

CABINET
23 JUNE 2009

ACTION FOR WILTSHIRE – FUNDING PROPOSALS (PHASE ONE)

Executive Summary

This report advises Cabinet of the specific expenditure proposals to resource initiatives that combat the impacts of the recession in Wiltshire. The overall allocation of expenditure for this purpose was approved by the Implementation Executive on the 13th May 2009.

The Implementation Executive report considered by the IE on the 13th May was concerned with the recession and a report on its impact in Wiltshire which was considered by the Wiltshire Assembly on 26th March 2009. The report, commissioned by the Council on behalf of the Family of Partnerships, included a range of recommendations.

Further background information is set out in this report on the steps that have been taken to date to communicate and consider the recommendations of the report to the Wiltshire Assembly, and generally to establish a programme of work.

Proposal

That the Cabinet notes the funding proposals set out in paragraphs 11a and 11b in this report, as the first phase of the programme of work to combat the local impacts of the recession. The programme of work has been initiated by Wiltshire Council to take forward the recommendations of the report prepared for the Wiltshire Assembly.

Reason for Proposal

There is statistical evidence that demonstrates the local impacts of the recession in the county. Timely action is needed to enable an effective response to some of these impacts.

Author: **KEITH ROBINSON**, Chief Executive
Contact Details: telephone (01225) 713101

Interim Project Co-ordinator: **Rachel Goff**, National Management Trainee,
Chief Executive's Office
Contact Details: telephone (01225) 713931

CABINET
23 JUNE 2009

ACTION FOR WILTSHIRE – FUNDING PROPOSALS (PHASE ONE)

Purpose of Report

1. This report provides information for Cabinet on the specific expenditure proposals to resource initiatives to combat the impacts of the recession in Wiltshire. The overall allocation of expenditure for this purpose was approved by the Implementation Executive on 13th May.

Background

2. After the first meeting of the Wiltshire Assembly in Autumn 2008, the Council commissioned on the Assembly's behalf a study of the likely impact of the economic downturn on the County and what could be done about it. The report was prepared by George Bright, Chair of the West Wilts Economic Partnership and former Principal of Wiltshire College.
3. There are six strands to the recommendations in the Bright report, covering businesses, people and communities:
 - i. Wiltshire Business Support Service: 'to establish a service for businesses which brings together the private and public sector to provide a local personal service'.
 - ii. Wiltshire Street Scene Programme: 'to involve the community in working together to sustain the town centre environments of our market towns'.
 - iii. Wiltshire 'Potential' Programme: 'to create a range of opportunities for young people to develop their education and skills further, to gain experience that will support applications for employment in due course and to gain skills that help to promote sustainability'.
 - iv. Wiltshire Citizens' Advice Service: 'to create a stronger support service for individuals and families in Wiltshire who are affected adversely by the credit crunch and economic downturn'.
 - v. Wiltshire Community Finance Initiative: 'to create new local arrangements for the provision of credit... a community based finance initiative that will provide savings and loan facilities to individuals, small businesses and social enterprises.'

In respect of the initiatives that are relatively most urgent, Mr Bright attended the Implementation Executive on 13 May and highlighted for Members' attention, the Business Support Service, the Citizens Advice Bureau and an increased capacity to manage apprenticeships and volunteering opportunities for young people.

4. The Chief Executive provided an overview of the Performance Reward Grant recently awarded to the Council and the areas in which it could be

invested. He suggested that the Implementation Executive might wish to direct some of the Grant toward 'pump-priming' urgent initiatives (with appropriate business cases) aimed at helping Wiltshire businesses and residents combat the economic downturn. The 'Performance Reward Grant' will be paid by the government to Wiltshire Council during 2009/11. Over these two years approximately £5.4m will be paid to Wiltshire Council as a result of our success, with partners in the Wiltshire Strategic Board (the forerunner of the Wiltshire Assembly), in achieving the targets agreed.

Decisions of the Implementation Executive

5. On 13 May, the Implementation Executive considered the report of the Service Director, Performance and Risk, which contained recommendations from the Wiltshire Public Service Board on the use of the Performance Reward Grant.

The IE supported the use of Performance Reward Grant to:

- a. Honour the commitment to reinvest up to £1,557,120 (paid over 2 years) in successful LPSA target areas that take forward Wiltshire's ambitions.
 - b. Use the grant to support some initiatives to combat the recession. A sum of £1m over two years could be set aside, subject to suitable bids.
 - c. Fund bids from the new Area Boards for initiatives in the local community which will command local support and contribute to the achievement of the Local Agreement for Wiltshire, or to combat the recession.
6. In relation to the proposals in the Chief Executive's report for the 'Action for Wiltshire' programme of work to combat the local impacts of the recession, the IE agreed to:
 - a. Endorse the initial programme of work initiated by Wiltshire Council to take forward the recommendations of the report prepared for the Wiltshire Assembly.
 - b. Designate up to £500K of the Performance Reward Grant to support urgent initiatives to combat the recession, including the Business Support Service, the Citizens' Advice Bureau and an increased capacity to manage apprenticeship and volunteering opportunities for young people.
7. Members of the Implementation Executive emphasised that after the allocation of the funding for the Action for Wiltshire programme, there should be no continuing financial implications arising from programme projects, taking into account the projected significant resource constraints that will be faced by the Wiltshire Council.

Initial Progress in Implementing the Action for Wiltshire Programme

8. The Action for Wiltshire Programme is based on the recommendations in the report for the Wiltshire Assembly by George Bright. Some adjustments are being made to reflect feedback from consultation with organisations across the county. In particular, the recommendations were discussed by the Wiltshire Public Service Board and the Wiltshire Co-ordinating Group, with a view to maximising partner organisations' contribution to the programme.
9. Initial progress in implementing the Action for Wiltshire programme includes the following examples. (The numbers refer to the action number in the 'menu of actions' appended to the report drawn up for the Wiltshire Assembly):
 - 2.1 Wiltshire business support service – research has recently been completed by a Wiltshire Association of Chambers of Commerce (WACC) representative to explore what local businesses now need from the support service, which is not already being provided by existing partners. The Wiltshire and Swindon Economic Partnership has considered a proposal that requires £55,000 funding to support 568 businesses.
 - 3.1 Proactive marketing of the existing rate relief to businesses – a programme of work has been completed after enhanced marketing across the county.
 - 13.1 Support from the Wiltshire and Swindon Economic partnership (WSEP) and other partners for emergency response teams to respond to redundancies occurring, including job clubs. Ongoing work is taking place with Jobcentre plus to meet needs when redundancies occur.
10. Additional actions taken forward by the Council or its partners that are not in the original 'menu of actions,' include:
 - ESF funding - £300,000 has been awarded to the Council in partnership with Swindon Borough Council, to provide advice and training through the colleges for people who have been made redundant or are at risk of redundancy;
 - Mortgage rescue scheme – avoiding homelessness by preventing repossession. The Council is working with a number of partners and the first cases under this scheme have been taken forward;
 - Court desk advice – the Council is using funding made available by Government to support an advice desk at the County Courts in Salisbury and Trowbridge, to help people who turn up at court to face possession proceedings but have no legal representation.

Proposals for Cabinet Decision

11. The IE agreed that these action areas should receive designated funding as urgent initiatives to combat the local impacts of the recession – the Business Support Service, the Citizens' Advice Bureau, and an increased capacity to manage apprenticeship opportunities. The Chief Executive has delegated authority to allocate the following funding:

a. *Business Support Service*

An allocation of up to £50,000 should be sufficient to fund a free emergency business support service, to advise and support local businesses in times of crisis. The local Wiltshire telephone line will be channelled through Business Link in line with current advice services, and urgent queries would be responded to within 2 hours by a provider brokered by business link.

Emergency advice would be free up to a maximum period of 8 hours and in exceptional cases, and upon a simple application, additional emergency support could be approved for another 8 hours.

The £50,000 allocation to Business Link would fund the emergency support service until March 2010. Entry levels are expected to be in the region of 5 per week i.e. 220 to the end of March 2010.

b. *Citizens' Advice Bureau*

A total of £288,000 is to be allocated to the Wiltshire Citizens Advice Bureau by the Action for Wiltshire Programme Board, in order to enable demand to be met.

In West Wiltshire there has been a 39% increase in clients advised per month since last May. Debt issues are up 13%, employment issues up 51%, benefits issues up 30%, housing issues up 14% and relationship issues up 26%. Approximately 23% of callers to the bureau are not seen on the day but they are advised to phone, attend an outreach drop - in session or to seek advice, using the national Citizens Advice website. In West Wiltshire the CAB answers 75 calls per week, but this is only 50% of the calls made. Overall the Wiltshire Bureaux deal with an average of 220 calls per week.

In order to improve access, it is proposed that the Wiltshire Bureaux adopt a model which has been successful in other County-wide Bureaux, of conducting a 'triage' type telephone interview to assess the priorities, provide initial information and direct the caller to other sources of advice. Clients may also have their problem resolved by talking to a generalist adviser on a 'call back' facility.

Using national data, it is estimated that the current demand for advice via the telephone for a population the size of Wiltshire, is 600 calls per week. With 4 full time advisers, 500 calls could be responded to each week (26,000 per annum). This increased ability to deal with demand

on the telephone will free up some time for volunteer advisers to see clients face to face and to focus on those most in need.

c. Increased capacity to manage apprenticeship opportunities

Research is underway to look at what provision is in place for young people in Wiltshire and how we can maximise the opportunities available for apprenticeships and volunteering opportunities. At present, the provision of services for young people - to increase their skills and experience whilst not working - is not coherent across the county.

Once initial research and scoping has been completed to assess the provision of support for young people, it is proposed that a project team is formed to bring together opportunities to volunteer, work experience, apprenticeship and training opportunities to provide young people with the best advice and support. This will draw on links with partners in the voluntary sector, the local Chambers of Commerce, bidding for and making best use of funding from the European Social Fund, and it will draw on existing schemes such as the 'plus-one' programme that encourages businesses to take on young people with matched funding.

It is envisaged that in addition to bringing together opportunities for young people, advice and skills sessions may be run for example of CV writing skills to enable young people to compete effectively in a narrow job market, and to be able to present their skills and experiences most effectively as more jobs become available when the economy recovers.

Further information will be provided on this project as it becomes available, including financial estimates.

Funding arrangements

12. Funding release will be subject to reports being provided on the measurably improved outcomes that can be achieved through the financial provision. Funding will be conditional upon the Council being satisfied that there should be no continuing financial implications arising from Action for Wiltshire programme projects. A check will be made to ensure that there is no duplication with existing grant aid funding to the recipient organisations from the Council, or other sources. Funding release will be phased as considered appropriate by the Programme Board and quarterly monitoring information will be requested from recipient organisations.

Main Considerations for the Council

13. Wiltshire has much employment in small businesses and the public services which reduce its vulnerability to major job losses but there has nonetheless been a considerable increase in unemployment in the context of the recession. In January 2009 the JSA Claimant Count was 5,250, having stood at 2,890 in June 2008. The January figure was 1.9% of the

working population, compared with 2.5% across the South West and 3.4% for the UK as a whole.

The Claimant Count for Wiltshire in April 2009 was 2.7%, below both the regional (3.1%) and national (4.1%) averages. Trowbridge Community Area had the highest Claimant Count rate of all the Community Areas, with 4.1%; on a par with the national figure. Several Community Areas had higher rates than the Wiltshire average of 2.7%: Trowbridge (4.1%); Calne (3.3%); Westbury (3.3%); Melksham (3.1%); Chippenham (3%); Devizes (3%); and Salisbury (2.8%). The Claimant rate in Wiltshire had increased since April 2008, in line with the regional and national averages. All of the Community Areas had experienced an increase in claim rate since the same period ending a year earlier. (Source – Wiltshire Strategic Economic Partnership Quarterly Economic Review, April 2009).

14. Data on mortgage repossession orders produced by the Government Office for the South West (GOSW) shows that orders processed by the Salisbury County Court increased year on year between 2007 and 2008 by 33%. The GOSW report includes reference to West Wiltshire as being 'badly affected'. (Source – GOSW Analysis of Mortgage Repossessions in the South West April 2009).
15. In a survey of public opinion in Wiltshire, 63% agreed that 'the Council should lead in getting us back on track'. In difficult financial circumstances there can be a temptation to focus within an organisation, to concentrate on balancing the budget; of course that's always important, but the Council must manage this financial challenge in a way which supports people and communities during the recession, and helps to pave the way for an early and sustained recovery.

Environmental Impact of the Proposal

16. At the meeting of the Wiltshire Assembly the issue of sustainability was emphasised and the Action for Wiltshire Board will be considering how this can be fulfilled.

Equalities Impact of the Proposal

17. The recession is likely to have differing impacts on social groups within the population and on differing communities within the county. This issue has been examined in the Bright report to the Wiltshire Assembly. Monitoring and review as the programme develops will be key, to inform an Equalities Impact Assessment that will be considered by the Programme Board.

Risk Assessment

18. The Programme Board will consider risk assessments of the overall programme and where they are required, of specific projects. The Council's risk assessment procedures will be used for this purpose. Further reports to the Wiltshire Council Cabinet will incorporate a risk assessment of the programme.

Financial Implications

19. The source of funding and the previous decisions of the Implementation Executive are set out in paragraphs 5 and 6 above. Arrangements are being put in hand to enable effective accounting. Funding will be conditional upon the Council being satisfied that there should be no continuing financial implications arising from Action for Wiltshire programme projects. The actual expenditure will need to accord with the grant conditions and financial regulations, to ensure value for money.

Legal Implications

20. The actions to be taken forward by the Council as set out in the 'menu of actions' are governed by the legal framework within which the Council operates. Where there is any uncertainty as to the legal position on any specific issue, advice will be sought from Legal Services.

Options Considered

21. Both the Citizens Advice Bureaux in Wiltshire and Business Link are uniquely placed in terms of their established role and existing and potential capacity, to take forward the initiatives set out in paragraphs 11a and 11b in this report and therefore alternative options in relation to other agencies are not recommended to Cabinet.

Conclusions

22. The intended delegated action to be taken by the Chief Executive reflects the conclusions reached having taken all of the above into account.

Proposal

23. That Cabinet notes the funding of up to £288,000 to be paid to the Wiltshire Citizens Advice Bureaux for the purpose set out in paragraph 11b, subject to the conditions set out in paragraph 12.
24. That Cabinet notes the funding of up to £50,000 to be paid to Business Link for the purpose set out in paragraph 11a, subject to the conditions set out in paragraph 12.
25. That a further progress report including a proposal to provide increased capacity to manage apprenticeship opportunities is submitted to a Cabinet meeting at the earliest opportunity.

Reason for Proposal

26. There is statistical evidence that demonstrates the local impacts of the recession in the county. Timely action is needed to enable an effective response to some of these impacts.

KEITH ROBINSON, Chief Executive
Contact Details: telephone (01225) 713101

Background Papers

The following background papers were used as references during the preparation of this report:

The Impact of the Credit Crunch in Wiltshire – a report to the Wiltshire Assembly – electronic link to the Executive Summary:

<http://www.wiltshire.gov.uk/wilts-assembly-150309-credit-crunch-report-exec-summary-extracts.pdf>

Electronic link to the Wiltshire Assembly web page:

<http://www.wiltshire.gov.uk/council/wiltshirefamilyofpartnershipsworkingtogether/the-wiltshire-assembly.htm>

Wiltshire Strategic Economic Partnership Quarterly Economic Review, April 2009.

Government Office for the South West (GOSW) Analysis of Mortgage Repossessions in the South West, April 2009
