



Executive Committee

All Wards

1 July 2009

PROPOSALS FOR REINVESTMENT - ECONOMIC DOWNTURN

(Report of the Acting Deputy Chief Executive)

1. Summary of Proposals

The report provides Executive with a range of options which will assist and support individuals and the communities of Redditch as a result of the economic downturn.

The proposals are summarised in tabular form (Appendix 1 for Member consideration) and if agreed in full would be funded from the £255k set aside by Council, with a balance of £32,500 remaining.

2. Recommendations

The Committee is asked to **RECOMMEND** that

- 1) **the proposals and projects contained within Appendix 1 be funded for the relevant periods.**
- 2) **the funding for the projects/posts be met from the £255,000 currently set aside.**
- 3) **Members consider whether the £32,500 remaining balance be held for any future bids.**

3. Financial, Legal, Policy Risk and Sustainability Implications

Financial

- 3.1 The proposed bids will be funded from the £255k received from the Department of Works & Pensions (DWP) which Council agreed to set aside to fund initiatives/posts which could assist in dealing with the economic downturn.

Legal

- 3.2 Under Section 137 of the Local Government Act 1972 the Council has the power to incur expenditure which in its opinion is in the interest of, and will bring direct benefit to its area of any part of it or all or some of its inhabitants.

Policy

- 3.3 There are no direct policy implications as a result of the proposals, however, consideration is being given to an amendment to the recruitment policy in respect of apprenticeships.

Risk

- 3.4 There are limited risks if Executive does not agree to the proposals, however, would mitigate against risk in the following areas:-
- a) Delivery of Benefits action plan - additional fluctuations in benefits applications/support to delivery of projects.
 - b) Meeting Government targets for Apprenticeships (2010).
 - c) Delivery of priority areas within the Economic Development action plan.
 - d) Delivery of the revised grants policy to the Voluntary and Community Sector organisations.

Sustainability / Environmental

- 3.5 There will be sustainability issues with regard to the funding of fixed term posts, however, as specifically required to mitigate against the impacts of the economic downturn there is opportunity to review impacts/ longer term requirements of the proposals during the term of operation.

Report

4. Background

- 4.1 The Council were advised in April this year that we had been successful in a claim for “retrospective withheld benefit subsidy” resulting in payment of £255k to the Authority from the Department of Works & Pensions (DWP). This is a “one off payment” and Members agreed that an options paper be brought to enable consideration of the potential to reinvest in services to assist/ mitigate against the impacts of the economic downturn.
- 4.2 A number of proposals are presented to Members as requests to fund specific fixed term posts/commission works, from the £255k which was set aside. These proposals will positively assist individuals and communities within the borough at a difficult economic time.
- 4.3 The Corporate Management Team have considered and prioritised all the bids and those presented are viewed to be of significant benefit.

5. Key Issues

5.1 Post/Project Proposals:-

a) Welfare Officers (2 posts)

One of the most pressing needs in the borough is support and assistance to ensure people have access to, and claim the right benefits.

The proposal is to recruit two Welfare Officers (one full time and one part time) for a period of 18 months to assist in income maximisation and referral/signposting to specialist and independent sources of advice and support.

The Officers will work within the Benefits Team and provide a service at clients homes, office or specific benefits surgeries. The cost of the two posts will be £67,500.

b) Project Support - Benefits

At Executive on the 10 June 2009 Members approved an improvement plan for the Benefits Service. The plan sets out the key actions to deliver the recommendations made following an inspection by the Audit Commission which found the service to be “poor with uncertain prospects for improvement”.

The Council has already allocated additional resources to the service (£40,000 from 2009/10 revenue bids). The Council was also awarded £54,757 Administration Grant by the Department of Works & Pensions last financial year.

On 17 June 2009 the Authority has been advised that we are to receive a further £36,000 in Administration Grant in respect of our increased benefit caseload. It is proposed that a bid of £4,000 be considered to supplement the £36,000 grant to provide specific project support in the delivery of the benefits improvement plan.

Members acknowledged the plan is ambitious and challenging and were advised that a further bid was being prepared imminently for consideration to support capacity within the team. It is anticipated that the £40,000 (total) will be spent over a year via the secondment to a project officer post/and commission specific project work.

c) Apprenticeships/Traineeships

The Council currently has a budget of £10k to support apprenticeships, with only one apprentice currently working within the Council as an apprentice electrician.

Over the years there have been a number of posts made available in operational services (landscape, repairs and maintenance, leisure, depot fitter, administrative (human resources) and other posts in environmental health, planning and building control).

The proposal is for £80k to supplement the base budget which will fund a further two apprentices over a three year period. It is likely that additional training funds will be able to be accessed however salary costs will need to be met from the organisation.

By 2010 the Government will be setting targets for all Local Authorities to have a certain number of apprenticeships in place.

Our workforce planning programme will provide the baseline information of our skills shortage and identify areas for apprenticeships.

d) Grant Support Officer

Members have recently agreed two new policies to implement the key recommendations of the Overview & Scrutiny Third Sector Task & Finish Group.

i) Policy for funding voluntary and community sector organisations using the Shopping Investing and Giving framework.

ii) Policy for the award of grants by Redditch Borough Council to voluntary and community sector organisations.

The Third Sector Task & Finish Group made a recommendation to have additional support with a grants administration officer. This bid was not agreed within the budget strategy, however, Members are now asked to reconsider this proposal.

The grants support officer could provide essential support to the grants panel, assist in the community sector advice and provide administration and performance monitoring arrangements.

The proposal is for a one year fixed term post initially in what is viewed as a critical year in delivery of the new framework and policy.

e) Support to Housing Trailblazer Grant

The Housing service was successful in receiving £180,000 trailblazer grant to deliver enhanced housing options within the borough.

There are two projects within the agreed plan which would benefit from additional funding to be secured to ensure delivery:-

- i) Proposals for a private landlord to take on a second 5 bedroom property to provide quality rooms in shared houses within the private rented sector for young singles looking to live independently. The bid of £10k will be used to fund furniture, rent deposit guarantees and rent in advance.
- ii) The support to a volunteer befriending and mentoring service to assist those experiencing homelessness/ housing need to find housing and become self sufficient. To also extend the "Homelessness prevention" schools programme. The existing grant will cover the mentoring service. The bid of £5k will be used to fund the training of befrienders and fund travel expenses and activities.

f) Economic Development Projects

Executive on 1 July 2009 will seek the endorsement of the Redditch Economic Development Strategy (REDS).

Whilst the quick wins contained within the action plan are funded, the delivery of first and second priority actions will be subject to a separate bid.

It is considered that four of the first priority actions should be considered for funding from the DWP monies given the potential for support to assist within the economic downturn:-

i) Diversification Park Research Report £10k

Production of a report identifying the needs of businesses that would benefit from diversification away from low value-added manufacturing/automotive industries.

ii) Town Centre Improvements £5k

This would be used to address some of the quick wins associated with the Town Centre Strategy and may be match funded by Worcestershire County Council.

iii) Business Booster Grants £15k (over 3 years)

This is a grant for young businesses (18 months - 3 years) to enhance survival rates. The grant would be £1,000 per business. It is envisaged that Worcestershire County Council would offer match funding up to a maximum of £10,000.

iv) Redditch Prospectus £1k

This would be produced and also be available on the website to assist with promoting Redditch as a business location.

g) Supplier Seminars

A number of successful supplier seminars for businesses have been held to assist in the understanding and access to facilitate “doing business with the Council”.

A further sum of £5k is requested to deliver a further minimum of 10 sessions. This initiative will assist both local businesses, trades, and the Council.

5.2 The following table provides the anticipated spend over the next three years on the various projects:-

Proposal/Bid	Anticipated Spend		
	2009/10	2010/11	2011/12
Welfare Officers	30,000	37,500	-
Project Support - Benefits	4,000		
Apprenticeships/ Traineeships	20,000	30,000	30,000
Grant Support Officer	13,300	6,700	
Trailblazer Bids	-	10,000 5,000	-
Economic Development Projects	10,000 5,000 1,000	5,000 5,000	5,000
Supplier Seminars	2,500	2,500	
Totals	85,800	101,700	35,000

TOTAL BIDS £222,500

Should Members agree to all the proposed bids this will leave £32,500 remaining from the original sum set aside.

Members may wish to consider that this sum be held for any future bids to assist with the economic downturn or alternatively return to balances.

6. Other Implications

- Asset Management - None specific
- Community Safety - None specific
- Human Resources - Recruitment to the new fixed term posts will be in accordance with the Council's recruitment policy.
- Social Exclusion - Agreement to the bids will support both individuals and the community as a result of the economic downturn.

7. Lessons Learnt

- 7.1 The lessons following the Benefits inspection have been fully considered by the Council. Other learning has been considered from the respective strategies/plans in the development of these bid proposals.

8. Background Papers

Benefits Action Plan
Redditch Economic Development Strategy
Housing Trailblazer Action Plan
Budget Strategy

9. Consultation

This report has been prepared in consultation with the Corporate Management Team.

10. Author of Report

The author of this report is Sue Hanley (Acting Deputy Chief Executive), who can be contacted on extension 3601 (e-mail: sue.hanley@redditchbc.gov.uk) for more information.

11. **Appendices**

Appendix 1 - Summary of Proposals/Bids