

**Decision Session – Executive
Member for Economy and Strategic
Planning**

23 February 2021

Inclusive Growth update

Summary

1. This report provides an update on the Inclusive Growth evidence base and the Inclusive Growth Initiatives Fund, as reported most recently at the Executive Member’s October 2020 decision session.

Recommendations

2. The Executive Member is asked to:
 - 1) Note the contents of the update, and in particular the emerging impacts on mental health and unemployment
 - 2) Agree the approach set out to develop revised Poverty Commission and Mental Health projects for these themes of the Inclusive Growth Fund.

Reason: So that the Council nurtures a pipeline of projects that positively address inclusive growth in the City of York, and focusses funding where it is most needed.

Background

3. At the start of 2020, the York economy was performing strongly. A summary of relevant data was presented to the Leader of the Council at his January 2020 decision session, and an updated version of that evidence base is presented at Annex A of this report. To summarise:
 - Prior to the Covid pandemic, there were more people than ever in work, with higher levels of productivity than the rest of the region (see Annex A, Fig 1), and consistent growth in GVA per hour worked over the past five years. On this measure of productivity,

which the Office for National Statistics identifies as the best measure to use at Local Authority level, York has been consistently above the national average for the last 20 years.

- Our knowledge economy is strong and growing (Fig 2), with more than 15,000 high skilled jobs created in York since 2008.
 - We have the highest level of skills of any northern city (Fig 3), and pay in York is close to the national average (Fig 7), higher than much of the Yorkshire region. Part time work is very prevalent in York, with much of that work focussed in lower-paid sectors (Fig 5) where women represent a high proportion of the workforce (Fig 6).
 - The claimant count in York is currently at its highest level for 25 years, with a rapid spike in claimants seen in the early months of the pandemic. The number claiming out-of-work benefits has been constant since April 2020 (Fig 8), and York continues to be the UK city with the smallest increase in worklessness, however there are currently 25,000 residents depending on furlough and self-employment support payments from the Government (Fig 9).
4. However, for many people in York, notwithstanding the success of our economy, there are daily economic challenges in earning the level of income needed for households to thrive in our beautiful but expensive city. In earlier reports to the Executive Member we have outlined some of the data which quantifies these challenges. Annex A presents the most up-to-date version of this Inclusive Growth Evidence Base.
 5. Our work throughout the pandemic with microbusinesses has highlighted the importance of self-employment and entrepreneurship. In the first lockdown, £1.14m of Council funds were allocated for support, providing grants of up to £1k to over 1,000 businesses and supporting over 600 of them to join the Federation of Small Businesses. An evaluation of the grant scheme is about to be undertaken, and this will include talking to these businesses about their current and future challenges.
 6. To support initiatives that can begin to reduce these challenges, the Council has provided £300k through its 2019 supplementary budget. This was allocated to eight projects by the Council Leader at his Decision Session on 18th September 2019, with responsibility passed to the Executive Member for Economy and Strategic Planning in 2020.
 7. The report presented to the Executive Member at his October 2020 decision session gave a detailed update on progress for each project. In

summary, the current allocation and status of these projects is as follows:

Project title	Funding allocated	Current status	Funding remaining
Establishing a York Poverty Commission	£20k	On hold	£20k
Community hubs as drivers of economic growth	£40k	Complete	-
Greening our retail estate	£70k	Under review	£70k
Community jobs fairs	£30k	In progress (virtual model)	-
14+ vocational training and work	£50k	In progress	-
Independent retail growth fund	£40k	Partially allocated	£30k
Mental health, wellbeing and employment	£25k	On hold	£25k
York Economic Strategy consultation	£25k	Under review	-

8. York continues to be involved in the West Yorkshire Combined Authority Inclusive Growth and Public Policy Panel, with the Executive Member for Economy and Strategic Planning representing the city. Details of the meetings can be found here: [WYCA Inclusive Growth](#). Much of our work in York is recognised as good practice.
9. Beyond the work set out in the Inclusive Growth Fund projects, employment opportunities, particularly for young people, are a key priority at present. While the detail of our work in this area is covered in the report on Skills brought to the Executive Member's decision session in January 2021, we take this opportunity to highlight current work on the Kickstart programme. This Government initiative provides funding to employers to create job placements for 16 to 24 year olds on Universal Credit.
10. Working closely with York Learning, JobCentre Plus and larger York employers, the skills team is working to signpost eligible applicants to the scheme and then support those applicants with interview and

employability training. This approach has had some success, with LNER alone taking on 16 new recruits through the scheme in York. For smaller employers, the rules around brokerage and umbrella schemes continue to develop. Our Business Engagement Officer continues to work with SMEs and offer impartial information on applying for Kickstart, whether directly or through an approved Gateway.

Project updates

11. As discussed in the October 2020 report, the projects under the headings Community Hubs as drivers of economic growth, Community employment initiatives, 14+ vocational training and work, and York Economic Strategy and Partnership are all at various stages in progression. A further update will be presented on these projects at the Executive Member's June 2021 decision session.

Establishing a York Poverty Commission

12. As previously outlined, the voluntary group that is promoting the Poverty Truth Commission is struggling to raise the additional funding required for the work and has not been able to progress the project.
13. Given the importance of this work for the Inclusive Growth agenda, we propose to seek alternative partners to lead on this agenda, which will help support the development of our Economic Strategy and Skills Plan. It is very important that our strategy takes into account the experiences of individuals and communities that have not benefitted from the strength of York's economy.
14. A further update will be brought to the Executive Member in due course, and our approach to bringing these voices into our Economic Strategy engagement will be included in the update on that work at the Executive Member's April 2021 decision session.

Greening our commercial estate

15. Following the Executive Member's decision to maintain the budget for greening the retail estate until suitable alternative funding is identified, the survey work outlined with micro businesses is now being implemented through the emergency Covid-19 budget. The research – the evaluation discussed in para 5 above - is due to conclude in April 2021 and a report will be brought to the Executive Member in the summer.

16. Following the decision taken by Executive at its November 2020 meeting to purchase the head lease on the Eco Business Centre on Amy Johnson Way and the completion of that agreement in January 2021, £100k has been allocated to upgrade the building and improve its environmental sustainability. This includes £70k to fund a PV array on the roof of the structure, with the balance for other measures such as improved lighting and heating.

Mental health, wellbeing and employment

17. Over the course of the last eleven months, the emphasis on mental health and wellbeing amongst employees has never been more important. For many people, a 'normal' working day, has changed significantly with more people working from home than ever before, often in an isolated environment, and without the social contact of colleagues.
18. Centre for Cities recently estimated that around 30% of the working population in York are now working from home, which equates to around 33,000 people. Feedback from our engagement with businesses tells us that, for some employees, full time working from home is something that they have been able to embrace, affording them more family time, less time commuting, and more rest. For others, however, they may already be dealing with mental health issues which may, or may not, have been exacerbated by the pandemic, and for another cohort mental health problems may be a new challenge altogether, borne out of the lockdown conditions under which they are working.
19. In recent weeks, the impact of the Covid-19 pandemic and lockdown on the mental health of business owners and their employees has been highlighted in our regular engagement work. This was discussed in some detail at the CYC Outbreak Management Advisory Board on 10th February 2021 (see [meeting link](#)).
20. It was previously reported that the Council was unsuccessful in its bid to become a 'Good Help' organisation, largely due to a formal external funding bid made to the National Lottery and the Government failing at the final hurdle. The £25k set aside to support that initiative remains unallocated, and could therefore be repurposed to support other mental health initiatives, and so the Economic Growth Team and Public Health Team have approached the Director of the University Counselling & Mental Health Clinic at York St. John with a view to co-designing a framework for practical interventions in partnership with business networks.

21. An initial scoping meeting with York St. John is scheduled in late February. If the Executive Member is supportive of this approach, it is then planned to develop a rapid delivery project with business networks and membership bodies to provide practical help to those who are experiencing new or additional pressures on their mental health through the economic impacts of Covid-19. This would build on best practice identified by the University and on the direct and trusted relationship that bodies such as FSB, the Chamber of Commerce and others have with business owners.
22. If more progress has been made between the writing of this report and the meeting where it will be considered, a verbal update will be presented at the decision session to enable the Executive Member to move the work forwards.

York Economic Strategy and Partnership

23. As outlined previously, a further update on engagement to support the Economic Strategy and Skills Plan will be presented to the Executive Member's April 2021 decision session. This will include options for the use of the identified budget from the Inclusive Growth Fund.

Consultation

24. Consultation on potential projects for the Inclusive Growth Initiatives Fund has taken place with the Executive Leader and the Executive Member for Economy and Strategic Planning.
25. Consultation proposals for each initiative under the sub-themes will be set out in individual Project Initiation Documents.

Council Plan

26. The projects proposed under the Inclusive Growth Initiatives Fund will address the following outcomes from the Council Plan:
 - Good health and wellbeing;
 - Well-paid and an inclusive economy;
 - A better start for children and young people;
 - A greener and cleaner city; and,
 - Safe communities and culture for all.

Implications

- **Financial** – no new financial commitments. Previous commitments within the body of the report;
- **Human Resources (HR)** – no implications;
- **One Planet Council / Equalities** – the proposed project to green the Council’s retail estate will address the Council’s climate change challenge. A number of the proposed projects will positively support the Council’s equalities objectives;
- **Legal** – no implications;
- **Crime and Disorder** – no implications;
- **Information Technology (IT)** – no implications;
- **Property** – no implications from this report.

Risk Management

There are no specific risks identified in respect of the recommendations.

Contact Details

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Report Date 15 February 2020
Approved

Wards Affected: List wards or tick box to indicate all **All**

For further information please contact the author of the report

Background Papers:

Annexes

Annex A – Inclusive Growth Evidence Base (Feb 2021 update)