

Camden Local Strategic Partnership

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Report Title **Preparing for an economic recession**

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Purpose This report updates the LSP on the Council's approach to the economic downturn, highlighting current activities and initiatives that support local residents, communities and businesses as well as processes for monitoring the impact on the delivery of key priorities. It invites partners to share their plans.

Recommendations The LSP is asked to note the Council's approach and agree themes and objectives for the LSP seminar on the economic recession on 20 January 2009.

1. Introduction

- 1.1 The effects of the financial crisis are already being felt in the Camden economy. The number of people claiming Job Seeker's Allowance has increased from 3781 in April this year to 4065 in October. The rolling four week average for new housing benefit claims has shown a steady increase from 144 to 172 between August and early November. These are the immediate and evident impacts of the economic downturn, however the wider impacts on the economy and lives of people in the borough are not yet fully clear.
- 1.2 Camden Council, often with our partners, provides a range of services that give timely and tangible help during these uncertain times. We are also preparing to respond to future needs as these become more evident. This report sets out the Council's approach to these preparations, building on the valuable services we are already offering to local residents, communities and businesses.
- 1.3 The aim of the report is to give Local Strategic Partnership members early insight into how the Council is responding to the economic downturn and to hear from partners about their plans. The LSP seminar on 20 January will be a further opportunity to share the latest intelligence on impact and evidence of need, and to agree how activities can be co-ordinated across the LSP.
- 1.4 Both these discussions will inform the Extended Planning and Performance Group. Given the remit and membership of Extended PPG, it seems best placed to have oversight of this developing agenda for the LSP. The intention

is to hold a special meeting of the group early in the new year to discuss an enhanced role in developing a shared analysis of the likely impacts, risks and opportunities of the recession in Camden, and options for an effective response across the partnership. The LSP in December, and in greater detail in January, will provide important focus for this group in terms of identifying tensions in the borough arising from the economic downturn. Working from the analysis of extended PPG, the LSP will be in a position to take necessary action across the partnership to mitigate the impacts for residents, communities and local businesses.

2. Camden Council's approach

- 2.1 Camden Council and its partners are well placed to respond as the UK economy weakens; a large number of services and initiatives are already in place that will see the borough through these difficult times.
- 2.2 The Council is financially sound. The budget for the next two years has proposals to secure savings and efficiencies from spending that will not impact on frontline services. This will ensure we can continue to provide priority services as growth in the public finances slows in the medium term. There is also a firm commitment to keep increases in Council Tax – which is most difficult for the least well off to pay – at 2.5%, below the current rate of inflation. The Council is working to safeguard priority projects – investing in Council housing, a new secondary school and homes for older people.
- 2.3 The Council is working with its partners to offer direct assistance to our residents, communities and businesses. This extends from helping people who have lost their job find another one through the Camden Working services, to reducing inspection red tape for a number of small local businesses. More on the many ways in which Camden can help those who may be affected is set out below.
- 2.4 The Council is urgently assessing the medium to long term impact of the recession. We are building an evidence base to ensure we can respond flexibly and target help and support where it will support our priorities and be most effective. Services for vulnerable groups are the most likely areas to come under increased pressure, although there is only limited evidence of a significant direct impact at the moment.
- 2.5 The Council will be working through the LSP to ensure we are ready to do more as the effects of the recession become clearer over the coming months. Internally, the Council's management board and directorate management teams will be monitoring key indicators around worklessness, unemployment, housing benefit applications and other service demands to ensure the Council is ready to respond, working closely with our partners. This real-time intelligence will also inform the monitoring of progress to meet Local Area Agreement targets and Sustainable Community Strategy commitments under the direction of the Extended Planning and Performance Group (PPG). Extended PPG includes senior representation from all the statutory partners in the borough as well as the Voluntary and Community Sector.

2.6 The sections that follow highlight the services the Council is offering that already provide direct assistance during difficult times. Many of these are delivered in partnership with key public, private and third sector partners in the borough. These services provide a firm foundation from which to build if pressures locally continue to grow.

3. For local residents

- Who have lost their job. Under the Camden Working umbrella, the Council funds a number of services to help people find work and improve their skills, complementing the support provided locally by Job Centre Plus. To date during 2008/09, around 400 people have found work with Camden Working support and over 1000 have accessed training. For example, the King's Cross Construction Centre helps local people find work as part of the massive regeneration of the area.
- In rent arrears or facing repossession. The Housing Department provides a range of services to help people in need find or stay in a home; from general housing options advice to guaranteeing deposits and resolving disputes with landlords.
- Council leaseholders worried about service charges. The Council offers its resident leaseholders a range of flexible payment options for service charges and major works bills, from interest free instalments to reduced bills in cases of extreme hardship. They are among the most generous in London.
- Worried about council tax. Camden's council tax increase in 2009/10 is expected to be no higher than 2.5%, less than the current rate of inflation. This would follow a below inflation increase in the previous two years. Members will set the budget early next year. The Council is also working hard to further improve its value for money, and expects to deliver £5m worth of efficiency savings in 2008/09, continuing to avoid compulsory redundancies wherever possible.
- On the Council's waiting list for housing. As a recession is likely to increase demand for social housing, the Council is working hard to make best use of its limited stock. Our new Tenants Options Fund launched in June 2008 makes it easier for tenants who wish to move to a smaller council property, to the private rented sector or buy their own home to access financial assistance thereby freeing up their property for a larger family. Alongside this, our Overcrowding Team is working with overcrowded households to help families make better use of existing space in their homes. Crucially, Argent, the developers of the regeneration scheme at King's Cross, remain committed to the targets for affordable housing.
- Wanting to cut their fuel bills. The Council is expanding its energy efficiency grants programme, building on the £1.2m already distributed to help homeowners and landlords insulate their properties through the Warmth for All and Warmth, Income, Safety, Health (WISH) partnerships. It will provide insulation for 9000 council homes over the next few years.

- Needing financial, legal and benefits advice. The Council is providing £1.8m of financial support over 3 years to local voluntary organisations such as Citizen's Advice Bureau, Mary Ward Legal Centre and Camden Community Law Centre. It also provided the new Camden Plus Credit Union with start-up funding, which will help low-income people access financial services. The Council directly provides welfare rights advice to low-income families, vulnerable adults and people facing housing difficulties to ensure they claim the benefits to which they are entitled.

4. For our communities:

- That need investment in the physical infrastructure. The Council will do all it can to safeguard our ambitious capital investment programme, worth £942m over the next six years. The programme will build a new school, accommodation for older people, renovate council homes, and regenerate King's Cross creating local jobs in the process. The programme has a diverse funding base to see it through difficult times, which helps during difficult times.
- We are building on the already strong social fabric in Camden to withstand a downturn and emerge from it united. Camden's voluntary organisations are often where people first turn in difficult times and are collectively a major employer of local people. They are supported by £30m of grants and contracts from the Council in 2008/09. The Council is piloting an innovative tension monitoring project, which will allow us to identify and quickly address the kinds of strains on social cohesion typical of previous recessions.
- Needing a strong voluntary and community sector. The Council has set aside £1.3m for discretionary rate relief over the next three years for voluntary sector organisations who receive council grants.

5. For local businesses:

- Seeking new contracts. The Council is a significant and reliable customer for business, procuring goods and services worth £370m every year. We actively encourage small local businesses to bid for work by reducing red tape and building their capacity. The redevelopers of King's Cross in partnership with the Council have set up "KX Supply" to help local businesses win regeneration-related contracts. The Council also recently supported a free event for small businesses on bidding for Olympics contracts.
- Dealing with the Council's regulatory services. We have made progress on the community strategy commitment to reduce red tape for businesses by taking a risk-based approach and inspecting less. For example, planning and building control visits are increasingly combined into a single appointment. On 1 December, a new contact centre for regulatory services will be launched to provide better advice and guidance and quicker response times.
- Needing support and advice. The Council provides and funds tailored support to Camden's small businesses such as Centa Business Services, which will help them cope with the effects of a downturn. Events like the recent Enterprise Week can provide vital encouragement and practical advice at this difficult time.

6. Next steps

- 6.1 LSP partners will be undertaking their own analyses of the impacts of the economic downturn within their areas of influence. This intelligence is vital to form a full picture of how the borough is coping, and partners are invited to share their insights at this time. Having an early and shared view of where the critical tensions are in the borough is an important first step in forming an effective and collective response. Looking forward, the LSP seminar on 20 January will be an important opportunity to pull together the latest evidence of need, to consider the options that will best mitigate against these pressures and to agree what activities should be co-ordinated across the LSP.
- 6.2 It may be helpful to organise discussion at the January seminar around the three key areas of recession impact highlighted in this paper:
- local residents
 - our communities
 - local businesses

LSP members are asked to agree this approach.