

WIRRAL COUNCIL

Cabinet – 23rd July 2009

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 (25th June). Notwithstanding that, the following is a summary of key indicators:

Worklessness

Wirral's Job Seekers Allowance claimant rate has seen a significant increase in the last month; from 5.3% in April 09 to 5.6% in May 09. This represents 10,321 people now claiming JSA in Wirral.

Wirral and Sefton have had the highest increases (0.3% points) of Merseyside districts in the last month. However even after this month's sharp increase, Wirral is the 3rd lowest of Merseyside authorities behind Liverpool (7.5%), Knowsley (6.8%) and Halton (5.9%).

Impact on Young People

Feedback from Greater Merseyside Connexions ¹ highlights that the recession is likely to impact on post-16 retention in education and training. Some young people experiencing financial difficulty themselves or as members of families experiencing financial difficulty are likely may drop out of education or training joining the NEET group.

¹ 'The Impact of the Recession on the Employment Prospects of the Young People of Wirral' (April 2009) Carolyne Kershaw: Great Merseyside Connexions Service.

The Connexions report points out that retail has been one of the sectors most affected in the early stages of the current recession. The other sectors that have been most effected are construction and financial services.

The LSC 2006 Greater Merseyside Skills Assessment identified that 56% of young people aged 16 to 19 who were working were employed in the retail and hospitality and catering sectors. The high percentage is partly accounted for by sixth formers and college students working in these sectors, which offer part-time employment opportunities less likely to conflict with school or college attendance. Consumer spending is widely reported in the media to be down, and this may reduce the availability of part-time work in these industries for young people.

A reduction in the availability of work in these sectors is likely to impact on retention and increase the likelihood that some school and college students will for financial reasons drop out of education and into the NEET group while seeking employment. These should add to the NEET 'churn' rather than the 'inactive' or 'unavailable' NEET.

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

The increase in Housing Benefit (HB) claimants continues, with an increase of 334 in the last month. HB claims now stand at 39,709.

Homelessness

Data compiled by Merseyside Information Service (MIS) indicates that Wirral has seen a significant reduction in the numbers of people presenting themselves as intentionally homeless over the last year. This is largely due to the Council's increased support and approach to tackling homelessness. The latest data is set out in Appendix A

In addition between December 2008 and June 2009, Wirral's Homelessness and Housing Options Team in partnership with Birkenhead CAB have received enquiries from 51 clients about mortgage rescue. This has resulted in 19 residents being assisted to access the mortgage rescue scheme. The remaining 32 residents failed to meet the criteria for the scheme however the majority have been provided with support and advice to resolve their housing difficulties; of those only 3 clients were required to make a formal homeless application.

Housing Development Schemes

Despite the current economic climate, four private developers have approached the Council in the past quarter to express an interest in providing affordable homes. The interest has been expressed on the basis that the schemes be delivered in partnership with an RSL to gain assurance that all or partial number of scheme units will be bought.

As of March 2009, despite some slowing in the social housing development scheme programme, 48 units of additional affordable housing were provided.

Business Rates (National Non Domestic Rates) & Council Tax

Business rates collections were down by 3% compared to last year.

House Prices

Merseyside level data compiled by Merseyside Information Service (MIS) using Land Registry data indicates that average house prices in Merseyside continue to exhibit downward trends. However Wirral has seen a slight recovery between April and May 2009, as did the North West as a whole. House prices in Merseyside have fallen by 14.7% (equating to £20,039 off the average value) since Oct 07. This is a smaller reduction than both the North West (-15.2%) and throughout England & Wales (-17.1%)

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.

Feedback from partners is currently being collated through the LSP to ensure a co-ordinated and comprehensive understanding of, and response to, the current economic climate. In addition, colleagues from across the Council are convening a 'recession team' meeting to discuss impact and co-ordinate responses.

Business Support

Wirral's significant package of support to businesses has received considerable interest. Two meetings of the grants panel have taken place to decide on applications up to £20,000. To date, four awards have been approved, safeguarding or creating more than 45 jobs.

The Think Big Grants for amounts in excess of £20,000 have previously been notified to Cabinet. The support awarded to these businesses will result in the creation of 96 new jobs.

SME Week

During May 2009, a special two day event was held at Invest Wirral offices as part of European SME week. Several Wirral based companies made appointments to participate in a series of face-to-face meetings with business advisory agencies, such as The Manufacturing Institute, Business Link Northwest, National Apprenticeship Service, and Wirral Council. Following the sessions all of the agencies are now continuing to work closely with the companies.

Wirral and Chester Business Fair

The Wirral and Chester Business Fair 2009 took place at The Floral Pavilion, New Brighton on 7th July. This well attended event attracted local companies and budding entrepreneurs who benefited from guidance and support from over 40 exhibitors. Free seminars on marketing, sales and leadership were fully subscribed.

Apprenticeships

The Apprenticeship Programme has now moved into delivery, with marketing to businesses taking place through the Business Networks.

This has resulted in a large number of businesses showing an interest in the programme. A wide range of apprenticeship opportunities have come forward with

the majority from local SMEs who have never accessed the apprenticeship system before. Latest feedback at the end of June indicates that 150 Employers have expressed an interest in hosting an apprenticeship.

The implementation process continues across July and August and further information will be brought back to members at a future meeting.

Future Jobs Fund

As members are aware from a separate report discussed at Cabinet on 25th June, Wirral is working with City Region partners to develop a Future Jobs Fund proposal. This was submitted to Department of Work and Pensions on 30th June and we expect to hear if the proposal has been successful in August. Further details will be brought back to members in a future report.

Impact on the Third Sector

Wirral CAB is reporting a significant increase in contact from Wirral residents seeking support for a variety of reasons. Debt rose by 21% and Benefit advice by 17% respectively when comparing 2007/08 to 2008/2009.

The Voluntary Community Action Wirral (VCAW) & Wirral Voluntary Community Sector Network (WVCSN) conference evaluation reported an increase of the affects on the sector due to the recession.

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.

Appendix A: Homelessness Data

The following table shows numbers of people presenting themselves as intentionally homeless by district. It indicates that Wirral has seen the most significant reduction in the numbers.

Numbers presenting themselves as unintentionally homeless and in priority need (acceptances)	Halton	51 <i>(Oct-Dec 2007)</i>		49 <i>(Jul-Sep 2008)</i>		36 <i>(Oct-Dec 2008)</i>		30 <i>(Jan-Mar 2009)</i>	
	Knowsley	49 <i>(Oct-Dec 2007)</i>		93 <i>(Jul-Sep 2008)</i>		51 <i>(Oct-Dec 2008)</i>		75 <i>(Jan-Mar 2009)</i>	
	Liverpool	125 <i>(Oct-Dec 2007)</i>		130 <i>(Jul-Sep 2008)</i>		129 <i>(Oct-Dec 2008)</i>		107 <i>(Jan-Mar 2009)</i>	
	Sefton	26 <i>(Oct-Dec 2007)</i>		19 <i>(Jul-Sep 2008)</i>		24 <i>(Oct-Dec 2008)</i>		29 <i>(Jan-Mar 2009)</i>	
	St. Helens	83 <i>(Oct-Dec 2007)</i>		72 <i>(Jul-Sep 2008)</i>		56 <i>(Oct-Dec 2008)</i>		76 <i>(Jan-Mar 2009)</i>	
	Wirral	117 <i>(Oct-Dec 2007)</i>		61 <i>(Jul-Sep 2008)</i>		38 <i>(Oct-Dec 2008)</i>		22 <i>(Jan-Mar 2009)</i>	
	LCR	451 <i>(Oct-Dec 2007)</i>		423 <i>(Jul-Sep 2008)</i>		334 <i>(Oct-Dec 2008)</i>		339 <i>(Jan-Mar 2009)</i>	

Source: CLG, quarterly <http://www.communities.gov.uk/documents/statistics/xls/10951831.xls> see following page:

<http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/homelessnessstatistics/livetables/>