

Cornwall and Isles of Scilly Economic Forum

Response to the Economic Downturn

Purpose of the report

It is recognised that the recession is having an economic, social and environmental impact on local communities. However, for the purpose of this response, the Cornwall and Isles of Scilly Economic Forum has concentrated on economic issues that fall within the scope of 'Strategy and Action', the economic development strategy for Cornwall and the Isles of Scilly.

The purpose of the two papers prepared, is to capture the economic issues during this difficult economic climate and to propose key solutions, prioritise real actions and seek appropriate funding support for the partners of the Cornwall and Isles of Scilly Economic Forum to deliver, therefore making a true contribution to relieving the impact of the recession on the local area. This response is also aimed at informing Cornwall Council, the Cornwall Strategic Partnership and influencing public funding.

Background and Evidence

Although Cornwall and the Isles of Scilly has qualified for a new EU Convergence Programme, the successor to the Objective One Programme, there has been an economic renaissance in many parts of Cornwall over the past 5 years. However, prospects for the global and UK economies have become markedly less favourable over the last twelve months, especially in contrast to the long period of economic expansion leading up to 2007.

In March 2009, across the UK, data shows that the economy continued to decline as measured by lower business investment, falling production, declining construction orders, lower mortgage lending, dropping house prices and slow retail sales. Both unemployment and the claimant count continue to increase. House prices had continued to fall during the previous month and mortgage lending is still on a downward trend. Construction orders have also declined in line with a reduction in output of the production industries. In contrast, retail sales have increased both on a quarterly and monthly basis.

On the international scene, GDP declined across the EU in Q4 2008. Both the International Monetary Fund (IMT) and World Trade Organisation (WTO) indicate the world economy is seeing its biggest decline for decades with the latter suggesting a 9% fall in the volume of exports in 2009.

The Bank of England and the Financial Services Authority have both analysed the economic situation. They concur in considering the downturn to be severe though understandably, do not predict how severe or the duration. Comparison with previous downturns in the economy indicates the severity of the situation. The Office of National Statistics (ONS), in its monthly update state that *'the early evidence suggests that manufacturing will experience a recession more reminiscent of the early 1980s than the early 1990s.'* They also indicate that *'the slump in service sector output during the last two quarters of 2008 is fairly unprecedented in UK economic history.'*¹

The South West RDA considers that in relation to other parts of the SW, Cornwall may not suffer as much.

¹ (Chamberlin, 2009, Economic and Labour Market Review).

Action at a EU, National and Regional Level

The *European Economic Recovery Plan* has two key pillars, and one underlying principle:

- The first pillar is a major injection of purchasing power into the economy, to boost demand and stimulate confidence. The Commission is proposing that, as a matter of urgency, Member States and the EU agree to an immediate budgetary impulse amounting to €200billion (1.5% of GDP), to boost demand in full respect of the Stability and Growth Pact.
- The second pillar rests on the need to direct short-term action to reinforce Europe's competitiveness in the long term. The Plan sets out a comprehensive programme to direct action to "smart" investment. Smart investment means investing in the right skills for tomorrow's needs; investing in energy efficiency to create jobs and save energy; investing in clean technologies to boost sectors like construction and automobiles in the low-carbon markets of the future; and investing in infrastructure and inter-connection to promote efficiency and innovation.

At the same time, the ten Actions for Recovery included in the Plan will help Member States to put the right social and economic levers in place to meet today's challenge: to open up new finance for SMEs, cut administrative burdens and kick-start investment to modernise infrastructure. It will drive a competitive Europe ready for the low-carbon economy.

The emerging economic crisis over recent months has also prompted a range of action from central government to address the situation.

As well as the decision to provide emergency funding to help stabilise the financial situation, a number of committees have come into force to focus assessment and action at the national and regional level. These include the National Economic Council, the Regional Economic Council, the Council of Regional Ministers and region-level groups or task forces.

The British Chamber of Commerce Economic Recovery Plan, February 2009, states that "Local Authorities have a vital part to play in easing the pain of the downturn for businesses. It is positive to see that some Councils have generated ideas to help businesses, but action should be more widespread and commonplace, rather than an exception". Examples of actions across the UK are in relation to: Easing cash flow difficulties, easier procurement and business engagement.

At a regional level, the Regional Economic Recovery Plan has been produced.

Government and the South West RDA have developed a joint response to changing economic circumstances which provides a current snapshot of the regional economic picture and details the help and support that is available to both businesses and individuals.

Business Support: With Government and the South West RDA's delivery partner, Business Link, the South West RDA are committed to simplifying and improving access to all the business support products they invest in and implement. The new 'Solutions for Business' portfolio will simplify the support products available and ensure future investment is directly targeted at the areas that are most important for the future of the regional economy.

In light of the current economic climate, they have also produced *First Steps: Action for Recovery*. This document outlines their plans and intentions to refocus and enhance business support in the coming months.

Also available are:

- BERR Action for Business Update - PBR 2008 and other activity
- European Economic Recovery Plan - Impact on Cohesion policy, SWUKBO, 2008
- New Help for Businesses Facing the Credit Crunch, Business Link, 2009

Real help with finance now: The government has introduced a new package of financial measures, as part of its *Solutions for Business* to provide real help to firms through the economic downturn. If you have short-term working capital constraints or are looking to invest to grow your business these schemes could help you.

However, the recent announcement from Jane Henderson, Chief Executive of South West RDA, stating that the South West RDA budget will be extremely limited in the additional support it can offer, makes the actions at a local level to prioritise and seek alternative sources of funding more crucial than ever before.

The Local Government Association and South West Councils have agreed that the response should extend beyond the focus on supporting businesses and tackling unemployment, looking at the wider impact on residents and communities.

Local Response

Cornwall Strategic Partnership:

The partnership has coordinated a response to the strategic risk that the recession has on the impact in delivery of the Local Area Agreement.

Summary of issues and opportunities:

- There is limited hard evidence, but a need to act quickly to prevent the situation becoming worse.
- It will be important to have regular shared intelligence to continuously update the assessment and review mitigating action.
- Coordination of intelligence gathering/interpretation is needed.
- The most vulnerable groups in the community are likely to be the worst affected and are targeted by a number of LAA outcomes.
- We need an understanding of where the Convergence Programme can assist with mitigating action and how the LAA can align with it.
- Some action is already being taken by individual organizations, which could help mitigate the risk of achieving LAA outcomes but we need more information on what this action is.

Conclusions:

- All LAA outcomes are likely to be affected. Details of the identified impacts and potential mitigation of the recession on Local Area Agreements can be found here [Strategic Risks](#)
- Mitigating action needs to include both: -
 - a. Quick, short-term action to prevent a worse situation e.g. increasing advice on debt management;
 - b. Strategic intervention to have everything in place to take advantage as quickly as possible of an upturn in the economy e.g. skills training.

Environment Kernow:

Environment Kernow believes that the existing economic downturn should be viewed as an opportunity to strengthen focus in developing a truly low carbon/environmentally sustainable economy, helping to build economic and social resilience, future proofing Cornwall's economy against future shocks and actively developing truly sustainable communities. This can only properly be done by developing a more intelligent and appropriate economic, environmental and social paradigm which understands the critical importance of a healthy and prosperous environment.

The issues raised are aligned to regional, national and EU wide responses to our present economic situation. The points raised seek to give practical guidance and solutions to existing programmes of investment and economic activity.

Environment Kernow considers a low carbon economy to be one which is on a trajectory² to be 80% less carbon intensive than today's economy (against a 1990 baseline year), which also have a substantial GVA contribution made by the Environmental Goods and Services (EGS)/ low carbon sector; and recommends the following actions: -

1. Any activities or responses to our existing economic situation should be at least mindful and considerate of, and ideally actively contributing to, medium and longer term environmental impacts. Where relevant environmental partners and stakeholders should be consulted in determining programmes of activity.
2. Any actions and responses put forward particularly those under new funding opportunities, which should clearly understand their role of catalyst, should seek to unlock and develop a resilient future for the County, as their primary objective.
3. Opportunity for Rural – strengthening of local markets.
4. Strengthen Business Resource Efficiency and Waste Reduction in all sectors *irrespective of their size and sector – everyone can play their part* – making Cornwall a leader in Environmental Goods and Service businesses, with sectors which work collectively and intelligently together for mutual benefit.
5. Think beyond Business Resource Efficiency and Waste Reduction in all sectors. Support and incentivise businesses (of all sizes and sectors) to develop low carbon transition plans and new business plan models that can respond to future economic shocks and inevitable resource constraints in an environmentally intelligent way.
6. Support and incentivise business grants and loans for business development and R&D that develops points (1) & (2) above as their priority.
7. Strengthen support in providing local solutions – increase understanding by communities and local businesses of the place in which they live, develop collaborative and constructive engagement to support the reconnection between business, local communities and the environment.
8. Develop a diverse and modular economy with closeness of economic feedback. Help develop a local economy that works collaboratively and is local in focus.
9. Strengthen and incentivise support and development of appropriate Environmental Technology Industries – and local investment in such technologies and services where possible.
10. Help support the development of the 'tools', skills and intellectual evidence to businesses, communities and individuals to enable them to make informed and intelligent decisions, helping to plan for the future and understand the environmental implications of decision made (over significant timeframes).
11. Support the emergence and development of 'green collar' jobs across sectors. Ensure such jobs are high and lower skilled and commensurately paid, supported by appropriate skills programmes.
12. Ensure that Environment Kernow as a body, and Environment Kernow members themselves, lead by example, are willing to challenge strategic presumptions and demand rigour in the analysis of environmental, economic and social implications of all decisions with which it is involved.

Findings from Business Link Front-Line Staff as of end January 2009³

Threats

Finance

- Increase in number of clients in last 3 months experiencing financial difficulties, mainly due to cash flow – including those with previously sound business models;
- Lack of access to funding (grants rather than loans, at reasonable rates) and support by the banking institutions to fund cash-flow peaks and troughs and buy stock, even for viable businesses;

² This equates to 34-42% CO₂e reduction by 2020 (against a 1990 base) as outlined by the 'Committee on Climate Change' (chaired by Lord Adair Turner) in 'Building a low-carbon economy – the UK's contribution to tackling climate change' <http://www.theccc.org.uk/reports/building-a-low-carbon-economy>

³ Response covers Somerset, Devon and Cornwall

- Businesses with weak balance sheets are vulnerable; especially where borrowing was secured against homes, etc;
- Government funding programmes announced before they are properly 'open for business' and administering agencies fully aware, creating hope and unfulfilled expectation (reflected in 20% increase in Gateway calls post announcement);

Income and Outgoings

- Reduced sales and order sizes, and reduced incomes;
- Delayed payments, bad debts and customers going into liquidation;
- High energy, communications, materials/ingredients (especially food costs in retailing/wholesaling/manufacturing/restaurants), and premises (leases) costs and overheads;
- Slashing/cutting marketing, training, and staff incentives, to reduce costs;
- Expansion plans or introduction of new systems (e.g. environmental) or purchases of new equipment put on hold;

Staffing

- Having to let knowledgeable/experienced staff go when reduced hours/pay coupled with other cost reductions have failed to impact - with associated worries of redundancy costs, employment law compliance issues, reduced capability, and affect on service delivery and product quality;
- Not recruiting – inability to afford to take on new staff even though it would provide opportunity to take on new business;

Business Link/Train to Gain/UK Trade & Investment specifics

- Businesses declining advice due to cost, not seen as a priority, lack of understanding (ie role of insolvency practitioners), or unless it offers clear cost savings or competitive advantage (e.g. environmental advice);
- Greater reluctance to train and develop staff who may later be made redundant or unwilling to fund/match-fund, or due to having fewer staff being unable to release staff for training; training seen as a lower priority;
- Clients ability to export or trade internationally affected by a fall in overseas demand and a lack of funding support of UK exporters (particularly affecting USA, Germany/wider Europe, Australia/New Zealand);
- Imported raw materials and components more expensive due to falling value of sterling;

Opportunities

Marketing

- Getting back to basics – understanding what customer really wants to broaden markets/customer base and keep pace with changing markets;
- Internet/E-business selling as a means to reach more customers – although traditional retailers find it difficult to compete with web-based selling. On-line retailers appear less affected by cash flow problems;
- Investigating possibility of more public sector work in the face of contracting private sector tendering opportunities;

Training

- Awareness of the value of relevant training e.g. improving leadership/management skills, customer service, book-keeping etc as routes to making them more competitive or to save on costs (e.g. accountants' fees) – but inhibited by lack of cash flow and risk of subsequently losing/having to lose staff;
- Provision of short training courses/sessions or workshops which can be delivered in as short a time as possible, as well as on-site, remote access or those which can be delivered in the employees own time. Some businesses are also seeking 'train the trainer' courses;

Diversification/Expansion

- Diversification into foreign markets (international trade) and services or extensions of their existing products/services;
- Fresh or improved trading opportunities in other international markets due to cheaper UK finished goods and services;

Cornwall and Isles of Scilly Economic Forum:*Issues***1. Financial, Business and Sector Issues**

- There is a need to understand both the impact and the *opportunities* that the recession is offering businesses in specific sectors.
- Cornwall does not have a big manufacturing sector and is largely comprised of small businesses.
- Tourism is a vital sector that this affects and it is understood that the South West and Cornwall especially, can expect a huge increase (5 million extra visitors this summer has been suggested). This is due to benefits both from exchange rates and the reluctance for UK citizens to spend more by travelling abroad. The issue here (if this increase is true) around capacity of infrastructure to cope; extracting money from the visitors, when they do come, will be an issue in light of the fact that they will be coming due to relative cheapness and may therefore be more reluctant to spend. Another issue is to give visitors a high quality service so that they come back again instead of reverting to holidays further afield.
- How do we keep the focus on the previously agreed strategic direction for the long term, while addressing the more immediate issues of the recession and redundancies? "It is (also) important that policy should remain focused on the long-term development needs of the region"⁴. There is a risk that, in the face of the very real difficulties faced by small businesses across the board, partners take their/our eye off the ball of long term strategic transformation of the Cornish economy, with its focus on investment in areas that can stimulate the growth of higher added-value, knowledge-based businesses in Cornwall.
- Businesses should be monitored by the Intelligence function of Cornwall Council in liaison with organisations such as FSB and Chamber of Commerce, and analysed to assess whether or not they are more or less innovative as a result of the recession.
- There is a need to support the 'winning', more resilient businesses and brands intensively and help to 'weed out' the weaker, less resilient businesses by better targeting of investment.
- An example given by one private sector member referred to an organization which had prepared a revised business plan, which was based on the prediction of securing a significant amount of planning work from house builders. This prediction has not become a reality as a result of the recession and, from a previous minimum of 25% of future business, there is actually no planning work from house builders coming forward, this source, now being 0% of business.
- A second business example given was that those businesses that are still active in the land market are being very cautious. Whereas a year ago businesses would have been appointed to follow a project through from initial planning appraisal to discharging conditions and a section 106 agreement having secured planning permission. These businesses are now asked to merely give a brief planning appraisal or an overview but not to discuss it with the planners. Those parties, still active in the development business, are trying to balance expenditure against risk. For example, if previously, a building company was delivering 1000 houses a year and had a 3 year land supply it would now be delivering 300 houses a year. The result of which would be an unplanned 10 year supply, therefore the need for land has diminished.
- Similar to the point above, there is also a situation arising with commercial development. This is having serious repercussions on all professionals associated with the development industry and the industry itself. Core professionals are being lost from the business at an alarming rate and it will very soon be difficult to rebuild capacity. If a fraction of the finance put into banks were to be put into

⁴ UK Recession Scenarios: Impact on SWE Sectors and Places, Research for South West RDA, January 2009.

the delivery of affordable housing and some intermediate housing, this would have a dramatic effect but there is the prevailing view that time is running out for any action to be effective.

- This may be a great opportunity for business starts (and to help re-balance the economy more towards the private sector) i.e. when staff are laid off (if they are lucky enough to have a redundancy pay-off) this is one of the few times when people may be ready to think about starting up their own enterprise.
- There is a need to maintain a strong cash position to give security and enable businesses to invest in raw material at lower prices – this allows businesses to be more competitive in their markets.
- Encourage businesses to monitor order intake, sales, manufacturing schedules, purchasing, debtors and cash daily to ensure they know what is happening without too many surprises.
- Customer service is paramount at this time, for example, improved delivery times to customers to ensure they have no reason to move to competitors.
- Where businesses can afford a pay rise then most are doing so (circa 2% at most) so as to show staff they are valued. Management would seem to be getting nothing although individual circumstances vary within each of the companies.
- The government is increasingly encouraging, and aligning support mechanisms towards, the growth of Low Carbon Industries (see The UK Low Carbon Industry Strategy⁵/ The UK Low Carbon Transition Plan⁶). This is a need for actors within the Cornish economy to be aware of the opportunities presented by this rapidly emerging area of economic activity⁷ and that a supportive context allows business to take advantage of potential growth opportunities.

2. Skills and Productivity

- Leadership and Management skills, along with financial skills for non-financial managers, are even more essential at this time where businesses are possibly being forced to make more senior managers redundant to cut costs.
- It is essential that the skills base within the economy is protected from the downturn. The loss of skills will only act to stifle growth and economic development in the long-term. Successful initiatives from previous recessions should be revisited by the LSC/Learning Partnership and applied to the present climate.⁸
- Whatever emerges at the end of the recession, we must have a secure skills base.
- If the Cornwall and Isles of Scilly Economic Forum were to encourage, stimulate and nurture the potential/existing workforce in an innovative atmosphere which is rich in business ethos and values, then there will be an enabled and sustainable future for businesses in Cornwall and the Isles of Scilly. How can we develop this culture and give a sense of purpose and leadership?
- Trying to hang on to key staff and to use any “spare” time for up-skilling. Many of the businesses affected are not SMEs so having training programmes and support available to them is crucial.
- Unavailability of a skilled workforce locally, especially for the use in Information Technology industries.
- The difficulty faced by business in finding the resources to engage in up-skilling their workforce and in innovation and R&D in the current challenging conditions. These are key investments for the future but there are some indications that business take up of the available opportunities and support is under pressure.
- For the Combined Universities in Cornwall in particular, the risk is that essential other match funding for the proposed development of Phase 3 (beyond the South West RDA, and both public and private) may be more difficult to obtain in the current climate.
- The quest for sustainable competitive advantage in the emerging low-carbon economy requires new business tools, skills sets and a new breed of professionals. Cornwall must build capacity and up-skills to position itself to take advantage of the opportunities this shift in the focus of economic activity demands.

⁵ <http://www.berr.gov.uk/whatwedo/sectors/lowcarbon/lowcarbonstrategy/page50105.html>

⁶ http://www.decc.gov.uk/en/content/cms/publications/lc_trans_plan/lc_trans_plan.aspx

⁷ As per SWRDA and Gov. announcement that the SW will be the UK's first 'Low Carbon Economic Area' (LECA) 15/07/09 (<http://www.southwestrda.org.uk/news/release.asp?releaseid=3027>)

⁸ The British Chamber of Commerce Economic Recovery Plan, February 2009.

3. Environmental and Rural Issues

- There may be a specific opportunity to engage with the businesses that are asking for assistance (including those which are not always eager to engage with public sector) and helping them to think about ways they could re-direct their efforts. An example could be in relation to engineering or motor manufacturers who may be able to use their workforce's generic skills to make parts for Green energy projects.
- Economic policy needs to instigate a reduction in energy demand to meet the reduction in supply.
- There is a need to maximise the opportunities offered by the quality of land (in environmental terms) and food in Cornwall.
- There is a need to move quickly towards a low carbon economy with support to businesses through improved communication, strengthened and demonstrable leadership and business/financial support for the private sector.
- A rush of 'quick-fixes' when it is vital that the economy is shaped to address the environmental imperatives of climate change and peak oil.
- There is a critical need to clarify that, in order to produce sustainable, positive economic conditions (which do not necessarily mean frantic growth); there is a need to understand that productivity is being promoted rather than employment, as the key indicator of success.
- It is vital that expedient groupings of interest groups are not allowed to distort the fact that a very significant proportion of the productive economic activity in Cornwall happens in rural areas outside towns. Farming and food processing along with china clay mining, which is a key activity which has a clear cultural and social impact on Cornish rural life - this needs to be recognised and it is essential that it is at the core of our Rural Economic Strategy.
- One Forum member expressed the view that there is a danger of over population, driven by over development leading to a complete breakdown in the Cornish environment as there is a struggle to sustain a population that is simply too big for the economy or the place, and which dilutes indigenous culture and confidence.

4. Public Sector, Procurement and Supply Chain Issues

- The Cornwall and Isles of Scilly Economic Forum needs to work to ensure an early emergence from the recession, and this is partly dependent upon increasing local spend.
- Gathering and sharing intelligence is becoming more and more crucial, and is dependent on the structure and increased capacity that is expected to be forthcoming from the Cornwall Council's new Intelligence Unit.
- There has been a critical lull while the new Cornwall Council has been under development and new personnel at the Council pick up the challenges of new roles. In addition, the potential loss of crucial expertise and experience is a matter of serious concern. There is also a perceived further dilution of Cornish distinctiveness and culture driven by (prejudicial?) recruitment in the public sector. A question asked by a member "Is there not one Cornish person worthy of being recruited as a corporate director? This simply would not happen in Wales, Scotland or pretty much anywhere else in Europe."
- There may be an opportunity for the new Cornwall Council to make an immediate impact by embracing some of the more innovative models of Council service provision i.e. offering mortgages, driving forward provision of affordable and green housing - new income streams by taking on elements of the economy from which the private sector is withdrawing, regarding finance provision etc.
- There is a need to lobby for funding flexibility, extended to lobbying for *policy* flexibility and indeed the more proactive approach of suggesting policy solutions and ideas to Central Government Departments as well as influencing the solutions that they are coming up with. Government Office for the South West would likely be of use as a conduit here.
- Prompt payment, particularly from the public sector is crucial. Also, customers are extending the amount of time that it takes to pay an invoice and, in some cases, even going beyond agreed periods. This is occurring at the top of the supply chain and spreading downwards, further contributing to the squeeze on cash flow in otherwise sound businesses.

- As per the introduction of 'quality standards' (ISO 9000/ BS 5750 etc.) in the 1990's there is an emerging suite of 'carbon standards' (ISO 14064-1, BS PAS 2050. GHG Reporting Protocol etc.) which larger public and private sector organisations are beginning to demand are driven through their supply chains. It is thus important that Cornish organisations are prepared to take advantage of the opportunities this roll-out presents, whilst offsetting any potential risks that failing to engage with this agenda in a timely fashion presents for businesses.

5. Research, innovation, entrepreneurship and young people

- Finding ways to use innovation as a driver which will help to bring the area out of the recession. Cornwall needs to be resilient to changes in local spend and to diversify into broader markets. There is currently too much concentration on what is happening at the centre when there is also a need to look at the more vulnerable rural areas. There is also a need to keep focussing on the future and businesses should be encouraged look beyond Cornwall to exploit global markets.
- There is a need to support those that are currently in education as their aspirations are being stifled because of the current situation. The Cornwall and Isles of Scilly Economic Forum should seek solutions and proactively seek to raise and realise these aspirations.
- How might the Economic Forum support the unlocking of potential skills of young people, who are the future workforce in Cornwall and the Isles of Scilly?
- There is a need for the Economic Forum to work with its membership and partners (specifically the Learning Partnership and Low Carbon Cornwall) to identify and support young people/ entrepreneurs and established organisations to prepare to engage with the significant potential for employment/ profit to be drawn from the county's shift to a low-carbon economy.
- There is a need for the Economic Forum to work with Low Carbon Cornwall (CDC-LCC) and Cornwall Council's emerging Strategic Intelligence capacity/ team to baseline, benchmark, provide supportive analysis to guide, and track progress towards, the low-carbon economy.

6. LAA Outcomes within the economy block are reporting that:

- Worklessness (Econ 1): When unemployment rates increase, those on incapacity benefits seeking to return to work will be competing with those who have recently been in work, potentially making it more difficult for them to return to work. Ditto those with learning disabilities seeking work.
- Reduce Cornwall's contribution to Climate Change (Econ 2): A recession would decrease consumption and therefore CO2 emissions. A government sponsored "Keynsian" response to the economic downturn could see an increase in investment into infrastructure projects that may include low carbon technologies. A continued rise in fossil fuel prices and/or shortages in fossil fuels could also result in greater investment into low carbon technologies. A free market response could see a reduction in investment. Increasing commodity prices could deter investment e.g. rising price in copper. Individuals and companies may not have the finance to invest in newer, more efficient technologies.
- Workforce Development (Econ 3): Potential drop in capacity of private sector to invest or release staff for training.
- Town Partnership (Econ 4): Probable drop in capacity of private sector to invest. Match funding for the Convergence Programme will be a major issue.
- Employment Space (Econ5): Fall in capacity of private sector to invest either in commercial developments or in schemes where the private sector would have contributed, in part, to public sector schemes. Impact on public sector investment.
- Information Society (Econ 7): Availability of next generation broadband. The downturn could have a significant impact due to the increased difficulty in raising the level of investment needed from a private sector investor. Businesses being less able to invest in developing online trading and consumers with less money to spend to encourage that development. Households with less disposable income to spend on getting connected.

Drafted by:

**Lucy Harris
Manager, Cornwall and Isles of Scilly Economic Forum**

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*Taking account of many views, including those of the members of the Cornwall and Isles of Scilly
Economic Forum*