

LOCAL ECONOMIES

Team working with the private sector

Choosing the right partners and playing to their strengths has helped four councils to turn round their economic fortunes, says **John Camm**



Mike Prior started up his own business with the help of Croydon Enterprise

Prior Sourcing is a small business success story, supplying branded products to clients which include the Rolling Stones and Peroni beer. However, it only came about when its founder, Mike Prior, was made redundant. After failing to find another job, he realised that “starting my own business was the only option”.

The new business was made possible with the help of Croydon Enterprise, a programme run by Croydon LBC, which offers business advice and support. It is part of a series of measures to promote economic prosperity which have led Croydon to Beacon status for ‘prosperity through partnerships’ from the Improvement & Development Agency.

Croydon’s work is co-ordinated by the council’s economic development partnership, which brings together the key local agencies. Most of its members are from the private sector, and there are specialist sub-groups to develop programmes for enterprise, skills, employment and young people. Other initiatives include setting up the second-biggest business improvement district in the country and an economic development company.

“The programme aims to help create a culture of entrepreneurship in Croydon. That is shown in many achievements in helping businesses start up and grow,” says Stella Okeahialam, the programme’s director. “Despite the recession, there’s been no let-up in calls to our hotline from people asking about starting a business or becoming self-employed.”

She adds that a major challenge was meeting partners’ expectations. “My advice to anyone thinking of taking on a ‘grass-roots’ regeneration programme based on enterprise is to plan in time and communications work. This is essential to carry partners with you and keep them involved.”

There have been tangible results: in the past three years Croydon has had the greatest improvement in self-employment rates and business density in London, and has seen year-on-year growth in its number of VAT-registered businesses. There has been a fall in unemployment and in the number of young people not in employment, education or training.

The partnership is now tackling problems associated with the recession. Last month it published an economic recovery plan and set up a website to publicise the help available. The council is also looking at ways to turn the various initiatives into one enterprise partnership.

Ms Okeahialam says: “The challenge now is to keep the programme fresh and relevant and to address the current economic climate. This means building in more training support, for example, and look at helping people back into work, as well as supporting them if they are planning to start a business.”

Another Beacon winner is Lancashire CC, which has taken the lead in helping economically disadvantaged people.

In 2006 in Lancashire 106,540 people were claiming some form of out-of-work benefits,

but activity to tackle unemployment was delivered primarily by Jobcentre Plus, with support from partners varying from area to area. This fragmented approach was replaced with a genuine partnership as part of Lancashire’s local area agreement. The plan included:

- >> engaging with more claimants;
- >> joining up existing services;
- >> working with employers to offer claimants real opportunities; and
- >> supporting claimants who had recently become employed.

This led to a number of successes. For example, in a pilot scheme in Pendle, later extended to the rest of the county, a mailing was sent to claimants of long-term incapacity and lone-parent benefits. Of these, 2,200 responded, leading to almost 500 people being recruited into sustainable employment.

Steve Dean, managing director of Lancashire Development Company, Lancashire CC’s economic development company, says a candid approach was important — the council explained there would be no extra funding, which instead meant focusing on outcomes. “We did end up with a range of targets,” he says, “but there was a passion for outcomes.”

He adds that being clear about what each partner was responsible for and showing leadership were vital. He describes Business Link, the government’s support and advice service, as “absolutely essential”. Businesses were well represented in the partnership, for example with one of the senior partners at BAe Systems, a major local employer, chairing the Lancashire partnership.

On a grassroots level, there were initiatives such as enabling local people to call a single number — given out on ‘mini credit cards’ — and be referred to the right department or organisation, whether it was an enquiry about business support or concerns about their personal mortgage arrears.

Lancashire is now focusing attention on the problems caused by the recession. “Beyond April 2008 there was a real feeling of the weakening of finance for new entrepreneurs,” says Mr Dean. The partnership is now looking at measures such as early-stage funding for new businesses. “There’s an upturn coming and it’s up to us to prepare for that,” he says.

Stafford Borough Partnership came into being in 2003 to address economic and social difficulties in rural areas of the borough. Stafford BC realised that as a small borough it could not address problems on its own, and so partner-

RESULT
Croydon has the greatest improvement in self-employment rates in London

CASE STUDY: ST HELENS

ST HELENS MBC

- >> 800 jobs created in the first year of the business start-up programme
- >> 320 businesses have started up within the programme's first year
- >> Survival rate of businesses is 85% at one year and 74% at two years
- >> 119 female entrepreneurs being supported and 123 jobs created in priority areas



KEVIN BRITLAND/ALAMY

ship working was critical. For each major initiative undertaken, Stafford and its partners have engaged local business leaders and community representatives. This helped give them 'ownership' of a range of initiatives, including training workshops for retailers, new community facilities and an information-sharing system for town centre businesses to help reduce crime.

As a small shire district, one of the main challenges for Stafford was resources. The council was able to demonstrate the efficacy of its schemes and was awarded £453,000 in the first round of the local authority business growth incentive scheme, with another £1.9m and £1m in later rounds. The partnership's work has had a tangible effect on local employment. In 1998 the borough was shedding jobs at a higher rate than anywhere else in the country, but now the unemployment rate is 1.6%, less than the national average of 2.5%.

Tracy Redpath, policy manager at Stafford, emphasises the need to recognise the strengths and areas of expertise of partner agencies, particularly with limited resources. She says: "For us, it is about openness, trust and honesty between partners, agreed shared goals and values, and regular communication

between partner agencies."

St Helens MBC's city growth strategy was launched in 2003 and is celebrating its thousandth business start-up in three years. The strategy aimed to transform the local business base, the economic ambitions of the area, and its physical infrastructure and image. Partners include the local chamber of commerce, St Helens College, the Learning and Skills Council, JobcentrePlus, and bodies such as the Mersey Partnership and the North West Development Agency.

Since the partnership began, the number of businesses in St Helens has increased by more than 40%, some 4,000 jobs have been created, the town centre has been revitalised, and more than 2,400 homes have been built. Meanwhile, various studies have highlighted it as not only one of the top 11 locations in terms of business start-up growth rates but also the most 'car friendly' place in the north-west.

John Whaling, the council's economic development manager, says that a private sector-focused approach has been successful. He advises other councils to "engage with the private sector in a way that gives them a genuine stake in what is being developed and delivered".

Another factor is looking at which partner is best placed to deliver each objective. "For example, in St Helens, a conscious decision was made that the majority of direct business support activity should be delivered by the chamber of commerce," says Mr Whaling.

But he says that ultimately what makes a partnership successful is a 'can do' attitude, to "translate the priorities into delivery".

Find out more

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NEXT PRACTICE

COUNCIL WEBSITES

The internet can offer good services and save resources, yet providing facilities online is not given the necessary emphasis

All public services should be using this period of calm before the storm to focus on service redesign and efficiency in delivery. The council website is one place to start, by enabling self-service.

Done in the right way, self-service is hugely cheaper and enables transformation — just look at the travel and insurance industries. Widely quoted figures for channel costs per enquiry in local government are: web, 17p; phone, £4 and face-to-face, £7.81. The problem in local government is that self-service is so often not 'done right'.

As our report *Better Connected 2009* shows, the web is the least successful channel for councils, with failure rates for enquiries running, even in the more web-savvy councils, at between 10% and 40%.

What that means is that many web enquiries simply reappear as more costly phone or face-to-face enquiries, so that the web ends up being a source of wasteful 'avoidable contact' rather than a means of reduced 'cost-to-serve'.

This is a problem that requires urgent attention. Contrary to what many managers believe, for many the web is already the first choice for accessing council services.

Better Connected 2009 argues that to get self-service right, councils need to become obsessive about making online journeys work for the customer. That means developing a new rigour, based on testing, around design of 'top tasks'.

Socitm's website take-up service tells us what these top tasks are. They include looking at jobs, finding schools information, paying council tax, viewing planning registers, and paying parking fines (don't call them 'penalty charge notices' if you want people to find them).

Real commitment to self-service means pruning content ruthlessly, focusing heavily on these top tasks and reducing the space given to information and documents about council organisation, policy and strategy.

Achieving this cannot be delegated to web managers, according to the report. Councils must embrace a new, strategic approach to their websites that comes from the top.

A base set of information about take-up, satisfaction and costs for all access channels is needed, and web and contact centre managers must communicate regularly about the volume and nature of incoming enquiries. Managers of front-line services need much stronger direction to become web-focused and to recognise the website as the vehicle for radical service redesign.

Martin Greenwood Programme director, Socitm Insight

Next week

Engaging with older people

If you have an example of best practice email: john.camm@emap.com