

Local Authorities in the West Midlands and The Economic Downturn

Weathering the Storm and Preparing for Recovery



Updated - May 2009

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>> Introduction

As the scale of the recession becomes clearer so does the nature of the impact on councils, on partners and on communities.

Local authorities are at the centre of helping people, businesses and other groups through the tough economic times ahead. Local councils, working collaboratively can help keep people in their homes; can help get people back on their feet when they've lost their job; can forge close relationships with business and can help keep the economy going when the outlook is gloomy.

Councils routinely deliver a range of core services which are needed more than ever to support the individuals and communities they serve. However, the economic downturn is already having a significant impact on the finances of local authorities and is increasing the demand on the many services they provide.

As a result of these pressures, local authorities within the West Midlands have taken timely and appropriate actions in response to the recession - many of which have been innovative, imaginative and are making a real impact on the ground.

Not only are councils implementing new initiatives, they are also continuing to focus on their established strategies and targets. By working through their Local Strategic Partnerships and towards their Local Area Agreements our authorities are maintaining their long term objectives in order to tackle the problems caused by the recession.

Part of this will be maintaining the focus on regeneration and redevelopment which will provide an important stimulus

to the local and regional economy. The proposed changes to local government's local, sub-regional and regional economic responsibilities¹ will also strengthen councils' role in ensuring the delivery of existing projects and planning for the long term.

The recession has called on councils to demonstrate their leadership and democratic mandate to convene partners in the most pressing of circumstances.

Delivery is inherently local and works best when tailored to local circumstances. Councils are therefore working with government agencies, employers, the voluntary sector and a wide range of other partners to focus and create bespoke solutions that are meaningful to their residents and businesses.

While it's important to highlight the excellent work local authorities are doing in relation to the downturn it must be acknowledged that the problems and issues arising from this recession have not been solved. Local authorities are going to be severely stretched and face a multitude of challenges over the coming months and years, not just in terms of their budgets but also the pressures on their services and on their ability to support communities.

This report, written by the West Midlands Local Government Association (WMLGA), with the assistance of its member councils across the Region, highlights the key impacts of the recession on the West Midlands' local authorities and identifies some of the creative activities they are currently undertaking in order to mitigate the effects of the downturn.

¹ Local Democracy, Economic Development and Construction Bill, and Government's Review of Sub National Economic Development and Regeneration.

Responses

To capture a snap-shot of this activity, in early 2009, the Association undertook a qualitative survey of the 38 local authorities² in the Region. The objectives of this piece of work were to:

- Understand how the economic downturn is impacting upon the West Midlands' local authorities - both as organisations and on the communities they support;
- Identify emerging 'best practice' initiatives that are being utilised to mitigate the impacts of the recession;
- Highlight how local authorities might be considering the longer term impacts of the downturn and preparing for recovery;
- Provide a summary report of the survey which could be disseminated across local government in order to share ideas, learn from others and ensure a greater understanding of how the economic downturn is impacting upon the Region.

Clearly the vast majority of the examples and interventions highlighted within the report are at an early stage. In the coming months we will be contacting local authorities and asking them to identify which initiatives are working particularly well, what's providing good value for money and what examples could be considered best practice. Findings of this additional survey will be disseminated across the Region.

This version of the report has been updated to capture additional local authority activities up until May 2009.

Following the two calls for information 60% of local authorities responded directly to the survey and the key findings are summarised within this report.

The breakdown of responses is as follows:

- 6 out of 7 Metropolitan authorities
- 2 out of 3 Unitaries
- 3 out of 4 Counties
- 9 out of 19 Districts / Boroughs³

Local authorities were asked to canvass views across departments to ensure that the full range of impacts and mitigating initiatives were picked up. It must be noted that the levels of detail across responses varied considerably.

The examples and case studies highlighted within this report are not intended to show a comprehensive inventory of local authority activity but rather to provide an insight into the sorts of challenges they are facing and to illustrate the range of actions being undertaken in response. The case studies include a mixture of new initiatives brought in since the economic downturn began and existing council services that have been expanded to deal with increased demand.

Contextual information gleaned from local authority websites, cabinet reports, press releases and from regional partners have also been used to supplement the survey's findings and to provide a fuller picture of activity across the Region.

² The questionnaire was sent to all 38 authorities. In light of Shropshire moving to unitary status in April 09 there were no responses from Shropshire Districts. Therefore, appropriate percentages will be calculated from 33 authorities rather than 38.

³ Figures do not include the Shropshire Districts.

Key Findings

- Local authorities in the Region are having to manage a range of serious pressures on their budgets in tandem with rapidly increasing demand for council services.
- Despite the financial pressures our local authorities are continuing to provide for the social, economic and environmental well-being of their communities
- While local authorities are doing all they can to mitigate the impacts of the recession, the situation is serious; councils are facing huge challenges both in the short term and in the future.
- **Key impacts councils are noticing within their communities:**
 - o Increasing redundancies, increasing unemployment and increasing levels of debt has led to a vast surge of people and businesses requesting local authority advice, guidance and benefit support;
 - o Increase in cases of homelessness, domestic violence and family breakdown;
 - o Major loss in consumer and business confidence;
 - o With the sharp decline in house building there are very few social and affordable housing projects coming forward;
 - o Talk of town centres looking 'run down' as shop vacancies increase and regeneration projects are mothballed.
- Councils are supporting communities through the delivery of their core services. They are also utilising a series of new or expanded initiatives to help mitigate the impacts of the economic downturn.
- Local authorities are using a range of mechanisms to raise awareness of council services within their local communities. For example: regular press releases, 'recession surgeries', 'keep it local' campaigns and dedicated credit crunch webpages on their websites.
- Preparations for recovery are focused on maintaining long term strategies, delivering key infrastructure projects and working closely with key partners.
- Councils across the Region are already beginning to explore opportunities for positive change arising from this seemingly disastrous economic situation.
- The slowdown is going to hit different places in different ways and what our local authorities are already showing is that the response must be tailored to local circumstance.

>> Financial Challenges

There can be little doubt that the economy is slowing at an alarming rate. Gloom on the money markets has been transformed into harsher borrowing conditions for front-line businesses, rising unemployment and tougher times for ordinary people, private companies and local authorities.

Councils are in many instances the first port of call for individuals and businesses struggling to cope with the fallout from worsening economic conditions. However, the credit crunch and ensuing economic downturn are already having financial consequences for local authorities, both as organisations in their own right and on the many services they provide to communities.

In December 2008 the national LGA and IDeA⁴ reported that three in four councils were having to revise their budgets as a consequence of the downturn. In the West Midlands they recorded that 75% of the local authorities who responded had already revised their overall budget position because of the recession.

The survey we undertook supports these national findings and also flags up a host of other financial implications, resulting from the recession, that local authorities are having to manage.

Firstly, 100% of local authorities who responded to the survey indicated that they have already registered a significant drop in income from the services that they charge for. This income makes up a considerable part of the funding they rely upon to deliver services.

The revenue streams hit hardest appear to be those that rely on the housing market,

parking charges and income received from selling land and buildings.

The slowdown in the housing market has had a significant impact on local authority revenue streams. For example, every time someone moves house, councils carry out a land search for the survey and charge for their costs. Councils also charge for the work they undertake to review planning applications and to check that buildings are properly constructed. As the building industry has slowed this income has fallen away.

Councils' income from 'parking charges' has also reduced as economic activity falls, household budgets are squeezed and residents are less likely to drive into town centres and pay to park their car. In relation to this, some local authorities are having to provide increased subsidies to private bus companies to keep vital local bus routes in place despite rising costs.

The value of council owned land and buildings has also fallen over the last few months in line with the market. Town halls often sell parcels of land or buildings either as part of housing developments or regeneration projects. As prices fall, authorities either sell for less, or sometimes decide not to sell, waiting for the upturn.

While issues regarding the slowdown of previously fast flowing revenue streams are a key concern for local authorities our survey has highlighted a raft of other monetary complications springing up as a consequence of the recession:

- Councils are getting considerably lower returns from their financial investments

⁴ LGA/IDEA - Survey of the Impacts of the Economic Slowdown in Local Authorities (December 2008)

because of the drop in interest rates;

- Local authorities are having to revise their assumptions over levels of Section 106 contributions as the credit crunch worsens and regeneration projects stall;
- Further increases in gas and electricity prices are having a big impact on councils' fuel and energy bills;
- Rising food costs combined with increasing demands for school meals, and catering for the elderly and disabled has added to councils' expenditure;
- Around half of the Region's local authorities noted within the survey that over the coming months they expect to make redundancies and will not be back filling certain posts. This mirrors additional national LGA research⁵ published in February 2009 which recorded that half of councils in England have already cut jobs and seven in ten anticipate further redundancies as the recession continues to hit local government;
- Developers are finding access to capital extremely difficult and are stopping many privately financed regeneration projects;
- As the recession bites and unemployment/negative equity become more widespread, local authorities are predicting increasing numbers of individuals and families requiring social housing;
- The collapse of the Icelandic banks has directly affected eight of the Region's local authorities. John Healey's announcement that councils don't have to finance unknown losses out of next year's council tax has given them much needed breathing space to deal with any problems they are or have been experiencing. However, the uncertainty about what will be recovered may still limit councils' ability to plan capital investment and support local people.

Local Authorities - Facing the Financial Challenge

In December 2008 the Audit Commission⁶ published a survey of local authority finances which indicated that councils in the UK were actually well placed to ride out the effects of the credit crunch.

While it's clear that local authorities will face huge budgetary challenges and will have to make tough financial decisions regarding where money should be spent, emerging evidence from our survey supports the Audit Commission's findings.

Despite facing mounting economic pressures the Region's local authorities are rising to the challenge.

Councils are already identifying ways to make sure that costs are not passed on to council taxpayers and ensuring they can keep vital local services in place for those who are most vulnerable. Sound financial management and efficiency drives over the last few years seems to have left a number of our councils well placed to get through the financial problems that the whole country is facing.

Local authorities' finance departments are also moving quickly to restructure medium term plans to take account of the dramatic changes in the economy.

Councils are securing cash reserves to alleviate the immediate pressures on council services. They are also seeking to provide additional funding to support local families, encourage enterprise and progress major capital and regeneration projects.

Following the results of our survey it's clear that local authorities are undertaking a whole variety of activities to support their communities despite the growing pressures on their finances. As these actions move forward local authorities will clearly be mindful of the need to evaluate the effectiveness of their initiatives in light of reduced budgets, less income from fees and the need to provide value for money.

⁵ LGA Media Release 'Half of Councils forces to cut jobs to balance budgets' (February 2009)

⁶ Audit Commission - Survey of Local Authority Finances (December 2008)

Case Study

Herefordshire Council budget package to fight the credit crunch

Despite the recent cataclysmic changes to the economic environment, Herefordshire Council will finish the financial year within its targets for the fifth year running.

At its full council meeting on Friday 6th March 2009 councillors backed a new budget package to fight the credit crunch.

Councillor Roger Phillips, leader of the council, said the council recognised the impact of any rise on local communities and Herefordshire was facing huge pressures in providing more social care for vulnerable and older people, a section of the population that is growing rapidly. The council is also facing an 80 per cent reduction in income from its investments due to the fall in the bank rate.

Despite big challenges in the local, national and global economies, the council has driven out £5.5 million in efficiency savings in the last year, and through prudent management had secured day-to-day reserves of £6.7 million. The council will commit £1 million from the reserves to meet immediate pressures on services.

>> Reporting Structures and Co-ordinating the Response

Through the results of the survey it has become apparent that the Region's local authorities have already taken swift action to ensure a co-ordinated approach to the downturn. They are also utilising different ways of reporting the impacts of the recession to their members and senior officers.

While 58% of respondees noted that their Cabinet had considered or were in the process of considering reports examining the key impacts of the downturn and the council's response to it, others had set up alternative methods of working.

Some authorities have chosen to utilise less formal structures in order to ensure that the Leader, Heads of Service and respective Cabinet Members are fully up to date with the latest economic activity.

Forums such as Joint Management Teams, Local Strategic Partnerships, bespoke Task Forces and Leader's Meetings have also been used to report the impacts of the downturn and seek to determine appropriate action.

As with the internal reporting structures it appears that local authorities in the West Midlands are using a variety of mechanisms to ensure that actions taken to mitigate the impacts of the recession are co-ordinated effectively, efficiently and include the appropriate range of partners.

Examples:

- Walsall MBC have expanded their economic team (including Economic Well-Being and Enterprise and Business Support Teams) to develop the capacity to deliver new or expanded interventions that fully support local people and local businesses. The Council has also been working closely with key partners, stakeholders and local businesses to develop a set of agreed actions and priorities.
- East Staffordshire Borough Council is continuing to combat the downturn by working with partners both locally and nationally to implement actions and initiatives designed to mitigate the effects of the credit crunch. Their response activity is being based around three themes – help and support for businesses, help and support for local residents and actions to stimulate regeneration and development. The Council also plans to build on existing services and relationships to provide a comprehensive support package.
- Worcestershire County Council has set up a 'Worcestershire Economic Task Force' to be the main co-ordinating body for economic support throughout the county. It will work within the framework of the Worcestershire Partnership - which is the county's Local Strategic Partnership, to deliver its actions. Its membership includes all local authorities, voluntary and community sector representatives, the Chamber of Commerce and Business Link, among others.

- Birmingham City Council, working through its Cabinet has approved a wide range of responses across the authority to help mitigate issues arising from the current economic situation. Examples include: ensuring take up of small business rate relief, specialist debt advice, procurement planning and increased support for business/enterprise.
- South Staffordshire District Council, along with a number of other authorities including Solihull MBC, Herefordshire Council, Newcastle under Lyme and Warwickshire County Council have produced or are in the process of producing 'Credit Crunch Action Plans' which set out how they will be tackling the economic downturn and prioritising actions.
- Solihull MBC has established a 'Solihull Taskforce' which includes a range of key partners to take forward Solihull's Action Plan for responding to the downturn.
- The North Warwickshire Community Partnership is co-ordinating a wide range of measures designed to support the local community through the recession. The actions build on the substantial work already being done through the strong partnership arrangements that have been fostered over previous years, particularly in the Revenues and Benefits arena.

Similar types of reporting structures, engagement activities and action plans have been utilised across the board but all of them vary from authority to authority.

The slowdown is going to hit different places in different ways and what our local authorities are already showing is that the response must be tailored to local circumstance.

Case Study

Shropshire Council stands to fight recession

Shropshire Council's detailed analysis of the recession has led a task force of Councillors to take a leading role in reducing the affects of the credit crunch across the county and promoting economic recovery.

A newly formed Standing Committee of nine Councillors met in February to review the impact of the recession on county businesses, communities and individual households and identify gaps in support services.

The group has been charged by the Council with quickly reviewing the support provided by the Council and other agencies to date and deciding what additional services could be provided through the current economic difficulties.

Malcolm Pate, Shropshire Council's Leader and Chair of the Standing Committee, said: "The focus for this work is to identify a series of immediate actions which will have a fast, positive impact upon Shropshire businesses, communities and individual residents. We are working with regional and local partners to quickly identify and plug any gaps in support during the economic downturn."

Case Study

Newcastle Borough Council Takes Steps in Economic Downturn

Steps are being taken by Newcastle Borough Council to ease the economic situation for local residents and businesses during the current recession.

Members of the Council's Cabinet considered a report detailing the action being taken when it met on Wednesday, 14 January 2009.

Immediate actions include paying all local suppliers within 14 days⁷ and using "community benefits clauses" on appropriate construction contracts to increase employment and training opportunities for workless residents.

The Council is also working with local colleges and universities to promote training initiatives and has developed a specific 'coping with the crunch' feature within its website that signposts support to both business and individuals .

"At a time of crisis communities look to councils for strong community leadership. We are seeking to provide reassurance that the council is working creatively to support people and businesses in the borough," said borough council Chief Executive Mark Barrow.

"We are facing difficult economic times but local residents and businesses should feel confident that we will do all we can to help," said Council Leader Simon Tagg.

Case Study

Case Study

Action Plan to tackle the Recession in Dudley

A recession busting action plan aimed at tackling the recession in the Dudley Borough has been published.

Speedy invoice payments, rent freezes at a borough business centre and a commitment to secure jobs for local people all feature in Dudley Council's far-reaching 10 point action plan to support local people and businesses.

The 10 point plan, launched as part of an awareness campaign called Dudley Means Business, has been revealed by the council in a bid to offer support and advice to those affected by the current economic situation.

Partners involved in supporting Dudley Means Business include Dudley Community Partnership, Job Centre Plus, Black Country Connexions, Advantage West Midlands, Citizens Advice Bureau, local colleges, West Midlands Police, Business Link, Learning Skills Council, Dudley Voluntary Sector along with officers and members of the council.

Councillor David Caunt, leader of Dudley Council, said: "We hope this commitment will help support businesses in the local area to survive and prosper in the difficult circumstances they currently face.

"The roadshow events which we hold in the near future along with the support and advice on our website should also point people, looking for help, in the right direction to find new employment opportunities or find assistance in claiming appropriate benefits."

Case Study

⁷ Since the survey Newcastle Under Lyme have undertaken to pay SMEs and third sector suppliers in 10 days.

>> Impacts on Local Authority Services and their Communities

Against the backdrop of falling local authority revenue streams, threatened redundancies and budgetary pressures from a whole range of sources – the demand for council services and benefit support has risen dramatically over recent months.

At a time of recession, the role of local authorities becomes increasingly important as more and more people require the safety net that public services provide.

This section sets out how the recession is impacting upon local authority services and their communities. It also highlights a series of short case studies showing how the activities of the Region's councils are seeking to mitigate the affects of the downturn on the individuals, businesses and communities they support.

Housing and Homelessness

As reported by the national LGA⁸ in March this year, a chronic lack of social housing across England has left four million people on the council house waiting list. With repossessions up 70 per cent and people losing their homes daily, the pressure on homelessness and benefit services continues to grow.

Through our survey, local authorities in the Region have recorded grave concerns about the provision of social housing and the associated pressures placed on council's benefit services.

Examples:

- Some authorities are reporting that families in their communities are being made homeless because recession hit landlords are defaulting on their mortgages. This is adding to the pressure on social housing.
- With the sharp decline in house building there are very few social and affordable housing projects coming forward.
- Metropolitan, Unitary, County and District Authorities have all reported an increase in housing benefit claimants following a rise in unemployment.
- Solihull MBC have reported an increase in housing and council tax benefit applications. To try and mitigate the impacts of these pressures, a range of housing measures are being developed by the council and its partners to ensure households continue to have access to high quality local housing advice and, for eligible households, to the National Rescue Mortgage scheme.
- A number of authorities have recorded low levels of repossessions and homelessness at the current time but note that they expect numbers to increase as the recession continues.
- In an attempt to reduce the pressure on social housing Newcastle Under Lyme Borough Council is developing a detailed business case for new housing development. It has identified 54 sites and the Homes and Communities Agency's Board have approved the plans. The Council is in the process of

⁸ LGA Councils and the Housing Crisis (March 2009)

commissioning development appraisals for 3 pilot sites (c.300 houses) and has an RSL and mutual building society already on board. It aims to build up to 1,300 new homes.

- Numerous authorities are now taking a more flexible approach to their Section 106 Planning obligations on new development to ensure that these requirements do not compromise the deliverability of future schemes.
- Wolverhampton City Council are undertaking a range of activities to mitigate problems affecting the local housing market. For example, they are continuing to work closely with the Homes and Communities Agency (HCA) to fund the acquisition of unsold new build dwellings which developers cannot currently sell. They are engaging with private sector house builders who have 'mothballed' sites to ensure they are not abandoned and they are ensuring regular dialogue with key partners to ensure the Council's market intelligence is realistic and up to date.
- Nuneaton and Bedworth Borough Council has agreed to donate land to Mercian Housing Association, part of the Zenith Housing Group, to develop new affordable housing at Red Deeps, Nuneaton. The development will consist of 34 units of affordable family housing, offering shared ownership and rented homes.

Case Study

Housekeeper Partnership helps Nuneaton's recession-hit homes

Homeowners hit by the recession can get help through an innovative scheme set up by Nuneaton and Bedworth Borough Council.

The local authority has recently launched a Housekeeper Partnership, involving agencies, solicitors and lending institutions.

It will be the first project of its kind in the Midlands and comes at a time when mortgage re-possession are dramatically increasing.

Councillor Matt Grant, the Council's portfolio holder for housing, said: "The current economic climate is causing lots of problems for lots of our residents and we felt we needed to do something proactive to help them.

CAB district manager David Gooding said: "We are happy to be involved with the Housekeeper Partnership which is all about working together to prevent people losing their homes and helping to find local solutions to a national problem.

"We have seen a significant rise in the number of people approaching us for help with mortgage arrears and we encourage people to seek help at an early stage to prevent the situation from worsening."

Case Study

Case Study

New Approach to Tackling Empty Properties in Sandwell

Sandwell Council is launching two new ways of tackling the problem of rundown, empty properties.

There are around 1,800 houses, flats and bungalows across Sandwell that have been empty for more than six months.

The Council is upping the battle against rundown, empty homes which bring with them problems including vandalism, squatting and other types of anti-social behaviour, as well as being a waste of a potential home.

Empty Property Management Orders (EDMOs) and the Enforced Sale procedure are two new ways that Sandwell will now be using to deal with the owners of long-term empty properties.

EMDOs give the council the right to take possession of a long-term empty property and then to work on a management scheme to bring them back into use.

The Enforced Sale procedure can recover debts fixed on empty, rundown properties but also give the council a chance to sell a house or flat to new owners who can then turn it back into a home.

Cllr Mahboob Hussain, Sandwell Council's Cabinet Member for neighbourhoods and housing, said "These new powers are being added to the existing methods we have for tackling empty properties, such as informal help and support for owners.

Case Study

Debt and Repossessions

As the credit crunch has tightened, redundancies have risen and there has been an inevitable increase in both individuals and businesses struggling to pay their bills.

The Citizens Advice Bureau (CAB) has reported that across the Region 'mortgage & secured loan' arrears advice issues increased by 35.3% compared to the same time last year. Notable increases were recorded by Dudley's CAB and Telford and Wrekin's CAB, who both reported a doubling of like for like enquires while Wolverhampton's CAB reported an increase of 72%.

Two authorities have already reporting an increase in 'loan sharks' because of a lack of access to finance while others have identified a rise in individuals requiring mental health services as a direct result of unemployment and personal debt.

Although most local authorities have reported fairly low levels of repossessions so far, they expect this figure to rise as the time lag from redundancies begins to hit household finances and mortgage/rent re-payments. There are also suggestions that repossessions might increase once the housing market picks up and financial institutions are able to sell-on the homes they have taken over.

In order to ease the pressure on social housing and support the personal well-being of their communities local authorities are doing what they can to try and help people out of debt and keep families in their homes.

Case Study

Free Confidential Debt Advice Available to Birmingham Residents

Debt is a fact of life

It is known that thousands of people each year, for whatever reason, get into debt. One in four people now uses loans and credit cards to meet the basic costs of living. This situation could mean that you get behind with your regular bills: rent, council tax, phone, electricity or gas.

The Debt Advice Team is here to take a realistic and practical approach to helping people. The experienced debt advisors can assist by developing a realistic and sensible debt repayment programme. They offer a structured approach to managing severe personal debt by maximising income, providing budget advice, preparing a full debt repayment plan and talking to the people who individuals owe money to.

Case Study

Case Study

Innovative Court Desk scheme helps Walsall households avoid repossession

Over 50 Walsall households have been able to avoid repossession or eviction through an innovative Court Desk scheme.

Walsall Council and Citizens Advice Bureau (CAB) Walsall have joined forces to offer the lifeline to residents attending Walsall County Court.

The Court Desk offers free legal advice and assistance on debt and money issues to help prevent homelessness.

A dedicated CAB member attends court and works with a household's circumstances, looking at its financial options and exploring ways to boost its income.

Sue Byard, Walsall Council assistant director of strategic housing, said: "Repossession really is the last resort – Walsall Council wants to do all it can to help families remain in their own homes.

"Many residents are completely unaware that orders are available that can remedy their situations and have found the Court Desk service a real lifeline during an incredibly stressful time."

Case Study

Redundancies

Advantage West Midlands' Economic Update⁹ in April 2009 reported that the number of unemployed people in the Region rose to a total of 223,000 for the three months to February. This is 36,000 higher than the previous quarter and 62,000 higher than a year ago. The Region's increase over the quarter makes up 20% of the UK's increase. The Region's unemployment rate has now reached 8.4%, the highest of the UK regions. This is 1.4 percentage points higher than the previous three months and 2.4 percentage points up over the year.

Jobcentre Plus reports that between January and March 2009 the Region saw 21,447 redundancies. 23% of these were made in the Black Country; 21% in Birmingham and Solihull; 20% in Coventry and Warwickshire; and 18% in both the Marches and Staffordshire.

The Citizens Advice Bureau (CAB) have also reported that almost all bureaux across the West Midlands had reported at least a doubling in demand while several bureaux reported redundancy-related advice issues had tripled.

In February this year the national LGA¹⁰ reported that half of councils in England have already cut jobs and seven in ten anticipate further redundancies as the recession hits local government. Our local authority survey echoes this picture with many councils in the Region reporting either having to make or expecting to make redundancies as a direct result of the downturn.

In addition to local authorities making their own redundancies they are also recording significant increases in job losses across the banking, manufacturing and retail sectors. This sudden rise in unemployment has created a raft of pressures on the capacity of councils to provide support, and finance associated benefit claims.

Examples:

- Walsall MBC has already recorded an increase in redundancies, not including the significant proportion of low numbers of redundancies which go unrecorded, particularly in the small scale manufacturing sector. However, it is seeking to tackle this by expanding its 'Redundancy Support Initiative' which involves key local partners and identifies projects to support individuals and business facing the prospect of redundancy.
- Birmingham City Council's latest Job Seekers Allowance (JSA) claimant count unemployment figures show that unemployment increased by 3,841 in February 2009 to 45,657 and the unemployment rate for the city at 11.4% - the highest unemployment rate for over a decade. The Council intends to target resources at the most vulnerable to ensure their claims and reported changes are not affected in terms of turnaround times.
- Local authorities across the board have highlighted that the closures of major retail outlets such as MFI, Apollo, Zavvi, Adams, and Woolworths has resulted in a sharp increase in unemployment rates and in turn an increase in individuals requiring benefit support.
- Dudley MBC identified that the steepest increase in Job Seekers Allowance occurred initially in more affluent wards, highlighting the peculiar nature of this economic cycle - with the financial sector hit first followed by construction, manufacturing and retail.

⁹ AWM – West Midlands Taskforce Monthly Economic Update (April 2009)

¹⁰ LGA Media Release 'Half of Councils forced to cut jobs to balance budgets' (February 2009)

Case Study

Walsall Council's Redundancy Support Roadshow makes its mark

A roadshow run by Walsall Council to offer support to local employees who have been made redundant or are facing redundancy will be staged again.

Walsall Council is working in partnership with other organisations to produce an effective, sensitive and co-ordinated approach to helping local people and businesses during the economic downturn.

All of those who gave their feedback to the session reported that they had found it useful and practical as it offered advice on benefits, pensions, writing CVs, interview techniques and re-training opportunities.

The roadshow is a joint initiative between Walsall Council, Walsall Housing Group, Black Country Enterprise, Walsall Libraries, Jobcentre Plus, Walsall Citizens Advice Bureau, Walsall College, Unity the Union, Walsall Endeavours, Nextstep and Business Link, Steps to Work and Breathing Space.

Councillor Adrian Andrew, Walsall Council cabinet member for regeneration, said: "The economic downturn is causing serious concern across the country. Here in Walsall we are committed to working with our key local partners to offer the kind of support that is vital to borough residents who are struggling to cope in these difficult times."

Case Study

Case Study

Solihull Council Redundancy Advice

In response to the economic climate, Solihull Council is offering redundancy advice to employees looking for a new job or retraining and employers who need to make redundancies but want to help staff find alternative work. Anyone who has been made redundant or who is looking for a new job is urged to pick up a copy of the Employed for Success information pack.

The pack includes a wide range of information from useful job search web-sites, details on local colleges and universities to an A to Z of local services. It also includes information on where to go for vocational training, and help with putting together a CV and preparing for interviews, childcare whilst you work or train, transition from benefits to employment and much more.

Case Study

Signposting Support and Advice

One of the key functions of a local authority is to provide essential support services. However, they also need to ensure that all their residents are aware of what is available and know exactly how they can access it.

During times of recession, with demands for council services ever increasing, West Midlands' local authorities are utilising a multitude of innovative techniques to engage and inform their local communities.

Through the survey it has emerged that all local authorities have produced or are in the process of designing dedicated 'credit crunch' webpages which provide a plethora of useful information for both individuals and businesses.

Furthermore, many councils, while embracing new communication techniques are also expanding their established networks to convey important information.

Examples:

- Worcestershire County Council is ensuring that economic issues are now standing items on Local Strategic Partnership agendas and Staffordshire County Council is developing a specialist portal website promoting business support services and networks.
- Coventry City Council is endeavouring to provide clear, balanced and unbiased information about the local economic situation.
- South Staffordshire District Council has produced a 'Cracking the Credit Crunch' newsletter as part of its regular community magazine to encourage local residents feeling the pinch of the credit crunch to claim all the discounts or benefits they may be entitled to. The Council believe that hundreds of people may be paying more than they should or not claiming the benefits they are entitled to.

- Warwick District Council has developed a 'Credit Crunch' feature within its website that highlights various forms of support and assistance to both business and residents.
- Birmingham City Council have published a "Coping with the Recession" leaflet which relays practical advice for local businesses who may require additional information to support them during the downturn.
- North Warwickshire Borough Council in conjunction with their Community Partnership dedicated the latest edition of their neighbourhood newspaper to the recession. It contained a raft of useful signposting information designed to support those affected by the economic downturn. The newspaper is also available as a Podcast.
- East Staffordshire Borough Council have seconded staff into their local CAB to help them meet the increase in demand on their advice services. Not only has this eased the pressure on the CAB's caseload it's also helped link up information about council services, such as housing benefits and energy advice which individuals may require in the longer term.

Other methods of communicating advice and guidance during the downturn highlighted in our survey were:

- Local awareness raising events, seminars, surgeries, workshops;
- Specialist council advice shops based in town centres;
- Press releases, newspaper adverts, radio slots;
- Awareness raising leaflet and poster campaigns;
- Regular mail outs to residents and businesses;
- Pro-active engagement activities with local companies.

Case Study

Wolverhampton Works

Wolverhampton residents who are unemployed, have been made redundant – or who are at risk of losing their jobs – were invited to beat the recession at a special event in February.

WolverhamptonWorks was the first of a series of events and initiatives designed to provide jobless residents with all the information, help, advice and support they need to get them back to training or work and to cope with a drastic fall in income.

Edward Coley, economic development adviser at the Black Country Learning and Skills Council, said: “Redundancy can be one of the most traumatic events in anyone’s life – but there is plenty of help and advice in the city for people who find themselves in this position, or threatened with joblessness.

Other events in the WolverhamptonWorks series this spring include an event aimed at employers and a job fair for the public.

Case Study

Case Study

Thousands turn to new Recession Webpages in Warwickshire

New web pages giving advice and guidance on recession issues have attracted almost 7,000 views in their first month.

In February 2009 the new recession pages on the Warwickshire County Council website (www.warwickshire.gov.uk/recession) were viewed 6,963 times.

The website’s development is all part of the local authority’s work to provide assistance and advice during the recession.

Cllr Chris Saint, the council’s Portfolio Holder for Economic Development, said: “We are very aware of the situation in Warwickshire and the hardships being faced by businesses and individuals.

“There are a number of initiatives underway to try and help people directly, and for those seeking guidance we have launched new web pages at www.warwickshire.gov.uk/recession to provide a way to find out what help might be on hand.”

Case Study

Support for People

As the recession bites, our communities are beginning to suffer the consequences, many of which are not immediately apparent.

Local authorities, the CAB and other voluntary services are already experiencing, or are expecting to observe increases in cases of domestic violence, depression and suicide as families come under increasing stress. In addition to this there are also associated long term health issues, such as obesity, as people turn to fast food or cheaper frozen meals.

100% of respondents to our survey stated that providing support, advice and guidance to the people in their communities was a top priority in tackling the impacts of the economic downturn. However, while making this statement, a number of authorities acknowledged that providing support for local residents from a reduced income and tight resources would be also their biggest challenge.

At the regional level, local government is taking a strong lead by co-ordinating the 'Support for Individuals and Communities Workstream' through the auspices of the Regional Minister's Regional Economic Task Force. Mark Barrow (Chief Executive of Newcastle under Lyme Borough Council) supported by the West Midlands Local Government Association, are working regionally with local authorities and partners to help understand the issues and add value to local authority activities seeking to mitigate the social impacts on our communities. The focus of the workstream's activity will be around providing support for vulnerable towns, communities, individuals and the third sector.

Some authorities have flagged up the possibility of increased tension amongst communities as incomes drop, and competition for jobs increases. While the impact on community stability is still difficult to quantify at this stage local authorities

appear confident that the plans, strategies and engagement structures they have in place should help reduce the incidence of tensions between communities.

As highlighted earlier in the report, councils' support and advice services plus a range of new or extended initiatives are already proving that our authorities have the local knowledge, experience and history of collaborative working to respond quickly to the changing needs of their communities.

Whether it be through posters, leaflets, adverts, press releases, events or the internet; local authorities are using every communication tool available to promote their services and assist local residents to access appropriate support.

Case Study

Wyre Forest District Council - supporting local people

Wyre Forest District Council are ensuring that there is help and support available to help individuals during the current economic downturn.

For residents struggling with debt, advice is available on how to access benefits to which they are entitled.

The Council is also part of a local task force aimed at supporting local residents that includes Job Centre Plus, Learning and Skills Council, and Next Steps/Connexions.

Leader of the Council, Councillor John Campion said

“With many feeling the impact of the economic downturn, it’s important to remember that support is available. It is vital to ensure our community are prepared, and get access to the right advice and support when they need it.”

“It’s important that everyone who needs help asks for it. It is a worrying time for many. Our customer service centres will be able to advise and help people, but the important thing is to seek advice early.”

Case Study

Case Study

Coventry City Council – ‘Scam Awareness’ campaign for local residents

Coventry Trading Standards have received over 100 complaints in recent months from local residents who had received some sort of scam letter or email.

Coventry City Council are particularly concerned that in the current economic climate more people may be tempted by scams. In light of this, earlier this year they encouraged local residents to get ‘scam smart’ through the Office for Fair Trading (OFT) Scam Awareness campaign.

Councillor Hazel Noonan, City Services cabinet member, said:

‘Scammers’ are getting cleverer – trying to play on the hopes, fears or superstitions of consumers by using official looking logos, letters and leaflets. Yet local people should always be on their guard and we hope that Scam Awareness Month will make them more savvy to these con-artists, so that they can tell the difference between scam and genuine mail coming through their letterbox.”

Case Study

Case Study

First Point 'Shop' in Telford to Help Beat the Crunch!

As part of the authority's strategy to help residents beat the credit crunch, Telford & Wrekin Council has opened its new credit crunch 'shop' - First Point.

Telford & Wrekin Council and its partners, including the Citizens Advice Bureau, Shropshire County Training and Nextstep, have opened the new centre to provide credit crunch help and advice.

Fully-trained staff and partners are on hand to give support and advice on many credit crunch related issues,

Speaking about First Point's opening, Telford & Wrekin Council Leader Andrew Eade, said: "I am committing Telford & Wrekin Council to doing all it can to help those living in the borough get through this credit crunch. The credit crunch is impacting on people around the UK, and even globally, but I want to promote local help, support and advice to meet our local needs."

Case Study

Case Study

Money Counts...Top ten tips to help Solihull residents

Residents who may be feeling the pinch in the current economic downturn can get advice and information on how to increase their personal and household income with the help of some top ten tips.

The list has been produced by Solihull Council and offers practical advice to ease the strain from energy saving tips through to contacts that could advise on any entitlements to discounts and benefits that could help reduce bills.

The tips, available at www.solihull.gov.uk/moneycounts and in a leaflet also includes an easy to use on-line budget calculator and a printable budget form to help people keep an eye on where money goes every month. Both the leaflet and an expenditure chart are available at local Connect Centres and Area Housing Offices.

The Council is currently trying to target groups where there is low take-up of benefits, such as working age adults on low incomes, young carers and grandparent who are the main carers for children and young people.

Councillor Ken Hawkins, Cabinet Member for Resources said: "We're all feeling the pinch in one way or another. The top ten list can really help people just to look more closely at what they are spending, how to get information on any benefits they may be entitled to, money and energy saving tips and where to go for help if things are a real struggle."

Case Study

Case Study

Coventry City Council providing advice and support during the economic downturn

A new information site listing organisations that can help individuals and businesses during the financial crisis has been added to Coventry City Council's website.

The advice and information site called 'Ease the Squeeze' lists a series of categories from claiming benefits to making the most of Council run leisure services and can be accessed via the Council's homepage or by clicking on this link www.coventry.gov.uk/easethesqueeze

Deputy Leader, Councillor Kevin Foster, said that the Council's website was an important way for people to access information about Council services and explained that it made sense to provide extra information to web visitors in response to the economic downturn.

"Councils across the country are looking at ways to help people and businesses. That's why, more than ever, we should be doing all that we can to steer people to the support available."

Case Study

Support for Business

Supporting local businesses is firmly entrenched in the support for local people.

It's these businesses that offer employment, that pay people's wages and create thriving, bustling communities. In order to support the individual it's imperative that local authorities do all they can to help businesses and employers tap into appropriate resources and support.

Both large scale companies and Small Medium Enterprises (SMEs) have been suffering a host of economic pressures since the credit crunch hit in late 2008. Most notably: a lack of available credit, smaller overdrafts, loss of business confidence and damage to local supply chains – particularly from the slowdown in car manufacturing.

While many of these problems cannot be solved by local authority activity alone, what councils can do, and are doing, is providing effective business support through a whole series of locally based events, advice surgeries and local procurement initiatives/campaigns to try and kick start local economies and re-introduce both business and consumer confidence.

As an example, local authorities, working regionally with Business Link have developed a template Memorandum of Understanding to clarify roles and responsibilities. These vary from place to place but can improve data sharing, establish a consistent referral process and help each partner identify their contributions to delivering local priorities and Local Area Agreement targets.

Examples:

- Staffordshire County Council is creating a 'Staffordshire Business Support Forum' to improve local business performance.
- Birmingham City Council has proactively ensured over 3000 businesses have applied for their entitled take-up of the 50% small businesses rate relief, already saving them a total of £3.5m, in an ongoing campaign to raise awareness. The Council is also investigating options to set up its own municipal bank to offer loans and banking services direct to local businesses.
- Malvern Hills is prioritising three key economic interventions. Firstly, its 'keep trade local campaign' in order to try and stimulate the local economy by encouraging local trade, use of suppliers and local employment. Secondly, improve cash flow by paying suppliers in 10 days and promoting rate relief as appropriate. And thirdly, a commitment to signpost and raise awareness of business support and advice across the Borough.
- In responding to the impacts on local businesses in Warwickshire, the County Council is working pro-actively with a range of sub-regional partners through the 'Coventry and Warwickshire Economic Recovery Partnership'. Members include: City, District and Borough Councils; Advantage West Midlands, Jobcentre plus, Learning & Skills Council Coventry and Warwickshire; Business Link; Coventry University and Coventry and Warwickshire Chamber of Commerce.
- Rugby Borough Council organised a recession-busting seminar which offered bosses of SMEs the chance to find out about maximising their opportunities for trading and business development.
- As local authorities are among the biggest purchasers of goods and services in the Region, the West Midlands Local

Government Association, working through the West Midlands Economic Taskforce wrote to all local authorities in the Region and encouraged them to work towards paying SMEs and third sector suppliers within 10 days. In addition to this, In March 2009 Ian Austin the Regional Minister also challenged public sector leaders to sign up to his “Ten-Day Pledge”. While each council will make a decision on the basis of its own circumstances, a number of Met, Unitary, County and District authorities in the Region have confirmed they are already paying SMEs and third sector suppliers within the 10 day target.

- Shropshire Council is furthering its commitment to local procurement by holding ‘Meet the Buyer’ events and holding specialised training sessions to try and explain and simplify the tendering processes.
- The South Staffordshire Partnership has a Memorandum of Understanding with Buisness Link on behalf of the 6 district councils. They also are in the process of agreeing a programme of local business clinics, briefings to business facing staff and pilot projects to focus support on key sectors such as retail and manufacturing.
- South Staffordshire Council is utilising a 24hr online business resource to support local SMEs beat the recession. ‘South Staffordshire 4 Business’ is a service that helps to identify grants, funding and alternate sources of support such as awards, tax credit and venture capital.
- In light of the recession, Walsall Council has undertaken a ‘Business Needs Survey’ of all resident businesses. Local employers were asked to respond to questions on a range of issues to help Walsall Council and key local partners better understand the needs of its business community and address service provision accordingly. Given the fast changing nature of the recession, the survey will be repeated in the summer of 2009.

Case Study

Find it in Sandwell website – It’s a hit!

What’s finditinsandwell all about?

It is a groundbreaking, fast-growing online business network developed by Sandwell MBC to increase the amount of business placed locally. It’s FREE.

Does networking through finditinsandwell work?

Most business people agree that the best source of new business is referrals. finditinsandwell is a proven generator of strong referrals, and we have many testimonials from local businesses who have won contracts through the project.

finditinsandwell puts people straight in touch with valuable contacts, so you they don’t have to spend hours making calls or sitting through presentations and meetings.

Who’s involved in finditinsandwell?

Thousands of local businesses and organisations from a wide variety of sectors. The website gets an average of 14,000 page views every month.

Case Study

Business Rate Relief in South Staffordshire to beat the Credit Crunch

South Staffordshire Council is urging small businesses across the District to contact them to see if they could be entitled to a reduction on their business rate bill.

As the credit crunch continues to pinch, some local businesses could be paying more than they should on their business rates.

The Council predicts that some businesses could save up to 50% on their business rate bill, whilst charities, communities and rural-based businesses could also benefit from a rate reduction.

Councillor Roy Wright, (Deputy Leader) Direct Services at South Staffordshire Council said:

“Small businesses play a big role in our local economy and as the economic downturn starts to pinch, small businesses across the District could find that they’re paying more than they need to on their business rates.”

Case Study

Case Study

Support for Rural Business in Telford and Wrekin

Telford and Wrekin are to benefit from a set of new grants to help them survive the credit crunch.

This grant is specially targeted at farmers and small rural businesses who have less than ten full time employees.

Rural businesses could apply for funding to develop environmental technologies, tourism and livestock related activities or food and drink initiatives.

Cllr Tracy Hope, Assistant Cabinet Member for Community Services, said: “I’m delighted that Telford & Wrekin Council has won these grants to support rural enterprises in the borough. The council is committed to supporting rural communities and these grants are invaluable especially as many, experience the pinch of the credit crunch.”

Case Study

Case Study

Worcestershire County Council's commitment to local businesses

Worcestershire County Council has written an open letter to local businesses pledging to support them through the economic slowdown and encouraging them to support one another too.

The council's Chief Executive, Trish Haines, has promised to pay invoices within 10 days, wherever possible, and has invited more local companies to consider selling products or services to the County Council and other public sector bodies.

A special task force was set up earlier this year, with membership including the County Council, the county's six district councils, Jobcentre Plus, the Federation of Small Businesses, Chamber of Commerce and all of the key players in Worcestershire's economy. Chaired by the County Council, it has identified ways that its members can help local businesses and organisations by working together and sharing resources.

Trish Haines, Worcestershire County Council's Chief Executive and Chair of the Worcestershire Economy Watch Task Force, said: "We all benefit from a vibrant local economy, so we will do whatever we can to support local businesses during these difficult days."

www.worcestershire.gov.uk/economywatch

Case Study

Case Study

Dudley's 'Business Support Bus' offers mobile financial advice

Support and advice was offered to dozens of Dudley businesses at a recession roadshow on a borough industrial estate in May.

Dudley Council's Dudley means business campaign bus stopped off at Hurst Business Park, Narrowboat Way, Brierley Hill on May 12.

Advisors from Business Link West Midlands, Black Country Chamber of Commerce, Manufacturing Advisory Service, Job Centre Plus and the council's business development team were on hand to offer support and advice.

Business owners and staff were able to pick up leaflets and receive on the spot advice, including ways to find extra financial support, or arrange for a more formal meeting at a later date.

The roadshow bus has previously visited Dudley town centre to offer support to individuals and is expected to visit more town centres and industrial estates in coming weeks and months.

Partners involved in supporting Dudley Means Business include Dudley Community Partnership, Job Centre Plus, Black Country Connexions, Advantage West Midlands, Citizens Advice Bureau, local colleges, West Midlands Police, Business Link West Midlands, Learning Skills Council, Dudley Voluntary Sector along with officers and members of the council.

Case Study

Help for the High Street

The national LGA¹¹ reported in February this year that high streets across the country were at risk of becoming 'ghost towns' as major retailers continue to go out of business. Boarded up shops are already beginning to blight streetscapes which could cause smaller centres to fall into a spiral of decline.

Through our survey, many local authorities have indicated their concerns about the impact of shop closures on their high streets.

Some councils have described their major shopping routes as looking 'run down' as shop vacancies increase, building projects are left half completed and regeneration projects are mothballed.

With major high street retailers such as Woolworths, Adams, Zavvi and Barratts suddenly closing their doors, local authorities are not only concerned about the impacts this might have on the aesthetics of the high street but also the devastating effects it could have on the local economy.

In an attempt to tackle this issue the government is looking to make £3 million available to reduce the negative impact of empty shops on the high street and help get vacant units back into use.

Through our survey it appears that a number of West Midlands' local authorities are already undertaking initiatives to try and breathe new life and confidence into their local high streets.

For example, some authorities are already engaging in rent reviews with tenants in council owned property.

Worcestershire County Council, following reports to Cabinet, has set as one of its priorities the need to ensure that their market towns and high streets continue to be attractive places to visit, shop and do business.

And Herefordshire Council, while recognising that shop closures and cases of retail blight are fairly low at the present stage is already drawing up options to showcase local produce in any units that become vacant.

Case Study

Birmingham model used as example in High Street rescue plan

Birmingham City Centre Partnership managers were invited to present a case study at a Government-led seminar, during which new measures to restore confidence in town and city centres were outlined.

These included providing up to £3 million nationally to help communities identify creative ways to reduce the negative impact of empty shops on the High Street and changes to help get vacant commercial properties back into use.

The launch, which was attended by two Cabinet Ministers, heard about measures already introduced in Birmingham, including the creation of three Business Improvement Districts (BIDs) in the city centre meaning Birmingham has five BIDs in one city - the highest outside London. The City Council's Retail Development programme and a range of projects being developed by Retail Birmingham BID were also highlighted.

City Centre director Jenny Inglis said: "Birmingham's unique approach to city centre management and the development of Business Improvement Districts is already seen as best practice: there is now a recognition that this can also provide an effective framework to tackle issues arising from the downturn."

Case Study

¹¹ LGA Media Release – Urgent action needed to stop high streets becoming 'ghost towns' (February 2009)

Case Study

Staffordshire Moorlands residents urged: Support your local high street

Residents across the district are being urged to visit their High Street and to Shop Local, in a new campaign from Staffordshire Moorlands District Council and its partners.

Cost, convenience, choice and reduced travel are a few of the many benefits when you shop locally, thereby helping to support and sustain vibrant Moorlands town centres and villages.

Local shops, businesses and residents are being invited to participate in the scheme which allows shoppers to collect a stamp for each purchase from participating businesses, on a shoppers' loyalty 'passport'. When full, this can then be entered for a monthly cash prize draw of £50, for each of the three market towns.

Case Study

Case Study

Market boost to ease credit crunch in Walsall

A comprehensive package of measures could be handed to traders at Walsall market to help ease the credit crunch.

Walsall Council staff have drawn-up the initiative which will include reduced rents in the first three months of the year at the historic market in and around High Street.

Improved events and entertainment, such as musical acts and street theatre are set to be staged to encourage shoppers along.

The package has been drawn-up to help ease the disappointment of not moving to a prime site in and around The Bridge at the centre of the town.

Councillor Adrian Andrew, Walsall Council cabinet member for regeneration, said: "Yet again, this shows we are alive to people's concerns and we are determined to help where we can.

"As part of the proposals we are looking to offer lower rent and more things to encourage people to come along, have fun and go home with a bargain or two.

As part of the plan, the Wednesday market is also set to be expanded with a greater variety of retail traders to be encouraged to stand alongside the established bric-a-brac stalls.

The proposals have been approved by the Market Traders' Association and a £5 per stall rent reduction has already been in operation since 2 January 2009.

Case Study

Supporting the Third Sector

As reported by the national LGA and National Council of Voluntary Organisations¹² (NCVO) in early 2009 - in a recession both councils and voluntary and community organisations suffer the same experiences of falling income at a time when demand for services rapidly increase.

Early on in this economic downturn the third sector are already seeing a growing demand for debt, housing and employment services plus increases in other service areas such as mental health, family breakdown and domestic violence.

Councils and third sector partners are at the forefront of identifying and responding to the needs of local people and it's vital that good relationships are fostered between them at times like this – when each sector needs the other more than ever.

There are over 15,000 third sector organisations across the Region and Regional Action West Midlands is already undertaking a survey of voluntary organisations across the Region to build up a better understanding of the impact of the downturn on the voluntary and community sector. The outcome of the survey will be useful for a whole range of regional stakeholders and councils may want to consider its implications.

Local authority resources are going to be severely stretched over the coming months which is likely to have knock on effects for voluntary and community organisations. Therefore, ensuring a close working relationship, with clear communication, timely payment of invoices and fair notice of funding allocations will be very important.

Case Study

Rate Cut Helps Sandwell Charities

The decision to abolish business rates for scores of Sandwell charities and voluntary organisations will give local groups in the Cradley Heath and Rowley Regis areas savings of more than £15,000 every year.

The council has decided to scrap discretionary business rates for all charity and voluntary groups in Sandwell from April in a move that has been widely-welcomed by volunteers.

Council leader Councillor Bill Thomas said: “We are proud of the fact that our decision to scrap the need for charities and voluntary organisations to pay rates will mean so much to hundreds of volunteers.

“They will no longer need to find one penny for the rates in the future when in the past they have had to set aside a slice of their fund-raising efforts to pay the bills.”

¹² NCVO and LGA - Backing Communities:local solutions (February 2009)

Case Study

Local Organisations Receive Three Year Funding Boost in Lichfield

Lichfield District Council has announced the nine organisations and groups set to benefit from a slice of £639,000 funding, as part of the Council's Service Level Agreements. The funding is spread out over three years (2009 to 2012), and will help the organisations to deliver a range of valuable services to the community.

The organisations that will receive funding fall under two categories. The first category - social and welfare care - supports the council's aim to make local peoples' lives better by helping financially, preventing homelessness, and improving the lives of children

The second category offers arts, culture and heritage, and include Erasmus Darwin House, Lichfield District Arts association and Lichfield Festival.

Councillor Ben Adams, Cabinet Member for Community, Housing and Health, said:

"These are difficult times so I am particularly pleased to be able to offer these partners the security of a three year funding agreement. We hope this will help those agencies providing residents with advice and support to meet the rising demand for their services, while we continue to support the arts organisations that contribute to the unique experience of living in Lichfield District."

Case Study

Case Study

Newcastle under Lyme Borough Council is supporting the third sector

Newcastle under Lyme Borough Council is committing almost £600,000 per annum to support third sector organisations. This year it has developed and introduced a formal commissioning framework that allocates three year funding in line with the borough's Sustainable Community Strategy priorities and it's own Medium Term Financial Strategy.

The evaluation process factored in mitigating the social effects of the recession and the awards give certainty of funding for up to three years.

While this report has identified a range of activities that local authorities are undertaking in order to 'weather the storm' of the recession they are also beginning to look towards their long term planning in order to ensure that when the downturn ends local authorities are ready to hit the ground running.

Case Study

>> Preparing for Recovery

Maintaining Long Term Strategies

Within the survey a significant proportion of authorities have clearly stated that their number one priority in ensuring long term stability and prosperity is to maintain their long term strategies.

Examples:

- Birmingham City Council has a range of long term strategic plans already in place, including its 'Big City Plan' and 'Sustainable Community Strategy' which look to 2020 and beyond. The Council believes these can serve to reposition the city on the international stage and transform the local area.
- Wyre Forest District Council will continue to focus on its agreed long term priorities and not undertake 'knee jerk' and potentially damaging short term reactions.
- Wolverhampton City Council has confirmed it has already completed its local economic assessment and is fully committed to the long term economic vision for the city.

Other examples of long term local authority activity mentioned within the survey include:

- Maintain investment in skills and training throughout the downturn;
- Deliver ultra fast broadband across the Region;
- Provide timely and independent advice to all residents/businesses;
- Revise strategies where appropriate but ensure the long term vision isn't compromised;

- Accelerate programmes for affordable housing;
- Increase economic intelligence gathering and monitoring to ensure a comprehensive view of local economic circumstance.

Major Regeneration Schemes

In addition to the need to maintain long term strategic plans, local authorities have also indicated a strong desire to continue, and where possible, accelerate agreed major regeneration schemes and capital projects. The purpose of this activity will hopefully provide a multitude of benefits, including: a boost for the construction industry, increased building rates of social housing and offer a variety of opportunities for local employment.

Examples:

- East Staffordshire Borough Council has noted that part of its package of long term plans includes the need to deliver major regeneration schemes such as the refurbished Meadowside Leisure Centre, delivery of the Growth Point programme and work to support the economic benefits from the National Football Centre.
- Birmingham City Council has agreed to maintain investment and economic activity in the city through £6bn of planned infrastructure investment as well as developing investment links with countries less affected by the economic downturn.
- Stoke on Trent Council has stated that short term solutions are not enough – as the economy of North Staffordshire needs to be transformed in the long term. Investment in the future is key and there will be an acceleration of capital programmes wherever possible.

- Solihull MBC will continue to focus on sustaining its record of economic growth and regeneration of North Solihull. Working with regional/sub regional partners it is seeking to take advantage of future growth opportunities via key strategic projects such as the improvement to the NEC and master planning for Solihull town centre.
- At a regional level the West Midlands' strategic authorities are using the Regional Funding Advice consultation to identify key employment, transport infrastructure and housing interventions that could be brought forward to address the economic downturn.
- Staffordshire County Council has received approval from the Department for Children, Schools and Families (DCSF) to bring forward capital projects from 2010/11 to 2009/10, they are also seeking accelerate key highway maintenance works. Whilst this is not additional funding the council is seeking to take advantage of a relaxation of Government funding arrangements to help stimulate the local economy.

Case Study

Telford and Wrekin Council's extra £3 million to boost social housing and construction

An extra £3 million is to be pumped into building more low-cost and rented homes in Telford and Wrekin to help provide much-needed social housing and stimulate the local construction industry.

Telford & Wrekin Council will be talking with the Homes and Communities Agency about how this commitment can unlock millions of pounds more in funding from other partners.

The money will come from Government Growth Point funds earmarked for infrastructure developments in the borough. The Council says the £3 million will be spent on housing, giving a lifeline to the local housing market and tackling the lack of housing in the Borough.

Building low-cost housing, housing for rent and shared equity homes are among the ways that the Council will be looking to use the money.

The Council will be talking to its partners about how any new construction can use as much local labour and materials as possible, allowing investment to stay in the Borough economy.

Council leader Andrew Eade said: "This will help address two pressing issues for this borough. Given the current economic climate, with house-building here slowing and the construction industry crying out for a shot in the arm, we are taking this issue by the scruff of the neck to get things moving."

Potential Opportunities

It's clear that the economic downturn is causing a wide range of impacts upon local authorities, the services they provide and on the communities they serve. However, councils across the Region are already beginning to explore opportunities for positive change that may arise from this seemingly disastrous economic situation.

The examples below are illustrative of the schemes that our councils, working with partners are seeking to deliver. They provide environmental, economic and social benefits, in the form of reduced carbon emissions, economic efficiency and reduced fuel poverty.

Examples:

- Birmingham City Council has indicated that the downturn has increased pressure for firms, public agencies and individuals to be more efficient and cut down waste. These practices will contribute towards climate change carbon targets. It is also investigating strategic land acquisitions in order to maximise the council's assets in the long term.
- Telford and Wrekin Borough Council is promoting a range of cheap, green and sustainable methods of travel for their residents. For example, its 'Journeyshare' scheme lets people match car, taxi or walking and cycling journeys across the Borough. Also, its 'Wheels to Work' initiative helps people get to and from work or training opportunities when there is no public transport available.
- Worcestershire County Council is looking to undertake increased partnership collaboration across activity and promote joint work with Herefordshire and Shropshire.
- Redditch Borough Council has committed to further reducing its carbon footprint after joining forces with the Energy Saving Trust. The Council will be taking part in the Trust's One to One Support Programme to set up a carbon reduction action plan, which will assist the authority in tackling climate change and reducing the borough's carbon emissions.
- Stoke on Trent City Council is seeking to extend advice and guidance on energy saving measures and consider further activity to tackle fuel poverty.
- Herefordshire Council is hoping to use renewable energies to create efficiencies.
- Warwickshire County Council is undertaking a survey with tourism related businesses, including restaurants, pubs, hotels, tourist attractions, and bed and breakfasts. It is hoped this will help paint a picture of how they are coping with the credit crunch and to try and explore ways they can tap into increasing demand for cheaper holidays and short breaks within the UK.
- Shropshire Council are extending the availability of fuel grants and tackling fuel poverty, particularly to help the elderly. They are also widely promoting their concessionary travel fares and leisure passes to ensure all those who qualify are aware of what is available.
- The Staffordshire Destination Management Partnership is developing a Staffordshire Loyalty Card with a range of discounts offered by tourist and leisure venues. If successful it has the potential to be extended across to a whole range of goods and services thus helping to support the local economy.

Case Study

Stafford – Beating the recession by going green

The 2009 Stafford Borough Council Green Awards were launched in April 2009 and businesses, schools and other organisations are being encouraged to put their names forward.

This year the judges are particularly keen to encourage organisations that are beating the recession by going green to apply.

Councillor Stan Highfield, Cabinet Member for Environment and Health, said: “The present economic climate has hit both commercial and not-for-profit organisations but going green can be a smart way to combat the credit crunch. Saving on energy not only reduces carbon emissions but also saves money and produces a healthier bottom line.”

He added the ‘green economy’ was also producing a host of new opportunities as customers searched for more sustainable options, businesses wanted to save resources, and communities looked to combat climate change.

Case Study

Case Study

Herefordshire residents beating the recession by revamping their wardrobes and improving their skills

Herefordshire Council are offering county residents a chance to help beat the recession by attending four special workshops on how to revamp their wardrobes.

As part of the council’s aim to help people cope with the economic downturn and to encourage more adults to learn new skills, the Rags to Riches workshops are being held at the museum resource and learning centre in Friar Street.

There will be four sessions – on July 24, July 31, August 7 and August 14 which will teach people how to decorate and embellish their wardrobes.

Caroline Everett, Herefordshire Council co-ordination assistant who is leading the workshops, said: “If you can’t afford to get Gok Wan in to revamp your wardrobe, why not come along to one of the sessions and learn a variety of techniques to update your exiting wardrobe.

“The sessions will take you step by step through the techniques you can use to decorate items from your wardrobe,” she added.

Case Study

Case Study

Council tenants in Dudley are being offered support and advice on home energy efficiency thanks to a pioneering partnership

Dudley Council has teamed up with independent energy advisors Energyextra to provide housing tenants with help and practical advice on how to get the best service from their gas and electricity suppliers, as well as ways to be more energy efficient at home.

Energyextra has identified a preferred supplier for housing tenants based on unit costs and customer service results. They can also provide free home visits where householders can be shown how to read their own meter and learn more on how their choice of methods of payment can affect their bills. Tenants could also discover the advantages of providing accurate meter readings to suppliers as well as learning more about their own heating systems.

Councillor Michael Evans, cabinet member for housing, said:

“Fuel poverty is a very real issue and one which we are determined to help prevent in our borough. I hope that our customers will find this service beneficial in explaining and understanding what can be a costly and confusing subject.”

Case Study

Case Study

Telford and Wrekin Council offer cheaper ways to keep fit

The Council's 'aspirations health and fitness' suites are seeing a rise in membership as consumers look for cheaper ways to keep fit.

The Council believes the increase is due to users cancelling more expensive gym memberships and opting for the cost-effective packages on offer.

Pay as you go is one option available for people who do not attend the gym regularly or who do not have a bank account which permits direct debits.

Concessionary members, including the disabled, over 60s and those on low incomes, have unlimited access to the facilities for the equivalent of less than 50p per day as well as free swimming.

Some fitness staff are qualified to run specialised sessions for people who are referred by their GPs as well as cardiac patients.

All these measures are helping the council to promote health and wellbeing across the Borough.

Case Study

>> Conclusion

The economic downturn is affecting local authorities within the West Midlands in a variety of ways.

Pressures on councils' own budgets from central government, loss of valuable income from their own revenue streams and threats of widespread redundancies are creating a myriad of complications across local government activity.

Councils are routinely supporting communities through the daily delivery of their core services but as levels of redundancies rise, business closures mount up and people begin to lose their homes the pressure on council services increases dramatically.

While local authorities are doing all they can to mitigate the impacts of the recession, the situation is serious; councils are facing huge challenges both in the short term and in the future.

We still do not know how long the recession will last, what sector might lead us into the future or what the long term impacts of the downturn will be.

However, through the information gleaned from our survey it appears that despite significant financial pressures, our local authorities are utilising a host of innovative schemes and expanded services which are enabling them to continue providing for the social, economic and environmental well-being of their communities.

During this recession our councils are proving that they are able to use their local experience and local know-how to deliver high quality services, even under heightened financial constraints.

By continuing to update this report we hope to be able to identify which schemes are working well, what's providing good value for money and what examples could be considered best practice.

There are tough decisions that will need to be made over the coming weeks, months and potentially years but by focusing recovery on maintaining existing strategies, pushing forward with major capital projects and seeking to grasp any green or sustainable opportunities that the economic situation affords, local authorities are doing all they can to ensure the long term growth and prosperity of the West Midlands.

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