

Bury Economic Strategy: Recession and Recovery Plan

**new
economy**



**Team
Bury**

Working Together For A Better Bury

1. Introduction – Bury strategy

While the Bury Economic Strategy aims to provide a long term plan for the development of Bury's economy, its most immediate concern has to be the mitigation of the effects of the current recession. This recession plan provides a guide to the short term objectives and interventions that will address the issues that have arisen from the economic downturn

2. The global economy and the UK economy

The world is currently in the grip of a recession which has lasted since the last quarter of 2008. After years of impressive growth the global economy saw a sharp contraction following the financial crisis brought on by the US sub-prime mortgage market in 2007. Although the crisis began in the financial markets, its effects spread to create the worst economic downturn since the Great Depression. The imminent failure of major financial institutions forced governments across the world to take unprecedented measures to stabilise the failing markets and collapsing banks.

Since the height of the financial crisis in late 2008, the global economy has seen a severe contraction in output, which has translated into falling property prices and high levels of unemployment. While some economies like Germany appear to have emerged from the recession, the UK economy is still shrinking and unemployment levels remain high. The IMF estimate that the UK's GDP will have decreased by 4.2% by the end of 2009, and will decrease a further 0.4% in 2010. ILO unemployment is currently at 7.8% nationally, the highest rate since 1996, and is forecast to continue rising in the short to medium term. While government bank bailouts, quantitative easing and other stimulus measures have gone some way to mitigating these problems, it is unlikely that the economy will recover to pre-recession levels for the foreseeable future. Moreover, it is likely that public spending will be reduced in order to shrink the budget deficit, which will have an adverse effect on all sectors of the economy in the next year.

Bury has not been isolated from the effects of this global turmoil. In the short-term some of our businesses and residents are experiencing significant difficulties. Bury's business community has suffered and we know that they are continuing to feel the pinch. The number of unsatisfied court judgments (CCJs) has risen steadily in Bury, with an increase of 52.9% between 2007 and 2009, which shows that firms in Bury have found it increasingly difficult to service their debts, with credit conditions becoming increasingly tough. Our residents have also felt the impact with the number of jobseeker's allowance claimants rising by 107.8% between October 2007 and October 2009. Clearly it is imperative that Bury pursues policies to combat the effects of the recession by tackling the issues rising from increased worklessness, encouraging entrepreneurship and supporting existing businesses through short term interventions, as well as focussing on plans to promote a more prosperous, sustainable and competitive Bury in the future.

3. Interventions:

The Bury Economic strategy provides a mixture of short, medium and long term objectives for the creation of a dynamic, successful Borough. This section of the Recession Plan focuses on the areas of the strategy that need to be prioritised in the short term. The interventions presented below aim to tackle the main issues raised by the current economic downturn, while capitalising on any opportunities that might exist for Bury to drive growth in the short term.

Promoting new business formation, survival and growth.

The financial crisis has had a particularly adverse effect on businesses, with credit becoming increasingly scarce in the current economic climate. Bury has a high level of business start-ups, reflecting a healthy entrepreneurial culture, but is lacking in medium and large scale companies. Thus, Bury Council needs to focus on protecting Bury's existing assets (entrepreneurialism), in a time when credit for business start-ups is difficult to find, while encouraging existing Bury companies to expand, despite the unfavourable economic conditions. Bury's business based interventions are:

Promote Business Link as the primary gateway to business support. Including: encouraging increased take up of the high growth programme in Bury and encouraging increased take up of the business start up programme in Bury

- Review how Bury Economic Partnership can best add value and supplement Business Link services to Bury businesses, addressing any gaps/increasing scale etc.
- Review and monitor performance of Business Link programmes in Bury
- Develop new methods of advertising in order to more effectively promote the services offered by Business link.
- *Potential Project lead:* Business Link
- *Project partners:* Economic Partnership, Winning Pitch, A4E

Ensure that public procurement policies encourage local businesses to tender for local work

- Review simplifying tendering processes in Bury council in order to help small local businesses get local public sector contracts
- Investigate the possibility of rolling out the project to other public sector organisations in the borough.
- *Potential Project lead:* Bury Council
- *Project partners:* Economic Partnership, Bury Chamber of Commerce

Build a network of Digital Businesses, provide networking events and industry speakers, and encourage collaboration

- Ensure successful launch of Digital Bury
- Monitor progress against objectives
- Review potential to roll out to other sectors
- *Potential Project lead:* Bury Council
- *Project partners:* Digital Bury, Bury Chamber

Support forums for business networking that promote collaboration and innovation between local business

- Continue to deliver networking events for Bury's businesses (on-going)
- Use networking events as a forum for dialogue between Bury Council and local businesses
- *Potential Project lead:* Bury Chamber
- *Project partners:* Economic Partnership, Sector organisations, Bury Council

Encouraging skills development to address Bury's and Greater Manchester's needs

In the new, knowledge driven economy, skills are a crucial factor in the success of an area like Bury. With the recession and an increase in worklessness it is even more important for Bury's residents to have the skills necessary to find work, and for Bury's businesses to have access to the highly skilled workforce necessary to survive in the current competitive situation. Key skills based interventions are:

Examine the potential to use public sector procurement to increase the number of apprentices working in Bury

- Establish cross departmental Bury Council task and finish group to establish current practices and scope for increased employment of apprenticeships
- Explore scope to extend to other public sector organisations / private sector partners
- *Potential Project lead:* Economic partnership
- *Project partners:* New Economy, LSC/SFA, Learning providers, Bury Council

Ensure Bury's young people and adults have access to high quality careers information, advice and guidance

- Conduct a review of the current careers information, advice and guidance arrangements in Bury
- Review best practice elsewhere
- Recommend improvements
- Implement new arrangements
- *Potential Project lead:* LSC / SFA, Bury 14-19, Connexions
- *Project partners:* Bury Council, Schools, colleges etc., New Economy

Developing the retail, leisure and office sectors to unlock the economic potential of Bury's town centres and key employment sites

Town centres are the main employment sites in Bury and thus need to be supported in order to minimise worklessness and promote growth. The retail sector is a major employer in Bury and is likely to be hit by the decline in consumer spending that has resulted from the recession. Town centres are also key locations for other businesses and must be optimised for this purpose.

Continue to support town and district centre partnerships to take ownership of the development of their local areas

- Set up meetings with local area partnerships to promote working together
- *Potential Project lead:* Bury Council
- *Project partners:* Local residents and businesses, Economic Partnership

Local area partnerships to develop area plans which identify employment sites and their development needs

- New area plans developed
- Consultation with local businesses
- Implementation of new plans
- *Potential Project lead:* Local area partnerships
- *Project partners:* Businesses, Bury Council, Economic partnership

Creating a sustainable and low carbon Bury

The environmental agenda is likely to be increasingly important in the development of Bury's economy, and the recession provides an opportunity for Bury to strengthen its low carbon credentials and become more competitive for the future.

Support take-up of the Enworks environmental business support programme

- Review how Economic Partnership can best promote environmental business support programme
- Review and monitor performance of the programme in Bury
- *Potential Project lead:* Groundwork
- *Project partners:* Economic partnership

Tackling worklessness, inequality and poverty

Worklessness and deprivation are likely to continue to increase even after the recession, meaning that these are major issues for Bury. More broadly, inequality is also an important issue in the recession, with many minority groups experiencing disproportionately high levels of unemployment.

Develop Working Neighbourhoods Teams in Bury's most deprived areas

- Sustainability Plan in place to take forward Radcliffe Works WNT beyond March 2010 by
- Ongoing - Work with Six Town Housing ALMO to embed worklessness as part of their Statutory City Region Pilot.
- Set implementation plan to take the model forward into other areas using NWDA funding.
- *Potential Project lead:* Six Town Housing / Bury Council
- *Project Partners:* New Economy, Jobcentre Plus, LSC/SFA, Economic Partnership

Develop Bury's Adult Advancement Network

- Re launch the initiative in Bury.
- Increase partner participation
- *Potential Project lead:* Bury Council
- *Project Partners:* New Economy, Adult Advancement and Careers Service

Promote take up by Bury's businesses of Local Employment Partnerships

- Identify economic partnership members' links with business.
- Develop mechanisms for cross/joint referrals of businesses to Local Employment Partnerships, including joint promotional campaigns etc.
- Monitor take up of LEPs
- *Potential Project lead:* Jobcentre Plus
- *Project Partners:* Bury Council, New Economy, Adult Advancement and Careers Service, Economic Partnership

Work with Greater Manchester partners to implement the Employer Engagement ERDF project

- Set up meetings with partners to co-ordinate the delivery of the project
- Deliver the project
- *Potential Project lead:* Bury Council
- *Project Partners:* Business link. Jobcentre Plus, LSC, Economic Partnership

Identify opportunities in the public sector for the Future Jobs Fund to mitigate youth unemployment

- Work with the LCC to identify opportunities (Ongoing)
- Agenda item on the Bury Employment & Support Task Group
- *Potential Project lead:* New Economy
- *Project Partners:* Bury Council, Economic Partnership, JCP

To work with partners to support the development and delivery of the Invest to Save programme, supporting long-term Incapacity Benefit claimants into work

- feed in local intelligence on the barriers / key issues facing the long-term IB client group in
- identify local providers who could be interested in bidding for / being part of the supply chain for the Invest to Save pilot
- identify local health, skills and neighbourhood services that could be aligned to the Invest to Save pilot, particularly in the most deprived neighbourhoods
- ensure local priorities are fed into the Invest to Save commissioning conversations
- *Potential Project lead:* New Economy
- *Project Partners:* Bury Council, Economic Partnership, JCP

Support the Third Sector Resilience Action Plan to combat the recession

- Arrange meetings with major third sector organisations in Bury to discuss the implementation of the plan
- Meet with partners to co-ordinate the different aspects of the action plan
- Deliver action plan
- *Potential Project lead:* B3SDA
- *Project Partners:* Bury Council, Jobcentre Plus, Third Sector organisations, Economic Partnership

4 Next Steps

The Bury Economic Partnership will take ownership of this Recession Plan and keep progress under close review.