

Digest

A digest of issues considered at the meeting on **15 January 2009**

Strategy & Finance Policy Review Group

1. The economic downturn – from recession to recovery

The Chairman explained that the purpose of the discussion was:

- to share intelligence among the members of the Policy Review Group on the developing impacts of the slowdown in their areas and
- to discuss how councils can work more effectively with local partners and national and regional agencies to mitigate impacts.

The Chairman drew attention to the joint LGA/British Chambers of Commerce report – [Back to Business: Local Solutions](#) – that was launched at the meeting. The three speakers were then introduced and invited to speak in turn.

David Frost, Director General of the British Chamber of Commerce (BCC), began by referring to the recession in the early eighties and suggested that the lessons learnt could be used by communities in facing up to the problems created by the latest downturn. He added that the speed of the economic downturn had taken everybody by surprise with every sector in the UK being affected. There was a need to come out the other side with a clear financial base and there were several measures that could be taken:

- there needed to be a local/sub-regional, not just a national, dimension to the agenda;
- local government and private sector (through BCC) needed to work together;
- partnership working should be encouraged - the joint LGA/BCC report laid the foundations for this; and
- there needed to be investment in skills to retain expert staff.

David Harker – Chief Executive of the Citizens Advice Bureaux (CAB), explained that CAB's single most important relationship was with local government and there was an increasing need to work together in maximising benefit take-up. £9.9 billion of means tested benefits remained unclaimed with almost one million people missing out on £2.3 billion unclaimed Housing Benefit. He referred to the government's debt and mortgage rescue package and said that a crucial part of the recovery process was to make sure that the people who needed help the most got it as quickly as possible. Councils had a part to play by looking at their processes for debt collection i.e. council tax arrears, and advice on overcoming debt problems should be available at an early stage.

Hannah Brown – Head of Research at the Centre for Cities, introduced the Centre for Cities report – Into Recession: Vulnerability and resilience in Leeds, Brighton & Bristol - and referred to three sectors that had been feeling the pinch the most: construction; financial services; and retail. The overall findings showed that these three sectors could lose 5% of its workforce over the next year. Measures that could be taken to help included:

- councils to work with Job Centre Plus;
- help to remove the burden in business;
- city regions to be given more power by government to support growth, particularly as we come out of recession.

Members were then invited to ask the panel questions and share good practice. Key comments included:

- we cannot go back to an economy founded on debt. There needs to be a national debate about the kind of economy that is wanted/needed;
- major suppliers are not passing on prompt payments made by local authorities. Cashflow is a big issue and BCC could put pressure on the major companies to pay promptly as well;
- we need to take this opportunity to bridge skills gaps for the longer term - look now at the next group of graduates and train them as social workers;
- local authorities had over 30 years economic involvement and central government should recognise local government as a major player.
- we should be looking at long term investment opportunities and not just the current situation;
- reference was made to the Essex Banking scheme and the need for a closer relationship with clients/businesses.
- we need to ensure that small businesses are encouraged and equipped to bid for local government contracts;
- we need to share best practice on what is already happening i.e. in areas such as procurement.

2. Chairman's Update

The PRG noted the contents of the chairman's report.

3. Update from Board Chairs

The PRG received update reports from the Chairs of the Children & Young People, Community Well-being, Culture, Tourism and Sport, Environment, Improvement, Regeneration and Transport, and Safer Communities Boards on the current issues in the remits of these Boards. The Group also received an update from the Chair of the Human Resources Panel. The following points were raised on the reports:

Culture, Tourism and Sport Board

The Chair would consider whether the results of the Tourism survey on RDAs should be included in a future report to the PRG. The question of what Board should take responsibility for licensing of lap clubs was raised and it was explained that the LGA Executive had taken the decision for it to come under the umbrella of the CTS Board.

Environment Board

The Climate Change conference will be held in Salford and not Manchester.

Regeneration and Transport Board

A question was raised on the possible shortfall of funding by District Councils in relation to concessionary fares. It was explained that there would be winners and losers in the scheme and the allocation would probably be made at county level in the future.

Human Resources Panel

The date of the Arbitration Board was set for 10 February.

Date of next meeting: Thursday 12 February 2009 at 2pm