

**North Yorkshire Strategic Partnership - Executive**

**1 October 2009**

**Responding to the Recession**

**1 Purpose of Report**

- 1.1 To update members on the NYSP Executive on the recent publication of “When it comes to the crunch .... How Councils are responding to the recession”, a report published by the Audit Commission in August 2009.
- 1.2 This report also seeks to identify any areas where further collaboration amongst NYSP partners can make a positive contribution towards dealing with the recession and planning for recovery.

**2 Background**

- 2.1 A wide range of activity has been taken by partners in dealing with the recession. The following list is by no means exhaustive but activity includes:
  - NYSP Wider Partnership session of 25 June – a themed event on the economic recession involving partners and attended by the Regional Minister, Rosie Winterton.
  - Sign up to the “Regional Pledge” on the downturn by all local authorities in North Yorkshire, thereby offering to support business and communities through a number of actions.
  - Production of recession action plans and regular updates provided at LSPs.
  - Co-ordinated economic activity along with City of York, through the Development Board supported by the York and North Yorkshire Partnership Unit.
  - Specific projects supported by partners across the county e.g. roll out of the Credit Union.
  - Independent action by councils and other partners reflecting local circumstances.
- 2.2 The report “When it comes to the Crunch ....” has been produced by the Audit Commission following research with a number of local authorities, including those within North Yorkshire. The report recommends that councils should ensure:
  - avoid complacency over the impact of the recession
  - fully understand the economy and the impact of the recession on businesses, people, capital developments and the demand for services
  - implement a strategy tailored to local issues which focuses on the “coming social impact” and the future recovery.

- 2.3 The Audit Commission report also recommends that councils should “work with local partners, business leaders, property developers, neighbouring authorities and regional bodies to gather intelligence and agree a strategic response”. This is the principal reason for bringing this report to the attention of the NYSP Executive.

### **3 The Position in North Yorkshire**

- 3.1 As the Audit Commission report itself recognises, the impact of the recession varies across areas. Whilst the recession has not hit the county (as a whole) as greatly as other regions, there remain hot spots within the county which are more vulnerable to recession.
- 3.2 The Partnership Unit has proven to be a powerful asset in collating key economic and related data to support decision making within the sub region. An example is provided at Appendix 1 that illustrates the wealth of information provided.
- 3.3 All councils across the county have reported significant drops in income levels through a combination of reduced fees and charges (for example car parking, planning charges) and reductions in council tax yields. Additionally, all councils have reported increased difficulties in securing developer contributions whilst many developments have simply ceased. This impact is, of course, compounded by the increased demand for services across the public sector.
- 3.4 The Audit Commission report stresses the need for councils and partners to prepare for what it perceives to be a significant increase in social impact as the economy moves from recession to recovery. The report does go on, however, to recognise that those areas likely to be impacted the greatest are those who suffered from the weakest economies in the first place. We know that the County is relatively well placed economically and may therefore expect less social turbulence.
- 3.5 Support to the business community appears to have been strong across the county throughout the recession. It could even be argued that the recession has helped to consolidate relations between the public sector and business which are likely to significantly outlast any effects of the recession.

### **4 Next Steps**

- 4.1 The Audit Commission has produced a checklist to support Members and officers who are reviewing, or carrying out a self assessment of, approach to the recession. It is suggested that this provides a useful template to test whether:
- a. Individual councils, or indeed other partners, are well placed to support the recession and plan for recovery and
  - b. Partnerships are working as effectively as possible in dealing with the recession.

- 4.2 The check list has been produced in Appendix 2 and has been populated with some initial comments and information. It is suggested that partners review this checklist against their own organisation and key partnerships.

**5 Recommendations**

That the NYSP Executive:

- 5.1 Note the check list produced
- 5.2 Bring a further update to a future NYSP Executive once each partner has had an opportunity to consider and further populate the check list
- 5.3 Identify any further actions which it is felt may help deal with the recession and / or plan for the recovery
- 5.4 Provide comments on the initial response prepared against the check list which has been prepared from an area perspective, similar to that undertaken in CAA.

Gary Fielding  
Assistant Chief Executive (Policy, Performance and Partnerships)  
North Yorkshire County Council  
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