

**Newcastle Partnership
Economy Delivery Partnership**

8th January 2009, 10.00 a.m. to 11.30 a.m.

**Venue : Newcastle Partnership, Anderson House,
Market Street, Newcastle**

Agenda

1. Welcome and Introductions
2. Minutes of the last meeting
3. Local Area Agreement target review
4. Economic Conditions
5. Updates from members

Newcastle Partnership Economy Delivery Partnership

27th November 2008, 10.00 a.m. to 11.30 a.m.

**Venue : Newcastle Partnership, Anderson House,
Market Street, Newcastle**

Minutes

Attendance

Rob Hamilton (chair), Paul West, Roger Mould, Janet Hunter, Howard Forrest, Sandy Ogilvie, Dan Brophy, Michael Johnston, Sandra Marshall, Seth Pearson.

Economic Climate & impact on economy/business introduced by Rob Hamilton

Rob spoke to powerpoint presentation (attached).
Discussion included the following points:

- Despite some similarities with previous recessions the liquidity crisis marks a difference bringing about low confidence and low availability of finance.
- There are a large number of businesses less than 10 years old with therefore no experience of coping with a recession
- The higher skills base may help bounce back
- Domestic tourism may play a part in supporting the local economy
- A serious concern is how the recession impacts on young people with respect to the opportunities available to them.

Impact on economy/business

Discussion included the following points:

- As yet there were still a high number of new start businesses and many enquiries
- Work spaces remain full
- However too soon to see impact
- Availability of credit insurance has dried up which impacts on a company's ability to win contracts because of a reduced credit rating
- Banking erratic with availability and rates varying widely
- Nick Brown, the minister for the region has asked through the Northern Business Forum to be informed of any issues arising with banks.
- A Credit Crunch Transitional Fund has been launched to support small firms with cash difficulties managed by Entrust. There is £2m at the moment but likely to rise in the future

- In addition there is a pathfinder scheme managed by Entrust to support companies through tax difficulties
- 3rd sector less exposed to credit crunch but levels of income have reduced
- A specific meeting between David Bougham, Bank of England, and the 3rd sector has been requested.

Impact on Employment introduced by Seth Pearson

Seth spoke to powerpoint presentation (attached).

Discussion included the following points:

- Numbers of people claiming Job Seekers Allowance will rise due to the introduction of Employment Support Allowance
- Job Centre Plus has introduced a 31 point plan to ensure it can respond to new JSA claimants
- Despite the economic downturn the focus on the priority groups would continue in line with national policy. In this context targets set in the Employability Action Plan would need to be held.
- A comment was made that we would need to be careful not to set people up to fail
- Ensuring Integration of employment and skills support (e.g. Local Employment Partnerships and Train to Gain) would become more important

Impact on economy/business introduced by Rob Hamilton

Update on skills Introduced by Michael Johnston LSC

Information from providers would be returned in the next few weeks which would give an indication of performance. Information available has indicated the number of apprenticeships is down, particularly with house builders.

The LSC response is to allow greater flexibility with eligibility and funding. One potential negative impact of this could be a reduction in achievement of full level 3 qualifications as criteria are relaxed. Availability of resources for training in the region through the LSC was not an issue.

Discussion included the following points:

- There was potential that increased activity around training could introduce greater confusion in the market.
- The number of young people not in education employment or training could become a major issue

AOB

A question was raised as to whether Business Support Simplification was now off the agenda. Rob Hamilton agreed to investigate and report back.

During the meeting, a number of issues were raised into how the city could best-protect itself from the economic slowdown. These are listed according to help for businesses and help for people. The group also discussed the impact of the slowdown on LAA targets.

	Proposals / Actions	
	<i>Economic Downturn - help for business</i>	
1.	In the short-term, the most important way for the Council to help local businesses is through paying invoices more quickly. [subsequently announced]	
2.	The Economy Delivery Partnership urged the Council to continue out sourcing and not to take services in house.	
3.	In the longer-term the group believed that the Council should work at its procurement strategy, to check that it is not unnecessarily disadvantaging small local businesses. This conclusion echoes the report or procurement commissioned by HMT and released with the PBR.	
4.	The economy group concluded that businesses were unlikely to know about all the potential public sector support packages. There is a role for the Council in bringing this information together. Although there was likely to be more demand for support than help available.	
5.	The Council and other partners should encourage businesses to report to the Council or other partners if they are having increased difficulty raising finance. National Government, through the regional Minister, are particularly keen to have up to date information on credit availability – and whether it varies according to firm size, sector or location.	
6.	In responding to the economic downturn, public agencies should utilise and extend existing business support structures and agencies. They should not duplicate provision by creating new services.	
7.	Newcastle City Council may be able to better-utilise its property stock to support local business	
	<i>Economic Downturn - help for people</i>	
8.	The Council could improve its role as an employer - particularly in providing opportunities for disadvantaged residents, who are likely to find it increasingly difficult to find employment.	