

Subject: Rossendale Against Recession

Status: For Publication

Report to: Cabinet

Date: 17th June 2009

Report of: Head of Regeneration

Portfolio

Holder: Regeneration

Key Decision: Yes

Forward Plan General Exception Special Urgency

1. PURPOSE OF REPORT

- 1.1 To request endorsement from members to establish a multi agency 'Rossendale Against Recession' group to develop an action plan and to coordinate multi-agency activity regarding combating the recession.
- 1.2 To provide members with a briefing note regarding the three support packages regarding mortgage repossession and support in place nationally. Namely the Mortgage Rescue Scheme (MRS), Support for Mortgage Interest (SMI) or Income Support Mortgage Interest (ISMI) payments and the Homeowners Mortgage Support Scheme (HMSS) all of which would form part of the options available through the multi-agency action plan.
- 1.3 To propose the suspension of enforcement restrictions on the Council's car parks across the borough to encourage and bolster the local economy.

2. CORPORATE PRIORITIES

- 2.1 The matters discussed in this report impact directly on the following corporate priorities:-
- Delivering quality Services to our customers
 - Delivering regeneration across the Borough
 - Encouraging healthy and respectful communities
 - Promoting the Borough
 - Providing value for money services

3. RISK ASSESSMENT IMPLICATIONS

3.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

- This is an issue of nationally significance that needs to be interpreted and managed at a local level. Failure to do so will be failure to aid and assist customers in these difficult times as well as attracting criticism from the Audit Commission on Corporate Performance and Comprehensive Area Assessments for failure to act and support. Ultimately, failure to react and provide a multi agency support mechanism will lead to more and more householders being at risk of homelessness.

4. BACKGROUND AND OPTIONS

4.1 The Government is asking local authorities to lead and develop on coordinated action plans with partner agencies to respond to the current recession in order to prevent household repossessions and ultimately homelessness prevention as a long term goal. They are urging local authorities to look across all sectors to understand the current pressures on their customers and to plan, with local housing associations and other voluntary sector partners, how these needs can be addressed in the short term and long term.

4.2 This is in direct response to the large increase in the number of people at risk of losing their homes – owner occupiers, private landlord tenants and tenants of housing associations, due to repossessions and evictions caused by debt and loss of income due to unemployment or reduced household income.

4.3 Evidence shows that the North West is likely to be among the areas of the country proportionately hardest hit by higher levels of repossessions, evictions and subsequent increases in homelessness cases; in part due to lower income levels and the significant growth that there has been in marginal owner occupation linked to low wages and a high dependency on secondary loans.

4.4 It is also anticipated that the effects of the recession will become increasingly severe as it begins to bite, and the true extent of the demand on services has not yet been apparent. Much of the advice and support that is currently offered needs to reach a different 'audience', many of whom may not have accessed advice and support services previously. Therefore, a coordinated approach through a unified action plan is needed to ensure clear and concise dissemination of information and signposting. It is also essential, that the joint planning and action embraces the link between support services to the economy and ultimately as a prevention to homelessness.

4.5 It is therefore proposed that a 'Rossendale Against Recession' Group is established to develop an action plan and to coordinate multi-agency activity based around the following four key areas:-

- Business / employment support and advice.
- Money advice / Debt management.

- Benefits advice.
 - Housing and the Prevention of Homelessness. Incorporating Mortgage Rescue and Homeowners Mortgage Support Schemes.
- 4.6 As well as developing a coordinated localised action plan the multi-agency group would also act to exchange information and to incorporate a joint communication strategy aimed at customers.
- 4.7 This report also provides information and support to members regarding the three support packages regarding mortgage repossession and support in place nationally. Namely the Mortgage Rescue Scheme (MRS), Support for Mortgage Interest (SMI) or Income Support Mortgage Interest (ISMI) payments and the Homeowners Mortgage Support Scheme (HMSS) all of which would form part of the options available through the multi-agency action plan. These options including eligibility criteria are detailed in the supporting brief.
- 4.8 Rossendale Borough Council would actively undertake proactive measures to mitigate the effects of the recession therefore it is proposed that in view of the current climate, enforcement of restrictions on the Council's car parks will be suspended from 1st September 2009 in order to encourage and bolster the local economy.
- 4.9 There are no direct financial implications for Rossendale Borough Council to adopt these schemes. However, there will an impact on staff time in establishing the Multi-agency Action Plan and the administering of the Mortgage Rescue Scheme through the conclusive administration to the Zone Agent Plumlife and Manchester Methodist Housing Association, it is envisaged that this will be undertaken by members of the Regeneration Team.

COMMENTS FROM STATUTORY OFFICERS:

5. SECTION 151 OFFICER

- 5.1 Under the terms of the scheme there are no proposals for Council to expose itself to any financial risk of its own.

6. MONITORING OFFICER

- 6.1 No comments.

7. HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)

- 7.1 There are no People and Policy implications.

8. CONCLUSION

- 8.1 It is anticipated that the effects of the recession will become increasingly severe and that much of the advice and support that is currently offered needs to reach a different 'audience', many of whom may not have accessed advice and

support services previously. Therefore, a coordinated approach across all departments and agencies operating within Rossendale through a unified action plan is needed to ensure clear and concise dissemination of information and signposting. The establishment of the 'Rossendale Against Recession' Group would be key to proactive delivery and measures to help customers.

9. RECOMMENDATION(S)

- 9.1 Members endorse the development and formation of a multi agency action plan through a special purpose vehicle ('Rossendale Against Recession' Group) to combat the effects of the recession.
- 9.2 Members agree to the endorsement of a Mortgage Rescue Scheme for Rossendale with Council staff providing administrative support.
- 9.3 Members support the use of LABGIS funding to assist in the delivery of the promotional and marketing aspects of the multi agency action plan and where necessary the provision of an independent Mortgage Counseling Service to support the Mortgage Rescue Scheme.
- 9.4 Members approve the suspension of enforcement restrictions on the Council's car parks across the borough from 1st September 2009.

10. CONSULTATION CARRIED OUT

- 10.1 Green Vale Housing Options Team; Citizens Advice Bureau; Portfolio Holder for Regeneration; Partner Local Authorities; Other support and advice agencies within Rossendale.

11. COMMUNITY IMPACT ASSESSMENT

- Is a Community Impact Assessment required Yes
- Is a Community Impact Assessment attached Yes

12. BIODIVERSITY IMPACT ASSESSMENT

- Is a Biodiversity Impact Assessment required Yes
- Is a Biodiversity Impact Assessment attached Yes

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Background Papers	
Document	Place of Inspection
Mortgage Rescue Scheme File Rossendale Against Recession File	Room 206