

NORTH LINCOLNSHIRE COUNCIL

CABINET

NORTH LINCOLNSHIRE – ECONOMIC SITUATION

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 The report is to update cabinet on the current economic situation in North Lincolnshire.
- 1.2 The current recession has two main challenges for the council:
 - Supporting local businesses, helping to safeguard jobs and bring more employment opportunities to the area.
 - Ensuring that support for individuals is in place and that recession-led increases in demand on services can be met.

2. BACKGROUND INFORMATION

2.1 Nationally:

- Unemployment in the UK is now above 2 million for the first time since 1997.
- The unemployment rate is now 6.5 per cent.
- The number of people claiming Job Seekers Allowance (JSA) increased last month by 138,000 to 1.39

2.2 In North Lincolnshire:

- Since the last update to Cabinet the area has seen one major announcement on job losses. Mondi are making 161 people redundant. Closure is expected in May and the task force is currently working to ensure the staff are given appropriate help.
- The number of people seeking JSA has risen to 4202, broken down by:
 - 13 weeks or less 2,460
 - 13-26 weeks 895
 - 26-52 weeks 535
 - 52 weeks+ 300

- 2.3 The number of notified vacancies fell by 24 per cent between December 2008 and January 2009 (latest available figures) and by 47 per cent between January 2008 and January 2009.
- 2.4 The council continues to work with partners on the task force and has been helping a number of companies protect jobs. The council-wide Recession Group met and are looking at managing the impact on the community and council services.
- 2.5 The demand on council services continues to rise.
 - The number of benefit cases has risen and is 1092 higher in March this year compared to a year ago (7.6 per cent increase). Of these 983 are people of working age. Telephone calls about benefits have risen by 43 per cent (Dec 07 – Mar 08 compared to Dec 08 to Mar 09).
 - Telephone calls about council tax have risen by 21 per cent over the same period as above.
- 2.6 Despite these increases in demand for services the council has maintained service standards.
- 2.7 In discussions with the voluntary sector, it is clear that the recession is also having an impact on the services they provide.

3. OPTIONS FOR CONSIDERATION

- 3.1 The council can continue to direct resources into helping local businesses along with ensuring increasing demands on some services are managed.
- 3.2 The council could carry on working in the same way it did before the economic downturn.

4. ANALYSIS OF OPTIONS

- 4.1 By continuing to support businesses and individuals the council can help mitigate some of the effects of the recession.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 Financial

In setting its budget in February, the council made provision for funding the effects of the recession. The financial implications of increased demand on services is being monitored.

5.2 Staffing

Staff from across the council are working in the Recession Group. Workloads in areas like benefits and council tax are being monitored.

5.3 Property

There are no property implications to this report.

5.4 Information Technology

There are no information technology implications to this report.

6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)

6.1 None

7. OUTCOMES OF CONSULTATION

- 7.1 The council is constantly consulting with local businesses. This had led to a number of offers of support and advice from the council and partners.

8. RECOMMENDATIONS

- 8.1 Cabinet notes the report.
- 8.2 Cabinet agrees that the council continue to provide support for local businesses and individuals effected by the recession.
- 8.3 Cabinet agrees that further reports be brought, including the impact of the recession on the services provided by the voluntary sector.

CHIEF EXECUTIVE

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Background Papers used in the preparation of this report - Nil