

REPORT TO: POLICY AND RESOURCES COMMITTEE - 24 AUGUST 2009

REPORT ON: DUNDEE CITY COUNCIL - TACKLING THE RECESSION

REPORT BY: DIRECTOR OF CITY DEVELOPMENT AND DEPUTE CHIEF EXECUTIVE (FINANCE)

REPORT NO: 406-2009

1 PURPOSE OF REPORT

- 1.1 To provide an overview of the Council's response to the current economic recession, outlining a range of initiatives established to support local businesses, families and communities.

2 RECOMMENDATION

- 2.1 It is recommended that the Policy and Resources Committee note the activities currently being undertaken by the Council to minimise the impact of the recession on local businesses, families, individuals and communities.

3 FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications as all activities referred to are contained within current budgets.

4 BACKGROUND

Dundee City Council - Tackling the Recession

4.1 Impacts of the Recession

Across Scotland, businesses, families and communities are being impacted upon by the current economic recession; presenting challenges for local authorities. In Dundee these include:

- a Rising unemployment - in Dundee, unemployment stood at 5.4% in June 2009, 1.4% above the Scottish average, with a total of 4,780 people registered unemployed. Whilst this is a significant increase of 45% on the June 2008 figures it must be noted that this was the second lowest increase of all Scottish local authorities with most other areas facing even greater challenges eg South Lanarkshire experienced a 117% increase over the same period and Glasgow a 77% increase.
- b Fall in employment - the number of jobs in the city has decreased from 83,541 in 2008 to 80,156 in January 2009.
- c Increased demand for council services - as the recession bites, more and more people require support from a range of services offered by the Council. For example, Welfare Rights have seen a total of 15,135 new and repeat enquiries in 2008/2009 and Housing and Council Tax benefits have also increased. In June 2008 the City Council was supporting 21,040 council tax and/or housing benefit claimants. This had risen to 21,746 in June 2009.
- d In common with national trends there has been a slowdown in the property market - residential and commercial property prices and sales have fallen across the city.
- e Fall in local authority income eg projected reduction in planning fees and building warrant income of £450,000 in the current financial year.

4.2 Need for Intervention

- a The City Council recognises the important role that they have to play in supporting the local economy during this difficult period. It has developed a range of new initiatives and enhanced existing support to ensure the impacts of the recession are minimised wherever possible and that those who require assistance have greater access to services.
- b The City Council is not only initiating new services but continues to work in partnership to deliver agreed strategies and targets as outlined in departmental service plans and the Dundee Partnership's Single Outcome Agreement which focus on delivering a sustainable, growing economy.
- c It is also recognised that the recession will impact differently in different areas and that local authorities are best placed to develop tailored, local responses to the issues.
- d Whilst highlighting the work of the City Council in relation to the recession it must be noted that as with all local authorities, we face budget pressures and restrictions alongside a multitude of challenges and service demands over the coming months and years that will impact upon budgets, services and the ability to support the community.

4.3 Response to the Recession

The City Council has instigated a range of provisions aimed at supporting 3 broad areas:

- a families and individuals;
- b businesses; and
- c communities.

4.4 In conjunction with activity focused on these key client groups, the Council has also introduced a range of measures to enhance general economic activity in the city.

4.5 These "recession busting" services need to be considered in conjunction with the impact of the recession on council services eg budget cuts and increased demand for services.

4.6 Support to Families and Individuals

Providing support, advice and guidance to the local population at this time is a key priority and the Council has worked collaboratively with local partners, utilising local knowledge to respond to changing needs. Activities include:

- a Revised employability targets - in light of the current economic situation, the City Council has revised its employability targets.
- b Strong focus on worklessness programmes - the City Council is at the forefront of the Dundee Partnership's Employability Programme and the Dundee European Programme which provides a range of employability focused services to unemployed people across the city through individually tailored support taking clients from engagement through to job brokerage and aftercare.
- c Future Jobs Fund Bid - the City Council, on behalf of the Dundee Partnership, submitted a successful bid to the Department of Work and Pensions Future Jobs Fund and working with its' partners will create over 120 jobs for young people aged 18 to 24 who have been unemployed for almost a year. The jobs must offer a minimum of 25 hours per week for a 6 month period. The first jobs will become available in October 2009.

- d Welfare Rights - application for funding from Scottish Legal Aid to provide additional Welfare Rights services in the city. Continued financial support for voluntary sector money advice agencies such as Citizens Advice Bureau.
- e Public Sector Recruitment Approach - as a large employer, the City Council has the ability to offer a range of opportunities to local people seeking to develop skills, access work experience and gain employment. The Public Sector Recruitment Approach seeks to develop a range of projects which provide just such opportunities to local people. The City Council is playing a key role in this approach as highlighted by the appointment of local people by the Dundee House contractor.
- f Mortgages for first time buyers - the City Council has introduced a mortgage scheme for first time buyers of Council owned housing stock.
- g Childcare support - the Dundee Partnership's Employability Programme includes funding to support unemployed parents who are returning to work by providing financial support to access childcare places.
- h Providing information and advice on key services - the City Council's website provides links to advice and guidance for those affected by the credit crunch:

<http://www.dundee.gov.uk/lifeevents/creditcrunch/>.

On-going marketing of services to support local people is key.

4.7 Support to Businesses

Support to local businesses is directly linked to support for local people. It is these local businesses that provide employment opportunities and pay people's wages. Whilst local authorities cannot be expected to solve all the problems facing businesses eg lack of access to finance, supply chain issues or reduction in consumer confidence, there is scope to offer a range of effective business services to provide support wherever possible. Services on offer to support the business community include:

- a Survive and Thrive - businesses across Tayside are being offered expert advice and guidance from experts in banking, accountancy and the law at 3 free seminars being held as part of the new Survive and Thrive programme being delivered by the Business Gateway (of which Dundee City Council is lead Local Authority) as a mechanism to provide support and information to businesses directly affected by the downturn. 61 businesses attended the event in Dundee with 9 companies receiving an initial review and to date 7 companies have received one-to-one specialist business support lasting for 2 to 10 days.
- b Enterprising Tayside - Dundee City Council submitted a successful bid for funding from Scotland's European Regional Development Fund to provide a range of enhanced business services across Tayside. This includes a small grants scheme aimed at providing small and medium sized enterprises with consultancy support to consider growth strategies, e-business opportunities and environmental and resource efficiency; support to local businesses seeking to grow; aftercare support for new businesses and the promotion of entrepreneurship.
- c Business Support - the City Council is involved in a range of business support activities including the E-Zone project which provides one-to-one advice to local unemployed people considering self employment and manages the delivery of services through the national Business Gateway network. The Business Gateway has seen enquiries grow during the recession as more people consider self-employment options. The Business Gateway provides a range of advice and training to those looking to move into business

and to businesses looking to grow, within the confines of the existing Business Gateway contract.

- d Ensuring rapid payment to local suppliers - the Council continues to ensure that invoices are paid within 14 days to ensure that local business's finances are not put at risk from cash flow problems. Dundee City Council was the first Scottish local authority to introduce such a policy.
- e Small Business Rate Relief – providing information to local retail businesses on the small business rate relief scheme.
- f Non-Domestic Rates - the City Council has had increasing requests from local businesses with regard to the deferment of payment of non-domestic rates.

4.8 Support to Communities

- a Social Enterprise Development – social enterprises offer local communities and community groups the ability to raise income, generate employment and training opportunities. The City Council is providing support to a range of community organisations developing social enterprises at the present time.
- b Urban Environmental Activity - the Scottish Government Town Centre Development Fund first round allocations have been announced and the Council's submission for Lochee has been awarded £2 million.
- c On-going regeneration – the City Council continues to promote the redevelopment of existing neighbourhoods eg Mill O' Mains and the Hilltown.

4.9 General Economic Activity

- a Accelerated school build programme - in February the Council announced plans to accelerate their new school build programme, fast-tracking the development of 4 new schools, to provide a boost to the construction sector. The £20m spend is on top of an existing programme costing in the region of £133m spent on new and improved schools in recent years.
- b Construction of Dundee House - the City Council has commenced the development of Dundee House.
- c Local labour clauses – the Council continues to utilise local labour clauses in large scale contracts, through community benefit in procurement.
- d Place-making – continuing to promote the city to businesses and visitors alike is of key importance at this time.
- e Launch of Dundee Renewables – in May 2009, Dundee City Council, working with a range of strategic partners (Forth Ports Authority/Scottish Enterprise) launched Dundee Renewables – promoting the city as a location for renewable energy manufacturing.
- f New city branding – the City Council has developed a new branding for the city called "One City, Many Discoveries", encouraging people to "discover more about the city", raising it's profile, encouraging visitors and supporting the economy.
- g Central Waterfront and Olympia developments - the City Council has commenced the development of these key projects.

5 POLICY IMPLICATIONS

- 5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

6 CONSULTATIONS

- 6.1 The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance), Head of Finance and Assistant Chief Executive have been consulted and are in agreement with the contents of this report.

7 BACKGROUND PAPERS

- 7.1 There are no background papers of relevance to this report.

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MPG/DD/SU/KM

12 August 2009

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