



Belfast City Council

Report to: Strategic Policy & Resources Committee

Subject: BCC Proposed Response to Economic Downturn

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Introduction

The proposed response to the current Economic Downturn from BCC is presented below. Members were provided with a summary of areas where support could be provided at the Strategic Policy & Resources Committee of 23 January 2009. A more detailed response has now been prepared for Members' consideration.

Relevant Background Information

Members are aware that the world's economy has entered a period of sharp decline and recession and, despite numerous efforts by governments and central banks across the world, the outlook continues to appear gloomy. The International Monetary Fund (IMF) recently stated that world economic growth would fall to 0.5%, the lowest level since World War II. Official Government figures also confirmed last week that the UK's economy is now officially in recession for the first time in nearly two decades. Business and consumer confidence levels have fallen sharply and unemployment levels are rising with businesses struggling to cope with the tough economic climate and reduced levels of consumer spending.

Commentators differ over whether NI will suffer more or less from other UK regions as a result of the economic crisis. Views vary from NI being one of the least

vulnerable regions in the UK because of its public sector strength to NI being affected more so as a result of steeper house price declines and the end to the rapid expansion of the retail sector and large-scale property development which NI has been witness to since the mid 1990s. However people across Northern Ireland are already feeling the effects of the 'credit crunch' and it is likely that this will continue for the foreseeable future.

The UK's Local Government Minister has stated that "*the new frontline is local with councils leading the response*" and that the recession is a "*big opportunity for local government to show local leadership*". Councils in the rest of the UK are being urged to use their well-being powers to tackle the recession. Whilst these powers are not legally in place as yet in NI, the principles behind it can be effected in working with others to find local remedial actions to benefit the locality and to support those most in need.

Belfast City Council is committed to responsible leadership during these difficult times. However, it should also be acknowledged that local government has limitations and whilst the downturn creates the opportunity for the Council to demonstrate its relevance, leadership and responsiveness it can only do this within its legal powers framework. A major contribution which Council can make is in working with central government which is where the main counter-cyclical effort lies in a recession.

Notwithstanding these limitations the Council has already agreed that it must continue to invest in our city to help provide jobs and support the economy and maintain the services that are even more important in times of need. We recognise the difficulties faced by people and businesses in the city in the current climate and will ensure we provide services and operate in a value for money way. This report contains more detailed on these proposed areas. Members will be aware that the Northern Ireland Executive has already put in place a series of measures in response to the economic downturn (see Appendix 1). The measures put forward by the Council are concentrated at a Belfast level and should be seen as additional to these measures.

Key Issues

Any work that the Council is doing within this area should also be seen within the context of the key messages that Members have already agreed on the rates. One of the key things that the Council has been able to do to help people through this time of economic uncertainty has been to minimise the rates increase through the Council committed approach to delivering efficiencies. The key messages are set out below -

1. We have worked extremely hard to minimise the rates effect on the citizens of Belfast.
2. This has been achieved against a backdrop of the toughest post-war economic climate and a significant fall in rate and revenue income.
3. Without Council's commitment to efficiencies which has realised saving of around £4million over the past three years and a further £2.7m in 2009/10 we would have been looking at doubling the rates burden.
4. The council must show responsible leadership by achieving the balance between investing in the city and providing efficient value for money services

Suggested Actions

- The impact of the economic downturn must be considered at two levels in the context of local government i.e. internally (for the Council as an entity in itself and as a service provider) and externally (on the role which Council can play in alleviating the effects on taking remedial action to support survival, recovery or growth within the local economy).
- In both these areas Belfast City Council has both the capacity and the opportunity to exercise civic leadership and to use its convening authority to coordinate activity and resources for the betterment of the locality. Facing up to the challenges of an economic downturn also firmly underpins the Council's place-shaping role.
- There are four main areas where the Council can focus effort in order to help support ratepayers through this tough time -
 1. What we can do to support local citizens/community
 2. What we can do to support local businesses
 3. What we can do to support the wider economy
 4. What we can do internally as a Council

WHAT WE CAN DO TO SUPPORT LOCAL CITIZENS/COMMUNITY

Keeping Costs Down

- The Council will continue to provide financial assistance to advice services across the city and we will work to ensure that as many people have access to these services as possible.
- The Council is pursuing DSD for increased grant aid to support the additional demands for debt advice and assistance.
- The Council will continue to represent our citizens with other key agencies such as the Land & Property Service in relation to rates bills.
- The Council will continue to provide advice on energy efficiency and how to save money on the home to reduce household costs
- The Council recently introduced a pilot fuel stamps scheme to assist households, especially the elderly, in budgeting for home heating oil. If successful, this pilot will be rolled out across the city.
- The Council will continue to work to make our services as accessible as possible to people in need – for example, means-tested “Boost”, in Leisure Centre.

Information and sign-posting of help

- Recent episodes, such as the floods, have shown that Belfast City Council will do everything in its power to help the city through a crisis. The Council is committed to doing the same with this crisis by using our facilities to sign-post where people can get advice, support and help in this time of uncertainty.
- The Council has a strong record in terms of inter-agency action and it is the intention to work with other delivery agencies in the city to ensure that the information and messages that they need to get to the public in terms of alleviating hardship are available in council-owned locations
- The Council will explore the use of the Council’s web-site to sign-post people to the help they need though the provision of links to allow them to access as much information as possible on-line. City Matters will also be utilised to sign-post where people can get help.

Supporting Employment

- BCC has facilitated some short term work experience placements for the long-term unemployed through its current community outreach programme and has recently agreed to further Council engagement in providing pre-employment training programmes that are specifically designed to link the unemployed and economically inactive to specific job vacancies within the Council and wider

public sector.

- The Council will engage in the Workforce Buddies Project to support the retention of a former long-term unemployed appointees and to help them settle effectively into their new role.
- The Council will organise employability/redundancy road shows and clinics under the title of 'Belfast is Working' Programme of events and activities for those at risk of being made redundant or already unemployed in liaison with DEL and DSD to be held in Council buildings or in workplaces – consider flexible timings eg weekends/nights.

Timescale: February – September 2009

- The Council will continue to deliver its HARTE programme - Hospitality and Retail Training for Employment (HARTE).

Maximise publicity opportunities from HARTE programme. First wave of participants to start on 15 February.

Timescale: Recruitment underway – programme runs until 2011. First opportunities for publicity in early March – recruitment for first cohort of participants

- The Council will instigate employability work at Titanic Quarter connecting local citizens to job opportunities.

Targeted employability work at TQ, linked to Memorandum of Understanding

Timescale: February – March 2010

WHAT WE CAN DO TO SUPPORT LOCAL BUSINESSES

General

- Through the corporate plan, Members have placed the economic health of the city at the centre of its strategy for the future. The Council will continue to pursue the strategies that it has in place to strengthen the local economy, through its economic development and tourism development work and is already re-focusing this work to address the new challenges being faced by the city
- Ensuring early payment of accounts to creditors. The legal limit is currently 30 days but we will do everything in our power to ensure that payments are made much earlier than this in the vast majority of cases
- Proposals will be brought back to Members on how we will manage the difficulties faced by tenants of our industrial estates; we need to balance the

need for income with supporting those experiencing hard-ship. Possible options are to consider permitting tenants to pay monthly rather than quarterly, agree short term lettings and to review service charges with a view to reducing level.

- The Council will review procurement methodology to assist smaller companies to secure work and to speed up awards of contracts

- **Market Intelligence**

The Council will undertake the survey of 500 businesses in Belfast to be undertaken. To be completed mid-February.

- Follow-up events with the business community to be hosted by Lord Mayor to report back on actions and outputs from previous events.

Timescale: up to two additional events: suggested dates late April and September

- Editorial content/commentary

The Council will explore a series of editorials in business magazines over a period of months. This will offer the opportunities to profile 'good news' stories on business successes and allow Council to publicise its support mechanisms for the business community in the current economic downturn.

Timescale: First edition in March 2009

Business Growth Initiatives

- The Council will provide additional mentor activity on business support programmes.

Offer additional, targeted support to companies participating on business development programmes to help them with particular growth challenges. This will provide a 'rapid response' service to companies experiencing specific difficulties that can be worked through with an experienced mentor.

Timescale: February – December 2009

- The Council will undertake additional outreach work to promote public procurement opportunities.

Four workshops across the city (in conjunction with CPD or other procurement agents). This will also consider whether any revisions to application process for BCC procurement opportunities can be considered – eg reduction in paperwork to encourage additional companies to consider tendering. The Council will also host a procurement event in WFH – May/June time – in conjunction with Northern Ireland Chamber of Commerce.

Timescale: Feb – March 2010

- The Council will undertake independent retail masterclasses

Six retail masterclasses on topics of concern for local traders including how to survive in an economic downturn

Timescale: Feb – March 2008

- The Council will continue to deliver 'Prepare to Export' programme.

Helping business to consider exporting for the first time, taking advantage of currency fluctuations.

Timescale: Programme to start May 2009

- The Council will continue to enhance the promotion of global gateway

Proactive encouragement of exporting opportunities and potential – helping companies make contact with international counterparts through WTC network

Timescale: Ongoing

- The Council will support INI in a collaborative event.

Breakfast event with INI to draw companies' attention to range of services available for services available for businesses in the current climate

Timescale: Planned date – 4 March

- The Council will expand its programme of Belfast Entrepreneurs' Network Events.

One workshop and one networking event on topics of interest already taking place each month. Three additional workshops proposed: potential topics include cash-flow management etc. (issues identified by businesses as a result of economic downturn).

Timescale: February – September

WHAT WE CAN DO TO SUPPORT THE WIDER ECONOMY

Ensuring the attraction of new monies into the local area and its circulation is wholly necessary to stabilise and keep the wider economy functioning.

Continuing to support developmental work in tourism and culture increases the economic attractiveness of the locality and sustains local jobs and businesses.

The tourism sector presently supports 17,000 jobs and attracts 6.9m visitors and injects £313m into the economy.

The arts organisations supported by BCC contribute to 450 jobs directly and Council's funding levers in an additional £22.00 for every £1 of Council investment.

Tourism

- Refocus BVCB marketing campaigns on ROI/Eurozone to highlight value for money
- BVCB will consider the development of special discount travel offers between Dublin/Belfast
- The Council will focus on “Belfast for Free” promotions.

Culture & Arts

- The Council will implement ‘Test Drive the Arts Initiative’
- The Council will tailor training to arts organisations’ current challenges
- The Council will promote skills development for sustainability
- The Council will explore new partnerships with NICVA, Vol Arts Ireland & Visual Arts Ireland for joint commissioning
- The Council will promote shared services within arts organisations
- The Council will host symposium to consider effect on key organisations

Events

- The Council will continue provision of free public events
- The Council will analyse current events surveys to identify more customer focused delivery mechanisms
- The Council will seek to identify new sources of funding
- The Council will seek to identify new partners to assist in delivering events

WHAT WE CAN DO INTERNALLY

- Members will be aware of the proposed establishment of a Budget and Transformation Board. It is proposed that this Board also acts as the Council’s task force in monitoring the economic situation and managing the Council’s response and proposing any adjustments to Policy & Resources Committee
- The Council will monitor and analyse local economic trends and implications
- The Council will meet local business traders to consider their challenges and to develop support measures
- The Council will convene a community planning symposium with other partner organisations to consider Belfast based response beyond Council
- The Council will continue to work with the Government’s Land & Property Service to help maintain an accurate and up-to-date property rating list to ensure that ratepayers do not have to bear any additional costs for property inaccurately recorded as vacant
- The Council’s review of its Capital Programme should also take account of the effect of ‘not’ progressing capital schemes on the construction and land/property services. Across the board, the public sector is being

encouraged to, wherever possible, maintain its investment programme.

- The construction industry has been hit particularly badly by the economic down-turn and Council's capital. The Council will actively work with the construction sector to help keep building costs down
- The Council will review fees and charges (for example Council venue hire, market stallage rates, cemetery and crematorium charges) to consider how to ease the burden on local people
- The Council will continue to develop and improve recycling facilities to help reduce landfill disposal and future heavy financial penalties

Recommendations

To approve the content of this report as Council's response to the economic downturn.

Documents Attached

Response in Northern Ireland

Abbreviations

DEL – Department of Employment and Learning
DSD – Department of Social Development
INI – Investment Northern Ireland

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