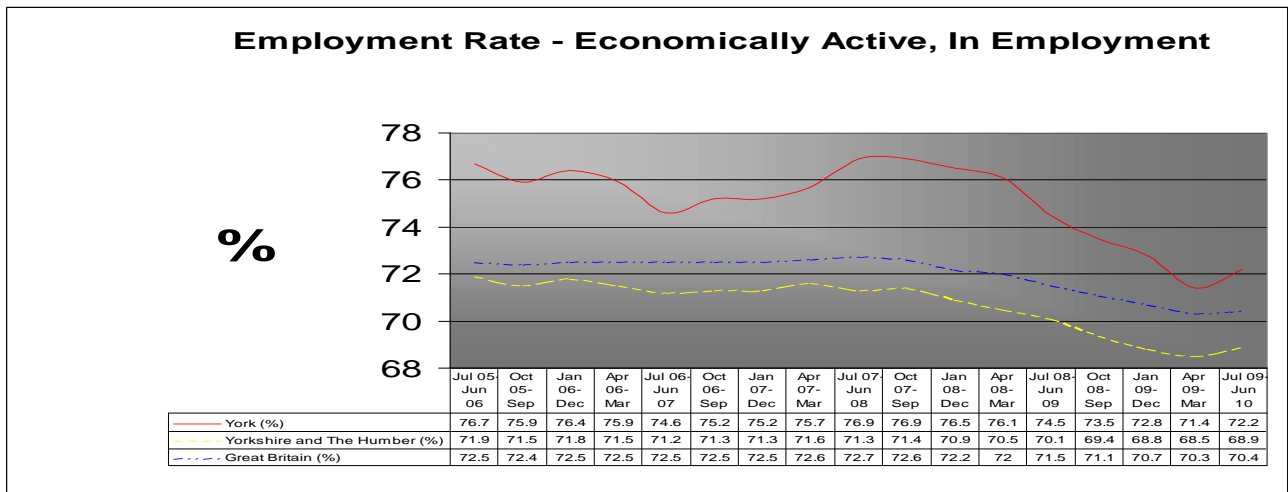


Current position on LAA performance indicators and general business performance in the city

This report contains the most up to date information available. Not all indicators will have changed since the last report, however, all are included for completeness and clarity.

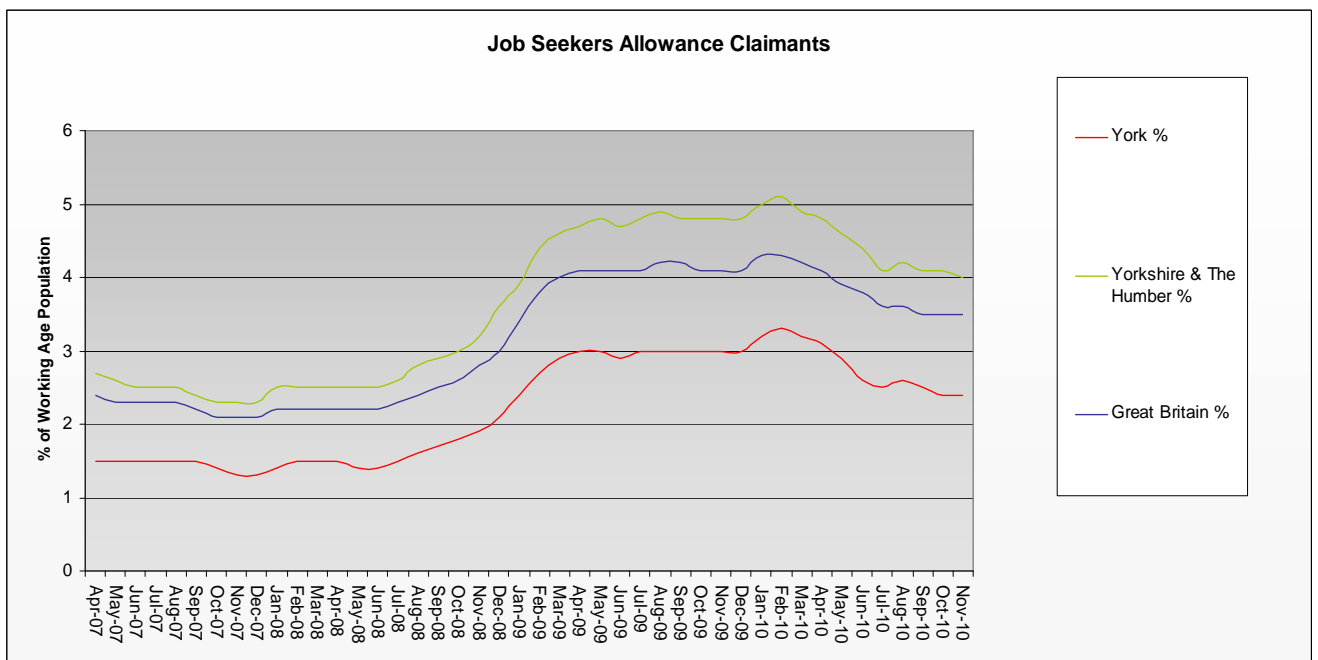
1) Employment Rate

Source: ONS Annual Population Survey (% are for those aged 16-64)



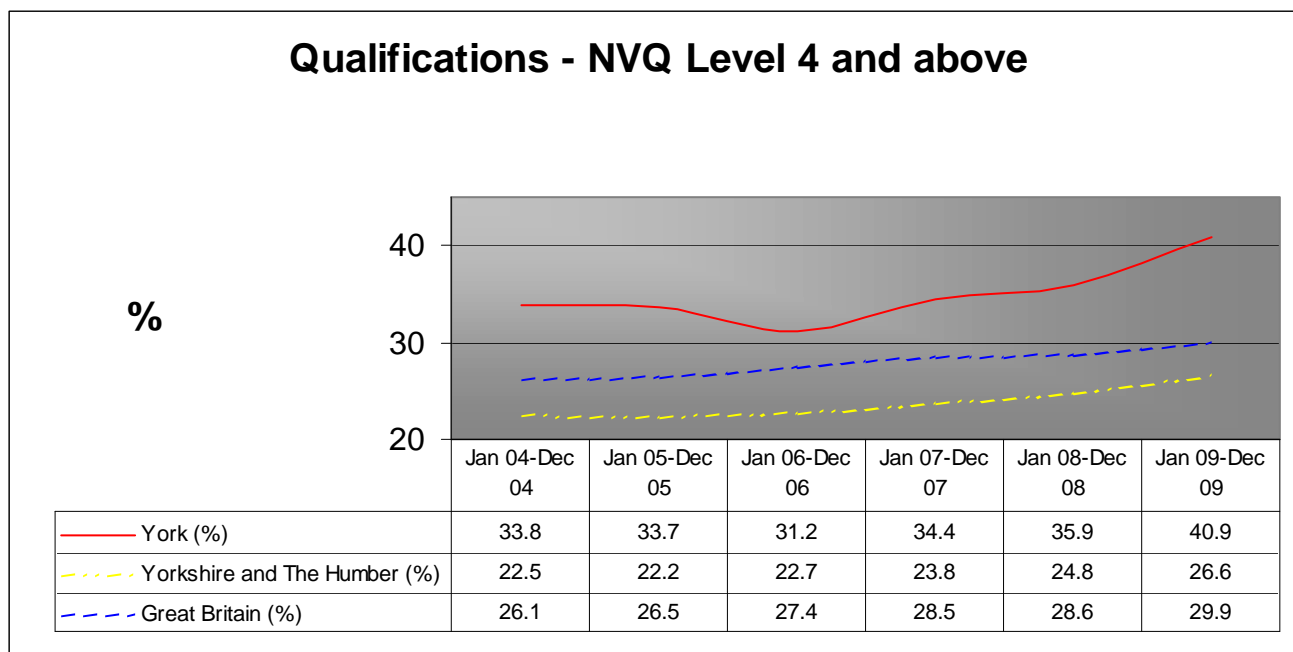
- July 09 to June 2010 saw York's employment rate increase at a greater rate than that of the region and nation. This figure will decrease as the jobless figures increase. York is still above the national and regional employment rates. The Unemployment Claimant Count figures, the "flip-side" of the employment rate, (released on a monthly basis) are more up to date and provide a better picture for York since the economic downturn really only began to start to take affect from April 2008 onwards. (see below)

2) Unemployment Rate



3) Qualifications – NVQ Level 4 and above

Source: ONS Annual Population Survey (2009) (% are for those aged 16-64)

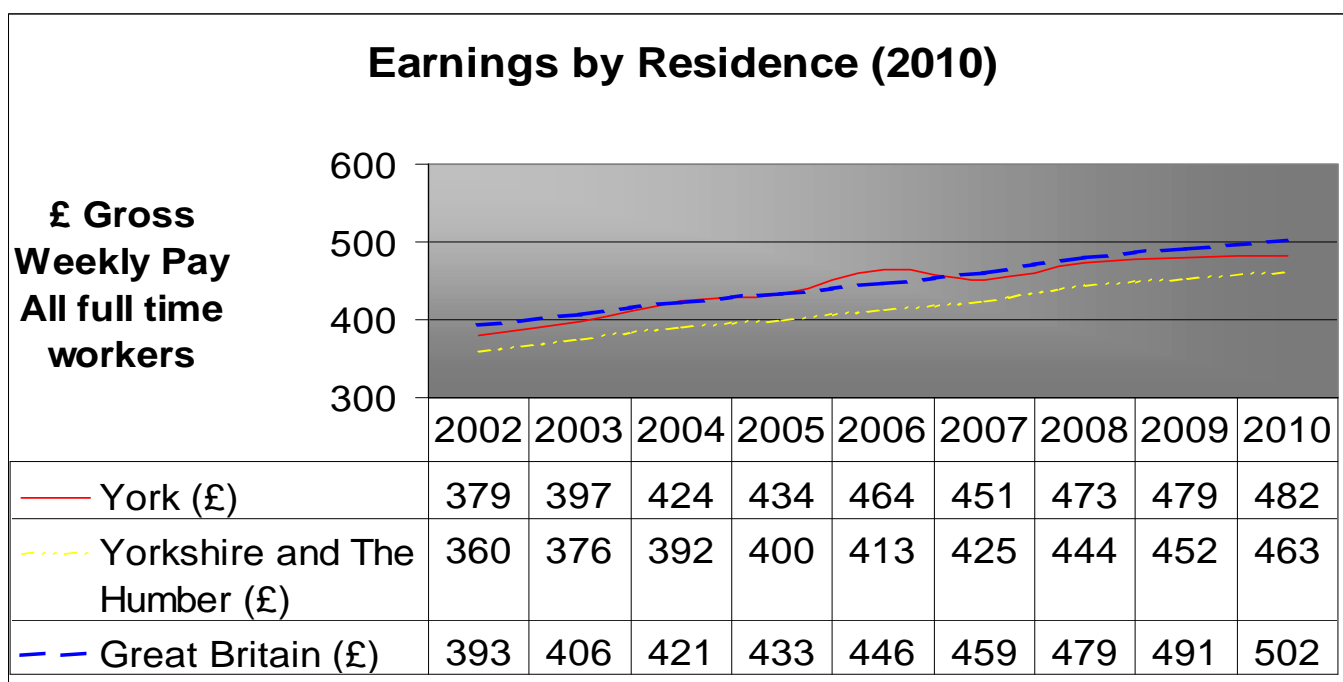


- York UA continues to remain well ahead of the regional and national figures for Qualifications NVQ Level 4 and above.

4) Earnings by Residence

National Indicator 166

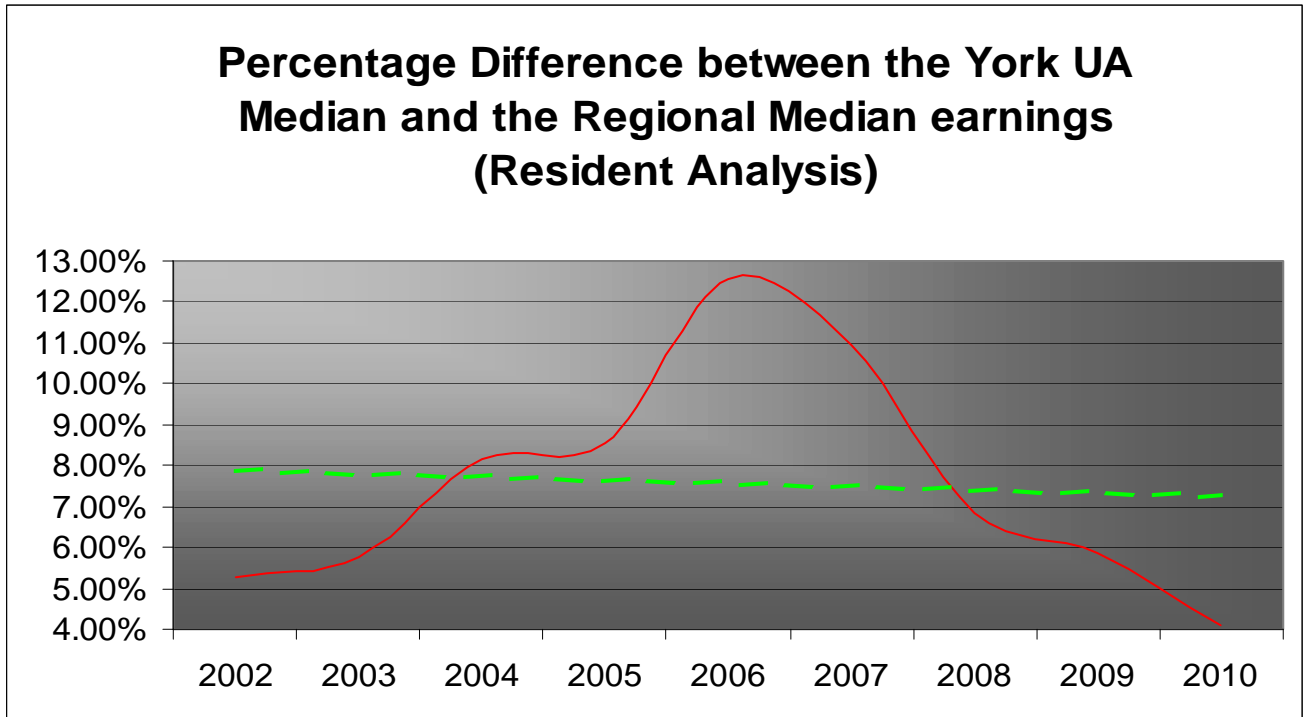
Source: ONS Annual Survey of Hours and Earnings (2010)



Caution must be used with earnings data as this is taken from a sample survey, the larger the area, the greater the level of confidence.

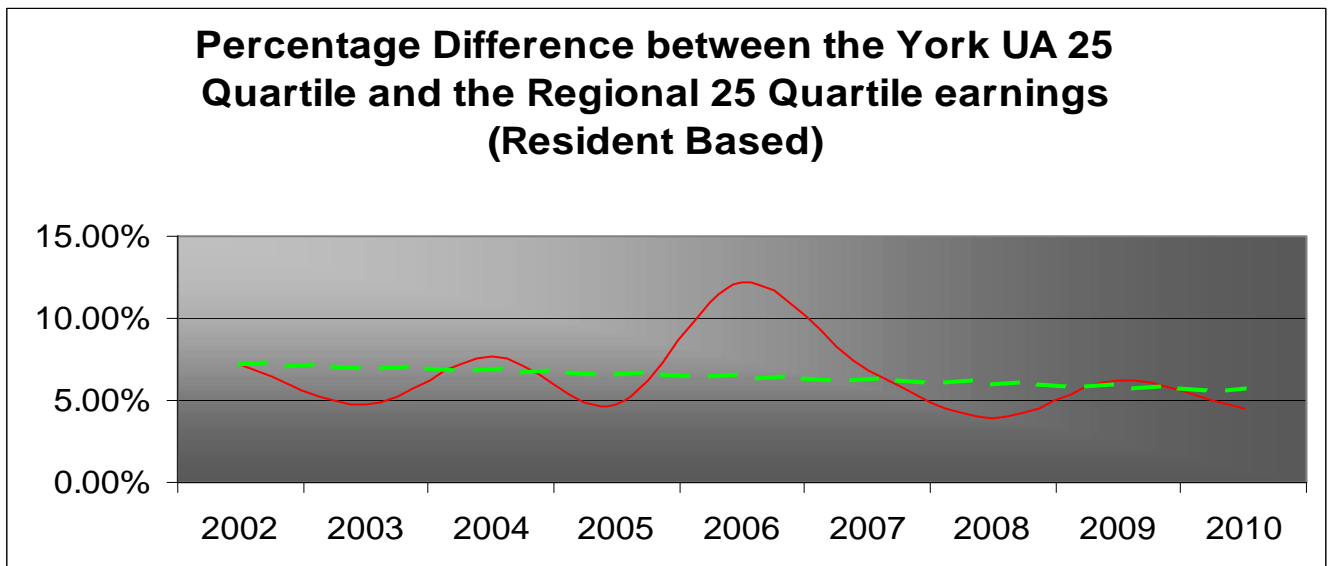
- Average earnings for York UA’s residents are continuing to remain above the regional average but are slightly below the national average.

5) EDE1.4 Maintain percentage difference between York and regional median and 25% percentile figures for residents pay in York (av. gross weekly earnings)



Caution must be used with earnings data as this is taken from a sample survey, the larger the area, the greater the level of confidence

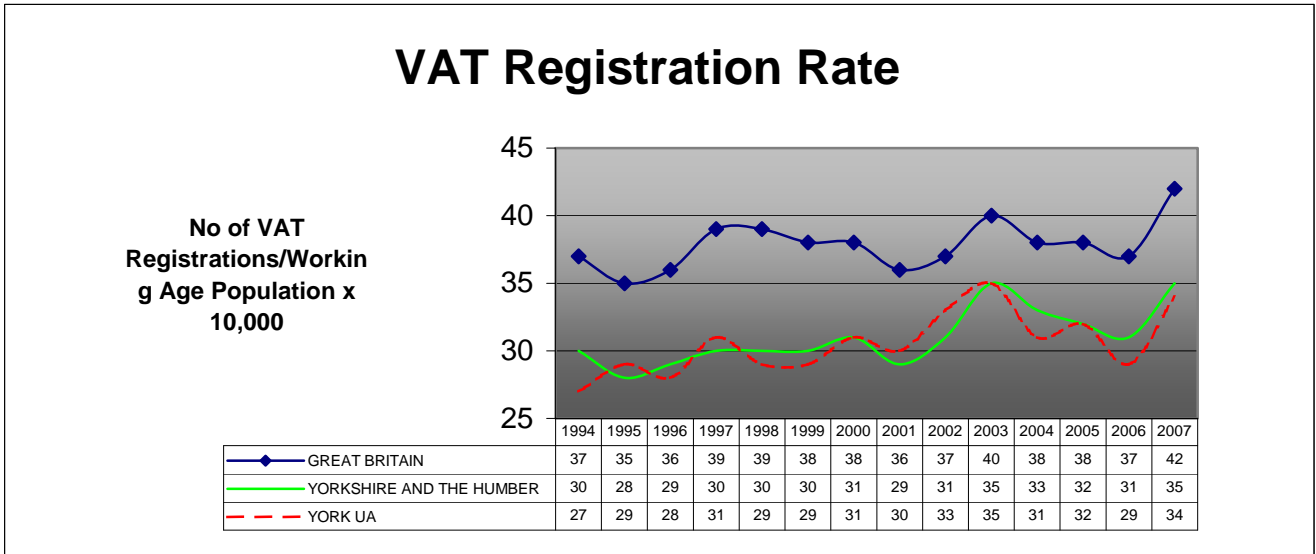
- Average pay differences between the region and York UA are indicating a slight downward trend between 2002 and 2010 (The hashed line on the above graph). Due to the nature of the collection of this data (a sample based survey) year to year percentage differences do fluctuate. The overall trend is the important focus of this data.



- For lower quartile pay, the difference between York and the Region has seen a slight decrease (between 2002 and 2010). However the differential is still in York's favour.

6) VAT Registration Rate
National Indicator 171

Source: DTI Small Business Service - VAT registrations/deregistrations by industry



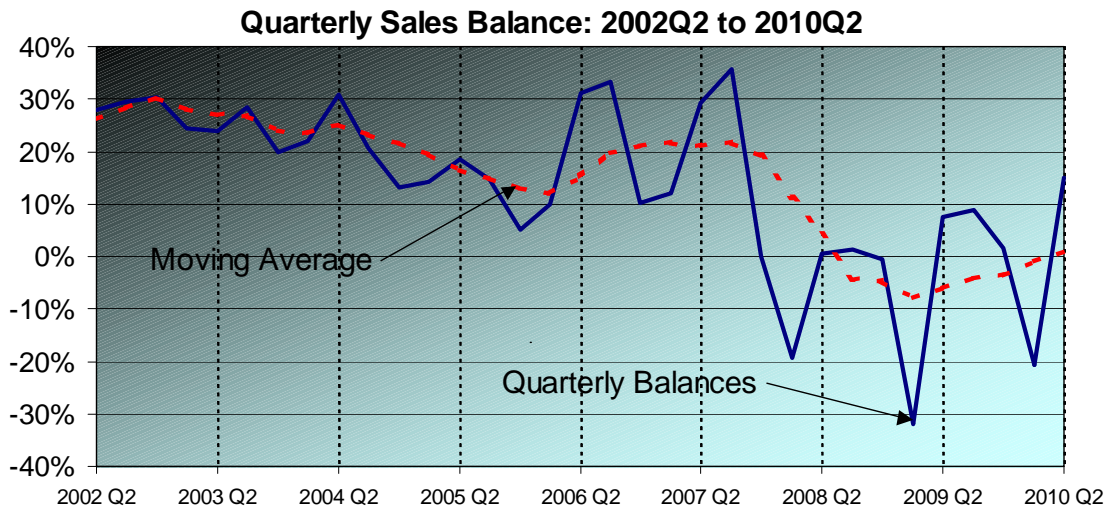
- The VAT Registration Rate for York UA has a strong upward trend between 1994 and 2007

Business Survey Data

7. Sales performance – 2002Q2-2010Q2

Local Indicator VJ15D

Latest data available from the York Business Survey is 2010 Q2. The next survey will take place in mid-January; covering the third and fourth quarters of 2010 and will bring the data set up to date in readiness for the first survey of 2011 which will take place at the usual time in April.



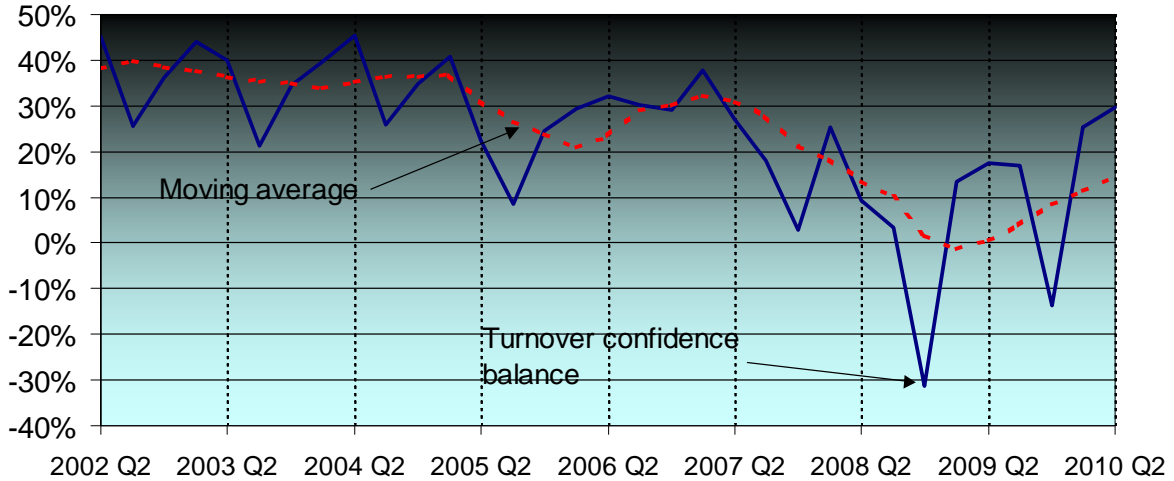
The turnover chart above shows Local Indicator VJ15D, which charts the net balance in sales experienced by businesses in the Quarterly York Business Survey – the resulting net balance figure between the proportion who responded that sales had risen or fallen over the previous quarter. Those who responded that sales fell is subtracted from those experiencing growth. Naturally a proportion of firms, typically around a third, report sales have been steady compared to the quarter before, but this varies naturally enough.

- The blue, solid, line charts the individual net result from each quarter while the broken line is a moving average designed to reduce some of the seasonality inevitably present in the data.
- While the result rises and falls over the eight years shown above, there is a clear overall decline since late 2007 as proportionately more firms experienced a reduction in sales over the quarter than experienced growth and the moving average line exhibits a firm downward trend until beginning to level out and show a slight upward movement from mid 2009. There were certainly a few periods of uncertainty in the national economy prior to the recession – largely linked to rising energy costs during this time - before the recession proper began.
- The result for the 2nd quarter of 2010, the latest result available, shows the most positive second-quarter result since 2007 – and while the trough we would expect to see in the raw data for the first quarter remains marked, it is less so than in 2008.
- The moving average line – which is the red and broken line – continues to move upwards in a positive manner and it is to be hoped this upward sloping line can be maintained through 2010.

8. Sales confidence – the quarter ahead from 2002Q2 to 2010Q2

Local Indicator VJ15C

Sales Confidence: 2002Q2 - 2010Q2

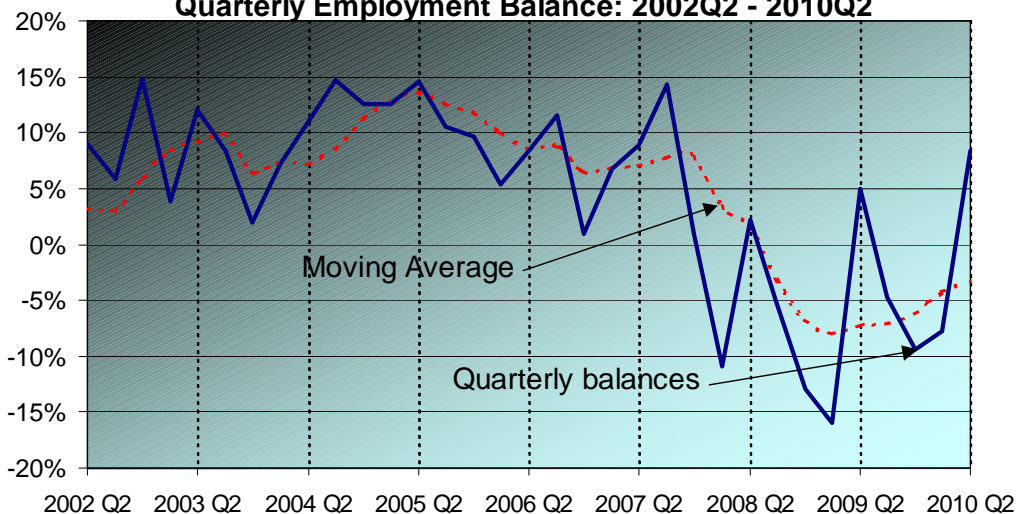


- The Turnover Confidence graph above is constructed on the same basis as the Turnover Performance one previously, but charts the balance between those who *expect* sales to rise in the quarter to come against those who expect them to fall measured against the quarter immediately preceding.
- Once again there is a strong seasonal factor in many managers' hopes (especially for some industries in the city such as retailing) and this needs to be borne in mind although again the moving average line provides a firmer guide to expectations, taking a more moderate view of rises and falls than the raw quarterly data.
- The deterioration in confidence in future sales can be seen clearly from late 2006 to the last quarter of 2008 – but from that point there is a continuing upward slope in the moving average line and this encouraging picture continued in the first and second quarters of last year. It is to be hoped that it will continue to be so once we have the full results for 2010, due in late February.

9. Quarterly Employment balance

Local Indicator VJ15e

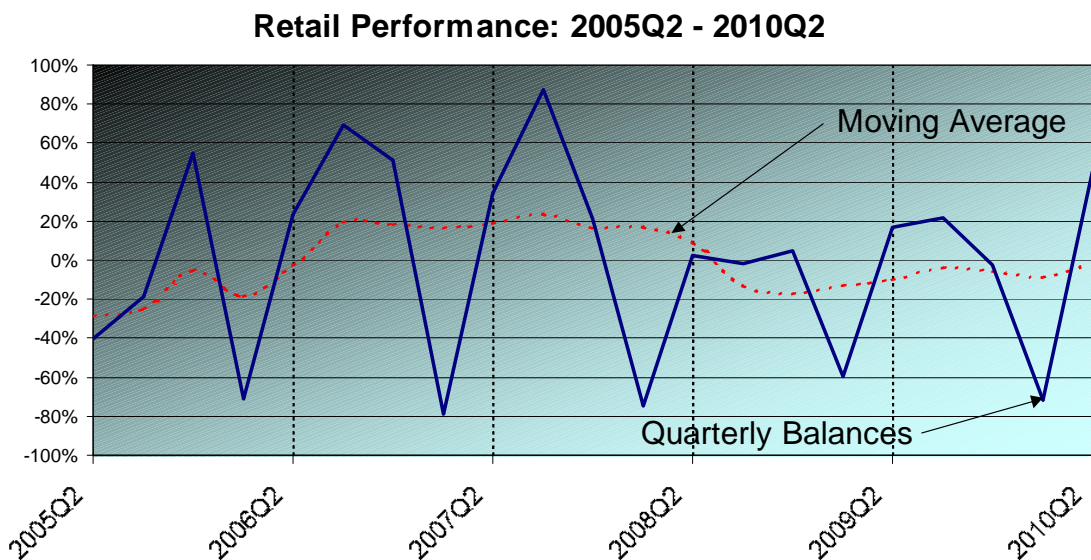
Quarterly Employment Balance: 2002Q2 - 2010Q2



- The employment balance graph overleaf charts the proportion of companies responding that their staffing levels grew or shrank over the preceding quarter – note however that it does *not* show the extent of change. Rather it is used as a barometer of business performance and the question is so phrased in order to maximise response in terms of overall changes to staffing levels. Many firms are sensitive to questions on sizes of staffing levels thus this provides an indication of change only.
- Once again, the moving average provides a firmer guide to performance and the periods when firms were building their staffing levels in response to demand or, where those recruiting or shedding labour were broadly in proportion, can be seen contrasted with the deteriorating performance during 2008 and early 2009. There has been a gently improving position in late 2009/early 2010 – although it needs to be borne in mind we are not talking here about marked quantities of new jobs rather that firms have felt able to take on at least one new member of staff – and that might mean replacing someone lost previously. This gently positive picture overall is borne out by the Jobseekers' Allowance figures which have shown a slight decline in absolute numbers – but no great reduction.

10) Improving conditions in Retailing

Local indicator C10



- This indicator for the retail sector is made up of responses to both the employment and turnover questions for retailers of all kinds across the York economy, from corner shops to car dealers and from independent traders to national chains. The blue line charts the sum of the balance figures for sales and employment while the red, broken, line shows the quarterly moving average which forms the performance indicator itself, C10.
- Data from sales and employment from the retailing sector inevitably exhibits marked swings in performance (principally linked to sales performance) with a strong seasonal component to the data – we are all fairly aware of the ‘tourist season’ from Easter to October and the vital Christmas trading period for retailers.
- The Moving Average shows fairly consistent performance from mid-2006 to mid-2008, but it began to decline from the second quarter of 2008 in line with the initial ‘credit crunch’, later banking crisis and ultimate recession. Familiar difficulties – uncertainties in the labour market, rising energy costs, higher price of fuels, greater difficulties in obtaining mortgages and other shorter lines of credit: all these inevitably have an adverse impact on High Street confidence. Latterly the recent recession, the government’s focus of reducing the national deficit and increased taxation together with the harsh December weather are all likely to have had an impact on consumer confidence too.
- Looking at the most recent result, the second quarter of 2010, the swing from the first quarter is particularly marked. This will be to some extent due to the very depressed conditions for sales in the first quarter, with a similar difference to the same period in 2007. Once again the moving average line provides a more reliable guide to conditions – which is one that is broadly flat, it is to be hoped that the forthcoming data for

WITHOUT WALLS



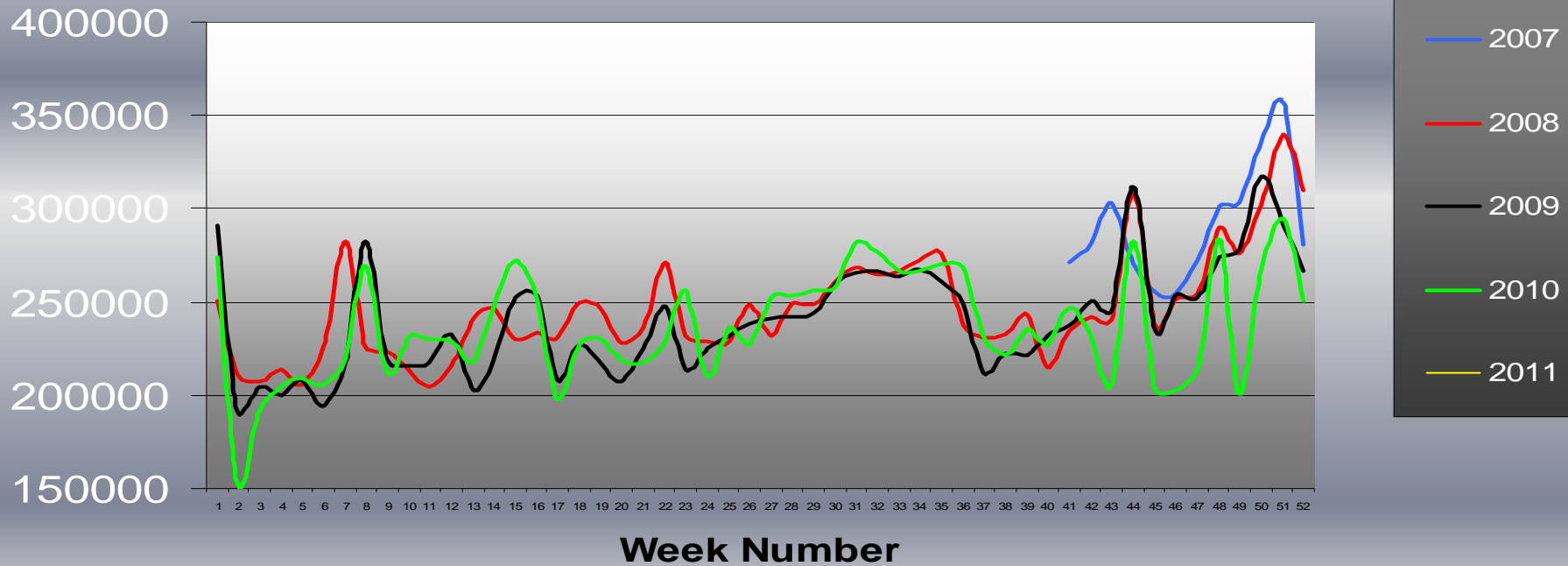
building a future for york

the second half of the year will demonstrate a more positive picture, although the fourth quarter will inevitably be adversely affected by the cold weather during December.

High Street Index Statistics

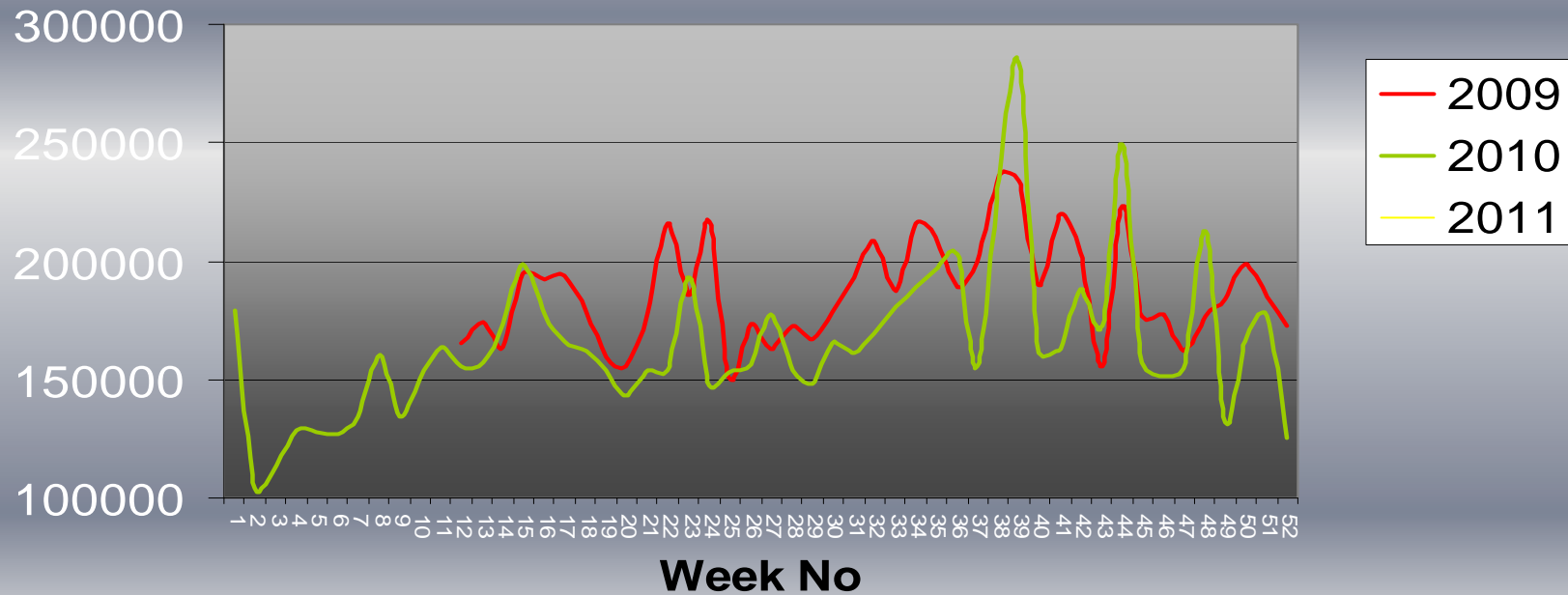
The footfall figures in the graph above illustrate footfall in Coney Street in York.

Total Footfall Per week (Coney Street)



Footfall on Coney Street has seen a decrease of 1.5% on the footfall from 2009. The ongoing economic conditions and two bouts of severe weather have affected this figure.

Total Footfall per week (Parliament Street)



The footfall figures in the graph above illustrate footfall in Parliament Street in York.

Comparison data is not available for the whole of 2009.

The peaks in 2010 show the importance of City Centre events, including; The Food and Drink Festival, and the St Nicholas' Fayre.