

‘the Forum’

November 28th 2008 observations



Future dates booked at Cliffe House (all on Fridays);
Feb 27th, May 15th, Sep 4th, Nov 27th 2009

Predictions

- It was agreed that the headings used are too generic and may be developed/refined for future sessions
- Review of last year's predictions confirmed that the process needs to be carried out more frequently – hence meeting 4 times a year in future
- All observations/predictions are reproduced to stimulate awareness, debate and hopefully appropriate action from informed individuals and organisations
- As such they should be read and commented upon with this well-intentioned spirit in mind. They are a collective view and not necessarily the views of any one individual or organisation
- Short term (< 12 months)

Competitive/Global

- All BRIC economies will enter into crisis, particularly China that will suffer significant social unrest and potential increasing terrorism both religious and from those demanding internal reforms
- Significant decline in globalisation – local manufacturing/sourcing drives new innovative growth
- Need for shorter safe supply chains and fears over travel impact upon global trade leading to increased local demand
- Need for brown field sites to allow for industrial expansion
- Relaxation of commercial rates / listed buildings and planning consents needed
- World will grow – flu pandemic less likely!
- Blackpool and Cleethorpes might become popular for holiday destinations.....

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Political

- Short Term - UK
 - No General Election but if so then the Labour Party really believes its own spin!
 - More enforced nationalisation in banks following increasing losses, leading to greater consolidation and yet larger organisations – to no positive result for the economy. Potential profits from post-privatisation not realised due to lack of vision and adequate restructuring.
 - Nationally the public mood will move to the Right wing – the BNP will fill the void if the main parties do not fill it first
 - Spin and lack of policy are no longer acceptable positions
 - Demand for Tax Reform will grow with simple taxes and benefits that everyone can understand
 - Labour Party totally dependant upon Union funding leading to inappropriate policies
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- Short Term - USA
 - Obama with great expectations to deliver but will disappoint – The US economy / battles against protectionism / the environment / reduced dependence on oil and the Middle East would be massive overwhelming issues
 - His Leadership style though will be an inspiration to many other forthcoming leaders and Africa will be a new focus for the USA.
 - Might lead to a new generation of leaders we can trust!
 - Greater dialogue with terrorists but no short term gains until forces withdraw
 - Detroit would effectively be nationalised!
- Long Term - UK
 - William Hague next Conservative Prime Minister due to lack of direction, policy and impact by present leadership.

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Economic

- Short Term
- VAT reduction to 15% a waste of time with no beneficial effect
- More banks collapsing as toxic debt and complex banking arrangements unwind
- Tax revenues collapse – massive financial black hole – expenditure way beyond plans – IMF involvement possible as per 1976!
- The recession will be U-shaped entry deep and long duration before recovery starts in 2011
- Nearer 4M unemployed and rising by end 2009
- However, these and the inflation figures will be “manipulated”
- £ will be valued at \$1.25 – Euro 1:1 - if it exists!
- Great chance of a split euro zone between North and South
- Oil \$75 per barrel
- Inflation holds at 2 to 3% due to rising prices caused by sterling deterioration
- Backlash against Public Sector conditions of employment but lack of reforms whilst Labour in power due to their financial support by the Unions
- Public Sector effectiveness will decline due to “Death by 1000 cuts” mentality produced by Government so-called efficiency savings – ‘Slash & Burn’ massive re-engineering needed.
 - Short term thinking will prevail but begin to be challenged as it brings little benefit
 - The focus on capital investment is wrong as there will be no revenue funding to support the projects when completed
 - Niche organisations that are special/good customer service/perceived identity will prosper
 - No more me2 type organisations – customers demand value not just price
 - Rise of small simplistic local organisations – maybe focussed on technology and manufacturing
 - Premiership football collapses due to financial mis-management
- Long Term
 - Eventually massive re-engineering of Public Sector will begin caused either by change of government or IMF intervention – Industrial disputes similar to the 70’s & 80’s will begin but from middle classes

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Social

- Increasing polarisation between savers and spenders
- Middle class backlash and civil unrest (probably not from the middle classes) against unfair taxes and benefits – remember the poll tax!
- Demand for reforms - too much red tape
- Move to leave EU grows and remove restrictive legislation
- New class of worker appears wanting liberalised employment conditions – just paid for when working with no benefits – needs IR35 reforms

- Social responsibility by media demanded – the BBC could lead on this and find a new purpose?
- Demand for moral values rise and increased growth in church attendance/spirituality/cults

- Creativity / Enterprise / Dunkirk spirit become emergent themes
- Lack of moral leaders and role models becomes ever evident
- Decline in ageism as Vince Cable, John Sergeant and others are increasingly respected
- Victorian values of thrift, enterprise, self-support, technology and innovation begin to return
- However the lack of creative ability and decision making skills in society and managers inhibits growth. People have been told what to do for too long, particularly in Public Sector by Central Government
- Sports back in school – Learn how to lose and compete Sport league tables
- Growth in right wing views results in exams, criminal convictions etc becoming more demanding and realistic!

Technological

- Technology now seen as saviour rather than villain – needs new scientists, engineers, skills which need ability hence back to basics with harder exams etc
- Cleaner energy schemes are the driver
- A 21st century Clive Sinclair needed (but with practical products!) as the catalyst
- Stem cell technologies and genetic engineering become more acceptable

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Environmental

- Technology seen positively and as a solution to current problems
- Back seat nationally but locally will benefit as people become more focussed on their communities
- Move from Recycling to Prevention seen as a better solution
- Kyoto agreement almost reached by default due to global economic downturn
- Drop in tourism globally due to economic and terrorist pressures reduces demand for air travel

Legal

- Growth of monopolies by necessity
- Previous illegal and not seen as good
- Middle classes challenge restrictive legislation particularly over stealth taxes, political correctness, health and safety and employment
- Growing demand for “justice” for victims not criminals
- Need for new model for employment rights