

REPORT OF THE DEPUTY CHIEF EXECUTIVE/ DIRECTOR OF CORPORATE SERVICES

Economic Update

1. Executive Summary

1.1 This report provides the latest update to members on the impact of the current recession on Wirral's economy, as requested by Cabinet on 19th March 09.

1.2 Members are asked to:

- i.) Note the contents of this update report.

2. Key Indicators

2.1. Labour market data

As highlighted in previous reports, it is important to note the limitations of many official data sources. For example, data may not be available at the Wirral district level or lower. Furthermore, much of the data has a significant time lag – thereby not accurately reflecting more recent economic conditions.

Finally, wherever possible, this report only uses data that has been updated since the previous Cabinet report (28th May). Notwithstanding that, the following is a summary of key indicators:

Worklessness - The proportion of Wirral's working age population claiming Job Seekers Allowance (JSA) in April 2009 has gone up to 5.3% (9,520) from the March rate of 5.2%. The 0.1% point increase in Wirral is on a par with both the regional and national rates which also increased by 0.1%. The regional rate now stands at 4.6% and the England rate is 4.1% for April 2009.

Looking back over the past 12 months, Wirral has seen a 1.8% point increase from April 2008, which is less than the both the regional and national increase which stand at 2.0% points and 1.9% points respectively.

Table 1 below provides details of the performance for the 6 local authority areas across Greater Merseyside and it can be seen that Wirral and Sefton had the smallest increase since April 2008.

Table 1

Jobseekers Allowance Claimant Count			
	April 2008	April 2009	Variance
	%	%	% point increase
Halton	3.3	5.9	2.6
Knowsley	4.3	6.7	2.4
Liverpool	5.3	7.4	2.1
Sefton	3.1	4.9	1.8
St Helens	3.1	5.2	2.1
Wirral	3.5	5.3	1.8
North West	2.6	4.6	2.0
England	2.2	4.1	1.9

Source: Nomis - JSA Claimant Count (April 2008 to April 2009)

JSA Claimants by age

Table 2 examines Wirral's JSA rate by age. The 25-49 cohort makes up more than half of Wirral's JSA count. Furthermore, the largest increase can be seen within this cohort, with an increase of 1.1 percentage points (1,830 people) since April 2008.

Table 2

Wirral Jobseekers Allowance Claimant Count by Age		
	April 2008	April 2009
18 - 24	33.0%	32.3%
25 - 49	51.3%	52.2%
50+	14.7%	14.6%

Source: ONS JSA Claimant Count by Age and Duration (April 08 to April 08)

Planning Applications

The number of applications in Wirral fell steadily during the second half of 2008, with a particularly sharp fall in November and December 2008. Since then, applications have begun to increase, with a steady rise between February and April 2009.

Benefits (Housing & Council Tax Benefits plus Local Housing Allowance)

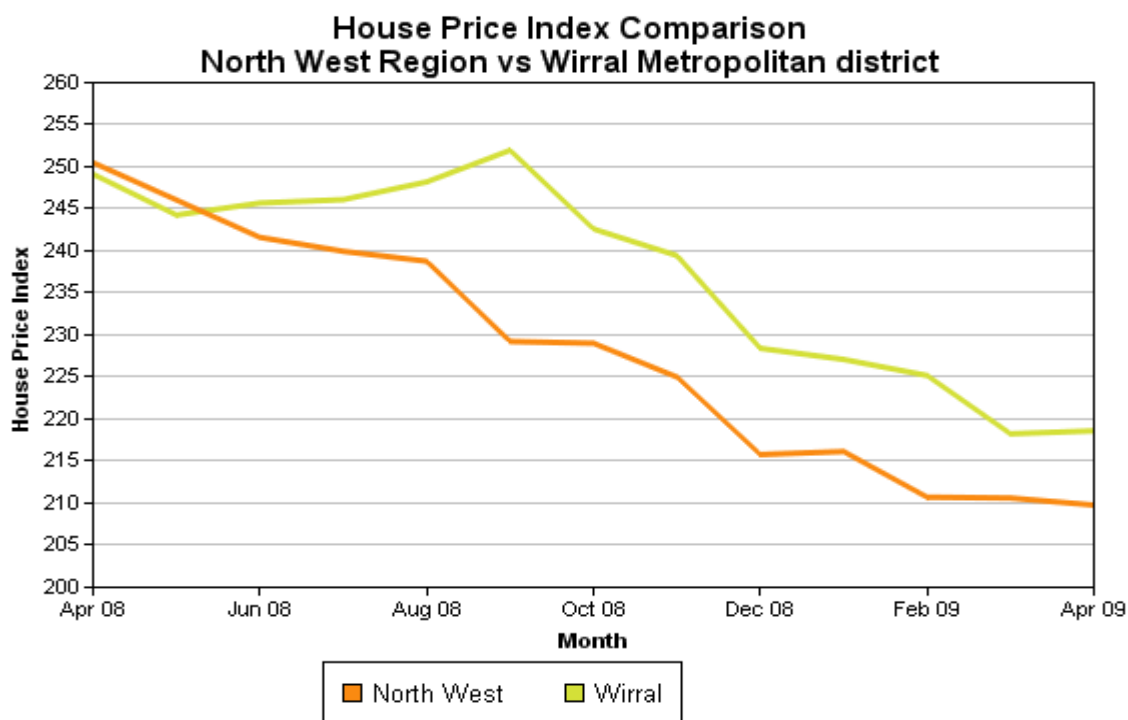
The increase in benefits claimants continues having risen in two months from 39,098 claims to 39,375. There is a noticeable increase in owner occupier claims that are of working age and not in receipt of Job Seekers Allowance which may be reflective of reduced income households rather than increased jobless. This is reflected in numbers through Customer Service access channels (One Stop Shops and Call Centres).

Business Rates (National Non Domestic Rates) **& Council Tax**

The impact continues to be felt with year on year collection at 31st May 2009 showing a 3% downturn which is similar to that seen over the previous year. The factors affecting this are not just recession elated and it is harder to split its causes to that as well as the changes to empty rate and the specialist port occupier issues that Wirral and a small number of other authorities have. Council Tax collection from domestic charge payers remains at previous year's rates which is nationally well above average and shows thus far no decline although it continues to be carefully monitored.

House Prices

Data from the Land Registry shows an overall fall in house prices in Wirral between April 2008 and April 2009. However the fall in Wirral prices has been significantly less than the reduction for the North West. In addition, prices in Wirral appear to be levelling out in recent weeks.



Source: The Land Registry House Price Index (HPI) captures changes in the value of residential properties. The HPI is published by Land Registry using sales data collected on all residential housing transactions, whether for cash or with a mortgage, in England and Wales

3. Wirral Responses

The Council and its partners continue to meet to gather intelligence and develop responses to support Wirral residents and businesses in the current situation.

The Council recently held the first of a series of strategic partner meetings to ensure a co-ordinated and comprehensive response to the current economic climate.

Business Support

Monthly meetings continue between the Council and business leaders. In addition - as members are aware from previous reports - a structured package of support to

businesses has been developed. There has been a high level of interest from businesses and a number of grants have recently been awarded. Further details of grants are being brought to members in a separate Cabinet report.

Apprenticeships

Members will be aware from a previous Cabinet report (23rd April 2009) that a Wirral Apprenticeship Programme has been developed in response to the current economic climate. This will fund the salaries of 100 apprenticeship places so that employers can afford to take on new apprentices. Apprentices will be supported at National Minimum Wage rate and will be guaranteed a minimum 2 year employment contract. The programme has been designed to target Wirral's most 'hard to reach' residents and will reach businesses who have never taken on an apprentice before.

The Apprenticeship Programme has now moved into the early stages of delivery, with branding agreed and marketing to businesses taking place through the Business Networks. Further details will be brought back to members as the Programme becomes fully implemented.

Future Jobs Fund

In the recent Budget, the Government announced that it would be introducing a major new Future Jobs Fund, aiming to create 150,000 jobs between October 2009 and April 2011. The initiative aims to provide help for young people and those who face significant disadvantages in the labour market, particularly in areas of high unemployment. Wirral is currently working with City Region partners to develop a proposal, and further detail on Wirral's approach is outlined in a separate report to members.

Other Activity

These measures complement work being undertaken by partners including:

Jobcentre Plus (JCP) - In addition to their core services, JCP has brought down the eligibility for certain programmes from six months to day one to enable the newly unemployed to access their enhanced offer

The Learning and Skills Council (LSC) - the LSC works closely with JCP and to deliver an Integrated Employment and Skills programme across Greater Merseyside; and Train to Gain programme and the pre employment has been subsequent enhanced in response to the situation

Business Link - is working with Council service areas to increase access to business support services

VCAW annual conference, May 2009 - this conference looked at anticipated impact of the economic downturn; practical ways of moving forward and highlighted the Government's Action Plan, 'Help Right Now' and the support that is available through this initiative. The conference also aimed to identify how COMPACT can be fully utilised to support the sector through these turbulent times.

Merseytravel - Merseytravel has frozen tunnel tolls at their current levels from April 1st 2009 to March 31st 2010, following a meeting of the Passenger Transport Authority. The decision means toll levels for all classes of vehicles will be maintained, with the aim to support businesses and the public during the current economic climate.

Housing Strategy

The recession has prompted a change in the targets for new-build housing as part of the HMRI programme, re-phasing of HMRI development programmes, changing tenure of new-build schemes. It has also led to changing priorities in using public resources, principally land values as in both Fiveways and Church Road. The Council's financial stake in HMRI development has been used to pump-prime new-build and see new homes and shops built. The recession has caused a shift in strategic housing priorities towards creating opportunities to support and enable the occupation of new-build housing particularly by first-time buyers. This has been in the form of developing options for shared equity, rent-to-buy and making the most of national initiatives such as HomeBuy Direct.

4. Financial Implications

4.1. There are no implications arising as a direct result of this report.

5. Staffing Implications

5.1. There are no staffing implications arising as a direct result of this report.

6. Equal Opportunities Information

6.1. All of the activity outlined in this report promotes equal opportunities.

7. Community Safety Implications

7.1. None as a result of this report

8. Local Agenda 21 Implications

8.1. None as a result of this report

9. Planning Implications

9.1. There are no planning implications arising as a direct result of this report

10. Anti-Poverty Implications

10.1. None as a result of this result

11. Human Rights Implications

11.1. None as a result of this result

12. Social Inclusion Implications

12.1. None as a result of this report

13. Local Member Support Implications

13.1. None as a direct result of this report

RECOMMENDATION

Members are asked to:

- i.) Note the contents of this update report.

J. WILKIE

Deputy Chief Executive/ Director of Corporate Services

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