

Meeting: **Safer Communities Executive Board**

Date: **7 May 2009**

Report Title: **Discussion topic: Likely impact of the recession on Community Safety in Haringey**

Report of: **Claire Kowalska, Community Safety Manager
(adapted from the HSP report of Karen Galey, Head of Economic Regeneration)**

Purpose

To provide background information to stimulate a discussion about the potential impact of the recession on community safety and agreement on the principal actions to be taken by SCEB member agencies and their partners. It should be noted that information and analysis about this topic is changing regularly. This is, therefore, work in progress and not the full picture.

Summary

The economy is forecast to recover in the next 5-10 years but the landscape after recovery is likely to be very different. In the meantime, research suggests that rising unemployment, inflation and income disparity are likely to drive acquisitive crime, in particular, anti-social behaviour with the most severe impact falling on people at the younger end of the working age. The current situation is also impacting upon many professionals who have previously been less affected by economic downturns and have not traditionally been clients of local support services. In Haringey, such professionals reside predominantly in the west of the borough.

The impact of the current economic climate on crime is likely to be different from previous recessions¹. Unlike previous recessions, the UK entered this period on the back of an overall reduction in crime. Major changes since the last recession may also help to minimise the impact upon crime. These include the work of CDRPs and a range of community safety programmes and services now available (e.g. drug intervention (DIP), prolific and priority offenders (PPOs), family Intervention programmes etc). However, these initiatives and services are likely to come under increased pressure.

Appendix 1 contains background information taken from the HSP recession report

¹ Home Office Chief Economist – presenting at the Local Government Association (LGA) Conference ‘tackling crime during a recession’ 23rd April 2009.

Legal/Financial Implications

N/A.

Recommendations

That board members note the content of the report with a view to engaging in a discussion on this topic, giving consideration to:

- 1) Are there any further differences in the current economic climate relative to previous downturns that may require a different response from community safety services?
- 2) What further insight and data can you provide from your own agency/sector?
- 3) What specific actions can you/your agency take to mitigate the anticipated problems and what actions do you feel other partners can and should be taking?

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1. Current statistics for Haringey

- The highest percentage and numerical increase by age since May 2008 has been among the 25 – 34 age group where unemployment rose by 60%. This age bracket also has the highest overall numbers of claimants
- In terms of ethnicity, the highest percentage and numerical increase for the same period was among the 'white ethnic group' where unemployment rose by 50.5%
- Between October 2007 and October 2008, there has been a near 100% increase in new claims for housing and/or council tax benefit, a 27% increase in number of insolvency or liquidation write-offs, and increased rates of vacant retail units on our high streets (although Haringey remains slightly lower than the average for England)
- There is likely to be an increase in the key age category of 18-24 (significant as perpetrators and as substance misusers). They will be able to access Job Seekers Allowance and possibly housing support but this will constitute a minimum in terms of living costs**

- Since May 2008, the claimant count locally has increased by 43%. However, every London borough has been affected with 21 boroughs showing increases of over 50%. Haringey is currently 9th lowest.
- Since May 2008, the claimant count in Tottenham has increased by 41% and in Hornsey and Wood Green by 47%.

** In line with demands from the TUC, the Chancellor announced a £2bn programme on 22nd April to offer a guarantee of training or work for young unemployed people for more than a year with effect from 2010. However, the timescale has attracted criticism for being too late and it remains to be seen exactly how this will be achieved.

2. Potential impact on Community Safety

2.1 Priority crime and enforcement

Research has shown that relative income disparity shows a clear correlation with acquisitive crime, and the economic downturn threatens rising income disparity, accentuated in some communities by globalisation².

Corroborating this, a study by the University of California, San Diego estimates that a 1 percentage point rise in unemployment is associated with a 4.5 per cent rise in the number of burglaries and a 6.5 per cent rise in car theft.³

As well as a clear effect on acquisitive crime, a meta-analysis of studies carried out of 34 studies shows a strong link between poverty or income inequality and violent crime⁴. The recent LGA Conference specified that domestic violence is the most likely variant of this offence that will see an increase.

The 18-25 age group is likely to be disproportionately affected by a contracting jobs market and is also the age group most likely to commit crime (a third of offenders in Haringey are aged 18-24⁵).

The Metropolitan Police Illegal Money Lending Team states that 30% of all victims of money lenders have drug, alcohol or mental health problems (some have a combination of all three) 50% have exhausted all legal credit - meaning they have nowhere else to turn

The team was set up 13 months ago specifically to identify Loan Sharks and support victims of illegal money lenders through its work with Toynbee Hall's Financial Inclusion Team.

² Probationary Centenary Conference; "Public Attitudes to Crime and Punishment"; Mike Hough

³ The Times; Jan 14th 2009; Chris Dillow

⁴ Criminal Justice Review, Vol. 18, No. 2, 182-202 (1993); "Poverty, Income Inequality, and Violent Crime: A Meta-Analysis of Recent Aggregate Data Studies"; Ching-Chi Hsieh

⁵ Haringey Strategic Assessment 2008; Kearse, De Bourg and Pepper

The number of High Street 'pay day' money lenders has increased since the recession, and are to be found in the deprived areas.

Loan sharks affect the victim and whole community leading to increased financial and social exclusion – for e.g. if a man cannot pay off a loan, the loan shark will often say 'give me 25% of your business, (increasing further their own Business portfolio and standing within the community) or your wife can come and 'work' (prostitute) for me.

This ultimately exacerbates drug use as people find new ways of coping (often being introduced to drugs by the loan shark), crime and/or anti social behaviour - torching of cars (for people who cannot pay off loans) or violence to the person or their family.

Patterns of drug use may change e.g drugs that eat time such as heroin and are longer lasting (as opposed cocaine, which is quicker acting and often used in conjunction with other substances such as alcohol, and therefore requires more money

The 'grey economy' grows at times of recession bringing more people into contact with drug markets.

Increases can be expected in the following areas of enforcement:

- Unauthorised development to intensify housing use – rogue landlords and those who cannot afford to move
- Fly-boarding and unauthorised advertising
- Closed shops acting as a magnet for disorder and vandalism
- Increases in counterfeit products in circulation
- Tighter trader overheads leading to non-compliance i.e. reductions in training, use of rogue contractors, less repair and maintenance
- Dumping of trade waste
- Illegal street trading
- Small businesses seeking higher profit margins with possible increases in applications for table dancing, gambling etc.
- More abandoned vehicles as the scrap value falls
- Disorder and neglect associated with higher repossessions

2.2 Changing demographics

Haringey has traditionally been a 'gateway' borough to London, hosting a large proportion of new migrants to the capital. Although the declining jobs market and the lower value of the pound is driving an exodus of economic migrants, particularly accession state nationals, the many who remain will be disproportionately affected by a fall in employment. The Federation of Poles in Great Britain estimates that as many as 1,500 Poles could be sleeping rough in the UK.

2.3 Welfare Reform Bill

The Bill contains a package of reforms aimed at those claiming welfare, who “have a propensity to use drugs”. It allows for sanctions to be applied to those who fail to comply with the programme without ‘good cause’. It is unclear whether a relapse would trigger benefit sanctions. Given the stigma and discrimination that drug users currently face, this is unlikely to assist their access to future employment. Objections have also been forthcoming in relation to the proposed access to records and information and issues of privacy.

Given that the Bill has been delayed and is unlikely to come into full force until Spring 2010, we will not go into further detail at this moment. Suffice it state that Haringey DAAT is working closely and constructively with Jobcentre Plus to prepare themselves as best as possible for a potential new system. The DAAT will report further in due course.

3. Current responses from Safer Communities Partnership

The Safer Communities Executive Board has resourced and funded various projects to ameliorate the effects of the recession on crime and disorder in Haringey.

Additional funding has been secured for the policing of acquisitive crime overall especially to address theft from motor vehicles and residential burglary.

Community Safety and DAAT staff are working with the Worklessness Team to focus on the substance misusing 18-25 year old age group who are not in education, employment or training. SCEB has also allocated additional resources to the Youth Offending Service to work with foreign nationals and asylum seekers. Additional resources have been allocated to the ASBAT to deal with anti-social behaviour. There is a new focus on reducing re-offending by non-statutory offenders (i.e. those sentenced to less than 12 months) which will help address persistent acquisitive offending.

The DAAT is setting up referral pathways with Job Centre Plus and drug treatment providers, as part of the proposals under the Welfare Reform Bill (at this stage voluntary referral to a treatment provider).

Partnership analysts in the Safer Communities Service support partners and projects with sophisticated analysis (such as geographic and demographic mapping and victim, offender and property profiling) to identify emerging trends, community impact, opportunities to reduce crime, disorder and substance misuse, direct responses to maximise their effectiveness and to evaluate responses to show success, cost effectiveness and improve future interventions. This approach is advocated by the Home Office’s Head of Crime Strategy.⁶ who

⁶ LGA Conference ‘tackling crime during a recession’ 23rd April 2009

emphasised the importance of responding to the recession on the basis of local priorities and intelligence.

An area-based working model is now established across the borough and brings together front line partners to raise and resolve crime, disorder and environmental problems. Partnership working and problem solving are supported with resources, research, analysis, advice and funding to ensure that long- term, ingrained problems are dealt with effectively.

A multi-agency Performance Management Group meets six-weekly to identify and address changes in performance. This group oversees progress on all relevant partnership actions to address priorities and also has oversight over the allocation and re-allocation of key resources.

The Safer Communities Partnership will be under pressure to perform at a high level again during 09/10 given the favourable results at year end 08/09. Key results include: Robbery down by 24%; All acquisitive crime down by 8%; Gun and knife crime down substantially (25% and 20% respectively); Record numbers in effective drug treatment; Fewer first time entrants in the CJS, and no requirement for the ASBAT to apply for an ASBO since October 1997.

See Appendix 1 below for further background

HIGHLIGHTS FROM HSP REPORT ON THE RECESSION

1. Background

A recession is defined as two consecutive quarters of economic contraction – recent UK figures state GDP output fell 0.6% and 1.6% in the last two quarters respectively and therefore the economy is officially in recession. The Budget 2009 forecast that GDP will have contracted by 4.5% by late 2009. Since the 1950s, the majority of recessions have lasted nine months (three quarters). However, the two most recent recessions officially lasted over a year (five quarters in each case).

Some key highlights from the Labour Market Summary as of April 2009 are:

- Nationally, UK unemployment stood at 2.10 million for the three months to February 2009 – the highest level since 1997; up 177,000 over the quarter and up 486,000 over the year
- There were 462,000 vacancies in the three months to March 2009 in the UK, down 68,000 over the quarter and down 230,000 over the year. This is the lowest level of vacancies since 2001
- London unemployment hit 320,000 up 22,000 over the quarter and 53,000 over the year, making up close to 11% of the national increase
- The claimant count in London (seasonally adjusted) was 199,100 at March 2009; up 12,000 compared with the previous month and 23,000 over the year.

Ongoing work

Our existing partnership programmes, such as the Haringey Guarantee are still delivering, but will come under increased pressure. Additional support for employment seekers is to come from government. This is a £1.3bn package of measure including halting Job Centre Plus closures and offering incentives to employers to take on unemployed people. Services are also being developed to better meet the needs of recently unemployed people, tackling recent nationwide redundancies. This recession will highlight the rapidly changing skill demands in the economy and our support interventions must respond to this, but also not lose focus on those who are furthest from the labour market.

Our business community is struggling to access finance. We have met with the banks and they want to convey this message - they are “open for business”. However, they are more risk averse and want to lend where it is a viable option and to support valuable activities in the borough. Again the government has developed measures to support business during this time, coinciding with the launch of ‘Solutions for Business’ – the product of the business support simplification agenda. The government has agreed to underwrite £1.3bn of commercial loans to businesses as part of the enterprise

finance guarantee scheme. We continue to promote the availability of these schemes within the business community.

There is a substantial commitment by central government to invest in infrastructure and in particular in house building. With this investment will come contracts for construction firms and, through them, employment options. This presents a real opportunity for the borough to provide employment and skills development for local residents through apprenticeships and direct labour organisations in this potential construction boom. Already, in 2006, Haringey adopted the Supplementary Planning Guidance Employment Code of Practice and Employment Training Protocol. This is Haringey's commitment to taking advantage of the employment opportunities for local people through our significant regeneration projects.

The borough's major development sites at Tottenham Hale and Haringey Heartlands are integral to achieving our London Plan housing target of 6,800 homes by 2016/17. This is in addition to the Decent Homes (for Haringey), improving the quality of our social housing stock, and the £211m Building Schools for the Future programme to build 12 new schools. This is on top of our ongoing and future planned infrastructure and public realm improvements and the development of a green industries centre at Marsh Lane.

New approaches

Tackling this recession calls for new approaches and we have already begun to explore viable options. These are approaches that are community driven to reinstate trust that has been lost in large organisations and in the private sector. Approaches that deliver greater social return on investment, giving residents and businesses greater control and ownership of their circumstances and that create new opportunities that are no longer viable in this changed economy. Already we have considered: Financial Services, New models of housing provision, a Green New Deal, Credit Unions, Co-operatives and Local Energy Generation and Supply, Flexible and tailored business support, Self Employment and Volunteering. An update on this activity is attached as appendix 1.

Further to this a recession taskforce is being established through the HSP and a recession dashboard that will monitor key indicators of the recession. The cross-cutting basket of indicators on the dashboard is currently being updated bi-monthly. Indicators have been selected across all the Community Strategy that consider, lifestyle changes, employment rates, business health, family poverty, mortgages and repossessions, crime and safety and economic regeneration.