

How to measure the impact of the draft recommendations

A range of outcome measures have been considered to measure the impact of the scrutiny. A discussion of the strengths/weaknesses of each is set out below:

- **Headline GVA**

Arguably this is the most appropriate given the focus of the scrutiny on increasing productivity. However, GVA is a notoriously unreliable measure even at national level, measures at regional level (NUTS II) even more so, and difficulties are compounded at local authority level (NUTS III). Taking into account the varied forces that impact on the measure (global economic factors, business cycle) that are beyond the control of the council, and the difficulty of proving a causal relationship between the report's recommendations and changes in performance on an inherently unreliable measure, this is not recommended.

- **Business stock**

Again, this measure is attractive in terms of its focus on increasing entrepreneurship, which should result in more business births, and more successful businesses, resulting in fewer business deaths. Data is available in a range of forms (VAT registrations, PAYE, survey). None are complete and sometimes point in different directions (Bank Business Survey suggests York in bottom 5% of local authorities for business start-ups; York accountancy firm UHY Calvert Smith reported in the last year York had created 4 new businesses per 10,000 population, compared to a national average of 0.8). There is also the issue of whether business stock in the round measures the shift from low to high value appropriately. Whilst these measures are valuable as indicators of performance, it is much more difficult to choose one and then set a target with any confidence. This is not recommended.

- **Space availability**

In principle, this does seem to relate directly to one of the report's key recommendations, and change would be more directly attributable to the actions of the council, through its planning and regeneration activity. This is therefore recommended. The total office stock in the City Centre excluding business centres/services offices was 1,501,321 sqft (May 2013 baseline) If a target were to be set, an appropriate level might be to increase by 20% by 2020.

- **Graduate retention/ Bringing graduates back to York**

Higher York does not regularly collect information on these areas, (although usefully, a survey was carried out and the results published in February 2014). ONS Population data does capture resident qualification levels. This would however be a very rough proxy for the outcome the sub-group was interested in specifically, of the interplay between students coming to the university and staying in the city for employment or business start-up, and graduates who leave, but then return later. This is not recommended.

- **Sectoral composition**

Changing the sectoral composition of York's economy is fundamental to the ambition of improving its productivity and the value of jobs in the city. The decline in both is attributable to the decline of manufacturing jobs in the city from the 1990s. This bears directly on the report's recommendations and setting a stretch target for the proportion of jobs in high value sectors such as professional, scientific and technical activities would measure directly the outcome the report is interested in. Current forecasts reflected in the Local Plan from work done by Oxford Economics see a growth in employment in professional, scientific and technical activities of 1.2% by 2030. A target to increase the proportion of jobs in these categories by 5% by 2030 would reflect a significant shift in the structure of the economy. Interventions through the Local Growth Fund (in support of York Central, Biovale) and through Newco would support the achievement of this target. This is recommended.

- **Part-time employment**

The headline information is readily available on a monthly basis from JSA data. The key challenge with part-time work is in relation to distinguishing between elective and enforced part-time working. This is currently impossible. It would therefore not be appropriate to consider setting a target on this.

- **Hollowing out of age range**

ONS and NOMIS statistics suggest that York's population increase over the last 20 years has mainly been in the 20-24 and 50+ year

Annex B

olds. There has been limited growth in 25-40 year olds. However York is still in a stronger position than the regional and national average and it is therefore difficult to see a link between this and the value of jobs in the city and the productivity of the local economy. As this measure seems not to have a direct link with the report's areas of focus, this is not recommended.