

Review of City of York Council’s One Year Business Support Strategy

Summary

1. As a city, York has worked hard to support its business community through the Covid pandemic. Thousands of small and micro businesses have been helped with grants and broader support, with York consistently out-performing other cities in the distribution of funds. Our approach of focussing on those beyond the main Government support has paid dividends as our economy bounces back from the effects of the pandemic. In other local authority areas, many of the businesses helped in York would not have been eligible for support.
2. This report provides an update on progress achieved on the delivery of City of York Council’s One Year Business Support Strategy. The Strategy is part of a suite of strategic documents that forms the Council’s One Year Recovery and Renewal Plan, a Plan that sought to address the very significant and immediate impacts of Covid-19 across all aspects of life in York.
3. Approved by the Council’s Executive in July 2020, the One Year Business Support Strategy represented the next phase of the Council’s economic response to the pandemic. Alongside the vast financial support provided directly to local businesses, the Council also co-ordinated and facilitated the many sources of advice and support available to businesses to help them navigate a period of great economic uncertainty.
4. Recognising the Council’s key role as a both a convener and broker, the Strategy comprises four key themes: networks; targeted supported; sector development and workforce skills and training. A great deal of progress has been made against each theme, with York’s economy bouncing back strongly since lockdown restrictions eased last spring (2021) with city centre footfall and spend both strong over the summer,

low levels of unemployment (the lowest of any UK city) and strong investor interest.

Recommendations

5. The Executive Member is asked to:

1) Note the contents of the report.

Reason: To support the Council's delivery of business support activity in York.

Background

6. Within a week of the first lockdown at the end of March 2020, Councillors had committed £1.14m of CYC funds to supporting small and micro businesses which were beyond the scope of Government grant support. We provided free FSB membership to over 600 businesses, giving access to a wide range of free helplines and practical support, and made available grants of up to £1,000 to small and micro businesses through our Micro Grants scheme. Independent evaluation has shown that these commitments supported 1,114 enterprises, saved around 300 businesses from failing and protected the income of over 500 households across York.
7. Government provided over £100m in support to York businesses through various grant rounds, rates relief and loans. The grants and rates relief were administered locally and our Rates team worked tirelessly to channel funds as quickly as possible to over 3,500 businesses across the city. York was consistently in the top 5% of Local Authorities in terms of volume and speed of distribution of grants. As the pandemic developed and more grants were provided, our approach of passing funds on rapidly and targeting discretionary funds at those excluded from the main funds has shown to have been very effective.
8. Many businesses across the UK are still complaining that they have had little help, however in York the majority of businesses have been assisted with grants. It is worth noting that York is the UK city that has seen the smallest rise in unemployment, as measured by Centre for Cities. This has been no accident, and reflects the principles we have developed through the pandemic of supporting those most in need, recognising the value of small employers and self-employment, and of

working with business organisations such as the FSB, Indie York and the Institute of Directors to inform delivery on the ground.

9. In July 2020, the Executive agreed a 1 year strategy to provide business support, help with skills and employment, and to make adaptations to the city centre public realm and transport arrangements to help our businesses trade. It is the business support aspects of this 1 year strategy that is the focus of this report. These measures have helped the city centre to provide a warm and safe welcome to residents and visitors, with the effectiveness of our support shown in measures of footfall and spending which put York among the best performing cities.
10. Since lockdown restrictions eased back in spring 2021, York's economy has bounced back strongly with a strong summer of trading, high occupier interest and low levels of unemployment. Indeed, economic forecasts by Oxford Economics predict that GVA growth in York will outstrip growth across York and North Yorkshire and Leeds City Region, matching UK levels.
11. At the time of developing the Council's One Year Business Support Strategy, growth forecasts were a lot more pessimistic with economists predicting that it would take a number of years for the UK economy to recover the ground lost due to the pandemic. In addition to the four themes outlined in the Strategy, a number of additional interventions were identified that would support the city's medium to long-term economic recovery. These were based around four focused areas: innovation; inward investment; trade and exports; and tourism. As Annex 1 shows, decent progress has been made against these focused areas although there is still plenty of activity to be delivered. These areas remain a priority for the Council as we work towards an era of renewed growth in the city, capitalising on our economic assets and internationally-recognised brand.
12. The Council's forthcoming Economic Strategy for York will continue to support York's economic recovery from the pandemic, as well as guide how the Council will work with businesses, residents and partners to ensure that economic growth in the city is both inclusive and sustainable. Our new Economic Strategy will build upon our economic response and recovery work, with a continued focus on business support.
13. The recent amalgamation of the Make it York Business Team with City of York Council's Economic Growth Team has strengthened the delivery of business support activity, economic development and inward investment activity across York. The team operates a 'no wrong door' approach,

supporting businesses to navigate the business support landscape and connecting them with the right skills, training, people and funding. In addition, the Council's two Business Growth Managers (funded through the Leeds City Region LEP Growth Service) work with local SMEs trading B2B supporting them to achieve their growth ambitions through tailored support. Since the beginning of 2021 the Council's Business Growth Managers have supported **287 businesses** in York, with several able to access grant funding to propel their business forward.

14. During the same aforementioned time period, the Council's Economic Growth Team has also handled **97 enquiries** from businesses and investors seeking to create jobs in York. Whilst almost half of these are still live, a number of these have resulted in successful landings within the city supporting job creation and a thriving economy.
15. Economic development plays a critical role in driving economic growth, supporting good quality employment and facilitating an improvement in residents' quality of life. While the work of the Council's Economic Growth Team often falls under the radar, our work to enable and sustain employment in the city is key in maintaining a successful local economy, strong resident base and providing income for the Council to invest back into local services and capital projects.

The One Year Business Support Strategy

16. Developed as part of City of York Council's economic response to Covid-19, our One Year Business Support Strategy comprised four key themes:
 - Networks: strengthening links with public and private sector business support providers, and helping businesses to understand what support is available;
 - Targeted support: lobbying the LEP and Government for further targeted support, informed by genuine business need through our sector roundtables;
 - Sector development: working with our established list of key sectors to formulate and implement sector specific plans; and,
 - Workforce skills and training: helping both individuals at risk of redundancy and businesses needing to flex and adapt to take advantage of the help on offer.

17. A detailed review of the Strategy, including progress made and actions still to be delivered, can be found at Annex 1. Key initiatives delivered to better understand the needs of businesses, provide targeted support and boost York's economy include:

- Allocation of £500k from the Council's Additional Restrictions Grant funding to develop an innovative business support voucher scheme (now open for applications);
- Over 600 free FSB memberships provided to local businesses to enable access to a wide range of support and advice;
- Two new business start-up programmes launched by York and North Yorkshire Growth Hub to support new and prospective entrepreneurs develop their business propositions;
- New package of support for businesses trading B2C launched by York and North Yorkshire Growth Hub;
- Pop-up space initiative delivered on College Green in partnership with York BID, supporting small businesses with limited space to accommodate customers;
- Three-week hospitality (kitchen skills) SWAP pilot in partnership with DWP and York College;
- Through the City of York Skills Partnership, delivery of four skills events during York Business Week 2021 designed to help businesses access the support they need;
- Creation of a monthly York Business Leaders Group (chaired by the Executive Member for Economy and Strategic Planning) to gather business intelligence and share Council updates;
- Extensive industry engagement through the Council's sector roundtables initiative, informing practical support measures and city centre approach;
- The creation of a business newsletter issued weekly communicating the broad range of business support offers from public and private sector partners.

18. Alongside the above, the Government has provided over £100m in support to York businesses through the various grant rounds, rates relief and loans, with the grants and rates relief administered locally. The

Council's Rates team worked tirelessly to channel funds as quickly as possible to over 3,500 businesses across the city. In addition, at the onset of the pandemic, Councillors committed £1.14m of Council funding to support small and micro businesses which were beyond the scope of Government grant support. An independent evaluation has shown that this commitment supported 1,114 businesses, saved around 300 businesses from failing and protected the income of over 500 households across York. The approach has provided new insight into the importance of small and micro businesses for York's economy, and the wide range of sectors and industries in which such enterprises operate. This has informed our business support plans for the city, including the recent business support voucher scheme.

19. A few actions identified in the Council's One Year Business Support Strategy still are ongoing including joint working with York BID to further develop their business support offer for levy-payers; facilitating better connections between the Council's Communities team and local employers to support community initiatives across York; and the creation of sector development plans for our key sectors. These actions will be incorporated within the Council's forthcoming Economic Strategy, continuing our work to support York's recovery from the pandemic.

The Role of Economic Development

20. Economic development plays a critical role in driving economic growth, supporting good quality employment and facilitating an improvement in residents' quality of life. While the work of the Council's Economic Growth Team often falls under the radar, the team plays a keen role in enabling and sustaining employment in the city contributing to a successful local economy. Our work has the following benefits:

- Job creation – the team provide critical assistance and information to businesses seeking to create jobs in York. We help to connect new investors and existing companies with the resources and support they need to either set up or expand in the city;
- Industry development – a key function of our role is to strategically guide the development of York's economy, reducing the city's vulnerability to a single industry and economic shocks;
- Business retention and expansion – the overwhelming majority of jobs in York are created by existing businesses growing. We work

with local companies to assist them with their operational needs and support them to achieve their growth ambitions;

- Increased business rates – growth and expansion of York’s business base also results in increased tax revenue for the Council which can be spent on improving local services and investing in capital projects; and,
- Improved quality of life – better infrastructure and a greater number of good quality jobs improves the local economy and raises the standard of living for York residents.

21. The Council’s Economic Growth Team operates a ‘no wrong door’ approach to business support, working with businesses to help them navigate the business support landscape and connecting them with the right skills, training, people and funding. Our two Business Growth Managers (funded through the Leeds City Region LEP Growth Service) work with local SMEs trading B2B supporting them to achieve their growth ambitions through a package of tailored support. Since the beginning of 2021, the Council’s Business Growth Managers have supported **287 businesses** in York. This includes the following achievements:

- Supporting a further education skills consultancy business to receive a £50k capital investment from the Business Enterprise Fund’s Investment Readiness programme. The business has signed new contracts with various institutions across the US and Australia;
- Supporting a re-useable beeswax food wrap manufacturer to secure a PAPI grant of £20k to purchase equipment and further innovation;
- Supporting an Edtech business to receive £7k from the Department for International Trade to help expand into Chile and £4.5k from the Digital Enterprise programme;
- An accountants received £7k for upgrades to phone and broadband systems;
- Supporting a local production company to gain a £6.5k grant through Digital Enterprise;
- Supporting an interviewing solutions business to receive a £6k grant towards their new website from Digital Enterprise.

22. In addition to the above, the Council's Business Growth Manager runs a twice-monthly business support forum meeting called Connect over Coffee. Designed to help connect and support local businesses, 32 meetings have taken place since its inception in May 2020 (in conjunction with York Science Park), with 114 different businesses attending. Themes tackled to date include: sales; marketing; branding; social media; SEO; data protection; start-up support; skills; HR; furlough; working remotely; legal; R&D tax credits; and investments.
23. In addition to supporting businesses with their support and growth needs, the Council's Economic Growth Team also promotes York as a place to do business and provides assistance to new businesses and investors seeking to create jobs in the city. During the same aforementioned time period (January 2021 to date), the team has handled 97 enquiries. 54 of these were indigenous, 26 were from across the UK and 17 were foreign direct investment enquiries. Just under half of these are still live, with requirements for generally larger sites and premises. Examples of successful landings include:
- A data protection adviser looking to relocate from West Yorkshire – the team provided content for a business case and information on the York business support offer, and assisted in identifying and securing office space at York Science Park;
 - Tool manufacture. Provided information on workforce access and made appropriate connections, once landed, to business (and skills) support provision;
 - Since 2019, the team have worked with a foreign-owned home furnishing business to land in the city. Provided information on commercial property, recruitment support and supported with profile-raising;
 - Engineering business. Made introductions to commercial agents resulting in a lease agreement at Westminster Place;
 - Growing online electronic component provider. Assisted with navigation of York's flexible office and start-up space offer for initial presence in the city, followed by connections to York Science Park where the business will be among the first to take up office space at the Guildhall in early 2022.
24. The Council's forthcoming Economic Strategy will continue the focus on local job creation. A key priority will be ensuring that the city provides

access to affordable, good quality workspace to support both business growth and inward investment. With significant new developments such as Hudson Quarter, York Guildhall and the York Central project coming to fruition, we can expect further growth in well-paid jobs in York. These developments need to be complemented by a range of spaces that support local SMEs, creatives and the self-employed to flourish. The Economic Growth Team will continue to proactively work with developers and investors interested in providing good-quality commercial space across our city.

Consultation

25. Consultation on the economy, the Council's Covid-19 response work and delivery of business support has been through our weekly intelligence calls with key partners, Business Leaders' Group, York Leadership Group, and regular meetings of the Executive Economic Recovery Group.

Council Plan

26. Our work addresses 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;
 - Safe communities and culture for all; and,
 - An open and effective council.

Implications

- **Financial** – no new financial commitments.
- **Human Resources (HR)** – no implications;
- **One Planet Council / Equalities** – our work positively supports the Council's equalities objectives;
- **Legal** – no implications;
- **Crime and Disorder** – no implications;
- **Information Technology (IT)** – no implications;
- **Property** – no direct implications.

Risk Management

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

Contact Details

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Report
Approved



Date: 15 November 2021

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 1: City of York Council's One Year Business Support Strategy – November 2021 Review

List of Abbreviations Used in this Report:

B2B – Business to business

HR – Human resources

LEP – Local Enterprise Partnership

PAPI – The Product and Process Innovation Project

R&D – Research and development

SEO – Search engine optimisation

SMEs – Small and medium-sized enterprises

SWAP – Sector-based work academy programme