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

24 May 2022

Quarterly Economic Update

Summary

1. The period between January 2022 and May 2022 has seen the UK striving to recover from the worst of the COVID 19 pandemic, contend with huge rises in the cost of living, and the onset of conflict in the Ukraine. These combined circumstances present a unique set of challenges and have a knock on effect for the business community and consumer as whole.
2. In addition, the Government has released several new funding programmes which require focus, there are a number of key Council strategies in development, which will culminate this year, and several initiatives and projects have now completed.
3. This report presents updates on the local financial climate, core business support work and Council-led initiatives.

Recommendations

4. The Executive Member is asked to:
 - a) Note the contents of the report

Reason: To support York's economic response to the COVID-19 pandemic and ongoing economic work

State of the Economy

5. This report covers the first quarter of 2022 during which the cost of living has significantly increased.
6. National inflation is now running at 7% with wholesale energy costs and fuel prices driving this rise, particularly in the aftermath of the Russian invasion of Ukraine. This means that many households face increased energy bills from the beginning of April as the energy regulator raises the price cap. Businesses, who are not protected by a price cap and

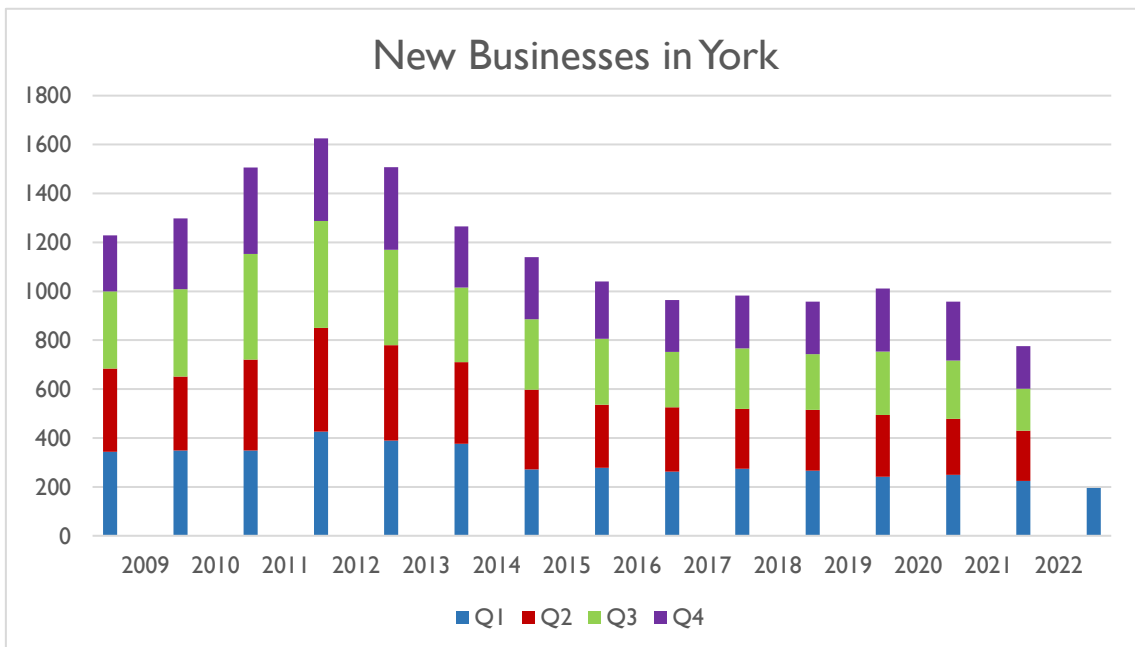
generally have bespoke contracts with a supplier, will also incur increased energy and fuel bills.

7. Price rises and increased costs elsewhere in the economy will likely cause a slowing in consumer and business demand, and therefore, a slowing of economic growth according to the Bank of England (BoE). The BoE have set interest rates at 1%, the highest they have been since 2009, but still expect inflation to reach 10.25% by the end of 2022. York's economy will subject to these economic challenges over the coming months.

Business start ups

8. Given the current economic conditions, it is unsurprising that York is currently seeing a reduced number of new business start-ups. The first quarter of a year is typically the period in which most new businesses set up in York, with this being the case for five out of the last seven years. In the first three months of 2022, however, we have only seen 196 businesses established, the lowest amount of new businesses since records began in 2008. It is hoped that the strong level of investor interest in York and demand for start-up support means that this is a temporary drop.

Figure 1: New Businesses in York



Recruitment

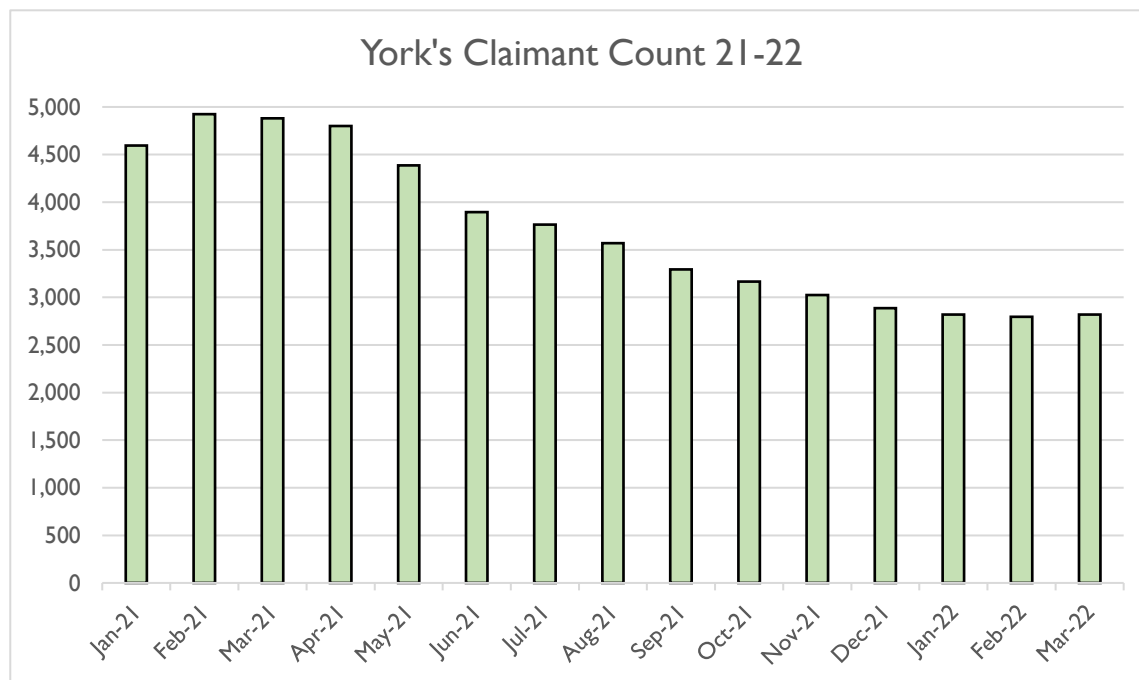
9. The recruitment needs of businesses in York have not dissipated, and remain at the high levels seen last summer. Using data from the jobs website Indeed, our estimates indicate that the number of vacancies within a five mile radius of the centre of York had risen to 3,418 by the

end of March, an increase of 596 jobs since the first week of January. Across the opening weeks of Q2 that has slightly dropped to 3,260 mark.

Claimant count

10. Due to a strong demand for labour, York's claimant count has continued to decrease. Since our last report, there were further reductions in December 2021, January and February 2022, meaning the number of people claiming out of work benefits decreased for 12 consecutive months.
11. The provisional figure for March 2022 showed an uptick of 25 claimants taking the current figure to 2,820 people. This is still 1,000 more people than pre-COVID and the highest number since April 2013, suggesting that the pandemic has left some scarring on the labour market.
12. It is worth noting, that in February 2021 there were 4,925 people claiming out of work benefits, with a further 15,900 furloughed, highlighting the progress made in this area. York also continues to remain the best performing city on the Centre for Cities unemployment tracker with just 2.0% of its working-age population claiming unemployment-related benefits.¹

Figure 2: York's Claimant Count 2021-22



¹ Centre for Cities Unemployment Tracker – <https://www.centreforcities.org/data/uk-unemployment-tracker/>
- last updated on the 12/04/22

Cost of housing

13. New statistical releases show that York's house and rent prices have further increased.
14. Unlike the 2007-08 financial crisis, house prices in York have continued to rise since the first COVID-19 lockdown. In fact, house prices have continually risen since 2011 with £315,260² the average price paid for a dwelling in the year ending September 2021. This is an increase of £27,627 from a year earlier.
15. Although this figure is higher than the Yorkshire and Humber region average of £227,615 it is lower than the English and Welsh average of £350,984.
16. The overall average for rent payments in York was £853³ in the year ending September 2021, an increase of £59 from the previous year. Median rents increased by £25 for studios and 1, 2 and 3 bedroom properties from a year earlier.
17. These increases have resulted in York being ranked as an area with housing affordability similar to the average for England and Wales, but with poor affordability in comparison to much of the north of the UK⁴.

City Centre Economy

18. Annex A shows the latest origin and footfall data, in this instance for March 2022, from the Movement Insights platform. Around 550k people came to York during this time period, making footfall 2% higher than in February, and 108% higher than February 2021.
19. York was the home location for 28% of the visitors, while it represented 25% of the total in February. 37% of the users sighted live within 0-10km to the site, and long distance visitors represented 39% of the total.
20. Spend data for this period through Visa transactions is not available yet, however in Q4 of 2021, around £145m was spent with businesses in the City. Just under £62.5m of this spend was in restaurants, whilst the retail benefitted to the value of just over £26.5m. Both figures are higher than

² ONS: Mean house prices for administrative geographies: HPSSA dataset 12 – <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/meanhousepriceforationalandsubnationalgeographiesquarterlyrollingyearhpssadataset12>

³ ONS: Private rental market summary statistics in England – <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/privaterentalmarketsummarystatisticsinengland>

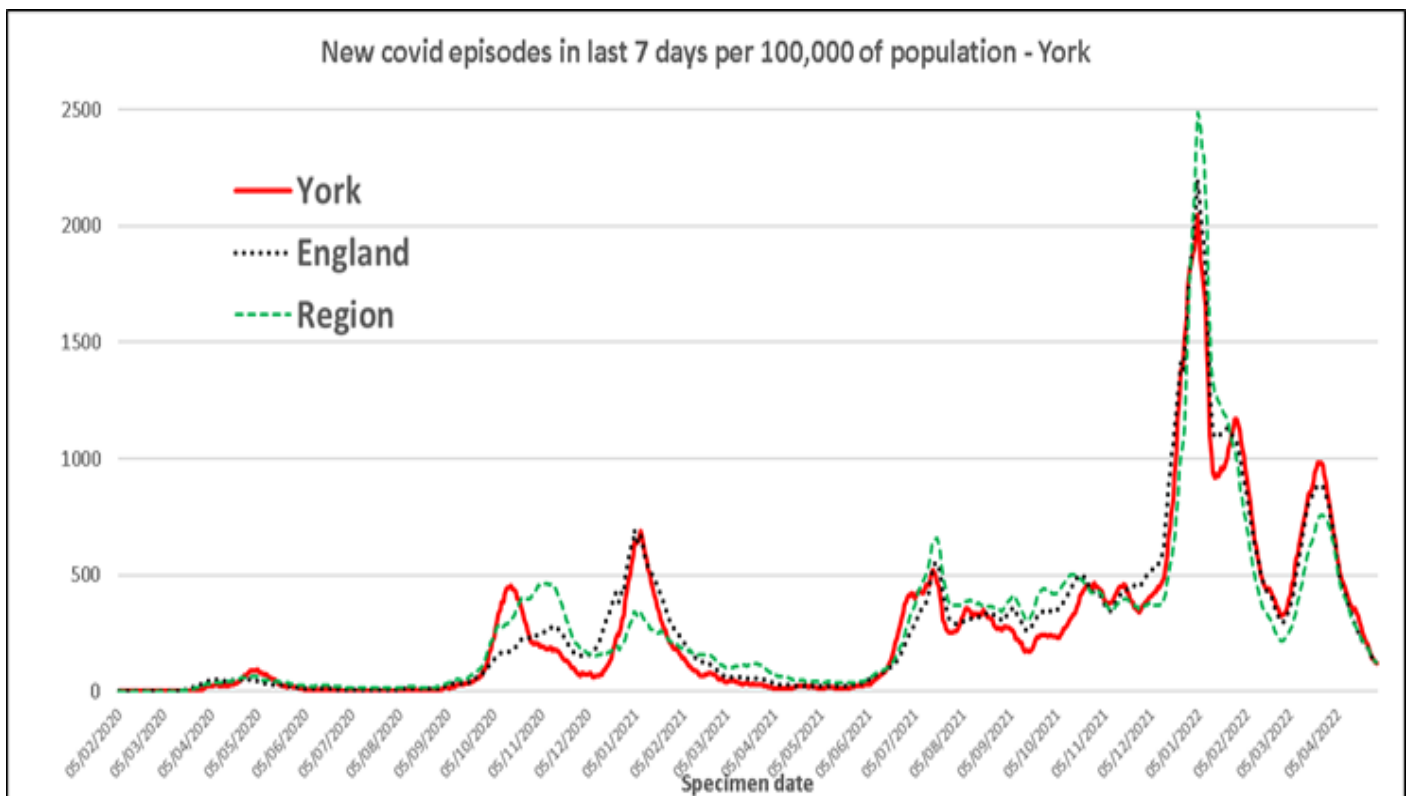
⁴ ONS: Housing Affordability in England and Wales: 2021 – <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingaffordabilityinenglandandwales/2021>

in quarters 1 and 2, however the hospitality sector saw reduction in spend from £5.5m in Q3 to £3.9 in Q4, reflecting the seasonality of the industry.

Business Intelligence

The impact of COVID January – May 2022

21. The spectre of post-Omicron COVID still loomed large in the first quarter of the year, with inevitable consequences for the economy and workforce.
22. The table below shows that the quarter 4 of 2021/22 had the highest levels of positive COVID test results in York for the whole pandemic and, inevitably, businesses suffered as result.



23. As at 4th May 2022, residents have had a total 64,852 COVID episodes since the start of the pandemic, a rate of 30,734 per 100,000 of population. The cumulative rate in York is below the national (32,856) and regional (32,610) averages. It is also worth noting that, as of 2nd May 2022, there were:

- 77 confirmed COVID-19 patients in General/Acute beds. The peak number was 158 on 28th March 2022, and;

- Two confirmed COVID-19 patients in the Intensive Treatment Unit (ITU). The peak number for people in ITU was 19 on 10.5.20. ⁵

24. Increased community COVID transmission has resulting in high levels of staff absences has exacerbating existing staff shortages. While firms have made every effort to maintain COVID security throughout the last few years, testing has been a key tool for building confidence throughout the pandemic. Now the requirement for testing is much lower, this has reduced an individuals' or firms' ability to detect, and reduce, risks of transmission in the workplace. The consequent rise in cases has impacted all sectors including hospitality, travel and transport and manufacturing.

Energy price hikes

25. Rising energy costs are affecting businesses across every sector and, eventually, these rises will be passed on to the customer. Inflation increases in general are putting pressure on pricing, with several companies having to adjust their pricing structures. Some exporters are also pricing delivery separately as shipping and transport costs rise sharply.

Recruitment and pay

26. According to the Bank of England, companies expect demand for labour to stabilise, but recruitment difficulties remain intense and the labour market will remain difficult throughout 2022.

27. Pay settlements picked up sharply due to recruitment difficulties, higher inflation and the impact from the upcoming rise in the National Living Wage. We see the impact of this locally in a range of sectors, and many local companies are carrying vacancies they need to fill. We have also seen evidence that this is stifling output to some extent and order times are being extended.

Supply chains and costs

28. In response to increased cost pressures, many contacts expected to raise prices to rebuild or protect margins, which on average remain below normal. The extent to which these cost pressures will become embedded in wages and prices is unclear

⁵ All COVID 19 updates sourced from City of York Council's Business Intelligence Team

29. Supply chain adjustments are causing severe disruption to both supply chains and logistics, as well as increasing costs exacerbated by the war in Ukraine with commodity prices coming under increased pressure. This is often resulting in longer lead-in times for products.
30. The other reason for extended import delivery times is the ongoing lockdowns in China. This is impacting goods manufactured in Shanghai and nearby regions. Companies are also experiencing huge increases in transport costs including container shipping where in some cases this can be up to 10 times more than it was 6 months ago, although there are tentative signs that this is beginning to ease.

Commercial property market

31. Investment and commercial property sales in the city are similar to the last quarter with the registered sale of 12 properties. Whilst there is still huge demand and interest in acquiring retail storefront units in the city centre we have not yet seen big unit purchases on the likes of Coney Street as we did in the last six months, but nevertheless there is still significant activity
32. There is a slow return to office working in the city with a mixture of remote and office working, using the space for teams to meet up one or two days per week or staff working from the office for part of the week. This is true for both small and large corporates based in the city, and office occupancy currently stands 3.5%, expected to improve to 3.4% in 2022.
33. Occupier market conditions in central York remain tight. Although vacancies have risen over recent quarters, today's vacancy rate (3.5%) remains comfortably below the long-term average. Palace Capital's Hudson Quarter landed one of the submarket's most notable deals of recent times at the tail end of 2021 when Great Railway Journeys took 11,300ft² on a 10- year lease.
34. There is high demand for industrial property on the outskirts of the city, with units currently in development attracting strong interest. The overriding demand seems to be in the range of 1,000 - 5,000 ft² units. There is also potential for a rare 60,000 ft² facility to become available in the south east of the city, but, despite enquiries for this size of unit coming forward in the past 6 months, timescales around this are uncertain

35. Industrial rents in the York market gained 6.9% in the past 12 months, outpacing the 5.2% annual average over the past three years. In a longer-term view, industrial rents in York have increased at levels that border on transformative with rents today's 48.8% above levels 10-years ago

Business engagement and key events

36. During the 3-month period there were 23 virtual and in person conversations with key accounts as well as two round table meetings with the rail sector; one focusing on skills and the other on attracting the new Great British Rail (GBR) Headquarters to York.

Great British Rail Headquarters (GBR) bid

37. Since the last report to the Executive Member, the team has been working to lay strong foundations for the GBR headquarters bid, establishing key sector support through roundtable and networking engagement in order to build the strongest possible case for York.
38. To bolster City of York Council's proposal, the Economic Growth Team has been undertaken rail sector modelling to measure the potential impact of this move on York's local economy and rail industry.
39. As is well known, York is already a hub for rail speciality and has its own cluster of rail-related activities. Through detailed analysis we have been able to put some figures to value of this rail cluster.
40. We estimate that the York rail industry has 5,200 employees and that the proportion of jobs that are highly skilled are larger in York than they are against UK average levels. The worth of this rail cluster has been estimated at roughly £356.3m by Gross Value Added (GVA).
41. The rail industry is also a relatively large part of the Yorkshire economy, and larger than anywhere outside London, with York at the heart of the Yorkshire and Humber cluster. For the UK, total rail-related impacts account for 2.09% of all GVA. Yorkshire and the Humber (2.17%), the North West (2.18%) and London (2.69%), are the only regions where this ratio is above the UK average. Yorkshire and the Humber (0.67%) is also the only region outside London in which the share of the railway system in total GVA is above the UK average of 0.65%.
42. This is a similar story for the rail supply chain where Yorkshire and Humber sits above the UK average in terms of its share of total GVA. By

focusing on SIC codes we have calculated employment location quotients (LQs), by rail activity and overall for York's rail industry, and these show that York's rail cluster is significant, particularly in comparison to other key competitors in Yorkshire & Humber and elsewhere in the UK. As such, York is strong position to host the new HQ.

43. It has been reported that the new GBR HQ will require 500 staff. Using this figure and our understanding of the York rail industry we have estimated the impact it will have on the York economy. Due to our strong rail cluster, there would be agglomeration effects of a new rail HQ moving to the city, leading us to estimate that the move would add £110 million for the York economy and lead to the creation of 1,600 new jobs.
44. As we have made a commitment to ensure that, if GBR were to come to York, 20% of the employment opportunities created will be filled by people from deprived communities. If we estimate that 1,600 jobs will be generated overall, then 320 of these jobs will be in the 700 deprived communities within a one hour train journey of York.
45. Given the significance and nature of York's rail cluster, there would be a displacement impact if the HQ of GBR was to be anywhere other than York. This would particularly be the case as the HQ of GBR will likely be relying on the rail staff situated in the SIC Codes of which York has a larger number, and also of those at higher-skill levels of which, again, York has proportionally more of than other cities. We have estimated the displacement impact of GBR's HQ moving elsewhere would mean that a potential 1,100 jobs would be at risk of leaving York's rail cluster to relocate close to the new GBR HQ site and a loss of approximately £76 million GVA per annum.
46. The shortlisting announcement for the Great British Rail headquarters is expected at the end of May, with ministerial visits to the successful candidates to follow in early June.

York Top 100

47. The York Top 100 Partnership, consisting of the York Press, York St John University and the Council, celebrated the success stories within the York Business community with the launch of the Top 100 2022 and York's top notable employers.
48. Researchers at the University Business School compiled the list using a non-weighted algorithm based on turnover, balance sheet and/or

shareholder funds, profit levels, growth rates over the past two years, and staff headcount for each business.

49. The four main category winners;
- Number 1 LNER
 - Highest Climber Hartleys Food Holdings
 - Newcomer of the Year BSC Filters
 - One to Watch Castle Howard Estates
50. Further work will now be undertaken to analyse and extract other value added from data in the list to enable better insight on how best to support the business community.

York's Young Entrepreneur Event

51. At the start of February, an online event was held for York's young entrepreneur community.
52. The purpose of the evening event was to bring together young entrepreneurs to hear from some of the city's most successful business leaders about their business journeys, and to better understand what support is on offer for them across the city.
53. In an interactive discussion, hosted by York-born Sam Hields of OpenOcean, attendees gained insight into how to start a business, options for financing, and the benefits of establishing a presence in York from local businesses Brew York, AgriSound and Experience Heritage.
54. Attendees also heard about the variety and depth of business support on offer from City of York Council, Ad:Venture and the York and North Yorkshire Growth Hub. The event generated a great deal of interest with a varied mix of young business owners and those still in education in attendance, as well as intermediaries. It is hoped this event has sparked new business ideas and an entrepreneurial spirit that will benefit the city for years to come.

Growth Management

55. In the last quarter, the Economic Growth Team has provided business support and advice via the Growth Managers to 75 businesses from multiple sectors across the City, including agri-tech and med-tech, immersive technology, healthcare and wellbeing and the brewing industry.

56. Engagement with local businesses has revealed a number of ongoing challenges to trading, which are affected all sectors, and are set to continue for some time to come. These have included:
- Cost and energy price challenges brought about by rising energy prices, supply chain issues and Brexit.
 - Recruitment is a huge issue with both employers and recruitment agencies struggling to find suitable candidates, and demand for interns and apprentices remains high
 - Supply chain delays, availability and price of raw materials. This is affecting all sectors
 - Office space - more businesses are seeking flexible office and studio space.
57. In addition, the Growth Managers have worked with a multitude of organisations and stakeholders locally, regionally and nationally on key initiatives, evaluations and event planning to look for opportunities for York business and expand the current robust business support offer.
58. Increasingly, central to supporting business are tailored events with a Growth Manager presence, and this an area that has been especially productive in the last quarter, with strong positive feedback in response from delegates. Of particular note are
- An HSBC pop-up event over 5 days offering 13 York businesses the opportunity to promote their within the branch's Banking Hall
 - A joint event with the Guild of Media Arts; *Making Creative B2B Work*
 - Another joint event, this time with the University of York & York St John University on Knowledge Transfer Partnerships
 - With Natwest bank; *Break the Bias – Empowering & Inspiring Women in Business* in York event. 60 women attended, and from 27 feedback forms, the speakers and the information presented were rated either good or excellent
 - There were four *Connect over Coffee* sessions on themes such as making your SME greener and how to create an inclusive brand, attracting 64 delegates.

Inward Investment

59. Over the early months of the year, the team responded to 22 investment enquiries. Seven of those were from overseas enquiries from businesses looking for UK locations, and the remaining 15 were either UK based companies exploring York as a new opportunity, or York businesses planning to move or expand within the city. here is continued interest

from a broad range of sectors including agri-tech, manufacturing, logistics, professional services and hospitality.

60. Promoting York and all it has to offer is high on the agenda. A publication developed in partnership with University of York has now resulted in the draft publication of Living in York, and conversations surrounding further promotional materials for the city, with a needs assessment and resourcing are under discussion.
61. The Council is working with York & North Yorkshire LEP to exhibit at UKReiff, the UK's Real Estate Investment and Infrastructure Forum, to promote sites for investment in our region. York will showcase York Central, Castle Gateway and Riverside Quarter to appear on the Invest in York & North Yorkshire stand and an interactive map, and will be delivering a presentation on York Central in the Investor Centre, an invitation-only section of the event. This event takes place from 17th – 19th May 2022.

Business support grants and funding programmes

COVID-19 Additional Restriction Grant

62. In total, City of York Council received £7,789,802 of funding from Government to support businesses severely impacted by COVID-19. The table below summarises the Council's ARG spend, with all ARG spend concluded by 31 March 2022 in accordance with Government guidance.
63. 86% of the funding was paid directly to businesses as a grant, with the remainder used for broader business support measures including the successful delivery of the Council's innovative Business Growth Voucher Scheme.

Additional Restrictions Grant		
Received from Government		7,489,016
Third top-up payment		300,786
Total York allocation		7,789,802
Paid direct to businesses	6,730,512	
MIY/BID city centre areas	203,530	
Traders initiative (incl Xmas)	55,786	
MIY rates on VIC	6,523	
Events and festivals	160,500	
Music Venues	100,000	
Voucher scheme	413,851	

Additional Business Support (through Y&NY Growth Hub)	120,000	
Total spent		7,790,702

COVID-19 Omicron Support

64. The rise of the COVID-19 Omicron variant during December 2021 brought additional Government support for businesses impacted by the new variant, including an Omicron Hospitality and Leisure Grant (OHLG) for businesses in the hospitality and leisure sectors, and a top up to the Additional Restrictions Grant (ARG) to support businesses most in need but not eligible for OHLG. The Council was responsible for the delivery of both grants locally, with all monies to be spent by 31 March 2022, or otherwise returned to central Government.
65. The table below sets out York's funding allocation for Omicron support, the amount of funding distributed by the Council to local businesses and the number of businesses this has supported.

Grant	York Allocation (£)	Funding Distributed (£)	Number of businesses supported
OHLG	4,248,270	4,100,000	1,209
ARG Third Top Up	300,786	304,123*	117

Business Growth Voucher Scheme

66. The Council's ARG-funded Business Growth Voucher Scheme (BGVS) has been a success, supporting 355 local businesses to access up to £1,000 worth of services and expertise from other York-based businesses approved by the scheme.
67. As part of the initiative, each business undertook a one hour business diagnostic with an experienced business advisor which encouraged them to think holistically about their business, ambitions and support needs before accessing specialist support where needed the most.
68. In total, 435 projects were funded in York to the value of £347,558, connecting businesses with local support providers. The scheme has been universally praised by businesses and partners across the city, with numerous business stories emerging of its positive impact. The Council wishes to commission an independent evaluation to measure the impact of the (BGVS) and understand how it might be improved should it be repeated in the future.

69. It should be noted that not all businesses making the initial application to the Voucher Scheme completed the two-stage application process. The Council is also aware of several businesses who would have liked to have received support through the scheme but did not make an application before the deadline. As a result, an underspend accrued from the scheme which has now funded a new programme of business support through York and North Yorkshire Growth Hub to assist businesses with their recovery, and aid resilience.
70. This programme of business support activity will utilise local York suppliers wherever possible as part of the delivery model, building upon the approach pioneered by the voucher scheme.

COVID Additional Relief (CARF) Scheme

71. On 25 March 2021 the Government announced a new COVID-19 Additional Relief Fund (CARF) of £1.5bn.
72. The fund is available to support those businesses adversely affected by the pandemic but are ineligible for existing support linked to business rates. The fund compensates through business rate relief not grant in respect of the 2021/22 financial year. All reliefs must be applied by 30 September 2022.

UK Shared Prosperity Fund (UKSPF)

73. Following the February's Levelling Up White Paper and many previous references to UKSPF as the successor fund for the EU structural funds, the UK Government published the [UK Shared Prosperity Fund prospectus](#) on 13th April 2022.
74. The UKSPF is a central pillar of the UK government's Levelling Up agenda, and provides £2.6 billion of new funding for local investment by March 2025.
75. All areas of the UK will receive an allocation from the Fund via a formula. It is intended to help places across the country deliver enhanced outcomes whilst recognising that even the most affluent parts of the UK contain pockets of deprivation and need support.
76. The fund will allow places to target funding where it is most needed: building pride in place, supporting high quality skills training, supporting

pay, employment and productivity growth and increasing life chances.
Local Authorities

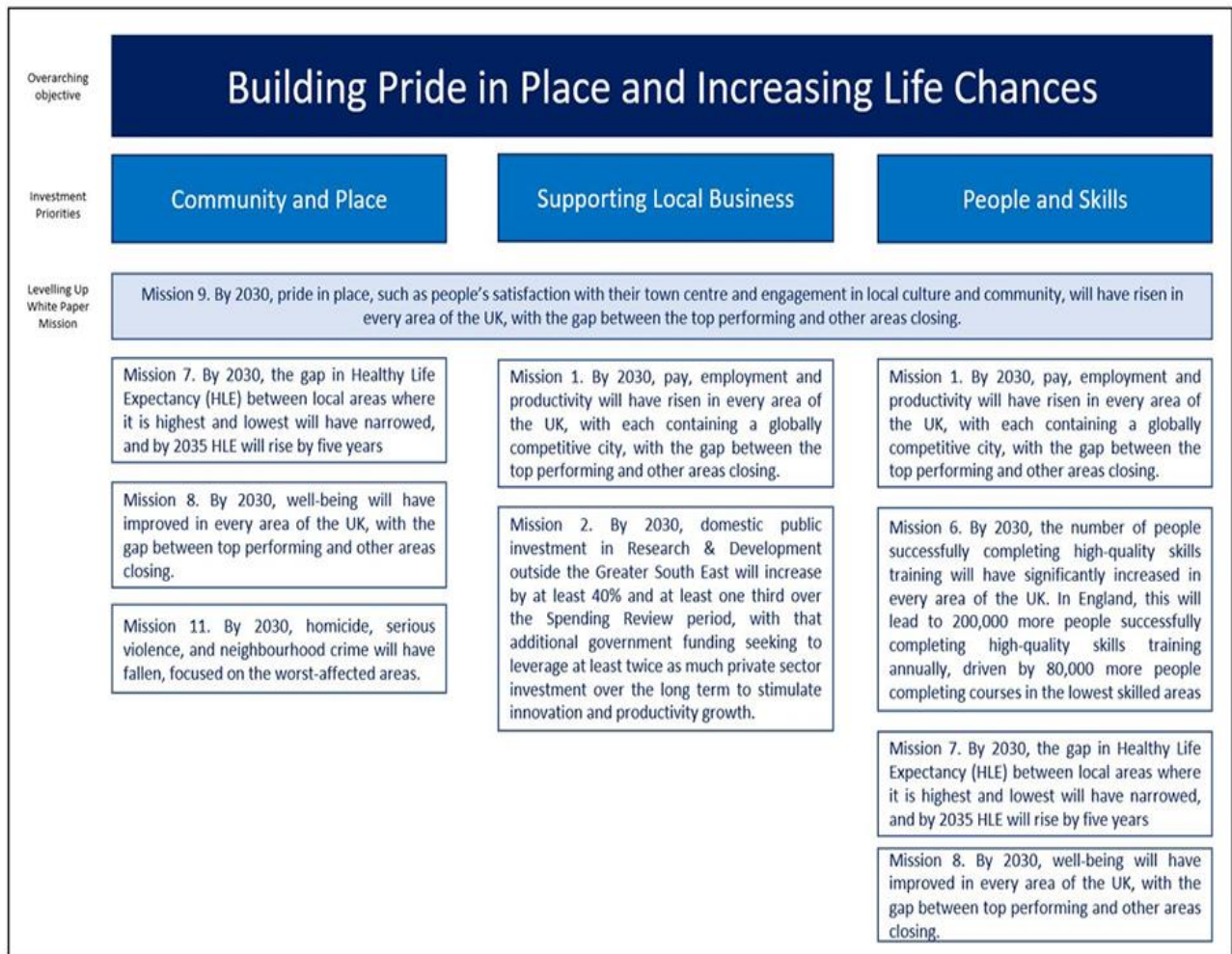
77. The UKSPF supports the UK government’s wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives:

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging
- Spread opportunities and improve public services, especially in those places where they are weakest
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost
- Empower local leaders and communities, especially in those places lacking local agency

78. The Levelling Up White Paper identifies [12 “Missions”](#) – broad targets to reach by 2030 – stemming from the evidence base use in the White Paper. These can be summarised as:

Mission 1	Increase pay and productivity, each region to have a globally competitive city
Mission 2	Increase R&D by 40% outside the South East
Mission 3	Improve local transport to London standards
Mission 4	All of UK to gigabit broadband, 4G and 5G
Mission 5	90% of primary students meet expected standards in 3Rs
Mission 6	Increase high quality skills training
Mission 7	Increase healthy life expectancy and narrow geographic gaps
Mission 8	Improve ONS measure of life satisfaction
Mission 9	Raise pride in place (new measure to be developed)
Mission 10	Increase home ownership and improve rental housing stock
Mission 11	Reduce homicide, serious violence, and neighbourhood crime
Mission 12	Devolution to all areas that want it, with long term funding

79. Beneath the overarching aims set out above, there are three UKSPF investment priorities: Communities and Place; Supporting local business; and People and Skills. There are detailed objectives associated with each of these priorities which are aligned to the relevant Levelling Up missions:



80. York will need to set out a local Investment Plan for UKSPF, allocating funding across the three priorities of communities and place, local business and people and skills, and establishing measurable outcomes that reflect local needs and opportunities. The plan must also identify the interventions that we would like to fund.
81. The Investment Plan is critical to the UKSPF process and requires three stages. At a top level, these are:
- 1. Local context:** an opportunity for places to set out their local evidence of opportunities and challenges through the lens of the three investment priorities for UKSPF.
 - 2. Selection of outcomes and interventions:** where places will identify the outcomes they wish to target based on local context, and the interventions they wish to prioritise, under each investment priority, from the menu of options. These should be clearly linked to local opportunities and challenges.

3. Delivery: this is the most detailed stage of the Investment Plan and is broken down into the following:

a. Approach to delivery and governance: where places outline the structures and processes that will support the delivery of their chosen interventions. We will also expect places to set out the engagement they have undertaken as part of the development of their Plan, including their engagement with MPs.

b. Expenditure and deliverables: detailing what places want to deliver with their Investment Plan, including the spend profile for the three years of the fund as well as outputs and outcomes figures, and where places have already identified specific projects they wish to fund under each of the investment priorities.

c. Capability and resource: to allow places to outline the resource they have to manage and work on UKSPF, as well as their capability and previous experience of delivering similar funds. There are a series of questions to be answered to gauge the experience of lead authority teams to be answered on this element.

82. The balance of priorities should reflect local need and opportunity. It should build on existing national provision to create the optimal mix of support for each place.
83. The Investment Plan will need to be agreed by the Council, and also by local stakeholders before being submitted to Government for their agreement. Once all three have agreed the plan, the funding can begin to be allocated and spent. The interventions will be set out in an Investment Plan submitted to the Government for agreement monitoring. The guidance 'strongly encourages' collaborative working with larger geographies, regional partners and neighbours.
84. Investment Plans need to be submitted for agreement by the Government via the online platform during the submission window. The submission window opens on 30 June 2022 and closes on 1 August 2022.
85. York has been allotted ££5,848,801, made up of a core allocation of £5,107,510. (An additional amount of £741.291 has also been allocated for the DfE "Multiply" adult numeracy programme.)
86. The core funding is split between revenue and capital funding, with the capital figure representing the minimum to be spent in this way. It is

spread over three years, with the amount of award increasing each year and is set out in the table below:

	Revenue	Capital	Multiply	Overall
2022-23	690k	77k	224k	991k
2023-24	1,241k	138k	258k	1,637k
2024-25	2,666k	296k	259k	3,221k
Overall	4,597k	511k	741k	5,849k

87. An indicative timetable for the process the Council must follow to access funding by submitting the required Investment Plan is as follows:

13 April 2022	Fund launch
April – May 2022	Engagement sessions with local authorities and other local partners to support the Investment Plan process
April – June/ July 2022	Lead local authorities (and UK government in Northern Ireland) work with stakeholders to develop local Investment Plans Contacts for each lead local authority sign up to access the Investment Plan portal . Investment Plan portal logins issued.
Summer 2022	Further guidance published including guidance on monitoring benefits and evaluation, assurance, subsidy control, branding and publicity. Application processes and templates for Northern Ireland will be published – these may be used by lead local authorities in England, Scotland and Wales where desired.
30 June 2022	Investment Plan window opens
1 August 2022	Investment Plan window closes

Work with Business Membership Organisations

88. City of York Council has provided £20,000 of funding to the Federation of Small Businesses and the West and North Yorkshire Chamber of Commerce to undertake a programme of York business support activity.

The funding comes from a £40,000 allocation made by the Council as part of its 2021/ 2022 budget to promote the benefits of business membership organisations working in York, and aid businesses' recovery from the pandemic.

89. The funding will enable the Federation of Small Businesses to deliver a York-wide programme of events and activities which will provide support for self-employed people, as well as small and micro businesses.
90. The programme of activity will continue the Council's commitment to supporting small, micro and one-person businesses across the city, building upon the 600 fully-funded FSB memberships provided by the Council to local businesses during the early stages of the pandemic which enabled a wide range of support and advice.
91. As well as a series of masterclasses taking place throughout the year including sessions on creating professional video content, retail display training, customer service training and strategy for digital marketing, activity will also include 1-2-1 consultancy support for businesses, funded photography and videography to capture how businesses use FSB and Council support and their tips for others. A business support podcast series will also be produced.
92. The West and North Yorkshire Chamber of Commerce will provide subsidised membership to York businesses, with the Council's funding covering 75% of the costs of the Chamber's membership subscription for new members with less than 50 employees. This offer is open to businesses who have not been a Chamber member within the previous 12 months.
93. In addition, the Chamber will undertake research and engagement with a number of key sectors in York to improve the Council's understanding of business workforce development and recruitment needs, office space requirements, the impact of technological change on the economy, and new international trade opportunities following the UK's withdrawal from the European Union. A number of bespoke and dedicated reports will be produced for the Council which will be used to inform future strategies and activities to support businesses as York recovers from COVID-19.

Economic Strategy

94. Work is ongoing to finalise a first draft of the Economic Strategy, aligning the document with other key strategies and priorities, such as the

Climate Change Strategy and the principles of the Levelling Up agenda, and developing the commitments that will drive the Strategy forward.

95. Each overarching priority has a series of underpinning drivers that collectively reflect the Council's vision of a green, inclusive economy that provides opportunity and a high quality of life for all.

Priority 1 – A 'greener' economy

Priority 2 – A global city

Priority 3 – Creating the right conditions for sustainable growth

Priority 4 – A thriving local workforce

Priority 5 – An economy powered by good business

96. A draft of the Council's Economic Strategy will be brought to Members in June for approval, with final sign off expected in the Autumn.

Skills, Apprenticeships and Training

97. A comprehensive update on apprenticeships went to the Executive Member Decision Session last month, demonstrating how citywide efforts to maintain the profile of apprenticeships throughout the pandemic and targeted activities by the Council's Skills and HR teams have helped to sustain the take up of apprenticeships in York.
98. The team has continued to work closely with colleagues at the York and North Yorkshire Local Enterprise Partnership (YNY LEP) to ensure that the Skills Bootcamp programmes are available to York businesses and residents.
99. The outcome of the LEP's bid for Department for Education (DfE) funding to support delivery of a 1-year (2022 to 2023, but as part of a wider three-year DfE programme) is pending. In the meantime, please see the published list of [Skills Bootcamps](#) for current availability.
100. EN:Able Futures CIC has been approved for the national [Register of Flexi-Job Apprenticeship Agencies](#) and through its flexi-job apprenticeship service can support SMEs in the region to offer apprenticeships in Construction and the Built Environment. This 'shared' apprenticeship model means that EN:Able CIC employs apprentices directly and loans them out to companies for individual, or a series of project assignments, to ensure the apprentice completes their full framework.
101. Despite the enhanced employer incentives (for hiring a new apprentice) ending on 31 January 2022, the recovery seen in the apprenticeship market during the second half of 2021 has been sustained into early

2022. From the low of 20 per week at the start of the pandemic (March 2020), there are now around 180-200 apprenticeship vacancies (across 160-180 adverts) listed within a 15 mile radius of York each week.

102. The majority of advertised apprenticeship vacancies have been at Advanced Level 3, offering opportunities in sectors including, biotechnology and life sciences, digital, early years, engineering, health (including dental), manufacturing and transport. In March 2022 around 40% of the apprenticeship vacancies on offer were at Intermediate Level 2 and in a range of key sectors in York - offering important entry-level roles into hospitality, health (including pharmacy), adult social care, construction, early years and manufacturing.
103. The team remains active within the National Apprenticeship Hub Network, and locally, the York Apprenticeship Provider Network continues to evolve, with more than 30 organisations now regularly represented. A key item at the last quarterly meeting (March 2022) was how the network could support the priorities set out in York's 10-Year Skills Strategy.
104. Partners from Yorkshire Learning Providers and the regional Apprenticeship Hub have also been welcomed into the network, and are helping to support local priorities and extend the service provided to York's residents and businesses. Examples include:
- Additional campaigns and events to support the take up of apprenticeships
 - The York hub working with the regional hub to support York employers to access levy transfer from the wider region (if needed)
 - The York hub signposting York residents to vacancies available through the regional hub

Consultation

105. Consultation on the economy and our COVID response has been through weekly intelligence calls with key partners, Business Leaders' Group, Outbreak Management Board, York Leadership Group, and regular meetings of the Executive Economic Recovery Group.

Council Plan

106. 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; and,
- Safe communities and culture for all.

Implications

- **Financial** – no financial implications;
- **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 Date: 12th May 2022
Approved

Wards Affected: List wards or tick box to indicate all

All

For further information please contact the author of the report

Glossary:

ARG – Additional Restrictions Grant
 BID – York Business Improvement District
 BoE – Bank of England
 BGVS – Business Growth Voucher Schem

DfE – Department for Education
DIT – Department for International Trade
GBR – Great British Rail
GVA – Gross Value Added
ITU – Intensive Therapy Unit
LEP – Local Enterprise Partnership
OHLG – Omicron Hospitality and Leisure Grant
ONS – Office for National Statistics
SME – Small and medium (business) enterprises

Background Papers:

Annex A: Movement Insights report, March 2022