

TITLE	Review into Possible Assistance to Residents during the Recession
FOR CONSIDERATION BY	Corporate Services Overview and Scrutiny Panel
WARD	None Specific
STRATEGIC DIRECTOR	Heather Thwaites

OUTCOME

To provide an update on recommendations to mitigate the impact of the economic downturn made by the Finance Overview and Scrutiny Panel and approved by the Executive on 25 March 2010.

RECOMMENDATIONS

Members are asked to consider the information provided in this report.

SUMMARY OF REPORT**Background**

Indications from the Chamber of Commerce and Federation of Small Businesses suggest that local firms are continuing to emerge from the economic downturn and are beginning to feel more confident about the future. Wokingham scored highly in a recent BBC "Experian" survey which identified the areas thought to be most resilient to public sector funding cuts and came out as the strongest overall Berkshire authority.

These findings were also reinforced by the Centre for Cities outlook published at the end of January 2011 which highlighted the Greater Reading economy including Wokingham, as one of the top five areas to watch in the UK with a high potential to create new private sector jobs.

The number of people claiming Jobseekers Allowance (JSA) across Wokingham peaked in August 2009 and has since fallen steadily. At the end of December 2010, 1428 people were claiming JSA in Wokingham compared with 1869 in January 2010 a reduction of 24%. This trend is supported by an increase in the number of unfilled vacancies in Wokingham which was up by 55% at the end of December 2010.

Although these are all positive indicators, the economic outlook continues to be uncertain and the current volatility in global markets remains a concern.

Recommendation 1 - That advice and schemes already offered by the Council to assist residents and local businesses through the economic downturn be better publicised.

Information on the council's website has been refreshed and pages redesigned to make them more accessible. New sections have been added, including information on vacant property units across Wokingham Borough aimed at helping individuals interested in setting up their own business (the information is updated every 48 hours). Businesses have been advised of the business rate referral scheme and the various discounts and

exemptions of business rates have also been promoted. Some 600 letters were dispatched to businesses in October 2010 providing information on changes to the small business rates relief scheme. The council has continued to help small business with their cash flow by paying all invoices below £2000 without delay – usually within 10 days.

The economic development officer has continued to work closely with employer groups and local businesses and has met separately with over 30 businesses during the past 12 months. In addition, regular meetings have been held with members of the Chamber of Commerce to ensure they are kept up to date with the latest developments.

The Revenue and Benefits team have also continued to work closely with local residents providing help and guidance. In May 2010, the team received a Customer Service Award from the Cabinet Office for excellence in dealing with customer queries and promoting awareness. Between April 2010 and December 2010, there was an increase of 3.8% in the number of people claiming housing and council tax benefit. During this period 2612 new cases were process with 8751 amendments (changes to existing cases). The amount of time taken to process these queries also improved during the same period.

The way the council engages with residents and businesses across Wokingham Borough is continuing to evolve as further changes to processes are made through Wokingham Direct.

Recommendation 3 - That the potential benefits and cost implications of a Berkshire wide Credit Union be further examined.

Berkshire Community Savings and Loans Ltd was launched in August 2010 based on the expanded Reading Credit Union. Its main aims were to:

- Provide loans to its members at very low rates of interest.
- Provide members with help and support managing their financial affairs
- Encourage its members to save regularly.

Targeted locations where residents need help have been identified and an initial service for has recently started operating out of the CABs office in Wokingham Town.

Wokingham has indicated to Community Savings and Loans that a contribution of £15k will be made which will be funded from the Proceeds of Crime Act monies. This is consistent with contributions made by some of the other Berkshire Authorities but significantly less then authorities such as Reading and West Berkshire.

Discussions are currently ongoing with Community Savings and Loans to ensure that the organisation is sustainable and financially viable during the coming months.

Recommendation 6 - That the Council continue to work with other organisations such as Connexions with the aim of reducing the level of those people not in employment or training in the Wokingham Borough.

Wokingham's NEET population is currently at its lowest level for four years. The actual average at the end of January was 4.9%, which is the best average score achieved since 2006 when the economic situation was far different than that faced by young people today. Wokingham's actual NEET population (16-18 yrs) at the end of January

2011 was 152 young people.

It is anticipated that the imminent changes to the measuring system, which in future will be based on where people live, will further improve the figures to be the strongest across Berkshire. However, the removal of the education maintenance allowance which means young people will not have the same level of financial support to attend further education courses is likely to have an unknown negative impact.

A further challenge will be the likely reduction in the service provided by Connexions due to changes in funding levels – the impact of this on Wokingham is currently under consideration. *A more detailed report is being prepared for the Children Services Overview and Scrutiny Panel.*

Discussions have also been held recently with Wokingham Job Support and Next Step to ensure that supported for adults seeking employment is targeted more effectively. As a result, an outreach pilot will start at the end of February in Winnersh and Next Step will be providing advice and guidance to job seekers at libraries in Woodley, Lower Earley and Wokingham.

Other Initiatives:

- A careers fair was held at Loddon Valley Leisure Centre in November 2010 attended by over 1800 young people from Wokingham's schools and supported by a wide range of businesses and education providers including HSBC, National Grid, Deloitte and Foster Wheeler. A follow up event is being planned for later this year.
- An event was held at Shute End in February to raise the awareness of apprenticeships with young people.
- The council is supporting an initiative launched by the Forest School aimed at setting up a Business Academy to help young people interested in setting up their own business.
- Partners are being sought to provide additional help and support to individuals wanting to start-up their own business. A gap in service provision has been identified following the reduction in support services previously provided by Business Link.
- An event is being held in March aimed at promoting STEM subjects (science, technology, engineering and maths) to young people and help with future curriculum choices. It is being supported by a wide range of "technical" businesses including BT, Sony and Proctor and Gamble.

Reasons for considering report in Part 2

None

List of Background Papers

N/A

Contact Andy Nicholls

Service Policy and Partnerships

Telephone No 0118 9746018

Email

andrew.nicholls@wokingham.gov.uk

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