

## **REPORT FOR OVERVIEW AND SCRUTINY COMMITTEE**

### **Responding to the Recession in Haringey**

#### **Introduction**

The UK is currently facing one of the worst economic crises for decades. A combination of the credit crunch, the collapse of the housing market and increase in fuel and food prices has resulted in the UK economy officially entering into a recession in January 2009, which is expected to be deep and protracted. A recession occurs when the economy experiences two consecutive periods of negative growth.

The recession will exacerbate the high levels of deprivation and poverty that currently exist in Haringey, the 5<sup>th</sup> most deprived borough in London. This will have major implications for the council and the people living and working in the area.

This report outlines the likely impact of the recession in Haringey and provides details of the actions the Council is taking to help businesses and residents through this period.

#### **National & local context**

Data from the International Labour Organisation shows that by November 2008, unemployment was at **1.92 million** across the UK and **298,000** in London. In Haringey the claimant count was **7,323** at December 2008, the highest since September 2007.

Annual house prices in England & Wales fell by **12.2%** between November 2007 and November 2008 and by **10.2%** in London for the same period (Source: Land Registry). In Haringey, land registry figures show that average house prices **fell by 4.9%** in the last 12 months, less than the national and London averages.

#### **Local Impact**

The economic downturn has had an impact on commercial property tenants' ability to pay rents on review and backdated rents. Tenants affected have been contacted by the Council to arrange payment plans.

Despite falling land and property prices the Registered Social Landlords are finding hard to raise the capital needed for new projects as borrowing is restricted. There has been a reduction in shared ownership sales and at least 1 RSL has admitted that beyond contractual commitments they will not be starting any new sites in the immediate future.



Woolworths and Bridisco, both large employers in the borough have gone into administration, with several other large retailers also struggling and/or closing, including Officers Club and Roseby's in Shopping City, Wood Green. Overall there are 20% vacancies on the site.

The Citizen's Advice Bureau has reported that requests for advice had increased substantially between April 07-Dec 07 and Jan 08-Sept 08; Welfare benefits (UP 66%), Debt (UP 26%), Housing (UP 35%) and Employment (UP 104%).

## **Taking Action**

### **a) Supporting businesses and tackling worklessness**

- A letter was sent to over 1,000 eligible businesses in December 2008 advising them on how to claim [Small Business Rate Relief](#).
- At the beginning of January the council published a **10 point action plan** to support businesses and to tackle worklessness during a recession:
  - 1 Launch of the Employer Zone in early 2009 to support residents and open up increased employment opportunities to [Haringey Guarantee](#) participants.
  - 2 Extra consideration to be given to funding projects through the Haringey Guarantee that specifically focus on engaging with people who have become recently unemployed.
  - 3 Closer working relationship with Jobcentre Plus so that appropriate jobseekers are referred to the Haringey Guarantee.
  - 4 Extra engagement with residents through the Haringey Guarantee programme after outreach venues were increased to 40.
  - 5 Meeting with local bank managers in late January 2009 to discuss support for local businesses.
  - 6 Details of [support available for businesses](#) to be circulated with annual rate request in February 2009.
  - 7 New business pack to be circulated to Haringey businesses in March 2009, outlining relevant council services and support available from other agencies.
  - 8 Increased support to give local businesses more chance of successfully tendering for public contracts and the Olympic procurement programme, CompeteFor.
  - 9 Increased support to be offered to Homes for Haringey to help it further develop its apprenticeship scheme after a recent request for applicants attracted more than 200 responses.
  - 10 A requirement for all contractors involved in the [Building Schools for the Future](#) (BSF) programme to engage apprentices on their schemes.

### **b) Improving take up of benefits and tax credits**



- On-going publicity about the Council's 'Claim It' campaign is currently appearing in the Council magazine and on street sign banners and using the Haringey website to sign-post people to the web based benefits checker [Entitled To](#).
- Running the [Reaping the benefits](#) campaign in eight different venues in Northumberland Park, Bruce Grove and Noel Park. Addressing some of our most deprived areas.
- Employing a Benefits Campaign manager to identify the best methods of increasing benefit take up in the borough and targeting those most in need. A launch event took place on 15<sup>th</sup> January 2009. A mail shot in was sent out in January to working housing benefit claimants and/or council tax claimants who do not appear to be claiming child tax credit or working tax credit.

#### **c) Tackling fuel poverty**

- Promoting the [Warm Front](#) scheme and the [Warmth and Comfort](#) scheme which provide heating and insulation improvements for those eligible.
  - 1 Energy Efficiency road shows will be held in February and March 2009 to promote take up of these grants.
  - 2 Direct mailing of those in receipt of benefits which would qualify them for the Warmth and Comfort scheme to encourage take up.
- Attending Access to Service events to publicise the assistance available with heating and insulation.
  - 1 Distributing 5000 Home Energy Efficiency Advice booklets annually.
  - 2 Distributing many thousands of low energy light bulbs annually.
  - 3 Distributing 2000 thermometers to older and vulnerable people.

#### **d) Other**

- Publicising [Free School Meals](#), supporting families in making claims and reviewing take up.