

AGENDA ITEM: 3

**AD HOC
SCRUTINY PANEL**

24th NOVEMBER 2009

TACKLING THE RECESSION LOCALLY

PURPOSE OF THE REPORT

- 1 To present to the Ad Hoc Scrutiny Panel an outline of the purpose of this meeting.

RECOMMENDATION

2. Members of the panel are recommended to receive detail on the issue of tackling the recession at a local level.
3. The panel is recommended to determine how they want to pursue the issue of tackling the recession locally, which partners or organisations they may wish to receive evidence from and agree the panels Terms of Reference.

BACKGROUND

4. As background, if the panel is to look at a timeline of events then the last 2 years can provide a powerful illustration of how we are in this position today.
5. A 2 year period of economic uncertainty and the instability of the credit markets brought a range of concerns in 2007. While in many ways these concerns were contained within the financial world and large business the cold reality hit local people when notice was given in September 2007 of the impending collapse of Northern Rock. Swift intervention from the Government was taken to support the banking institution and endeavour to restore public confidence.

6. Only one year later and the Lehman Brothers filed for bankruptcy in September 2008, which sent the already unstable financial markets into a period of total uncertainty and destroyed public confidence in the banking industry. The affects led to a global panic, which has seriously damaged the economy of many countries. The country entered a period, which is considered to have brought about the worst recession in 60 years where the affects have substantially impacted on employment and new investment. The consequences of which are felt both nationally and locally and have required government intervention to assist recovery.
7. These affects have led to huge government deficits and years of damage to public spending plans. While analysts endeavour to determine if the world economy is on the road to recovery the past 12 months have brought public, private and voluntary sectors together to tackle the affects of this recession. The Government has launched a phase of regional Grand Committees to be held locally and to concentrate on regional economy and recovery. One of these meetings was held in Middlesbrough in September 2009.

ACTIONS LOCALLY

8. A North East regional scrutiny meeting recently raised the issue of tackling the recession locally. The meeting found that scrutiny was being used by a number of authorities to look at the actions taken by the individual Councils directly or as a facilitator to promote partners to work towards recovery. Although it was found that different Councils were approaching this in a range of different ways, what did emerge was the value scrutiny provided in ensuring action was taken or providing a direction to be considered.
9. Running parallel with the above, this ad hoc panel was established by the Overview and Scrutiny Board and has determined that Scrutiny will be used to assess the Councils Economic Strategy and both the actions taken to date and those intended which are aimed to contribute towards local recovery. The panel would also look at the strategy's effectiveness and how it has been shaped to address the issues locally as a consequence of this recession. The panel will explore the Councils involvement with partners to limit the impact locally and plan for recovery.
10. Reference has already been made in a report to the Economic Regeneration scrutiny panel on the actions taken regarding older housing. The report referenced the Kick-start Housing delivery programme aimed to address the difficulties facing stalled housing sites ready to develop. Middlesbrough submitted five sites for consideration of which two were shortlisted for the first wave of funding bringing in approximately £3.6M for the completion of 183 new homes. This action is one aspect of the move towards tackling the impact of the recession locally.
11. There are clearly a range of organisation who, over the last year, will be actively working to limit the impact of this recession and indeed look towards recovery. The Ad Hoc panel may choose to meet with a number of these

organisations to assess the direct actions taken and the affect their actions have had locally.

TERMS of REFERENCE

12. The panel is required to determine their Terms of Reference. These will encapsulate the intentions of the panel in scrutinising this topic. The following provides a basic indication for the panel to discuss and subsequently determine the key areas they want to pursue.
 - To determine the level of impact the recession has had locally.
 - To assess the actions taken by the Council, both directly and in a facilitating role.
 - To look at how the business community have responded and increased links with public bodies.

LINES of ENQUIRY

13. The Overview and Scrutiny Board determined at their meeting in September that enquiries should be undertaken regarding the Councils actions and involvement in tackling the affects of the recession. The following outlines some potential Lines of Enquiry the Panel may wish to consider.
14. The panel is requested to identify the organisations they wish to engage with and in the order they would want those meetings. The following aims to provide a basic platform for consideration and is not intended to be a definitive list or order. The panel may consider there are benefits in commencing with the Regeneration Service with regard to an Economic Master Plan for Middlesbrough and how this may have been shaped as a result of the recession.
 - **COUNCIL**
 - Assess the Councils Economic Strategy (Regen)
 - actions taken to date
 - how the strategy was shaped to address the recession
 - intended actions to support recovery locally
 - Councils involvement with partners to limit impact locally and planning for recovery
 - What alternatives or initiatives have been presented in the budget to tackle recession
 - What funding is applied either directly or in partnerships.
 - Look at the Working Neighbourhood
 - **JOBCENTRE PLUS**
 - to assess the affect on employment in the area compared to previous years.

- What specific steps have been taken to get people into work as a result of the recession
- ERIMUS HOUSING
 - Actions and Funding
- TOWN CENTRE FORUM
 - The affects on retail.
- BUSINESS FORUM
 - The influence on business sustainability
 - The affect on employment
 - Actions taken directly and in harmony with other organisations.
- LSP -
 - The Partnerships assessment on the recession in Middlesbrough and the actions taken to address them.
- UNIVERSITY
 - Economist on the immediate and long term impact for Middlesbrough.
- CHAMBER of TRADE
 - Affects on retail and areas where the Chamber would want to see action.
- CAB
 - Assessment on the impact on local people

BACKGROUND PAPERS

15. No background papers were used in the preparation of this report

Contact Officer:

Peter Clark – Senior Scrutiny Officer

Telephone: 01642 729708 (direct line)

Email: peter_clark@middlesbrough.gov.uk