

Report to Planning Services Scrutiny Standing Scrutiny Panel

Date of meeting: 18 June 2009

Subject: Current Economic Situation of the District

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Recommendations/Decisions Required:

To note the Current Economic Situation of the District report.

Report:

To receive a report on economic development, which provides the following:

- A) Background on the current economic position within the district and highlighting some of the approaches being taken in response;
- B) A broader introduction to the remit of the Economic Development function within the Planning and Economic Development Directorate.

It is understood that in requesting this report Members are seeking access to information on the district's economy in order to inform their discussions. As requested, the report also indicates some of the approaches being taken by Economic Development staff along with partners in response to the current economic climate. It is understood that Members also wish to gain a broader understanding of the current remit of the Economic Development function within the Planning and Economic Development Directorate in order to consider Value for Money.

Economic Profile of Epping Forest District

The district's economy and in particular, the implications of the current economic situation on the local economy, have been the focus of the new Credit Crunch Task and Finish Group within the LSP. The Economic Development function is represented on this group. The below draws headlines from the intelligence brought to this group by partners as well as other information sources and is helpful in presenting an overview picture of the district.

General Employment Profile

- Epping Forest District has a considerably lower proportion of individuals in the manufacturing sector compared to the national profile (EFD 5.1%, GB 10.6%). Conversely, it has higher employment in the construction industry at 12.6% compared to 4.9% nationally. The district has a stronger than national profile representation in both 'distribution, hotels and restaurants' (EFD 24.8%, GB 23.3%) and 'finance, IT and other business sectors' (EFD 23.3%, GB 21.6%).
- All the above sectors are considered to be most vulnerable in the current economic climate
- The district has a lower proportion employed within the 'public administration, education and health sectors' (19.6%) compared to the national profile (26.9%).
(Source: Nomis, 2007)

Unemployment – Rates

The Jobseekers Allowance (JSA) rate within the district has increased from 1.5% (1,119 individuals) in April 2008 to 3.3% (2,489 individuals) in April 2009. This 122% increase may be compared to a county increase of 126%. The current county JSA rate is 3.5%.

- In terms of neighbouring authorities in Essex, London and Hertfordshire current JSA rates (April 2009) are as follows: Harlow (5.4%), Broxbourne (3.5%), Chelmsford (2.9%), Brentwood and East Herts (both 2.3%), Uttlesford (2.2%), Redbridge (4.1%), Waltham Forest (5.5%) and Enfield (4.8%).
(Source: Nomis, 2009)

Unemployment – Detail on Claimants

- If JSA claimant rate is considered at ward level, there are clear clusters of wards with higher rates in the Waltham Abbey and Loughton/Debden areas. The following also have JSA claimant rates higher than the district figure: Shelley, Lambourne, Grange Hill and Buckhurst Hill East.
- Individuals aged between 25 and 49 years accounted for 53.5% of claimants in Epping Forest in April 2008. This increased to 55% (1,365 individuals) in April 2009 whilst the other two age bands (18-24 years, 50 years +), although clearly increasing in number of claimants, decreased in terms of proportion of total claimants.
- The number of 12 month-plus claimants has decreased slightly in the period April 2008 to April 2009 from 155 to 150 individuals.
- The number of individuals claiming JSA for 'less than 6 months' and 'between 6m and 12 months' in Epping Forest has increased by 147% (to 1,955) and 120% (to 385) respectively between April 2008 and April 2009.
(Source: Nomis, 2009)

Redundancies/Occupations Sought

- Epping Forest District does not currently stand out as a location of major redundancies like other locations in Essex (e.g. Basildon). Of more significance to the district is recognising the high level of out-commuting into London and the impact of redundancies in London on residents of Epping Forest.
- In terms of occupations sought by those on JSA within Epping Forest, there is a high number seeking administrative opportunities and corporate manager positions. Also high on current records are those seeking sales, skilled construction/building and 'elementary trades, plant and storage related occupations'.
(Source: Nomis, 2009)

Other Economic Indicators

- Unemployment is one measure of economic activity but it is important to appreciate the broader picture and supplement more quantitative information with local knowledge for example.
- Development activity - St Margaret's Hospital development is underway in Epping, as is the construction of the White Water Canoe Course on the borders of Waltham Abbey. Also, it is understood that Lidl is intending to make swift progress on the development of its site in Waltham Abbey following finalisation of permissions and legal details.
- Discussions and evidence presented within the Credit Crunch Task and Finish Group have revealed an increased demand for business and resident support services such as Business Link and the Citizens Advice Bureau. Despite this increase in uptake there is a need to encourage earlier access to such advice to enable more successful intervention and to ensure better signposting and joining-up of the support that is available.

- It is considered that the town centres within the district have not been as severely impacted by business closures as towns elsewhere. This is, in part, because some of the larger brands that have suffered in recent months were not represented in the district's town centres with the main exception being Woolworths. The Planning Policy section is due to receive a report on studies of the district's town centres shortly and this will include useful 'healthcheck' information on the current situation within the centres.

Response in the Current Economic Climate

The Task and Finish Group is considering the economy in terms of the needs of local residents as well as businesses. The group is set to report to the LSP Board with proposed 'quick win' measures in June 2009 before reporting for a final time in September 2009. Following this time it is envisaged that the interests represented on this group will be subsumed into the broader 'Sustainable Communities' theme group of the LSP.

Some of the measures due to be presented to the LSP Board shortly include:

- The production of a newsletter to effectively signpost businesses/individuals to the support services that are available. This will feature as an 'insert' into The Forester and be promoted more broadly.
- The establishment of an Economic Prosperity Champion and other measures to ensure the profile of Epping Forest District is raised and to enable it to 'punch its weight' with regard to potential external funding opportunities.
- Development of economic intelligence. This ties in with the broader need for the LSP to be evidence driven and the current priority to produce holistic and robust ward-level profiles.

Essex County Council's Economic Recovery Action Plan promotes various measures and initiatives and these are being taken forward at the District Council level as appropriate. With regard to the business sector these include for example, 'Banking on Essex', procurement and supplying to Essex County Council, encouraging the uptake of Small Business Rate Relief and the Essex Apprenticeship Scheme.

The District Council has been swift to take a number of actions, including freezing its parking charges and reducing payment terms on invoices.

Beyond the Task and Finish Group, the Economic Development function continuously seeks to better signpost businesses and individuals towards existing support and new initiatives that become available. For example, a recent email issued to all EFDC staff sought to pinpoint sources of support available to the district's businesses and the role that staff in regular contact with businesses can play in referring them onto sources of support if businesses indicate that they are experiencing certain difficulties. An exercise is underway to update the Business section of the EFDC website with new support initiatives and contacts, and copy on business support has also been drafted for the Summer edition of The Forester.

Economic development is partnering with Business Link and many other organisations to host a business support event at Loughton Cricket Club on 3 July 2009. This will be a drop-in event for businesses to access support and network. Going forward, it is likely that further intended work items within Economic Development may be angled slightly differently as responses to the recession for example, further business engagement events and a revised district business directory. Whilst it is key that the District Council takes effective actions in responding to the current economic situation, it is also important to not divert all attention to this but remain focused also on the strategic and longer term picture.

Background on Economic Development function

Before considering the economic development function operationally it is useful to give an indication of the framework within which economic development rests. The summary below

focuses on the position of economic development within the county and local context.

County/Greater Essex	Local Area Agreement	Within LAA2 EFDC has signed-up as 'Having Regard to' a number of indicators around skills, business and employment.
	Essex Economic Board	Essex County Council is in the process of establishing a new Essex Economic Board following a restructure of its economic development function and the abolishment of ExDRA (Essex Development and Regeneration Agency) and GEPF (Greater Essex Prosperity Forum). Terms of reference are being drafted and at this stage it is considered that relevant Portfolio Holders will be invited to join this group.
	New duty to conduct economic assessment	Stemming from the Review of Sub National Economic Development & Regeneration, Essex County Council in partnership with local authorities will be required to undertake Local Economic Assessments. Work is due to commence within London Arc East groupings. Awaiting guidance. Commitment from EFDC not wholly understood at present time. Government has indicated that it will contribute to cost of duty.
Sub-regional	London Arc East – M11 Corridor	London Arc East (comprising 'M11 Corridor' and 'Heart of Essex') has been granted £120k pa by EEDA to deliver activities including business engagement, business intelligence, advocacy on economic issues. Essex CC will support development of these emerging sub-regional arrangements but match funding in terms of staff-time expected (0.5 days/week of an EDO). No meeting of this group has occurred to date and details still being fleshed out.
Local	Sustainable Community Strategy	Existing Community Strategy includes a focus on Economic Prosperity and this will continue to be a theme in the emerging Sustainable Community Strategy in 2009. In its current form the LSP is likely to address considerations around economic development within the 'Sustainable Communities' theme group.
	Council Plan 2006-10	Part of the Vision states: <i>Economic Prosperity - Ensuring that the district has a thriving and sustainable economy.</i> Areas of the action plan potentially relevant to economic development include for example, EP2 - TCEs EP3 – Co-ordinate land-use planning EP5 – Responding to deprivation EP6 – links between council and local town centres, business community SC1 – Safety, security well-being in town centres/car parks

	Council's Key Priority Objectives 2009/10	Current KPOs with links to economic development include: Work towards future development at The Broadway & St John's Road area (Planning) Mitigate impact current economic conditions on local businesses (CE, DCE, Ds) Legacy benefits 2012 WWCC on border Waltham Abbey (DCE) Work with Essex County Council, Epping Forest College and local schools to further the educational opportunities and facilities for the local young people (Leader)
	Planning and Economic Development Service Plan 2009-11	Under Forward Planning are priority service objectives relating to economic development as follows: Promotion of sustainable economic development and tourism. Partnership working to help secure the future viability and vitality of the district's town centres.
	Local Development Framework	There is a requirement for robust economic evidence and broader understanding of the town centres for example, to feed into the LDF Core strategy.

Economic Development within the Directorate is staffed by one full-time Economic Development Officer (this person is undertaking a postgraduate planning qualification so office attendance is technically four days per week at the current time). DDF Funding has also been secured to enable a Town Centres Officer (position previously entitled Town Centre Manager) to operate for a three-year period. The Town Centres Officer started in post in October 2008. Funding was also secured for an intended Tourism and Rural Projects Officer for a time-limited period, although consideration is being given to use this resource elsewhere in the Directorate. The Director of Planning and Economic Development commits a limited amount of resource to economic development matters.

Economic development is not an activity that occurs in isolation but rather the two dedicated officers have strong links with colleagues in the Planning Policy team and more broadly across the council including for example, Non Domestic Rates, PR, Community Development, Culture, Environment and Street Scene.

Economic Development is not a statutory function of the Council, although the profile and importance of local economic development has amplified in recent times with for example, the Review of Sub-National Economic Development and Regeneration, the revised Planning Policy Statement 4: Planning for Prosperous Economies out for consultation and the requirements for the Sustainable Community Strategy and LDF to be alive to economic considerations and strongly evidence driven. Because of the non-statutory nature of economic development resourcing varies between local authorities depending on their individual priorities.

The below is a summary indicating the scope of the work undertaken by Economic Development.

Area of work	Examples of activities
Development Briefs	The Broadway, Debden and St John's Road Area Development Briefs – Economic Development lead in terms of appointing/management of consultants, liaising internally and with other partners, managing public consultation processes, reporting to Cabinet and different levels as appropriate.
Town centre initiatives / Working with Town Centre Partnerships (TCPs)	Overseeing the district's 6 TCPs e.g. helping to build capacity/membership of individual TCPs, convening TCP Chairs meetings, managing Special Projects applications, attending Partnership meetings. Production of stronger Funding Protocol between EFDC & TCPs. Working in partnership with the TCPs and others to deliver initiatives and activities whether events, promotional material, websites, crime reduction initiatives, tourism development.
LDF Core Strategy	Involvement in collation of evidence base to inform core strategy e.g. Town Centres Study, Employment Land Review, tourism intelligence.
Business contact/Business support	Point of contact between Council and local business community – whether individual queries or traders within a certain centre, cascading of information, development of contact with Epping Forest Chamber of Commerce for example. Ad-hoc queries (EDO est. receives 60+ pa) re. business start-ups, relocations, business support, networks etc. Difficult to monitor precise outcomes of some interventions. Some examples of success include: a district pub receiving financial support via a Business Link scheme, a business benefiting from free IIP support that Economic Development had promoted. In face of no direct financial incentives for start-ups 'selling' alternative schemes which may be of value e.g. via Jobcentre+ initiatives to lower recruitment costs. Staging and marketing of business engagement events with partners e.g. business breakfast at Football Academy, Langston Road, event at Epping Forest College and forthcoming event at Loughton Cricket Club.
Tourism development	Financial support provided to operation of visitor information centre in Waltham Abbey. Inputting into Essex County Council tourism activities. Working with partners to develop tourism product in Waltham Abbey e.g. promotional leaflet, enhanced signage. Involvement in early stages of scoping on legacy opportunities with regard to tourism and the White Water Canoe Course on border of Waltham Abbey. Increasing the Council's understanding of the role of tourism within the district and potential opportunities.
Other economic development	Increasing working links and partnership opportunities with partners such as Business Link, Essex County Council, East of England International, Federation of Small Businesses, Safer Communities Team/Police, grouping of Essex EDOs etc. Promotion of the district, its town centres and visitor offer through internal mechanisms, local partners, press etc.

It is considered important to also reference a report on Economic Development that was presented to Cabinet in October 2007. This report sought to highlight that the Council had recently recruited to the position of Economic Development Officer. It also proposed the collection of a number of economic indicators to monitor and better understand the local economy and to help inform local priorities. Since this time many of these indicators have been researched and reported on but this has tended to be on an ad-hoc basis and to inform specific tasks rather than an ongoing monitoring function. This in part reflects the competing priorities faced by a small Economic Development function and in particular, the drive to ensure that Economic Development has a strong practical and outward facing role rather than a more distanced monitoring remit.

This report has been drafted to serve two purposes. It firstly seeks to provide some background on the current economic picture and responses that are being taken and secondly, offers a broader introduction to the Economic Development function within the Planning and Economic Development Directorate. Against this, guidance is sought from the Planning Services Scrutiny Standing Panel as to what further information/analysis it would like to be provided, albeit avoiding any potential duplication with other current workstreams (e.g. the Credit Crunch Task and Finish Group).