

Future of York as a “Thriving City”

Part B: Local measures to retain York as a “Thriving City”

Summary

1. The country is facing increasingly difficult economic circumstances. However, because of decisions taken in the past, York is in a position to capitalise on a relatively robust economy. Now is the time to take further actions to ensure that the benefit is spread amongst all – businesses and individuals. There is no room for complacency in an economic downturn and this paper suggests actions, which will help ensure that negative impacts are minimised, and, relatively speaking, York remains a Thriving and Inclusive city through a difficult economic period.

Background

2. The UK economy, in common with most globally is facing an economic turndown, which will be characterised by a sustained period of below trend growth, higher inflation and rising unemployment.
3. A number of economic forecasts gives confirmation to this thinking: -

Forecasts	<i>2008</i>	<i>2009</i>
<i>GDP Growth</i>	1.6%	1.3%
CPI (Consumer Price Index)	3.3%	2.2%
Unemployment Claimants	0.89m	1.0m

4. However, York’s economy in recent times has out-performed those regionally and nationally and this was clearly demonstrated in the Future York Group (FYG) report. The report set out the comparative strengths of York in terms of:
 - Gross Value Added (GVA)
 - Employment growth
 - Level of Qualifications and Skills
 - Wage Rates

- Business Investment
 - Employment Levels
5. The Future York Group Report went on to conclude that York's previous growth trend is likely to continue subject to a number of constraints being addressed and a programme for dealing with these has already been the subject of a previous report on the future of the York economy.
 6. The latest indicators available continue to support the FYG's conclusions that York's strong performance is ongoing and is robust and has the capability of continuing to be so: -

Economically active (Oct 2006-Sep 2007)

	York (numbers)	York (%)	Yorkshire and The Humber (%)	Great Britain (%)
Economically active [†]	106,500	81.0	77.7	78.6
In employment [†]	102,000	77.5	73.3	74.3
Employees [†]	90,900	69.8	65.0	64.6
Self employed [†]	10,500	7.3	7.9	9.3
Model-based unemployed [§]	4,100	3.9	5.5	5.3

Source: ONS annual population survey

Working age population (2006) – York has a high percentage of residents of a working age

	York (numbers)	York (%)	Yorkshire and The Humber (%)	Great Britain (%)
All people - working age	124,600	64.9	62.2	62.2
Males - working age	64,600	69.1	66.2	66.1
Females - working age	60,000	61.0	58.4	58.6

Source: ONS mid-year population estimates

Earnings by residence (2007) – York's wages are relatively high

	York (pounds)	Yorkshire and The Humber (pounds)	Great Britain (pounds)
Full-time workers	451.3	425.0	459.0
Male full-time workers	478.8	470.0	500.7
Female full-time workers	404.2	355.5	394.8

Source: ONS annual survey of hours and earnings - resident analysis
Gross weekly pay

Total JSA claimants (May 2008) – York has a lower figure of people seeking Job Seekers Allowance

	York (numbers)	York (%)	Yorkshire and The Humber (%)	Great Britain (%)
All people	1,811	1.5	2.5	2.2
Males	1,279	2.0	3.6	3.1
Females	532	0.9	1.3	1.2

ONS claimant count with rates and proportions

Jobs density (2005) – There are more jobs available in York per head of population than is the case regionally and nationally

	York (jobs)	York (density)	Yorkshire and The Humber (density)	Great Britain (density)
Jobs density	111,000	0.91	0.81	0.84

Source: ONS jobs density

7. This relatively positive position should not encourage complacency and this is already recognised in two significant drivers for Council action: -
 - Business and consumer confidence are key measures and now need to be strengthened if growth is to be achieved and the impact of a downturn minimised. City of York Council's lead in taking early action will demonstrate civic commitment and give a sound rationale for maintaining local business confidence.
 - During a downturn, the tendency is for the most disadvantaged to be the most affected. This is because they tend to have the lowest amounts of savings, if any, which might tide them over temporary economic difficulties. They also often have the least secure employment.

Proposals

8. This report therefore proposes a package of measures designed to reinforce York's ambition to be a thriving and inclusive city by mitigating the impact in York of the downturn. However, firstly there is a need to consider what is already in place and should be built upon:-
 - i) What the City of York Council has already done for businesses: -
 - commissioned the Future York Group Report and acted upon it
 - developed with partners a fit for purpose company limited by guarantee to deliver the Science City York initiative
 - developed with partners a fit for purpose company limited by guarantee to deliver tourism services – "Visit York"

- built a state of the art small business facility at Clifton – the Eco Business Centre
 - approved major planning applications with significant employment potential with others to follow subject to negotiations
 - with partners put the new Business Link Yorkshire services in place
 - With partners generated and approved a new sustainable Community Strategy with its dedicated “Thriving and Inclusive City” component
- ii) What the City of York Council has already done for individuals: -
- Agreed on the Westfield Pilot Project in response to the new Index of Multiple Deprivation findings. Lessons learned from this are to be rolled out to other areas of need.
 - Produced national award winning information advice and guidance services through Future Prospects whose impact will be even more important in a downturn
 - York Training Centre with its services focussed on dealing with marginalised and excluded youngsters
9. Confirmation has recently been received regarding the receipt of £690K of Local Authority Business Growth Initiative (LABGI) grant. This together with tight financial management in “times of plenty” means that City of York Council now has the opportunity to make strategic “one-off” investments. However, in order to make such expenditure fully effective, consultation will be required with the city and particularly its business community. A new Economic Development Partnership Board is in the process of being established under a new chair and in support of this it is anticipated that a Business Forum (run by local business interests) will have its inaugural meeting in September.
10. We propose therefore to undertake a process of consultation with business, voluntary sector, key partnerships such as the City Centre Partnership and other Leaders in the city to identify a package of measures which will have the greatest impact on:
- a) Enhancing consumer confidence
 - b) Supporting local business
 - c) Helping the hardest hit
11. Among the options we shall discuss are:
- Enhancing consumer confidence
- i) Closer business engagement through “Visit York” including working with businesses to identify and resolve skills and training needs
 - ii) Develop innovative measures through membership of the Golden Triangle Partnership to help those in mortgage arrears

Supporting local business

- iii) Closer working with york-england.com to promote inward investment and undertake stepped up key account management activity
- iv) The City of York Council's City Strategy Directorate will give priority to advising business interests on their proposed planning applications, whether for new business or expansion
- v) The City of York Council will seek ways in which a £50k investment from Norwich Union to establish a fund to support new business start up in York could be matched. Initial discussions on this are already taking place with the Chief Executive of York Business Advisory Centre who will manage the new Eco Business Centre

Helping the hardest hit

- vi) Maximising the effect of new European funding targeting those out of work
- vii) Working with the Citizens Advice Bureau to help deliver debt counselling services
- viii) Working with York Credit Union on ways that it can offer financial management training to individuals and to strengthen the Union balance sheet for the next twelve months
- ix) Speeding up the process involved with the take-up of City of York Council benefits
- x) Undertake actions within the Westfield Pilot project to: -
 - Form a residents group with appropriate Development Training
 - Develop and deliver at least one activity targeted at each of the 7 Index of Multiple Deprivation domains
 - Produce and deliver regular newsletters

All of the above to provide best practice guidance for roll out in other areas in the city suffering multiple deprivation.
- xi) Undertake, in partnership with the Citizens Advice Bureau and the Primary Care Trust, the publishing of accessible advice on "money saving" covering; -
 - Energy bills
 - Cheaper travel options
 - Health and good value food shopping
 - Leisure options

- xii) We will encourage through our procurement strategy. local, small and medium size businesses to successfully bid for our contracts

Options

12. The Executive could choose to investigate the whole package above or could select a number of initiatives for further consideration, or decide to do nothing at all. However, in the economic downturn it is incumbent on the City of York Council as a civic leader to set a climate for economic success, simultaneously delivering on the social inclusion agenda.
13. It is proposed that consultation will take place over the summer and will involve initially our partners on the Local Strategic Partnership and then other key stakeholders across the City including :
- The Chamber of Commerce
 - Major employers
 - Voluntary Sector
- It is expected that a costed set of proposals will be brought back to the Executive at the end of September.

Strategic Alignment

14. This approach would support the City of York Council's commitment to making York both a Thriving City and an Inclusive City as encapsulated in the newly approved Sustainable Community Strategy.

Financial Implications

13. None at present

Equalities

14. The proposals set out in paragraph 8 support the Inclusive City theme of the Sustainable Community Strategy.

Recommendations

15. Members are asked to approve for consultation the package of actions contained in paragraph 8, together with any others which may be agreed in discussion.

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Report Approved



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