

WIRRAL LOCAL STRATEGIC PARTNERSHIP – EXECUTIVE BOARD**WEDNESDAY 11th NOVEMBER 2009****REPORT OF THE DEPUTY CHIEF EXECUTIVE / DIRECTOR OF CORPORATE SERVICES****ECONOMIC UPDATE - RESPONSE TO THE RECESSION****1. EXECUTIVE SUMMARY**

- 1.1 This report outlines the latest impact of global economic conditions on Wirral's economy, and identifies the steps taken by the Council and its partners to respond to the recession through the development of a Recovery Plan. This Plan will contain measures to mitigate the impact of the recession but at the same time maintain momentum on our Investment Strategy.
- 1.2 LSP Executive Board is asked to:
- i.) Note the contents of this economic update
 - ii.) Note progress towards the development of the Recovery Plan, aimed at minimising the impact of the recession on Wirral residents and businesses, and planning for future recovery.

2. BACKGROUND

Since the onset of the recession the Council and its partners have worked hard to ensure that we properly understand how the recession is impacting on the local economy and in response have launched a number of initiatives aimed at mitigating the impact of the recession on businesses and the local community. The Council continues to lead partners in taking forward a co-ordinated and coherent response to the economic situation.

LSP partners will be aware that a number of recession reports have outlined the latest impact of global economic conditions on Wirral's economy, and identified the various short term steps taken by the Council and its partners to respond to the recession.

However, we are proposing a new dimension in Wirral's strategic response to the recession, through the development of a Recovery Plan. This will outline a number of measures to mitigate the impact of the recession, but at the same time maintain momentum on our medium and longer term economic goals and the Investment Strategy. The detailed proposals within the Recovery Plan will be discussed by LSP partners at the next Executive Board in January 2010.

The Council's overarching vision is to build a more prosperous and equal Wirral. Clearly the strategy being pursued by the Council is to work with partners to mitigate the impact of the recession locally, and at the same time continue to prepare for and develop initiatives to ensure that Wirral is best placed to move forward when the recession is over.



3. KEY INDICATORS

The following section provides a comprehensive and up-to-date picture of the impact of the recession. It includes the following labour market key indicators:

Employment rate

Latest data to March 2009 shows that Wirral's Employment Rate has seen a slight reduction after an increase in the previous period. It now stands at 68.6%. Wirral's Employment Rate has declined by 0.1%, which is less than both the NW decline of 0.2% and the national rate of 0.3%.

Claimant Count

Data for September 2009 shows that Wirral's JSA rate now stands at 5.6% (10,353) compared to a regional rate of 4.7% and an England rate of 4.2%. Since August 2009, Wirral's rate has decreased by 0.2% points, this is the biggest reduction within the City Region, whilst the NW and national rates have remained the same.

Business Profile

Recent datasets from the Merseyside Economic Review 2009 demonstrate that Wirral has considerably improved its business performance over the last few years. In 2007, the number of VAT registrations in Wirral was 720. This was up from the previous year's registrations of 590 in 2006 and the same number in 2005.

- a. VAT Business stock in 2007 was 6,140 which had increased from 5,880 in 2006 and 5,755 in 2005. Wirral also had the second highest number of Enterprise "births" in 2007 within the Liverpool City Region. This is an indication of the success of the Wirralbiz programme.
- b. Additionally, the 2007 survival rate of businesses operating for more than twelve months in Wirral is 96.9. This is the best within the Liverpool City Region and higher than that of the Northwest (96.6) and National (96.5) rates.

Whilst not providing an up to date picture of the impact that current market conditions has had, this information indicates that the activities designed for increasing enterprise in Wirral have been successful and makes the prospects of businesses surviving during recession good.

4. PARTNER UPDATES

As outlined above, Wirral Council is also co-ordinating a wide range of feedback and evidence from our partners in order to gain a comprehensive profile of impact. Current evidence includes the following:

4.1. NHS Wirral

NHS Wirral commissions Wirral Citizens Advice Bureau (CAB) to provide an advice service for patients within general practice premises. Anecdotal evidence suggests that the take-up of this service has increased and in particular from the non-affluent areas of Wirral. Anecdotally, the demand for mental health services, particularly some of the services offered through the voluntary sector, is increasing.



Feedback from the Wirral PCAL project indicates that Wirral CAB is now the second busiest in the country. Through the Primary Care Advice Liaison service, the project is seeing a wide number of people with more complex debt, leading to repossession and worsening mental health.

4.2. Wirral Housing and Regeneration Department

Feedback from partners has highlighted a number of issues, including:

- The accommodation in the private rented sector has become more readily available.
- A rise in the number of people with unmanageable debts due to job loss or to shorter working hours being imposed
- In response, the section is putting more resources into repossession prevention via third party specialist service eg debt advice

Riverside have reported their work to monitor the effects of the recession on their tenants and communities, and ensuring that they direct resources in the correct way.

They are responding nationally and locally to the recession in a number of ways. Their corporate objectives (revised in 2008) are geared to how they can support tenants who experience: multiple debt issues; a need to access money advice and support to find work. In Riverside's most recent Status Survey (2007) it was clear to them that many of their tenants face multiple issues around poverty, low levels of income and in some cases second and third generation unemployment.

They are also introducing new services including:

- Debt advice
- Money line, recently started on Wirral
- Welfare to work programmes
- Community Investment, various projects
- Continued support of Together and the merger with LCT

4.3. Merseyside Fire and Rescue Service (MFRS)

Data for Wirral regarding ASB Fires, Deliberate Property Fires, and Violence against Fire-fighters, has been analysed by MFRS to monitor the difference between 2008 and 2009. Statistics show that:

- Overall ASB fires show a 0.5% drop between 2008 and 2009;
- The level of reported Violence to Fire-fighters has not increased;
- The number of Deliberate Property Fire has shown a significant drop by 15.4% fewer incidents. The reduction in these areas can be attributed to the partners and the service forming proactive strategies, anticipating and planning for the possible and known impacts of a recession. However although there is an overall drop across the Wirral, some Wards show no change whilst other wards show increases in property and ASB incidents.



The service is establishing a new joint Police/Fire team within TRG called Flare with the remit of tackling arson related insurance fraud. This follows unprecedented rise in fire related insurance claims across the UK and is believed to be linked to the financial down-turn.

A slight reduction in commercial fires has been in the last couple of months.

MFRS continues with joint action with operational crew getting to know what is going on in their locality and being extra vigilant whilst about their communities, and linking with specialist advocates such as arson and ASB advocates. Campaigns continue to be run by the Fire Support Network and other partners such as the SPARC, and safe space, and work continues with Wirral community safety team.

4.4. Job Centre Plus

(i) Redundancy data

Data for September 2009 indicates that JCP were notified of 62 redundancies with 1 employer from the accommodation/food sector.

(ii) JSA benefit 'On and Off' Flows

Data for September 2009 indicates an on-flow of 2086 people. This compares with the September 2008 figure of 1747.

However it is important to note that once again, off-flows are higher than in the previous 12 months. Data for September 2009 indicates that off-flows were 2334 people, compared with 1622 in September 2008, indicating buoyancy in the labour market.

(iii) Vacancies notified

Data shows that there were 1521 vacancies notified to JCP in September 2009. This is an increase of 580 vacancies since August 2009.

4.5. Wirral Joint Community Safety Team

Feedback from a recent report produced by the Safer Merseyside Partnership ¹ indicates that, in general, there has been no significant correlation between the recession and any crime increases. Key points from the report include:

- Detailed analysis of burglary trends shows no geographical correlation between increase in JSA claimants and burglary hotspots.
- The trend for burglary in Wirral is comparable with that across all Merseyside.

5. LATEST ACTIONS TAKEN SINCE PREVIOUS LSP EXECUTIVE REPORT

The Council and its partners continue to meet to agree the best ways to support Wirral residents and businesses in the current situation. The interventions outlined below detail some of the existing and planned opportunities, developed in response to our detailed understanding of the impact.

¹ The Impact of the Economic Downturn on Wirral's Crime and Disorder Levels



5.1. Business Support

Wirral has worked with partners to develop a structured package of support to businesses in a direct response to the recession. This has received considerable interest from businesses. Three meetings of the grants panel have taken place to decide on applications up to £20,000. To date a number of awards have been approved, safeguarding in excess of 67 jobs.

In addition, a number of Think Big Grants for amounts in excess of £20,000 have been awarded. The support awarded to these businesses will result in the creation of 96 new jobs through projects already completed. It is hoped that in excess of 350 further jobs will be created through projects currently in development.

Invest Wirral are hosting an event for businesses of Wirral who want to improve their success in tendering for public sector contracts.

The event, "Improving Success in the Public Sector", is designed to help local businesses understand the complex nature of public sector procurement and give an insight in creating a successful tender. This event is scheduled to be held on 10th November 2009.

Wirral Council has maximised the use of ERDF resources to appoint three seconded staff from Business Link Northwest to work with Invest Wirral to enhance its work with engaging with local businesses. The three staff (2 Growth Advisors/1 Training and Skills) are all dedicated solely to engaging with Wirral based business.

Additional to this, the Wirral Business Forum now has more than 700 members. The Forum comprises regular cluster based meetings for its members but also online support services. The latest forum to come on line will specifically support businesses from the Hamilton Quarter area of Birkenhead.

In August, Wirral Council successfully tendered the new business start contract in partnership with the North West Development Agency (NWDA). Wirralbiz were successfully awarded the contract and all partners are confident of continuing the success of the previous programme.

5.2. Employment Support

Key partners (Wirral Council, Jobcentre Plus and the Learning and Skills Council) continue to co-ordinate activity through the Wirral Economic Development and Skills (WEDS) Partnership.

5.3. Future Jobs Fund

The Department for Work and Pensions has recently approved the Liverpool City Region bid to the Future Jobs Fund launched in the 2009 Budget. The initiative aims to create 150,000 new jobs for unemployed young people in Britain over the next years and a further 50,000 for the 25+ age group in unemployment hotspots. Wirral Council will receive over £1m to create 187 jobs in the first six months of this initiative, with more jobs expected to be approved over the next few months.



5.4. Wirral Apprenticeship Programme

The Apprenticeship Programme has now moved into delivery, with a wide range of apprenticeship opportunities coming mainly from local SMEs who have never accessed the apprenticeship system before. All 100 places were filled by October and cover a wide range of vocational areas.

The City Employment Strategy (CES) recently made available an unallocated £275,000 of ESF Complementary Strand and asked City Region partners to identify potential projects. Wirral proposed that the allocation should be used to fund an additional number of 17 apprenticeships for the Wirral Apprenticeship Programme taking the overall number of places up to 117. Officers are pleased to report that Wirral's proposal was approved by the CES Board.

6. CONCLUSIONS

- 6.1. Wirral partners continue to take forward a co-ordinated and coherent response to the economic situation.
- 6.2. Despite prevailing economic conditions, the prospects for Wirral's economy remain good. The proposed Recovery Plan will build on a twin track approach of providing support to individuals and businesses to mitigate the effects of the recession, alongside continuing to deliver our LAA objectives. This approach has positioned Wirral to prepare for recovery, to continue generating economic growth and deliver on the economic vision set out in its Investment Strategy.

7. RECOMMENDATIONS

Executive Board members are asked to:

- (i) Note this latest report on Wirral's response to the current economic conditions.
- (ii) Note progress towards the development of a Recovery Plan, aimed at minimising the impact of the recession on Wirral residents and businesses, and planning for future recovery.
- (iii) As agreed at the July Board, partners are requested to complete and return the attached template (Appendix A) ahead of future executive board meetings

Jim Wilkie

Deputy Chief Executive/Director of Corporate Services

This report was prepared by Rosemary Boylan who can be contacted on 0151 691 8037



Appendix A

<p>Wirral Local Strategic Partnership</p> <p>Economic Update - response to the current economic conditions</p> <p>Collation of key issues and activity undertaken by partners</p>	
<p>Please return completed templates to Rose Boylan at rosemaryboylan@wirral.gov.uk on or before the following dates:</p> <p>Monday 14th December 2009 <i>(note change in date – now earlier)</i> Wednesday 3rd February 2010 <i>(note change in date)</i> Monday 15th March 2010</p> <p><i>(please put 'no update from previous report' if that is the case)</i></p>	
Completed by: Person/date/contact details	
Question	Update
1) Please supply to the LSP any systematically collated data for your organisations area of work which relates to the impacts of the current economic recession	
2) Please supply any further information of the impact of the recession e.g. <i>anecdotal evidence, feedback from clients or front line staff;</i>	



Question	Update
<p>3) Examples of how you are responding to the current economic climate e.g. <i>if you are restructuring how you deliver services, or increasing service availability, or additional resources in response to increased demand etc.</i></p>	
<p>4) What issues do you see in the future (from – and - to) and how are you planning to meet that challenge? e.g. <i>changes in legislation, budget reviews, new service commissioning rounds, funding changes</i></p>	
<p>5) Are you aware of any other issues related to the recession that the LSP should be made aware of?</p> <p>What are they?</p>	
<p>Please return completed templates to Rose Boylan by email rosemaryboylan@wirral.gov.uk Tel 0151 691 8037.</p>	

