

**Newcastle Partnership
Economy Delivery Partnership**

22nd June 2009, 9.00 a.m. to 10.30 a.m.

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

Agenda

1. Welcome and Introductions
2. Minutes of the last meeting
3. Nexus presentation - Bernard Garner
4. Resource Centres update - Gill Hewitson
5. Future Jobs Fund - Seth Pearson
6. Science City - Karen Marshall
7. Sustainable Communities Act - Seth Pearson
8. LAA Target performance
9. AOB

Newcastle Partnership Economy Delivery Partnership

14th May 2009, 9.00 a.m. to 10.30 a.m.

Venue : Newcastle Partnership, Anderson House, Market Street,

Minutes

Present

Rob Hamilton (chair), Rachel Spence, Howard Forrest, Melanie Bear, Sandy Ogilvie, Jonathan Dowden, Charlie Hughes, Janet Hunter, Elaine Easton, Gill Hewitson, Seth Pearson,

1. Minutes of the last meeting

Agreed as a true record.

Matters arising – Risk Register three of the highest risks have been escalated to the Delivery Board and a response is awaited.

2. North East Chamber of Commerce - Rachel Spence

Outlined the role of the NECC and issues its members were currently facing. The chamber has been in existence since 1815 and has around 4,500 members including 70% of the larger employers in the region. With a wide range of business type they can act as the collective voice of business in the region. 12% of the businesses in Newcastle are members.

Three examples of work the Chamber has been involved in recently are around innovation, the core cities and the establishment of 3 business forums in the City.

The Chamber undertakes a quarterly survey of business which acts as a business barometer. The survey results in March '09 were the worst for 11 years. The effect of the recession could be seen in ¼ four of 08 and has since worsened in respect of drop in sales, drop in future sales, drop in training and drop in investment. Rachel pointed out that the effects of the recession were uneven – the weak pound was helping exporters and conversely importers were struggling particularly those importing from China and Europe. However there are signs that at the end of the 1st quarter of this year there were signs of a movement up. Anecdotal information from members confirms that this has continued into April. Wind turbine and electric car developments has acted to increase confidence, there has been an increase in tourism though construction is still weak.

Members have also reported that banks are easing lending but international letters of credit and availability of credit insurance is still a big problem.

Despite some companies making redundancies some were creating jobs.

Companies appeared to be making every effort to hold onto staff.

Overall there was cautious optimism regarding the future.

3. Economic Performance

- Rob Hamilton

Information from the latest bank of England report suggests that we are near the bottom of the trough but that there is uncertainty regarding the likely rate of recovery. Against this however unemployment is due to rise. Increases in unemployment in Newcastle has been slightly less than the UK and region. Young people have suffered the greatest impact of negative employment effect of the recession. Further there is evidence that there will be restrictions on available university places at a time when there are more people applying. Housing market – there has been an increase in buyer enquiries. In the following discussion it was commented that workless groups who have been out of the labour market for some time are finding even harder to get into work.

4. VCS role in Economic Downturn

- Seth Pearson

A paper outlining the conclusions of a meeting between representatives of Newcastle City Council and the VCS was discussed. It was discussed that this was a particularly difficult time for the voluntary sector with a reduced opportunity to generate income. It was noted that the voluntary sector only has a limited capacity to cope with the proposed increase in volunteering.

5. Job Centre + new initiatives

- Elaine Easton

Elaine spoke to the paper (attached) which outlined the revised Job centre Plus offer. She highlighted that the Rapid Response Service is now available to support redundancies of 20 +.

FSA would provide debt support for people before they were in crisis.

JC+ was looking to deliver seminars in non JC+ buildings. It was **agreed** that JC+ would explore with the Council delivering seminars from City Council premises.

Future New Deal will be rolled out from October.

6. Resource Centres update

- Seth Pearson / Gill Hewitson

It was explained that the Resource Centres were being opened in line with the timetable with the first to be opened in May.

7. AOB

Future Jobs Fund

A new £1 billion fund was announced in the budget which will help create 150,000 subsidised, short term jobs with training for out of work young people and people in areas of high unemployment. The main bidders for the fund will be local authorities (or groups of authorities), who will be expected to offer employment opportunities within their own structure and to administer placements with local third sector and private sector employers. A pro rata estimate would indicate that Newcastle would be expected to create around 600 jobs through this fund, 400 for young people and 200 for people from deprived areas. This would attract £3.9 million of Future Jobs Fund up to spring 2011. There is an expectation that additional funding would be identified and secured. Bidding timescales are tight.

It was **agreed** to Economy Delivery Partnership would support the Council to prepare a proposal

Topic	Action	Status
Future Jobs Fund	It was agreed to Economy Delivery Partnership would support the Council to prepare a proposal	
Job Centre Plus new initiatives	It was agreed that JC+ would explore with the Council delivering seminars from City Council premises	

Newcastle Economy Partnership

22nd June 2009

Sustainable Communities Act 2007

This paper outlines the Sustainable Communities Act and ask that the Newcastle Economy Partnership consider any proposals it may wish to suggest which would meet the objectives of the Act.

Background and Process to the Act

The Sustainable Communities Act 2007 was partly the result of a five year campaign led by a coalition of organisations under the banner Local Works. The Act aims to promote the sustainability of local communities by:

“encouraging improvements in economic, social or environmental well-being to promote communities and high streets that are vibrant and sustainable”.

The Act is part of a wider suite of legislation aimed at promoting civic renewal and the role of councils as community leaders including forthcoming legislation around community empowerment.

It provides a statutory framework for local people, via their local councils, to submit proposals to central Government, requesting action is taken to prevent community decline and improve the sustainability of their local area.

CLG anticipate that most proposals will come from community and voluntary sector organisations, local strategic partnerships or other partnership bodies. If councils do submit proposals, they must be clearly negotiated with panels of representatives of local persons (see 3.3).

The scope of the Act is very broad, potentially covering suggestions for the transfer of public money and function from central to local control through changes in legislation or national policy. It is anticipated that proposals will range from the very local and those easy to implement, to more controversial powers that require robust discussions between local and central agencies.

Whilst guidance is light touch to allow for local innovation, Government has set out some matters to which councils must pay regard before submitting proposals, see Appendix 1. However all proposals must demonstrate:

- 1. A contribution to sustainability as defined in the act.**
- 2. A requirement for change and action at central Government level.**
- 3. Support among local people.**

If a proposal is deemed to meet these requirements, then the Act requires that a ‘panel of representatives of local persons’ is consulted in an effort to

reach agreement with it about any proposal before it is submitted. A panel is defined as 'a balanced selection of individuals, groups or organisations the authority considers likely to be affected by or interested in a proposal'. Councils may recognise an existing group or forum as a panel assuming it satisfies these requirements, or assemble one specifically for the purpose of the Act.

Proposals are fed through to central Government via a body known as the Selector. The LGA has been appointed as the Selector for this first round. Draft criteria for the assessment of proposals is organised under three domains:

1. Scope and coverage.
2. Better outcomes, measured by contribution to sustainability.
3. Viability.

The deadline for the first round of proposals is July 31st 2009. The LGA will then assess proposals against the final criteria and draw up a short list in co-operation with the Secretary of State. The Secretary of State decides which of the proposals on the short list to implement and draws up an action plan. Progress will be reported to Parliament annually as the process is expected to be repeated every year.

The Act also creates a duty on Government to produce local spending reports, which map expenditure by local authority area. The sponsors of the Act envisaged that the production of local spending reports would be integral to the generation of proposals. However the timing of these reports does not favour this approach in this first round with CLG yet to publish the reports and the July 31st deadline looming.

What sort of proposals might be suitable under the Act?

The 4 strands of sustainability outlined in the Act – economic, social, environmental and participation – give wide scope for ideas. Saving post offices, shops, pubs etc are clearly included; as well as activity to promote local jobs and businesses; reduce pollution and prevent climate change; and alleviate food or fuel poverty. Under the 'participation' strand, councils could devolve power to local communities potentially through sharing responsibility for the delivery of certain public services.

A report produced by the New Local Government Network suggests some proposals that might be suitable under the Act drawn from a range of sources:

- council leaders become responsible for local public transport in their area
- councils keep local increases in tax revenues to finance regeneration, capital investment and infrastructure improvements
- local branches of national public services working with the Local Strategic Partnership (LSP) should adapt local management procedures without waiting for prior approval from regional or national offices
- partners who do not contribute appropriately to the LAA should be at risk of having their functions and funding transferred to partners who will contribute
- Where a PCT struggles to meet its financial targets and performance objectives, and there is organisational and popular consent, the PCT and

unitary local authority, or county council, should be allowed to appoint joint posts on the senior management team

- New options for social housing to allow areas facing Large-Scale Voluntary-Transfer 'No' votes to access new funding streams.
- Powers to absorb BusinessLink funding in order to drive wider economic development objectives.

It is envisaged that in future, the Act will cement the broad agenda of partnership working at a local level, and it is suggested that the strongest proposals will be developed in conjunction with Newcastle Partnership and contribute to the outcomes of the Sustainable Community Strategy and the Local Area Agreement.

The LGA advises that proposals could be generated through the same processes and consultation mechanisms employed at a local level to draw up Sustainable Community Strategies or Local Area Agreements. Each year, the LAA review could provide opportunities for new proposals to come forward. Local Authorities are also being encouraged to work together where applicable to put forward joint proposals.

How might Newcastle respond?

The Council may make proposals to do anything that would contribute to the sustainability of an area through improvements to economic, social or environmental wellbeing, assuming that it does not already have the power to do so under existing legislation. We welcome any preliminary suggestions for proposals and offer the following issue to stimulate discussion.

Community facilities

The decline of local facilities as a result of a range of social and economic factors including the current economic downturn, has received significant attention from the press and Government in recent months. Both have highlighted the range of innovative and enterprising actions undertaken directly by local communities in response to this threat to essential local amenities, which have included local pubs, petrol stations and post offices. In the main, these have involved local residents uniting to form not-for-profit community enterprises to keep these facilities alive. This approach has been successful here in Newcastle with the re-opening of the High Heaton Post Office.

However, the Local Government Association has warned that high streets across the country risk becoming 'ghost towns' unless urgent action is taken to fill empty shops created by the recession. Figures published by the LGA in February showed that:

- Over four out of five councils are reporting an increase in empty properties in town centres
- Two thirds of those councils that have experienced an increase are saying that empty properties are having a significant or moderate impact on their high streets

Meanwhile, research by the Joseph Rowntree Foundation (JRT) confirms that *"the quality of the local shopping environment has a substantial impact on the*

perceptions of quality of life in the neighbourhood for residents and passers-by alike. Viable shops are important to the sustainable neighbourhood of the future. Improving the quality of the retail environment should receive positive attention.”

In response, Government has just last week published “*Looking after our Town Centres*”, which draws attention to the range of powers, guidance and tools at local partnerships’ disposal to tackle the decline of town and neighbourhood shopping centres during the recession. It also sets out the steps that the Government is taking to help local authorities and their partners take positive action in their town centres including measures to enable the temporary use of vacant premises following much lobbying by the LGA.

Like many other cities, the economic downturn paired with intense competition from large multiple retailers is starting to have a major impact on independent local shops across Newcastle and so these temporary measures are welcome to help keep these facilities functioning through difficult times. However some of the issues facing local shops and businesses that these measures seek to address pre-date the downturn. In areas prioritised for regeneration, temporary measures during the recession will therefore only serve to stem the escalation of existing problems. A longer term view is required to promote sustainability in these areas.

Over the past 15 years the Council has considered a variety of ways to encourage and protect neighbourhood shopping centres and other commercial facilities and continues to encounter significant barriers in such ventures. Concerns over the sustainability of solutions generated using existing powers are often raised, and yet commercial properties can provide equal benefits to a community in terms of its sustainability, social capital, wellbeing etc as assets within the Council’s own property portfolio. Some recent examples of the loss of community facilities in Newcastle have included:

- **Gosforth Garden Village Post Office**

The Post Office was among 2500 selected last year for closure by Post Office Limited. The decision met with substantial resistance among the local community. Residents submitted a business case to Post Office Limited that sought to demonstrate the commercial viability of the Post Office. However Post Office Limited maintained their position and the branch has now closed.

- **The Royal George Pub, Brunton Park**

The Pub closed down a number of months ago following sale of the land for the development of a care home for the elderly. Some members of the community were opposed to this development, feeling the land should have remained in community use.

In these instances and others local members have felt that the powers at their, and the Council’s, disposal to intervene in the community’s interest were extremely limited. If councillors and council are to exercise their community leadership role, other powers need to be explored. If then there is an opportunity to request that Government, through the Sustainable

Communities Act, grant more power to councils in the longer term to protect community assets, this should be considered.

One response could be the development of a community asset register, determined in consultation with local people, which brings with it opportunities for council or community intervention where vacancy or changes in usage of a public or commercial property puts the sustainability of a community at risk. The register might perform a similar function in respect of registered properties to those 'listed' as having special architectural or historic value, but underpinned by the interests of community sustainability rather than heritage. Decisions as to whether a property is included on the register would be dependent upon assessment against robust criteria. The criteria would, amongst other things, manage the financial risk to the Council as well as ensuring the register was transparent to local business owners, potential investors and local communities. Protocols are currently being developed by the Council for handling community asset transfers within its own property portfolio. These could be explored and adapted for this purpose.

Another response might be for the Council to use the Act to push for greater freedoms and flexibilities that would encourage community enterprise to flourish through local discretion on exemptions.

In the event that new powers are granted to the Council, implementation would need to consider the opportunities for economic and social regeneration, and business development. For example, community acquisition of a post office could be harnessed to further a range of other local benefits through for example - social enterprise, training, apprenticeships, contracts with local growers, outreach credit advice etc.

Supporting activity

In response to the challenges of the downturn and the opportunities of the Act to promote sustainability, the Council is undertaking a comprehensive survey of each of the City's district and local shopping centres, both private and public owned, which will be completed by early May 2009. The data will provide a menu of potential short and medium term improvements, and work is underway to identify funding. Meanwhile Ward Coordinators are assembling a list of existing 'community businesses' in the City such as the Caring Hands community launderette in Shieldfield. This will provide useful intelligence to aid judgements around proposals under the Act.

Proposal for action

the Newcastle Economy Partnership consider any proposals it may wish to suggest which would meet the objectives of the Act.

APPENDIX 1

Matters to which local authorities must have regard before making a proposal (as set out in the Sustainable Communities Act 2007).

- (a) the provision of local services,
- (b) the extent to which the volume and value of goods and services that are –
 - (i) offered for sale; or
 - (ii) procured by public bodiesand are produced within 30 miles (or any lesser distance as may be specified by a local authority in respect of its area) of their place of sale or of the boundary of the public body,
- (c) the rate of increase in the growth and marketing of organic forms of food production and the local food economy,
- (d) measures to promote reasonable access by all local people to a supply of food that is adequate in terms of both amount and nutritional value,
- (e) the number of local jobs,
- (f) measures to conserve energy and increase the quantity of energy supplies which are produced from sustainable sources within a 30 mile radius of the region in which they are consumed,
- (g) measures taken to reduce the level of road traffic including, but not restricted to, local public transport provision, measures to promote walking and cycling and measures to decrease the amount of product miles,
- (h) the increase in social inclusion, including an increase in involvement in local democracy,
 - (i) measures to increase mutual aid and other community projects,
 - (j) measures designed to decrease emissions of greenhouse gases,
 - (k) measures designed to increase community health and well being,
 - (l) planning policies which would assist with the purposes of this Act, including new arrangements for the provision of affordable housing, and
- (m) measures to increase the use of local waste materials for the benefit of the community.

Report To: Economy, Work, Skills and Learning Partnership

Report Title: Performance update

Date: 11th June 2009

1.0 Introduction

This report summarises performance against the Local Area Agreement (LAA) for the fourth quarter of 08/09 for the Economy, Work, Skills and Learning Partnership. It also includes trend graphs and forecast graphs (for those indicators where trend data is not available).

There are 6 LAA indicators that are “owned” by the Economy, Work, Skills and Learning Partnership. These are:

- NI116 – Proportion of children in poverty
- NI152 – Working age people on out of work benefits
- NI153 – Working age people claiming out of work benefits in the worst performing neighbourhoods
- NI 164 - Working age population qualified to at least Level 3 or higher
- NI171 – New business registration rate

2.0 Summary of Quarter 4 Performance



Of the 4 LAA indicators reported on in Q4, 2 are green, one of which has an upward direction of travel and one of which has no change.

Please note that the direction of travel relates to the change in performance rather than actual figures.

One indicator (NI116) is red, and one indicator is amber (NI164). The analysis of why this is the case, and what actions are being put into place to remedy this, can be found in section 4.0.

There is also an analysis of future risks to the other indicators in section 5.0, even where performance has been good.

3.0 Quarter 4 Performance Data

Indicator	Good Performance	Frequency	Unit of measure	Traffic Light	2008/09 Q4 target	2008/09 Q4 actual	Quarterly direction of travel
NI152	Low	Quarterly	%	● Green	16.0	15.5	 (Q3 08/09 15.5)
NI153	Low	Quarterly	%	● Green	32.8	31.4	 (Q3 08/09 31.6)
NI116	Low	Annual	%	● Red	28.4	33.1	N/A
NI164	High	Annual (calendar year)	%	● Amber	55.6	55.3	N/A
NI171	High	Annual (calendar year)	%	N/A	36.6	N/A	N/A

4.0 Analysis

NI116 – Proportion of children in poverty

From April 2009, this indicator will measure the number of children living in households whose income is below 60% of the national median.

This indicator represents a very narrow definition of poverty rather than the broader approach which underpins Newcastle's work to reduce child poverty. The Council has recently been awarded Beacon status for its innovative work with its partners on child poverty.

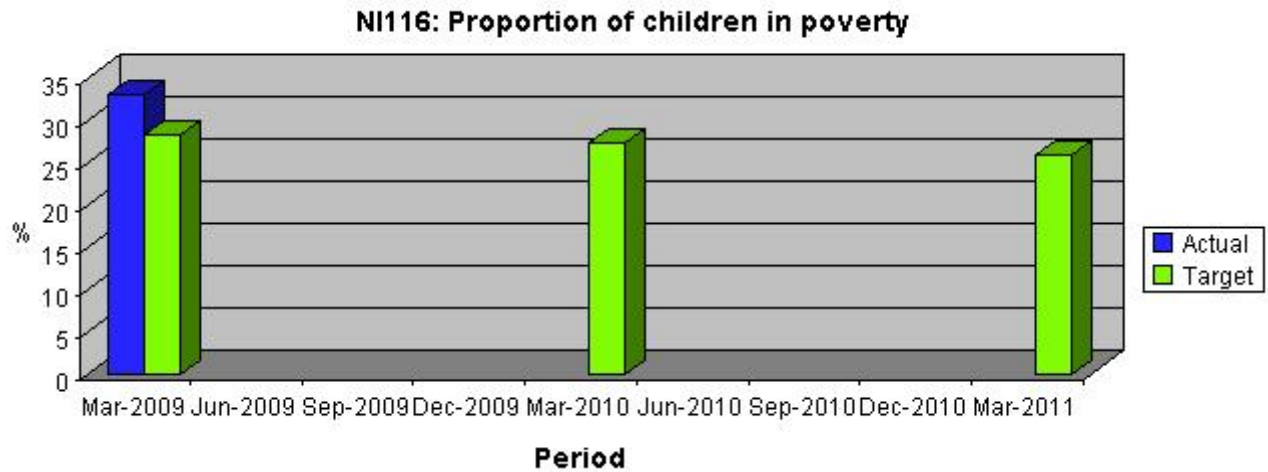
The target for this indicator was as agreed with Government in June 2008. We proposed to refresh this as part of the LAA refresh process, to be in line with the refreshed employment targets (NI152, NI153). This made sense given that NI116 is currently based on children living in workless households – a change to NI152 should affect NI116. Government (DCSF) however would not agree to any refresh of NI116. This means that the target for NI116 is out of line with NI152 and NI153.

Key activities planned:

- Improving knowledge and awareness of child poverty data in Newcastle;
- Increasing opportunities for parents to enter employment, education or training;
- Reducing Financial Exclusion;
- Improving targeted services to families;
- Regenerating our local communities and housing and tackling fuel poverty;
- Improving school attendance and raising the attainment and aspirations of young people to ensure they do not become poor adults and perpetuate the poverty cycle;
- Work with partners to address health inequalities.

These activities are currently being developed through the Child Poverty Strategy.

Forecast graph

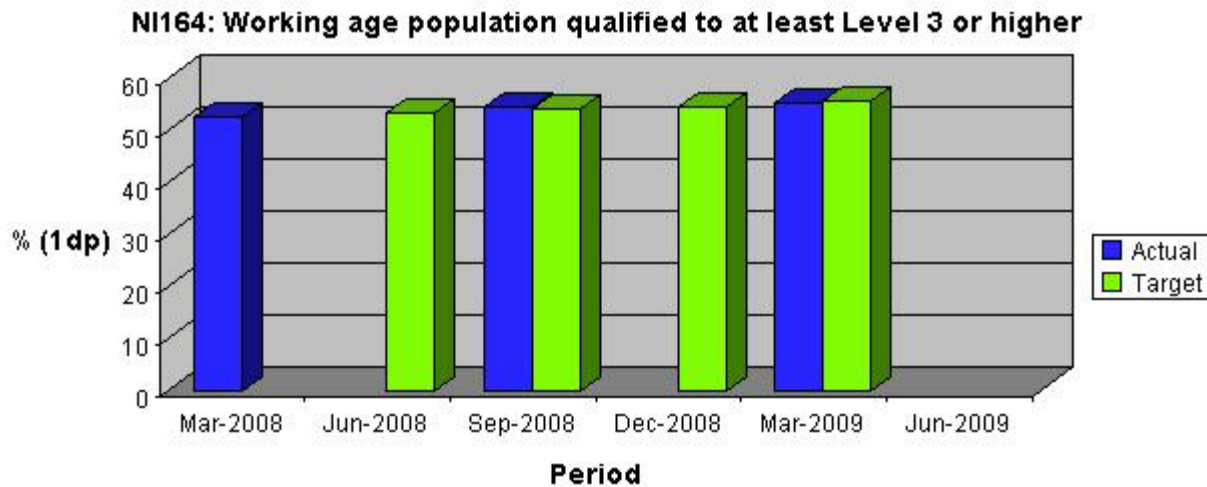


NI 164 - working age population qualified to at least Level 3 or higher

There is a risk that the economic downturn will result in large number of level 3 learners in work being made redundant and so unable to gain the qualification. In order to control this risk the LSC is continuously monitoring the situation and working closely with all relevant organisations and groups to ensure the economic downturn has minimal effect.

The future risk to ensuring this target remains green is that the LSC is to be disbanded later in 2009. It is unclear what mechanisms will be put in place to continue the work of the LSC.

Trend graph



5.0 Risk Analysis

NI152 – Working age people on out of work benefits

NI153 – Working age people claiming out of work benefits in the worst performing neighbourhoods

NI152 (percentage of working age population claiming out of work benefits); and NI153 (percentage of working age population claiming out of work benefits in the worst performing neighbourhoods); are currently on target, performance is at risk largely due to:

1. Continued volatility in economic conditions
2. Limited scope to control (i.e. no intervention available to stop the rise in new benefit claimants)
3. Increasingly difficult environment for existing interventions (i.e. fewer vacancies, greater competition & therefore harder to get people off benefits, particularly those from disadvantaged areas)

However, there are a number of actions being taken by the Council and partners, including:

- concluding a procurement exercise using Working Neighbourhoods Fund to bring new providers on line to work within the Newcastle Futures Partnership to engage and support priority groups towards employment

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- 3 Resource Centres are being established across Newcastle which will provide immediate help for people who have been made redundant. They will building on the mainstream support and provide expertise and help on the following:-
 - 1 Jobsearch and job hunting techniques
 - 2 Skills assessment
 - 3 Mental Health and well being
 - 4 Debt advice

 - Newcastle City Council is rolling out a programme to ensure that jobless residents have better access to council vacancies and have sufficient support to stay in employment.

 - Newcastle is joining with other local authorities in the City Region to develop a proposal within the newly announced Future Jobs Fund which will create temporary employment for young people. In Newcastle this should provide 400 to 600 jobs.

The **Employability Action Plan** is the overarching strategic document for delivering on NI152; NI153 and NI116. It is focussed on hard-to-reach groups and deprived areas. It includes actions under 4 areas and targets to improve employability. These are:

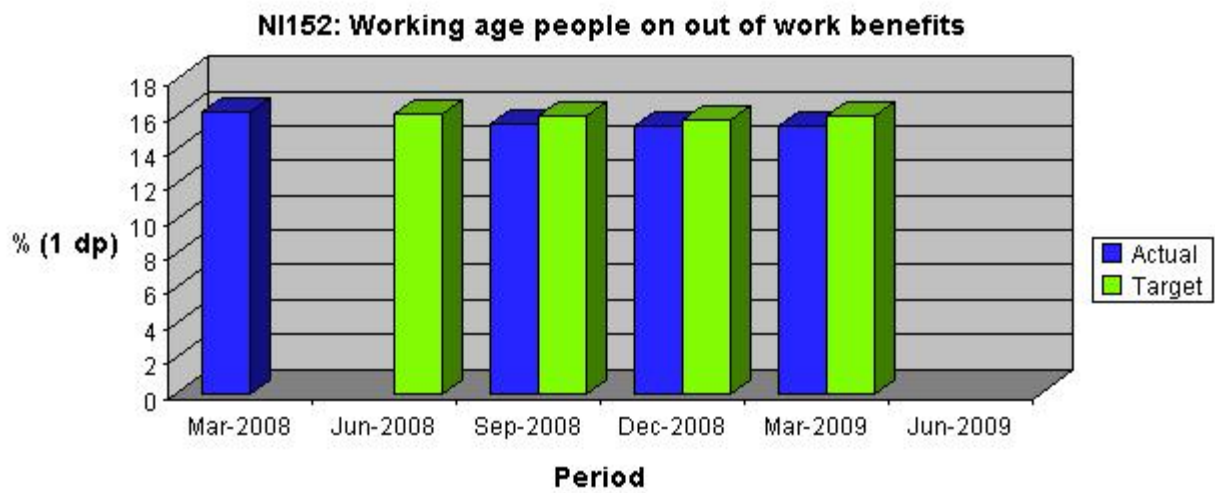
- Strategic co-ordination
- Engagement and progression
- Customer Management
- Provision of employment opportunities and job-matching

The Plan will be updated in summer 09 to include info on newly emerging “Resource Centres” and “Future Jobs Fund”.

The Employability Action Plan is supported by the following:

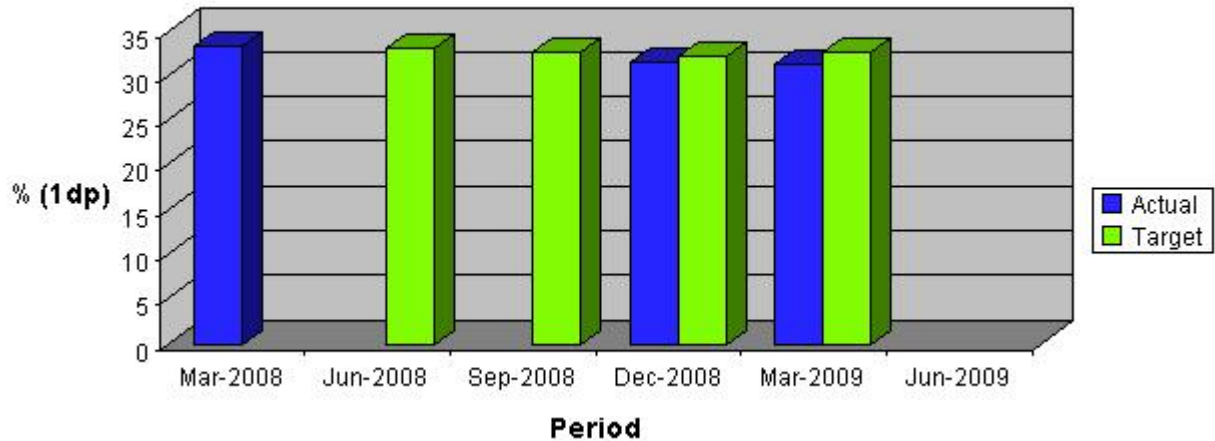
- JC+ Business Plan (as the lead agency for the employability agenda, this plan sets out the majority of mainstream activity)
- Newcastle Futures - SLA with NCC to deliver added value activities that compliment the mainstream activity undertaken by JC+.
- Newcastle Futures then have a range of venture agreements with providers to deliver their SLA

Trend graph – NI152



Trend graph – NI153

3: Working age people claiming out of work benefits in the worst performing neighbourh



NI171 – New business registration rate

Q4 data is not available until December 2009 from the ONS.

The last ever set of data recording numbers of new businesses registered to pay VAT was published by DBERR in December 08. Simultaneously the Office of National Statistics published a new set of data called Business Demography. This new set includes a record of the number of new business that started to have turnover or have paid employees during a calendar year. The new set includes data for the calendar years 2002 to 2007 inclusive. The next set is expected to be published in December 2009. This will update the data set to include new firms established in calendar year 2008.

Risks to the numbers of new firms likely to be formed are as follows:

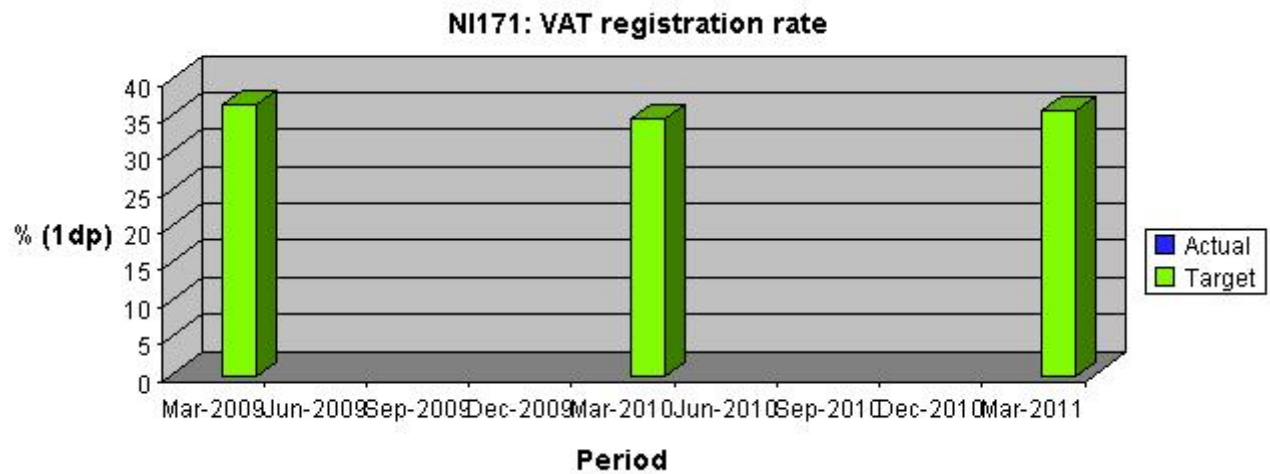
- A drastic reduction in the availability of commercial investment capital (despite nominally and historically low rates of interest)
- A reduction in capital asset values (upon which any investments made will increasingly need to be secured)
- A forecast reduction in public sector revenue expenditure over the medium term
- Planned increases in public sector capital investment are likely to be directed towards existing and larger firms e.g. construction
- The fall in the value of sterling will benefit manufacturers and exporters but these are not areas of the economy in which Newcastle has relatively low density compared to other places
- A reprioritisation of Business Link and other partner's activity more towards business resilience rather than 'start-up' activity. .

An **Enterprise Action Plan** is in place which breaks down actions into 6 areas:

- Creating an entrepreneurial culture
- Animation and Pre-Start Support activities
- Start-Up Support for social enterprises
- Growing Businesses, through links to regeneration schemes, business forums, CSR and procurement
- Area-focused support
- Strategic oversight

The first 4 areas of activity will be delivered through a procurement process for European Regional Development Funding from ONE (Enterprise Package), which has been matched with Working Neighbourhoods Funding. The organisations which have been successful in bidding to carry out the activities are due to be confirmed later in June. Also need to add some amounts of money? John Musham can advise..

Forecast graph



This needs to be reformatted or deleted.

Need to suggest that this indicator can only be monitored annually.

Do we also need to confirm that this target has been parked by GoNe and the target has not been agreed?