

ANNEX 1

York Economic Strategy 2020-25: Draft Economic Evidence Base

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Head of Economic Growth

We will cover:

- Economic strategy – what is it & why now?
- Beyond productivity – a new basis for strategy
- How are we going to build our new strategy?
- How you can help!

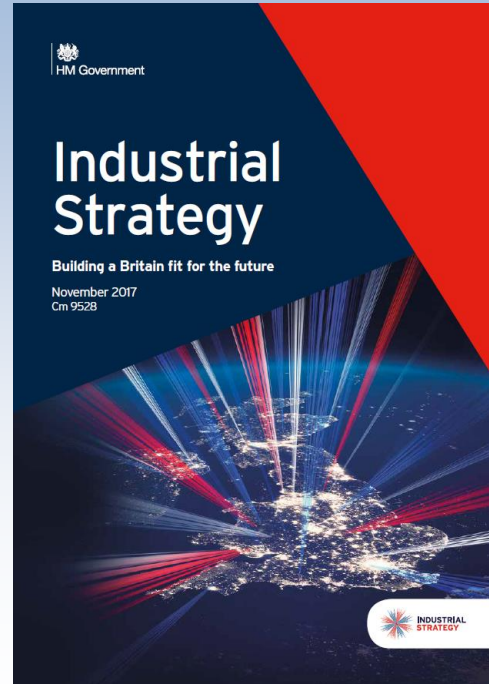


Why do we need a new Economic Strategy?

- Economic strategy – statement of city priorities, allowing all stakeholders to push together
- Current strategy runs 2016-2020
- Continued sense across the city that not all are benefitting
- New Council Plan setting new city priorities, while MyCastleGateway and MyYorkCentral have raised the bar for consultation!

National Industrial Strategy

- “A long-term plan to boost the productivity and earning power of people throughout the UK”
- Priorities for Government & LEPs
- Headline: Increase productivity
- 5 foundations: ideas, people, infrastructure, business environment, places
- 4 grand challenges: AI & data, ageing society, clean growth, future of mobility



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The economic strategy landscape



- National and regional strategies guide funding
- Local strategy interprets and adds a local layer
- Enables CYC, Universities, businesses & LEPs to collaborate

Build Back Better: Government ^{ANNEX 1} Priorities

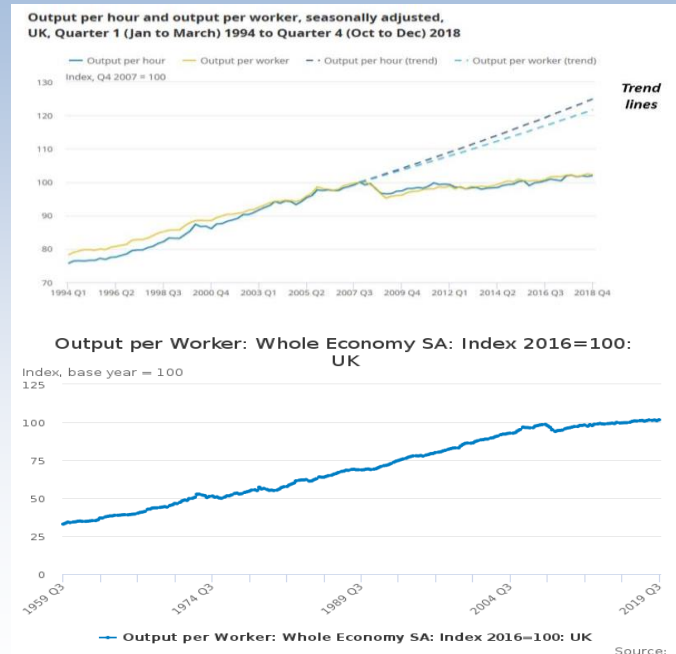
- “Levelling up” agenda – addressing inequality and investing in underperforming places
- UK as a science powerhouse – investing in R&D, developing and attracting top talent and scaling up innovation
- A green industrial revolution – achieving net zero by 2050 whilst creating and supporting <250,000 jobs

Covid-19 – Economic Impacts

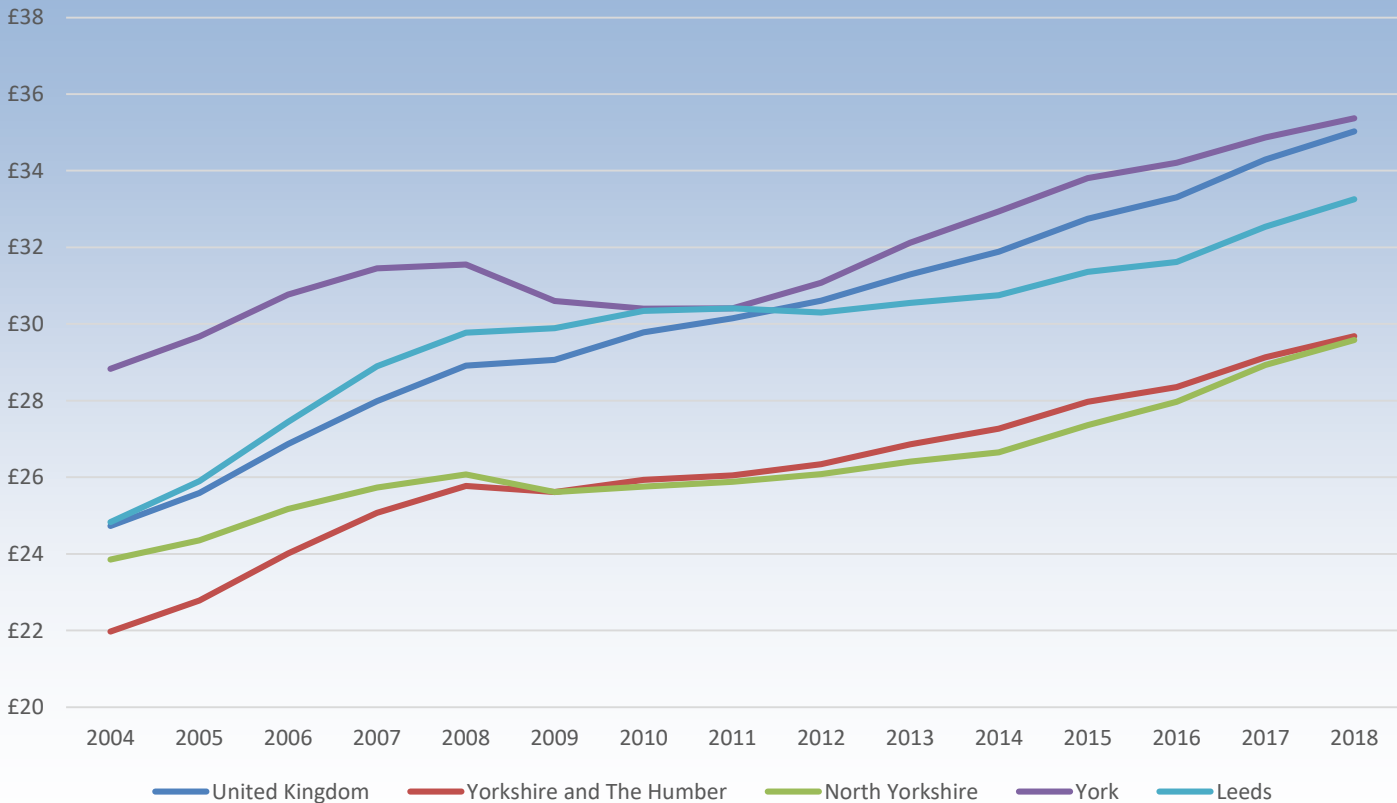
- Full economic impact of Covid-19 still unknown
- Nationally, OBR forecasting a 11% drop in GDP for 2020 – we've since had another lockdown!
- Oxford Economics forecasts for York predict a 11% decrease in GVA for 2020, with GVA returning to pre-pandemic levels in 2022
- Full impact on jobs difficult to tell due to Government support (furlough, business grants, loans etc.)

The productivity challenge(s)

- UK productivity stalled in 2008
- Productivity growth underpins wage growth
- For low-wage cities, growing jobs, skills and productivity is vital – “more jobs, better jobs”



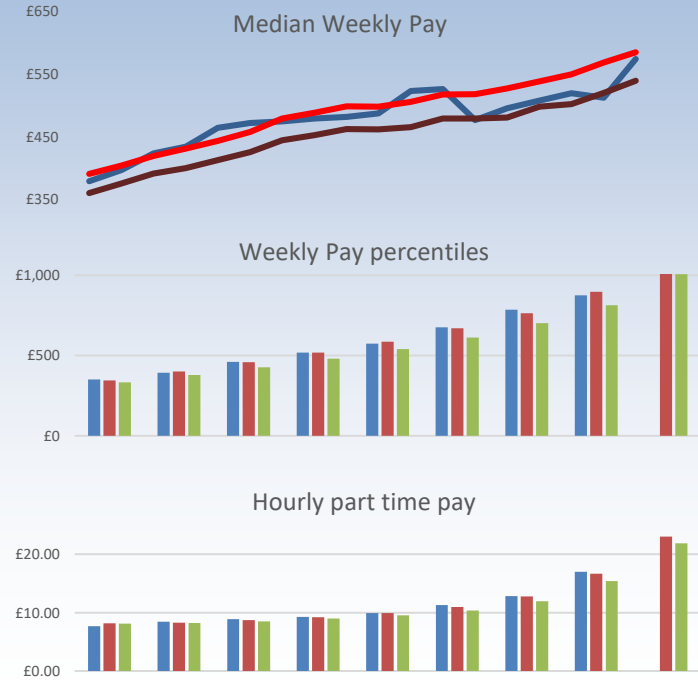
York is a highly productive city ANNEX 1



ONS: Nominal smoothed GVA (B) per hour worked (£) 2004-2018

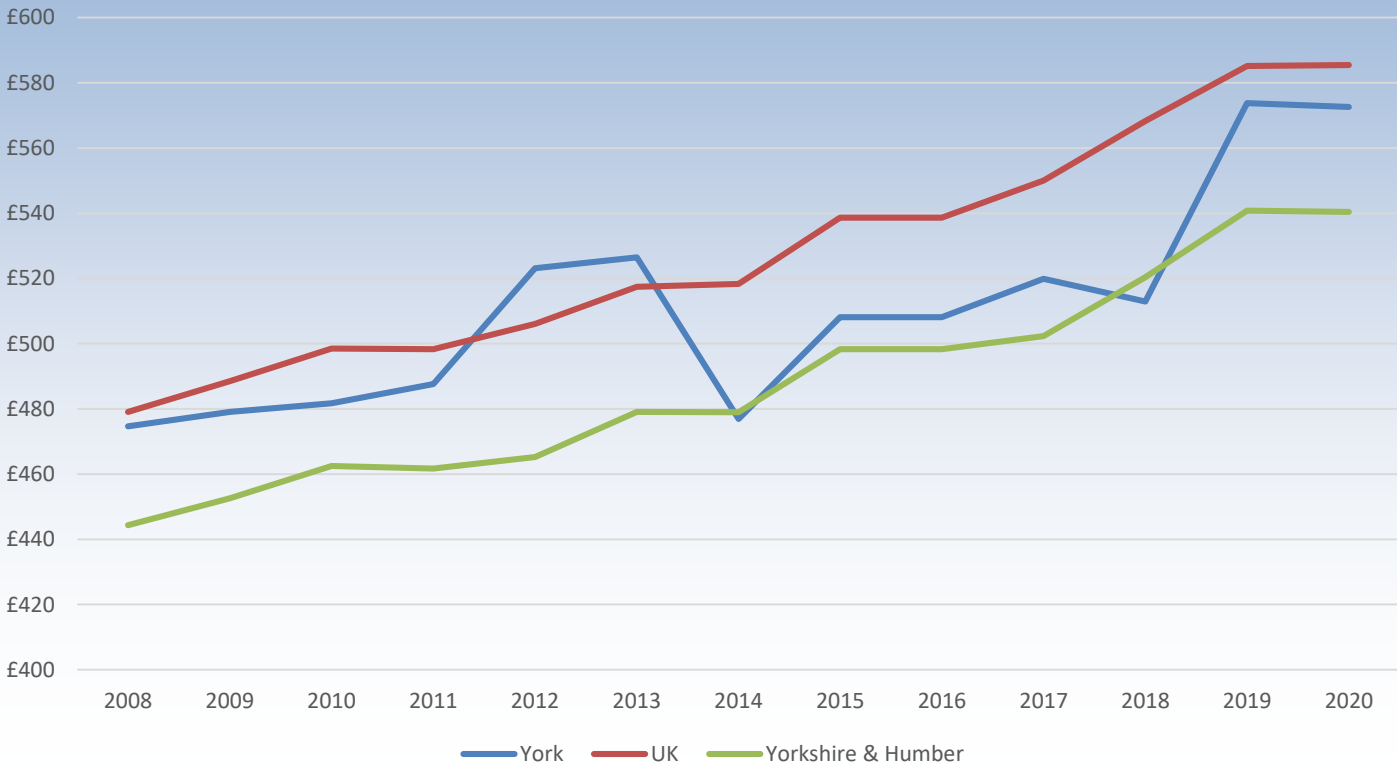
York is not a low wage city

- Median full time pay close to national levels
- At all percentiles, York is above our neighbours
- Also true for hourly rates of part time staff
- See following charts for more information



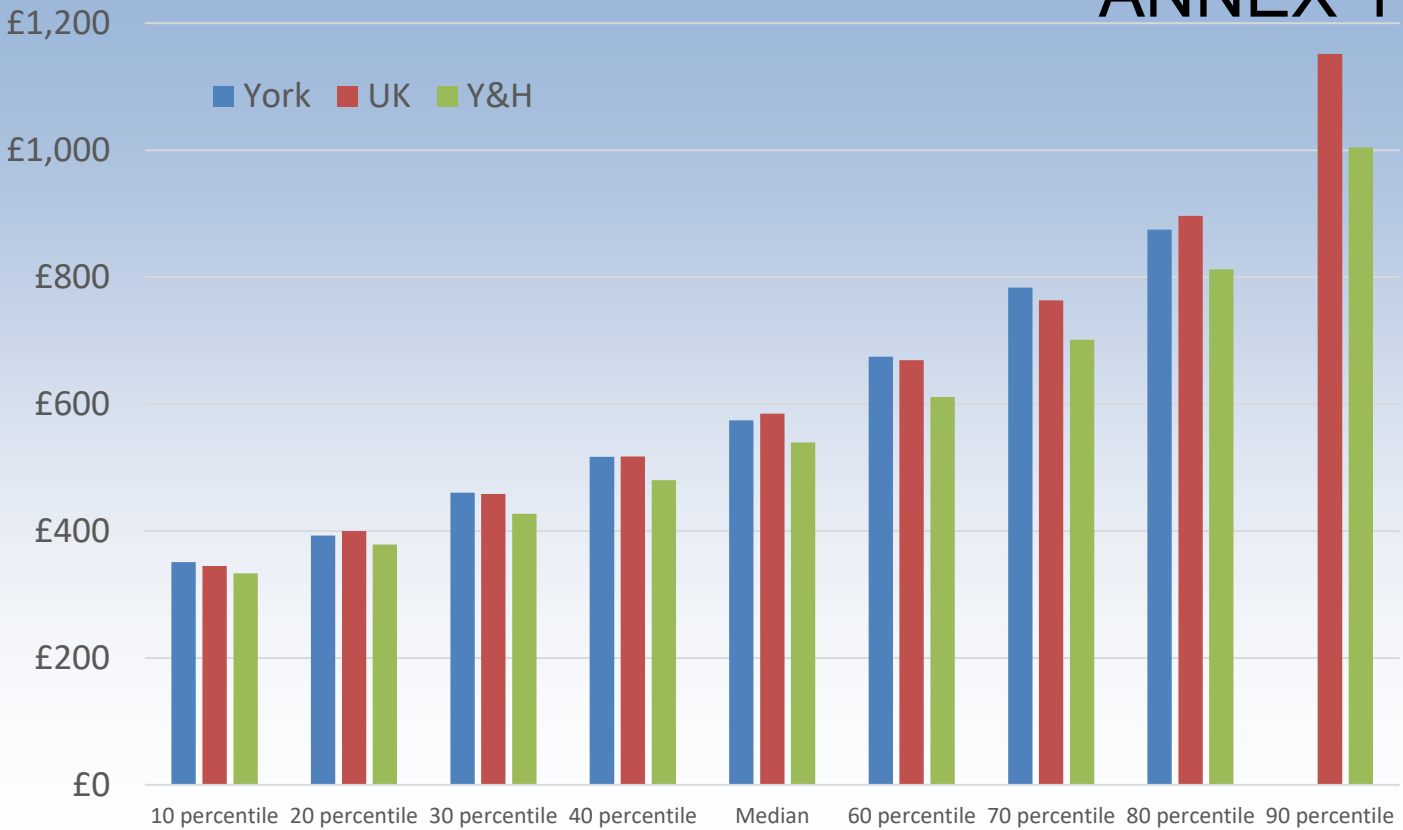
Median full time weekly pay in York is close to the national average

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York's full time jobs pay UK rates!

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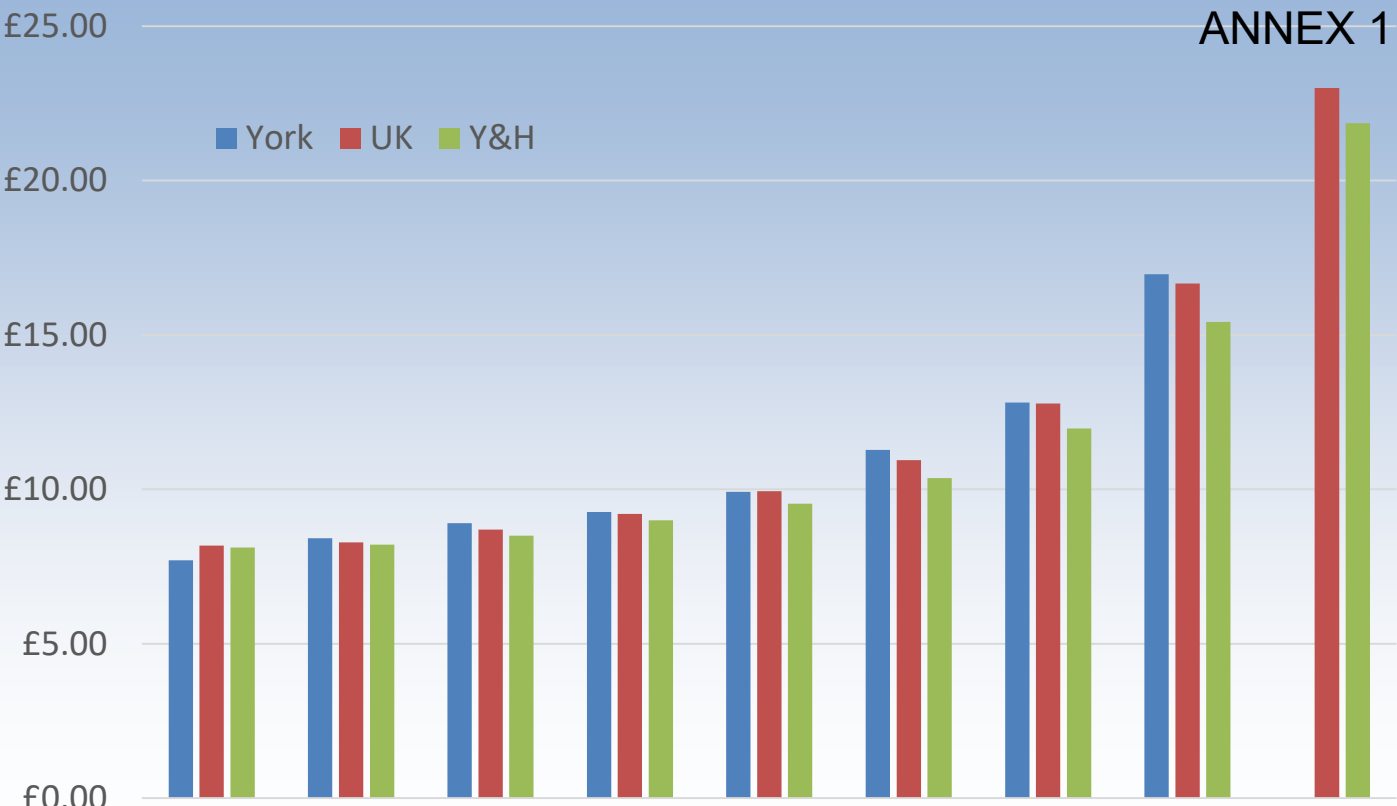


Annual Survey of Hours and Earnings (ASHE): Office for National Statistics 2019 figures - York residents

York's part time jobs pay above UK average

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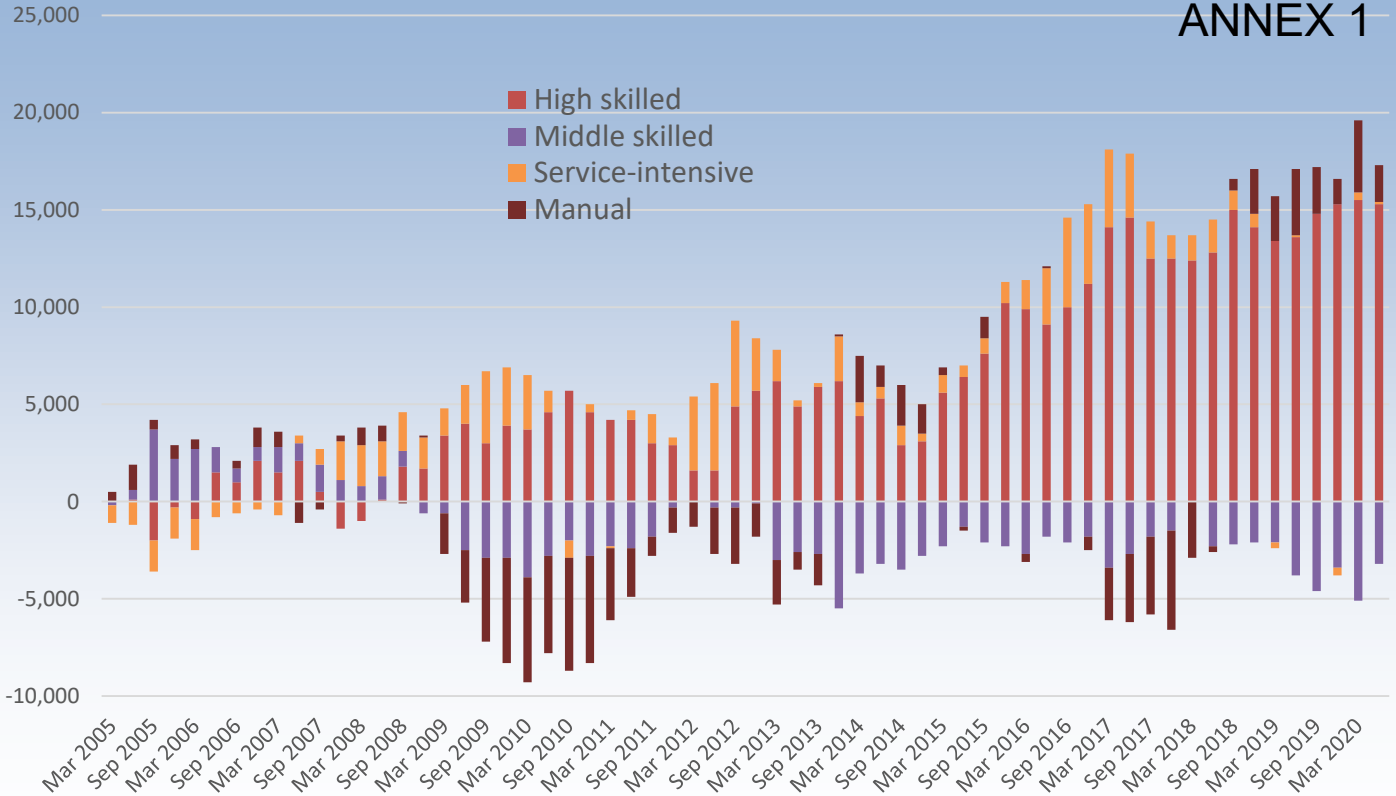
■ York ■ UK ■ Y&H



Annual Survey of Hours and Earnings (ASHE): Office for National Statistics: 2019 figures – York residents

15,000 high skilled jobs created since 2005

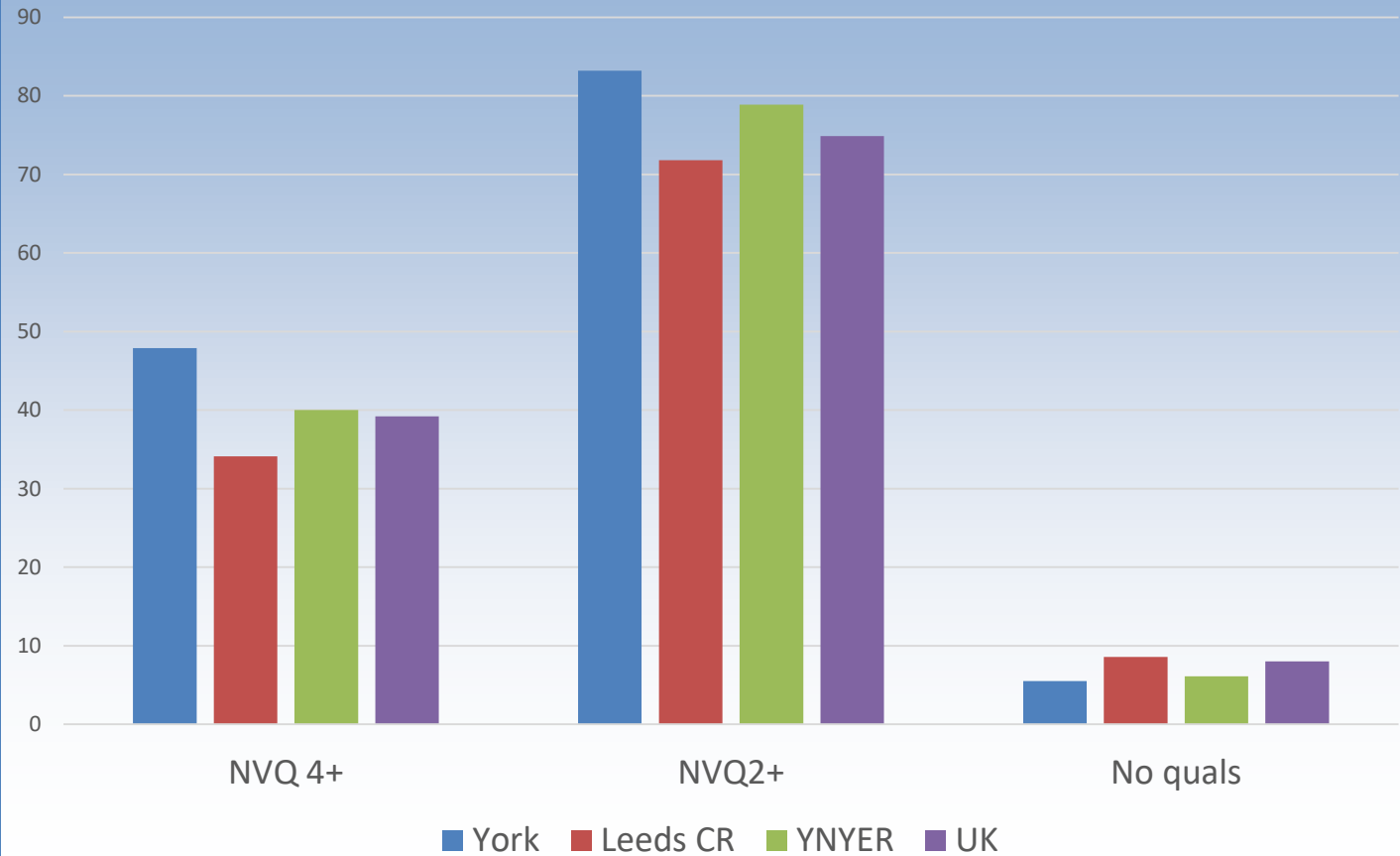
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NOMIS: Annual Population Survey employment by SOC Code

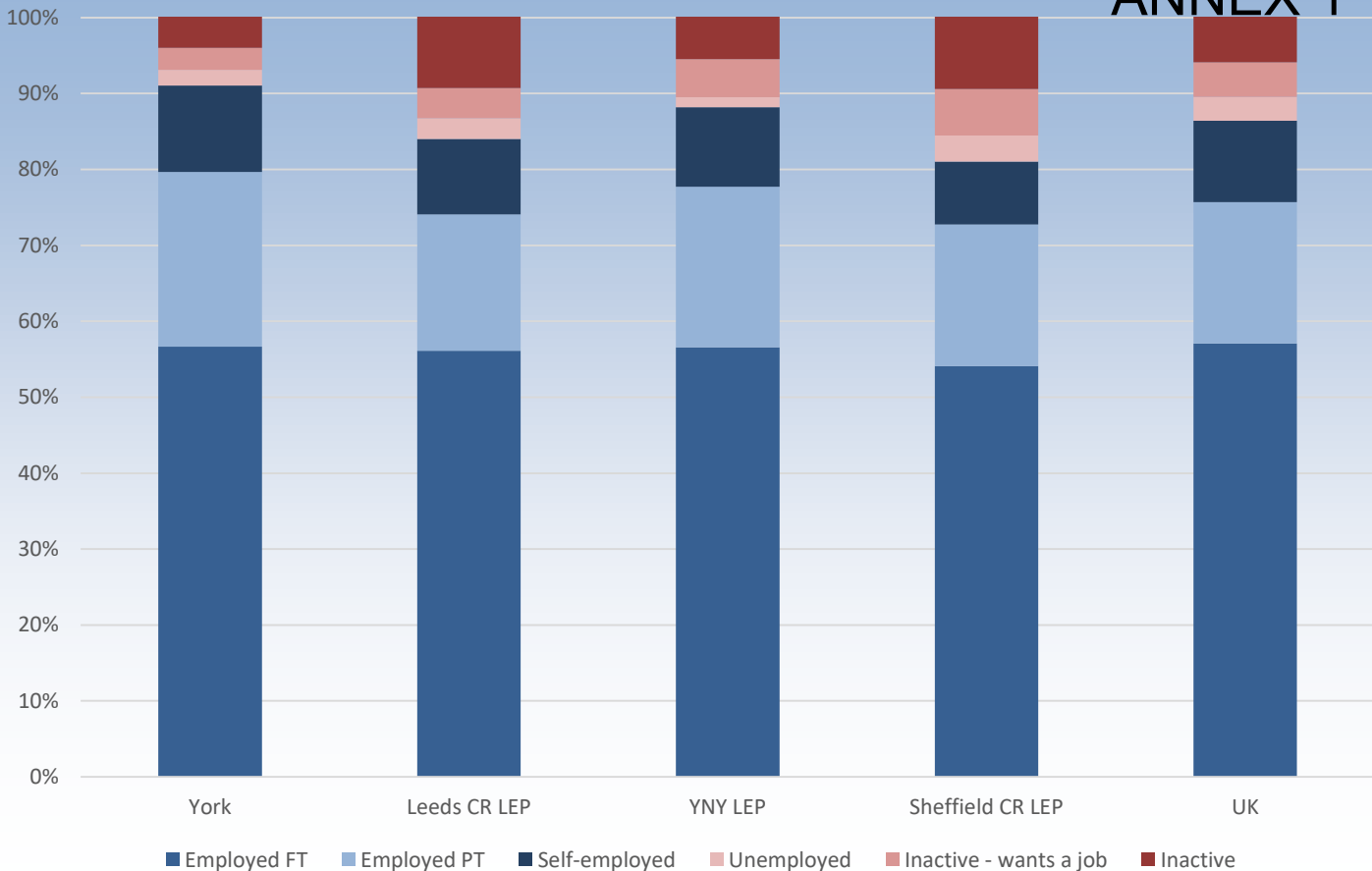
York is a highly skilled city

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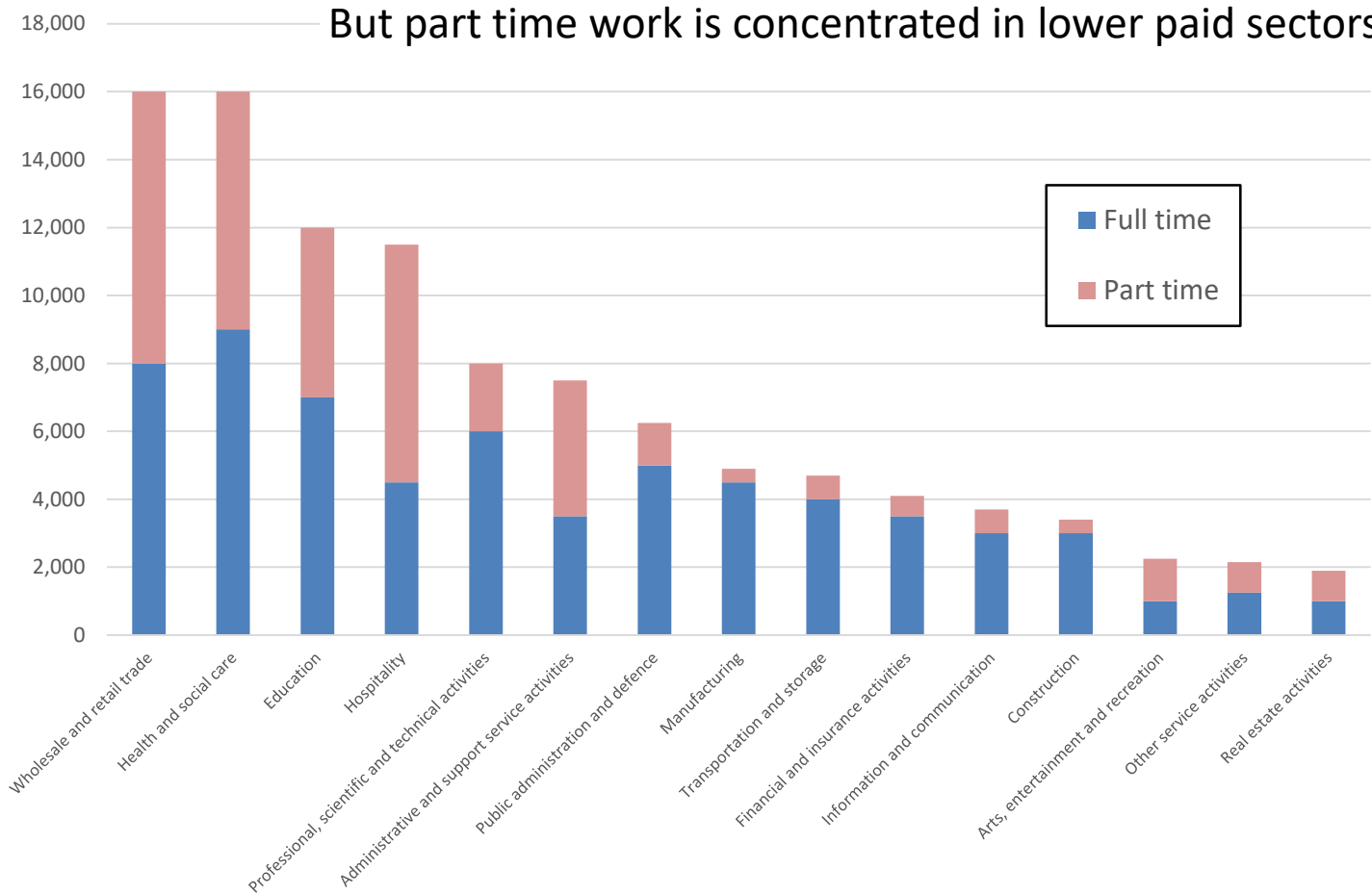
York has high employment, unlike much of Yorkshire

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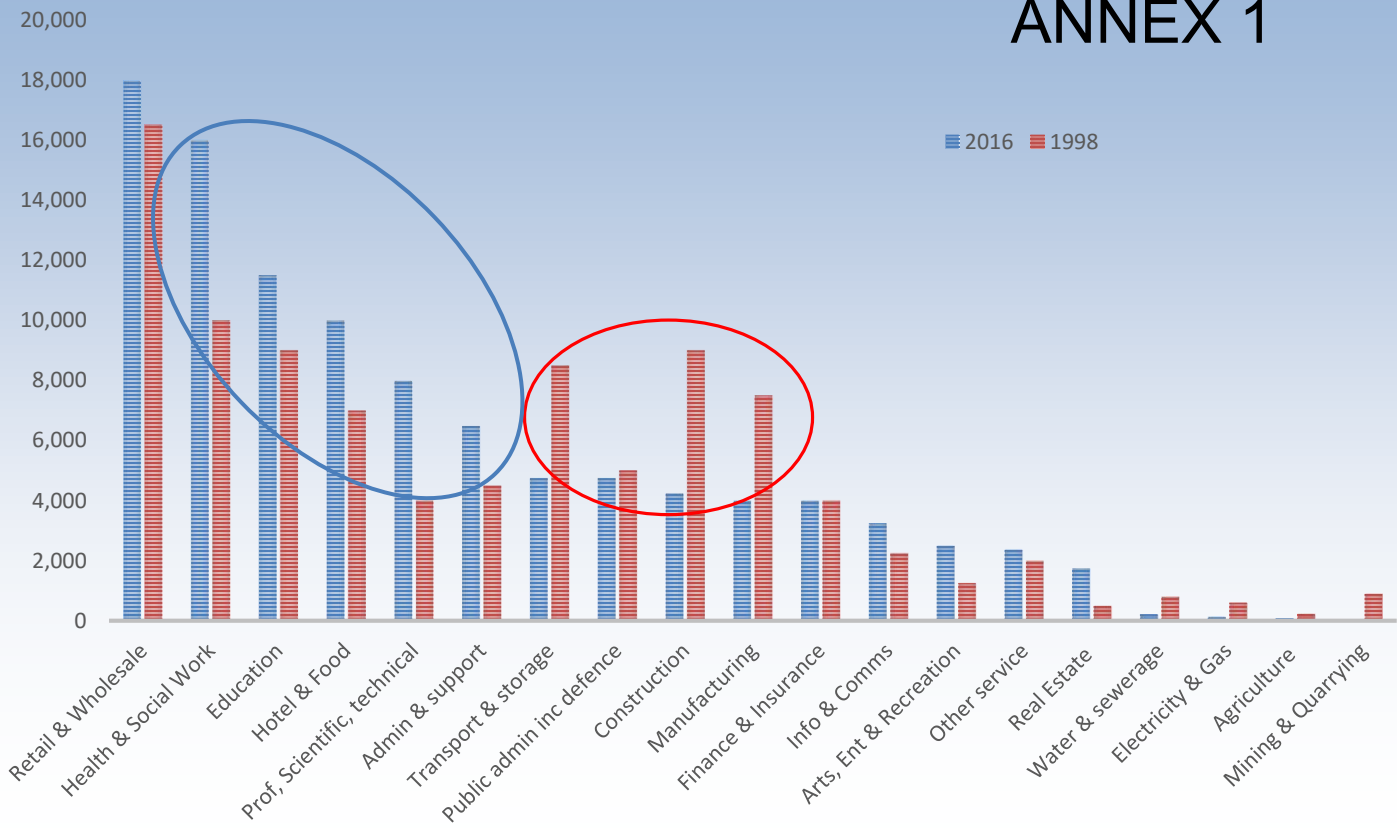
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But part time work is concentrated in lower paid sectors



AND WE HAVE LOST 16,000 WELL PAID LOWER SKILLED JOBS OVER THE PAST 20 YEARS

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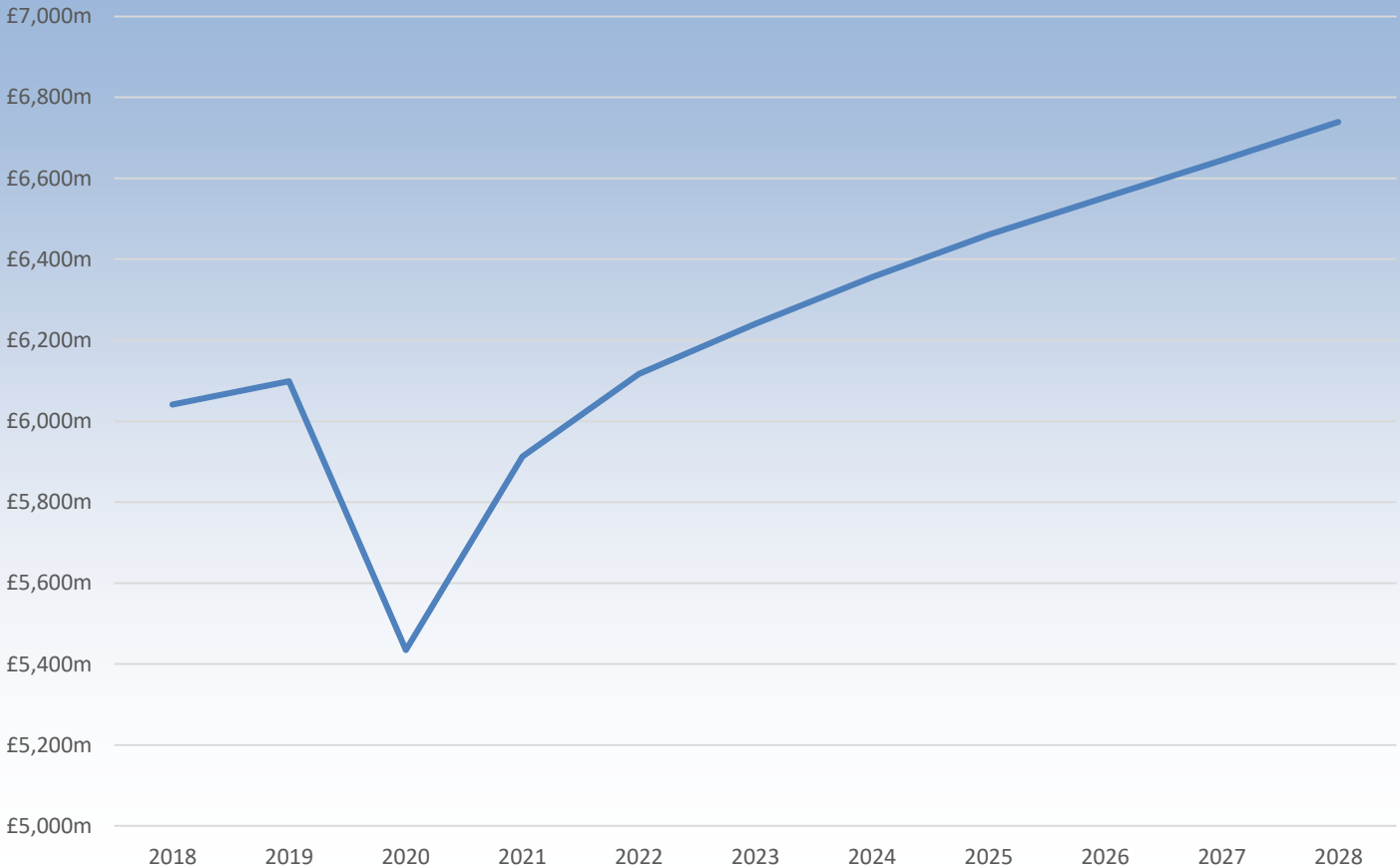


Employment in York is forecast to continue to grow in the years ahead **ANNEX 1**



Making history, building communities

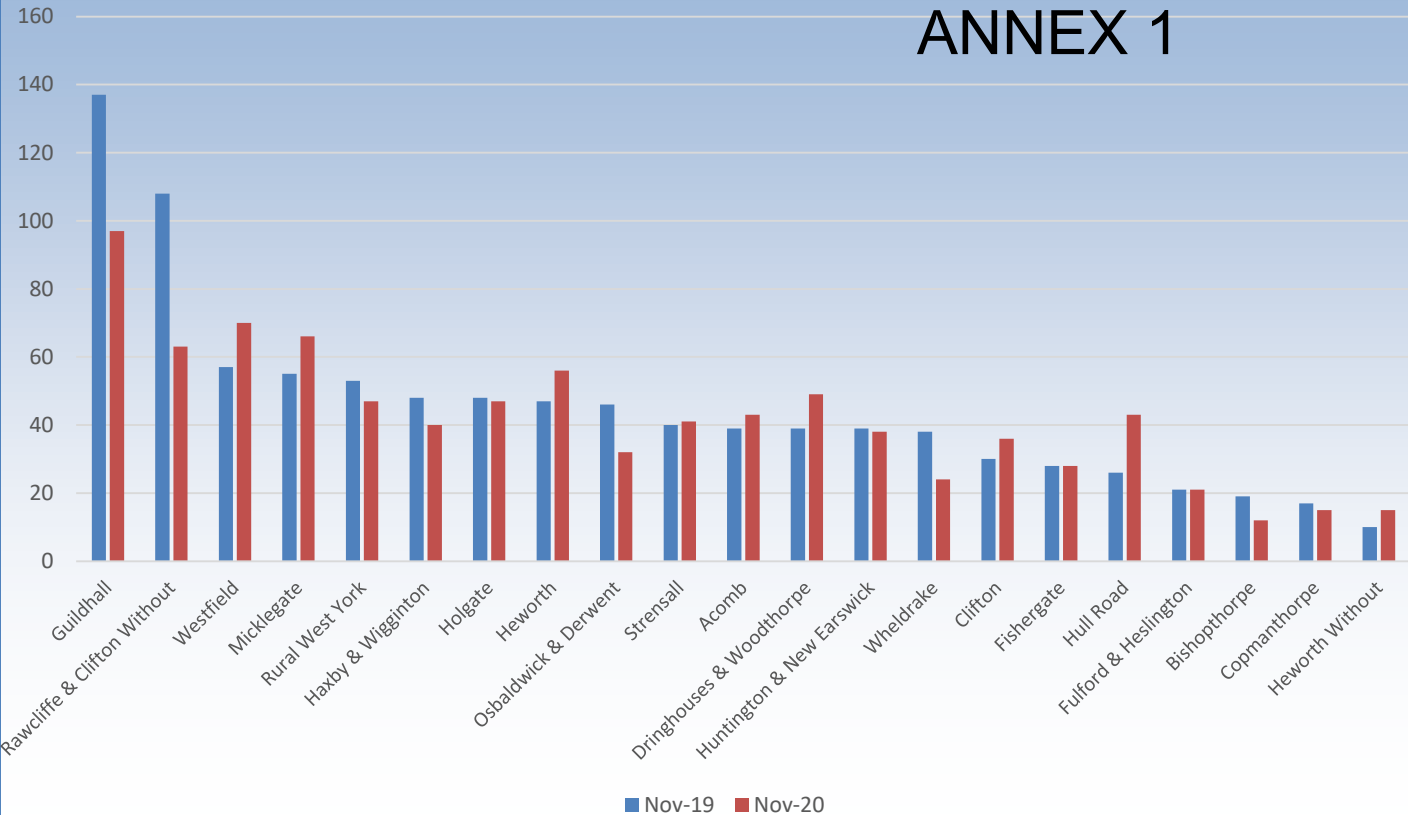
And GVA will grow too ANNEX 1



Making history, building communities

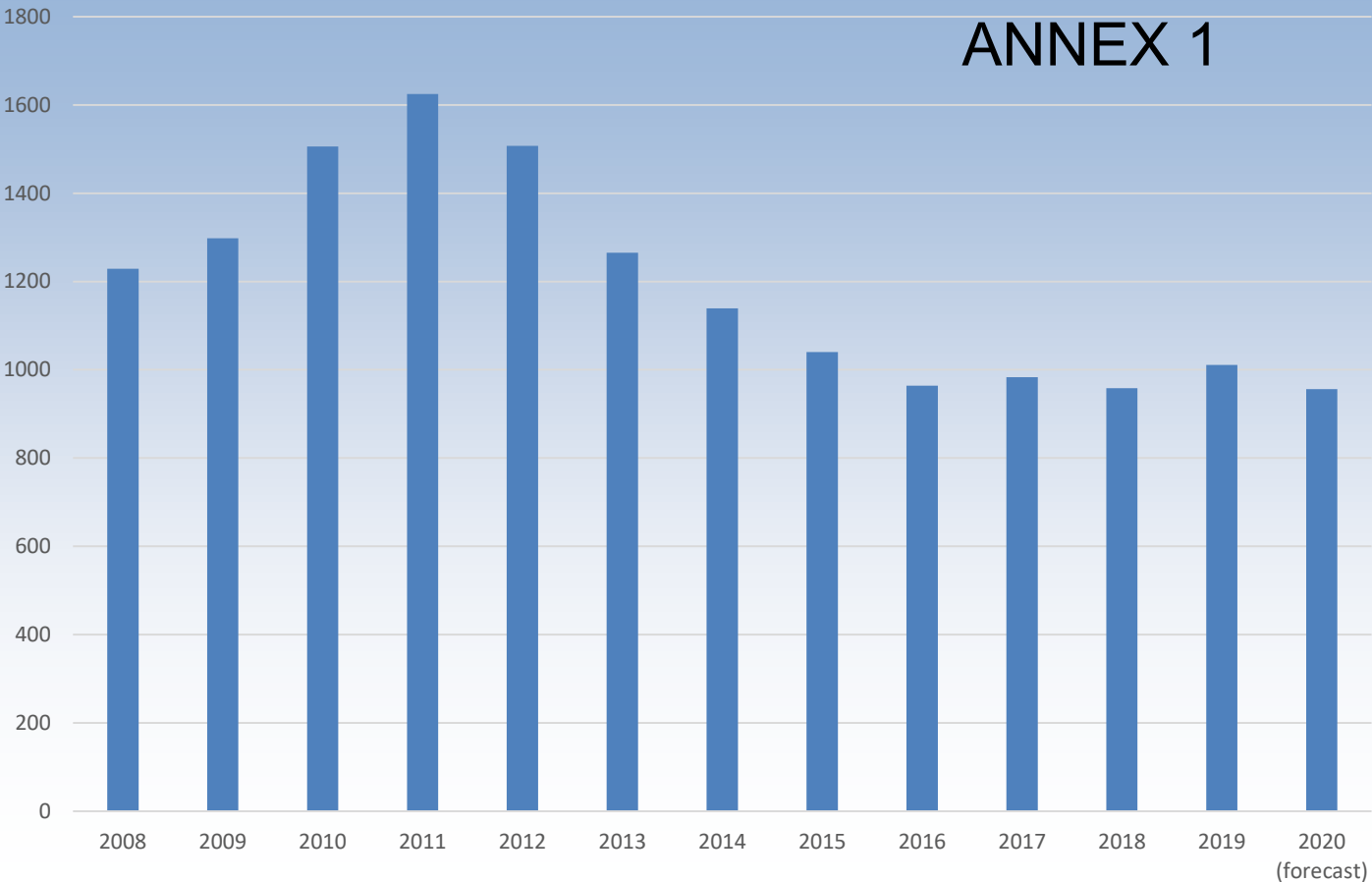
Start-ups in 2020 remain at similar levels to pre-pandemic, but are higher in more deprived wards

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Around 1,000 businesses start in York each year

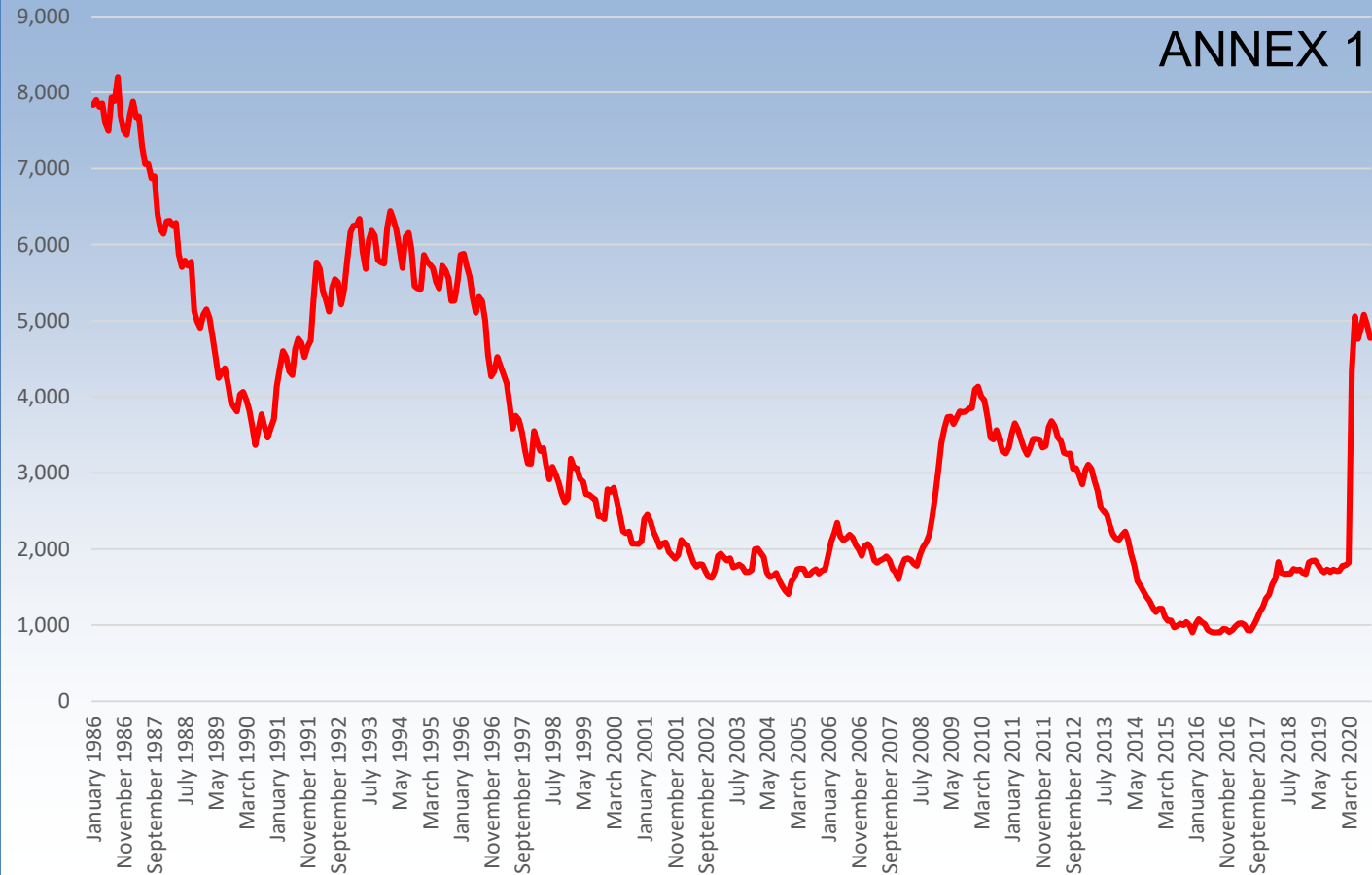
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Making history, building communities

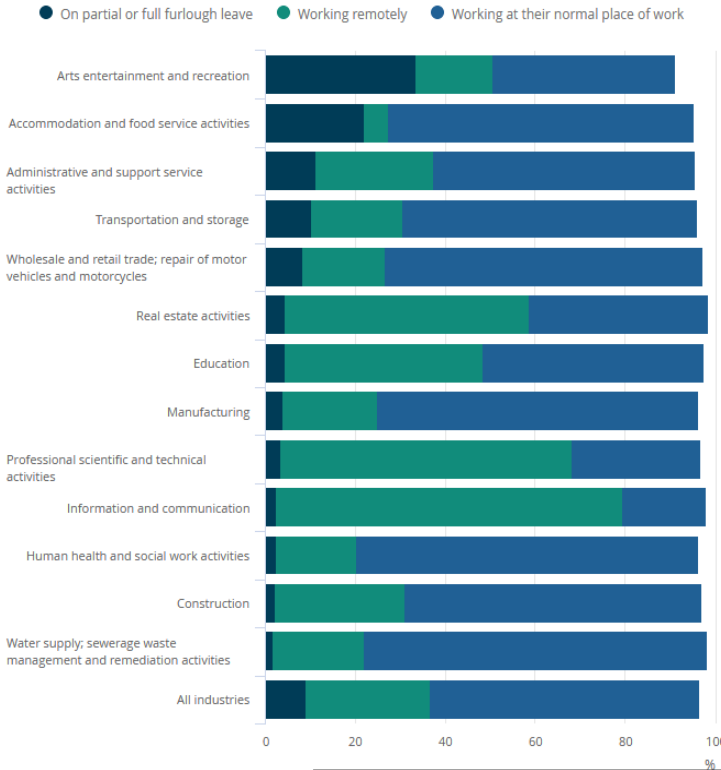
York's claimant count is at its highest level for 25 years

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Working arrangements, businesses that have not permanently stopped trading, broken down by industry, weighted, UK, 19 October to 1 November 2020

November 2020



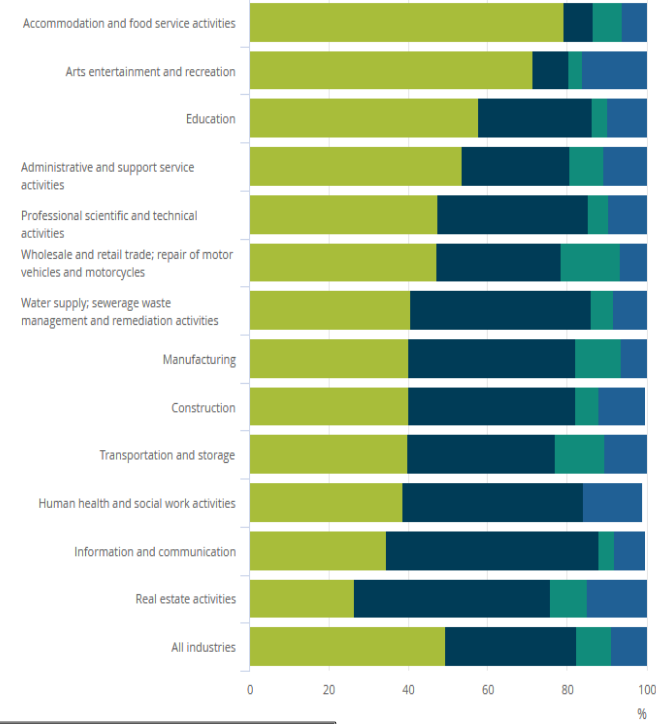
30th Sept 2020: York 6,800 Furloughed : 3,700 female, 3,100 male

Source: Office for National Statistics – Business Impact of Coronavirus

Impact on turnover, businesses that are currently trading, broken down by industry, weighted, UK, 19 October to 1 November 2020

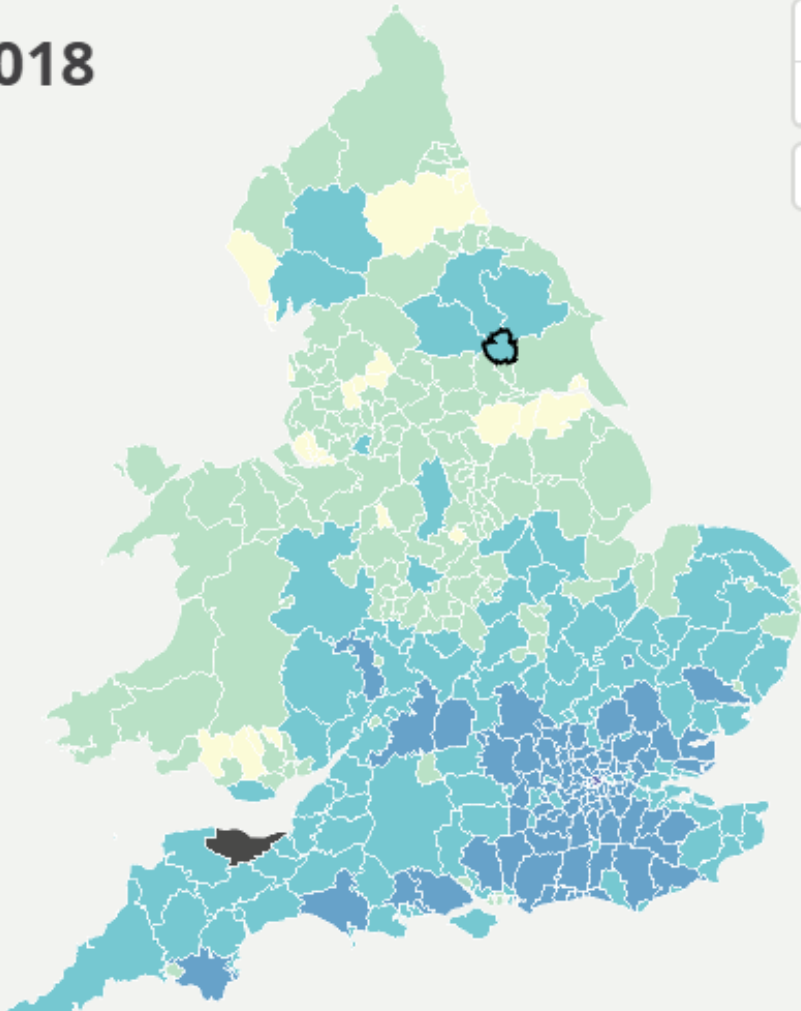
● Turnover has decreased ● Turnover has not been affected ● Turnover has increased ● Not sure

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Source: Office for National Statistics – Business Impact of Coronavirus

2018

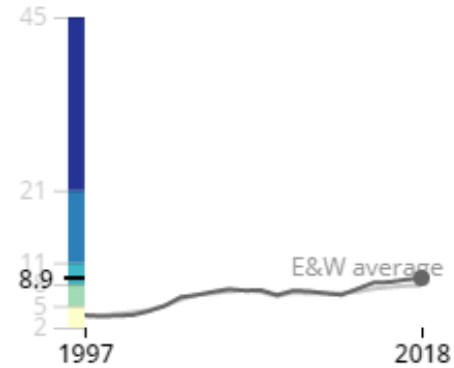


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York ✕

Property price to earnings ratio

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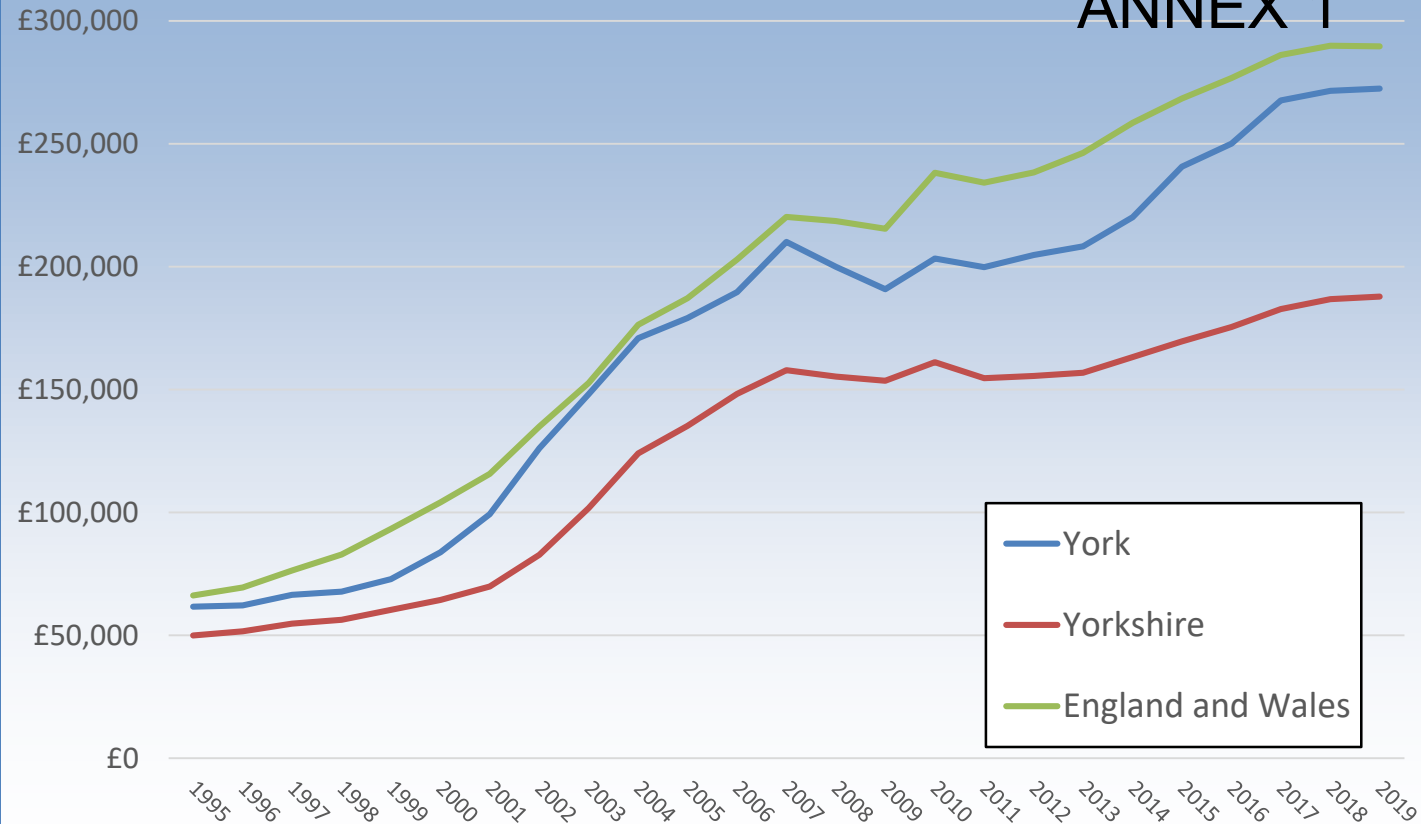


York's housing affordability is at UK average levels, but compares poorly to much of the north



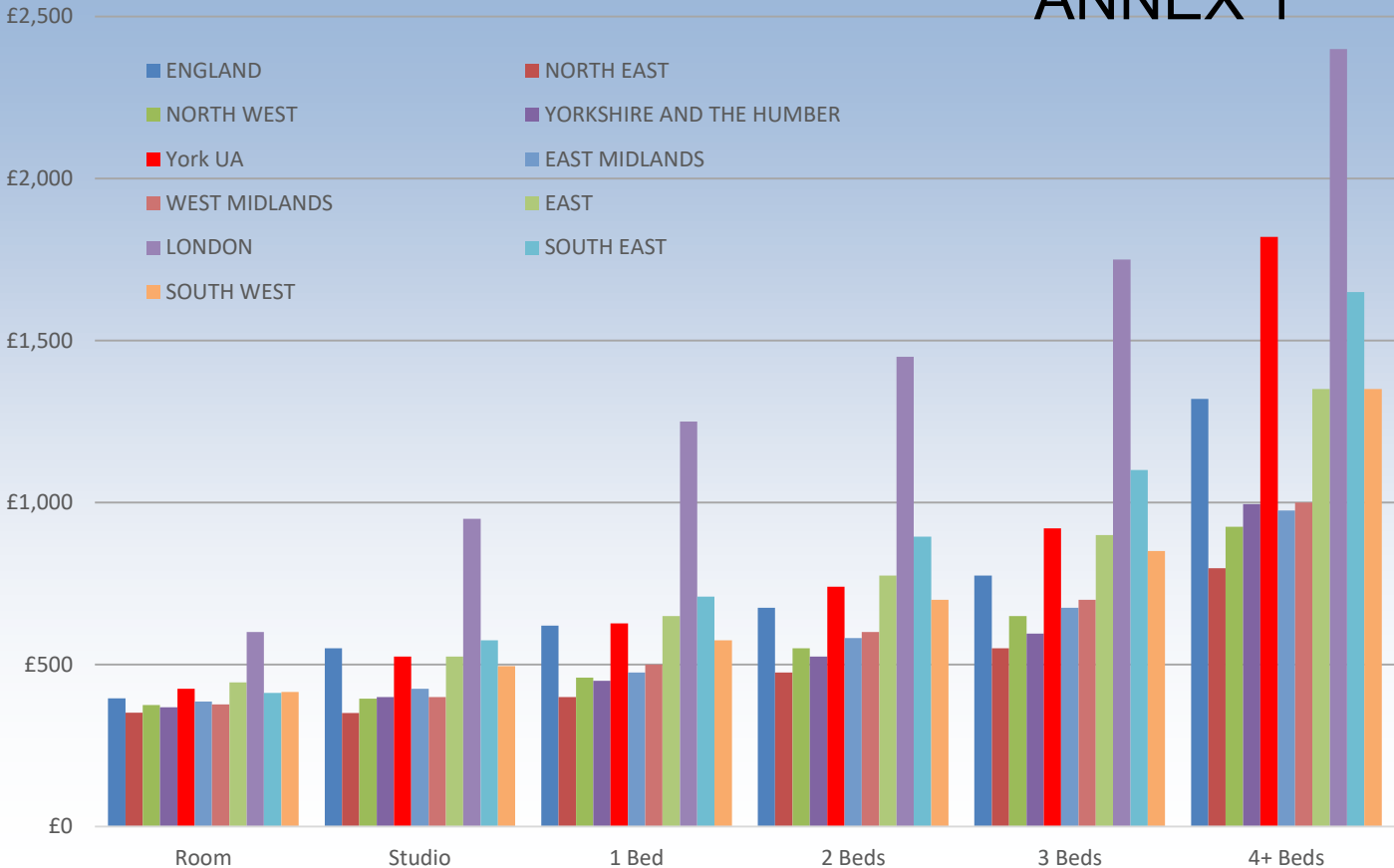
York house prices remain close to the UK average

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York's rental costs are like the south of England

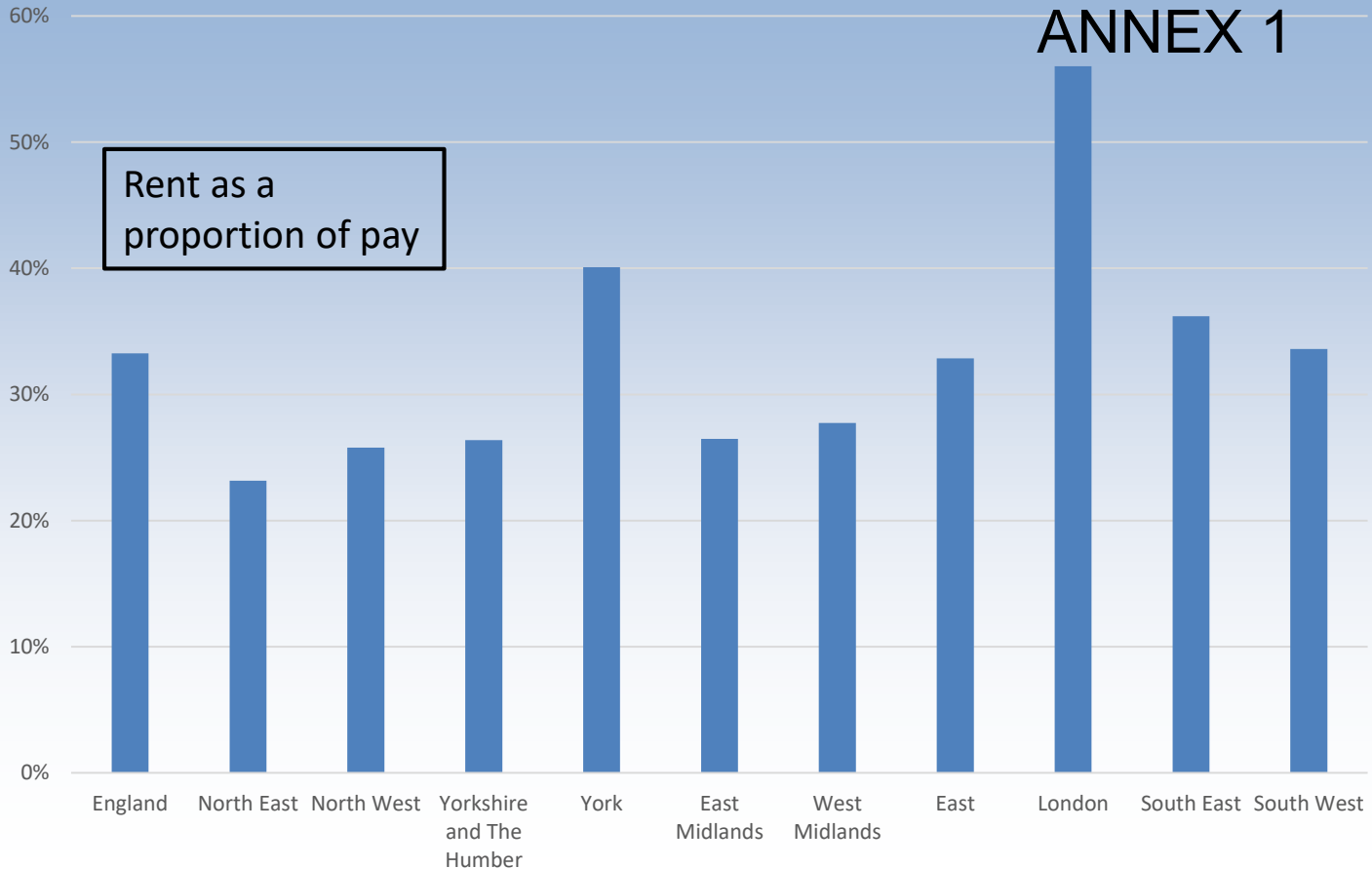
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York rents are among the least affordable in England

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Rent as a proportion of pay



So what do we know?

- Wages are not the whole story
- High employment but limited options for many
- High skills but limited opportunities for many
- In work poverty, insecure employment are issues
- Part time work options are limited
- Housing affordability can be challenging
- Many people do not feel well-off!

What do we need to know more about?

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- Experiences of our residents
- Future skills needs of businesses
- A view from businesses on the advantages & disadvantages of being located in York
- Covid impacts
- Self employment & micro-businesses

