

CANNOCK CHASE COUNCIL

BRIEFING NOTE

ACCESS TO EDUCATION, SKILLS & EMPLOYMENT
POLICY DEVELOPMENT COMMITTEE

4th JANUARY 2010

REPORT OF HEAD OF PLANNING & REGENERATION

UPDATE ON RECESSION IMPACT

1. Purpose of Briefing Note

- 1.1 To consider an update of the statistics, first provided to the Policy Development Committee in May 2009, which provides some measure of the impact of the recession, for Cannock Chase.

<p>2. <u>Recommendations</u></p> <p>2.1 That the Access to Education, Skills and Employment Policy Development Committee note the updated statistics and underlying trends reported.</p>
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3. Background

- 3.1 A Briefing Note was originally considered by the Access to Education, Skills and Education Policy Development Committee at their meeting on 7th May 2009.
- 3.2 Further consideration, discussion and reporting has continued to the LSP Executive Advisory Board, a report was verbally presented to Cabinet on the 14th May 2009, and this was subsequently formally presented to Cabinet on 25th June 2009.
- 3.3 Quarterly reporting and activity updates have continued to the Access to Education, Skills and Education Policy Development Committee. This report helps members to understand the impacts of the recession for both the Councils' own services and for some key partner agencies e.g. CAB, Job Centre Plus.

4. Key Issues

- 4.1 The attached document was an original Annex to the 25th June 2009 Cabinet report. The statistics and information attached have been updated and where possible are used as a comparison to the previously considered report.
- 4.2 Overall, the District is continuing to feel the effects of the recession. Some indicators and key service areas are beginning to see signs of hitting a plateau, stabilising and no longer appear to be spiralling downwards. Income from service areas such as planning, leisure and building control are continuing to report reductions on previous levels.

- 4.3 The local economy is now seeing unemployment at a rate of 5.0% (October 2009), which compares to 3.6% in the County and 5.5% in the West Midlands. Greatest concern is the rise in youth unemployment (32.7%), which is now no longer the highest within the West Midlands but is still the highest in Staffordshire. Whilst issues relating to youth unemployment have correlations with the district's poor education and skills attainment levels, targeted action continues with partners in an attempt to stem this trend.
- 4.4 Identifying vulnerable groups and individuals being particularly hit hard by and during the recession remains a priority and ensuring front line services providing information, advice and guidance are adequately resourced remains a priority.
- 4.5 The recovery priorities are focussing on creating a local economy which has the ability to be more resilient to such economic downturns in the future. This resilience requires long term interventions which cannot be addressed by immediate responsive actions. The recession has reinforced the importance of working with partners, particularly when looking strategically at what is necessary in terms of structural economic changes.
- 4.6 Cannock Chase has continued to receive attention from the West Midlands Regional Economic Taskforce and the findings of their pilot work on Cannock Chase have now been published. The 'Potential Next Steps' section of their report will feed into the recommended actions and priorities from the work of a 'Recovery Task Group' established under the auspices of the LSP.
- 4.7 As a follow on to the West Midlands Regional Economic Taskforce work, the Regional Worklessness Network are now looking to commission a Worklessness demonstration project in Cannock Chase. The intention is to look for improvements and innovation in the way that services are delivered to the recently unemployed (6 months plus) and long term unemployed. The terms of reference for the project are currently being established and will be reported to the PDC and Cabinet in due course.
- 4.8 A specific recession related task group (now called Recovery Task Group) continues to meet on behalf of the Local Strategic Partnership. The group is a wider partnership and provides a forum for key agencies particularly dealing with and responding to people affected by the recession. The group are moving towards production of an action plan which will capture both short and long term actions necessary to not only deal with the immediate effects of the recession but actions to build future resilience. The group will pick up actions identified by the West Midlands Regional Economic Taskforce.
- 4.9 An updated list will be presented at the meeting of recession related led actions taken to date and proposed.

Update on Recession Impact -Service Area Statistics November 2009Overall Summary

- **Debt** - Sudden surge since December 2008 especially those with debt problems (e.g. mortgage arrears) and redundancies enquiring to CAB. If we compare the first quarter of 2008/09 with same quarter of 2009/10, we have seen a 60% rise in the number of new debt issues seen. The number of debt cases seen is continuing to rise with an overall rise of 65% from first quarter 2008/09 to the second quarter of 2009/10
- **Housing** - Number of tenants with rent arrears problems increased (anecdotal) therefore associated debt counselling budgets increased.
- **18 – 24 Unemployment** – 63.2% increase in youth unemployment in the last 10 months. Cannock Chase under - 24 unemployment is the highest in Staffordshire County. There have been no major changes since April 2009; figures have remained stable for Cannock Chase District and actual numbers ranging from the lowest at 935 – to the highest at 1050.
- **JSA Unemployment** - Total unemployment claimants (JSA) for Cannock Chase at October 2009 was 5.0% compared to Staffordshire at 3.6% and West Midlands 5.5% – this compares to 5.5 % as at March 2009 for Cannock Chase, showing a significant decrease.
- **Planning Applications** - Clear evidence of Planning Applications starting to increase now. Like for like overall yearly comparison showed a 53% decrease for the first quarter but now taking into account the first two quarters together the decrease has been reduced to 45%
- **Vacant Shops** - 31 empty retail units in core Cannock Town Centre area in November 2009 compares to 30 units and approximately 17% of total stock as in April.
- **Leisure Facilities** - Some statistics on Leisure Services suggest income and usage figures are being affected. Forecasting 8% drop in income at Chase Leisure Centre for year-end outturn. Prince of Wales Theatre also projecting 8.3% drop in income. Usage figures looking on profile or above for example Museum visitors 700 visitors up on annual target.
- **Housing benefits** - applications increased by 57% when comparing complete yearly figures 2006/07 to 2007/08. There are now 9859 people receiving HB/CTB. This is an increase of 15% from the same time last year or 18% increase from April 2008 in terms of benefit claimants.
- **Redundancies** 333% increase in redundancies since 2007-08 notified to Jobcentre Plus (only relates to expected redundancies and where 20+ are being made redundant). Since November 2008 to November 2009 18 employers and 815 redundancies notified.

Citizens Advice Bureau (CAB)

CAB have experienced a substantial increase in the amount of presenting issues in the cases of debt, benefits and redundancy over the last 18 months.

The bureau rarely deals with one issue in isolation and many presenting cases cover a multitude of issues. In particular the areas of debt and benefits are closely linked with redundancy meaning a client threatened with redundancy often also has concerns about benefit entitlement and possible debt.

DEBT:

If compared to the first quarter of 2008/09 and the same quarter of 2009/10, a 60% rise in the number of new debt issues can be seen. The number of debt cases seen is continuing to rise with an overall rise of 65% from first quarter 2008/09 to the second quarter of 2009/10.

BENEFITS:

Benefit enquiries have always been a large part of CAB enquiries, but the economic climate over the last 12 months means that the number of benefit issues dealt with continues to rise. There was an 11% increase in the number of benefit issues dealt with between first quarter of 2008/09 and the same quarter in 2009/10.

REDUNDANCY:

Although there has not been an increase in the total number of employment issues dealt with, there was a 211% increase in the number of redundancy enquiries when comparing the first quarter of 2008/09 with the first quarter of 2009/10. This has dropped slightly, but is still now consistently a regular issue on a daily basis.

		DEBT	BENEFITS	EMPLOYMENT of which REDUNDANCY	
Q1	APL-JUN 08	1333	1031	323	27
Q2	JUL-SEP 08	1397	1107	308	48
Q3	OCT-DEC 08	1565	1167	309	85
Q4	JAN-MAR 09	2167	1645	419	102
Q1	APL-JUN 09	2136	1472	313	84
Q2	JUL-SEP 09	2205	1358	331	53

Total Enquiries

Please note Total Enquiries **do not** take into account non relevant areas (Immigration, Relationships, Consumer, Signposting etc)

2007-8 – Total Enquiries 12,771 of which 36% = Benefit Enquiries, 53% = Debt Enquiries & 11% = Employment Enquiries

2008-9 – Total Enquiries 15,087 as at September 2009 of which 39% = Benefit Enquiries, 51% = Debt Enquiries & 11% = Employment Enquiries. The 3rd Quarter statistics of 2009 are due for release in January 2010.

These figures relate to the last two tax years as a whole.

Cannock Chase Council Housing Advice

Homeless approaches	2007 – 08 = 408	2008–09 = 301. (26% decrease)
Homeless acceptances	2007 – 08 = 167	2008 – 09 = 75. (56% decrease)

Although homeless approach figures and acceptances have decreased the emphasis of the Housing Options Team is to use Prevention Tools to assist families to remain in their homes. As a result the prevention measures in comparison have increased.

Prevention Tools:	2007 - 08	2008 – 09
Tenancy Support:	17	63
Churches Housing Coalition	44	41
Citizens Advice Bureau	N/A	7
Safe as Houses Scheme	N/A	33
Housing Advice	28	69
Total	89	213

Mortgage Rescue Scheme

Presently the Housing Options Team have received 4 Mortgage Rescue Scheme approaches. Whilst the MRS was implemented 1st May 2009 formally, the service has received enquiries and been giving advice since January 2009. To date 41 enquiries have been received of which 4 have been referred to Orbit, the Registered Social Landlord for consideration to remain in Homes as an Assured Shorthold Tenant.

Other Government Initiatives include:

Homeowners Mortgage Support Scheme

HMS will assist people who are having difficulties meeting their mortgage payments but are likely to get their finances back on track in the near future. The scheme allows borrowers to defer interest and reduce monthly payments.

Support for Mortgage Interest

SMI offers support for out of work households. In cases where homeowners are in receipt of Income Support, income based Job Seekers Allowance, income related Employment and Support Allowance or Pension Credit, their benefit may include an additional element called Support of Mortgage Interest. SMI is meant to assist the homeowner with the interest on their mortgage. SMI is calculated using a standard interest rate.

Protection through the Courts

Pre-action protocol sets out what the lender should do before taking action to repossess. Courts have discretion to adjourn, stay or suspend.

Local Authority preventing repossession fund

£20m funding for local authorities enables local authorities to offer households small loans or a one off payment to help prevention repossession or eviction. The Council are operating this fund, but as of November 2009 no households have needed to access this fund as it has been possible to assist them using other prevention tools.

Extra advice for households at Court

Housing possession court duty scheme currently operates around 90% of Courts, including those in the District area.

Public awareness campaign and debt advice

Getting advice early is crucial to helping households avoid repossession. The Public awareness campaign was launched on 20th February. The Government has provided a further £15m for debt advice services.

Better protection for tenants

Private sector tenants facing eviction at short notice as a result of landlord repossession. The Government intends to legislate to provide tenants with two months notice. Lenders are being encouraged to adopt this as good practice.

Housing Options enquiries:

Jan 08 - April 08 = 289 Jan 09 – April 09 = 434 (50% increase compared to same period last year)

Monthly average for enquiries 108 (Jan 09-Apr 09) compares to 143 (April 09–Nov 09) = 1143 total enquiries

Cannock Chase Council House Sales – (Statistics correct up to 1st April 2009)

	Right to Buy	Voluntary Bungalows	Total	
2006-07	79		79	
2007-08	44	10	54	(71% decrease since 06/07)
2008-09	10	13	23	
2009-10	4	16	20	(to 31 st October 2009)

Number of tenants approaching the Council **with rent arrears problems has increased** but have no details of precise numbers. As a result the budget for **debt counselling has been increased to £10,000 (from £6,000) through virement.**

Unemployment Statistics

Claimant Count – Age 24 and Under (Young People)

Cannock Chase	610	39.4%	September 2008
	865	34%	January 2009
	1,010	32.4%	February 2009
	1,000	31.2%	March 2009
	1,050	35.6%	April 2009
	955	32.4%	May 2009
	950	32.2%	June 2009
	935	31.7%	July 2009
	985	33.4%	August 2009
	1,005	34.1%	September 2009
	965	32.7%	October 2009

Increase during last year 330 persons i.e. 52% in under 24's unemployed taken from October 2008 to October 2009

Neighbouring Black Country Authorities - Claimant Count – Age 24 and Under (Young People)

	September 2009		October 2009	
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Birmingham	16,295	31.6%	16,105	31.5%
Walsall	3,760	33.5%	3,750	33.4%
Wolverhampton	3,775	32.1%	3,875	32.8%

Claimant Count (Total JSA Claimants) - Proportion of resident working age population estimates (February and March 2009):

	February 2009		March 2009		October 09	
Cannock Chase	3,167	5.3%	3,278	5.5%	2947	5.0%
Birmingham	45,657	7.3%	47,294	7.5%	51,182	8.1%
Walsall	10,047	6.7%	10,399	6.9%	11,212	7.5%
Wolverhampton	10,248	7.1%	10,636	7.4%	11,821	8.2%
Stafford	19,040	3.8%	19,871	3.9%	18,265	3.6%
West Midlands	166,448	5.1%	173,067	5.3%	179,907	5.5%

Building Control

2007-08 Housing/ Dwelling Commencements 294, Completions 383

2008-09 Housing/ Dwelling Commencements 101, Completions 242

Building Regulation applications have declined for the past few years. The peak was in 2005-06. Applications for 2008-09 are **12% less than 2007-08**, 20% less than 2006-07 and 28% less than 2005-06. This has been a general trend but worsened by the local economy slowing, some investor reluctance and uncertainty due to the recession.

Planning and Development Control

January 2008 - September 2008 = 472 Applications

January 2009 - September 2009 = 304 Applications **(36% decrease)*** (Regulations changed and therefore not a like for like comparison figure)

Clear evidence of Planning Applications starting to increase now. Like for like overall yearly comparison showed a 53% decrease for the first quarter but now taking into account the first two quarters together the decrease has been reduced to 45%.

Cannock Town Centre (Vacant retail units)

As at November 2009 currently 31 compared to April where there were 30 vacant retail units within the core of Cannock Town Centre represents 17% of the total stock within the area.

Leisure Services

Chase Leisure Centre actual income down in October by 18.2% but likely to be off set by average over the year. Therefore, forecast for year-end income is to be down by circa 8% overall. Rugeley Leisure Centre income appears to be on profile.

Museum visits and usage showing actual figures above targets both in terms of usage in person and in school pupil visits. For example, target 3500 for visits/usage in person for the Museum, actual as at end of October 3785 shows a variance of 285 for the month and over the year a total of 779 more users.

Prince of Wales actual income for October down by circa £20,000. This compares to a 5.7% income reduction for the same period last year. Anticipating and forecasting an overall reduction in income of approximately 8.3% against target for year end outturn.

It is forecast that the income of the Golf Course is likely to be down by 3.7% at the end of the financial year

Chase Cards – since being introduced to date 2054 cards issued across both Chase Leisure and Rugeley Leisure Centre.

Free swimming introduced at both Rugeley and Cannock Leisure Centers on 1st April 2009. Up to the end of September 2009 **34,051** under 16's and **11,507** over 60's free swims have taken place.

A range of Sport and Physical Activity Clubs, including targeting children and young people with access issues has been set up for 2009/10, in Quarter 1 achieving 274 participants per month **over** Target (Target = **300**, Actual Participants = **574**) with the September target of 1800 being exceeded by **2967** attending children and young people.

ENCLOSURE 5.9

The Number of Leisure Center Memberships taken out by the public has seen an increase since the start of the year, with Leisure Center staff now working with a Private sector sales team. From April 2009 to September 2009 **984** new memberships have been sold, making a net increase of **340**.

In Cannock Chase Leisure Center free weekly football sessions started 22 April 2009, with total participants from April to June being 340 (an average of **34** per week).

Cannock Chase Council Housing Benefit

The number of **jobseekers** in Cannock Chase have increased by **160% in 2008/09**.

The number of Benefit applications received in the year increased by **57%** from 2006/7 to 2007/8 and most of that **increase was felt towards the end of the year**.

The number of applications processed increased by about **40% year on year**.

The number of people actually receiving payment of HB/CTB **rose by 15%** from October 2008, and **18%** since April 2008. The value of benefit paid out during the year increased by 10%.

SUMMARY OF BENEFIT CASELOAD 1.4.2008			
	Number of Claimants	% of Total Caseload	Amount of Benefit paid (£m)
Council Tenants	3,759	45.6%	10.5
Private Tenants (LHA)	n/a	n/a	Scheme introduced 6.4.08
Private Tenants (NON -LHA)	932	11.3%	3.7
Tenants of RSLs	890	10.8%	3.1
Council Tax Only	2,657	32.3%	6.9
TOTAL	8,238	100%	24.2

SUMMARY OF BENEFIT CASELOAD 31.3.09			
	Number of Claimants	% of Total Caseload	Amount of Benefit paid (£m)
Council Tenants	3910	41.87%	10.6
Private Tenants (LHA)	757	8.10%	1.7
Private Tenants (NON -LHA)	710	7.60%	3.5
Tenants of RSLs	945	10.12%	3.4
Council Tax Only	3017	32.31%	7.5
TOTAL	9339	100%	26.7

SUMMARY OF BENEFIT CASELOAD 25.11.09				
	Number of Claimants	% of Total Caseload	Amount of Benefit paid (£m) (To Date)	Amount of Benefit Paid (£m) (Extrapolated to Year End)
Council Tenants	3912	39.7%	7.4	11.6
Private Tenants (LHA)	n/a	n/a	n/a	Scheme Introduced 6.4.08
Private Tenants (NON -LHA)	1825	18.5%	4.1	6.5
Tenants of RSLs	947	9.6%	3.3	5.2
Council Tax Only	3175	32.3%	8.7	8.7
TOTAL	9859	100%	24.2	32

As of May 2009, the Council had **3,121 non domestic properties**, of which **855 claimed Small Business Rates Relief (SBRR) – 27.4%**. This compares to November 2009 where there are **3,167 non domestic properties**, of which **923 are claiming SBRR - 29.1%**. This represents an increase of **46 non domestic properties**, and an increase of **68 non domestic properties claiming SBRR**.

Learning Skills Council – West Midlands Region Info only

Providers reported there were **553 apprentices made redundant** and 167 of these were supported to re-employment, a total of 191 apprentices were identified by providers as still looking for jobs.

This is a large increase in redundancy for apprentices since April 2009, which stated there were **132** redundancies, and **43** of being re-employed.

The total Average In Learning (AIL) figure for the West Midlands for November 2009 was 34,940.

Anecdotal Feedback taken across the year suggests the recession's impact on **new starts** is more of a concern, rather than large numbers of additional apprenticeships being made redundant. Overall participation (people in apprenticeships) is down by **366** and overall starts (someone beginning an apprenticeship) are down by **1,172** from the same time last year.

The LSC has also announced the following available support across this year;

- A Redundant apprentice can be funded in full-time provision for up to 6 months while they complete the framework. During this period the training provider is encouraged to support the apprentice in finding a new employer.
- 16-18 redundant apprentices can access EMA (Educational Maintenance Allowance) and can be supported by the hardship fund for up to 6 months.
- 19-24 redundant apprentices can receive hardship funding payments for a maximum of six months of up to £95 per week from August 2009
- Redundant apprentices can also use the Vacancy Matching System (VMS). The Vacancy Matching System is an online database that allows Providers to advertise redundant apprentices to see if there are any suitable vacancies, and find the apprentice a new employer.

As of 23 October 2009, the VMS showed 212 apprenticeships vacancies for positions for the West Midlands across all sectors (i.e. Retail, Business and Administration, Hospitality etc).

JobCentre Plus

Since November 2008 to November 2009 the possibility of **815 redundancies have been reported in the Cannock Chase** area. These redundancies are from **18 employers** including the closure of the Woolworth Stores in Cannock and Rugeley.

Within the above figures 1 company has reported 3 lots of redundancies and **another company notified the possibility of 313 redundancies. Both employers were from the manufacturing sector.**

The majority of redundancies within the Cannock Chase area have been from the manufacturing sector.

The breakdown by sector is as follows:

11 companies from Manufacturing, 4 from Retail, 1 from Construction, 1 from Transport and 1 from the Public Sector.

The above figures are correct to November 2009, with no statistical change from April 2009.

Between April 2008 and October 2008, **204 redundancies** were notified from **4 employers**.

Between April 2007 and March 2008, **188 redundancies** were notified across **5 employers**, 133 (across 3 employers) of which were notified between **Jan and March 2008**. **(333% increase in redundancies since 2007/08)**

Staffordshire Police Crime Statistics

The average number of crimes in the Cannock Chase District has decreased from 425.7 to 389 (8.6%) compared to the same three months in 2008 (Aug/Sep/Oct).

The average number of burglaries in the Cannock Chase District for 2009 has decreased from 40.7 to 34 (16.4%) compared to the same three months last