

Agenda item:

[No.]

Overview and Scrutiny Committee

On 16th February 2009

Report Title. Responding to the Recession in Haringey

Report of **Julie Parker (Director of Corporate Resources)**

J. Parker

and **Niall Bolger (Director of Urban Development)**

Signed :

NPBolger

Contact Officer : Karen Galey (Head of Economic Regeneration)

Wards(s) affected: **All**

Report for: **Non-Key Decision**

1. Purpose of the report

- 1.1. The attached report (appendix 1) informs Overview and Scrutiny of the known extent of the last year of financial uncertainty and the slowdown of the national economy to a recession.
- 1.2. The table (appendix 2) contains empirical and anecdotal evidence of how the state of the economy is impacting upon the delivery of a broad range of our key services to residents and the borough.
- 1.3. The table also contains details of mitigating actions that are being taken or are planned in order to ensure service delivery is not unduly interrupted.

2. Introduction by Cabinet Member

- 2.1. **Councillor Charles Adje (Cabinet Member for Resources)** – With the national economy entering a recession, we will face greater challenges as our services become in even greater demand and our resources are stretched. This report

outlines what the impact of the recession is, or will be, on the key services we provide and how we are planning to best use our resources to continue to ensure that those services continue to be delivered and where need is greatest.

2.2. Councillor Kaushika Amin (Cabinet Member for Regeneration and Enterprise) – In this recession, our business community and those seeking work will need our assistance more than ever before. Our businesses are suffering because of shrinking markets and withdrawal of credit and finance and unemployment is rising. This report outlines our commitments to ensuring that business and enterprise access all the support available to them and that our job brokerage programme, the Haringey Guarantee, and our drive to provide apprenticeships is accessible and widespread.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1. Protecting service delivery across the council supports all Council Plan Priorities and is important in helping us meet our wellbeing duties.

4. Recommendations

4.1. Committee are asked to note the report.

5. Reason for recommendation(s)

5.1. No decision is required.

6. Other options considered

6.1. n/a

7. Summary

7.1. The UK is currently facing one of the worst economic crises for decades. A combination of the credit crunch, the collapse of the housing market and increase in fuel and food prices has resulted in the UK economy officially entering into a recession in January 2009, which is expected to be deep and protracted. A recession occurs when the economy experiences two consecutive periods of negative growth.

7.2. The recession will exacerbate the high levels of deprivation and poverty that currently exist in Haringey, the 5th most deprived borough in London. This will have major implications for the council and the people living and working in the area.

7.3. This briefing outlines the likely impact of the recession in Haringey and provides details of the actions the Council is taking to help businesses and residents

through this period.

8. Chief Financial Officer Comments

8.1. Consideration is given to the potential impact on the Council, either in terms of financial impact from possible income reductions; resource implications from increased demands placed upon the Council or positive additional action put in place by the Council. The symptoms and effects are still coming through as the conditions continue to deteriorate and this may come through in different ways at a local level. The budget report to Cabinet on 26 January and Council on 9 February gives consideration to the potential impact of these issues and sets aside a contingency that may be utilised to address key aspects of this if they cannot be managed within existing resources.

9. Head of Legal Services Comments

9.1 The requirement for BSF contractors to engage apprentices (Action Point 10 in Appendix 1) has been approved as compliant with national and EU law and included in the relevant contract documentation by the Legal Service. Increased resources for economic and social improvement projects should be authorised under the Council's statutory well-being powers. There are no other obvious legal implications in the report.

10. Head of Procurement Comments

10.1. n/a

11. Equalities & Community Cohesion Comments

11.1. During the recession, poverty and inequality will become increasing challenges for Haringey Council to address as part of its well-being powers. The role of Haringey Council in responding to the recession is to address market failure and in this respect some actions will purposefully target one group over another – the ultimate goal being greater equality for all.

12. Consultation

12.1. Both the report and table has been produced with contributions from Corporate Policy, Corporate Resources, Strategic Housing Services, the Voluntary Sector Team and Benefits and Local Taxation.

13. Service Financial Comments

13.1. n/a

14. Use of appendices /Tables and photographs

14.1. Appendix 1 – Report – Responding to the Recession in Haringey

14.2. Appendix 2 – Table of Evidence and Proposed Mitigating Actions

15. Local Government (Access to Information) Act 1985

15.1. **Reference documents:**

- Local Government Association, From recession to Recovery: the local dimension, November 2008
- Local Government Association, Global Slowdown: local solutions councils helping people and businesses, November 2008
- Greater London Authority, The Mayor's Economic Recovery Action Plan, December 2008
- Audit Commission, Crunch Time? The impact of the economic downturn on local government finances, December 2008.