Responding to the continuing challenges

Bobby Duffy
Managing Director
Ipsos MORI Social Research Institute

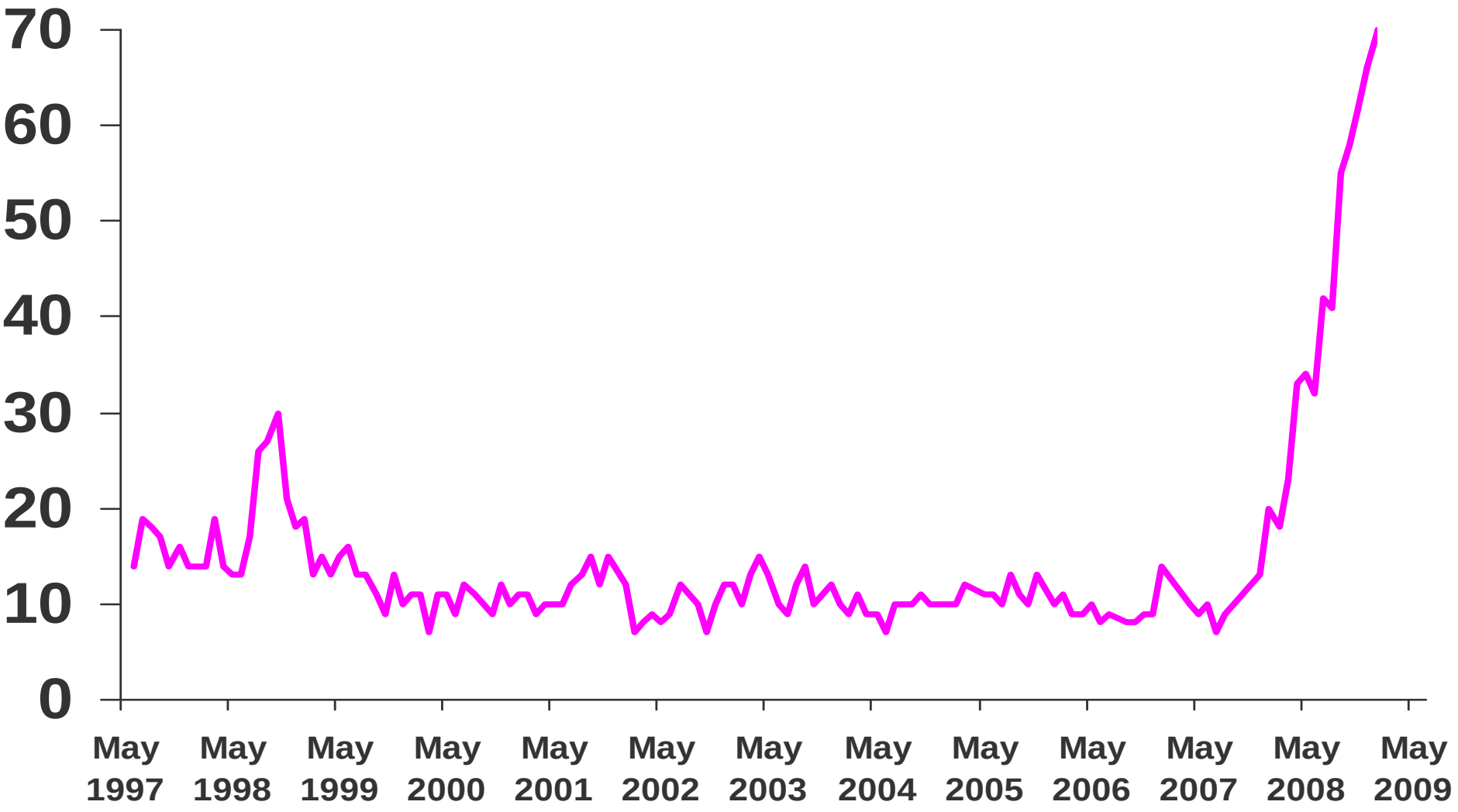
21st July 2009

Ipsos MORI

Green shoots...?

The economy is the big issue – but...

What do you see as the most/other important issues facing Britain today?



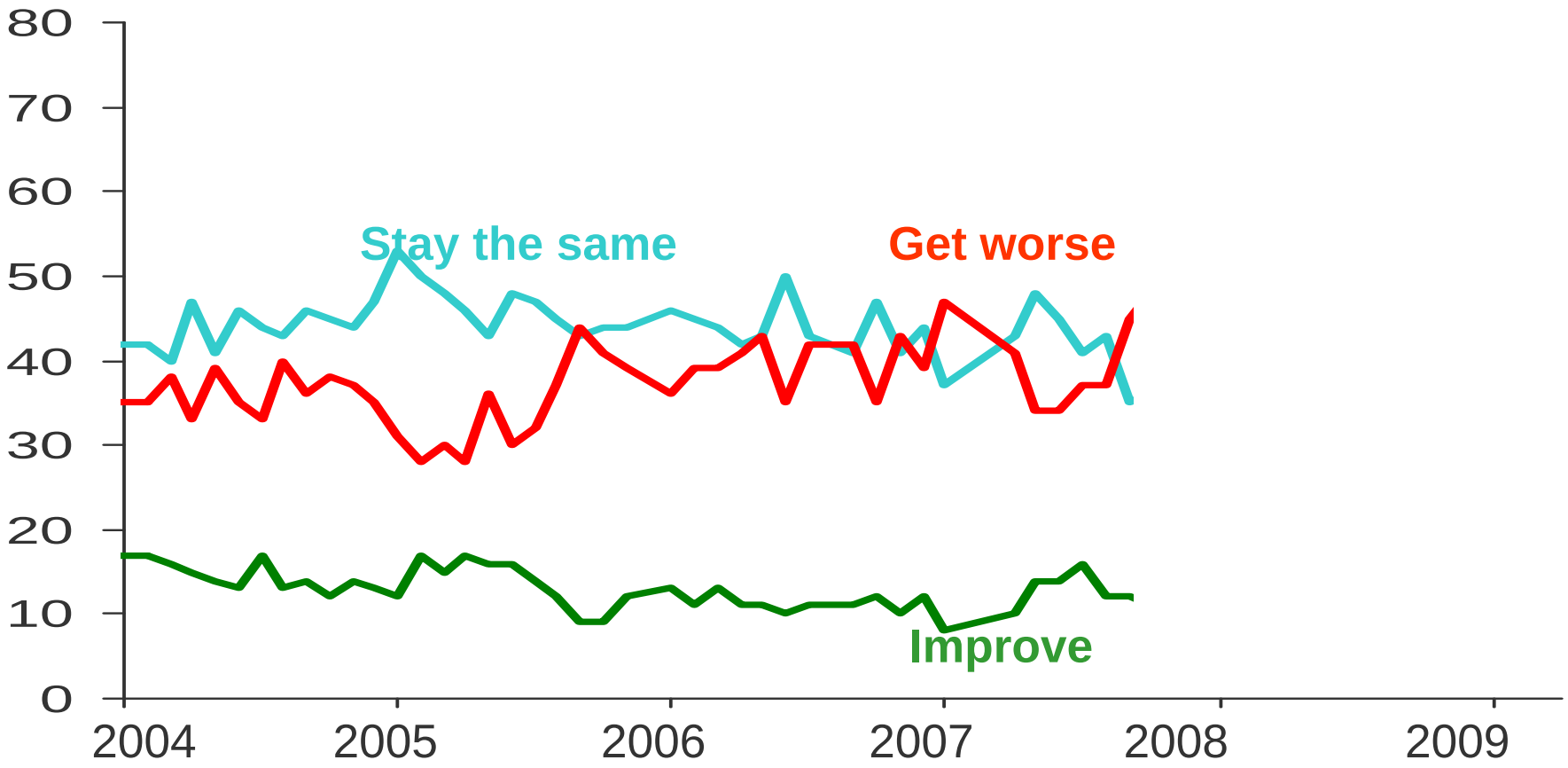
Ipsos MORI

Base: representative sample of c.1,000 British adults age 18+ each month, interviewed face-to-face in home

Source: Ipsos MORI Issues Index

And optimism growing...

Do you think that the general economic condition of the country will improve, stay the same or get worse over the next 12 months?



Base: 1,011 British adults, 17th-19th April 2009

Ipsos MORI

Source: Ipsos MORI Political Monitor

Although not saying is good...

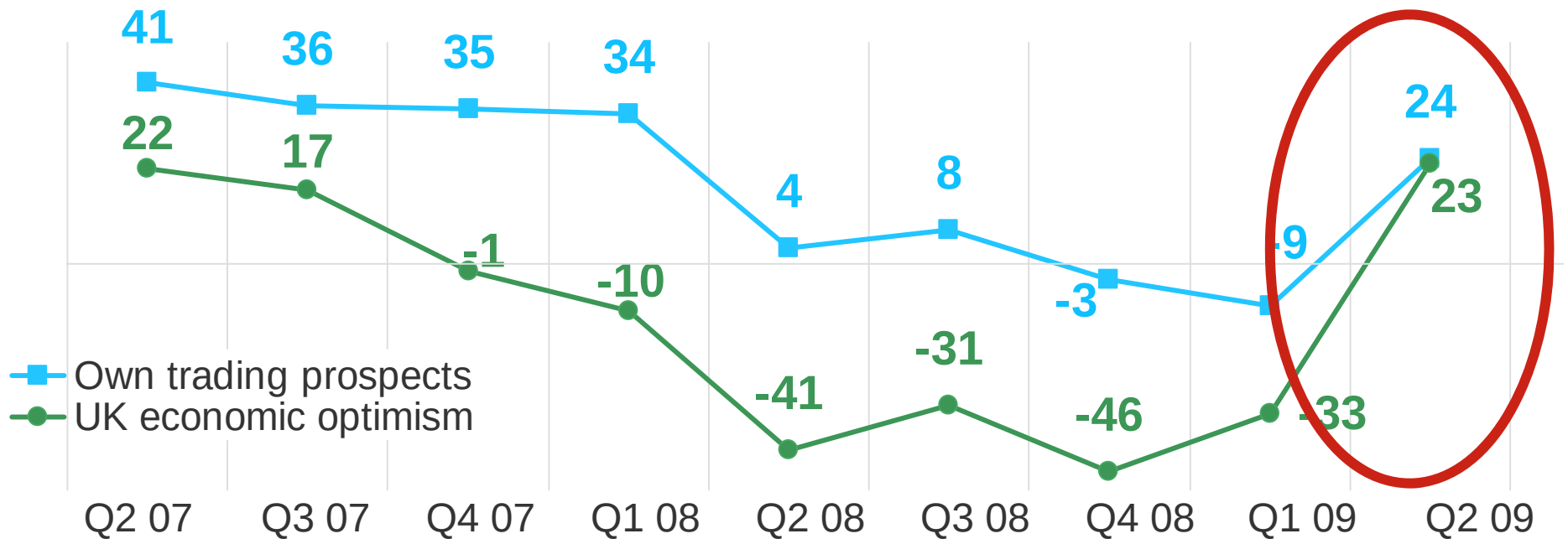
% describing their country's economic situation as good

Base: 23,437 online consumer citizens, 14 April – 7 May 2009

Source: Ipsos Global @dvisor

But increase in optimism not just among public...

£50k-£1m turnover businesses – Own prospects vs. Economic optimism from Q2 2007 to Q2 2009



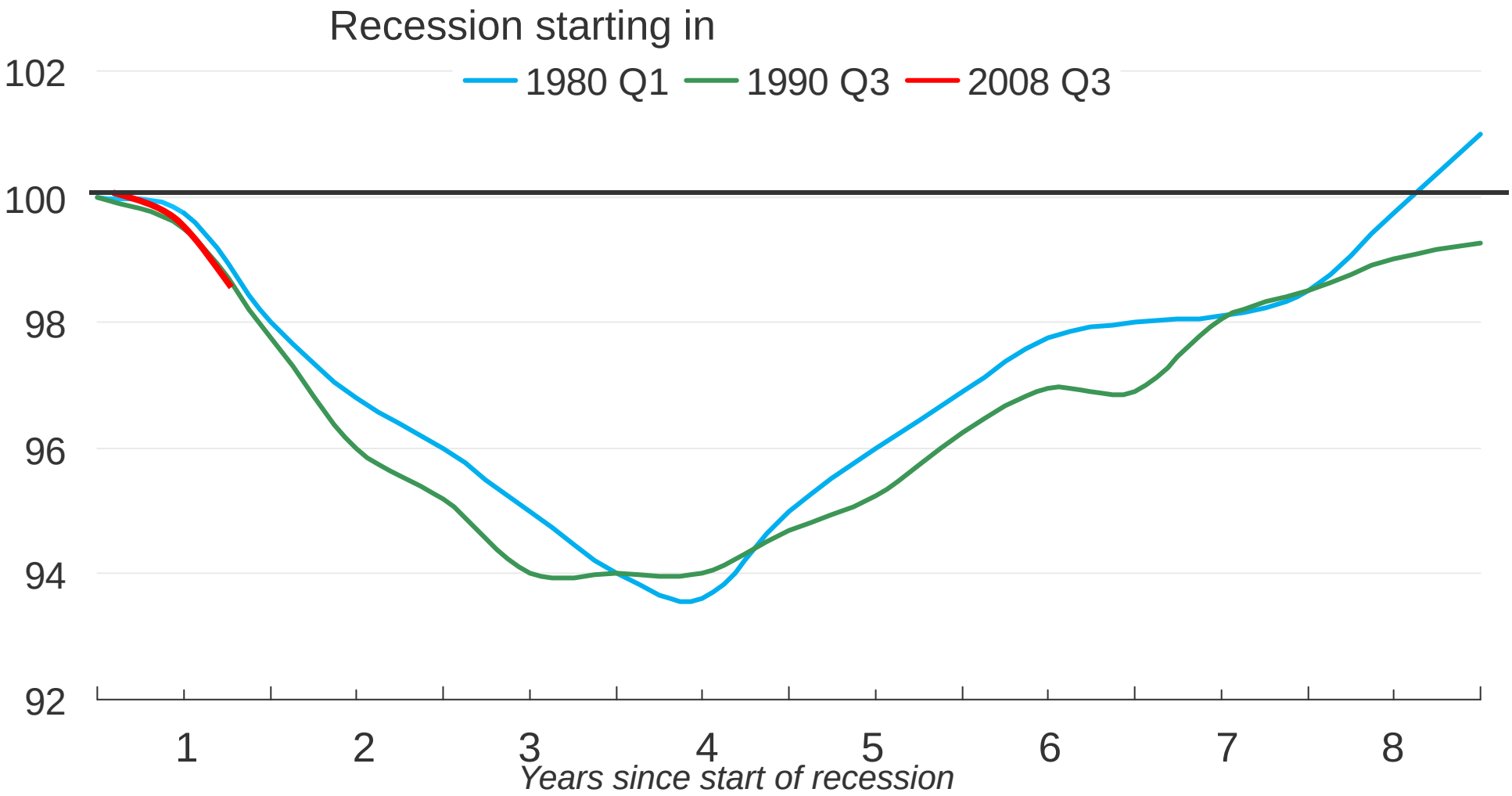
Source: Continental Research

The harshest period of the recession looks to be behind us, the economy is stabilising and this should continue during the second half of this year

CBI June 09

History would suggest not...

Employment levels, rebased*



Ipsos MORI

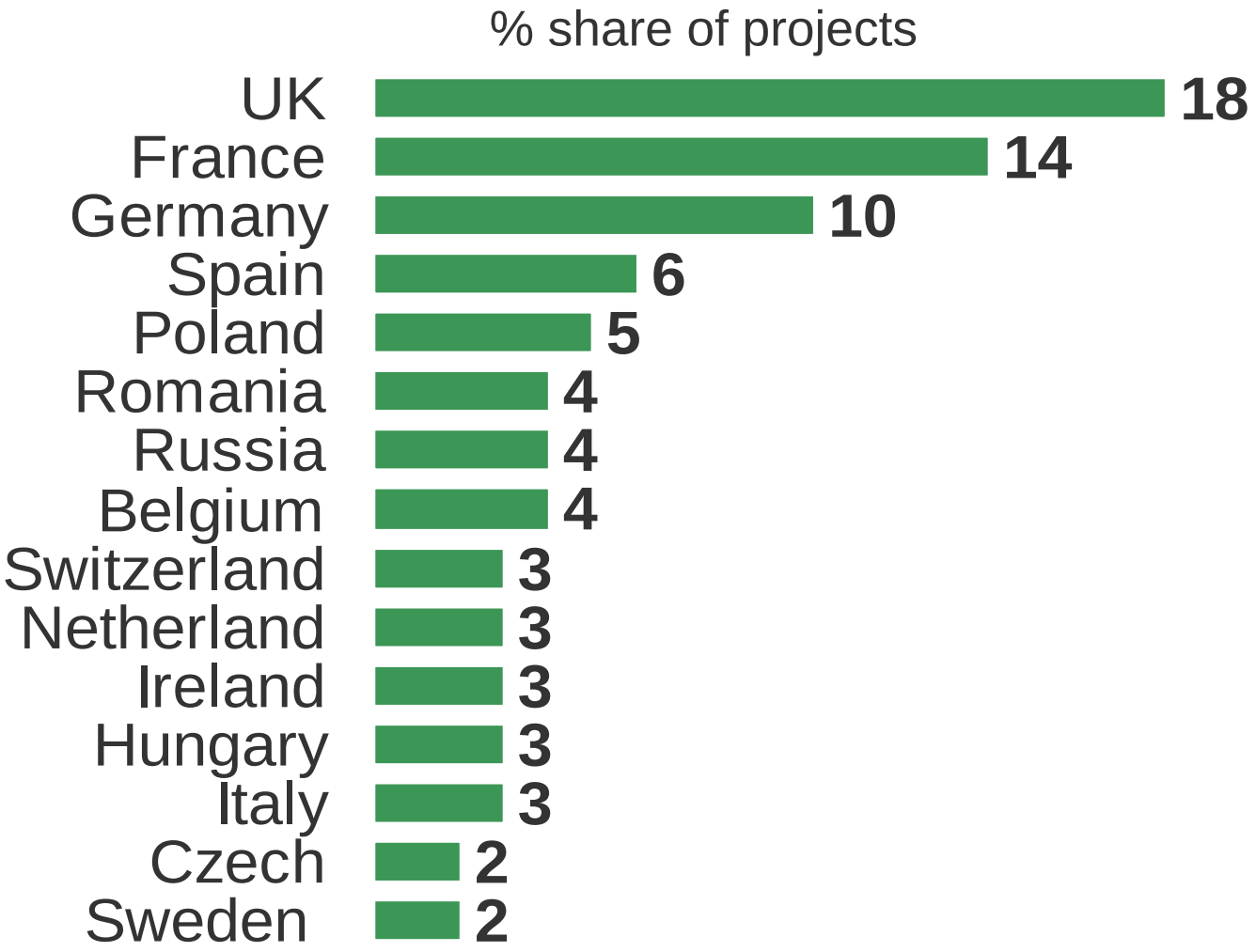
Source: ONS

*Quarter before start of recession = 100

The prospects for UK cities

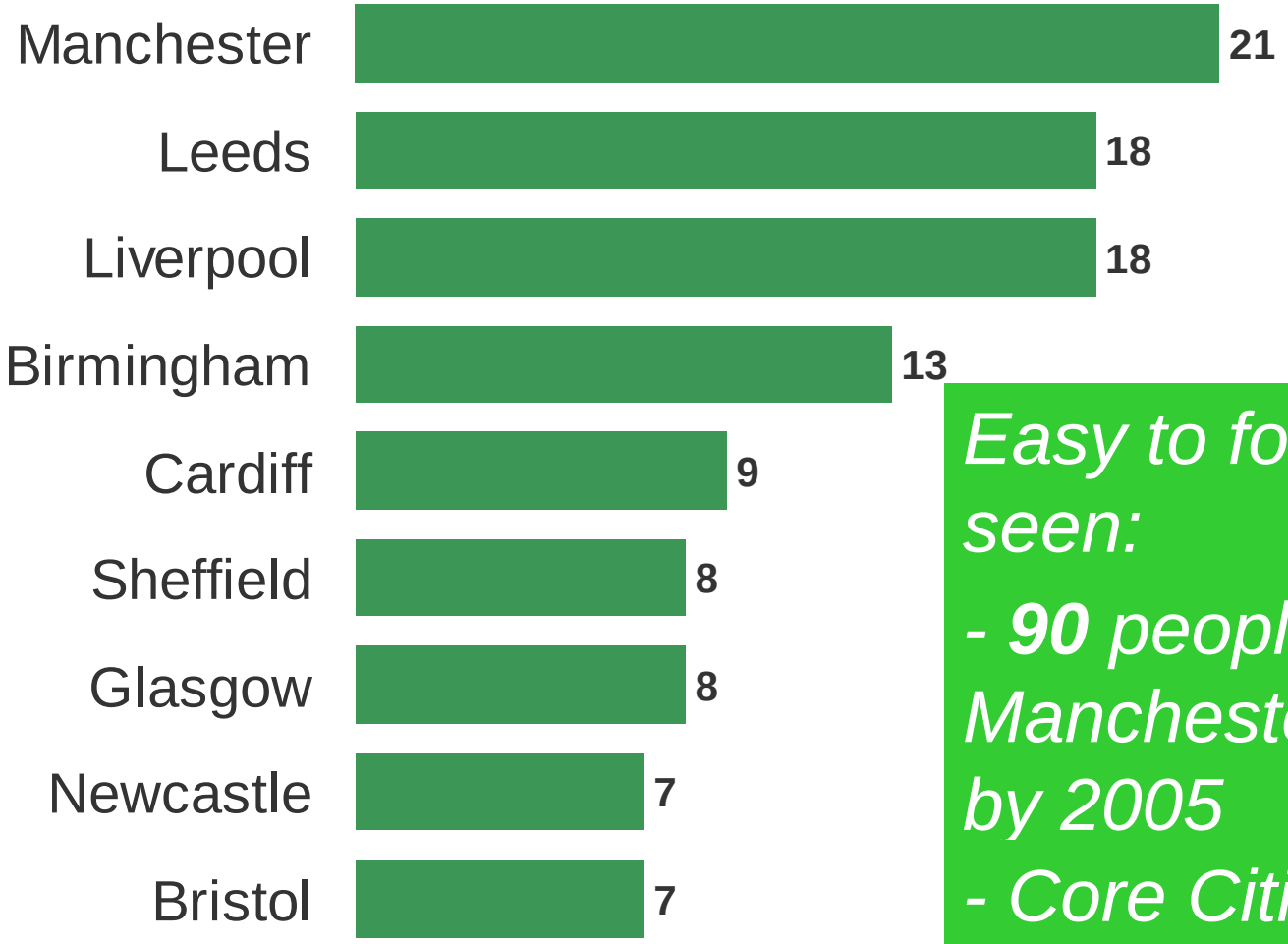
Ipsos MORI

UK had biggest share of Foreign Direct Investment projects in Europe in 2008



Ernst & Young European investment monitor 2009

Number of cities seen to be improving in eyes of business - 2008



Easy to forget progress have seen:

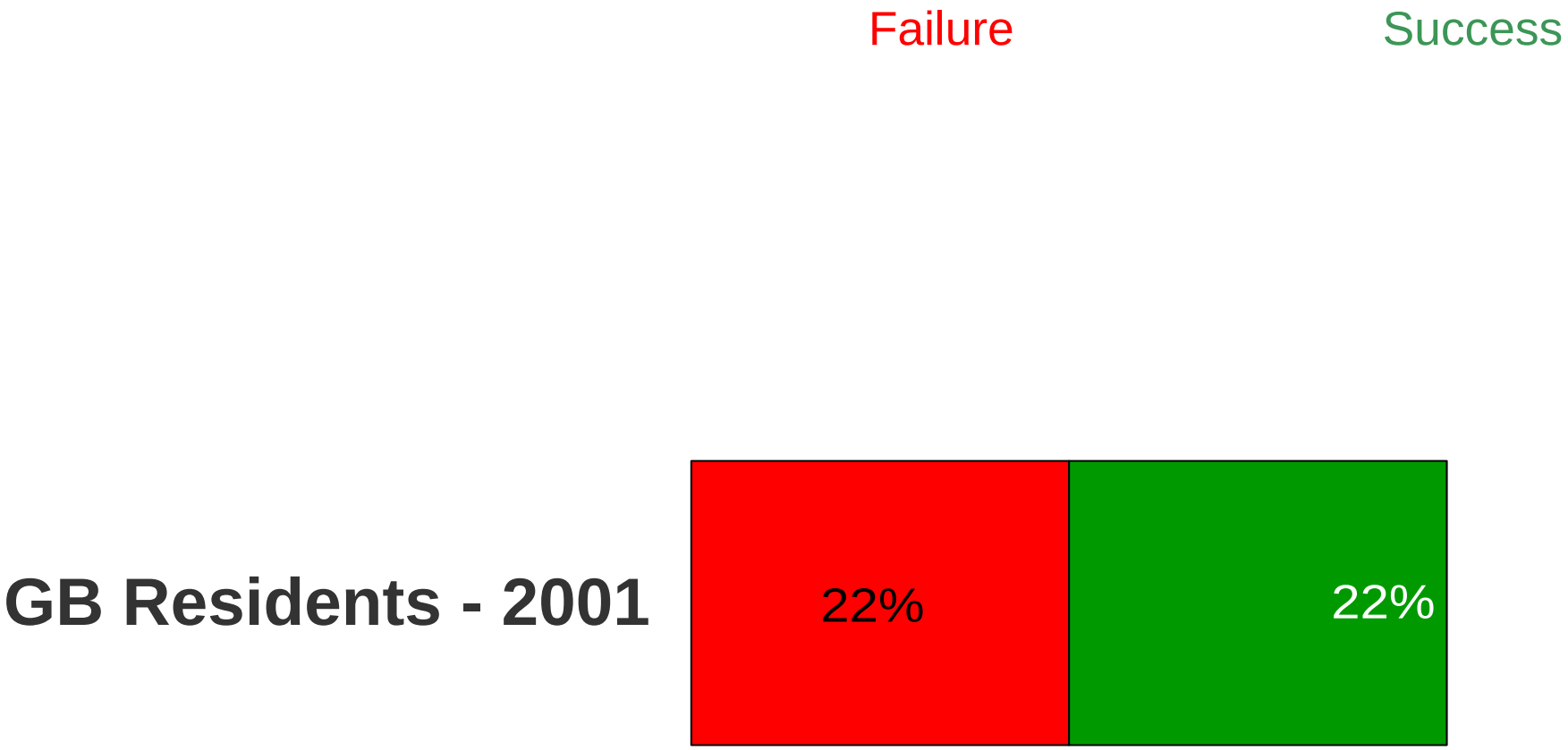
*- **90** people living in heart of Manchester in 1990, **25,000** by 2005*

- Core Cities all added over 50k jobs over past decade

Cushman & Wakefield UK Cities Monitor 2008 based on interviews with senior executives from 200 UK companies

And some regions have made significant progress with their image…

Q When you think of England's North West, do you think of success or failure?



Base: c1,800 GB residents outside the NW

This recession was going to be "grim down south"…

"The recession will be nothing like the one that gripped Britain in the early 80s. It will hit people in finance and leisure, not manufacturing. And London, not the North will bear the brunt…

…the topsy-turvy white collar recession is an Exocet aimed straight at the pockets of the comfortable southern middle classes"

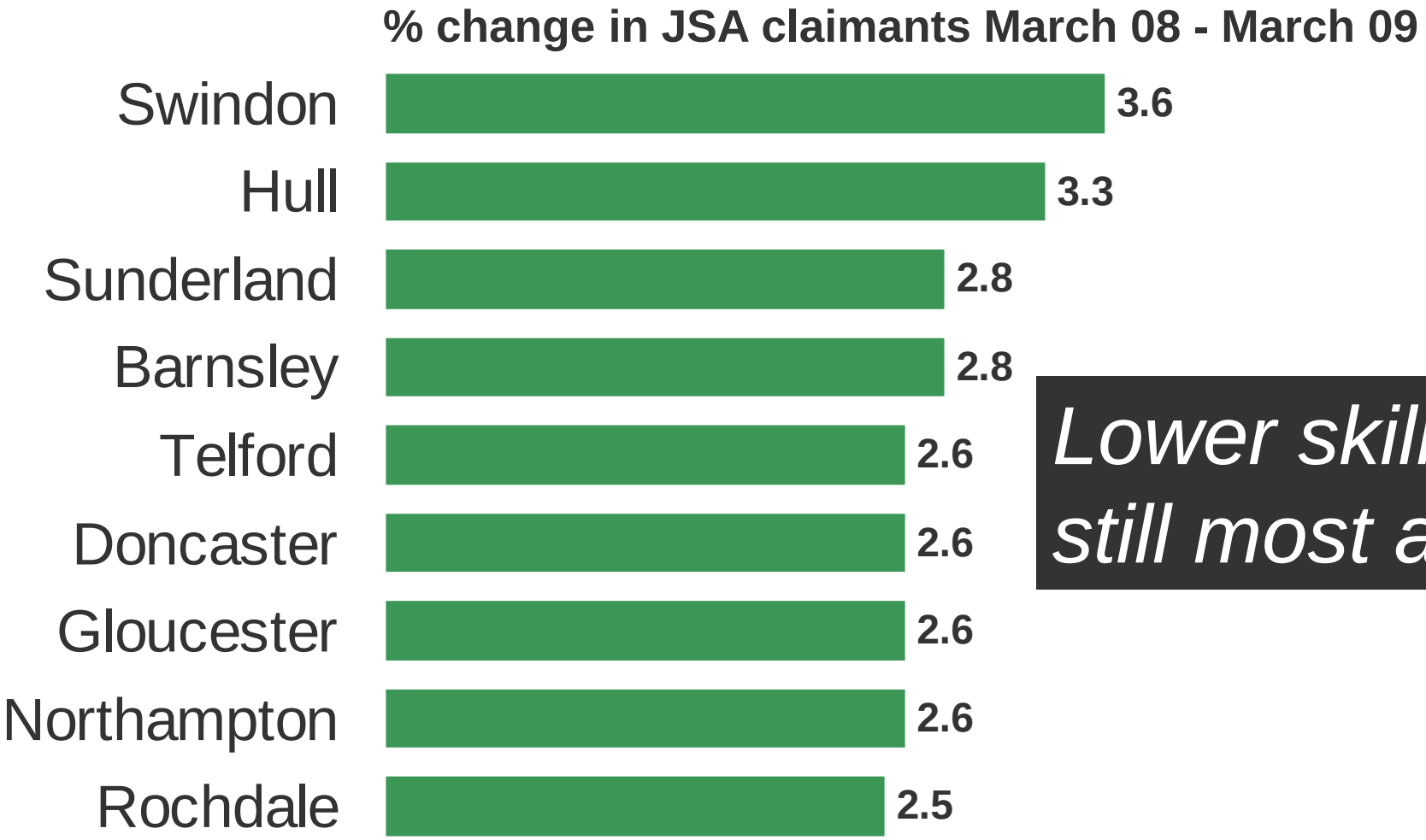
Observer 19th October 2008

London is the most likely to under-perform the national average in a recession…Major cities outside London such as Newcastle, Leeds and Manchester are likely to do better than the capital

LGA - From Recession to Recovery November 2008

Cities WORST hit on unemployment

Cities with highest % increase in JSA claimants

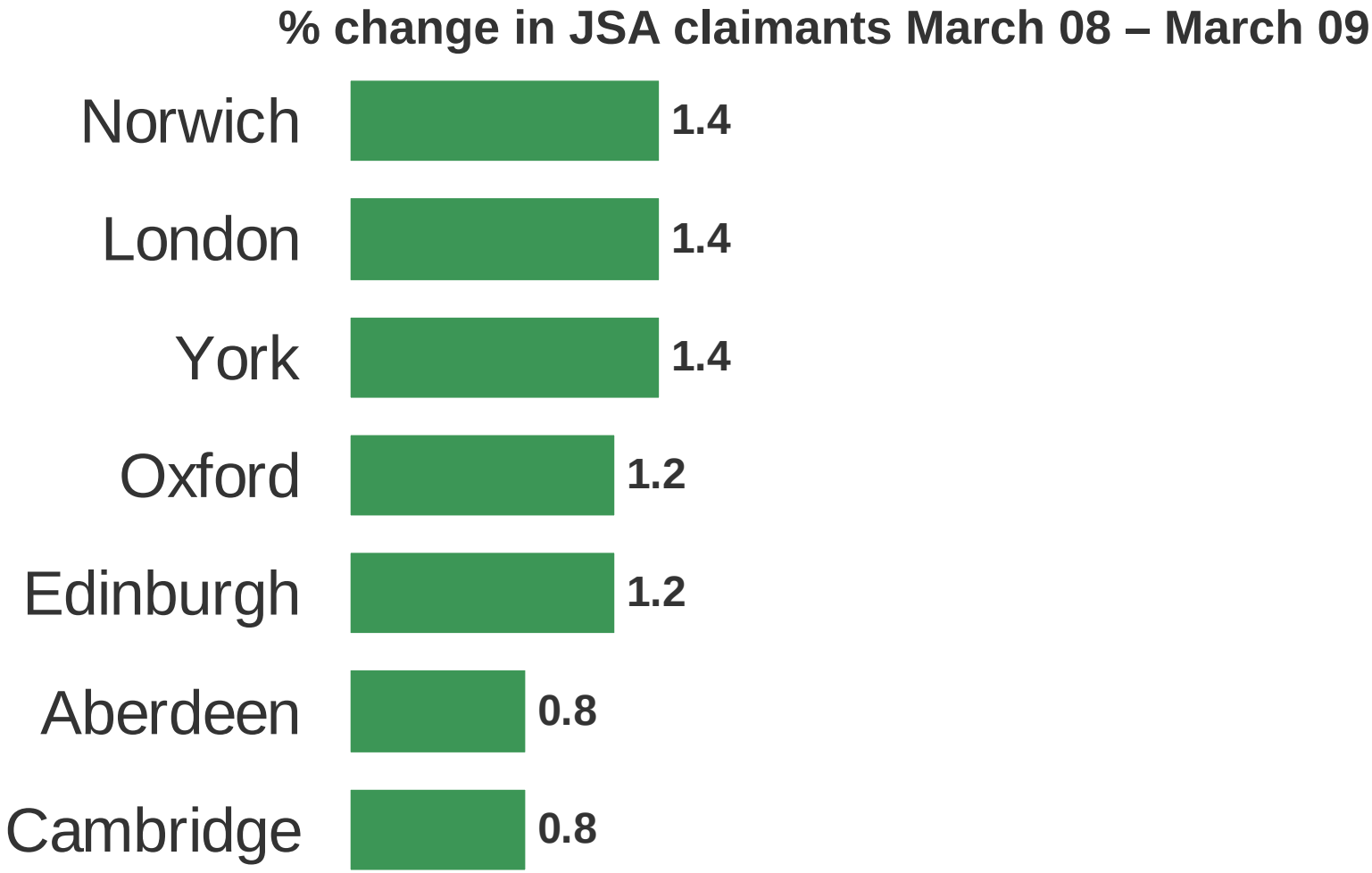


Lower skill cities still most at risk?

Cities Outlook 2009, Centre for Cities

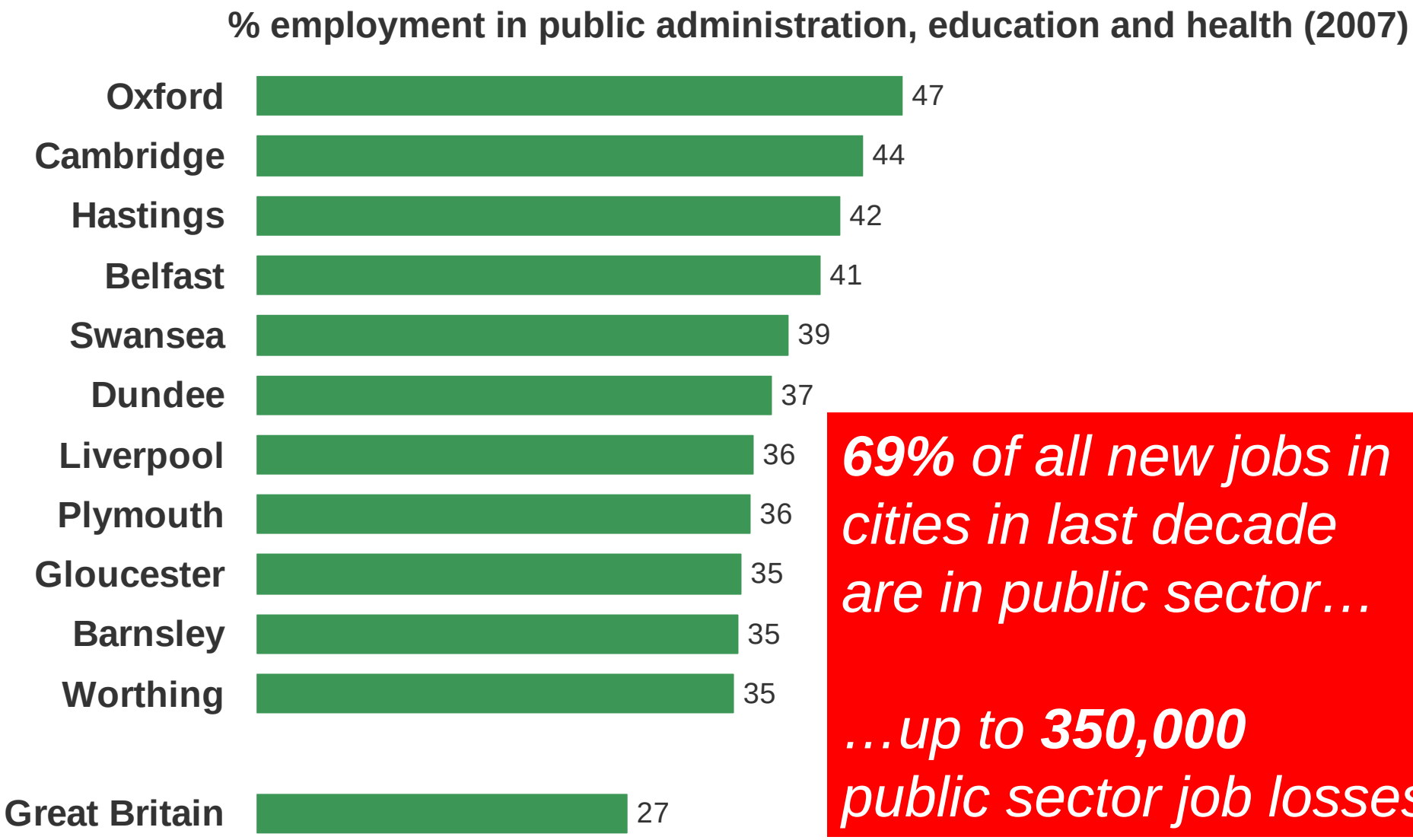
Cities LEAST hit on unemployment

Cities with lowest % increase in JSA claimants



Cities Outlook 2009, Centre for Cities

Cities with a large proportion of public sector employment – at risk?



***69%** of all new jobs in cities in last decade are in public sector…*

*…up to **350,000** public sector job losses*

Ipsos MORI

Source: Nomis, Annual Business Inquiry, 2009; Centre for Cities, Cities Outlook 2009; Labour Force Survey: 2007

What more can be done?

Key factors to support existing businesses and encourage new

Basics of transport/infrastructure and accessibility

Operating costs

Skilled workforce

Innovation, networks, university links

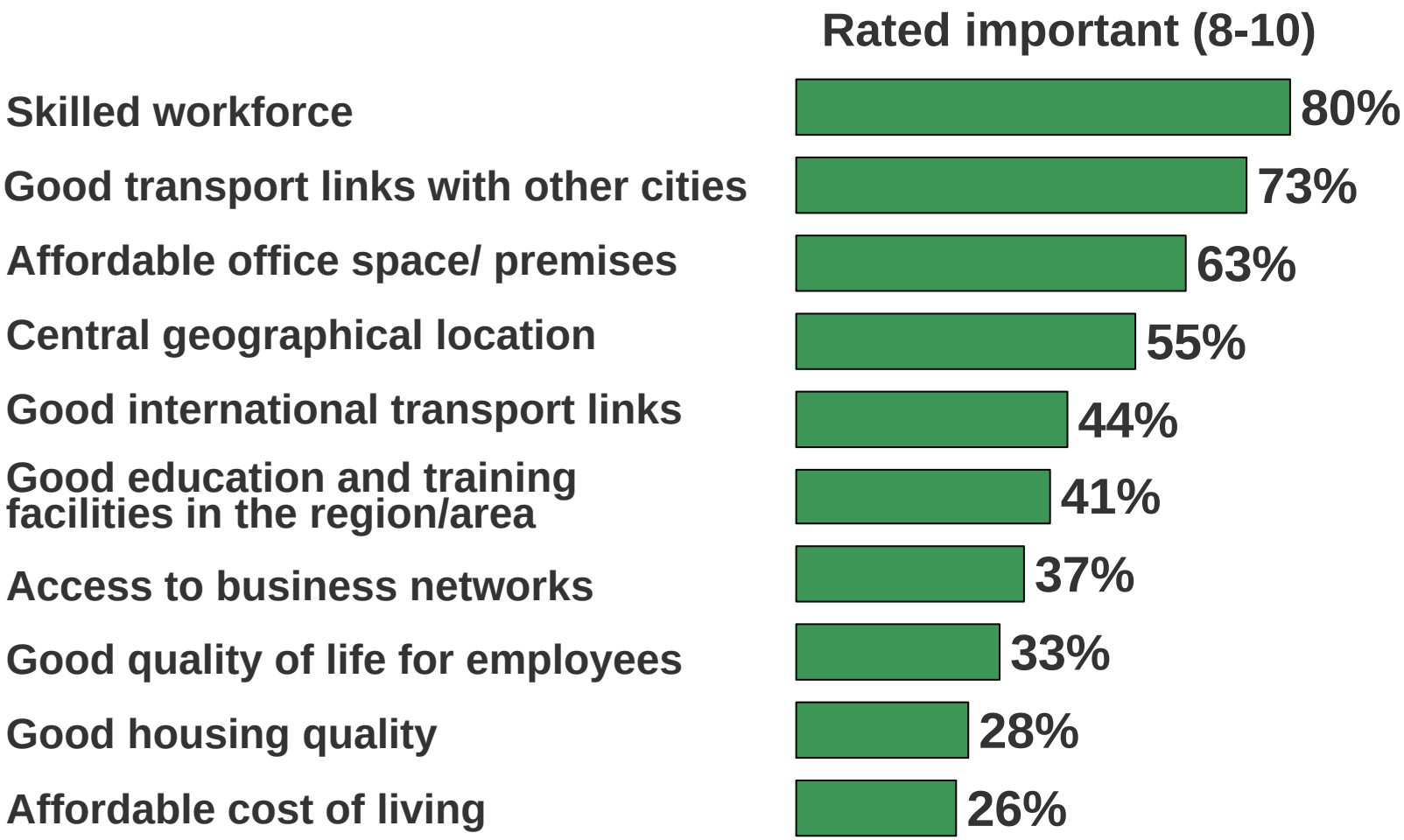
Bureaucracy, red tape

Quality of life and image

Ipsos MORI

Top 10 Location factors

Q7 Please can you tell me how important you think the following factors are in helping to attract businesses to a region or area

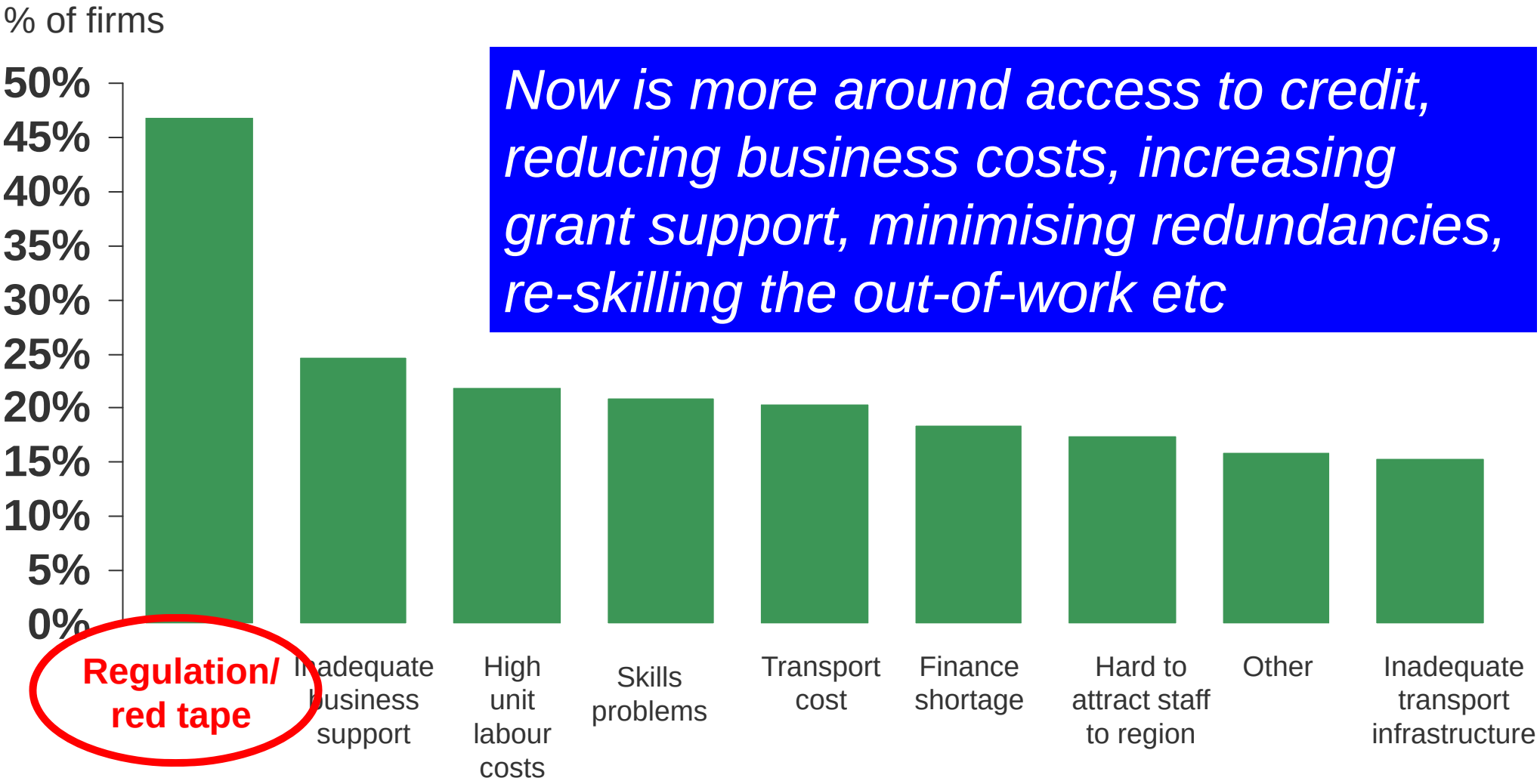


Ipsos MORI

Base: All European Businesses (198): Property Agents (74), Business Advisory (27) and End User Multinationals (97)

Regulation/red tape was seen as key factor inhibiting growth...

Key factors inhibiting the growth of the region



Now is more around access to credit, reducing business costs, increasing grant support, minimising redundancies, re-skilling the out-of-work etc

A results overview of the Regional Survey of UK Economic Trends 2007, Experian

Ipsos MORI

One key theme cutting across all actions...

Need for a local response

We are all localists now…

"Our goal is better outcomes for people through action tailored to local needs… [the] challenge to cities is simple: show us you can add value, bring people together and deliver results – and we will give you the power to succeed"

Labour

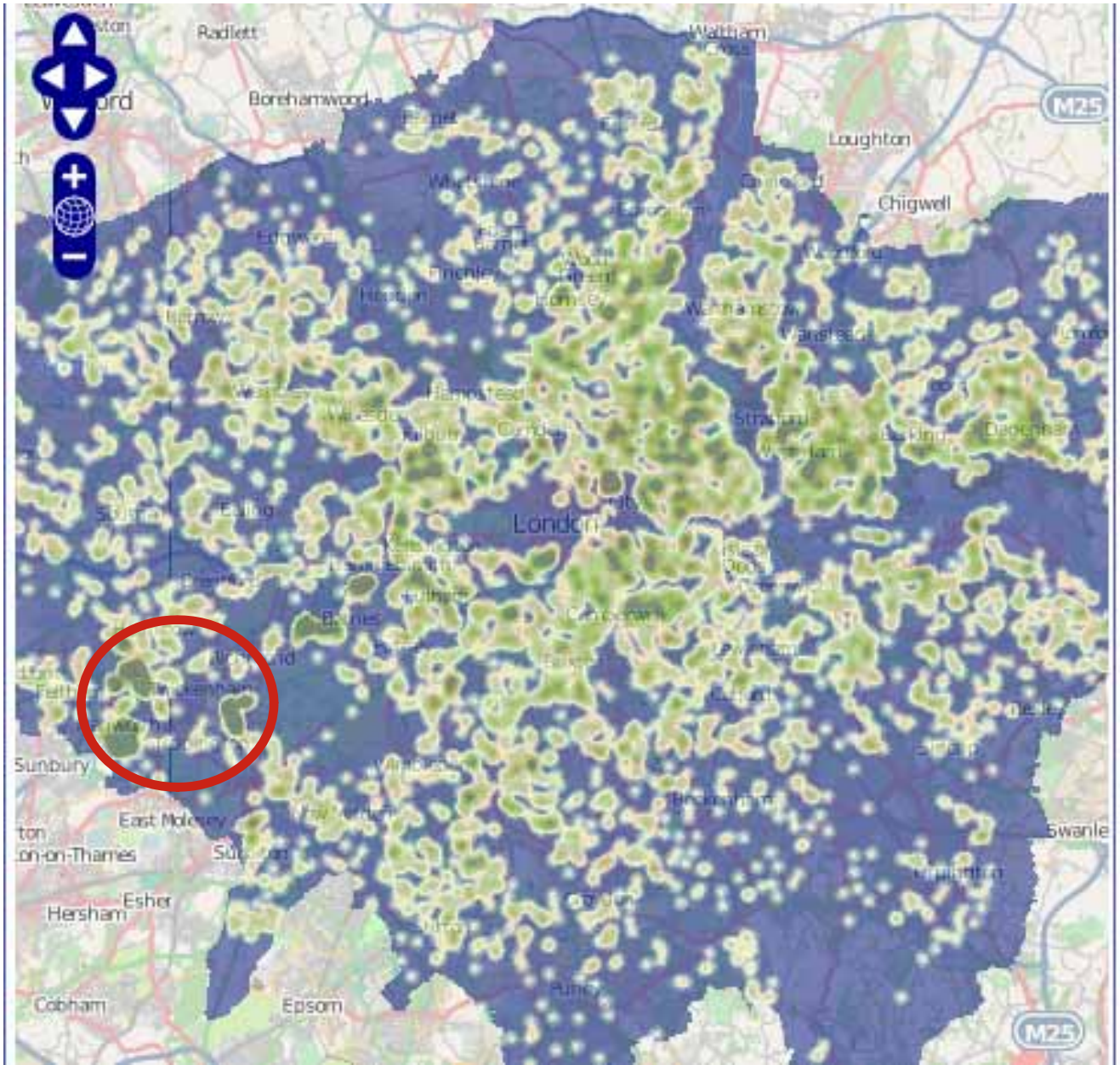
Conservatives

"One of the things we should do in this recession is try and make sure that we build a … more local economy, where we have more local decision making "

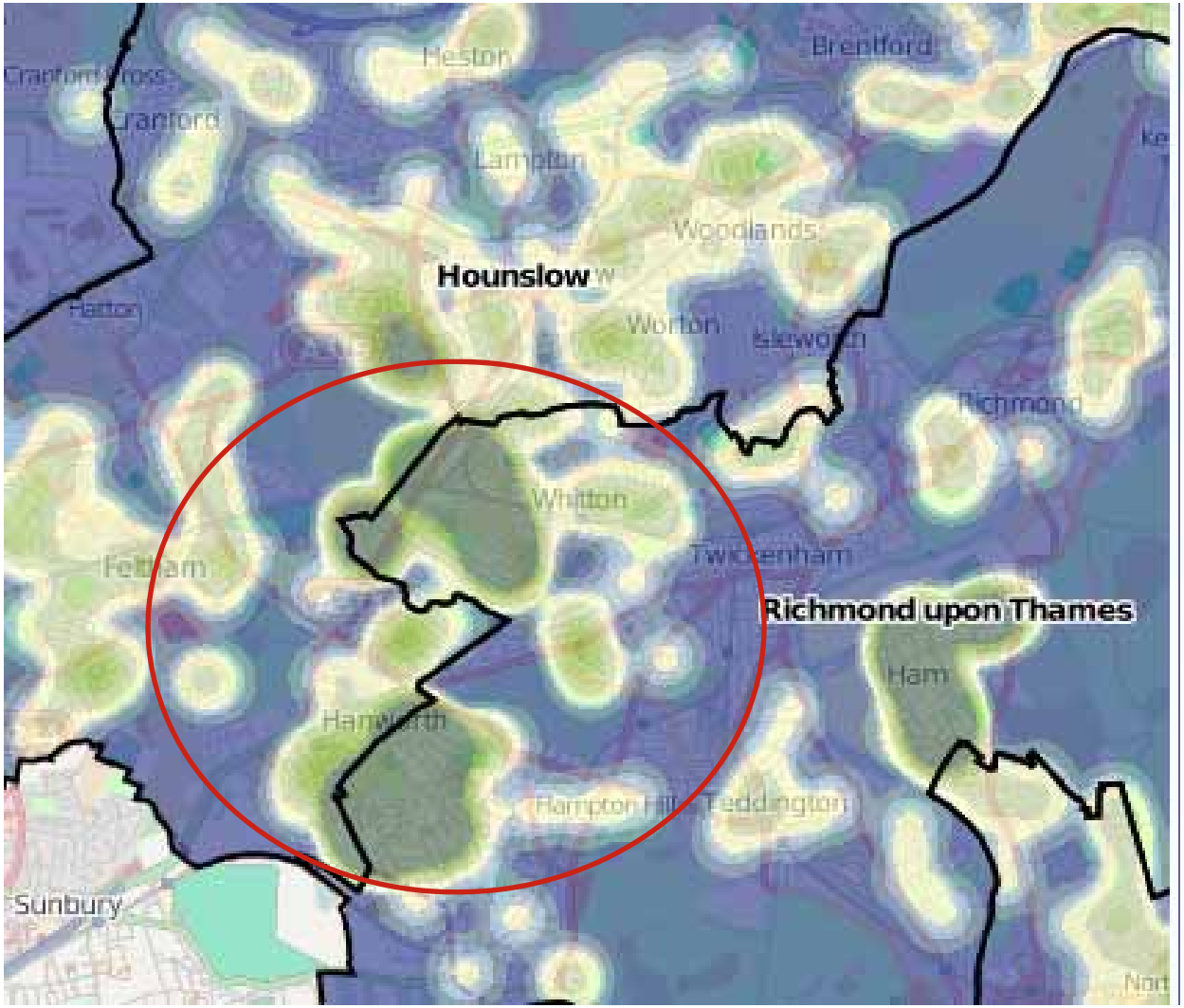
"Only by dispersing power in our politics and in our economy can we ensure that every person has the opportunity to make the most of themselves … Real localisation means giving communities autonomy…".

Liberal Democrats

Job prospects in London – a Global City, but really local concerns



Need to look across boundaries at real pockets of need



But how?

Role of RDAs and City Regions

City Mayors

Accelerated Development Zones

Other options for local control and revenue raising powers

Thank you

bobby.duffy@ipsos.com