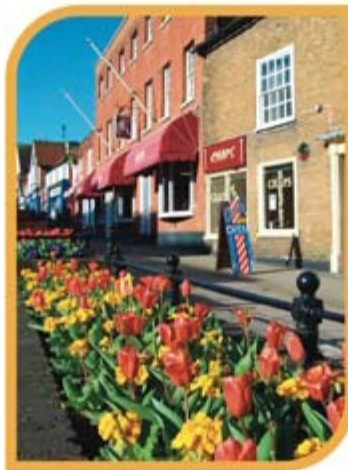


Report of Task and Finish Team

Meeting the Challenge of the Credit Crunch

9th October 2009



REPORT: To One Epping Forest Board

DATE: 9th October 2009

SUBJECT: Report of Task and Finish Team –
Meeting the Challenge of the Credit Crunch

AUTHOR: Policy and Research Officer/LSP Manager

1. PURPOSE OF REPORT

- 1.1 To review the nature and extent of the recession's impact on the Epping Forest District, assess the range of support services available to local communities and businesses, identify gaps and initiatives to respond.

2. RECOMMENDATIONS

- 2.1 That the LSP Board:
- i. Review and endorse the report.
 - ii. Comment on, agree and prioritise the specific recommendations set out in section 8.
 - iii. Recommend that the new Sustainable Communities Theme Group support the work identified by the Task and Finish Team and ensures that the parties who supported the Team are represented on its membership.
 - iv. Thanks colleagues from the partner groups represented on the Task and Finish Team for their support in carrying out its work and producing this report.

3. BACKGROUND

- 3.1 Following a major review of how it was working, the LSP Board, at its meeting on 26 February 2009, determined a new approach which was much more outcome focused. As part of that approach it was agreed to the setting up of a number of time-limited Task and Finish Teams.
- 3.2 At the time the new arrangements were agreed, the full significance and potential impact of the economic situation and the need for partner organisations to work together in dealing with that situation, was being recognised. Thus, the Team became one of the first such teams established by the LSP.
- 3.3 The following terms of reference were confirmed by the Team at its first meeting:

"To review the nature and extent of the economic downturn in the Epping Forest District:

To assess how the local economy and employment might be best supported;

To assess how the partners should invest in, or change the focus of, public services to better support local residents; and

To work with local expert groups and academic institutions in producing recommendations to the LSP Board."

3.4 The Team met on four occasions, these being 30 April, 29 May, 30 June and 20 August 2009.

3.5 A "fluid" approach was taken in terms of membership and involvement of the various partners, with representation from the different organisations sought either throughout the time the Team was undertaking its work or on an "as and when" basis, depending on the nature of the specific issues under review at any one stage.

3.6 The following partner organisations and individuals were involved at one time or another during the process:

Keith Brown	- Federation of Small Businesses
Jacqui Foile	- Voluntary Action Epping Forest
Tina Dulieu	- Federation of Small Businesses
Lesley Forster	- Job Centre Plus
Liz Hand	- Job Centre Plus
John Houston	- LSP Manager
Keith Hughes	- Business Link East
John James	- Epping Forest Chamber of Commerce
Julia Milovanovic	- Epping Forest CAB
Andy Pepper	- Mid Essex Local Pensions Scheme
John Preston	- Director of Planning and Economic Development EFDC
Jenny Smith	- Harlow Save
Barbara Stock	- Epping Forest College
Yvette Wetton	- Essex County Council
Vicki Willis	- Economic Development Officer EFDC
David Wright	- Epping Forest LSP
Chris Overend	- Policy and Research Officer EFDC

3.7 The Team went about its task in a number of stages:

- Obtaining data from the different partners on the impact of the economic situation, comparing the situation in key areas (such as employment, redundancies, business start-up, numbers seeking debt advice) in mid 2009 with that a year ago.
- Pulling together information on existing provision by partners in dealing with the economic situation.
- Looking at good practice from elsewhere.
- Identifying funding opportunities aimed at reducing the impact of the 'Credit Crunch'.
- Establishing what the 'Gaps' in provision were.
- Agreeing realistic additional measures to close those gaps.

4. HOW THE 'CREDIT CRUNCH' IS IMPACTING

4.1 The various statistical papers used in identifying changes in economic and other circumstances in the 12 month period from mid 2008 to mid 2009, included the following:

- VAEF Statistics on initial enquiries from potential volunteers
- Students claiming Education Maintenance Allowance (EMA), ages 16-19.
- Changes in Job Seekers Allowance (JSA) Claims between April 2008 and April 2009 at ward level.
- Occupations of those claiming JSA at Loughton Job Centre.
- Labour Market Profile Epping Forest District.
- Claimant Counts and Flows by Occupation, Age and Duration.
- Vacancies notified and vacancies unfilled.
- The Inter-Departmental Business Register.
- Enquiries received by Epping Forest CAB by particular category (but notably Debt, Employment, Benefits, Consumer).
- Epping Forest District Council information on Housing Rent Arrears and Homelessness.

4.2 The areas where significant changes had occurred and which therefore needed addressing as a matter of urgency, included the following:

- An increase of JSA Claimants from 1,119 (1.5%) in April 2008 to 2,489 (3.3%) in April 2009 (figures similar to those for Essex and the East of England).
- The number of JSA Claimants claiming for up to 6 months increased from 790 (70.6%) in April 2008 to 1,955 (78.6%) in April 2009.
- Individuals claiming JSA between 6 and 12 months increased from 175 to 385 between April 2008 and April 2009. Since April 2009 the proportion of claimants moving into this band has increased so that in July it accounted for 21.1% of total claimants compared to 15.5% in April 2008.
- The total number of cases dealt with by Epping Forest CAB in the categories of Debt, Employment, Benefits and Consumer in 2007 was 2,390. This compares with a total of 2,708 for the final quarter of 2008, and 3,186 for the first quarter of 2009.
- The total number of customers supported by Business Link during the period April 2008 to March 2009 was 108,082, an increase of 10% from 2007/08.

5. HELP AND SUPPORT AVAILABLE

- 5.1 Partner organisations represented on the Team provided details of activities and initiatives already being carried out which were helping alleviate the impact of the economic situation. These included a wide variety of support services aimed at a range of clients from business, small and large, to members of local communities. The following list gives an indication of some of the services offered that may have a direct or indirect impact:

Epping Forest Chamber of Commerce

- Guide to Business Services.
- Professional Support.
- Social and Networking Events.
- Marketing and Business Opportunities.
- Discounts and Benefits.
- Free Entry in Business Directory.

Epping Forest CAB

- Advice on debt, housing and employment issues.
- Access to legal help for those eligible for legal aid.
- Encouraging Benefit take-up.
- Tackling fuel poverty.

Federation of Small Businesses

- Legal Benefits Package which includes advice on legal, tax, employment and commercial matters.
- Insurance cover for legal and tax problems.
- Free health checks.
- Free consultation and financial analysis.
- Discounts on business, insurance, medical services.
- Free "Beat the Recession" and "Boost your Sales" Seminars.

Business Link

- Independent and impartial (and in most cases, free one-to-one help and support) from a business adviser, for existing businesses, those looking to grow and start-ups..
- Workshops and briefings on business planning, sales and marketing, legislation and developing people.
- Free business health checks.
- Essential Survival Guides ("The Know" and the Recession Survival Guide).
- Business Link also referred to Venture Navigator, a free on-line business support service to start-ups, small businesses and entrepreneurs. It is funded by UK government and provided by England's universities - www.venturenavigator.co.uk

Job Centre Plus

- Advice and support for those out of work.
- Information on learning and training opportunities.
- Advice and support to Employees and Employers facing a redundancy situation.

Epping Forest College

- Specific courses aimed at job seekers. Details of these have been included in the recently produced guide.

Essex County Council

- Essex Apprentice Scheme
- Increased number of Public Sector Apprentices
- Funding of Apprentices in Manufacturing and Engineering.
- Benefits Take-up Campaigns.
- Council Tax – Financial support for vulnerable residents.
- Reopening of Post Offices.
- Banking on Essex scheme including medium term lending to local small and medium enterprises.
- Signposting of business support services.
- Partnering with Cambridge's Institute for Manufacturing IFM

Epping Forest District Council

- Encouraging greater take-up of Small Business Rate Relief.
- Improved turnaround time for invoice payments.
- Work with Building Societies/Banks/Local Social Landlords to formulate a plan for those whose properties are repossessed or are in danger of being repossessed.
- When tendering for the provision of services, supplies and works, the District Council endeavours to seek at least one quotation from a business located in the District, provided that in awarding the contract to a local business, the Council's duty to achieve value for money is reached and that all legal obligations are met.
- For the supply of goods and/or services to the District Council, suppliers have the facility to register on www.paessex.gov.uk to receive contract opportunities free of charge that match their business requirements.
- Rental Loan Scheme.
- Rent in Advance Schemes.
- Greater Flexibility in the Shared Ownership Scheme.
- The use of a 'Recession Busting' grant from Communities and Local Government to be passed to the Epping Forest Housing Aid Scheme (EFHAS) to provide further rent guarantees.
- An increase from £40,000 to £60,000 in terms of the maximum amount the District Council underwrites in respect of rent guarantees issued by EFHAS to private landlords.
- Home Owners Mortgage and Support.
- Mortgage Rescue Scheme and the small interest-free loans granted under the Prevention Re-possession Fund
- Working in partnership with others to deliver the business support open day 3 July 2009.
- The freezing of car parking charges for the current year, in addition to free Christmas and free Saturday parking provision in selected car parks.

5.2 The Team also looked at "good practice" elsewhere including specific strategies and schemes/initiatives put in place by other LSPs and public organisations:

- Local Government Association – Global Slowdown: Local Solutions.
- Department for Communities and Local Government – The Credit Crunch and Regeneration: Impact and Implications.
- Teignbridge Strategic Partnership – Report of the Teignbridge Credit Crunch Commission.
- I&DeA – No Council of Despair: Positive Local Leadership in a Recession.
- Cambridgeshire Together – supporting Cambridgeshire Communities through the economic downturn.
- Oldham Partnership – Credit Crunch War Cabinet.
- East of England Advice and Guidance for Employers and Employees during the economic downturn.
- Local Authorities and the Recession - Solutions from the Citizens' Advice Service.
- CABS – Backing Communities: Local Solutions – Councils and Voluntary and Community Organisations supporting people through the recession.
- CIPFA Finance Advisory Network – Dealing with the recession.
- Houghton Review: Tackling Worklessness.
- South Staffordshire Local Strategic Partnership Newsletter.
- HM Government – Real Help for Communities: Volunteers, Charities and Social Enterprises.
- Bromley LSP – Impact of Economic Downturn.
- Websites dedicated to advice about where to go and what to do.
- Specific loans/grants made available to assist businesses.
- Work with building societies/banks to formulate a plan for those whose properties are repossessed or are in danger of being repossessed.
- Encouraging the unemployed to volunteer (but with the prospect of paid employment).

5.3 **Credit Unions**

The Team undertook a review of the services provided by Credit Unions and the potential for their activities to be extended in the Epping Forest District. Details of the review are set out in the

Appendix to this report.

5.4 **Funding Initiatives**

A number of funding initiatives had been introduced since the extent and significance of the economic situation first became recognised. The availability of the following was noted by the Team:

- Modernisation Fund Grants Scheme.
- Proof of Concept Fund.
- Enterprise Finance Guarantee Scheme.
- Future Jobs Fund.
- Volunteer Managers Programme.

6. CREDIT CRUNCH REVIEW

- 6.1 It was clear, from the evidence received, that many agencies from the public, private and community sectors were very aware of the impact of the recession locally and had taken active steps to respond. The economic recession had certainly impacted on the District, the county and the region overall, although the impact generally was no more severe than anywhere else in the country. Nonetheless, there were no grounds for complacency and particular issues in the District requiring immediate attention are highlighted in the remaining paragraphs of Part 6 as set out below.
- 6.2 Unemployment had increased from 1.6% to 3.3% in the Epping Forest District in the last year to July 2009 (a similar increase to elsewhere in Essex and the east of England in general). There are clear clusters of wards with higher rates in the Waltham Abbey and Loughton/Debden areas as follows: Loughton Alderton (4.6%), Loughton Broadway (4.8%), Loughton Fairmead (5.2%), Waltham Abbey Paternoster (5.3%) and Waltham Abbey South West (4.8%). Highlighting these wards in particular should not shadow the fact that all wards have experienced an increase in unemployment over the last year. A higher proportion of Epping Forest District's workforce is within the construction and financial services sectors compared to county, regional and national profiles. It is these sectors amongst others which the district is not so dependent (e.g. manufacturing, retail and distribution) which are most at risk during the current economic downturn. Overall, however, unemployment in the District remains marginally below the county average at 3.4% and a distance below the national average of 4.1%.
- 6.3 Epping Forest District does not currently stand out as a location of major redundancies like other locations in Essex (e.g. Basildon). Of more significance to the district is recognising the high level of out-commuting into London and the impact of redundancies in London on residents of Epping Forest District. In terms of occupations sought by those on JSA within the Epping Forest District, there is a high number seeking administrative opportunities and corporate manager positions. Also high on current records are those seeking sales, skilled construction/building and 'elementary trades, plant and storage related occupations'.
- 6.4 Whilst business start-up as measured by National Indicator 171 (which uses new businesses registering for VAT/PAYE for first time) has been strong in the district as it has in the County as a whole, the LSP has signed up to a target to improve this performance. It is also noted that the district's access to start-up business support services is low. For example, 48 people per 10,000 economically active population accessed Business Link's pre-start support in Epping Forest in the year to March 2009 compared to 208 per 10,000 in Harlow, 91 in Southend and 89 in Braintree. Some local authorities record a lower level of uptake, although it must be recognised that this may reflect that individuals in many other authority areas have access to enterprise agency support in addition to Business Link.
- 6.5 The Epping Forest District remains an excellent performer in terms of NEETS, showing the lowest level of young people not in employment, education or training.
- 6.6 House prices in the District fell by an average of 10.3% for the year to June 09 (compared to an average 11.3% fall for the county) following falls in the previous year. Nonetheless, the average house price in the District is £297,751 (as of June 2009) across all types of dwelling, remains significantly higher than in most other districts in Essex where the average price is £212,776. (based on figures provided by the Land Registry of England and Wales.)

A number of schemes have been introduced by government to mitigate the worst effects of the economic situation in terms of delaying repossession.

Report of Task and Finish Team – Meeting the Challenge of the Credit Crunch

The 'Credit Crunch' does not appear to have had a major impact in terms of the services provided by District Council Housing, although some of the improvements identified in the table below may be the consequence of enhanced internal procedures/arrangements:

	06/07	07/08	08/09
District Council Housing Rent Arrears as a proportion of Rent Roll	1.69%	1.52%	1.62%
Average number of single homeless households placed in b & b accommodation to whom the District Council owes a duty	17.3	3.7	1.75
No. of households living in temporary accommodation	154.3	62.7	70
Homeless applications processed	249	136	120
No. applicants found to be intentionally homeless	4	5	10
No. applicants to whom housing duty owed	108	80	71
Local authority repossessions caused by rent arrears	2	0	0
Registered social landlord repossessions caused by rent arrears	6	2	1
Notice to quit private rented accommodation	123	149	89

600 properties (across all tenure types) have been empty for at least one year (as indicated by Council Tax records, at March 2007= 258, October 2006= 187). All have been written to with a questionnaire to complete and return. Responses have been received from 110 – of these, 36 have requested information/visits regarding Grant, PLACE or Finders' Fee. A significant number said their property was empty because they had been unable to sell it.

The number on the Housing Register at 1 April 2009 was 4,611 (compared with 3,967 at 1 April 2008). The current figure is 4,700. The substantial increase can be mainly attributed to the introduction of the Choice Based Lettings Scheme in 2007 when the public became more aware and expectations of getting accommodation were raised.

6.7 The Team looked to see if there was any identifiable impact from the recession highlighted in additional enrolments at Epping Forest College. Enrolment numbers for full-time 14-19 and adult part-time students were examined over the last 3 years and showed fluctuations but there was no discernable impact as there are many other factors influencing enrolment numbers. Feedback from advice and guidance sessions with adult students has indicated that a number of applicants have changed career direction because of the economic downturn, for example people with beauty qualifications changing to childcare training or graduates who can't find employment taking up practical vocational options, such as plumbing.

6.8 National Reports indicate there may be a significant impact on health and ancillary services as the recession affects health and wellbeing. However, it is very difficult to quantify that potential impact locally at this stage.

There are established links between high rates of deprivation and poor health, arising from poor health choice behaviour, lack of knowledge, and many other factors including relative cost and low perception of self-worth. With the recent trends in market forces, the United Kingdom has entered a period of recession. Unlike in previous recessions, the ramifications for healthcare may, in many instances, prove to be severe because the economic conditions which triggered the present recession are different.

Recession, by its very nature, affects all members of society. However, it is often the poorest groups of society which are affected most. These groups have little amounts of reserve savings to draw upon in times of need, and often place a high degree of burden on NHS services. Primary care services which may be viewed by the general public as peripheral, e.g. dentistry and optometry, may also be areas of concern for the future. Given that some of these areas involve a cost to the public, it may emerge that individuals delay expenditure, allowing small problems to potentially develop into serious concerns. Whilst some of the effects of the recession are already having an effect in the form of unemployment and reduced incomes, other aspects may take

longer to have an impact. At the individual level, as the likelihood of losing one's job increases, so one is more inclined to suffer work-related stress and be less inclined to take time off work from sickness. Over an extended period of time, the health of the individual is therefore likely to suffer. At a macroeconomic level, employment may cause a short-term pressure on the NHS through demand for mental health services and other volatile health indicators, such as the health effects of increased alcohol and drug abuse. It follows that the groups of people most likely to be affected are those closest to poverty prior to economic contraction, which in turn means that there is a likely negative impact on health inequalities for the population.

In order to measure the full extent to which the services provided by NHS West Essex may be affected during the present recession, it will be necessary to undertake detailed research at the local level, based on the findings of this report.

- 6.9 Advice services are under increasing strain, particular those around debt, benefits, housing and employment. For instance, the number of cases Epping Forest CAB had had to deal with increased significantly. During the first nine months of 2008, the total number of cases it had dealt with amounted to 2,708 (compared with 2,390 for the whole of 2007). The total number of client enquiries for the first quarter of 2009 amounted to 4,640 of which 1,510 were debt/finance enquiries (compared with 902 and 226 for the equivalent period in 2008). Services, even with increased support from the Government and others such as the District Council, struggle to meet demand, with continued pressure on both the number of volunteers and the premises available in which to house them.
- 6.10 There remains some evidence of a failure by banks to adequately reassure and support local businesses with loans to sustain and grow local activity. According to FSB research amongst its members in Essex (June 2009) this has forced many viable SMEs to downsize or shut, although many are now seeing both overdrafts and term lending returning to a manageable level. It is not only access to finance but the increased cost of finance that has been an issue, although many FSB members consider that costs have now steadied or dropped (FSB State of the Essex Economy Report, July 2009). The County Council's ten point plan to support the community, including the establishment of the 'Banking on Essex scheme' and grant aid for credit unions, has also been very well received. Action taken by the District Council to support and promote services that aid communities and sectors in a recession and keep charges down has been acknowledged as helpful in the current economic climate. The business community has indicated its support through various means, including involvement through the Task and Finish Team.
- 6.11 There is a general perception that the Epping Forest District is not as well funded by government/regional bodies as some other Districts, and determining a better system for accessing external funding to meet the district's key objectives should be a priority.
- 6.12 The overall perception of the Task and Finish Team was that a multitude of agencies (local, regional and national) were providing a wide range of often very costly support to local people and the business community. The exchange of information and coordination had improved markedly over the years and had enabled partners to have a better understanding of how and the extent to which the economic situation had affected the District. However, there was a belief that there was considerable room for the information flows between partners to be even more effectively 'joined up' and coordinated. The LSP sponsored an EERA roadshow, held in Epping, which brought representatives from community, local authorities and private bodies together with national and regional support agencies to determine the range of support, including new schemes, that was available. Many participants, including those working 'professionally in the field' were unaware of the full range of support at a local level, and the complexity of the interplay between various existing and new schemes was often confusing. Better coordination and publicity of available support was highlighted as an issue, as well as the need for the Epping Forest District to get its 'fair share'.

7. IMMEDIATE ACTIONS

Given the information to hand on the current range of help and support available, and learning from good practice elsewhere, the Team was able to identify and support the adoption of a number of measures immediately. These measures were as follows:

7.1 Feature in The Forester Magazine

The Team had been impressed by the article 'Cracking The Credit Crunch' appearing in the South Staffordshire LSP Newsletter, bringing together information and signposting on services provided by the various partner organisations. The article was used as the basis for a similar feature appearing in the Summer 2009 edition of the District Council's Forester magazine. That feature provided an 'easy to read' summary on support available and tips on helping individuals and businesses deal with the recession, including:

- Benefits entitlement
- CAB Services
- General Housekeeping Tips
- Environmental and Energy Efficiencies
- Support for Small Businesses and the Role of the Business Link and the Federation of Small Businesses
- Employment Opportunities and the Role of Job Centre Plus
- Essex Innovation Programmes
- Mortgage and Tenancy Advice

7.2 Appointment of Business Champion

The Epping Forest Chamber of Commerce put forward a recommendation to the District Council that it should appoint a 'Business Champion' for 2009/10 and raised this issue at a Credit Crunch Task and Finish team meeting. The Champion could act as an advocate for local businesses in this difficult economic time and provide a central point of senior contact with the District Council and its partners. In concurring with this recommendation, the Council, at its meeting on 30 June 2009 agreed the appointment of Councillor Chris Whitbread as the Chamber's Business Champion.

7.3 Business Support Open Day – Loughton Cricket Club, 3 July 2009

The Team gave its support to the Business Support Open Day, part of the Howzat Cricket Festival, held at Loughton Cricket Club on 3 July 2009. Led by Business Link this event involved all LSP partners concerned with business and others. It took a market-place format, with a large number of partners holding their own stalls and provided excellent networking opportunities. It has been agreed to hold an additional business event in the autumn in partnership with the FSB and others and with support from the LSP.

7.4 Involvement of Multi-Faith Forum.

The issue of potential additional premises to respond to increased need for advisory and other community organisations such as the CAB was referred to the Multi-Faith Forum for discussion and an assessment of the options available.

7.5 **Small Business Engagement Accord**

Members of the Task and Finish Team following discussions again raised the opportunity for the District Council to sign up to Small Business Engagement Accord to enhance the potential for better partnership working at this difficult economic time. The Accord is a voluntary code of practice for local authorities in the East of England seeking to encourage more productive dialogue with local businesses. The Accord brings together various aspects of consultation best practice, as well as specific ideas from the Federation of Small Businesses designed to improve the level of participation by businesses in local democracy. The District Council will now become a signatory to the accord.

7.6 **EERA Skills and Worklessness Seminar Epping 5 May 2009**

The LSP sponsored and supported a workshop provided by the East of England Regional Assembly to identify the full range of support at a national, regional and local level. The aim of the workshop, one of a series throughout the region, was to bring together local representatives from the business, voluntary and community sectors in Essex, together with funding agencies, to raise awareness of the packages of support available to enhance skills and tackle worklessness. The seminar looked at what is being delivered locally and at a regional level, with presentations from EEDA, Jobcentre Plus, Train to Gain and EERA. It also gave local groups the opportunity to make these government agencies aware of their concerns about access to grants and better coordination and publicity.

7.7 **Business Start-Up Advice**

The Team gave its support to a proposal for Business Link and EFDC to work on a programme of activity to encourage an increased awareness and uptake of business start-up advice by individuals within the district. In summary, this programme will bring together Business Link's business support expertise with EFDC's local knowledge and contacts at minimal cost to increase activity, including one-to-one business start-up surgeries, the hosting of additional 'start your own business' workshop sessions and increased marketing activity.

8 FURTHER ISSUES FOR CONSIDERATION/FOLLOW-UP

Over the four meetings, a wide range of reports and presentations were received and considered. Following analysis of these and diverse discussions, a number of future priorities/key questions/potential options have emerged and are set out below along with recommendations to the Board.

8.1 Funding

How do we ensure that the Epping Forest District gets full access to all the grants that are available to it at a local regional or national level? Are we thought of immediately by those bodies making funding decisions as key people to target/get involved? Are we organised effectively to identify and bid for monies that become available? At the first meeting of the West Essex LSP Forum this issue was raised following its emergence at the Credit Crunch Task and Finish Panel. The desirability/feasibility of recruiting a funding officer that could work on behalf of all three areas is being considered in order to fulfil this role.

Recommendation 1: That partners work with LSPs across West Essex to support and identify opportunities for improved access to external funding and identify and build on examples of good practice.

8.2 Future Jobs Fund

Are we making full use of this scheme as a way of getting young long-term unemployed people back into employment? This scheme allows for grants of £6,500 for 6 month placements of a minimum of 25 hours per week, to be made available to support young long term unemployed people back into work, and can be used to support socially useful initiatives Following discussions at the Task and Finish Panel, members of the Epping Forest LSP have met with colleagues from Harlow and Uttlesford LSP, together with colleagues from the voluntary sector a bid is being prepared for submission to GO East on behalf of West Essex LSPs.

Recommendation 2: That partners engage in and give full support to programmes designed to maximise access to Future Jobs support in the district.

8.3 Signposting/Coordination of Existing Support

Further to the business open day on 3 July and the planned business event on 22 October, do we need to have other events to update/remind local agencies of the support available? Should we all identify and promote one web-based informative portal that directs people to information on the support available, including that from the County and District Councils as well as the advice agencies?

Recommendation 3: That partners, through the Sustainable Communities Theme Group, consider the scope for future events and identify further opportunities for joining up existing support in the district.

8.4 Support to the CAB

Do we need to provide more support to the CAB and similar advice organisations in response to increased waiting lists, with technology or help in finding premises (not necessarily through the District Council)? Should we ascertain what sort of additional support is needed, acknowledging that all agencies are having to tighten their belts?

Recommendation 4: That the impact on advice-giving services such as CAB is kept under review by the Sustainable Communities Theme group and partners commit to look at creative ways of meeting enhanced need if required in the 3rd sector.

8.5 **Volunteering**

Can we use the recession as an opportunity to further increase volunteering, providing those becoming unemployed, now often highly skilled individuals, with a chance to volunteer, thereby giving local charities and community groups access to talented people? This would help ensure that the unemployed remain active without large gaps in their CV's, and so facilitate a quicker return to work.

Recommendation 5: That the Sustainable Communities Theme Group, along with partners in the 3rd sector, look for opportunities to support volunteering capacity in the District.

8.6 **Debt Problems**

Can we help address the growth in debt problems, particularly among traditionally disadvantaged groups, by ensuring access to a reliable savings and loan/Credit Union service which encourages responsible lending and saving? Evidence exists of residents in the Harlow District being charged grossly extortionate interest rates for small loans by commercial money shops. Essex Savers has received a grant of £100k from the County Council to support growing the credit union service in Essex and local churches have just begun to develop a service in the district. Harlowsave, the long established credit union in Harlow is also looking to expand. Evidence suggests that, in other areas, credit unions are making a significant and beneficial impact on communities and individuals suffering the effects of debt.

Recommendation 6: That the LSP Board request that further work be undertaken by the Sustainable Communities Theme Group to examine a business plan for the growth of 'Credit Unions' in the Epping Forest District.

8.7 **District Council Business Champion**

Should the role be expanded to ensure effective engagement with the local business community more broadly?

Recommendation 7: That the role of the Business Champion be kept under review and opportunities for developing the role be investigated by the Sustainable Communities Theme group

8.8 **Economic Development**

In the longer term, do we need to develop a new, enhanced economic development strategy? This would set out clearly how we wish to develop our local economies in the future, sourcing and targetting available grants at an early stage, building effective links with the London and regional economies and providing an opportunity for all local stakeholders to shape and own this vision.

Recommendation 8: That plans are drawn up to agree a new economic development strategy in full consultation with key partners.

8.9 **LSP Sustainable Communities Theme Group**

How do we ensure that the new LSP Sustainable Communities Theme Group continues to build on the effective working relationships established as a consequence of the work of this Task and Finish Team and the former LSP Economic Prosperity Action Group? It is noted that draft terms of reference have been drawn up and that the first meeting of the Theme Group is to be held shortly.

Recommendation 9: That the newly established Sustainable Communities Theme Group continues to work to provide and look to enhance the forum for engagement with key partners identified in this process and identify key strategic objectives to support on-going work in this field.

9 CONCLUSIONS

- 9.1 The Challenging the Credit Crunch Task and Finish Team was established quickly, and with the active support of a range of partners it has sought to give an insight into how the recession is impacting locally, where possible taking immediate action to respond and highlight areas for future work. Partners have indicated that they thought the process was a useful one and the concept of the task and finish approach, of which this was one of the first in Epping Forest District, worked well. The fact that it has worked well has been due in particular to the agencies' willingness to come together, pool resources, expertise and effort and the ongoing support to the team of officers from EFDC.

Appendix

REPORT OF EPPING FOREST LSP TASK AND FINISH TEAM- MEETING THE CHALLENGE OF THE CREDIT CRUNCH

CREDIT UNIONS

1. General:

- 1.1 Credit unions are financial cooperatives, owned and controlled by their members. They offer savings and value loans and are local, considered ethical and to know what their members want. Many credit unions now offer a range of services including a current account, benefits direct, ISAs and Child Trust Funds.
- 1.2 Each credit union has a 'common bond' which determines who can join it. The common bond may be for people living or working in the same area, people working for the same employer or people who belong to the same association, such as a church or trade union.
- 1.3 People can save as much or as little as they like, weekly, monthly or as often as they wish. Credit unions aim to pay a dividend on savings once a year to all their members. This can be as much as 8% of the amount saved, but more typical would be 2-3%.
- 1.4 There a number of stages to be completed when setting up a credit union:
 - Deciding on the 'common bond'
 - Getting a group together with the range of skills and experience to develop a community business
 - Carrying our a 'pledge drive' – finding out what demand there is for a credit union in the area and use the information as part of the business plan projections.
 - Obtaining advice from the Association of British Credit Unions Limited (ABCUL)
 - Discussing the plans with the regulators, the Financial Services Authority.
 - Obtaining funding and sponsorship
 - Choosing officers and employees.
 - Marketing and promotion.

2 Essex Savers

- 2.1 Essex Savers is based in Chelmsford and, as of May 2009, had over 1000 members and had lent £335,000 (850 loans). Before becoming a member, an individual is required to live or work in the county and there is an initial joining fee of £3.
- 2.2 Essex Savers is run by a volunteer management group, elected by the members. After saving regularly for 8 weeks, a member is eligible to apply for a loan of:
 - up to three times their savings
 - or £500 savings
 - up to a maximum of £10,000 plus savings
- 2.3 Pay collection points for Essex have been set up in the Epping Forest District. Essex Savers have started to recruit volunteers with the aim of providing a service in a number of areas within the Epping Forest District, and the County Council has earmarked a grant of £100,000 to support this.

3 Harlow Save

- 3.1 It was noted that Harlow Save evolved from the merging of Harlow Credit Union, Harlow Council Employees Credit Union, Harlow Co-operatives Credit Union and Parndon Churches Credit Union. It is open to anyone living or working in the Harlow District. It is the largest credit union in the East of England with total 'active' Membership at 1,100. in terms of recent activity it had seen membership take-up increase from 4 to 20 individuals per month.
- 3.2 Harlow Save positively promotes saving i.e. to be eligible for a 'Saver Loan', customers have to save for a minimum set period. Harlow Save tries to educate and encourage young savers. On the passing of anticipated legislation, credit unions such Harlow Save will also be able to loan to small businesses.
- 3.3 Harlow save is in willing and able to expand into the Epping Forest District.