



**Budget Panel
23 September 2009**

**Report from the Director of
Policy and Regeneration**

Wards affected:
None

The local impact of the recession – 6 month review
(presented to the 15 September 2009 Executive meeting)

Forward Plan Ref: PRU-0910-05

1. Summary

- 1.1. The report, the local impact of the recession, was received by the executive on the 16th of March 2009. This detailed the impact the recession was having in Brent and a number of recommendations. This report details Brent's position 6 months on and progress to date on recommendations made. Economic data indicates the recession has a high impact in Brent, particularly in our most deprived wards. Work continues to be undertaken across Brent to ameliorate the impact of the recession.
- 1.2. When we reported to Members in March 2009 we stressed the importance of having a sober and fact based approach to responding to the recession and not asking ourselves or our partners to engage in a 'pre-emptive list of actions which lose focus, waste money and unnecessarily raise expectations'. Our approach and our interventions (as set out in para 4.17) exemplify this approach, we have made interventions where the evidence shows there is need and where they can be effective.

2. Recommendations

- 2.1. That the executive:
- 2.1.1. note progress made against recommendations made in the report received by executive on the 16th of March 2009; and
 - 2.1.2. take under consideration the outcomes from the recession conference provided in Attachment 2.

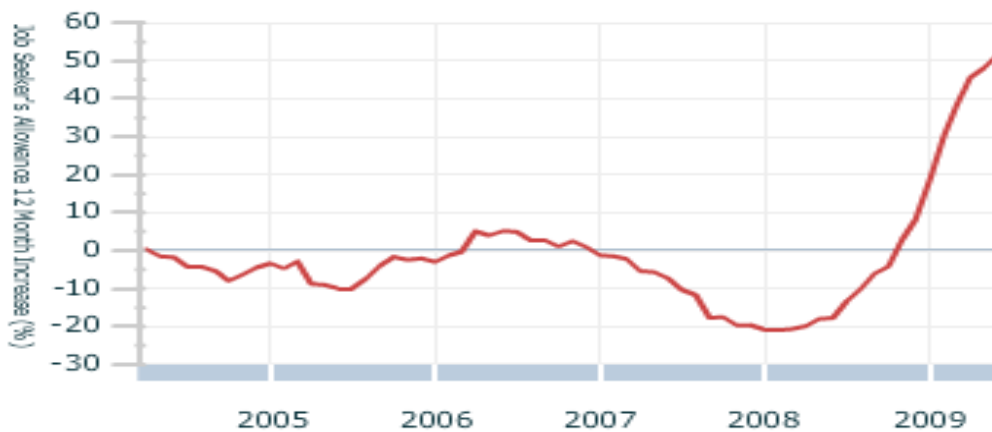
3. Recession indicators – Six month position

Job Seekers Allowance

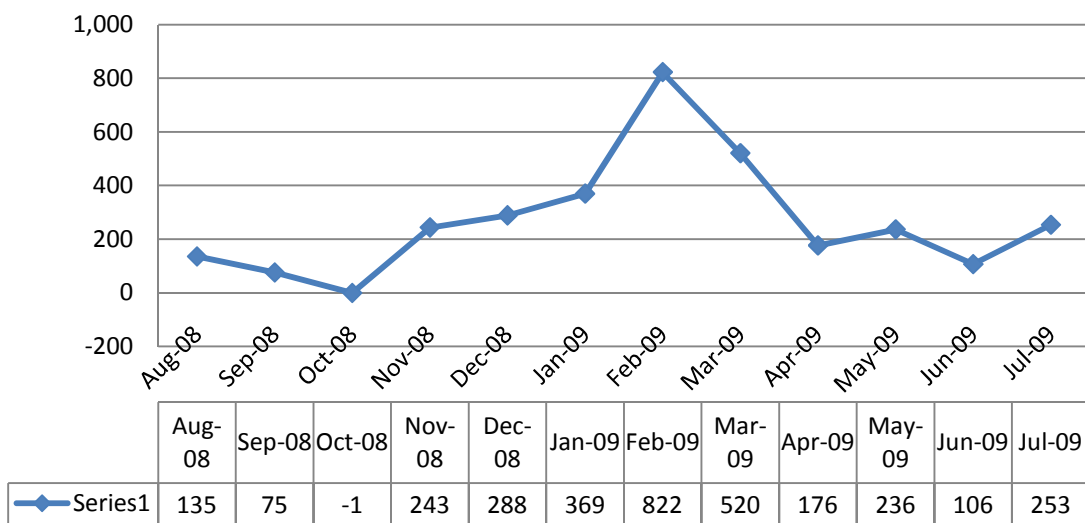
3.1. The number of people claiming Job Seekers Allowance (JSA) and national insurance credits is the closest measure the UK has to unemployment. This measure is available monthly and allows us to closely monitor the progress of the recession. In Brent the JSA claimant count has been increasing sharply over the past 6 months (**Graph 1**). In July 2009 there were 9278 people claiming, this is approximately 250 more than the previous month (June 09, 9025) and over 3000 more claimants than the same time last year (July 08, 6056). The largest increases were seen in the months of February and March 2009 (**Graph 2**). Brent's claimant count represents 5.11% of the working age population, this is above the London average of 4.33%. In July Brent had the 11th highest claimant count in London.

3.2. The highest numbers of JSA claimants live in Stonebridge and Harlesden wards (**Graph 3**). Whilst number of claimants has also increased in the more wealthy wards, the wards with the highest proportion of claimants continue to be the wards with the highest levels of deprivation.

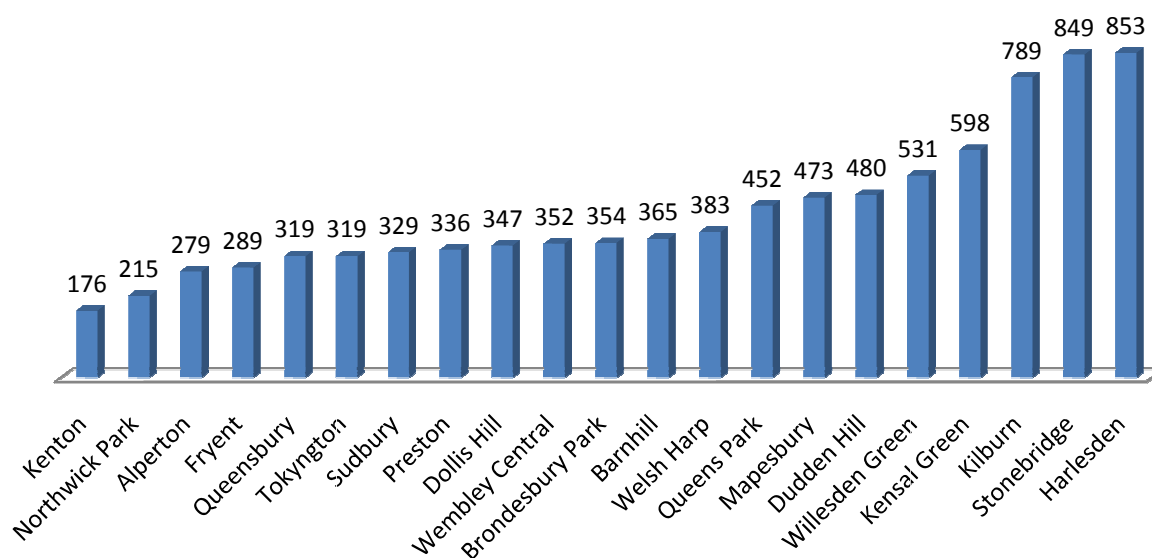
Graph 1: % JSA claimant count Brent (2005-2009)



Graph 2: Monthly increase JSA claimant count Brent (Aug 08- July 09)



Graph 3: JSA Claimant count, Brent Ward (July 09)



3.3. The top 15 jobs sought by JSA claimants in Brent are mainly low paying jobs, further supporting the scenario that the people worst affected by the recession are our most deprived residents.

Table 4: Sought Occupations, JSA claimants, Brent (July 09)

1. Sales and retail assistants	1,220
2. General office assistants/clerks	670
3. Other goods handling and storage occupations	665
4. Customer care occupations	400
5. Van drivers	325
6. Packers, bottlers, canners, fillers	270
7. Cleaners, domestics	255
8. Kitchen and catering assistants	175
9. Painters and decorators	165
10. Receptionists	155
11. Accounts and wages clerks, book-keepers, other financial clerks	145
12. Retail cashiers and check-out operators	145
13. Security guards and related occupations	145
14. Care assistants and home carers	130
15. Labourers in building and woodworking trades	130

Employment and Unemployment Rate

3.4. The employment and unemployment rate for working age population is another measure used by national government. This is a more broader measure and captures number of unemployed that are not necessarily receiving a benefit. The impact of the recession has not yet been evident through this data source. There is an investigation being undertaken by the DWP to determine why this might be the case. This data set is updated quarterly, however, the period of measurement is annual. Considering this, it is unlikely the impact of the recession would become evident until 2009 data is released.

3.5. Brent's employment rate is currently 71.3 this is under the UK average of 74 but just above the London average of 70.4. Brent's unemployment rate is 7.1 this is inline with the London average but above UK average of 5.9.

Table 5: Working Age Employment Rate, Brent Nomis, (2006-2008)

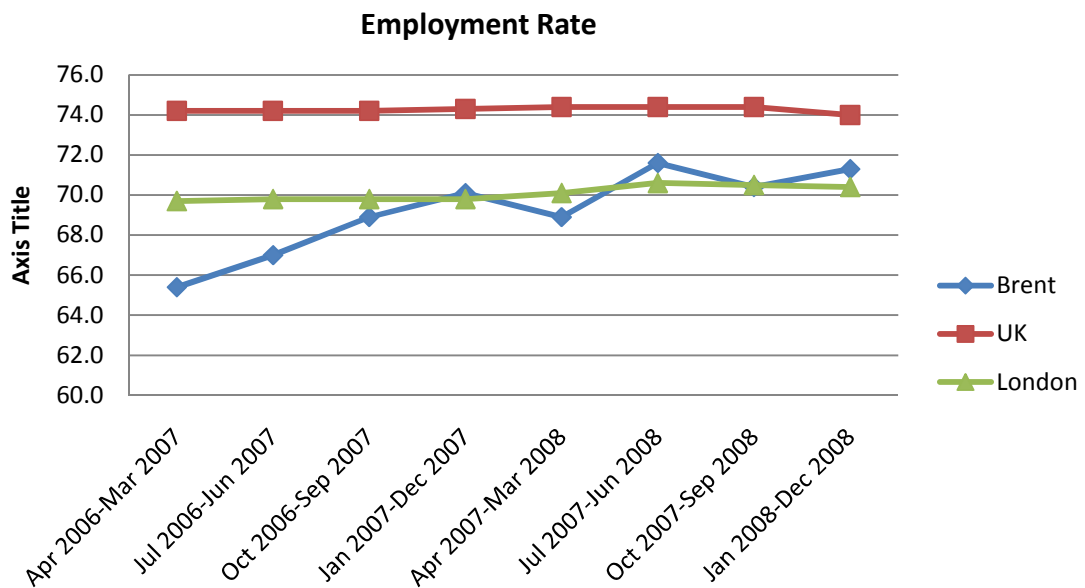
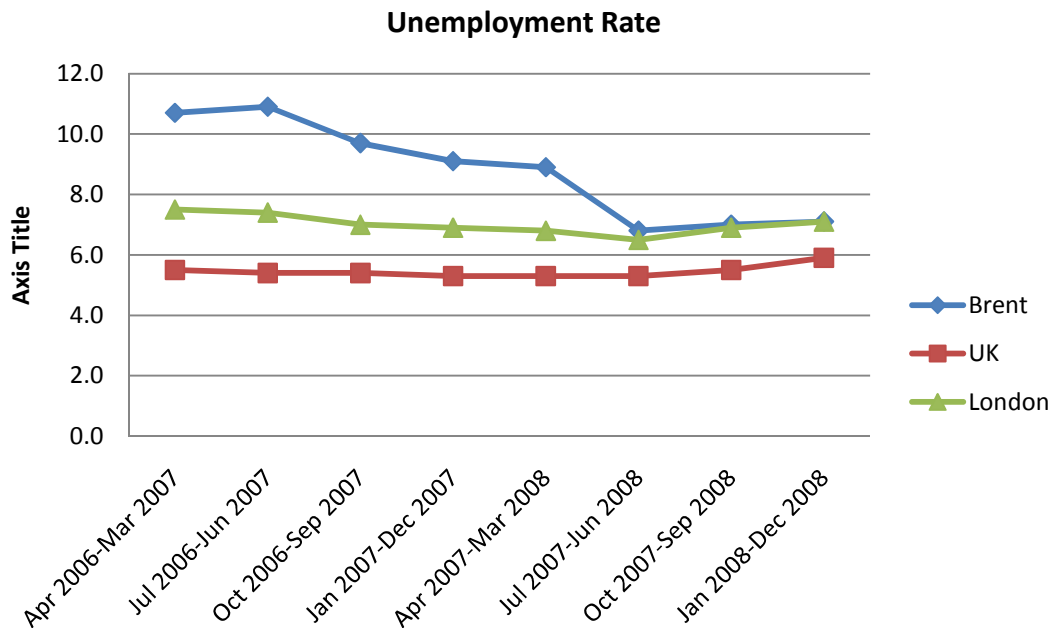


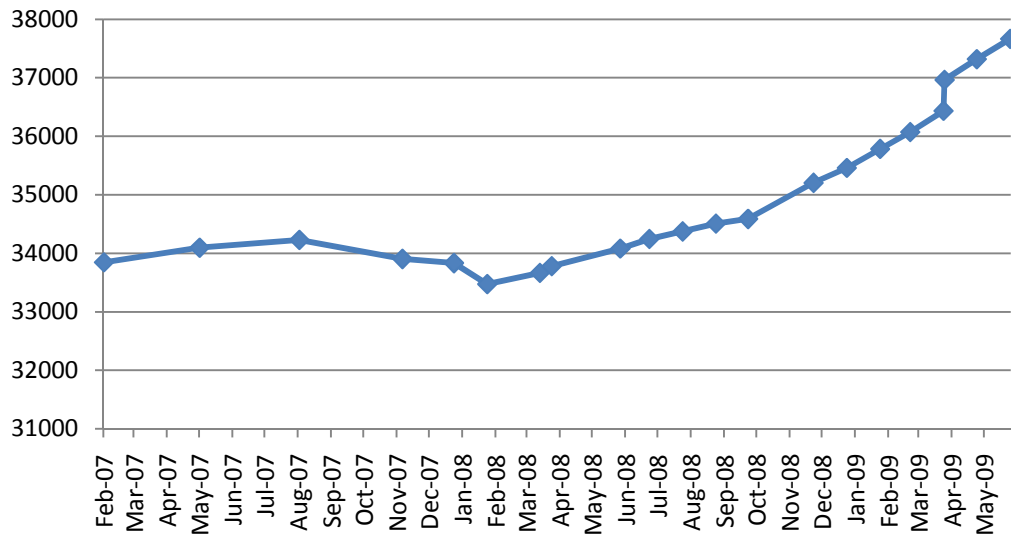
Table 6: Working Age Unemployment Rate, Brent Nomis, (2006-2008)



Housing and Council Tax

- 3.6. The number of people claiming housing and council tax benefits is 37,663 (June 09). This number has also been steadily increasing since the recession and it is over 3,500 more than the same time last year (June 08, 34,245).

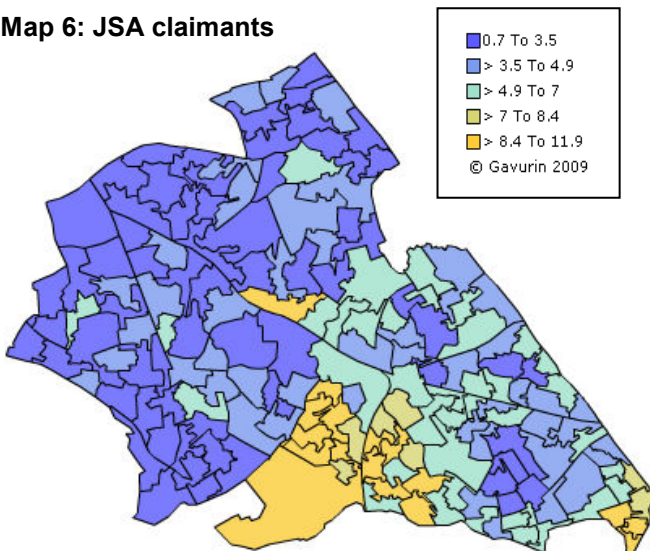
Graph 5: Housing and Council Tax, Brent time-series (Feb 07 - July 09)



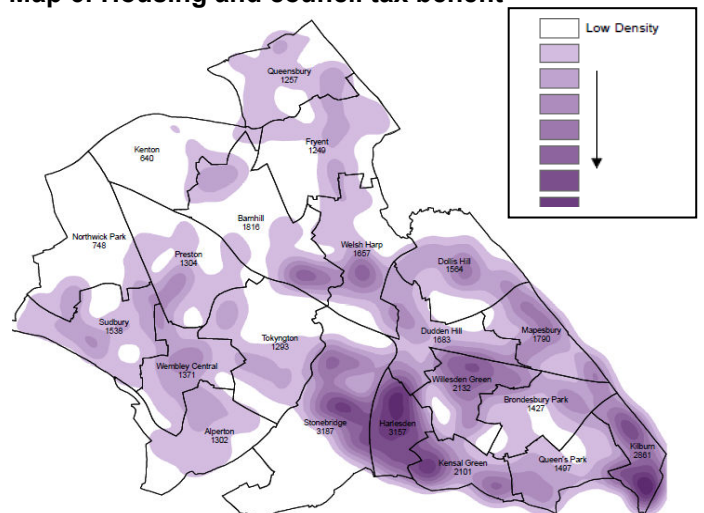
Deprivation and Satisfaction

- 3.7. The Wards with the highest levels of deprivation also have the highest levels of JSA claimants and housing and council tax benefit claimants, the lowest income levels and the poorest satisfaction with their local area and Brent Council.

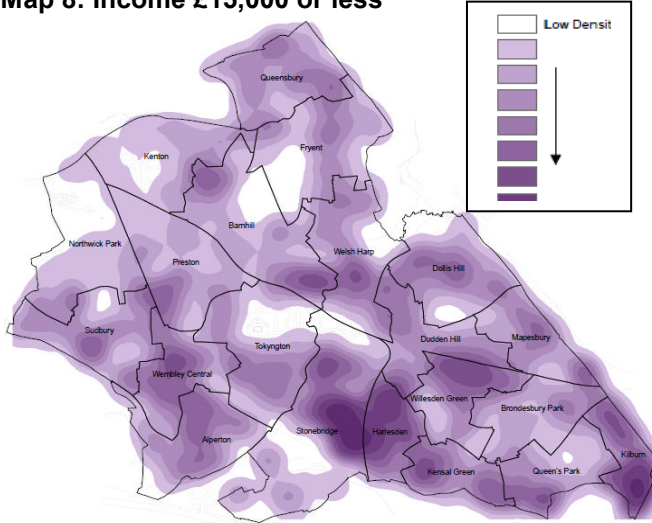
Map 6: JSA claimants



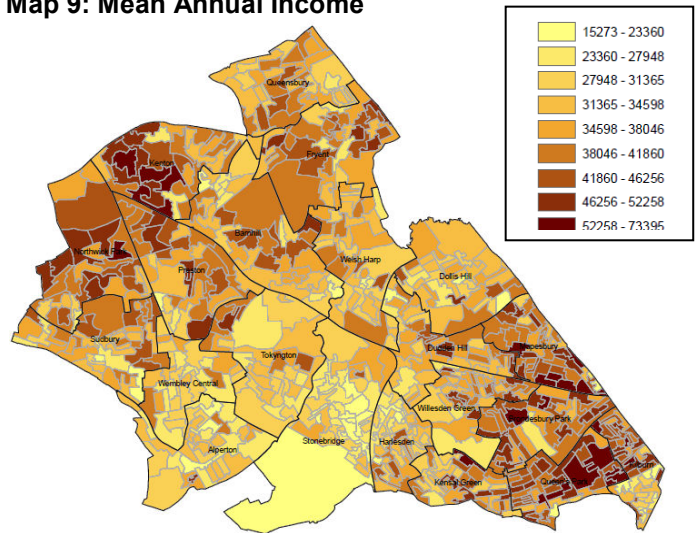
Map 6: Housing and council tax benefit



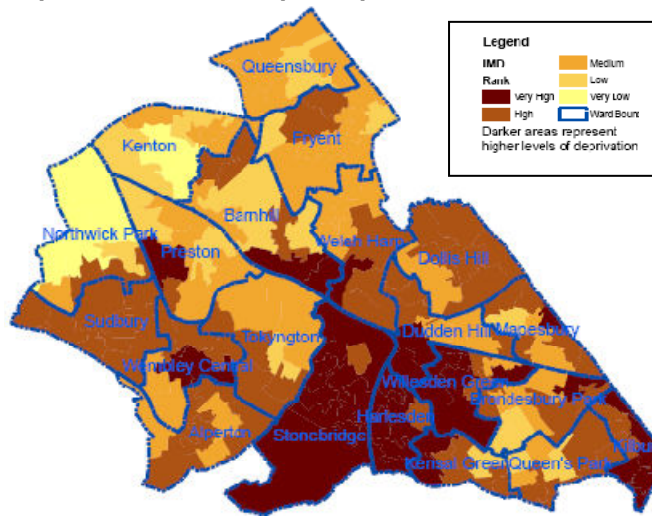
Map 8: Income £15,000 or less



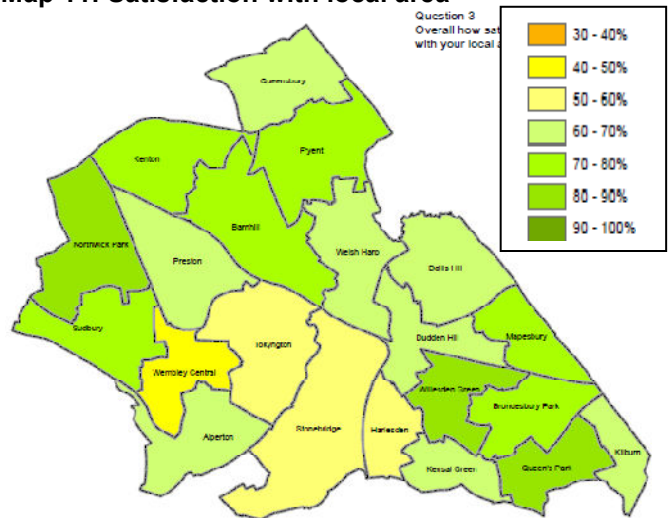
Map 9: Mean Annual Income



Map 10: Index of Multiple Deprivation



Map 11: Satisfaction with local area



Map 5: JSA claimants Brent, Nomis, June 2009

Map 6: Housing and council tax benefit, Brent Council, April 20 09

Map 7: Households with income £15,000 or less, CACI, 2008

Map 8: Mean Annual Income, CACI, 2008

Map 9: Index of Multiple Deprivation, CLG, 2007

Map 10: Satisfaction with local area, Place Survey, 2008-09

4. Progress made against key recommendations

4.1. The recession report sent to executive on the 16th of March had a number of recommendations. This report lists progress made against each recommendation.

Regular Monitoring

4.2. The report highlighted that regular monitoring should take place to assess the impact of recession across council services. A set of 16 national indicators were selected for monitoring. Performance for quarter 1, 2009-10, is provided in **Appendix 1**. The majority of these indicators are monitored via the council's quarterly reporting process, Vital Signs. There are a few exceptions with some indicators being annual and not available for in year monitoring.

4.3. Figures from quarter 1, 2009-10 for this set of key indicators do not yet indicate any have had a negative impact from the recession. Only 3 indicators are flagged as high risk / not meeting target:

- NI016 Serious acquisitive crime rate
- NI146 Adults with learning disabilities in employment
- NI150 Adults receiving secondary mental health services in employment.

4.4. Whilst most indicators are achieving their target, many are on a negative trend reflecting worse performance from the previous quarters figure. This may indicate an impact from the effects of the recession, or it might simply reflect an unrelated in year variation. Indicators on a negative direction of travel include:

- NI136 People supported to live independently through social services (all adults)
- NI155 Number of affordable homes delivered (gross)
- NI117 16 to 18 year olds who are not in education, employment or training (NEET)
- NI045 Young offenders engagement in suitable education, employment or training

4.5. In addition to the quarterly performance monitoring, an economic bulletin is produced each month by the Regeneration Team. This bulletin specifically concentrates on how the job market is affected by the recession. It provides an overview of changes to Job Seeker Allowance data and the employment rate. In addition, Brent's new Evidence Base was finalised in June 2009. This comprises of key datasets (including economic data) for the partnership are provided in an easy to, accessible format. Tools are made available on the external website and will be updated quarterly. The tools can be used by the council and partners to develop a better understanding of the needs of our customers. In particular, the evidence base focuses on geographic differences within data sources, clearly illustrating the difference in outcomes across wards in Brent.

Improvement and Efficiency Programme

- 4.6. The Improvement and Efficiency Programme aims to ensure the council is using its resources efficiently and is delivering high quality services to our customers, especially those who have the highest need. For the first year of the programme, an Improvement and Efficiency delivery plan is being developed. The plan will comprise of projects critical to the success of the programme. Prioritisation of projects has been in terms of expected efficiencies to be achieved. The BEST team are working closely with finance to help identify and capture savings and efficiencies which will pump prime future improvement and efficiency work as well as being re-invested to improve the quality of council services to residents.

Regeneration Agenda

- 4.7. Over the last six months the Council has pro-actively driven forward the Borough's large physical regeneration schemes. In South Kilburn the Council is taking the lead on preparing planning applications for two residential sites which combined will deliver some 500 new homes, which will assist in decanting existing tenants from poor quality tower blocks. In addition the Council has established the South Kilburn Neighbourhood Trust, which is utilising regeneration funding to acquire sites, secure planning applications and re-invest capital receipts and ground rents back into delivering further regeneration. To date one residential site has been acquired, and discussions are under way with regard to a further site for a healthy centre being transferred to the Trust.
- 4.8. In relation to Wembley, consultants have been commissioned to identify the Council's options in relation to potential land acquisition, with a view to identifying the most appropriate sites in terms of providing local infrastructure, stimulating future growth, and securing value for money.
- 4.9. In relation to the North Circular Road the Council has completed a full study of the first two rows of residential properties, which has shown that their redevelopment could solve the local noise and air pollution issues. Ongoing work is being undertaken to assess financial viability.
- 4.10. Key to ensuring that local people are best placed to benefit from a future upturn will be their ability to secure future new jobs that may be created. In the financial year 2008/09, Brent in2work placed over 1000 people into work, and secured sustainable employment for a significant majority of these. Funding for Brent in2work is threatened beyond March 2010, and to this end the Council is progressing towards an innovative Joint Venture arrangement with Working Links, one of the country's leading providers of employment services. This will allow us to bid for large DWP contracts and secure a local service which the Council can influence for at least the next five years.

Recession Conference

- 4.11. A Partnership Recession Conference was successfully held on the 15th of July 2009. A range of council and external speakers were heard including:-
- The Leader of the Council, Councillor Paul Lorber spoke of the impact the recession was having in the UK and in Brent, as well as his own personal experiences.
 - Phil Newby, Director Policy and Regeneration provided an in depth overview of the impact of the recession in Brent.

- Jackie Sadek, Chair, British Urban Regeneration Association discussed the impact of the recession on the housing market and regeneration industry.
- Sandra van der Feen, London Voluntary Service Council spoke of recent research undertaken on the impact of the recession on the voluntary sector.

4.12. An interactive session was held where participants were asked to discuss ideas which could be taken forward in partnership for existing projects or potential new projects. Many ideas were generated by this exercise (Appendix 2). Those relating to existing projects will be taken forward by staff across the council with relevant partners. New ideas will be reviewed by the Local Strategic Partnership for consideration.

Income Maximisation

4.13. Income maximisation is a project within Brent's Local Area Agreement 2008-11 which is aimed at improving the quality of life of Brent's most disadvantaged residents. The aim of the project is to work strategically across the Council and its partners to develop and implement interventions which increase the entitlement take up of council benefits and reduce financial hardship, debt and deprivation across a range of key groups of residents. The project will facilitate new ways of working across service boundaries, which are much more focussed on overall outcomes for customers (as opposed to service specific outcomes and more effective use of existing resources). In particular the project will create links between employment initiatives (eg. Brent n2 Work), the corporate debt policy and benefits service.

Benefit Take Up

4.14. Relating to the income maximisation project, the Benefits Team have used Brent's customer segmentation model mosaic to identify target customers from benefits service. These particular included the mosaic customer 'types' which were likely to be from the older age groups who may have moderate income levels and not realise they are eligible for a benefit. Letters were sent out that were designed in consideration of the identified mosaic types key characteristics. The benefits service reported an increase in take up after this initiative.

Mortgage Rescue Scheme (MRS)

4.15. Brent Council was selected as a Fast Track Authority to trial the Government's new Mortgage Rescue Scheme, before it was launched nationwide on 5th January 2009. MRS is a new £200m package of measures designed to prevent some of the most vulnerable families from losing their homes and experiencing the trauma of repossession. This scheme is aimed at those who would be eligible for homelessness assistance and is subject to a range of eligibility criteria. This includes those whose gross income is less than £60K and where the current valuation of their properties is less than £295K.

4.16. There has been very limited take up of this scheme to date. The main reason for this is the eligibility criteria restricting households, particularly the property value cap of £295K which is not inline with London property values. Brent is currently lobbying government for a relaxation of these criteria. Despite this, the scheme has proven to be very helpful in preventing homelessness and working with families early on to resolve financial difficulties through other channels. Prior to the scheme, few families would contact the council, or

contact us too late regarding difficulties in paying their mortgage. The scheme has increased the profile of the council and enabled the provision of a variety of support, guidance and aid to families in need.

Overall

- 4.17. Overall the key things Brent is doing regarding the recession include:
- Collect robust evidence base on impact on local people since recession
 - Improvement & Efficiency Programme – freeing up resources
 - Encourage take up of small business rate relief
 - Support for firms in paying business rates (planned)
 - Provision of information and support on job opportunities
 - Provide targeted employment training and support to job seekers
 - Closer working with Job Centre Plus and Learning Skills Council
 - Introduce more apprenticeships (work in progress)
 - Benefit take up initiatives
 - Council tax rebate schemes (planned)
 - Provision of debt and financial advice
 - Developing councils initiative in join public / private ventures (work in progress)
 - Bringing forward councils planned major capital programmes (planned)
 - Reviving stalled private housing development by purchasing land to develop social housing schemes
 - The council, police and businesses working together in Harlesden using a PCSO team to tackle town centre crime
 - The council, police and small businesses working to improve security on industrial estates
 - The council and police offering shadowing opportunities to young people to provide them with the stepping stones into employment

5. Financial Implications

- 5.1. There are no direct financial implications from this report. The impact the recession is having on Council finances and other resources is high. The increase in the number of people receiving housing and council tax benefits has significantly increased council's expenditure. In addition, the council's ability to increase the amount of revenue earned from external sources has reduced. Revenue from external sources has either not been improving or seen reductions. For instance in June 2009 revenue gained from planning application was half that from the same time last year. The impact of the recession on the council's finances continues to be closely monitored.

6. Legal Implications

- 6.1. There are no direct legal implications from this report.

7. Diversity Implications

- 7.1. There are no direct diversity implications from this report. Economic data on the impact of the recession suggest that Brent's most deprived wards are the most affected.

Background Papers

Executive Report: The Local Impact of the Recession, 16th of March

Contact Officers

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Director of Policy and Regeneration

Rebecca Fogarty
Policy and Regeneration

Appendix 1: Select national indicators for recession monitoring

	YTD Actual	YTD Target	Alert	Distance between Actual & Target	Perf. previous Qtr	Perf. this Qtr	DOT	Annual target	Good perf. is?
NI016 Serious acquisitive crime rate	6.71	6.59		0.12	2.32	2.36		2.4	Smaller is Better
NI045 Young offenders engagement in suitable education, employment or training	85	90		-5	88.24	85		?	Bigger is Better
NI052 Free school meals take up	*54.7	50%		4.7					Bigger is Better
NI062 Stability of placements of looked after children: number of moves	1.6	3		-1.4	15.8	1.6		?	Smaller is Better
NI117 16 to 18 year olds who are not in education, employment or training (NEET)	5.2	6.5		-1.3	4.8	5.2		6.5	Smaller is Better
NI136 People supported to live independently through social services (all adults)	2217	?		!	3985.49	2217		?	Bigger is Better
NI146 Adults with learning disabilities in employment	3.83	60		-56.17	6.9	3.83		?	Bigger is Better
NI150 Adults receiving secondary mental health services in employment	7.19	8		-0.81	6.83	7.19		?	Bigger is Better
NI151 Overall employment rate (working-age)d	***70.34	69		1.34	71.59	70.3		?	Bigger is Better
NI155 Number of affordable homes delivered (gross)	29	29		0	253	29		458	Bigger is Better
NI156 Number of households living in Temporary Accommodation	3549	3667		-118	3651	3549		3485	Smaller is Better
NI171 New business registrations	**85.49	n/a		14.59	70.9	85.5			Bigger is Better
NI154 Net additional homes	n/a	n/a							Bigger is Better
NI159 Supply of ready to develop housing sites	n/a	n/a							Bigger is Better
NI174 Skills Gap in the current work force reported by employer	n/a	n/a							Smaller is Better

Key:

Indicators highlighted in orange are annual and data is not yet available

Indicators highlighted in purple have no targets as they are not part of vital signs

* NOTE: This is performance figure for 2008-09

** NOTE: This is 2007 figure

*** NOTE: Quarter 2's figure has been provide in section 3.2 of this report, this figure is 71.3 which is an improvement.

Appendix 2: Recession Conference

Results from Interactive Session:-

- Investigate gap in support for white, young people aged 14-19, who are a growing group of NEETs. Provide analysis by locality and neighbourhood.
- Further develop the voluntary and community strategy regarding key themes: community cohesion, domestic violence and racism.
- Build capacity in the voluntary sector to capitalise on results of recession, in particular emerging highly skilled volunteers.
- Sell the opportunities of redundancy for retraining and new career paths.
- Learn from the successful commissioning by the connexions service of the voluntary sector to undertake outreach/engagement.
- Get the best from the Future Jobs Fund for London (BACES, JCP, Regen, others).
- Consider what influence we can exert on banks to lend to limit the stalling of regeneration projects
- Link smaller businesses to financial advice, particularly ensuring they are aware of available options for loans
- Develop a robust tourist strategy which markets Brent as a tourist attraction, capitalising on the benefits of the borough and attracting more people into the borough for recreation, shopping, commercial purposes.
- Work with partners (eg. hotels) to market to different concert crowds going to Wembley
- Improve communication across the partnership, promoting successes of partners on BRAIN, raise awareness of services and develop opportunities for joint working
- Improve coordination and delivery of critical services to high need groups such as the migrant communities
- Improve coordination across departments and partners on financial advice, services, to affected priority customer groups e.g. financial safeguarding, loan sharks
- Review approach to commissioning to ensure approach does not disadvantage local voluntary and community organisations
- Review the options for the Voluntary and Community Resource Centre as soon as possible - is their space in the civic centre?
- Encourage businesses to cross train and multi-skill staff to make them more flexible and explore flexible contracts.
- Develop an approach for retaining skilled school leavers in the Borough.
- Look at work based training and apprenticeships across the borough as a single project to improve access and co-ordination.
- Learn from successful training programmes and replicate eg. E&C engineering training offered for unemployed people. Delivered through a charity, this assisted sixty people. It was motivated by a particular gap in the market for people with engineering skills, and was made possible in part by the voluntary efforts of E&C staff in offering their spare time.
- Look at planning policy on use of building to ensure it is flexible to cope with change in circumstances.
- Develop “green” opportunities in the economy for businesses and for volunteers.
- BACES to work with partners to bridge the funding gap (more users than funding). In particular through the provision of education/training

- Working smarter across partner organisations to genuinely reduce costs for everyone, in particular shared services to ensure economies of scale, e.g. finance, HR, financial management, building space.
- The impact of the recession on business needs to be highlighted more. Utilise businesses in improving employment opportunities during the recession, for example advertise in JobCentre Plus. Other areas for discussion are self-employment and social enterprise.
- Improve volunteering opportunities
 - Learn from and mirror other successful volunteer programme taking place across partnership (eg. Police programme for long term volunteering, 1-2 years to build up a higher skill level).
 - Explore opportunities with big employers (public and private), perhaps by changing the way big organisations accommodate volunteers. This should be done as a branded initiative for partnership (eg Volunteering into Work) rather than individually across separate organisations.
- Develop more coordinated support package for business, including where to go for funding opportunities, help for business to build capacity.