

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 council continues to support local businesses and ensure that support for individuals is in place and that recession-led increases in demand on services can be met.
- 1.3 To receive a short presentation from Citizens Advice Bureau about the effects of the recession on the voluntary sector.

2. BACKGROUND INFORMATION

2.1 Nationally:

- Unemployment in the UK is now at 2.2 million (figure for the first three months of 2009), up 592,000 from a year ago.
- The unemployment rate is now 7.1 per cent.
- The number of people claiming Job Seekers Allowance (JSA) now stands at 1.51 million. The claimant count has now gone up for 15 months in a row.

2.2 In North Lincolnshire:

- The number of people seeking JSA has risen to 4,958 (April 2009), broken down by:

• 13 weeks or less	2,345
• 13-26 weeks	1,440
• 26-52 weeks	830
• 52 weeks+	340

2.3 The number of notified vacancies increased by 28 per cent between March and April 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 is 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 1322 higher at end of April this year compared to a year ago (9.22 per cent increase). This is a higher increase than other unitary councils in the area (Hull is 7.16% and ERYC is 7.68%). Of the increase 1142 are people of working age. However the increase does appear to be slowing down with only a net increase of 5 more claimants in total at end April 2009 compared to end March.2009
- The Local taxation and Benefits section has a central telephone contact centre. Telephone calls about benefits have risen by 22.5 per cent (April 08 compared to April 2009).
- Telephone calls about council tax have also risen by 6.1% per cent over the same period as above.

2.6 Despite these increases in demand for services the council has maintained service standards. For example due to a concerted effort to examine processes and increase output, performance in benefits has improved. In 2008-9 new claims were on average processed 5 days more quickly than in 2007-8.

Despite the recession the collection levels for council tax in 2008-9 has been maintained at 97.1%. This is the same as previous year. However for business rates there was a slight fall in collection levels from 99.3% down to 98.9%. This is possibly linked to the introduction of liability for empty rate charges but is also likely to be partly due to the effects of the recession.

2.7 The Council's recession group has met in the last month and is working on a number of initiatives to support individuals and business during the recession, this include:

- Recession channel created on the web
- Review of LAA indicator targets in light of recession
- Creation of a 6 month secondment to co-ordinate advice to individuals and businesses across the council
- Promotion of things to do in North Lincolnshire for free
- Application to Jobs for the Future Fund
- Economic downturn leaflet for individuals and businesses

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.

CHIEF EXECUTIVE

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Background Papers used in the preparation of this report

None