

Cannock Chase and the Recession

Case Study

Contents

Introduction	3
Context	5
The Impact of the Recession on Cannock Chase	7
Initiatives to Mitigate the Impacts of the Recession	13
Lessons Learnt	18
Potential Next Steps	25

Introduction

In April 2009 Cannock Chase recorded a year on year percentage increase for claimants seeking Job Seekers Allowance (JSA) of 193% - the highest for any District in Staffordshire and over twice that of the national increase of 86.4%¹.

Furthermore, two regional level research projects undertaken in early 2009 which looked at the vulnerability of geographical locations within the Region, both identified Cannock Chase District as an area of 'immediate economic risk' because of the recession.²

In light of these issues and under the auspices of the Regional Minister's Economic Task Force, the 'Support for Individuals and Communities' workstream has undertaken a short case study of Cannock Chase.

The study has sought to:

- Consider how the recession has impacted upon the local area;
- Provide an overview of the activities that have been undertaken to mitigate the effects of the downturn, and;
- Draw out any 'lessons learnt' or 'potential next steps' which could be explored by regional and local partners to make the area more resilient to economic shocks in the future.

The study is not a detailed statistical analysis³ of the recession nor a compendium of activity. Rather it is a 'snap shot' in time, as of August 2009, which provides a broad overview of the story to date of the recession in Cannock Chase.

The study has been informed by discussions at two specially convened meetings over the summer with a range of local and regional partners active in Cannock Chase District⁴. The meetings were chaired by Stephen Brown the Chief Executive of Cannock Chase District Council and supported by Mark Barrow the Chief Executive of Newcastle-under-Lyme Borough Council who is also the chair of the Regional Minister's 'Support for Individuals and Communities' workstream.

¹ Statistic provided by Cannock Chase District Council.

² Identifying Locations Vulnerable to the Recession in the West Midlands Region (June 2009) - www.wmro.org

³ Every effort had been made to check the statistics quoted in the report but some statistics have emerged from secondary sources.

⁴ List of Partners: Cannock Chase District Council, Staffordshire County Council, Newcastle-under-Lyme Borough Council, Chase Citizens Advice Bureau, Learning and Skills Council, South Staffordshire College, South Staffordshire Primary Care Trust, Connexions Staffordshire, Chase Council for Voluntary Service, Southern Staffordshire Chamber of Commerce, Job Centre Plus, Business Enterprise Support, Business Link, Advantage West Midlands, West Midlands Leaders Board.

Like many other places Cannock Chase has been hit badly by the global financial crisis. Beginning in the United States, the ensuing 'Credit Crunch' and economic downturn spread rapidly across the rest of the world.

Oil prices and unemployment rates rose, the value of houses declined, manufacturing production dropped, banks stopped lending and in January 2009 Britain officially entered recession for the first time since 1991.

Over a turbulent twelve months, it's become apparent that the West Midlands has been particularly badly hit. The general consensus of opinion seems to suggest that primarily this has been caused by the Region's relatively high presence of automotive, construction and manufacturing businesses - all of which appear have suffered most from the fallout of the economic downturn.

The impacts of this recession have been felt throughout the communities of the West Midlands, from our major urban cities to our smallest rural villages but the scale and nature of the impacts have varied significantly from place to place depending on their specific local circumstances.

In more recent months the West Midlands' economy has started to show signs of stabilising. The recession is not over, but with house prices slowly beginning to rise, redundancy rates falling and confirmation that manufacturing output grew in June for the first time in 15 months⁵, there are at least some encouraging signs that the West Midlands economy is beginning to recover.

⁵ Advantage West Midlands' Economic Update - July 2009.

Context

Cannock Chase is situated in the central southern part of Staffordshire in the West Midlands. It is a District containing the two large urban areas of Cannock and Rugeley, separated by the Cannock Chase Area of Outstanding Natural Beauty. In overall terms the District has a 40% urban and 60% green belt mix with 91% of people living in 'urban areas' and a total population of 94,400, with a working age population of 59,000⁶.

Cannock Chase District is ranked as the 135th most deprived local authority in England, from a total of 354 and is the most deprived District in Staffordshire (excluding the City of Stoke on Trent).

The District has strong historical links to the Black County, in particular Walsall and Wolverhampton as well strong ties to Lichfield District and South Staffordshire with which it shares significant boundaries to the east and west. The decline of traditional industry in these areas, which provide important employment opportunities for people resident in Cannock Chase, are another contributory factor as to why Cannock Chase has suffered during the recession.

The primary reason for the growth of both Cannock and Rugeley was the development of a successful coal mining industry and a sizeable manufacturing and engineering base.

However, the final pit closures of 1989-1991 coupled with dramatic job shedding in other traditional sectors led to a sustained period of decline in large parts of the District; the impacts of which are still being felt today.

Over the last decade, the District has witnessed a prolonged period of relative growth and prosperity fuelled by a range of ambitious regeneration projects, the completion of the M6 toll and a focus on small business start ups.

Unfortunately, despite the area's recent prosperity it appears that there are two inherent structural weaknesses in the Cannock Chase local economy which has made the area particularly vulnerable to a recession.

Firstly, the District has large numbers of people and businesses wholly dependant on the industrial and manufacturing sectors, while secondly, the area has a significant proportion of young people in the area with very poor skills and educational attainment levels.

⁶ Office of National Statistics 2007 mid-year population estimates - www.nomisweb.co.uk

These findings correspond directly with research undertaken by the 'Work Foundation' who have looked into the factors that determine how badly a particular area will be affected by a recession. Their evidence suggests that because of the disproportionate effect on the manufacturing sector, the recession has tended to reflect existing patterns of economic and industrial decline. Furthermore, in both the US and UK the skills profile of the resident area has proved to be the major determinant of the impact of the recession. Areas with highly skilled populations have experienced the smallest increases in unemployment while those with low skill levels have experienced the largest increase⁷.

These structural issues are not new, they are the culmination of a long and complicated industrial legacy and addressing them has been a key priority for the Council and its partners over a number of years. The recession has not suddenly exposed these weaknesses but it has brought into sharper focus the need to tackle them head on.

⁷ Recession and Recovery: The Role of Local Economic Leaders (The Work Foundation – June 2009)

The Impact of the Recession on Cannock Chase

The Audit Commission in its publication 'When it Comes to the Crunch – How Councils are responding to the recession' outlines a 'wave model' to describe the different stages of a recession and the subsequent recovery.

Wave 1 Economic - A relatively short period where economic output declines, firms fail or reduce staff numbers; unemployment rises quickly; and real income falls.

Wave 2 Social - A longer period in which output growth returns, but job losses continue. Unemployment remains high, bringing with it increasing housing, health and domestic problems.

Wave 3 Unequal Recovery - Recovery occurs when the economy is expanding and unemployment has passed its peak. Investment and economic development return, but not all areas benefit.⁸

Recent evidence and future economic forecasts seem to suggest that we are reaching the end of the first wave and will soon be entering the second phase.

The effects and implications of the first phase of the recession on the District of Cannock Chase have been severe.

Economic Impacts

Unemployment

Cannock Chase has suffered significant job losses during the recession and has recorded record levels of Job Seekers Allowance (JSA) claimants.

Figures provided by Advantage West Midlands indicated that in June 2009 the total number of people claiming JSA across the Region had risen to 176,625 - a claimant rate of 5.5%, while in Cannock Chase the number of JSA claimants had risen from 1852 to 3085 by June 2009 - a claimant rate of 5.2%. Although lower than the Regional average it was the largest absolute increase of the Staffordshire Districts and represented 18% of the total rise across the County.

⁸ 'When it Comes to the Crunch - How councils are responding to the recession' - Audit Commission (August 2009)

Job Centre Plus (JCP) has noted that JSA is generally claimed at the nearest Job Centre to where a person lives rather than where they have been working.

The number of unfilled job centre vacancies per 10,000 working population has also dropped dramatically - from 172 in 2008 to 45 in June 2009. This means for JSA claimants there are a potential twelve people applying for each unfilled vacancy, as opposed to 1 in June 2008.⁹ Both these factors indicate a highly competitive labour market with demand outstripping supply. It also demonstrates that those people who were out of work before the recession took hold will now find themselves at the back of a very long queue.

Furthermore, those jobs that are available are generally not in highly skilled or executive positions. Anecdotal evidence suggests that many individuals from professional, well paid jobs made redundant during the recession are now applying for occupations requiring fewer skills and significantly reduced salaries. Some local companies are reporting a quadrupling of applicants for job vacancies, with many appearing vastly over qualified for the available post.

Job Centre Plus have reported that their staff have been working overtime to cope with the surge in demand and despite recruiting additional front line staff to meet the needs of the community there has been a time lag before they can start dealing with customers because of the necessary training requirements.

JCP have also reported an increase in older, professional people being made redundant who have no history of being out of work, claiming benefits or dealing with a job centre. Very often these people's perceptions of job centres are outdated and many appear to be using up their redundancy payments before registering for JSA - but by then they've often already slipped into debt.

Interestingly, JCP have also indicated that job vacancies are still becoming available within the District but they have concerns as to whether they are 'the right and appropriate jobs for the area'. Anecdotally, there are concerns that many redundant manufacturing workers will not be able to find employment back in the sector and could settle for short term, low wage, low skilled jobs just to get back into employment - perpetuating long term trends of disadvantage in some communities and places.

Business Failure

A significant number of local businesses within the District have closed or downsized due to the recession, including; Woolworths, Click, Adams, Firkins, Finning's, Cannock Pet Store, Extra Personnel, Walter Smith Butchers, Thyssen Krupp, Briggs, Priceless Shoes, Café Santini, Birthday's

⁹ www.nomisweb.co.uk – Unfilled vacancies and JSA claimants in Cannock Chase 08-09.

Card Shop, The Priory Diamonds and Pears, Discover Caravans and Motor Homes and Webb's Electrical Goods.

The list clearly demonstrates the breadth of businesses that have been affected by the recession. While it's true that the manufacturing sector has been hit the hardest the retail sector has also suffered significant losses. In April 09 there were 30 empty retail units in Cannock town centre representing approximately 17% of total stock.¹⁰

The importance of labour market movements of Cannock Chase residents, into Black Country authority areas in particular - which have seen substantial job losses and redundancies in traditional manufacturing industry, must also be considered when understanding the effects of the recession on Cannock Chase.

The major job losses in the traditional manufacturing industries between April 2008-2009 have already been highlighted but unemployment in "elementary occupations" including cleaners, labourers and catering assistants has also increased by 1.13% in the District - the third highest rate in England and Wales.

Anecdotal evidence from the Chamber of Commerce has also indicated that there can be a disconnect between big businesses and Small Medium Enterprises (SMEs) in the District. It's been suggested that during the growth years, companies were attracted to Cannock because of its excellent transport links and central location but for whatever reason they failed to connect to the smaller, local firms in order to build up supply chains. Unfortunately for the area, without these local ties, businesses have little sense of local loyalty towards Cannock, meaning that companies can re-locate as quickly as they appeared.

However, evidence from Business Link seems to suggest that Cannock Chase isn't fairing as badly as first thought in this respect and that Small Business start ups are actually keeping pace with the levels of previous years.

Increase in NEETS – Not in Education, Employment or Training

Cannock Chase has one of the highest proportions of unemployed 16-18 and 18-24 year olds in the Region.

The June 2009 statistics indicate that despite a year on year decline in the ratio compared to older age groups, the District's rate (31.3%) of JSA Claimants aged 18-24 is the highest in the County and continues to exceed that of regional (28.6%) and national (28.8%) averages. Actual numbers of 18-24's claiming JSA in the District have risen from 430 in June 2008 to 945 in June 2009, a percentage increase of 119.8%¹¹.

¹⁰ Cannock Chase Cabinet Report Annex 1 - June 09.

¹¹ JSA claimants aged 18-24 in Staffordshire June 08 - June 09 - www.nomisweb.co.uk

There are a variety of potential explanations for these statistics but the general consensus seems to suggest that a long legacy of industrial employment, low basic skills and qualification levels combined with low aspirations has resulted in a generational cycle of unemployment, proceeding the current recession.

The Staffordshire Local Area Agreement (LAA), which sets out the agreed priorities for the area following discussions between central government and local partners already identifies twenty NEET hotspots within the County and includes four wards based in Cannock Chase: Cannock North, East and South and Brereton & Ravenhill.

Statistics indicate that the overall District NEET rate is currently rising, in line with worsening economic conditions, as it is in other Staffordshire Districts, with the Cannock Chase NEET rate at the end of June 2009 standing at 9.5%.

Initial Social Impacts

As set out in the wave model put forward by the Audit Commission, the first wave of a recession impacts on the economy. However, because the economy is intrinsically linked to people through employment, housing and consumerism it's inevitable that a decline in the economy will eventually lead to a variety of negative impacts on individuals and communities.

A recession is often viewed as an isolated economic problem, detached from the reality of day to day life. However, while the initial response is understandably focused on remedying the economic failings, it's often the social effects on communities which are far more difficult to resolve and require the most resources in the long term.

As we reach the end of Wave 1 of the recession in Cannock Chase, the social consequences of the recession are only just starting to become apparent.

The Third Sector

The third sector and charity organisations in Cannock Chase are starting to see a growing demand for debt, housing and employment advice plus increases in other service areas such as mental health, family breakdown and domestic violence.

Evidence from the Citizens Advice Bureau (CAB) and the Chase Council for Voluntary Service has indicated that as increasing numbers of people have become unemployed, volunteering rates within the District have significantly increased. However, despite this seemingly positive silver lining from the recession the third sector are struggling to find the necessary funds required to train and supervise those coming forward. In conjunction with this increase in volunteering, they are also recording a back-log of Criminal Record Bureau

(CRB) checks. This is slowing down the rate in which people can begin volunteering activities which require a CRB check.

Advice and Guidance

Statistics from the CAB have shown that there has been a significant increase in the overall number of clients seeking help in particular fields related to the recession. There has been a 73% annual increase in the numbers of people looking for help with redundancy related matters and a consequent increase in advice given on unemployment related benefits.

Cannock Chase District Council has recorded a 50-60% annual increase in people approaching the local authority in housing need. But, interestingly, homelessness applications and acceptances are actually falling compared to the previous year. These figures are in part due to the successful upstream interventions of the Council and third sector organisations. However, anecdotal evidence has also suggested that figures may rise as the time lag from redundancies begins to hit household finances and mortgage repayments. There are also suggestions that repossessions might increase once the housing market picks up and financial institutions become more able to sell-on homes they have repossessed.

Leisure Activities

Indications seem to suggest that the recession has had a mixed impact on individual's likelihood to partake in leisure activities. For example, during the first quarter of the financial year Cannock Park Golf Course saw income drop by 5.6% and the number of tickets sold at the Prince of Wales Theatre fell by 27.5%. However, use of the Council's leisure centres has increased, especially in swimming and in the take up of discounted memberships.

This is in line with anecdotal evidence in the West Midlands Leaders Board's 'Weathering the Storm'¹² report which indicated that a number of local authorities have reported an increase in people cancelling their private gym memberships in favour of cheaper or even free Council run leisure services.

Crime

The Council has so far not found any clear link between the recession and any increase in crime within Cannock Chase. This is felt to be because it's still too soon to try and draw out any particular trends and secondly because much more data and analysis would be required, including analytical work on offenders. Crime statistics are also notoriously volatile and can be impacted by a variety of variables.

The main type of crime which has recorded an increase is burglary, but interestingly, shoplifting figures represent a reduction of 2.3% compared to July 2008 and bilking (making off without payment) has also recorded a 31.3% reduction.

¹² 'Weathering the Storm - Preparing for Recovery' West Midlands Leaders Board (May 2009).

It might have been expected that cases of fly-tipping would increase as a consequence of the recession, as people cut corners to try and save money on more expensive methods of rubbish disposal, but in reality there have only been two more incidents in Cannock Chase in the first quarter of this year than the same period in 2008.

Overall therefore, over the summer there wasn't any conclusive evidence to suggest a strong link between the current recession and levels of crime.

Perceived wisdom is that economic adversity causes crime to rise and this may well occur during the second wave of the recession, but at present, it's too early to tell.

Initiatives to Mitigate the Impacts of the Recession

From the examples cited previously it's clear that the recession has had severe implications for people living in Cannock Chase. Redundancy, debt, repossessions and family stress are just some of the problems facing many of those in the local community.

However, the situation could have been worse if it wasn't for interventions to support those individuals and businesses most in need.

The Audit Commission's Wave model has also been used to suggest the different phases and specific roles and responsibilities that are involved in the recession recovery process.

Wave 1 Protect - Partners take immediate steps to save local businesses and support local people.

Wave 2 Support - Partners develop specific responses to address local priorities and deliver government programmes.

Wave 3 Recover - National, regional and local partners all work together to develop and deliver long term strategies and invest in areas unable to recover through training, labour market and social programmes.¹³

In contrast to the first model, this set of principles is more fluid. Evidence gathered in relation to Cannock Chase suggests that the initiatives so far have focused primarily on protection and support but activities to stimulate recovery are also being deployed.

In the following section we highlight just a few of the initiatives that have been used to help mitigate the impacts of the recession in Cannock Chase. Some are new initiatives that have been developed specifically in light of the recession while others are simply extensions to existing programmes. This list is not exhaustive but does provide a snap shot of the sorts of activities that have taken place or are currently under way.

¹³ 'When it Comes to the Crunch - How councils are responding to the recession' - Audit Commission (August 2009)

Protection, Support and Recovery

Businesses and Unemployment

With many local businesses struggling to deal with the downturn, all agencies have been working to support those companies and employees most in need.

The local Council has provided a range of support services, such as, developing a 'Credit Crunch' section on their website, providing information, advice and guidance to both employers and employees. They are also actively promoting the opportunities for rate relief for small businesses to ensure that local companies do not miss out on a potential financial boost.

Cannock Chase District Council has also been working closely with Staffordshire County Council and Stoke City Council in bidding for Future Jobs Fund (FJF) resources from government. The entire FJF encompasses around £1 billion designed to support the creation of jobs for long term unemployed, young people and others who face significant disadvantage in the labour market. In addition to this the Council has also been working with the County Council to develop a range of interventions in three disadvantaged neighbourhoods under the LAA's Locality Working programme.

Cannock Chase residents and employers are also benefiting from a range of mainstream Learning and Skills Council (LSC) and Job Centre Plus (JCP) jointly-funded programmes, which have included pre-employment and employability skills training. Whilst European Social Fund (ESF) funded Jobs, Enterprise and Training (JET) programmes have also been made available in the Cannock area.

The Southern Staffordshire Chamber has also been working pro-actively by offering practical help to businesses by launching a series of 'Survive and Thrive Events' which have sought to support local companies through the difficult economic climate and position them more competitively to seize future opportunities.

Revenue and Benefits

With unemployment rising, more individuals and families are relying on the support provided by local authorities. Cannock Chase District Council has initiated a number of schemes to help ensure that revenue and benefits can be accessed in a timely manner to all those who need them:

- The Council has recruited three additional Benefit and Revenues staff, on temporary contracts, to deal with increased caseloads and prevent a build up of new applications.
- The Council recruited two new part time visiting officer positions which will assist claimants in their own homes.
- The Council is implementing a strategy to ensure that advice on the availability of benefits is targeted to the most appropriate people at the

right time and in the right format. This includes work with partners to access hard to reach groups and a broadening of guidance to improve access to other welfare benefits.

Advice and Support Services

The effects of the recession are far reaching and the Chase Citizens Advice Bureau has seen a 50% increase in clients requiring debt specific advice and assistance. In particular, the demand for advice in redundancy, out of work benefits and help with mortgage arrears has risen by 90%.

The high demand for their service has increased waiting times and put pressure on their resources but the CAB has been working to cope with the extra footfall by opening additional sessions and providing advice in innovative ways. Funding support for the local offices of the CAB by the Council has been maintained in response to continued demand for debt counselling advice and funding has been increased to enable the CAB to provide advice to potentially homeless families approaching the local authority.

Planning and Housing

Ensuring people are able to live in a good standard of accommodation and are able to continue living in their homes during a recession is vital to the physical and emotional well being of local communities. Furthermore, following the collapse of the construction industry, local authorities across the Region have been working to re-invigorate stalled regeneration schemes, push forward with key infrastructure projects and take innovative steps to kick start new housing projects. Cannock Chase District Council is no different and has undertaken a raft of actions, including:

- Pursuing capital investment with housing partners to be able to acquire affordable homes from within the existing housing stock;
- Selling Council land at a discount to Registered Social Landlords to enable new and affordable homes to be provided;
- Leading on the local delivery of the Mortgage Rescue Scheme which is helping some people faced with housing repossession stay in their homes;
- Applying a long term perspective on the use of Council land assets in partnership with the Private Sector to bring forward employment sites and stimulate development;
- Seeking regional funding and/or support for strategic development projects, which will regenerate areas and stimulate the economy:
 - Town Centre Redevelopment Scheme
 - Elizabeth Road Estate Redevelopment
 - Cannock Chase Enterprise Centre
 - Cannock Chase and Rugeley Extended Learning Centre
 - Leisure Redevelopment Programme
 - Bringing forward the Building Schools for the Future programme.

Third Sector Response

During a recession the third sector are often at the forefront of identifying and responding to the needs of the local community. Many third sector organisations have experienced a surge in demand for their services during the last 12 months and have been doing all they can to provide local support despite severe pressure on their resources. Just some examples of their activities include:

- Support for Older People (low cost or free luncheon clubs);
- Support schemes for the homeless;
- Peer support workshops for the unemployed;
- Holiday play schemes for children, enabling parents to continue work;
- Recycling/re-use schemes to improve the availability of low cost furniture;
- Parent and toddler groups organised by dads who have been made redundant;
- Low cost transport schemes.

Tackling NEETs

The local Connexions Service which brings together a range of youth support services are utilising a number of new approaches to try and reduce the number of young people becoming and remaining NEET during the recession.

Connexions are reporting that many young people are acutely aware of the current economic climate and are choosing to remain in learning rather than attempting to seek work during this time. In support of this view, South Staffordshire College has recorded a 15% increase in applications for 09/10. However, in light of this trend, there are concerns that to meet the needs of the rising numbers of young people opting to engage in post 16-18 education, additional funding to further education colleges will be required to ensure that sufficient places are available.

The Connexions service is continuing to encourage young people to focus on the upturn and are promoting work tasters and volunteering development programmes in order to raise experience and skills levels so young people will be prepared for the opportunities that will eventually come. Recession related initiatives include:

- Increasing outreach work and home visits in order to get to the heart of the community;
- Developing different approaches to learning, such as the 'Busymummy' intervention, helping young mothers aged 14-19 to study at home, online and with peer support;
- Working with the Council to run a 'Young Futures Sorted' event for young people in the District. The event provided opportunities to talk to training providers and colleges about their current training;
- Leading on an Active8 programme which targets young people pre 16 in schools in NEET hot spot wards. Working closely with South

Staffordshire College and partners, they are developing personalised and tailored programmes of support that meet the needs of the individual.

The Learning and Skills Council have confirmed that resources made available through the European Social Fund have been allocated to tackle both NEET prevention and post 16 interventions.

South Staffordshire College (Cannock Campus) has also been offering a wide range of free courses aimed at helping people re-train for work or get their first job, with an emphasis on acquiring practical or professional skills that might provide the competitive edge in the local job market.

Health

South Staffordshire Primary Care Trust and Staffordshire County Council has extended the 'Health NET' service across the Cannock Chase District for residents worried about finance, housing, health, education or relationship issues. The service provides health and social care assessments to people in disadvantaged circumstances with a clear focus on aiming to resolve problems before an issue escalates into a more serious one that may require greater support later on in the process.

Leisure Activities

During times of recession when unemployment is high, money is tight and stress is rising, remaining active and healthy can have significant benefits to people's physical and mental wellbeing.

In light of this, the Council has supported the 'Free Swimming' initiative which will ensure free swimming for the next two years for adults over 60 and young people under 16. Furthermore, in January 2009 the Council introduced its new leisure card concessions scheme which provides a 50% discount on leisure activities across the District for residents who are on low incomes or means tested benefits. So far, compared to last year, there has been a 600% increase in the take up of the card. The Council has also recorded huge demand for its 'Play Days' activities, while Job Centre Plus, in partnership with the Council are currently operating a 'Condition Management Programme' which is designed to use physical activity to help individuals back into employment.

Lessons Learnt

In the time that has passed since the economy began to falter it is clear that the recession has had far reaching consequences for the District of Cannock Chase.

Any attempts to try and draw out any 'lessons learnt' from the recession are fraught with difficulties. Not least because most of the mitigating activities and initiatives are still bedding in and are being carried out by a variety of different organisations.

Understandably, representatives of different agencies are also unlikely to openly state if mistakes have been made or if they believe that resources have not been utilised in the most effective way.

However, despite these drawbacks there do appear to be some issues beginning to emerge which could provide the basis of further actions or provide potentially alternative approaches to recession related activities in the future.

Preparation for the Social Impacts

As would be expected, the immediate impacts felt by the local area were primarily economic. Credit became increasingly difficult to obtain, the construction industry collapsed, businesses closed down, jobs were shed and supply chains were choked.

In light of this, the main focus of support and protection activities was understandably centered on trying to alleviate pressures on businesses and the unemployed.

In line with many other areas in the Region, partners in Cannock Chase are only just beginning to record noticeable increases in mental health problems and demands for children's and older people's services, while increases in crime appear negligible. These findings align with the wave model set out by the Audit Commission which suggests that the social impacts on local communities, following on from an economic collapse, take longer to fully emerge.

The signs of generic economic and business suffering are also generally far easier to recognise than those of social distress. For example, 'closed' signs on the gates of industrial units and empty shops on the high street are every day reminders of a struggling economy.

The visual triggers of a community suffering are far less obvious and unfortunately it's these social issues that will continue to affect the area for many years to come. The economy will eventually recover, house prices will

inevitably rise but trying to rectify those long term social impacts will take the longest time and require significant resources.

Therefore, in an attempt to try and minimise the long term impact of those social issues its imperative that actions to spot or prevent the social consequences and widening inequalities likely in Waves 1 and 2 are considered now.

Partners need to begin working more closely together to support the local community who will suffer the social impacts of the recession.

Revising or Mainstreaming Existing Activities in Light of the Recession

From the evidence collated it appears that a large number of the mitigation activities have been a continuation of schemes that were already in place before the recession hit. Some organisations have managed to secure additional funding or resources to extend these schemes and tailor them in light of the recession but the evidence suggests this has been the exception rather than the rule.

Most partners have had limited resources and have focused their efforts on tried and tested methods which they believed would have had the best chance of providing successful outcomes.

Furthermore, a District Council may consider it more risky compared to a County or a Metropolitan authority to attempt radical, high risk responses because they have fewer financial resources and capacity.

Because of the economic downturn and ensuing recession, local schemes may need to be revised or refocused. Some recession related activities will have been devised for short term support and will be time limited, while others may need to be mainstreamed into organisations' day to day activities to ensure that they fit with the area's long term objectives. The recession has hit different places in the West Midlands in different ways; there is not a simple 'one fits for all' solution and responses need to be tailored to circumstance.

In Cannock Chase, communities have been hit hard, despite all the support activities that have been undertaken. Therefore, it might be argued that there is an opportunity, if finances allow, to try and supplement tried and tested methods with some more innovative schemes, to take some risks, and attempt to radically re-think how support activities are best delivered.

Tackling the Structural Weaknesses in the Local Economy

Activities initiated to ease the short term problems of the recession have been vital but these actions primarily deal with the symptoms of the problems rather than the cause.

As mentioned previously, Cannock Chase suffers from a set of underlying social and economic structural weaknesses which makes the area particularly vulnerable during a recession.

These major challenges are not new; in fact they are all highlighted within the Council's 2003 Economic Regeneration Strategy and its statement of Policy Priorities document.

Following the recession in the 1990s, two Single Regeneration Budget (SRB) programmes were launched, one in Cannock and one in Rugeley. The programmes were deemed to have been successful in dealing with the relatively short term impacts of physical dereliction and investment in infrastructure but less effective at dealing with the long term issues of aspirations, the value of education, workforce skills and community health. These issues required much longer term interventions but without the local or regional resources to maintain the partnership effort post SRB, the momentum for genuine change was lost.

It might also be argued that the last decade of relative growth and prosperity reduced the urgency of partners to tackle the area's long standing problems. Strategies and plans have been in place throughout this period but despite some evidence of success, the fundamental problems of poor educational attainment, a reliance of employment in manufacturing and a low skills base remain. Unfortunately, it's the combination of these fundamental failings which have contributed to Cannock Chase's extreme vulnerability to a recession.

Despite these failings it's vital to ensure that the problems in Cannock Chase are not simply badged as 'economic' because the social problems of poor health, low aspirations and generational cycles of unemployment are intrinsically linked.

Long term, structural changes to the economy and the workforce are required in Cannock Chase and sub-regional and regional activities and strategies will have a role to play in order to tackle the problems caused by the former coalfield and industrial legacy. The educational and aspirational problems require long term intervention, and apart from the SRB funding in the late 1990s the sub-regional resources have not been readily available.

In addition to this, Partners working together should be looking to tackle those long term priorities and underlying structural weaknesses through their established plans and by working regionally to input into the development of the new Integrated Regional Strategy, combining the Regional Spatial and Economic Strategies, to ensure it is informed by the scale of the problems within the area and learns the lessons from the recession.

Local Co-ordination, Task Forces and Action Plans

The WMLGA's 'Weathering the Storm - Preparing for Recovery' report highlighted a wide range of local authority initiatives implemented to support businesses and communities in their area.

In line with the findings of the report and discussed previously in this case study, Cannock Chase District Council has initiated a wide range of activities to try and provide for the social, economic and environmental well being of their communities.

Early on in the recession a report setting out the Council's recommended response activities was presented to Cabinet and the Local Strategic Partnership (LSP) Board. They agreed to an immediate drive to ensure that individuals and businesses across Cannock Chase had access to the most useful and up to date information and guidance as well as supporting a raft of other support activities, including a successful Future Jobs Fund bid to address the priority of youth unemployment.

It was also agreed to convene a special LSP 'Recovery Task Group' in September 2009 to review the initial responses and look towards preparing for recovery.

This approach to local authority co-ordination was mirrored across many of the District authorities within the Region.

In contrast to this approach, many of the larger Metropolitan and Unitary authorities convened specific 'Recession Task Forces', bringing together relevant partners, agencies, lead members and strategic level Council officers to create a formalised co-ordinating body for recession support. Many of the authorities used their Local Strategic Partnerships for the basis of the core group. The key output from those task forces has been locally developed and locally owned action plans, which have set out how the local authority and its partners would tackle the economic downturn.

To support this co-ordinating approach, larger local authorities appear to have had greater flexibility in the use of their resources and staff capacity to bring together and facilitate these local task forces - compared with Districts.

Both approaches appear to have delivered results on the ground but the specific 'Recession Task Force' approach does appear to have been particularly successful. The formalised local task forces have been able to act as a genuine focal point, generate high levels of publicity in the media and help to ensure that the recovery response is led at a strategic level with the high level support of all partners.

Partnership Working

The importance of strong working relationships across all public, private and third sector organisations is pivotal, not only in countering the effects of the downturn but also to the recovery and future prosperity of the local area.

While it's clear that in Cannock Chase there is already a history of strong partnership activity there do appear to be opportunities for even closer collaboration.

For example, partners such as Business Link, JCP and the LSC have stated that there still needs to be more joint working amongst different local and regional organisations in order to share data, discuss experiences and help to fully understand each others roles and responsibilities to ensure they are complementary and avoid duplication.

Cannock Chase District Council has also suggested that despite a very strong and positive relationship with the County Council there are still areas where closer co-operation would be valuable. For example, the two Councils have not yet developed a joint programme for social and economic regeneration against which the various land and financial resources of the authorities can be deployed in a collaborative manner. There are also issues around a potential disconnect between the energies used across the County in driving the Local Area Agreement (LAA) and the actual impact on the ground in areas such as Cannock Chase which are experiencing particular types of disadvantage.

As most relationships between government, public and voluntary sectors takes place at the local level, this recession could provide the opportunity to re-assess the links between these different sectors. One suggestion is that this could be achieved by re-visiting 'The Compact' which is an agreement between Government and the voluntary and community sector in England. 'The Compact' recognises shared values, principles and commitments and sets out guidelines for how all parties should work better together.

Availability of Information from Previous Recessions

In compiling this case study it wasn't easy to obtain any readily available evidence which recorded the implications or 'lessons learnt' from previous recessions within Cannock Chase.

The exception to this rule seems to be the key lesson learnt from the SRB programmes in the 1990s which did show some success in responding to short term issues, but much less in relation to the more deep seated, longer term problems. As the resources were not available to continue with the programmes, the momentum for change was lost. The result has been that economic growth over the period since SRB has tended to mask the underlying problems which have now been revealed by the recession.

This lack of detailed information, particularly pre 1990 isn't something unique to Cannock Chase, many other areas are equally lacking in the data and information that could have been utilised early on in the recession.

After such a long period of economic stability, the rapid emergence of the internet and differing methods of recording information it's not surprising that data concerning previous recessions is not easy to access or locate.

Important lessons may have been learnt during that period, but time moves on, documents or data sets can be misplaced, individuals change jobs, experienced colleagues retire and that knowledge is lost. During this recession a new generation of people have entered the world of work without any tangible understanding of previous economic shocks or the likely impacts on the local area.

It might also be argued that there are now so many sources of information from different local, regional and national organisations that it's difficult to know where, when and how to access the most up to date and appropriate evidence.

Hopefully, the array of research projects and detailed reports on the current recession combined with the forthcoming duty for local areas to produce or input into Local Economic Assessments will provide a clearer overview of the 2009 economic downturn and help guide the immediate response to any future economic shock.

Simple, Clear and Concise Information and Guidance

In the age of the internet, mobile phones, and 24hr news from across the globe it's never been easier or quicker to access information and support during times of need.

However, anecdotal evidence has indicated that the plethora of different websites, phone numbers and agencies providing business, debt or community support can result in confusion - particularly for businesses and the elderly.

Distinct roles and responsibilities of organisations can seem vague, there can appear to be a duplication of activities and support schemes can come across as complex and difficult to understand.

In response, by presenting common messages, using weblinks, providing mobile or town centre one stop advice shops, agencies and local authorities across the Region have been playing a vital sign-posting role that has helped reduce the potential for confusion.

Cannock Chase District Council appears to have taken a logical, simple and seemingly highly effective approach to communications with their local communities. For example, the Council has actively promoted the potential benefits of Small Business Rate Relief via their own website and sent a direct mail-shot to all the local businesses considered eligible.

They've also ensured regular contact with local residents by the use of a 'Crunching the Crunch' supplement wrapped around two local newspapers

as well as ensuring regular supplements in the civic newspaper 'Chase Matters'

The Council's website is easy to navigate and contains concise information and guidance for businesses and individuals plus links to useful third sector agencies such as the CAB, Relate and the Samaritans.

Local Authorities, their branding and their services are well known in the community, they are generally the first port of call for local residents requiring help and they have the experience of dealing with the wide variety of needs and requirements of their local residents. Therefore, it would seem appropriate that the local authority should provide a key gateway for signposting information and guidance during a recession.

Potential Next Steps

It was never in the remit of this case study to tackle in detail how the long term structural issues in Cannock Chase should be addressed; this will need to be worked up by a full range of partners, working collaboratively with the local authority.

However, the following list of ‘potential next steps’, which includes suggestions from local partners as well as ideas that have emerged as part of this case study, might help provoke new ways of thinking and may begin the process of improving Cannock Chase’s resilience to future economic shocks.

Strategy

- Following a decade of economic thinking focused on the premise of growth, the recession has created an opportunity to sharpen strategies, tighten visions, position for long term prosperity and unite citizens and stakeholders behind well crafted local development agendas.
- Opportunity to take advantage of the new local authority economic assessment duty which will be undertaken by the County Council to map the impact of the recession on the local area and enable local evidence for action. Understanding how the recession is impacting differently on the economy, labour markets, places and long term visions should enable the identification of priorities for action.
- The impacts of the recession and any mitigating interventions need to be factored into the Local Area Agreement process through the Local Strategic Partnership to ensure a positive outcome to the LAA Block 4 – ‘Access to Skills, Economic Development and Enterprise/LAA’.
- Regional level action and intervention through the new Integrated Regional Strategy should be used to help to tackle areas suffering similar long term structural problems to Cannock Chase.

Social Impacts

- Prepare an initial assessment of potential ‘social consequences’ emerging from the recession. Anticipating demand for extra services now, will ensure Cannock Chase is better prepared for the inevitable transfer of support needs from those that are focused on the economy to those that are focused on local communities.
- The short term actions designed to alleviate the immediate impacts on the local community could be re-assessed to ensure that they are in line to all contribute to the longer term priorities of the area.

Partnership Working

- Agencies to build upon the relationships and lessons learnt during the recession to provide simple and easy to understand information and guidance to businesses and individuals.
- Develop an integrated skills and employment partnership with the aim of simplifying access for clients and with a profile to encourage early engagement from business and individuals. The Partnership could have responsibility for responding to 'hot spot' neighbourhood level issues and setting a long term vision for employment and skills development.
- Re-assess the links and partnership working opportunities between government, public and voluntary sectors. This could be achieved by re-visiting 'The Compact' which is an agreement between Government and the voluntary and community sector in England. 'The Compact' recognises shared values, principles and commitments and sets out guidelines for how all parties should work better together.

Business

- Focus on the importance of securing a wide spectrum of inward investment that might facilitate the development of call centres, hotel/conference/leisure facilities, for example, as well as manufacturing and distribution opportunities – in order to diversify the local employment base.
- Recognise the importance of new start up businesses to provide another route in the diversification of the local economy.
- Improve the connection between significant local employers, the local community and local government. Opportunity to use local procurement, recruitment and supply chains to facilitate closer liaison between large companies and local SMEs.
- Support the Third Sector to grow services and social enterprises in response to the recession – potentially through multi-agency commissioning.

Skills

- Develop a business recruitment and skills development brokerage service with the County Council and Chamber of Commerce to include projections for future employment sectors and job types.
- There should be a renewed focus on improving achievement and skills within schools and the workforce to enable people to compete for higher value, better paid work.

- Seek new ways of delivering the capital improvements required to make the college infrastructure fit for purpose and encourage significant improvements in skills and providing pathways to Further Education and Higher Education.
- Pilot new ways of connecting the skilled unemployed to business opportunities and local employers, for example through developing the 'New Career Foundation Academy' concept championed by the Chamber of Commerce.
- An analysis of employment potential and skills requirements as well as a more detailed understanding of the future demographics within the area could be useful in determining the type of future skills and training that will be required, particularly in view of the "new wave of local economic activism", which aims to build resilience to local economies.

Image

- Develop a stronger and more positive image for the District – perhaps utilising the Area of Outstanding Natural Beauty (ANOB) status and its excellent transport links to project an attractive and business friendly place.

Infrastructure

- Short term infrastructure investments to provide regeneration developments that will benefit in the long term not just be a priority because of job creation.
- Work to ensure that the Building Schools for the Future (BSF) programme does not retreat from the premise of meeting the wider needs of the community.

Contact

Alex Angus
Policy Officer
West Midlands Leaders Board
a.angus@wmleadersboard.gov.uk