



Economic Action Group

Friday 29th October 2010, commencing at 10.00 am

RCCE Offices, Threshelfords Business Park, Feering CO5 9SE

MINUTES

Present:

Keith Brown
John Buchanan
Lloyd Felton
Dominic Petre

Suzanne Harris
Keith Hughes
Daisy Martlew (Minutes)
Phil Smith

Philip Wilson (Chair)
Penny Wallace

1 **Welcome & Apologies**

Apologies had been received from:
Linda Riley, Paul Williams

2 **Minutes of the Previous Meeting: 21st May 2010
Accuracy and Matters Arising**

The minutes were approved.

3 **Translation of the Essex Rural Strategy Economic Priorities into a
Workable Action Plan**

PhW suggested that the meeting move straight to item 4. This was agreed.

4 **Round the Table Reactions to the Coalition's Policies**

DP/LF expressed concern over the pressure on volunteers for the Big Society agenda.

KH explained that personal care is a growth industry – Essex Care could create a monopolistic situation with a limited capacity to deliver.

PW thought it would be useful for the Group to form a view on the policies. SH highlighted that RCCE plays a role in supporting communities.

4.1 FSB – Keith Brown

KB was concerned that the NI holiday excludes the East of England, with potential cost of £50,000 in lost benefit to small businesses. A survey

launched in October shows that more companies are looking to reduce staff than take on extra.

LEP – Kent and East Sussex business communities not as engaged with the public sector as Essex – there is potential – look for rural projects.

Deadline for bids is 21st January.

Three areas Comprehensive Spending Review:

- i. Dartford crossing to implement 40% increase in charge over 18 months. 150,000 vehicles/day. Survey highlights an average delay of 9 minutes per vehicle, equivalent to £21.4 million in wasted time.
- ii. KB reported that he had met with the general manager at BT regarding broadband in rural areas. BT's policy – new housing developments of 40-50 homes are connected by fibre and copper; commercial developments are connected by copper only, so businesses lose out.
- iii. Policing - One in three businesses victims of crime, nationally and one in five in Essex.

KH Business rates – experience suggests money is not invested into business-related economic development. There is still a question on 'what is local?' – who can influence and decide.

4.2 Broadband Delivery UK – Lloyd Felton

Broadband Delivery UK (BDUK) has publicly announced four pilot areas in the north, worth £5-10 million. The procurement process will be put on hold until the outcomes of these projects are known.

LF reported difficulty in obtaining funding for the Rural Broadband Partnership (RBP), even though it is a Big Society project – may be better to proceed as a private company. An action pack has been sent to every parish to engage stakeholders in the community.

EEDA had previously asked for more detail on the project and a proposal to run it nationally – nothing has been heard since.

KB commented that the 'build and they will come' model in Maldon is working well because the area is geographically well-defined. He suggested that it may be possible to submit a bid for funding to the new LEP.

LF replied that a 'build it and they will come' model is too expensive without financial support. KB suggested the RBP highlight five priority areas and their costings to identify the type of funding needed.

LF commented that we should view broadband as a utility not a market, otherwise rural areas will lose out, although a niche market can be provided for if the community is coordinated.

The recent survey showed that of 115 parishes felt that broadband is inadequate in their area, with 60 of those including detail of the problem. Many said they did not know the situation in their parish.

DP suggested asking businesses in those parishes; PW suggested asking schools to identify areas through the knowledge of children's ability to access internet for homework, etc.

Action: a group to be established (LF, KB, JB) to explore the opportunities for filling the gaps in data.

LF KB
JB

4.3 RSA – Phil Smith

PS expressed concern over compulsory pension provision, but queried if shops might be below the salary threshold. Health Act 2008 banned displays of tobacco; it is proposed that small shops (under 280 m²) can opt out. There are a number of politicians who support this.

Planning is a major issue for small retailers.

PW queried the impact of the VAT increase; KB & PS agreed it is not good, but there is adequate notice that they are not raising objection.

PS explained that the Retail Enterprise Fund is a grant scheme for small shops and pubs (short-term). The first grant went to Terling shop and PO. Graham Simmons is organising a conference for 4th Nov; FSB and KH not aware. (PW would feed back). PS very supportive, KB suggested campaigning to the LEP for continuation of the fund.

4.3 Parish Councils – John Buchanan

JB reported that parish councils are planning to work with principal authorities in the region.

The national association is lobbying the Government for recognition, and the need to promote parish level.

Parishes are not eligible to receive a grant for 0% increase in council tax; as a result they could be the only 'service' increasing council tax.

EALC is not receiving Government grants and no increase in funding from ECC. The audit commission has been abolished – they offered audits for parish councils at approx. £50 (based on size). No information on how this can be replaced.

4.4 Writtle College – Pennie Wallace

The Brown Report shows there has been a decrease in apprenticeships.

PW explained that the new fee structure for 2012 will lead to a rush for places in 2011. The current cap on HE is very tight – the figures are based on the previous two years – but is due to come off in 2012.

The Brown Report implied that fees are likely to be unlimited, reaching up to £15/20 thousand. HE will be worth approximately £8000 - £3000 of which is paid by the student, with the remaining £5000 funded by the Government. However, this funding is likely to fall and is not guaranteed to all courses. Courses are banded (A = Scientific/medicine, B = Applied science, D = Arts). Bands A and B are still supported by the Government, C and D are not.

Fees are currently capped at £12, 000 per year, with accommodation costing approximately £4, 000 per year. A two year degree has been considered. Part-time students are likely to receive the same funding.

Writtle College is looking at partnership working.

PW

Business Link – Keith Hughes

KH circulated a map showing the proposed LEP areas.

KH highlighted that there is a danger that the south east is under-resourced – there is concern that funding is going to northern regions.

At present RDAs fund Business Link to deliver locally; RDAs not existing after March 2011.

At least four new geographical areas (LEPs) have been created from the old region, with some areas in two LEPs, e.g. Thurrock and Dartford in London LEP.

EEDA will cease existence before Business Link's contract is due to end.

Unsure whether CSR and White Paper will be delivered at national or local level.

Business Link will change – brand likely to be delivered at national level.

SH suggested that, from an economic angle on the Big Society, community organisers are intended to be entirely self-funding. This private business model works in the USA, although unsure of how it will work in the UK.

5 **Future of Royal Mail and Post Office Ltd**

The Government have put forward a new Postal Services Bill which proposes:

- Privatisation of Royal Mail by selling shares
- Removal of the pension deficit of £8bn
- To ensure a uniform service across the country.

Post Office is not for sale.

RSA believe that 1000 individual Post Offices are on the market, highlighting the need for more business to pass through POs, e.g. banking facilities, government business. PS supports this, although is unsure of how it can be implemented.

PW suggested a refresh of the PO project to put together a case for what services need to go into rural POs.

6 **AOB**

Reports from Meetings/Conferences attended

- KH said Office of the Third Sector and Business Link can offer grant support to social enterprises. The Rural Pub grant is being re-launched today – £1, 500 focussed on revenue
- DP reported that tourism in Essex is up by 4-5%, according to Visit Essex.

Forthcoming Events

- EALC conference
- Regional Rural Forum
- 9th November – FSB annual dinner. Speaker: Eric Pickles
- 11th November – Essex Police Rural Conference
- 24th November – ERP meeting

Date of Next Meeting

Dates to be circulated