

## Media Release

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Inspiring people - Improving places

## IED Challenges the Chancellor

In an open letter to the Chancellor of the Exchequer, the Chair of the Institute of Economic Development (IED) laid down a challenge to George Osborne to address the five core areas that IED Members have identified as critical to the economic recovery.

Keith Burge, IED Chair, said "The savage cuts in public spending are having a disproportionately negative effect in areas that most need help and support. The unemployment figures don't show the complete picture as many people who have lost their jobs are seeking self employment as the only alternative just as advice, guidance and support for such ventures is disappearing. Many others have been forced into early retirement."

Keith went on to say, "It beggars belief that any government could fail to see that resourcing economic development and regeneration ought to be regarded as an investment rather than a cost. How many people will remain on or go onto unemployment-related benefits? How much learning will not take place? How many developments will be deferred or not take place at all? How many businesses will fail to start, fail to grow or just fail? And all for the want of investment in economic development and regeneration that would deliver tax revenues and cut spending on welfare by facilitating growth."

### Notes to Editors

The Institute of Economic Development (IED) is the leading professional body representing economic development and regeneration practitioners. Established in 1985, the IED provides a valuable network for economic development professionals and a wide range of support services including continuous professional development activities locally and nationally.

The IED has a role in representing the interests of the profession through responses to government consultations, submissions to parliamentary select committee inquiries, and participation in national initiatives. Keith Burge is halfway through a two year term of office.

Further detail on the IED and its range of activities can be found at [www.ied.co.uk](http://www.ied.co.uk) and for further details please contact our Executive Director on 01604 874 613 or email [johnlockett@ied.co.uk](mailto:johnlockett@ied.co.uk)

## Dear Chancellor of the Exchequer

In addressing the deficit in the public finances, there are two sides to the equation: cutting government costs and boosting government revenues. IED recognises the need for government at all levels to deliver against its objectives in a way that offers even better value for money to the taxpayer, but IED is keen to promote a debate about how best to improve the prospects for economic growth.

### 1. Promoting Enterprise

The dismantling of the business support infrastructure has left those wanting to go into business and wanting to expand their business not knowing where to turn for information, advice and guidance. That is not to suggest that previous arrangements, especially those provided via Business Link, were perfect, but reforming business support provision ought not to have resulted in a business support vacuum.

**IED urges the Government to address the specific needs of promoting enterprise, including social enterprise and offers to work with the Government to contribute the experience of its members. In particular, there is a need to ensure that those wishing to start or grow a business, as well as those battling for survival, have ready access to the types of good quality business advice that will help them to achieve their goals.**

### 2. Re-balancing the Economy

The creation of a more balanced economy, in terms of the private/public sector split is an aspiration that is understood, especially in parts of the country that have experienced disproportionately high growth in public sector employment over the past decade. However, the full impact of cuts in public spending have not yet been fully felt in terms of public sector job losses, and attempts to use the Regional Growth Fund to replace lost public sector jobs with new private sector jobs, has already stalled. In the meantime, cuts in public spending are already having a significant negative impact on private sector companies reliant on public sector spending.

**IED believes the Government must demonstrate the importance of investing in economic development as a catalyst for economic growth and refine approaches to make them even better suited to current and future needs.**

We would be pleased to work with Government to assist in achieving a more balanced economy.

### **3. Revitalising Town and City Centres**

The reasons for needing to increase the rate of VAT were understood but the decision has dealt another blow to an already fragile retail sector. In addition, those parts of the country with high densities of public sector employment are likely to see retailers retrench in response to public sector job cuts and the public sector wage freeze.

**IED believes that the Government could encourage the adoption of innovative and relatively low cost strategies to help revitalise our town and city centres and offers to work with the Government to achieve this.**

### **4. Addressing Worklessness**

The ending of a variety of support programmes for the unemployed and uncertainties over the operation of the Work Programme have severely limited the support available to those who are unemployed and at risk of becoming unemployed. With unemployment on the increase and almost out of control for the young, it is especially important that such support is available to those most vulnerable to worklessness.

**The Government needs to urgently develop measures to tackle worklessness; measures that offer help to those concerned as well as value for money to the taxpayer. Again the IED is willing to offer the expertise of its Members to assist the Government in this regard.**

### **5. Neighbourhood Renewal**

The ending of area-based regeneration programmes will adversely affect those areas that benefit last during periods of economic recovery and suffer first during periods of economic decline. Without continued investment in these neighbourhoods, the progress they have made over recent years will slide into reverse.

**IED believes that the Government should adopt measures to address the range of issues impacting on quality of life at the neighbourhood level and offers to work with the Government to this end.**

Yours sincerely



**Keith Burge**

**Chair of IED**

29<sup>th</sup> November 2011