

# WIRRAL COUNCIL

CABINET – 27<sup>th</sup> May 2010

## REPORT OF THE DEPUTY CHIEF EXECUTIVE/DIRECTOR OF CORPORATE SERVICES

### Economic Recovery Plan: May 2010 Update

---

#### 1. EXECUTIVE SUMMARY

This report updates members on Wirral's Economic Recovery Plan. It includes feedback from partners on latest responses to the recession and the impact of a number of interventions.

Members are asked to

- (i) Note this latest report on Wirral's response to the current economic conditions and the progress of the Recovery Plan attached as Appendix 1; and
- (ii) Agree the continued approach of Wirral's Recovery Plan which emphasises the need to maintain a focus on the long-term economic vision whilst also planning short and medium term responses to the recession.

#### 2. BACKGROUND

- 2.1. Members will be aware that the Council has been working closely with partners over the past 18 months to ensure that we properly understand how the recession is impacting on the local economy. In response, we have developed a number of initiatives aimed at mitigating the impact of the recession on businesses and the local community.
- 2.2. Building on this approach, Cabinet agreed an Economic Recovery Plan for Wirral (February 2010), which emphasised the need to maintain a focus on the long-term economic vision whilst also planning short and medium term responses to the recession. Members also agreed that quarterly updates should be brought back to Cabinet so that we:
  - (a) continue to understand changing economic conditions;
  - (b) assess the impact of the proposed Recovery Plan interventions;
  - (c) continue to develop appropriate and effective responses in the short, medium and long term.
- 2.3. The Recovery Plan was subsequently agreed by partners at the LSP Executive Board in February 2010, with a commitment from partners to continue to feedback regularly on the impact of range of interventions.
- 2.4. LSP partners emphasised the need to consider the implications of the recession and imminent budgetary reductions for the Council and our partners as major organisations and employers in terms of

- Systematically assessing the contribution of council and partner services in addressing the impact of the recession, where appropriate working in partnership with other agencies;
- Making preparations now, with local partners, in view of expected tighter public expenditure settlements;

### **3. ECONOMIC UPDATE**

3.1. A summary of latest economic data to May 2010 is attached as Appendix 2. Key points to note include:

#### **3.2. Job Seekers Allowance (JSA)**

Latest data to April 2010 highlights some very positive trends in reducing Wirral's JSA rate:

- Wirral's JSA went down by 0.1% points; this is a reduction of 226 claimants between March and April.
- Wirral's rate is now 5.2%, compared to a NW rate of 4.5% and a GB rate of 4.1%. This represents 9,491 people in Wirral claiming JSA.
- April's reduction is the third consecutive monthly decrease for Wirral, and means that almost 900 people moved off JSA since January 2010.
- Wirral is outperforming Liverpool City Region, NW and National yearly averages in reducing JSA.
- Wirral has also reduced its numbers of 18-24 JSA claimants by 160 this month (0.6%); the second largest reduction in numbers in the Liverpool City Region (LCR).
- Wirral out-performed both North West and national averages in reducing 18-24 JSA this month.
- Wirral has seen a yearly reduction of 1.4% of 18-24 JSA rates - in line with LCR trends and out-performing National and North West averages.

#### **3.3. Employment Rate**

*(Note: It should be noted that this survey based measure has significant +/- variations in accuracy due to the relatively small sample measure base used)*

- Latest data to Sep 09 shows that Wirral's Employment Rate is 67.3%.
- This compares with the North West rate of 70.3% and the GB rate of 72.9%
- Although Wirral's Employment rate has gone down in the last 12 months (by 1% point), this is a slower rate than both the regional (1.8%) and national (1.6%) rates of decline.

#### **3.4. VAT Registrations and De-registrations**

- Latest data to 2007 demonstrates that the number of VAT registrations in Wirral was 720. This was an increase from the previous year's registrations of 590 in 2006 and the same number in 2005.

- The number of actual de-registrations to 2007 was 460, the same number as for 2006. Wirral's rate of de-registrations is 7.5%; this is the same as the North West rate, and just above the GB rate of 7.3%.
- VAT Business stock in 2007 was 6,140 businesses – an increase from 5,880 in 2006 and 5,755 in 2005.

### **3.5. Self Enterprise**

- Latest data on levels of self enterprise released from ONS in January 2010 show that Wirral's rate of self employment now stands at 7.2%. This represents 13,000 actuals. Wirral's rate has increased by 0.7% points since 2008.

## **4. ECONOMIC RECOVERY PLAN: LATEST PROGRESS**

- 4.1. The Council and its partners continue to meet regularly to agree the best ways to support Wirral residents and businesses in the current situation. The Recovery Plan summary attached at Appendix 1 updates Cabinet on some of the activity developed in response to economic conditions, as well as input from partners about their specific interventions. This indicates a range of activity that is having a positive impact on residents and businesses. A summary of key achievements includes:

### **Working Wirral**

- The Working Wirral programme continues to deliver a number of effective projects supporting Wirral businesses and residents. Latest performance data for 2009/10 (which includes the Reachout and Wirral Change numbers cited below) indicates that 855 people have gained a job and 138 have gained a qualification as a result of these interventions.

### **Future Jobs Fund**

- This initiative continues to make good progress in supporting unemployed people into new employment opportunities. In Wirral, there have been almost 200 new starts to date. Feedback from both participants and employers is very positive, with evidence that the Wirral model is offering a high quality experience - including training and effective 'wraparound' support.
- In terms of supporting businesses, Wirral is holding a Future Jobs Fund Employer Forum on 24<sup>th</sup> May. Both Invest Wirral and Business Link are attending in order to provide support to Wirral 3<sup>rd</sup> sector organisations.

### **Business Starts**

- The number of new business start-ups and number of businesses supported through the Council's Business Start Programme continues to exceed targets (by 20%) despite the economic conditions. Latest data from WirralBiz indicates that 300 new businesses have been created in 2009/10.

### **Reach Out**

- The Involve Northwest: Reach Out project is an innovative approach that engages workless households by taking the service to their home. Reach

Out guidance workers knock on doors, engage residents in the familiar surroundings of their own home and promote the value of being in work. The project has knocked on over 65,000 doors in Wirral's most deprived areas and helped over 1,000 residents secure employment. Over the twelve months to March 2010, 636 people obtained a job, 62 gained a qualification and 34 people moved into self employment.

### **Wirral Change**

- This Black & Racial Minority (BRM) Outreach Project provides outreach employment service for Wirral's BRM residents offering specialist guidance workers to tackle multiple barriers to employment. Latest data to year end March 2010 indicates that 118 people obtained a job and 42 gained a qualification. 6 people were supported into self employment.

### **Wirral Apprenticeship Programme**

- Wirral Council has committed funding for over 200 subsidised apprenticeship places with local businesses via its highly successful Apprenticeship Programme. There is a particular focus on supporting NEET and other vulnerable young people. The Wirral Apprentice Programme has been commended as a model of good practice nationally and regionally, and is increasingly being recognised as an exemplar of effective partnership working – see link  
<http://www.nweo.org.uk/Workforce/Good+Practice+Resource+Library/>
- The Programme has secured employment for young people in a diverse range of sectors such as construction, health and social care, engineering, accountancy and science and technology.

### **Business Engagement**

Invest Wirral continues to successfully support business and helped generate jobs and investment.

- Over the last twelve months Invest Wirral has engaged with 1000 businesses
- This has led to 98 investment projects being supported and 3 inward investment projects secured.
- 31 businesses have been supported through the Council's Business Investment Grant (BIG) and "Think BIG" schemes. The total grants distributed amounted to over £1.6M.

As a result of the activity above Invest Wirral has generated an investment value of more than £21.5M and has helped create 738 jobs and safeguarded a further 545.

### **Health**

- Life expectancy is improving across the borough and the number of people giving-up smoking is increasing. Wirral has seen a reduction in teenage conceptions in the borough.

## **Housing**

- Wirral Council has secured almost £1.5 million for new, affordable rented homes in three areas of the borough. The number of affordable homes delivered has improved considerably.
- Wirral was a fast track authority for the introduction of the national mortgage rescue scheme and after the first year, in December 2009 was in the top 20 performing authorities for rescues completed.  
Statutory homelessness fell by 74% in 2009-10 because of the effectiveness of the prevention services which are now in place.

## **Community Safety**

- Crime is falling more rapidly in Wirral than in other parts of the region and the borough has the lowest rate of recorded crime in Merseyside. The number of reported incidents of anti-social behaviour has fallen again this year.

### **4.2. Debt and Financial Inclusion**

Following discussion at the February LSP Executive Meeting, Officers have explored the opportunities to link the advice services offered by Wirral Citizens Advice Bureau (CAB) to the interventions and activities of the Working Wirral programme. The rationale behind this discussion was to ensure the debt advice offered by the CAB to Wirral residents who have been affected by the recession could be linked to employment support as debt is one of the main barriers that prevent individuals from returning to the workplace.

- 4.3. Wirral CAB is the second busiest in the Country, after Birmingham. This is indicative of the pressure felt by the organisation during the recession. The CAB is the Council's preferred partner for advice services and is funded to provide generalist advice services which in turn lever additional resources from the Legal Services Commission for specialist advice. The main aim of these discussions was to ensure that CAB clients have the best possible chance of returning to work.
- 4.4. This has led to the development of a specific project aimed at targeting additional specialist debt advice alongside the other interventions of the Working Wirral programme. This project is additional to existing CAB housing initiatives which provide debt advice to households who may be threatened with repossession or homelessness because of debt. The Debt and Financial Inclusion project will also play an integral role in taking forward Wirral's emerging Financial Inclusion Strategy and Action Plan.
- 4.5. It is proposed that the project be funded from Working Wirral resources, and further detail will be brought to members in a future report.

### **5. Conclusion**

- 5.1. Despite prevailing economic conditions, Wirral Council continues to mitigate the effects of the recession acting on intelligence and strong partnership working resulting in informed investment decisions.
- 5.2. Feedback indicates that the activities designed for increasing enterprise and employment in Wirral have had some positive impact, and have helped

support the prospects for Wirral's economy. A twin track approach of providing support to individuals and businesses alongside continuing to deliver the Investment Strategy aims in order to prepare for recovery has positioned Wirral to continue generating economic growth.

## **6. Financial implications**

6.1. No implications arising directly from this report.

## **6. Staffing implications**

6.1. No implications arising directly from this report.

## **7. Equal Opportunities/Equality Impact Assessment (EIA)**

7.1. All of the activities outlined promote equal opportunities. An initial Equality Impact Assessment has already been completed for the Recovery Plan.

## **8. Community Safety implications**

8.1. There are no direct Community Safety implications arising from this report.

## **9. Local Agenda 21 implications**

9.1. None as a direct result of this report.

## **10. Planning implications**

10.1 There are no direct planning implications arising from this report.

## **11. Anti-poverty implications**

11.1 All of the activities outlined will help to reduce poverty and deprivation.

## **12. Human Rights implications**

12.1 There are no implications arising directly from this report.

## **13. Social Inclusion implications**

13.1 The approach outlined helps to promote social inclusion.

## **14. Local Member Support implications**

14.1. There are no implications arising directly from this report.

## **15. Background Papers**

- The Recovery Plan monitoring update is attached as Appendix 1.
- A summary of latest labour market data is attached as Appendix 2.

## **16. Recommendations**

Members are asked to:

- (i) Note this latest report on Wirral's response to the current economic conditions and the progress of the Recovery Plan attached as Appendix 1; and
- (ii) Agree the continued approach of Wirral's Recovery Plan which emphasises the need to maintain a focus on the long-term economic vision whilst also planning short and medium term responses to the recession.

**J. WILKIE**

Deputy Chief Executive/Director of Corporate Services

This report has been prepared by Rose Boylan who can be contacted on 691 8037.