to get back into work and to receive their benefit entitlements. In the year up until September 2008, JCP had seen 550 new clients. In the two weeks after Christmas 2008 this had risen to 1,500 for that period alone and in the first week of February 2009 the figure was 1,200, showing a steep rise in new clients overall, since September 2008.

Since March 2008 they had been notified of 4,500 redundancies and those registered for Job Seekers Allowance (JSA) had gone up to 13,000 since December 2008 – the January 2009 figure was expected to be higher. JCP did not deal with all job vacancies and were not notified of all job losses. Over the next few months the number of JCP staff was expected to increase by one third to cope with the increased demand for services. He also remarked that job losses were affecting all business sectors. He gave an example of a solicitor employed for thirty years having been made redundant.

The JCP team had met with Woolworth's staff individually about the issues they were facing and they were offered support such as access to training and help with constructing a CV. There were initiatives available for those who have been unemployed for six months or more, such as employers work subsidies. People were still being recruited but not to the volumes previously seen.

Norfolk County Council, through Norfolk County Services, had recently employed a number of people via JCP. There was also likely to be an increase in

recruitment activity shortly at East Port Great Yarmouth and Palm Paper in King's Lynn.

David Stutchbury, Clydesdale Bank, presenting the banking perspective.

Mr Stutchbury gave an overview of issues in the banking sector nationally and noted that the Clydesdale Bank would be in Norfolk for a long time to come. He said they were still lending money and had a clear investment strategy.

Ann Martin, Finance Director, Norwich International Airport.

Ms Martin noted that Norwich Airport was in very good shape with plenty of demand from tourists and through-travellers from Norfolk. She outlined elements of the Airport's future strategy. Having previously worked at Stansted airport it was felt that she would bring valuable experience.

Also present were Mr Chris Starkie and Mr Mike Burrows from Shaping Norfolk's Future.

7 Question and Answer Session

7.1 There followed a question and answer session during which the following points were raised:

- 7.2
- It was noted that the Job Centre Plus worked closely with many recruitment agencies.
 - Staff previously employed at Woolworths were now on the Job Centre Plus register and would be included in the relevant January figures. It was noted that many people quickly found new employment following redundancy.
 - The insufficient number of industrial sites available in Norfolk was highlighted, but it was noted that there were three growth points, one of which was Norwich. In addition Great Yarmouth and Thetford were designated as Priority Areas for regeneration.
 - It was noted that the Government had provided a lot of money to the banks and the question was asked whether the business sector could be assured that funding would reach businesses in need. In response, members were advised that in terms of banks being able to support businesses, the County Council needed to think about which banks it used and particularly how it invested its capital, which could be used to have a local impact. There were a number of banks that were reducing the support they make to businesses and it was suggested the Council should engage more with those banks that were prepared to offer support to businesses where it was needed.
 - It was suggested that there was a need for coordinated support for businesses, to provide information concerning support mechanisms available before it became too late for them to survive.

- The recession had opened up a very competitive market for the airlines and whilst the criticism of Norwich Airport's development fund tax was acknowledged, it was recognised that many other airports added a development fund tax but they were not transparent about these charges.
- 'Big thinking' was required and one or two key initiatives could make a significant difference, for example building affordable homes for local people could also help the local construction industry.
- The Council was supporting initiatives, for example the 'Meet the Buyer' event which would take place on 16 April 2009 at the Sprowston Manor Hotel and would be attended by public and private sector organisations. It was noted that Business Link's role was not to administer grants to companies but the organisation could offer business health checks to ensure they were fit for purpose and provide support to help them survive the economic downturn.
- It was suggested that a reduction in the length of invoice payment times to fifteen days could be a positive help to local businesses. The Head of Economic Development confirmed that individual businesses that were under financial pressure could request early payment of invoices. It was suggested that the Council should be leading on this issue to support local businesses. This could also be promoted as a good news story.
- It was noted that the Clydesdale Bank was very supportive of agricultural businesses; there were opportunities for agri-businesses available, and these opportunities should be publicised.
- It was noted that engineering businesses were important to the region and there had been a great deal of support for the engineering sector. It was noted that money raised from tourism tended to stay in the local region. The EDP was running a 'Stay Here' tourism campaign and also supported local retailers through a shopping initiative.
- The question was asked, what could Norfolk County Council do at the moment? It was suggested that more emphasis should be given to the County's infrastructure; some parishes wished to build new homes but additional infrastructure was required prior to commencing building. A better infrastructure such as a third river crossing at Great Yarmouth and better road links could lead to enhanced opportunities for commercial development, freight, Norwich Airport and tourism.
- Norfolk County Council could also place orders with local businesses and, if a contract with a small business was coming up for renewal, they could consider renewing the existing contract early rather than going through the tender process – although this would not be possible in every case, due to required procurement procedures. Invoices could be paid earlier to support small and medium size companies, however, of more importance is the certainty of payment, which should be on time and when businesses expect it. The Council could also approach banks to discuss their lending policies in relation to small / local businesses. There was

support available to businesses, and the County should publicise this; all residents could be reached through Norfolk County Council publications such as 'Norfolk Matters'.

- Norfolk County Council could liaise with the Norfolk Rail Policy Group concerning improvements to the rail infrastructure.
- Ms Martin noted that the airport would be promoted as a key gateway and joined up advertising could play a significant role.
- It was suggested that the County Council should coordinate good news stories. The group were advised that while the county had lost some large manufacturing companies over the years, it was encouraging specialist engineering companies, for example those based at Hethel Engineering Centre.
- Members agreed that the key to moving out of the recession would be a 'common voice' approach and it was important for all organisations concerned to liaise with each other, and provide support when required.

7.3 **Resolved**

Members noted that the Cabinet Scrutiny Committee (CSC) meeting to be held on 10 February would be discussing 'Economic slowdown and the associated risks for NCC related infrastructure and regeneration projects' and they agreed that following the CSC meeting Officers and Members would consider the minutes from both the CSC meeting and this meeting before determining the way forward.

The meeting concluded at 4.05pm.

Attached: [Presentation by Chris Starkie \(Item 6\)](#)

CHAIRMAN



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