

Economic Development VFM Review

Final Report

Cherwell District Council

Timetable	Papers Finalised	Meeting Date
CMT	21 April	27 April
Use of Resources	8 June	20 June
Executive	22 June	4 July



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1.0 Background & Introduction

1.1 Cherwell's Economy: the key issues facing the district

Although Cherwell is a prosperous district, with good transport links and a high quality environment which make it an attractive area to invest and live, it has faced, in common with all areas, a range of economic development challenges over the years. In response to this, the council has funded an economic development team for many years. The size of the team, and the range of work on which it has been engaged, have changed in response to the needs of the wider Cherwell economy.

The key economic development issues facing the district have been set out most recently in the new draft Economic Development Strategy (2011-16), published for public consultation in November 2010. The following issues are identified within the Strategy :

- a) Levels of **employment** remain high but not everybody is benefiting;
- b) We have increasingly relied upon **public sector** jobs which are set to reduce in number;
- c) **The economic climate, access to finance and cash flow** have become critical issues for businesses;
- d) **Wages** paid within Cherwell still lag behind South East regional averages;
- e) There are still residents without the right **skills**;
- f) There remain pockets of **deprivation** within our overall prosperity;
- g) Our **population** is expected to grow significantly;
- h) Employment **land, premises & services** do not always meet modern business needs;
- i) We have a **diverse** economy but often with 'lower value' activity similar to the south Midlands;
- j) **Manufacturing** is a particular strength but is often lower skilled locally;
- k) The **knowledge** economy is growing but not quickly enough;
- l) Businesses are highly **satisfied** with their location in Cherwell yet all too often still face real issues and constraints;
- m) This is an **enterprising** district with potential for innovation;
- n) The **environment** provides both challenges and opportunities in creating a low carbon economy, especially through the 'Eco Bicester' project;
- o) **Globalisation** has also become a significant issue for the economy: both a challenge and opportunity;
- p) The **community** sector will have an increasing role to play.

This provides an important context to understanding the work of the economic development team, how this work has evolved, and those issues on which it may be focussed in the future.

1.2 Cherwell's Economic Development Team – a short history

The economic development service within Cherwell District Council has grown and evolved in recent years, returning towards a level seen prior to 2005/06. Responding to new challenges as these have arisen, a partnership approach, including resource matching from external public and private partners, has been used extensively to support the growth of the service to its current form. This brief context considers the service since 2007/08.

The core posts of Economic Development Officer, Business Development Officer and part-time Business Support Officer have existed throughout this period.

(i) Hosting the Enterprise Support - OBE:

The Council supports a valuable county-wide Oxfordshire Business Enterprises service. This is primarily a social enterprise in itself where volunteers provide their business expertise to small and start-up businesses free of charge, co-ordinated by a paid member of staff. However, to safeguard its future, the Council started to host the service in 2007/08 and, to develop it further, created a post of Enterprise Co-ordinator. This post was initially funded by a contribution from each local authority in the County.

In April 2010, the funding for this post and development of the service was taken over by the Oxfordshire Economic Partnership / Oxfordshire County Council (with Local Area Agreement funding available) up to March 2010, although the post remains hosted by Cherwell. Future arrangements for funding and hosting the service beyond March 2012 are being reviewed in light of public sector funding pressures, and Cherwell is already in discussions with key partners.

(ii) Responding to the Recession:

In early 2009, in response to the recession, Cherwell initiated Job Clubs, firstly in Banbury and later in Bicester. The Economic Development Service initially redirected its existing resources to support this initiative. From May 2009, support for developing the Clubs came from the Council's Improvement Team and the creation of a temporary, part-time post of Job Club Co-ordinator, entirely funded by the Council to March 2012. Other funding support for Job Clubs comes from a financial contribution from Oxfordshire County Council (currently approximately £8,000 in 2010/11), and donations from other organisations/ companies.

(iii) Creation of Bicester Vision:

The Bicester Vision Partnership was set up in 2008 and the post of Partnership Manager created. Bicester Vision is funded entirely by contributions from its partners, including the County Council, Cherwell District Council, Bicester Town Council and businesses. To date Cherwell has contributed up to £15,000 pa and it has committee approval to continue this for 2011/12. It has also hosted the Partnership Manager post, which was initially created on a three year contract, and Bicester Vision is currently considering how it can extend this.

It should be noted that assessment of the performance of Bicester Vision is not within the scope of this Review as it is a separate organisation, albeit one which works closely with Cherwell and receives financial and other support from us. It is referred to as the post of Partnership Manager is managed by Cherwell and sits within economic development budget headings, so is relevant to any understanding of the expenditure position and Bicester Vision is in a strong position to help deliver a number of economic development objectives at a local level and so will be referred to in this Report where appropriate.

1.3 Economic Development – the service delivered in 2011 & scope of this review

The economic development service delivered in 2011 is a key component of the Council's Corporate Plan through its District of Opportunity Strategic Priority; specifically the objectives for 2011/12 are to "*promote local economic development through business advice and support, inward investment and the Local Enterprise Partnership*" and "*work with partners to tackle disadvantage in the district*".

The service is both proactive and reactive insofar as it tailors its service in accordance with external and internal pressures and demands. In 2009, the team focussed on contributing to the Council's "Recession Response" and this has continued alongside practical support to businesses and developers, such that in 2011 the scope of the service is as follows:

(i) Business Support and Advice:

This includes both reactive and proactive assistance to Cherwell's 6,000 businesses, ranging from local contacts and partnership activities to support growth, to enquiries from businesses looking to expand/relocate into Cherwell. Advice is also given to planning colleagues on individual planning applications relating to businesses, and to business rates colleagues in cases of 'hardship'.

(ii) Oxfordshire Business Enterprises:

Currently funded by Oxfordshire County Council, this Cherwell-hosted service provides one-to-one support for residents seeking to start a business. Free advice and information is provided, covering taxation, business planning, marketing, etc. Advice is provided by 20 expert business mentors at no cost (other than expenses) from 10 different venues across the County, co-ordinated by an Enterprise Co-ordinator, employed by Cherwell District Council. This service has been distinct from but complementary to the regional Business Link services for businesses, which will cease to exist from September 2011. After this time, only a national on-line and telephone service will be available, which is expected to create further need and demand for local mentoring and advice services. The privately-funded Thames Business Advice Centres (TBAC) selectively mentors businesses over one year old and relies upon OBE to provide help to residents at 'pre-start', 'start-up', self employment and less-than-one-year-old business stages.

(iii) Economic Development Strategy:

Preparing, maintaining, implementing and monitoring an Economic Development Strategy on behalf of the Local Strategic Partnership. Intensive activity over the last year has included:

- Commissioning technical studies (e.g. employers skills needs) to inform the Strategy
- Working with planning colleagues on an Employment Land Review
- Engaging with the LSP Board
- Preparing and consulting on the draft Economic Development Strategy and analysing responses.

(iv) Job Clubs:

Setting up, running and developing Job Clubs in Banbury and Bicester to meet the needs of job seekers. Job Clubs provide expert advice and guidance on job seeking, local vacancies, self employment and training/skills. There is also access to further specialist help and direct contact with employers seeking to recruit. Effective delivery of the service involves partnership working with Oxfordshire County Council, Oxford and Cherwell Valley College, Job Centre Plus, Connexions, Oxfordshire Business Enterprises, Chambers of Commerce and employers. A series of "special" Job Club events have been held; including retail, health & social Care, teaching, graduate, etc.

(v) Cherwell M40 Investment Partnership (CHIP):

The team drives the work of the CHIP; a public private partnership combining local professional expertise to promote the district and to assist inward investment and the expansion of existing companies in Cherwell District. In order to do this, the team, for example:

- Maintains a key 'portal' CHIP website www.cherwell-m40.co.uk providing information such as premises and sites from the Cherwell database
- Advertises and exhibits to attract new investment
- Provides an enquiry research and response service
- Arranges visits and information for new investors
- Leads publications such as "Business Moves" to celebrate and assist further investment.

(vi) Formal Economic Partnership Bodies Linking Public Sector and Business Representation (Currently Local Enterprise Partnerships):

The team works with and supports relevant bodies. In recent years this has been SEE Development Agency and their local partnership body Oxfordshire Economic Partnership. (*

now being reformed into Oxfordshire Business First). The Council was a funding partner of this county-wide organisation tasked with delivery of key targets in Local Area Agreement 2 and allocation through the Public Service Board of £1m arising from the successful delivery of targets from Local Area Agreement 1. A key output from this is the funding of the Oxfordshire Business Enterprises Service (OBE). These organisational arrangements are now being dismantled as a result of the Government's decision to move away from regional structures. The funding implications are important for the future of the overall Cherwell economic development offer as there is now likely to be far less funding available.

The economic development team's work is now within the evolving Local Enterprise Partnerships (LEPs) and involves:

- Advising the Council on the emerging LEP proposals
- Providing information and local perspectives on the emerging LEP proposals
- Supporting the new LEP partnerships in Oxfordshire and South East Midlands through involvement in technical groups and by engaging and supporting the involvement of local business leaders.

(vii) Other Economic Development work:

Information management:

- Maintenance of a database of over 3,000 local companies, allowing the monitoring of jobs created/lost and for information to be held in support of those businesses.
- Information is also used to identify and help struggling business, newly formed businesses, wards with most unemployment and high uptake of benefits, how many NEETs there are and both the level of skills available and where any skill gaps exist.

(viii) Other Partnership working:

- Support for local business awards and summits (encouraging innovation, enterprise and other objectives of the local Economic Development Strategy)
- Leadership of North Oxon Young Enterprise (to promote skills for the future workforce and economy of Cherwell)
- Chambers of Commerce and other business representative bodies
- Oxfordshire Learning and Skills Partnership & Cherwell Skills Action Group/Board
- Public sector liaison (Spatial Planning and Infrastructure Partnership which guides the Oxfordshire LEP and various SEMLEP officer groups, etc.)

More details about current Partnerships can be found in Annex 4.

1.4 Statutory basis of the Service:

The pursuit of economic well-being is strongly aligned with the core purpose of local authorities, with the mandate for local authorities to promote economic well-being provided by the Local Government Act 2000. This empowers local authorities to do anything they consider likely to promote or improve the economic, social or environmental well-being of their area and its inhabitants.

The 'Review of Sub-National Economic Development and Regeneration' (2007, HM Treasury, Department of Communities and Local Government (CLG), BERR) laid out a more general expectation that local authorities will undertake economic development and/or regeneration activities within their areas.

Local government faces weak incentives to consider how their activities affect economic performance both locally and in neighbouring areas, due to:

- requirement to perform other statutory duties

- limited financial gains from economic growth due to the pooling of business rates nationally
- the costs of growth tending to be localised whilst benefits disperse across LA boundaries.

Economic activity does not respect administrative boundaries and it is important that local authorities and their partners understand how the area fits within wider functional economies.

The Local Democracy, Economic Development and Construction (LDED) Act 2009 places a new Statutory Duty on all upper tier and unitary authorities to prepare an assessment of the economic conditions of their area from the 1st April 2010, with a duty to involve District Councils and other local stakeholders. This is an important and progressive step towards developing resilient local economies and Cherwell's Economic Development Service contributed to the preparation of the Oxfordshire Local Economic Assessment. It has the potential to improve local evidence bases and highlight localised problems and disparity within places, thereby informing the production of bespoke, appropriate and innovative 'local' strategies and action plans.

1.5 Key Service issues facing Economic Development Service over the next few years

(i) External (to Cherwell District Council)

- a) The economic downturn has challenged the 'resilience' of the local economy
- b) Adjustment of strategy to tougher economic conditions with uncertainties over whether there will be a return to growth conditions or a deepening of problems
- c) Resource constraints in the public sector, downsizing or closure of existing services, such as regional Business Link during 2011, and the limitations of privately-funded business mentoring schemes such as TBAC.
- d) Changing regional/sub-regional structures - Local Enterprise Partnerships (LEPs) and support for young people by the County (such as those not in employment, education or training - NEETs) through new hub structures.

(ii) Internal (within Cherwell District Council)

- a) High political support to create a District of Opportunity with pledges to, for example, help young people into work and training and enable business growth.
- b) High profile service with the public, achieving high user satisfaction.
- c) Leadership of the new, local Economic Development Strategy on behalf of the Local Strategic Partnership (and its Sustainable Community Strategy).
- d) Having received external validation for its efforts to make Cherwell more resilient, as part of the Centre for Local Economic Strategies Resilience Study in 2010, the study sets a clear challenge: "*The catalytic elements are in Cherwell, it just needs gluing together.* Developing resilience is therefore a key driver for the Economic Development Strategy and the central role of the Economic Development Team – see annex 3 for more detail.
- e) Ensuring that 'eco-Bicester' achieves its aims to provide new jobs in the town.
- f) Sustaining current activities within a tighter CDC budget and with less external funding support (especially the initiatives on recession response and support for individuals affected by poor economic conditions, such as Job Club which have been introduced since 2008).

2.0 Executive Summary & Recommendations

2.1 Purpose of this report

This Value for Money (VFM) Review forms part of the Council's VFM Review Programme.

This Review:

- Assesses the value for money (in terms of performance, quality and cost) of this service since additional resources were allocated due to the economic downturn
- Develops a Vision for the service to 2016
- Considers cost savings available to contribute towards the Council's Medium Term Financial Strategy.

2.2 VFM Conclusion: Cherwell's Economic Development Service is a top performer, making a real difference to Cherwell's businesses and residents affected by the downturn:

- **Offers the greatest range and depth of services** to residents and businesses, against the CIPFA family group of similar authorities, where a detailed assessment has been made.
- **Is leveraging in multiple additional resources**, both finance and in-kind, to support Cherwell's priorities, such as the Job Clubs and Oxfordshire Business Enterprises service.
- Is offering a **high quality** service to Cherwell's existing businesses, start-ups and residents, demonstrated through excellent feedback and real outcomes from customers, businesses & partners.
- **Is helping generate positive performance in the local economy** where the service has focused since 2008/09, with additional Council resources, supporting local businesses and local people affected by the economic downturn, such that by 2010/11:
 - Cherwell is the second fastest to return to its Dec 2008 level of unemployment among its CIPFA comparators.
 - Cherwell's unemployment has recovered fastest among the Districts in Oxfordshire over the same time period.
 - VAT and PAYE registered businesses have remained constant since 2008, however, the number of businesses registered for Non Domestic Rates declined in the early part of the economic downturn, but has made a strong recovery during 2010/11, which indicates an increasing confidence among businesses.
 - However, skill levels in Cherwell (at NVQ level 3 and above) took a dip in 2008 to 2009, but by 2010 have recovered to 2007 levels. Cherwell has now returned to being in front of the Great Britain average, but remains just behind the South East average, and Cherwell does not appear to be building on its skill position year-on-year, which is the regional and national trend.
- Has received **external validation** for its efforts to make Cherwell more resilient as part of the Centre for Local Economic Strategies Resilience Study in 2010 which found:

"To determine resilience, the strength of relationship and level of interaction between the private, public and social sector is key to being able to determine how a locality will react to counter economic and environmental shocks. Cherwell as a locality can be seen as a resilient place when integrating the findings from the statistical analysis with the interviews that were carried out to provide a strategic insight into how Cherwell as a place functions. However, there is still room for improvement.

'The catalytic elements are in Cherwell, it just needs gluing together.'

This key area for improvement is addressed in the new Economic Development Strategy.

- Despite similar staffing structures to comparator authorities, Cherwell is the **highest cost service per head of population**; this position is distorted by greatly differing interpretations of the CIPFA costing definition and the significant income generated by many of the comparator authorities who undertake commercial lettings, run conference centres and receive government growth funding which helps offset expenditure considerably.

2.3 Recommendations

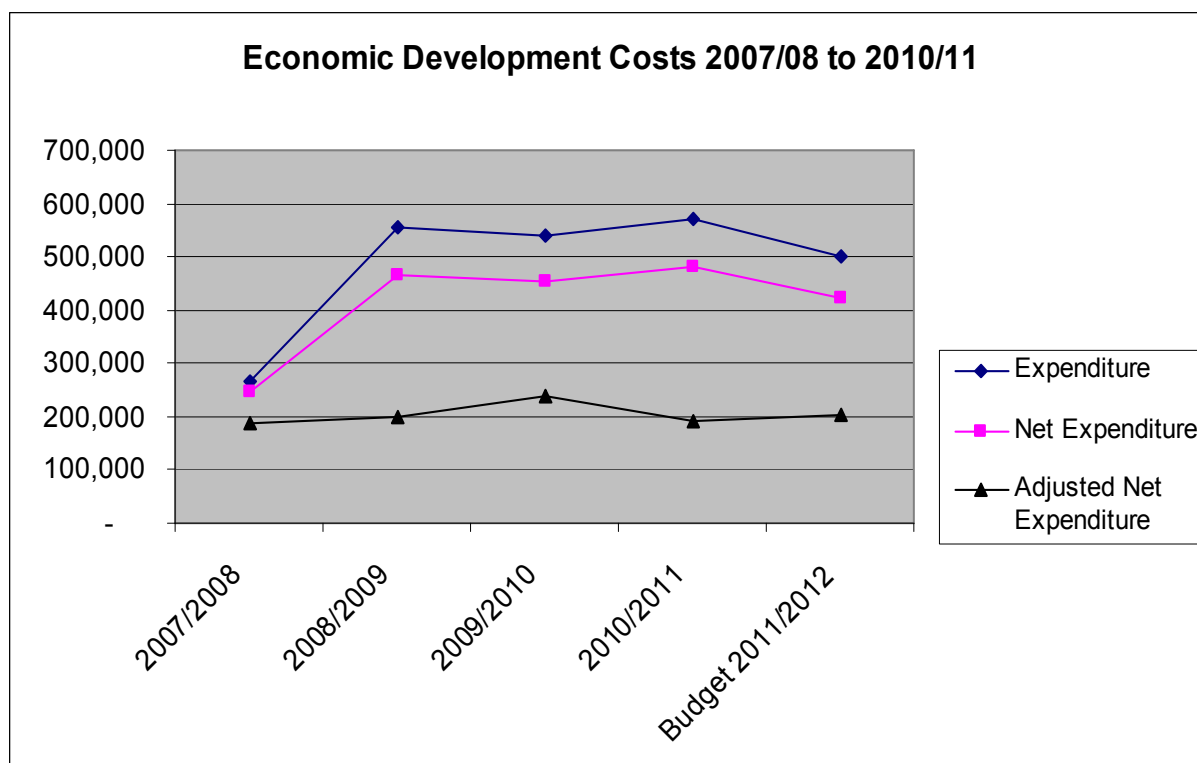
- (i) Note the Value for Money conclusion reached by this Review.
- (ii) Adopt the Vision to 2016 for the future Economic Development Service, set out in Section 6, aimed at supporting delivery of the emerging Economic Development Strategy (focusing on a Cherwell that is resilient and develops people, businesses - and Cherwell as a place) and supporting key themes in the Council's Strategic Priority of a District of Opportunity.
- (iii) Recognise that this Review offers savings arising from the Council's requirement to achieve its Medium Term Financial Strategy; however, taking savings may have implications on the Council's ability to deliver its economic development service in line with the Vision set out in section 6, particularly in the developing areas of economic development support for "eco-Bicester" and the two Local Enterprise Partnerships.
- (iv) Consider the saving options ranging from £20k - £200k (in Section 7) and agree to:
 - Implement Option 1b), reducing the spend budgets by a gross amount of **£35,000**
 - Take the saving with immediate effect generating an in-year saving from the 2011/12 budget and savings from subsequent years' budgets.
 - Deliver this saving by pursuing a strategy of preserving areas of spend best able to support the Vision and rowing back particularly on inward investment activity. Consequently, reducing the unrestricted "supplies and services" budgets by a gross amount of £35,000, recognising that £20,000 has already been taken from this budget in anticipation of savings from this VFM Review (therefore a net additional saving of £15,000 is being offered).
 - In detail, the savings will be spread across the following business areas:-
 - a) Continue to distribute the "Business Moves" magazine in electronic format only and cease to produce the printed version. This magazine is published by Cherwell Investment Partnership and moving across to electronic only will save £6,000. This saving option was identified as part of the VFM Review of Communications undertaken in 2010/11.
 - b) Reducing financial support for the Cherwell Investment Partnership by £24,000. This would reduce the money available for inward investment activities such as advertising and exhibitions.
 - c) Reducing spending on the Economic Development Strategy by £5,000. This has been a major piece of work in 2010/11 and is currently being finalised. It will require being kept under review and up-to-date but limited further expenses in the future can be taken as a saving from 2011/12 onwards.
- (v) Note that in agreeing to this savings recommendation, the impact would be limited in the short-term; however, three key risks and opportunities should be noted:
 - The savings offered will mean that the Council will retain a reduced degree of flexibility to deploy initiatives and interventions as needs dictate across the district. This reduced flexibility will not allow for significant spending on any new key initiatives which may emerge. An example of this could be economic promotion of eco-Bicester which may warrant a range of potentially costly activities. Therefore, the savings offered would seriously affect the Council's ability to fund such initiatives in the future.
 - Key elements of the current Economic Development service are currently supported financially from external sources. The savings offered are based on an assumption that these funding sources continue and if they ceased it would put additional burden on the reduced budget and spending priorities would need to be re-assessed.
 - Cherwell's in-house reserve fund LABGI (generated from Government grants no longer available) is ring-fenced for economic development purposes and stands at just under £100k of unreserved funds. This reserve offers an opportunity to fund new initiatives or provide short-term, temporary funding for services where external funding has been withdrawn. It is clear that this one-off fund would not last long if required to fund multiple priorities.

3.0 Expenditure

This section shows expenditure has increased to reflect the increase in resources due to the economic downturn, but is offset by additional income thereby maintaining Cherwell's Economic Development Service's net adjusted expenditure at broadly the same level in recent years. In comparison to other authorities, Cherwell has the highest cost service per head of population. This position, however, is distorted by greatly differing interpretations of the CIPFA definition of an economic development service and the significant income generated by many of the comparator authorities who undertake commercial lettings, run conference centres and receive government growth funding which helps considerably to offset expenditure.

3.1 Net Expenditure Position

The graph below shows expenditure rose in 2008/09, and has since been maintained, reflecting the increase in activity and resources allocated by the Council to support the response to the economic downturn. Adjusted net expenditure reflects the income to offset the increase in expenditure and describing the budget under the control of the Head of Service, which has remained stable at around £200,000 per annum.



Below is the full spend position in each of the years from 2007/08 and the budget for 2011/12:

Budget/Spend Position 2007/08 – 2011/12:

	2007/2008 Spend	2008/2009 Spend	2009/2010 Spend	2010/2011 Budget	2010/2011 Spend	2011/2012 Budget
EMPLOYEE COSTS ¹	95,991	151,860	193,959	221,574	220,654	177,695
PREMISES COSTS	5,770	9,768	5,485	12,728	13,178	27,656
TRANSPORT COSTS ²	5,975	12,852	28,057	5,681	7,579	7,753
SUPPLIES & SERVICES ³	72,774	88,204	72,078	111,971	48,409	91,971
THIRD PARTY PAYMENTS	25,845	3,640	2,117	5,000	3,454	5,000
SUPPORT SERVICES ⁴	31,585	139,015	139,198	145,224	145,224	66,644
INTERNAL SUPPORT SERVICES ⁴	25,892	142,303	97,320	133,708	133,708	125,057
CAPITAL CHARGES	156	619	0	0	0	0
REVENUE APPROPRIATION ADJ EXP	2,119	7,121	0	0	0	0
EXPENDITURE	266,106	555,382	538,214	635,886	572,206	501,775
GOVERNMENT GRANT INCOME	0	0	0	0	0	0
OTHER GRANTS						
REIMBURSEMENTS ⁵	(16,500)	(65,812)	(60,528)	(123,853)	(89,353)	(78,822)
SALES INCOME	0	0	0	0	0	0
FEES AND CHARGES	(40)	0	(395)	0	(80)	0
CHGS TO OTHER MGT CENTRES	(1,273)	(25,790)	(22,000)	0	0	0
INCOME	(17,812)	(91,602)	(82,923)	(123,853)	(89,433)	(78,822)
NET EXPENDITURE	248,294	463,780	455,290	512,033	482,773	422,953
Adjusted for :-						
Office Accommodation	(5,696)	(8,178)	(2,690)	(12,728)	(12,728)	(27,656)
Support Services	(31,585)	(139,015)	(139,198)	(145,224)	(145,224)	(66,644)
Internal Support Services	(25,892)	(142,303)	(97,320)	(133,708)	(133,708)	(125,057)
Less Capital Charges	(156)	(619)	0	0	0	0
Charges to Other CC's	1,273	25,790	22,000	0	0	0
Charges from Other CC's	0	0	0	0	0	0
Adjusted Net Expenditure	186,237	199,455	238,082	220,373	191,113	203,597

Notes

1. Salary costs have increased significantly over the years with the Council making Economic Development one of its priorities, whilst additional income has been gained to somewhat offset this cost, and towards office costs.
 - (i) During 2008/09 the Bicester Vision Manager (partnership-funded), the Economic Development Officer and the Enterprise Co-ordinator (partnership-funded) were appointed, this added £56k to the service's costs and the full-year cost of these posts added a further £42k in 2009/10.
 - (ii) The salary budget and spend in 2010/11 is £16k higher reflecting the return of the unit to its full complement of staff after a period of maternity leave.
 - (iii) The 2011/12 salary budget does not include the Bicester Vision Manager as the arrangements for continuation of this post were confirmed after the budget was approved and need to be incorporated; as does the associated income to offset this expenditure.
 - (iv) It is however very important to note a number of posts are funded from project specific sources, often including external partnership contributions, rather than base revenue budgets. See paragraph 3.2 below for further information on staffing.

2. Transport costs are £12,387 higher in 2009/10 compared to other years due to the one-off car-buyout scheme.
3. Supplies and Services budget In anticipation of the findings of this Review, £20k has already been removed from the supplies and services budget reducing it to £91,971 for 2011/12; notionally divided as follows:
 - “inward investment” (£40,599)
 - “Special projects” (£20,000)
 - Other supplies and services for economic development (mainly printing, grants and subscriptions) (£11,748)
 - Supplies and services for OBE (£4,590)
 - Support for Bicester Vision (£15,034).

In practice this funding is used flexibly to pay for the project work expenses of the service. This is a substantial and crucial budget area as the funding available is essential to delivery of various initiatives, especially on marketing, promotion and research. The budget analysis shows an under spend of actual expenditure against budget. This reflects two factors: 1) a key staff vacancy reducing the capacity to spend the money effectively; 2) the Council took advice from partners to reduce inward investment activities (particularly advertising and marketing) as poor global economic conditions had reduced the incidence of companies considering relocation; partners instead advised a more reactive approach to company enquiries to relocate whilst maintaining the strength of the collaborative working.

4. Support Services & Internal Support Services need adding together for comparison purposes and when combined have significantly increased since 2007/08 from £57,000 to a budget of £191,000 for 2011/12. This has been due to a number of factors, firstly the level of activity within Economic Development has increased and therefore an increased percentage of the costs are appropriate. This is particularly true in respect of demands on Directorate administration support where the increasing range of economic development initiatives has created wider administration support needs. Secondly more items are now charged as part of support e.g. Printing, Customer Service Costs, HR Training, Building Maintenance, than in 2007/08.
5. Other Grants & Reimbursements should be understood not as a single sum but as incorporating a number of different grants – all of which fund different specific elements of the economic development service. These have increased mainly as a result of increased contributions from our partners to support specific initiatives. The main increases in these grant reimbursements since 2007 are due to the following:-
 - From 2008/9 funding from Bicester Vision increased dramatically to fund the post of Partnership Manager (which started in May 2008). £56,000 of contributions is received from other partners and the Council’s contribution was £10,000 in 2010/11. It should be noted that this private sector external funding source appears secure in the medium term and needs to be incorporated into the 11/12 budget to offset the salary costs when entered.
 - In 2010/11 there is an internal funding contribution from LABGI (Local Authority Business Growth Incentive) a Government reward grant to Cherwell of £36,743 to fund some of the additional Economic Development staff costs associated with running the Job Clubs and related economic downturn activity. This contribution will be repeated in 2011/12. Further, the County Council also currently reimburses Cherwell for the expenses incurred running the Job Clubs, such as advertising costs.
 - In 2010/11, the funding of the Enterprise Co-ordinator (supporting OBE) changed. Before 2010/11, the Council contributed £6,000 and further contributions of £30,000 were received from other authorities in Oxfordshire. In 2010/11, funding for the service switched to the reward grant from the Local Area Agreement via Oxfordshire County Council but CDC continues successfully to host OBE. The table in section 3.3 of this report shows a surplus of £3,500 and this contributes towards the CDC office accommodation and some limited CDC management support. The external OCC funding

source is secure for the 10/11 and 11/12, but for the medium term there are important questions about how the current partnership funding arrangement can be continued as it depends on a finite LAA grant allocation. This could raise questions about the sustainability of the service.

6. **LABGI grant:** Awarded each year to Cherwell from central government from 2007/08 until the scheme was withdrawn after 2009/10. In total, Cherwell accumulated £322,000. This has been used as an internal reserve to support economic development related activity, particularly the response to the economic downturn. The fund has been used to support initiatives such as additional staffing costs in economic development associated with the economic downturn, such as Job Clubs, and the Council's commitment to its apprenticeship scheme for young people. The current unreserved balance stands at just under £100,000, which could be used for new initiatives or to provide short-term, temporary funding for services where external funding has been withdrawn. It is clear that this one-off fund would not last long if required to fund multiple priorities.

3.2 Staffing

Staffing of the economic development team has stabilised after a transitional period during 2008 and 2009 when the Council adjusted its approach to economic development and recruited into three key posts - Economic Development Officer, Bicester Vision Partnership Manager and Enterprise Co-ordinator for Oxfordshire Business Enterprises (OBE).

During 2009, the Council increased the establishment, introducing a new, temporary role of Job Club Co-ordinator. As noted above, the cost of this post is support by funding from the previously-available annual Government grant which this Council has chosen to ring-fence for economic development activity (LABGI fund), such as supporting the Job Club. This fund remains sufficient to support this post in 2011/12, but is no longer being topped up by the Government and a proposal for this temporary post in the future is considered as part of the Future Vision element of this Review. A copy of the current staffing structure is at Annex 6.

Established Posts	Establishment Posts			
	31 March 2008	31 March 2011	Staffing cost	Funding source
	FTE	FTE		
Economic Development Officer	1	1	52,464	CDC
Business Development Officer	1	1	42,231	CDC
Business Support Officer	0.54	0.54	9,584	CDC
Partnership posts				
Permanent				
Enterprise Co-ordinator	1	1	24,749	OCC
Temporary				
Business Development Officer (Job Club Co-ordinator)	0	0.54	19,627	CDC (LABGI)
Bicester Vision Partnership Manager*	1	1	52,464	Bicester Vision
Total	4.54	5.08	201,688	
Vacancies*	1	0		

3.3 Service Area Breakdown

The table below indicates the broad cost of different elements of the service. For the purposes of this exercise, the table does three things:-

- It apportions staff salaries broadly in accordance with time spent on service areas.
- It seeks to apportion the supplies and services budget (based on £111,971 budget in 2010/11) across the various work areas, excluding OBE and Bicester Vision (which are separate cost centres), estimating budgeted (not actual) spend in a “normal” year across the budget (see “other budget disaggregated” column).
- It takes account of external income: Bicester Vision (which is funded from contributions from partner organisations – including CDC) and Oxfordshire Business Enterprises (which is hosted by CDC but funded by Oxfordshire County Council). This income is deducted from the final total cost of the service.

It should be noted that no account has been taken on LABGI money which is effectively an internal source of income. In 2010/11 this was £36,743 and was used to support the running of the Job Clubs.

Work Area allocation of costs (based on 2010/11 budget)	FTE allocation	Direct Cost of Provision of Work Area				
		Staff salaries £	Other budget £	Other budget (dis-aggregated) £ (%)	External Income £	Total (after external income) £
Oxfordshire Business Enterprises	1.02	25,798	4,590		29,753	635
Bicester Vision Partnership	1.0	53,034	15,034		51,600	16,468
Economic development	0.77	29,107	92,347	15,670 (17%)		44,777
Business Support	0.82	30,195		18,469 (20%)		48,664
Economic strategy	0.2	10,492		5,540 (6%)		16,032
Job Club	0.74	27,943		10,158 (11%)	10,000	28,101
Cherwell Investment Partnership (CHIP)	0.25	10,427		36,938 (40%)		47,365
Local Enterprise Partnership	0.08	4,197		5,540 (6%)		9,737
Management	0.2	10,492				10,492
		201,685	111,971		91,353¹	222,271

Notes: ¹ This figure does not include internal income from the LABGI fund

The table shows:

- Business support is an important area of work, and much of this cost is time allocated by the Business Development Officer and Business Support Officer.
- The Economic Development Strategy is a high spending area for 2010/11 because the Strategy has been reviewed this year. This figure also includes some consultancy work to support the strategy development. Spending would be expected to fall in this area in future years, however the work of monitoring, implementing and developing the Strategy will be ongoing and will remain an important focus of the work of the Economic Development Officer.
- Job Clubs remain an important area of work to which the Council is committed for 2011/12; after this period this work will need to be reviewed. Expenses of £10,000 were reclaimed from the County in 2010/11. The Job Club Coordinator post is funded by internal LABGI funds and the team is actively seeking sponsorship from businesses to help fund

some of the expenses; some income has already been gained from private sector beneficiaries.

- The work contributed towards creating the two Local Enterprise Partnerships covering Cherwell has been modest to date, although this area of work is likely to grow as the LEPs, within which Cherwell District is situated, become established.
- Another significant activity is “economic development” which is wide ranging, including developing partnership networks and capacity, responding to business enquiries and supporting activities not individually identified on the table.

3.4 Comparing costs with the Council’s CIPFA Family of other Local Authorities:

The normal benchmarking tool is the CIPFA Revenue Estimate Forms (RA) which all local authorities complete. Unfortunately ‘economic development’ is one of the RA accountancy categories that is most difficult to define and therefore least reliable. Using this information to compare ourselves with authorities in Cherwell’s family group produces an extremely wide net expenditure: £640,000 for Cherwell’s costs, being the most expensive at £4.63 per head of population, to net expenditure of (£2,446,000) received by Chelmsford, due to large income streams (see Annex 1 for comparator detail and definitions).

Due to the definition, Cherwell’s economic development service is being compared against a number of services with income generating activities, which Cherwell either does not currently undertake or are classified in a different way in CDC RA returns. On further analysis it was found that the following services are included with the CIPFA definition:

- Authority operated (weekly style) markets. CDC’s markets are operated by a private company and a decision has been taken to include the income in a different RA category.
- Authority operated conference centres (not a CDC area of activity).
- Authority owned shopping centres (CDC is a shared holder in Castle Quay, and there is a substantial income. The Council also owns a number of small shops. A decision has been taken to include all income from shops as general investment income in another part of the RA return. Other councils appear to set such income against general economic development activity).
- Building & letting of subsidised units (such as small business start-up units which Cherwell has previously been involved with, but is not currently).

It is clear that some of the activities listed above are likely to generate significant income streams, and that is why some authorities are making substantial surpluses. This makes straight net expenditure comparisons of economic development functions between authorities somewhat meaningless, and particularly so against Chelmsford and Colchester:

- Chelmsford includes significant property, planning agreement and other funding streams, such as the growth fund from Government, which generates a surplus of £2.4m.
- Colchester includes a significant commercial lettings function which generates a surplus of £1.4m.

Cherwell does not treat such income in the same way as some other councils and it is very important that this is considered in the RA comparisons. Equally, Cherwell’s service is costing more than others where the comparison is more sensible (e.g Basingstoke and Dean & Vale of White Horse). Further investigation of these councils’ services identifies that neither Basingstoke and Dean or Vale of White Horse operate, for example, a job club or business enterprise service.

In order to establish the added value for the additional expenditure in Cherwell, this Review has focused attention on establishing what our comparator authorities are actually doing and the significance of their activities. This has been done using a value matrix detailed in Annex 2. The conclusions are discussed in more detail in the following sections.

4.0 Service users and Partner feedback: satisfaction levels & future issues

This section shows the Economic Development service is offering a **high quality** service to Cherwell's existing businesses, start-ups and residents, demonstrated through excellent feedback and real outcomes from customers, businesses and partners. Levels of customer satisfaction are high and there is appreciation of the importance of the service's work across a range of activity areas, as well as good examples of responding to feedback.

A summary is given below and Annex 3 provides a more detail of consultation and feedback, some of which was carried out to support this VFM Review.

4.1 Cherwell Investment Partnership

An important economic development activity is responding to enquiries for sites and premises, and to general business enquiries. The Council operates the aspect of service through a long standing and effective public / private sector partnership – Cherwell Investment Partnership (CHIP). Enquiry work focuses around the CHIP website which has been subject to much investment in recent years and is frequently praised by those using it. The Council, working with CHIP partners, re-designed and re-launched the CHIP website in 2010 to support a considerably improved enquiry service.

Linked to this, the CHIP working group is well attended and supported by its members (local agents, other professions, chambers of commerce, etc.). This group provides liaison and voluntary expert support. Effectively it delivers free promotion, research and intelligence to the Council and its partners. Feedback sought from CHIP partners specifically for this VFM Review re-affirmed the value that CHIP provides to the wider community.

4.2 Business Events

The business events organised by the Council are well supported and attended. The "Banbury in Business" event held in March each year attracts over 100 delegates, and of those completing the satisfaction survey in 2010, 72% said that they would definitely attend again and 24% said they may attend. Only one person indicated that they would not be returning, and indeed, the event in 2011 attracted almost 200 delegates and exhibitors. Bicester Vision achieves similar event coverage in the south of the district, albeit by different means but always involving CDC's economic development service.

4.3 Job Club

The value of the Job Club can be gauged by the number of people attending it, some of whom attend regularly and comment on the importance of its support. 1,697 job seekers attended Job Clubs between April 2010 and February 2011 (of which 300 attended as part of a special event at Vodafone). Satisfaction levels are good (77% of respondents to a recent survey said they would recommend the Job Club to others), and where concerns are raised, these are these are mainly because people anticipated that the Job Clubs would be more like the annual 'Job Fairs' and would therefore immediately offer jobs through a number of employers. The increasing use of Job Club "special" events (e.g: the retail, health & social care and graduate specials) have sought to respond to the need for more targeted support.

4.4 Oxfordshire Business Enterprise

The Oxfordshire Business Enterprises (OBE) service is well used (109 meetings with advisors in Cherwell District took place between April 2010 and March 2011), regularly receiving glowing testimonies. In a recent survey, 100% of respondents said that they would recommend the service to others.

4.5 Customer Satisfaction with Economic Development

As part of a Cherwell-wide Customer Satisfaction Survey & Budget Consultation in 2010, economic development was recognised as a high priority service area. Supporting the creation of local jobs ranks highly, demonstrating the impact that the current economic climate is having on shaping the priorities of residents. Supporting the creation of jobs in the local area is the 5th most important thing Cherwell residents thought should be improved and ranks 2nd place in the list of areas for additional expenditure. Specifically in the budget consultation, the importance of Job Clubs and the Apprenticeship scheme were highlighted.

Inevitably, information is often most available where the Council provides a proactive and visible (and therefore more easily measurable) service; for example Job Clubs and OBE. Where there is less information is in those areas where the service is reactive, less high profile and/or tailored to individuals needs; for example in areas such as business support where advice, information and signposting are provided.

The economic development team have improved the mechanisms to capture and present feedback and customer satisfaction with the service, particularly the areas that are more difficult to monitor, to establish effectiveness and the added value of the service.

Some examples of feedback covered in more detail in Annex 3, include:

“You are probably aware that we were granted planning “mixed use” on the unit. Good news and a big thank you for all your support. We have today put in an offer for the lease so fingers crossed for the next bit! Will keep in touch. AR, Bicester” (Result: Business opened in 2010)

*“Many thanks for your prompt response. Your comments are very helpful and we now look forward to following this up with the pre-application meeting with your planning colleagues.”
KP, developer, November 2010 (Result: planning application for 150 jobs recommended for approval)*

“You may just recall that I turned up a few weeks ago looking for an Executive Job Club. You were very kind and showed me around - including giving me a file of vacancies with Oxfordshire County Council. Only one of these was relevant but I bashed in an application about 3 hours after the official deadline. Interview three days later, job offer two days after that! All because you looked after me. Serendipity, really. MG, Banbury (July 2010)

5.0 Performance and Comparison to other Local Authorities

This section describes activities aimed at achieving longer term outcomes for the District, referencing economic indicators that are not under the control of the service, but which the service wishes to influence, and shows the service:

- is leveraging in multiple additional resources, both finance and in-kind, to support Cherwell's priorities, such as the Job Clubs and Oxfordshire Business Enterprises service
- has delivered successfully against its service targets over the last three years, in areas such as supporting job creation and job seekers at the Job Clubs
- is helping generate positive performance in the local economy, where additional resources have been focused due to the economic downturn (as judged against the Audit Commission's recommended range of indicators to establish value for money from an economic development function over a period of time):
 - Cherwell is regularly performing well against both regional and national unemployment figures
 - Cherwell is the second fastest to return to its Dec 2008 level of unemployment among its CIPFA comparators and Cherwell's unemployment has recovered fastest among the Districts in Oxfordshire over the same time period.
 - the economically active rate has remained at a higher level than South East Regional levels through most of the economic downturn
 - earnings are generally lower within Cherwell, which is on the edge of the region and neighbouring the Midlands region and is therefore to be expected
 - skill levels in Cherwell (at NVQ level 3 and above) show a decline between 2008 and 2009, which runs counter to the South East Region positive trend. A third of Cherwell's comparator authorities are also showing a decline in skills levels over this period, but more recent data is needed to establish if this is a current trend.
 - VAT and PAYE registered businesses have remained constant since 2008, however, the number of businesses registered for Non Domestic Rates declined in the early part of the economic downturn, but has made a strong recovery during 2010/11, which indicates an increasing confidence among businesses.
- offers the greatest range and depth of services to residents and businesses, against the CIPFA family group of similar authorities, and Cherwell's staffing arrangements are similar, where a detailed assessment has been made
- Cherwell offers the highest value for the highest per head cost in the comparator group. Cherwell's high value score has been derived through assessment of the wide range of services offered and the extensive scope of the services in comparison to others

5.1 Local Economic Multiplier

The Economic Development Service aims to enable the creation and growth of businesses but can generally only do this indirectly by providing strategic direction and advice to mainstream public service work (e.g. planning or education). Direct services and projects that target businesses, organisations and individuals add value to this strategic framework by providing some practical support. Whilst, therefore, the relationship or 'multiplication' of inputs (staff time/budgets) to outputs/outcomes (jobs created/skills enhanced) would be very useful to know, it is also very difficult to accurately measure and attribute.

For example, a potential investor may work closely with the service and receive a high level of support over a period yet may fail to invest, and create jobs, due to factors beyond the

Service's influence (e.g. problems with negotiations to buy the land/property, failure to gain finance from a bank or strategic business decisions). Conversely, an investment may occur by a business that has not received direct help, although this would be rarer for larger investments as support for planning and information would usually be given in the preceding months or year(s).

Attendance at a business event organised by the service in partnership with others may also, for example, provide ideas and contacts for a local business which as a result – a few years later - decides to export or employ apprentices as a result of this and subsequent contact with the service. Whilst difficult to attribute to one input, the professionalism and knowledge of staff, through experience and regular contact with businesses, councillors and the MP, provides an important estimate of expected 'value'.

Co-ordination of Job Clubs by the Council provides a good example of the "multiplication" of inputs whereby the resources of partners are engaged to assist job seekers into work, usually within a short timeframe. Greater analysis can be made in other specific areas; OBE for example:

Economic Multiplier: Oxfordshire Business Enterprises service 1:18

OBE has over the past 3 years been developed and co-ordinated by Cherwell's Economic Development Service. It draws on 20 experienced, volunteer business advisors operating from 10 venues across Oxfordshire. From April 2010 to March 2011, 529 advice sessions in the County were held, of which 109 were for Cherwell residents, resulting in new businesses starting (now or in future), growing, remaining in business or, importantly, unviable business ideas being challenged early-on.

For Cherwell District's contribution of approximately £3,500 (in-kind in management costs as part of hosting the countrywide service), a local business support service worth an estimated £65,000 per annum is achieved for Cherwell's residents (a multiplier of £18.57 for every £1 Cherwell spends).

In total, the OBE service levers in contributions of £191,000 countywide as follows mostly from private and voluntary partners:

- £50,000 from Oxfordshire County Council's Local Area Agreement
- £26,450 (in-kind) from private venue providers (@ £50 per session)
- £105,800 of (in-kind) expert adviser time (@ £200 per session)
- £9,000 of (in-kind) OBE Ltd Board member support time

As a result of OBE advice services, many of Cherwell's businesses will, in subsequent years, grow to employ staff and generate wealth, providing significant (but difficult to quantify) economic benefit. Other Economic Development Services, such as CHIP, show similar 'multiplier' effects but are almost impossible to measure within short timeframes as the impact can take years to come to fruition. However, discussions with clients of the service indicate a very high level of satisfaction resulting in hundreds of long-term jobs: e.g. CTG, Brita, Firstline and many smaller businesses such as Burgess Reclamation, K-scaffolding and A.E. Prentice coal merchants of Souldern.

5.2 Quantitative & productivity indicators for Cherwell's Economic Development Unit

Through the Council's Performance Management System a range of indicators of activity are collected to track success and support management decisions on the allocation of resources. Key indicators of the service's current activity have been selected and are listed below.

They show that Cherwell's Economic Development Service has delivered successfully against its targets over the last three years:

Area	Target	Performance		
		2008/09	2009/10	2010/11
Create new Jobs	Contribute to the creation of 200 new jobs pa.	884	600	503
Support Jobseekers	Help 1,000 people at the Banbury and Bicester Job Clubs per year	N/A	992	1,697 to Feb 2011
Support new Businesses	Number of face-to-face OBE Advice sessions: aim to help 100 Cherwell residents each year, achieving a high level of client satisfaction	147	115	109
Business Enquiries ⁽¹⁾	No target. Responses are reactive to business requests.	267	153	130

(1) This figure does not represent a complete picture of the business enquiries received by the team. Many will come from other sources which are not recorded such as liaison with organisations such as Bicester Vision, or will be covered in discussion with businesses during day-to-day activity and not be formally recorded. As part of improving monitoring described in Section 4, mechanisms are now in place to try and capture this information more consistently to demonstrate the added value of this service area.

5.3 Performance (outcomes) across Cherwell:

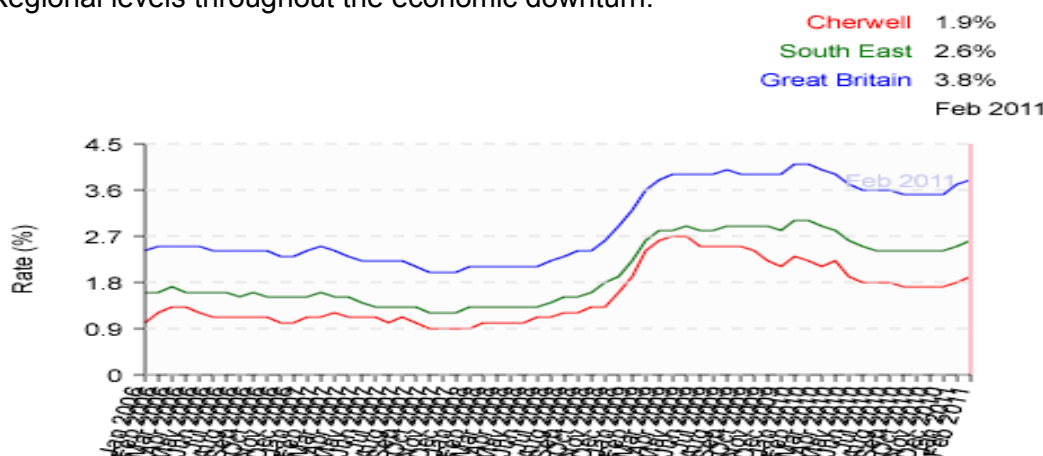
The Audit Commission in 2008/09 recommended a range of indicators that could be used to establish value for money from an economic development function over a period of time. The following are the suggested key measures:

- Unemployment
- Economically active
- skills
- resident productivity (such as average earnings)
- business growth.

Each of these will be looked at in turn. Results, where available, have been plotted onto graphs below. The figures that underpin these have been set out in Annex 5.

(i) Unemployment rate in Cherwell:

As the graph indicates, Cherwell has experienced an unemployment rate below South East Regional levels throughout the economic downturn.



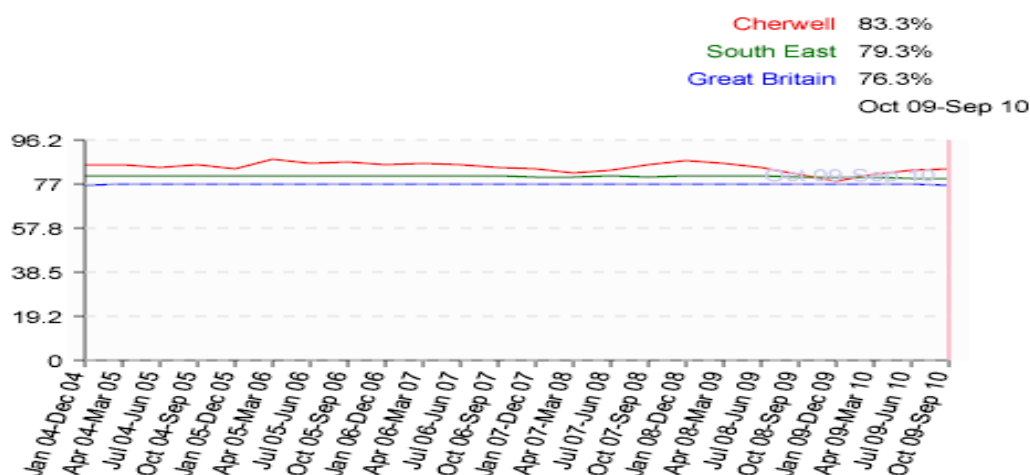
These figures show Cherwell regularly performing well against both regional and national unemployment figures. This would suggest a ‘resilient’ economy, as borne out by the “Resilience Study” carried out by Centre for Local Economic Strategies for the Council in 2010.

The draft Economic Development Strategy (November 2010) identifies several issues which sit behind the headline figures, particularly:

- Not everyone is benefiting from the high overall employment levels, such as some young people.
- The District has traditionally relied upon public sector employment (26% in 2008). This has grown over the ten years 1998 – 2008 though it is still behind the County and national averages. Public sector employment is set to fall in the near future.
- Wages in Cherwell still lag behind South East averages; however so do house prices. Overall, the cost of living in Cherwell is broadly in line with respective earning rates, and is competitive with other districts, especially those within Oxfordshire (Cherwell Employer Skills Survey 2010).

(ii) Economically active rate in Cherwell

Cherwell rate has remained at a higher level than South East Regional levels through most of the economic downturn.



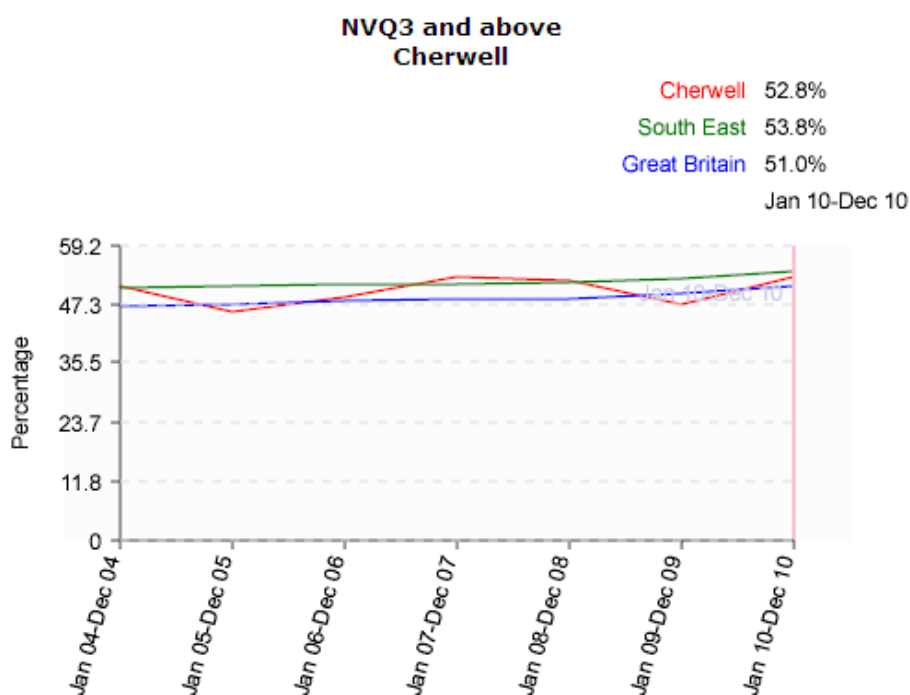
As with unemployment rates, this would suggest a resilient economy as borne out by the Centre for Local Economic Strategies Study. The draft Economic Development Strategy outlines that behind this strong position, there are pockets of deprivation within Cherwell's overall prosperity. These relate in particular to certain households within Banbury and elsewhere, including rural areas of the district.

The population of the district is set to grow significantly in the next few years as major growth is planned, particularly in Bicester. There will, therefore, be a continuing challenge to main levels of economic activity in the district and to develop skills to attract businesses.

(iii) Skills: levels of qualifications in Cherwell

The skill level across Cherwell (using NVQ level 3 or above as an indicator) took a dip in 2008 to 2009, but by 2010 has recovered to 2007 levels. Cherwell has now returned to being in front of the Great Britain average, but remains just behind the South East average.

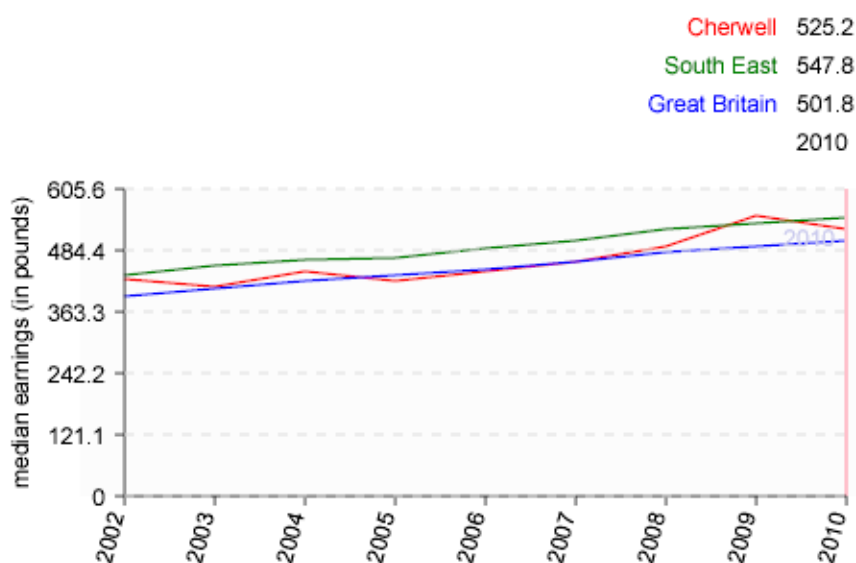
The regional and national trend is for skills levels to improve year-on-year. Cherwell's skills levels appear to be more cyclical and it is not clear, and therefore a cause for concern, whether the recovery in 2010 to 2007 skills levels will be sustained.



The draft Economic Development Strategy and the Cherwell Employers Skill Study 2010 highlight that there are still residents in Cherwell who do not have the right skills. The incidence of skills gaps has increased since 2008 (in common with other authorities across the County).

(iv) Resident Productivity: average earnings across Cherwell

Salaries for Cherwell's residents have generally remained lower than the South East average.



Given the high average earnings across the South East region, the fact that earnings are generally lower within Cherwell, which is on the edge of the region and neighbouring the Midlands region, is to be expected.

It is interesting to note that earnings by Cherwell residents are higher than the earnings by the Cherwell workforce. This suggests that many Cherwell residents commute out of the district for higher-paid work, but are attracted to live in the district because of the district's lower house prices, higher quality of life and/or easy accessibility.

(iv) Businesses & Start-ups in Cherwell

a) VAT registered or PAYE-based enterprises:

The number of VAT registered or PAYE-based enterprises in Cherwell jumped from just under 6,000 in 2007 to 7,200 by 2008 and has continued at this level to 2010.

Within Cherwell, 69% of the 7,195 businesses employ less than 5 employees, which is consistent with the general picture across Oxfordshire. Only 30 businesses in Cherwell employ more than 250 staff.

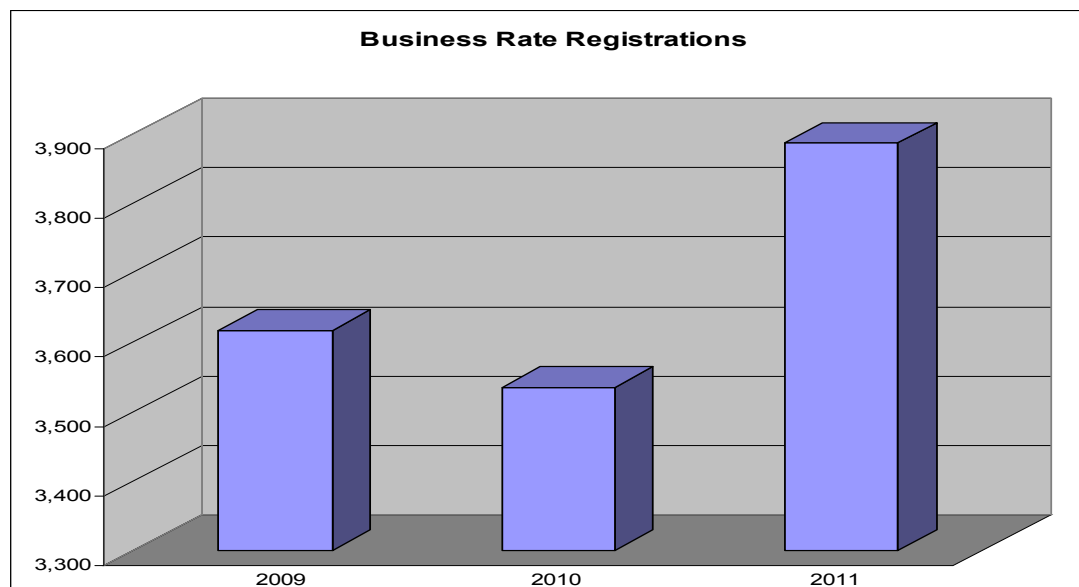
The rural nature of the district is reflected in the higher percentage of agricultural, forestry and fishery category.

No. of VAT and/or PAYE based enterprises by industry group in Cherwell – 2010		
Type	No. Enterprises in Cherwell (%in Oxon)	Total number of Oxfordshire Enterprises
Agriculture, forestry & fishing	515 (33%)	1,570
Production	410 (25%)	1,660
Construction	790 (23%)	3,410
Motor Trade	235 (26%)	905
Wholesale	345 (26%)	1,325
Retail	745 (25%)	3,030
Transport & Storage (including postal)	220 (30%)	745
Accommodation & Food Services	420 (20%)	2,145
Information and Communication	470 (18%)	2,570
Finance & insurance	140 (22%)	625
Property	205 (20%)	1,050
Professional, scientific and technical	1,055 (19%)	5,515
Business Administration & support Services	560 (22%)	2,505
Public Admin & Defence	65 (14%)	455
Education	175 (18%)	990
Health	295 (18%)	1,595
Arts, entertainment and recreation	550 (20%)	2700
Total	7,195 (22%)	32,795

Source: Office for National Statistics 2010

b) National Non Domestic Rates:

The numbers of businesses paying National Non Domestic Rates (NNDR) is also a good indicator of business activity and confidence to take on premises. The number of businesses registered to pay NNDR across Cherwell in the first week of April in each of the three years from 2009 to 2011 declined between 2009 and 2010 reflecting the downturn, but there has been a strong recovery during 2010/11 resulting in 3,886 registrations by the first week of April 2011. See Annex 5 for more detail.



5.4 Learning from other authorities

We have compared Cherwell's range of economic development services with those offered by other members of the CIPFA family group (listed in Annex 1).

This has been done through contacting economic development officers from the authorities in the family group and also interpreting their websites to understand what they are offering; an in-depth assessment has been undertaken of five of the authorities.

There is no standard range of services for an economic development function (consistent with their being no statutory requirement to provide a service and great variation in local needs and priorities). As a result, this review's discussions with officers from family authorities has been a rich and enlightening exercise which has brought a detailed level of understanding of other authority's priorities and resource allocation decisions. It is not possible to repeat all that has been learned here. A summary of what has been revealed follows:

General findings across authorities:

- All had a service to support the local economy but the nature of that service varied considerably.
- Whilst it is very difficult to compare services, lessons can be learned and good practice shared
- A 'high cost' service does not lead to the conclusion of high staff numbers as staffing arrangements in Cherwell's Economic Development Service are quite similar to comparator authorities, with some having more senior posts
- 'Economic Development' can be located alongside various service departments, with planning and regeneration being the most common but all require corporate relevance and support to be most effective.
- Continuity of an Economic Development service over the years ensures that momentum and partnerships can be maintained to support long-term objectives around skills, jobs and business development.
- Budgets are expected to remain the same for 2011/12, reflecting local authority wishes to lead local economic development during this time of financial constraint.
- A local economic development strategy is necessary to provide direction, especially with the recent weakening of regional support, to ensure that local partners work most effectively for wider community benefit. Basingstoke recognises that its 'functional economic area' is beyond its own boundary and so is combining with neighbours. Partnership work is very important for all councils and in two tier areas an effective division of responsibilities with the county council is a big issue.

Comparing areas of economic development activity:

- **Job Clubs:** none other than Cherwell provided a Job Club directly. Colchester is beginning to attend a club being started by others in a deprived neighbourhood.
- **Investment:** all authorities undertake some local promotion and/or assistance to businesses, often linked to the statutory Local Planning Authority role, where it is possible to provide much practical assistance.
- **Skills:** all recognise the importance but only Basingstoke has 'skills' within the title of one of its posts, a post which also covers international partnerships and tourism
- **Rural:** this generally has a lower priority than urban areas and is served by mainstream economic development services
- **Research:** Colchester has a research team within the directorate which has helped economic development in its strategy development work
- **Broadband:** A common ambition but authorities are not leading directly, awaiting partnerships or private providers to progress
- **Enterprise support:** no other authorities host an enterprise support service but Chelmsford is considering doing so based upon the OBE model
- **Estate management:** Harrogate & Colchester have large budgets due to handling corporate property and development programmes, gained through rental income and

external funding. Close links with ED (wherever it sits) are required for local regeneration schemes

- **Business support:** all have an officer to liaise with businesses and to organise events and activities
- **Property Assets:** Chelmsford manages significant property assets
- **Section 106 funding:** Chelmsford manages Section 106 monies and other funding streams, such as the growth fund from Government
- **Tourism:** all authorities had interest in the development of the visitor economy but only some took direct control of information services through economic development – further details below.

5.5 Comparing Cherwell's performance with other local authorities: Value Matrix

The Value Matrix detailed in Annex 2 attempts to demonstrate if there is a relationship between the local authority's economic development activity and a better (or a more resilient) economic performance of the economy. The Matrix looks to comparatively rank the scope and range of the service offered by Cherwell's economic development service against other authorities in the CIPFA comparator group and then, if any impact can be seen on the performance of the economy over a period of time.

The Value Score has been derived by making a detailed, subjective assessment of comparator authorities based on the extent of their economic development service, scoring from 0 to 10, where the higher the score the greater the range and scope of the service offered.

This assessment shows:

- Cherwell offers the highest value for the highest per head cost in the comparator group, against others where a detailed assessment has been achievable.
- Cherwell's high value score has been derived due to the wide range of services offered and the extensive scope of the services in comparison to others.

In terms of impact on the economy, Cherwell's economic development service has focused since 2008/09 on supporting local businesses and local people affected by the economic downturn. This has made a contribution to local economic well being. By 2010/11 changes in local indicators show:

- Cherwell is the second fastest to return to its Dec 2008 levels of unemployment among its CIPFA comparators.
- Cherwell's unemployment in Oxfordshire has recovered fastest among the Districts over the same time period.
- However, skill levels in Cherwell (at NVQ level 3 and above) show a decline between 2008 and 2009, along with a third of the 14 other comparators in the CIPFA family group. More recent data is needed across all the comparator authorities to determine if this is a current trend, but when comparing Cherwell (see section 5.3) against the South East Region, it can be seen that Cherwell is already running counter to the South East trend of increasing skill levels and needs to improve.

5.6 Linkage between Economic Development and Tourism

It is clear that a number of our comparator authorities, such as Colchester, include Tourism within their Economic Development function (employing 8 staff), with a focus towards tourism as an employment sector worthy of promotion and marketing due to the economic gain to the local economy. Three of the seven authorities responding had their tourism function within 'economic development'.

In Cherwell, the tourism economy was estimated to be worth over £300m in 2009, employing 6.6% of the local workforce. In comparison to our neighbours, Cherwell attracts a far higher proportion of day trippers, reflecting the draw of destinations like Bicester Village, whereas Oxford City enjoys the highest number of nights stayed, helping make their tourist economy worth nearly £700m.

At Cherwell, support for tourism is provided by Recreation and Health through two functions: information services through Banbury and Bicester Village Tourist Information Centres, and marketing promotion/website via 'Visit North Oxfordshire'.

The Economic Development Service is involved in supporting the longer-term development of 'the visitor economy' in relation to tourism businesses (overnight accommodation, attractions, etc.) through its core services:

- Advice to start-up (tourism) businesses through OBE
- Promotion of sites and premises for tourism businesses through CHIP
- Pre-application discussions with applicants and consultation response support to planning.

'Government Tourism Policy', published by DCMS in March 2011, favours new, industry-led local tourism bodies to provide for the management of destinations, suggesting a reducing role in the direct provision of tourism services by local authorities and an enhanced role for private/social business partnerships. To attract tourism investment, however, the private/public and social sectors will have to work closely together to compete globally to build 'resilience' in this important 'wealth creating' sector of local economic activity.

As can be seen, the focus of Cherwell's tourism team and the economic development team are quite different. However, this policy trend suggests a future need to reconsider the relationship between the economic development and tourism work undertaken by CDC if supporting the development of industry-led tourism becomes a local priority. This is debated further in the parallel Cherwell VFM Review of Tourism, 2011.

6.0 Future Vision to 2016

6.1 Strategic Context

Cherwell's Economic Development Service plays a key role, working with employers and partner organisations, to support delivery of the Cherwell Community Strategy's overall Vision to 2030 of "a diverse economy with opportunities for all, vibrant communities connected by a sense of pride, place and purpose".

The draft Cherwell Economic Development Strategy to 2016, being developed by partners across Cherwell and led by the District Council, sets out a vision for the aspiration and needs of the local economies of Banbury, Bicester, Kidlington and rural areas, as well as Cherwell-wide issues of:

- supporting existing companies to be successful and productive, especially in international markets, aiming to reverse the relatively low-wage local economy
- selective encouragement of inward investment, supporting diversity
- identification of development sites for economic growth
- strengthening technical capacity, leading expansion of high-technology, specialised sectors
- balancing population and business growth with infrastructure requirements
- Overall, maintaining Cherwell as a good place to live and work

Whilst intended as a Strategy delivered by many employers and partners working together, the themes for delivering the Economic Development Strategy directly shape much of the future leadership and delivery role of Cherwell's Economic Development Service:

6.2 Emerging Economic Development Strategy Delivery Themes:

Theme A: Resilience

- A diverse and resilient economy
- Strong and flexible partnerships that add value by working together
- Maximise the gain from the "green economy" arising from Eco-Bicester
- Responding to the challenge from the Centre for Local Economic Strategies in 2010: *'The catalytic elements are in Cherwell, it just needs gluing together.'*

Theme B: People, Business and Place

Developing People: Our people are our greatest asset in our community, we will:

- create employment
- provide access to employment
- enhance skills
- improve the life chances of people living in some of Cherwell's less prosperous areas
- ensure wages keep pace with local costs of living

Developing Business: Businesses will work with public and social partners, each other to become stronger and more diverse, we will:

- promote business start-ups and entrepreneurship
- develop local procurement and supply chains
- promote business & cluster development
- attract new investment
- develop a "World Class" business community and develop the visitor economy

Developing Place: So Cherwell is an even better place to live, work and play, we will:

- promote employment sites & premises
- manage infrastructure development
- support rural areas and urban centres.

6.3 Economic Development Service: Vision 2011 – 2016

The service aims to lead and shape delivery of significant elements of the Cherwell Economic Development Strategy to 2016, contributing to its delivery to the best of its ability within available resources.

By 2016 the Economic Development Service will have contributed towards and be able to evidence a range of **strategic benefits** to Cherwell:

- **Increased resilience and diversity of the business community across Cherwell:** How the economy has become more diverse and resilient over the 5 years of the Economic Development Strategy.
- **Balanced economic development and housing growth:** through promotion of economic development through business advice and support, inward investment and Local Enterprise Partnerships (Cherwell's Corporate Plan 2011/12)
- **Gains from Eco-Bicester:** Demonstrable economic gain from the significant opportunities offered by the exemplar national Eco-Bicester project of 5,000 homes and at least 5,000 jobs.
- **Value added through Partnership Working:**
 - added value to the Brighter Futures in Banbury Programme (Cherwell's Corporate Plan 11/12).
 - reduced the number of young people not in education, employment or training across the district. (Cherwell's Corporate Plan 2011/12).
 - support for local people into work – such as creation of apprenticeships and co-ordination of Job Clubs (Cherwell's Corporate Plan 11/12).

Local outcomes will be used to measure against baseline data and annually set targets, so that by 2016 we can show we have contributed towards:

- Numbers of employment opportunities created.
- Increased number of VAT and NNDR registered local businesses.
- Reduced number of young people not in education, employment and training (Cherwell's Pledges 2011/12) – both 16-18 year olds and under 25s.
- Retention of the low level of unemployment, experienced in 2010.
- Increased qualifications among residents of working age – particularly NVQ 3 plus.
- Wage rate levels
- Outcomes focused in priority areas: Bicester Eco Town and Brighter Futures for Banbury Wards

6.4 Achieving the Vision

Taking a Strategic Lead for delivering the Economic Development Strategy:

- We will champion the overall delivery of the Economic Delivery Strategy 2016 and respond to the challenge to bringing the catalytic elements in Cherwell together.
- We will commit to deliver annual plans representing Cherwell's contribution.
- We will review progress each year through the Local Strategic Partnership which will hold partners to account for their contribution.

Theme A: Resilience

A1. Supporting the development of a diverse and resilient economy

- We will promote cohesion of the business community through close working with organisations like the Chambers of Commerce.
- We will provide a network of support to local businesses of information, advice and guidance.

- We will connect local businesses together to increase the knowledge of what is available locally.
- We will encourage local procurement and procure locally ourselves wherever we are able.

A2 Leading or contributing significantly to Partnerships that we consider add value:

- We will prioritise the following Partnerships:
 1. Local Enterprise Partnerships – both SEMLEP & Oxford City Region LEP
 2. Cherwell Job Club Strategic Alliance of Partners
 3. Brighter Futures in Banbury Steering Group
 4. Oxfordshire Business Enterprises
 5. Bicester Vision
 6. Cherwell Investment Partnership
 7. Cherwell Local Strategic Partnership
 8. Cherwell Skills Board
- We recognise the networking value associated with Partnerships, and value this benefit in the context of supporting outcomes and delivering benefits.
- We will maximise the gain for Cherwell from Partnerships to which we have agreed to be members, such as drawing on our regional professional and employers' networks.
- Where we lead, we will be clear of the objectives of the Partnership and its aims for the year with appropriate, focussed forward planning and reporting back in the Annual Report.

Future funding of OBE may become an issue as early as April 2012 and Cherwell is already in discussions with key partners. The Council may need to look to alternative partnership funding sources or fill the funding gap from its own resources (as it has done previously).

A3 Maximising the economic development gains from Eco Bicester:

- We will explore joint marketing with P3Eco of Bicester as the eco destination for commercial investment.
- We will use our unique position to promote Eco Bicester to our business contacts, particularly new business start-ups such as to clients of Oxfordshire Business Enterprises.
- We will support our partners to maximise their offer, such as the College's plan for eco skills training centres in Bicester.

Theme B: People, Business and Place

B1 Developing People

(i) Get local people back into local jobs:

- We will co-ordinate Cherwell's Job Clubs and the associated website, while resources allow and until such time as the economic situation improves.
- We will re-focus Cherwell's support for Job Clubs towards "special events":
 - specific employment sectors (e.g. Health & Social Care) or employers
 - specific groups of clients (e.g. young people or graduates)
- We will look to Partners to increase co-ordination of "routine" elements of the regular Job Clubs, particularly developing the offer at alternative venues such as libraries. This will need to be actively considered during 2011/12.

Future funding for Job Club is a key issue to be addressed. The Council will need to seek increased sponsorship, greater self help and also make more of its remaining project budgets

available to support this service. It is to be hoped that an improving economic climate will allow a careful re assessment of the form of service needed.

- (ii) Careers Advice: improving skills and access to jobs
 - We will support local co-ordination of careers advice for the benefit of Cherwell's residents.
 - We will work with partners, like JCP and local GPs, to increase resident referrals for support in access skills and jobs.
 - We will work with partners to increase local, accessible venues for careers advice.
- (iii) Employer Support:
 - We will work with employers with local vacancies looking to recruit local people.
 - We will co-ordinate special recruitment events for significant opportunities.
 - We will work with local employers looking to make redundancies, tailoring the package accordingly, co-coordinating Partners to support employees.
- (iv) Supporting Young People:
 - We will focus our economic development activity towards supporting young people not in employment, education and training, specifically we will:
 - host Young People's Job Clubs with our partners.
 - encourage employers to take on apprentices and work-based training.
 - We will employ apprentices ourselves.
 - We will support mentoring schemes through the local schools and encourage schemes such as Young Enterprise.

B2 Developing Businesses

- We will support existing businesses in Cherwell, prioritising supporting local businesses ahead of attracting new businesses into Cherwell (inward investment).
- We will increase the profile of what we have to offer existing businesses, recognising the withdrawal of regional Business Link support, such as:
 1. Support and advise local businesses looking to expand or relocate.
 2. Host business events & clubs to support business growth, such as the Export Club and Cherwell Investment Partnership.
 3. Support new businesses starting up with free, expert advice and information from Oxfordshire Business Enterprises.
 4. Promote Cherwell M40 Investment Partnership, its website and Working Group as a portal for businesses to find answers to their queries and help to invest.
 5. We will maintain an up-to-date database of businesses in Cherwell and available land and premises.

B3 Developing Place

- We will support Bicester Vision and Banbury Town Centre Partnership as they develop the sense of place and identity of these Towns.
- Offer use of our premises to Partners if it helps our residents affected by the economic downturn, such as Jobseeker Allowance claimants signing-on at Cherwell's Bicester Linkpoint and expert careers advisors from the Government's Next Step Service using the Council's Linkpoints to offer free, confidential careers advice to Cherwell's residents.

6.4 Funding the Vision

The Vision will need to be funded from existing resources. The most significant element of spending is staff costs and discretionary spend on "supplies and services". Some current activities rely on other funding (either internal funds for Job Clubs or external funding for OBE and Job Club expenses). The continued availability of this funding will need to be assessed on an annual basis and will be considered through the annual budget and service planning process. See Expenditure Section 3.3 and Savings Options Section 7 for more detail.

7.0 Savings Options

7.1 Savings Options

This section considers a range of savings options that may be considered as part of this VFM Review and recommends implementation of option 1b), reducing the spend budgets by a gross amount of £35,000. The savings offered are divided into the following options:

- Savings to discretionary budgets within the control of the service, ranging from £20k - £65k gross (Options 1a to 1d)
- Ceasing to contribute to Bicester Vision, saving up to £15k (Option 2)
- Reducing staffing, saving up to £20k (Option 3)
- Cease provision of the service totally, saving up to £200k (Option 4)
- There may also be some (very limited) opportunities for income generation (Option 5).

7.2 Discretionary Savings Strategy

The strategy recommended is to preserve those areas of spend best able to support the Vision set out in section 6. The Vision sets out a rowing back on general inward investment activity, a preservation of current support for businesses and the Council's response to the recession, and a gearing up to support the Eco Bicester business growth potential, through specific inward investment activity, and the Council's presence in two Local Enterprise Partnerships.

Discretionary spend is from the "inward investment and "special projects" budgets:

- "Inward Investment" budget which has recently been used to fund a range of activities including developing the CHIP website, publishing the "Business Moves" magazine (to promote further investment and to keep existing businesses informed), sponsorship of the Oxfordshire Enterprise Hub, Oxfordshire Business Enterprises, funding of studies to support the Economic Development Strategy and producing other publicity material. In the past it has funded advertisements and exhibitions to attract new investment.
- "Special Initiatives" budget funds - in partnership - a number of initiatives including setting up the Job Clubs, Banbury in Business events and Innovation Awards.

In practice, the two budgets are used interchangeably and total £85k. Spending on these budgets has varied considerably depending on a range of circumstances. These include the availability of other funding streams for certain activities (for example partner support with the printing of material for Job Club) but more significantly, spending has varied according to local priorities and following assessment of whether the spending would constitute value for money. For example, during the recession the council took advice from partners and chose not to spend on certain inward investment activities (such as attending exhibitions).

In 2009/10 and 2010/11, the spending against these two budgets has been less than £50k. If, however, activity (and commensurate spending) increases to levels seen before 2009/10, then this level of saving would restrict the ability of the service to respond to identified needs.

As shown in section 1, two key services are managed and hosted by Cherwell's Economic Development Team, but funded from other sources; therefore reducing these functions would not, under current arrangements, produce direct revenue savings to the Council:

- The Oxfordshire Business Enterprises service, which is funded by Oxfordshire County Council at present, but faces future funding risks.
- Job Club Co-ordination, which is funded from the Council's LABGI Government grant (which has been ring fenced for economic development activity) to cover the salary of the co-ordinator through to the end of March 2012. The County Council has been reimbursing the Council for some expenses associated with running the Job Clubs, but as noted previously there is uncertainty over continuation of this contribution. The Council is seeking contributions from the private sector to offset this.

It is, however, important to note that there is a crucial relationship between consideration of future CDC project / initiatives budgets and the ability of CDC to support these functions if partnership support is reduced.

7.3 Option 1 Reduce Expenditure on Supplies and Services

Summary Table based on 2010/11 budget (extract from Table 3.3)

Activity Sources	Supplies & Services (excluding Job Club covered by income) £	Supplies & Services spend spread over activities £'000	Saving Option 1a) £'000	Saving Options 1a)+b) £'000	Saving Options 1a) + b) + c) £'000	Saving Options 1a) + b) + c) + d) £'000
Economic development	82,374	16			(10)	(12)
Business Support		17	(6)*	(6)*	(11)*	(14)*
Economic strategy		6		(5)	(5)	(5)
Cherwell Investment Partnership (CHIP)		37	(14)	(24)	(24)	(30)
Local Enterprise Partnership		6				(4)
Total gross savings*			(20)	(35)	(50)	(65)

* note £20k has already taken from the 2011/12 budget in anticipation of the VFM Review findings and is already reflected in the 2011/12 budget in section 3.

Option 1: To reduce the unrestricted "supplies & services" budget (£82,000)	Year saving commences	Comment
Option 1a) Reduce by £20,000 <u>Saving Sources:</u> 6K Business Support (Printing Budget) 14K CHIP funding £20K	2011/12	<p>It is considered that these budgets can be reduced by £20k without impacting upon the broad ability of the team to deliver the current Service Plan.</p> <p>The VFM Review of communications identified a saving of £6k for the "Business Moves" magazine to move to electronic format from the start of the 2011/12 financial year, and this saving has been counted as part of the £20k reduction.</p> <p>The recommended Vision for Economic Development envisages focusing support to existing businesses ahead of investing in attracting new business. The additional £14k reduction will be taken from this activity.</p> <p>This is a continuation of the pragmatic stance taken in recent years, where project budgets have been reduced by small amounts in order to contribute to overall council efficiency savings. This approach has been considerably assisted by the change in focus of economic development projects away from general promotion to recession response. Significant</p>

Option 1: To reduce the unrestricted “supplies & services” budget (£82,000)	Year saving commences	Comment
		partnership funding sources have been available for the type of project work now being undertaken (such as job clubs / enterprise support). In future these funding sources will diminish, or will be at greater risk (see comments below).
<p>Option 1b) Reduce by £35,000</p> <p><u>Saving Sources:</u> 20K Option 1a) 10K CHIP 5K ED Strategy 35K</p>	2011/12	<p>In 2009/10 spending against this budget was less than £58K, largely because of much reduced promotion and marketing activity, and in 2010/11 dropped to an historic low of less £37K, when the Council’s contribution towards Oxfordshire Business Enterprise was funded by the Oxfordshire Economic Partnership/County County. Business support has continued but the new focus of work has been on recession response initiatives which involve more direct spend on staffing. This staffing spend has been part funded from reserve / external / partnership sources.</p> <p><u>Reduction in CHIP expenditure:</u> It should be noted that there was a deliberate Service Plan decision to cease promotional advertising and exhibition work designed to create an inward investment profile under the Cherwell Investment Partnership (CHIP) banner. It was judged that market conditions mean there is limited benefit from this form of promotion. Currently it is better to respond only to direct enquiries about the District.</p> <p>In improved market conditions, or with changed objectives, the Council may wish to reactivate this type of spend, and this option would effectively restrict the Council’s ability to do so. An example of this could be economic promotion of eco-Bicester which may entail advertising, exhibiting at trade fairs, etc. These are costly activities, and the savings would seriously affect the Council’s ability to fund such initiatives in the future.</p> <p><u>ED Strategy reduction:</u> As noted in this report the 2010/11 year saw the in-house development of a new Strategy to 2016. Limited associated expenses (research and monitoring) can be taken as savings from 2011/12 onwards.</p> <p>Reducing the base budget under Option 1b will compromise future flexibility to undertake projects. This would definitely impact on the promotional initiatives mentioned above. It might also impact on current recession related activities if partnership funding resources dry up (this is likely in respect of job club and enterprise support - see details elsewhere in the report).</p>

Option 1: To reduce the unrestricted “supplies & services” budget (£82,000)	Year saving commences	Comment
<p>Option 1c) Reduce by £50,000</p> <p><u>Saving Sources:</u> 35K Option 1b) 10K Econ Dev 5K Bus. Support 50K</p>	2011/12	<p>As explained in Option 1b), in 2010/11 spending on the supplies and services budget was at an historic low of less than £37K due to particular in year savings, when CDC’s contribution to Oxfordshire Business Enterprises was funded through Oxfordshire Economic Partnership/ County Council).</p> <p>Issues noted above under Options 1a) and 1b) apply to a greater degree to this option, specifically:</p> <p><u>Econ Development:</u> A reduction of this budget by 64% (to £5,670) would restrict the ability, for example, to lead research and actions to develop skills locally, to support innovation and growth or to undertake key local summits with businesses and the local Member of Parliament.</p> <p><u>Business Support:</u> A reduction of this budget by 60% (to £7,469) would restrict, for example, the means of supporting business groups in promoting local centres or developing the existing (dated) employers database.</p> <p>This level of saving could, theoretically, be achieved but would significantly weaken the capability and flexibility to re-consider funding key operational activity if current funding streams, such as from OCC, were to cease. The Council would also lose a significant capability to spend on promotional / inward investment work, especially to deliver the proposed focus on Eco Bicester set out in the Vision.</p>
<p>Option 1d) Reduce by £65,000</p>	<p>£50k in 2011/12 and a further £15k in 2012/13</p>	<p>This level of saving would remove the ability of the service to financially support most of the activities on which it is presently engaged and seriously hamper the operational flexibility and quality of the team’s work.</p> <p>A suggested allocation in the savings is detailed in the Option 1 summary table above, but in reality the allocation of the total funding would be based on meeting Vision priorities as and when they arose.</p> <p>Project activities such as business events, research (e.g. the recent Cherwell Skills Survey and Resilience Study) would certainly cease.</p>

7.4 Option 2: Cease Contributions to Bicester Vision

Option 2	Year saving commences	Comment
Cease to contribute £15k to Bicester Vision	2012/13	<p>The contribution to Bicester Vision supports the work of that organisation and in particular helps to pay the salary of the Partnership Manager.</p> <p>The Council has committed to contributing for 2011/12.</p> <p>Bicester Vision is funded entirely by its partners, and the majority of its funding comes from the private sector. The Council has informally indicated that on the basis of this good partnership support, and the valuable work that BV does within Bicester, it would hope to continue to provide this level of support. It should be noted that Bicester Vision receives £35k from the county, district and town councils together. The withdrawal of CDC support could well lead to other public sector providers similarly withdrawing support which would seriously undermine both the financial basis on which Bicester Vision operates and its credibility as a public/private sector partnership.</p>

7.5 Option 3: Reduce Salary Bill

Option 3	Year saving commences	Comment
Reduce salary bill by £20k.	2012/13	<p>Any reduction in staffing costs would need to be carefully considered on the basis of a review of functions and normal organisational change procedures. £20k is a notional indication of savings that could be achieved without total loss of the service. There would also be some one-off implementation costs associated with any staff savings.</p> <p>Overall the Council would have to make decisions as to which areas of economic development it wished to cease to support in view of any reduced staffing level.</p> <p>However it is clear that staff reductions combined with reduced project budgets would seriously hamper the operational viability of the team and its ability to undertake pro-active projects as opposed to responding to reactive enquiries for business support.</p> <p>As part of consideration of Options 1-3, it should be noted that there exists the potential to use the LABGI Fund to replace reduced revenue budgets. Currently LABGI funding is supporting the post of Job Club Co-ordinator. This source of funding is, however, limited with less than £100k unreserved. It will not be replenished and could therefore only be a short term solution to any revenue funding deficit.</p>

7.6 Option 4: Cease the Current Service

Option 4	Year saving commences	Comment
Cease providing current service~ saving of around £200k	2012/13	As the service is not statutory, this is an option available to the Council. Implications for current Corporate Objectives would be significant and would also impact upon the Council's general responsibility to promote the economic wellbeing of the area, and leadership within the Local Strategic Partnership.

7.7 Option 5: Income generation

Further opportunity for reducing costs would be through income generation. Currently, the costs of Job Club are defrayed from the Council's in-house reward fund LABGI and the OBE service is defrayed by funds from the Local Area Agreement via Oxfordshire County Council.

Neither of these are true external income sources, but they do reduce current costs for the Council. Further funding opportunities could also be explored including:-

- Private sector contributions to certain activities (such as we are beginning to see with contributions to support Job Club). However these are opportunity dependent windfalls, not reliable sources.
- Bidding for grants to undertake project work but this is unlikely to help core funding to deliver services.
- Charging for certain services (such as the provision of information and advice). The opportunities for this are likely to be very limited and would be counter productive if they reduced demand or service access.

7.8 Conclusions and Savings Recommendations

The savings options set out above have been framed in the context of the scope of the current services and the vision for the service through to 2016 set out in section 6 above.

Savings are offered by this Review in recognition of the Council's requirement to achieve its Medium Term Financial Strategy; however, taking savings may have implications on the Council's ability to deliver its economic development service in line with the Vision set out in section 6, particularly in the developing areas of economic development support for "eco-Bicester" and the two Local Enterprise Partnerships.

The overall recommendation is a saving of £35k gross as set out in option 1b) above, with immediate effect within this current financial year of 2011/12.

Taking the saving with immediate effect will generate an in-year saving from the 2011/12 budget and savings from subsequent years' budgets.

Delivery of this saving being achieved by reducing the unrestricted "supplies and services" budgets by a gross amount of £35,000, recognising that £20,000 has already been taken from this budget in anticipation of savings from this VFM Review (therefore a net additional saving of £15,000 is being offered).

In detail, the savings will be spread across the following business areas:-

- (i) Continue to distribute the "Business Moves" magazine in electronic format only and cease to produce the printed version. This magazine is published by Cherwell Investment Partnership and moving across to electronic only will save £6,000. This saving option was identified as part of the VFM Review of Communications undertaken in 2010/11.

- (ii) Reducing financial support for the Cherwell Investment Partnership by £24,000. This would reduce the money available for inward investment activities such as economic promotion campaigns and exhibitions.
- (iii) Reducing spending on the Economic Development Strategy by £5,000. This has been a major piece of work in 2010/11 and is currently being finalised. Limited further expenses in the future can be taken as a saving from 2011/12 onwards.

In making this saving recommendation, the impact would be limited in the short-term; however, three key risks and opportunities should be noted:

- The savings offered will enable the Council to retain a reduced degree of flexibility to deploy initiatives and interventions as needs dictate across the district. This reduced flexibility will not allow for significant spending on any new key initiatives which may emerge. An example of this could be economic promotion of eco-Bicester which may warrant a range of potentially costly activities. Therefore, the savings offered would seriously affect the Council's ability to fund such initiatives in the future.
- Key elements of the current Economic Development service are currently supported financially from external sources (e.g. Oxfordshire Business Enterprises and Job Clubs). The savings offered are based on an assumption that these funding sources continue. Should this funding cease and the service be assessed as needing to continue in Cherwell, it would put additional burden on the reduced budget and economic development spending priorities would need to be re-assessed.
- Cherwell's in-house reserve fund LABGI (generated from Government grants no longer available) is ring-fenced for economic development purposes and stands at just under £100k of unreserved funds. This reserve offers an opportunity to fund new initiatives or provide short-term, temporary funding for services where external funding has been withdrawn. It is clear that this one-off fund would not last long if required to fund multiple priorities.

Annex 1: Comparator Authorities and Definitions

The CIPFA family members Cherwell are those with whom auditors and inspectors compare Cherwell:

REVENUE ACCOUNT BUDGET DATA (RA) 2010/11 – CDC's NEAREST NEIGHBOURS AS DEFINED BY CIPFA				
Authority	Mid Year Population Estimate 2008	Economic Dev	Exp/head	Value Score ⁵
Ashford	113,500	(47,000)	(0.41)	
Aylesbury Vale	176,000	298,000	1.69	
Basingstoke and Dean	161,700	535,000	3.31	6
Braintree	142,100	134,000	0.94	
Cherwell ¹	138,200	640,000	4.63	9
Chelmsford ²	167,100	(2,446,000)	(14.64)	7
Colchester ³	181,000	(1,400,000)	(7.73)	8
East Hertfordshire	135,500	376,000	2.77	
Eastleigh	121,000	315,000	2.60	
Harrogate ⁴	160,500	425,000	2.65	7
Maidstone	145,400	326,000	2.24	
Test Valley	115,400	246,000	2.13	
Tonbridge and Malling	117,100	81,000	0.69	
Vale of White Horse	116,900	496,000	4.24	5
Quartile – lowest cost		94,250	0.75	
Average		(1,500)	0.37	
Median		306,500	2.19	
Quartile – highest cost		412,750	2.74	
Other more local authorities with whom to compare				
WODC	100,000	276,000	2.76	
Stratford	145,600	117,000	0.80	4
Warwick	174,900	302,000	1.73	
SNC	88,200	210,000	2.38	

¹ Cherwell's RA figure is £640k. For comparative purposes it could be argued that this is too high as it includes £113k, relating to Town Centre Management and £15K other adjustments, on top of Cherwell's £512k budget in accordance with the RA Definition, below.

² Chelmsford – manages significant property assets and section 106 income as well as government growth monies that create a large income stream against the costs of the service (£2,446,000).

³ Colchester show net expenditure of (£1.400,000), however this is due to income of (£2,757,000) from commercial lettings being included. Excluding that income their cost would be £1,357,000.

⁴ Harrogate's figure of £425,000 includes (£500,000) income workspace & conference venue and approx (£338,000) of Regional Development Agency funding for regeneration schemes.

⁵ The Value Score has been derived by making a detailed, subjective assessment of a selection of authorities based on the extent of their economic development service, on a score of 0 to 10, where the higher the score the greater the range and scope of the service offered. See Annex 2 for more detail.

The following services are included with the CIPFA definition. Due to the definition, Cherwell's economic development service is being compared against the following income generating activities, which Cherwell does not currently undertake:

- Authority operated (weekly style) markets. CDC's markets are operated by a private company and a decision has been taken to include the income in a different RA category.
- Authority operated conference centres (not a CDC area of activity)
- Authority owned Shopping Centres (CDC is a shared holder in Castle Quay, and there is a substantial income. The Council also owns a number of small shops. A decision has been taken to include all income from shops as general investment income in another part of the RA return. Other councils appear to set such income against general economic development activity.)
- Building & letting of subsidised units (such as small business start-up units which Cherwell has previously been involved with, but is not currently).

It is clear that some of the activities listed above are likely to generate significant income streams, and that is why some authorities are making substantial surpluses. This makes straight net expenditure comparisons of Economic Development functions between authorities somewhat meaningless, and particularly so against Chelmsford and Colchester:

- Chelmsford manages significant property assets, Section 106 monies and other funding streams, such as the growth fund from Government, which generates a surplus of £2.4m
- Colchester has a significant commercial lettings function which generates a surplus of £1.4m.

Definition:

CIPFA Revenue Estimate (RA) Definition for comparison purposes: Line 595 - Economic Development

- Understanding, promoting and supporting the economic well-being of the area.
- Economic research
- Premises development
- Building and letting of subsidised units for start-up businesses etc;
- Maintenance and repairs of public furniture in pedestrianised areas where this is not the function of the Highways service
- Conference centres;
- Shopping centres;
- Other non-service based premises held for future development. Exclude surplus properties awaiting disposal or being held as investment properties;
- Implementation of development on particular sites in pursuit of a proposal in the development plan, or a departure from it.
- Market undertakings – facilities for market traders & collection of their rents.
- Grants, loans & guarantees – financial incentives for business expansion.
- Support to business and enterprise
- Training and employment
- Government initiatives
- Promotion and marketing of the area

Annex 2: Value Matrix

The Value Score* has been derived by making a detailed, subjective assessment of comparator authorities based on the extent of their economic development service, scoring from 0 to 10, where the higher the score the greater the range and scope of the service offered.

The range of services tested with comparator authorities were as follows:-

- Understanding, promoting and supporting the economic well-being of the area.
- Support to business and enterprise
- Economic research
- Training and employment
- Promotion and marketing of the area
- Government initiatives
- Grants, loans & guarantees
- Tourism development

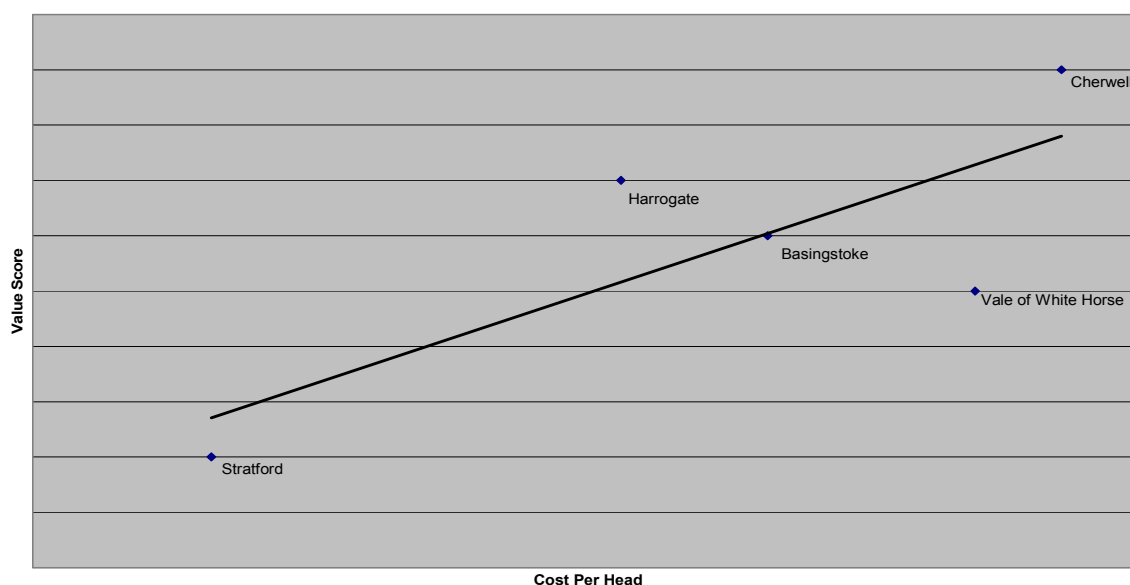
Cherwell has been assessed as offering the highest value in the comparator group, against others where a detailed assessment has been achievable. Cherwell's high score has been derived due to the wide range of services offered, the extensive scope of the services.

The below graph shows that Cherwell's economic development service, while being the highest per head cost, is offering the highest value service among its comparators.

In terms of impact on the economy, Cherwell's economic development service has focused since 2008/09 on supporting local businesses and local people affected by the economic downturn. This has made an impact locally and by Dec 2010:

- Cherwell is the second fastest to return to its Dec 2008 levels of unemployment among its CIPFA comparators
- Cherwell has recovered fastest among Oxfordshire to its Dec 2008 levels of unemployment
- Cherwell's approach to economic development and impact has been independently validated by the Centre for Local Economic Strategies Study in 2010.

Comparison Cost Per Head with Value Score



Note: this graph excludes Colchester and Chelmsford as their cost per head is not comparable due to the significantly income both authorities attract.

Value Matrix Data Table:

Comparator LA	JSA claimants %				% change NVQ Level 3 plus: 08 vs 09	Value Score*	Cost per Head
	Dec 2008	Dec 2009	Dec 2010	% Change 2008 to 2010			
Eastleigh	1.9%	2.5%	1.8%	-0.1%	(0.7)%	n/a	2.60
Cherwell	1.6%	2.1%	1.7%	0.1%	(4.8)%	9	4.63
Test Valley	1.3%	1.9%	1.5%	0.2%	(4.3)%	n/a	2.13
Tonbridge & Malling	1.4%	2.1%	1.7%	0.3%	3.8%	n/a	0.69
Aylesbury	1.4%	1.9%	1.7%	0.3%	4.9%	n/a	1.69
Harrogate	1.4%	2.2%	1.8%	0.4%	0.9%	7	2.65
Colchester	2.2%	2.8%	2.6%	0.4%	3.2%	8	(7.73)
East Hertfordshire	1.4%	2.1%	1.8%	0.4%	2.1%	n/a	2.77
Basingstoke & Dean	1.5%	2.6%	2.0%	0.5%	4.9%	6	3.31
Braintree	2.3%	3.2%	2.8%	0.5%	(5.9)%	n/a	0.94
Vale of White Horse	1.1%	1.8%	1.6%	0.5%	(1.1)%	5	4.24
Chelmsford	1.8%	2.5%	2.4%	0.6%	1.3%	7	(14.64)
Maidstone	1.6%	2.6%	2.2%	0.6%	1.5%	n/a	2.24
Ashford	1.9%	2.7%	2.5%	0.6%	0.8%	n/a	(0.41)
Other Authorities of Interest:							
W O D C	1.0%	1.5%	1.2%	0.2%			2.76
South Oxfordshire	1.2%	1.7%	1.4%	0.2%			
Vale of White Horse	1.1%	1.8%	1.6%	0.5%			
Oxford	1.9%	2.5%	2.4%	0.5%			
Warwick	2.0%	2.7%	2.1%	0.1%		n/a	1.73
Stratford	1.4%	2.1%	1.4%	0.0%		2	0.80

Annex 3: Service User and Partner Feedback

1. Business Enquiries Received

130 enquiries were received in 2010/11 for sites, premises and general business information and advice. 'Clients' include external businesses, investors, partners, councils and members of the public, as well as internal officers and councillors. Invariably the response is positive, particularly as expectations are often low in relation to knowledge of and support for the local business community. The up-to-date information on the CHIP database provides a wealth of support for businesses and the Council's partners, and is reflected by such comments as:

*"Thanks very much for sending all the information over last week"
ML, Banbury Chamber*

*"Really appreciate your prompt and helpful response." NH, Managing Director, Bicester
(Premises information, advice and contacts)*

"Many thanks indeed.", MO (property register and OBE referral)

"You're a star!" TR, Kidlington Parish Council (business address labels)

2. Cherwell M40 Investment Partnership

The CHIP working group (which includes representatives from Chambers of Commerce and local commercial estate agents) meets on a quarterly basis. The views of the Working Group were sought at one of these meetings in January 2011. The Group was asked two questions.

1) Can you give an example of where CHIP has helped support existing or attracted new businesses?

The Group cited a number of examples such as introducing Brita (to Bicester) and relocating existing companies such as First Line (Bicester to Banbury). A common theme was the information that was provided by the economic development team to these businesses day-to-day and the exchange of ideas that takes place at meetings.

The members considered that the real value of the CHIP group was its partnership working with the Council, and in particular the attendance of representatives from the private sector at its quarterly meetings. These bring an exchange of ideas and improving working relationships with the Council, and valuable, up-to-date knowledge of the property market.

2) Where should the CHIP group be focussing its efforts into the future?

It was considered that the CHIP group should:-

- Focus on supporting existing businesses (particularly those that have outgrown their premises);
- Consider issues relating to utilities and infrastructure;
- Ensure that strong links are maintained with the eco-town development (NB: P3Eco is now a regular member of CHIP);
- Support the vitality and viability of town centres.

"You are probably aware that we were granted planning "mixed use" on the unit. Good news and a big thank you for all your support. We have today put in an offer for the lease so fingers crossed for the next bit! Will keep in touch. AR, Bicester" (Result: Business opened in 2010)

*“Many thanks for your prompt response. Your comments are very helpful and we now look forward to following this up with the pre-application meeting with your planning colleagues.”
KP, developer, November 2010 (Result: planning application for 150 jobs recommended for approval)*

3. Business events case studies:

In order to lead actions within the Economic Development Strategy, the service has worked with private sector partners to organise an exhibition to encourage inter-trading and seminars to advise on practical business issues.

a) Banbury in Business

Banbury in Business is one example. The cost of venue hire and refreshments (~£1,000) is met by the Council whilst the private sector partners contribute expertise, time and hire floorspace to create approximately a further £10,000 of in-kind value.

In 2010, ‘Banbury in Business’ evolved to become a major summit (without exhibition), again led by CDC’s economic development service and attracting a capacity 100 people. It featured the local MP and business leaders, providing recognition of the Council’s apprenticeship scheme, explained broadband issues, speakers from Germany to encourage international trade, a consultation platform for future economic development services and allowing charity groups such as Skidz Motor Project to inform businesses and to make a direct appeal for support. This was very well received: of the 25 respondents to the satisfaction survey, only 1 said they would not attend such a summit again. 18 (72%) said they would definitely attend again and 6 (24%) said they ‘may do’.

“I found the event a useful opportunity to gain an understanding of general local Banbury business initiatives” MWH, business, Adderbury.

“I think considerable thanks and congratulations are due to all of your team who organised the Banbury in Business conference last Friday. All the feedback that I got afterwards was extremely positive. Tony Baldry MP

In 2011, in response to demand from businesses for a conference and an exhibition, ‘Banbury in Business’ was held in a larger venue and attracted 196 delegates. Once again, it was very well received; of the 27 responses, only 2 considered it to be ‘average’ whereas 25 felt it was ‘good or excellent’.

b) Innovation Awards

This encouragement of innovative products and services is fundamental in developing the ‘knowledge economy’ of north Oxfordshire. Whilst based in Banbury, it is open to all businesses in the district.

It again draws upon the experience of partners who contribute significant amounts of time to publicising and judging the annual awards, with ~£500 and officer time from CDC.

*“Many thanks for all of your efforts that are much appreciated.”
BG, Chairman, Banbury Innovation Award*

4. Job Club

Through collaboration between the local MP and CDC's economic development service, a weekly Banbury Job Club was created in January 2009, changing to fortnightly in June 2009 in order to alternate with a new Bicester Job Club. Economic Development co-ordinates the Job Clubs, ensuring that partners are supported and involved to provide for the training and advice needs of job seekers to ultimately support them into work.

1,697 job seekers have attended Job Clubs between April 2010 and February 2011, of which 300 attended a special event at Vodafone in February 2011 following the announcement of the closure of the call centre on the Banbury Business Park.

Satisfaction levels are considered to be good, with over three quarters (77%) of the 22 respondents recommending it. The main area of dissatisfaction is with the absence of employers on the day, as people have come to expect from the annual Job Fairs. Held on a weekly basis, there will inevitably be an absence of employers – apart from at special recruitment days – and Job Club is increasingly understood to be a means into work, through personal development and support.

*"You may just recall that I turned up a few weeks ago looking for an Executive Jobclub. You were very kind and showed me around - including giving me a file of vacancies with Oxfordshire County Council. Only one of these was relevant but I bashed in an application about 3 hours after the official deadline. Interview three days later, job offer two days after that! All because you looked after me. Serendipity, really.
MG, Banbury (July 2010)*

5. Oxfordshire Business Enterprises

Between April 2010 and January 2011, OBE advisors have held 88 one-to-one sessions with Cherwell residents. All those attending sessions are invited to complete a survey. Of those that responded, 100% said they would recommend OBE to others.

Their businesses have ranged from arts & crafts, beauticians, gardeners, hairdressers, consultancies, childminders, couriers, interior & web designers, cake makers and very many food & fashion related enterprises to engineers, off-grid affordable homes, water testers, debt counsellors, a solicitor, a gym, photographers, shops, e-commerce, motor car/bike related, education, technology, hospitality, 'green' businesses and alternative medicine/treatment. Some of these businesses employ other residents.

OBE has also helped 14 Cherwell residents through the medium of phone calls and emails. Queries can involve networking, funding, questions for other clients, premises, meeting rooms, questions on behalf of third parties.

The Service has received numerous testimonials, some of which are reported on the OBE website at: www.oxonbe.co.uk/wps/wcm/connect/micro/OBE/About+us/

6. Cherwell-wide Customer Satisfaction Survey & Budget Consultations in 2010:

- Providing affordable housing and supporting the creation of local jobs ranks highly, demonstrating the impact that the current economic climate is having on shaping the priorities of residents. This was very apparent in both consultations.
- Supporting the creation of jobs in the local area is the 5th most important thing Cherwell residents thought should be improved and ranks 2nd place in the list of areas for additional expenditure.
- Specifically, the budget consultation feedback identified that the removal of Job Clubs and Apprenticeship Schemes were of concern to Cherwell residents.

- The Oxfordshire Business Enterprises service (hosted by CDC Economic Development) has maintained a 100% satisfaction rate (in terms of whether the client, after experiencing the service, would recommend it to others).

7. Independent Research

In order to inform the Economic Development Strategy review, the resilience of Cherwell's economy was considered by the Centre for Local Economic Strategies in 2010. It found that:

To determine resilience, the strength of relationship and level of interaction between the private, public and social sector is key to being able to determine how a locality will react to counter economic and environmental shocks. Cherwell as a locality can be seen as a resilient place when integrating the findings from the statistical analysis with the interviews that were carried out to provide a strategic insight into how Cherwell as a place functions. However, there is still room for improvement.

'The catalytic elements are in Cherwell, it just needs gluing together.'

The recommendations to increase Cherwell's resilience are incorporated into the emerging Economic Development Strategy, as summarised below:

- Stimulate more business interaction between urban areas
- Ensure relationships between partners are meaningful
- Ensure Sustainable Procurement Strategy is implemented
- Continue to support the Job Club
- Acknowledge capacity
- Be realistic
- Forge stronger relationships with local universities
- Take advantage of the strong local identity
- Develop stronger links between Local Strategic Partnership partners
- Potential of the eco-town development
- Public sector transport provision
- Forming a stronger partnership with retailers

Three examples of national best practice were also identified:

a) Best practice – Oxfordshire Business Enterprises

Oxfordshire Business Enterprises is a non-profit making organisation supported by all Oxfordshire's local authorities but coordinated from Cherwell District Council's offices in Banbury. Its role is to provide the right advice to help residents start and run a business.

The scheme can be seen as an excellent example of an initiative that engages the public, social and private sector within the local economic territory. The public sector has engaged business leaders within the County to offer their time and expertise on a voluntary basis to ensure new business start ups within the area can receive advice that could prove crucial to the success of the enterprise in the long term. It also links to the Job Club, mentioned as another example of best practice in Measure 5.

Recent financial analysis showed the impact the scheme had, with a £6,000 contribution from the District Council (reduced to £0 in 2010-12) leveraging an additional £176,000 of additional contributions per annum, leading to far higher long term value through the creation of new employers.

b) Best practice – Job Club

The Job Club is an initiative Cherwell instigated with the local MP and has coordinated since January 2009 to counter the effects of the recession on the locality. The scheme is an example of best practice in terms of the public, private and social sectors working together to counter an economic shock.

The Job Club offers jobseekers the chance to meet directly with employers, training providers, career experts and benefits advisers, whilst in a supportive environment, also providing access to jobs pages and the internet. There are now two Job Clubs running in Banbury and Bicester, and over 2,000 jobseekers have visited both clubs since January 2009. The Council, with strong support from the local MP, made a commitment to divert resources to the scheme and believe it has played a key role in keeping unemployment in the District at a lower level than it otherwise would have been. There are many examples of how the public, private and social sectors have come together to support local residents:

- **private/public** – large retailers have been engaged and have been able to recruit new staff using the Job Club. Crompton Technology Group held a themed Job Club in Banbury to allow local jobseekers to find out about the company's vacancies. The company recruited five new staff members as a result of the event. Bicester Village (a major employer in the area) held a special Job Club which attracted 160 people and Sainsbury's have managed to fill positions by using the service;
- **public/public** – Oxford and Cherwell Valley College got 1,000 new enrolments on their next step 'Get that Job' course, with many of the sign-ups coming from the Job Club. Fifteen people have secured jobs since leaving the course;
- **public/social/private** – the Job Club also links into the Oxfordshire Business Enterprises (more information in Measure 6) which, through Cherwell District Council's coordination and management, provides volunteer, experienced advisers at the Job Club to help people thinking about starting their own business. The Job Club provides an informal setting for which ideas can be discussed and a one-to-one meeting arranged at a later date to develop a business plan;
- **public/private** – the Job Club provides advisers, local newspapers and an online job search facility that enables jobseekers to see local job vacancies, and local employers to advertise their jobs free of charge.

c) Best practice in connecting the commercial with the public – Bicester Vision

Bicester Vision, created in late 2007, is an independent public/private partnership committed to bringing together all stakeholders in the town to ensure that the most is made of the potential in partnership working. The partnership brings together all three tiers of local government with key business representatives, with each representative providing funding to ensure Bicester can fulfil its potential. The partnership funds a full time Partnership Manager whose role includes working with the partners and many of the town's stakeholders to improve communications, promote the town internally and externally, organise events and encourage inward investment.

Annex 4: Significant Partnerships

Local Strategic Partnership (LSP) - brings together the public, private and community organisations within Cherwell to deliver the top priorities for the long term future of the area. These priorities are detailed in the Cherwell sustainable community strategy 'Our district, our future'.

Cherwell Investment Partnership (CHIP) – a public-private partnership with property agents, chambers of commerce and representatives of local stakeholders who guide the service's efforts aimed at encouraging inward investment and the growth of indigenous businesses. Key objectives for 2011/12 are to continue to develop the partnership, including the newly launched website to attract new investment, take action with partners on specific schemes to improve the district and work with partners to ensure that Cherwell draws benefit & investment leads from regional & national resources.

Bicester Vision – a partnership of local businesses and Authorities, with the objective of promoting Bicester. The Council hosts the employment of the Bicester Vision Partnership Manager. It is an autonomous organisation which the Council supports financially, but their activities are not included in this plan. Key objectives for 2011/12 include the working with partners on the North West Bicester Scheme and developing the Bicester Vision continuation proposals.

Local Enterprise Partnerships (LEPs) - Local Enterprise Partnerships are locally-owned partnerships between local authorities and businesses designed to play a central role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs.

Cherwell lies in both the South East Midlands LEP and the Oxfordshire LEP. Both LEPs appointed Boards in 2011 and established their priorities including, for example, fast broadband access, skill improvements, inward investment, business support and infrastructure to enable development.

Oxfordshire Business Enterprises – hosted by Cherwell District Council, this service co-ordinates expert, volunteer advisers and venues across the county to provide residents with advice and support in starting and developing a business.

Job Club Partnership – The Banbury and Bicester Job Clubs are managed and co-ordinated by Cherwell District Council. They are held weekly, alternating between the two towns, providing the following services:

- Face-to-face support from a wide range of partners;
- Advice and information on training and job-search skills;
- Benefits advice
- Business start-up advice
- Access to the internet and newspapers;
- Website and email support to job seekers;
- Partnership with the Banbury Deprivation Project, such as targeting NEETs in the defined Wards in most need and other community projects
- Work with businesses, National Apprenticeship Service and the colleges to expand Apprenticeship opportunities in Cherwell.

Annex 5: Performance outcomes across Cherwell District

Data tables in support of section 5.3 performance outcomes across Cherwell:

(i) Unemployment rate in Cherwell:

Unemployment Rate: Jobseeker Claimants (source: ONS claimant count via NOMIS)				
	Dec 2008	Dec 2009	Dec 2010	
CDC	1.6%	2.1%	1.7%	
South East	1.9%	2.8%	2.4%	
GB	2.9%	3.9%	3.5%	

(ii) Economic active rate in Cherwell:

Economically Active Rate: (source: ONS Annual Population Survey via NOMIS)				
	Oct 2007 – Sept 2008	Oct 2008 – Sep 2009	Oct 2009 – Sept 2010	
CDC	85.5%	81.0%	83.3%	
South East	80.0%	80.0%	79.3%	
GB	76.8%	76.8%	76.3%	

(iii) Skills: levels of qualifications in Cherwell:

Level of Qualifications – Cherwell working age population qualified to at least NVQ3* (source ONS Annual Population Survey via NOMIS)				
	Jan – Dec 07	Jan –Dec 08	Jan – Dec 2009	Jan – Dec 10
CDC	52.7%	52.0%	47.2%	52.8%
South East	51.4%	51.8%	52.6%	53.8%
GB	48.4%	48.2%	49.3%	51.0%

***Note: NVQ 3 equivalent:** e.g. 2 or more A levels, advanced GNVQ, NVQ 3, 2 or more higher or advanced higher national qualifications (Scotland) or equivalent

(iv) Resident Productivity: average earnings across Cherwell

Gross Weekly Pay: all full time workers (source: ONS Annual Survey of hours and earnings – resident analysis via NOMIS)				
	2008 £	2009 £	2010 £	
CDC	490.50	550.50	525.20	
South East	524.80	536.60	547.80	
GB	480.00	490.50	501.80	

(v) Businesses & Start-ups in Cherwell:

Business Rate Registrations: NNDR registered Occupations(source: CDC NNDR unit)					
	April 2009	April 2010	April 2011		
	3,617	3,535	3,886		
VAT and PAYE-based Enterprises – ONS 2010					
	2006	2007	2008	2009	2010
	5,885	5,995	7,210	7,330	7,195

Annex 6: Staffing structure

