

## AGENDA SUPPLEMENT

### Decision Session - Executive Member for Economy and Strategic Planning

**To:** Councillor Waller

**Date:** Tuesday, 25 January 2022

**Time:** 10.00 am

**Venue:** Remote meeting

The Agenda for the above meeting was published on **Monday 17 January 2022**. The attached additional documents are now available for the following agenda item:

4. **Quarterly Economic Update** (Pages 1 - 22)  
To update the Executive Member on key measures of the economy, emerging issues and achievements.

This agenda supplement was published on **Tuesday 18 January 2022**.

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

**25<sup>th</sup> January 2022**

**Quarterly Economic Update**

**Summary**

1. The period between October 2021 and January 2022 has seen the UK economy experience a series of changes and challenges with the Government's employment support schemes coming to an end and supply-side difficulties causing disruption, the latter slowing down growth.
2. December 2021 saw the rise of the Omicron variant, causing additional disruption to local businesses in the hospitality and leisure sectors, impacting one of the most profitable time of year for many businesses in these sectors. These aforementioned challenges have impacted the York economy, but the city continues to remain resilient. Anecdotally, trade has been strong in the run up to Christmas, hopefully providing businesses in the retail, leisure and hospitality sectors with a financial buffer to weather any upcoming storms due to the spread of the Omicron variant. Following local lobbying efforts, we welcome the additional financial support provided by the Government to support businesses impacted by Omicron. The Council will again be swift in its distribution of grants.
3. Elsewhere, collaborative work continues with the city's rail sector as efforts to attract Great British Rail to York progresses. Our city is a key hub for the rail industry, with a highly skilled and diverse local workforce present. The Economic Growth Team also hosted two international visits to the city during the period being reported on – a German rail trade mission, and a visit from an award-winning Israeli technology company interested in setting up a UK team. Interest in York as a place to do business remains high – both in terms of businesses looking to locate to the city, and existing business looking to grow and expand locally.
4. Finally, York Business Week took place in November 2021, with over 35 events taking place attracting 600+ delegates. Delivered in partnership with York's business membership groups and key organisations, the week-long programme of events showcased the practical support on offer

for local companies, as well as helping businesses to address current business aims and understand the middle and longer-term opportunities for growth.

## **Recommendations**

5. The Executive Member is asked to:

1) Note the contents of the report

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

## **State of the Economy**

6. This report covers the period October 2021 to January 2022 during which the national economy experienced a multitude of changes and challenges. The major changes include the ending of the Coronavirus Job Retention Scheme (CJRS) and Self-Employment Income Support Scheme (SEISS) and the discontinuation of the £20 uplift in Universal Credit payments. The economic challenges have been supply-side focused and comprise of the lack of HGV drivers leading to reduced product availability and panic-purchasing (i.e. vehicle fuel), unprecedented rises in wholesale energy prices, and a record level of employment vacancies. These supply chain difficulties have resulted in a higher rate of inflation, currently running at 5.1%, and base interest rate, currently 0.25%, with both expected to continue an upward trajectory throughout 2022.
7. Whilst the York economy is not immune to these circumstances, it has remained resilient in the face of them. As shown by Figure 1, when the CJRS scheme came to a close on the 30<sup>th</sup> September, just 2,480 people remained furloughed, down from the peak of 16,000 people in January 2021. The number of furloughed women has outnumbered the number of furloughed men for the duration of the CJRS apart from its final two months in August and September 2021. The accommodation and food services sector (620 people), wholesale and retail (320 people), and professional, scientific and technical activities (270 people) had the largest number of people remaining on furlough when it closed.

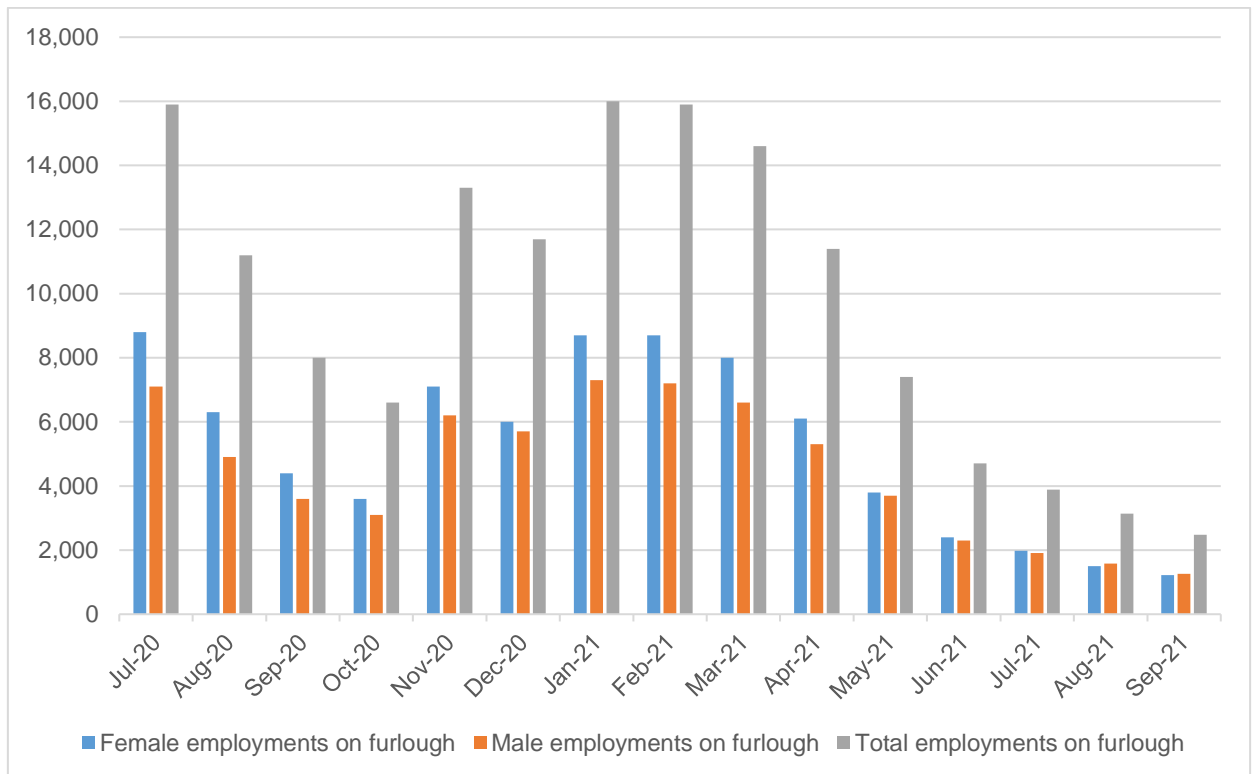


Figure 1: Furlough in York 2020-21

8. Despite nearly 2,500 people remaining on furlough as the CJRS closed, the claimant count for York in both October and November continued to decrease as shown in Figure 2. According to the Office for National Statistics (ONS), the number of people claiming out of work benefits in York was 3,105 in November which is considerably less than the peak of 2021 when there were 4,925 claimants in February. Although we have not returned to pre-pandemic levels, when 1,820 people were claimants in March 2020, York remains the best performing city on the Centre for Cities unemployment tracker with just 2.2% of its working-age population claiming unemployment-related benefits.<sup>1</sup>

<sup>1</sup> Centre for Cities Unemployment Tracker – <https://www.centreforcities.org/data/uk-unemployment-tracker/>  
- last updated on 14/12/21

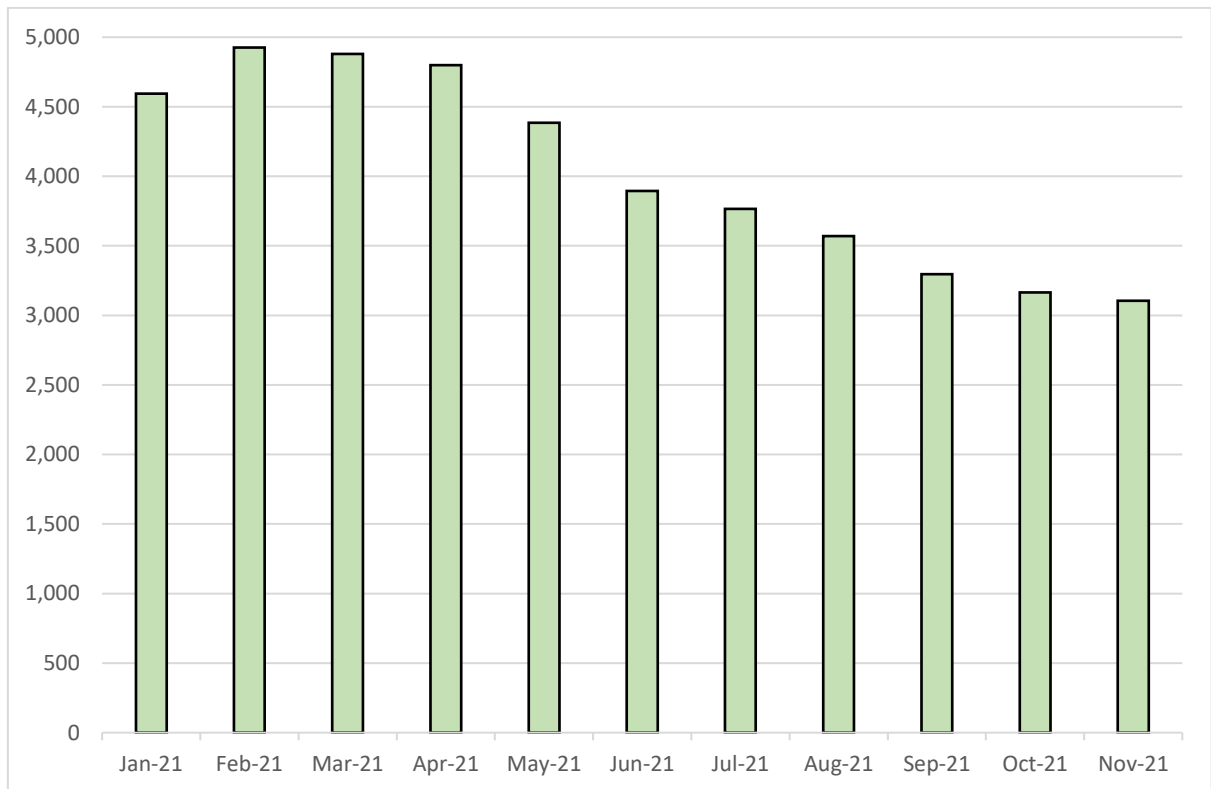


Figure 2: York Claimant Count in 2021

9. As with the national economy, York has experienced a growing number of job vacancies. Albeit only an estimate, data from the jobs website Indeed indicated that the number of vacancies within a 5 mile radius of York had risen to 3,657 by the end of November which is an increase of 530 jobs since tracking began at the start of August. Some of this demand will be seasonal however, with the number of vacancies falling back to 3,240 by mid-December.
10. The Self-Employment Income Support Scheme (SEISS) also came to a close at the beginning of October. Since its introduction in May 2020 the scheme has supported 7,100 individuals in York, with a total of 25,500 claims made worth £71 million in total. The average value of each grant was £2,800. In the 5<sup>th</sup> and last iteration of the scheme, between May and September 2021, 2,900 claims were made. More claims were made by men than women in each iteration of the scheme.
11. 2021 has undoubtedly offered a tough trading environment for businesses and York will likely record its lowest number of start-ups for some time. As of November 2021, 616 new businesses had started in York. If the average number of start-ups for 2021 is recorded for December, this would still mean that only 672 businesses had opened in York which is comparatively less than the 958 and 1,011 recorded in 2020 and 2019.

12. York's economy is robust though and is expected to grow in line with UK levels and other leading Northern cities in the coming years. The latest forecast from Oxford Economics<sup>2</sup> suggests that York's economy was one of the best performing in 2021, with its gross value added (GVA) estimated to have grown 9.8% year-on-year (y-o-y), which is 2.5 percentage points higher than the UK growth figure. A consistent and stable growth rate is predicted thereafter for York with 6% forecast in 2022, 2.3% in 2023 and 1.5% in 2024 which is above Newcastle's, aligns with Leeds and Sheffield, and is just short of Liverpool and Manchester's growth rates.

### City Centre Economy

13. City centre usage and spend continues to be strong. Since the beginning of the pandemic, the economic think tank Centre for Cities has been tracking the recovery of high streets in the UK's cities and largest towns. The think tank's high streets recovery tracker shows that for the period up to 30 November 2021, overall footfall in York's city centre was at 119% of pre-pandemic levels, with spend at 167%. Putting this performance into context, York's footfall index was the second highest of any city and large town in the UK, with city's spend index the third highest.<sup>3</sup>
14. Annex A shows origin and footfall data for October, November and December 2021 from the Movement Insights platform and paints a similarly positive picture with footfall in October increasing 11% in comparison to the previous month. York city centre saw 800k visitors in October, decreasing to 680k visitors in November and December. 18% of visitors to the city centre in October were York residents, whilst long distance visitors (50km plus) represented 54% of all trips. A similar picture regarding trip origins can be seen when looking at the data for November and December. Spend data for this period through Visa transactions is not available yet, but we expect to see strong visitor spend. Anecdotally, city centre businesses have reported strong trading in the run up to Christmas.

### Business Intelligence

15. During the 3-month period there were 15 virtual and in person conversations with key businesses as well as two roundtable meetings with the rail sector. There was a strong focus on attracting the new Great British Rail (GBR) Headquarters to York and how the sector can collaborate to meet the growing demand for rail skills in the city alongside general collaborative innovation. Local companies are still experiencing a

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<sup>2</sup> Forecast undertaken by Oxford Economics on 28/10/21.

<sup>3</sup> Centre for Cities high streets recovery tracker - <https://www.centreforcities.org/data/high-streets-recovery-tracker/>

general shortage and rising cost of materials and persistent difficulty recruiting skilled staff.

16. The emergence of the more contagious Omicron variant brought new uncertainties to the fight against the COVID-19 pandemic. While growth momentum is expected to decelerate until a booster is rolled out to halt the rise in cases, the full impact will depend on the rise in the number of acute COVID-19 cases and any social distancing restrictions that are introduced. Labour shortages have become a significant impediment to growth and pay pressures are more pronounced but the labour market appears to have weathered the end of the furlough scheme in October.
17. According to the Bank of England, consumer spending remained elevated, with steady growth in retail sales, while growth in spending on services picked up modestly. Contacts reported increased demand for clothing, footwear, technology, furniture and appliances, though the ranges available of some of these goods was constrained by shortages. That said, although there were continued shortages of some products, particularly imported goods, shoppers were generally content to switch to alternatives. This increased demand was partially fuelled by the expected upturn in people returning to the workplace and social engagements but the contagious Omicron variant prevented that and curtailed social interactions.
18. In the services sector, demand continued to strengthen modestly, in particular in financial advice, IT services and dining out. Some contacts in the casual dining sector said demand was supported by home deliveries, which were in some cases more than 25% above pre-pandemic levels.
19. Contacts in the hotel sector said revenues were close to, or in some cases above, pre-pandemic levels, supported by domestic tourism and some firming in room rates. However, weak demand for business travel weighed on occupancy rates overall. Across the hospitality sector, contacts said labour shortages had constrained growth by forcing them to restrict services, for example by reducing opening times or offering fewer menu choices.
20. Local contacts in accountancy, legal and consultancy continued to report good levels of demand, with strong activity relating to corporate finance and business acquisitions and mergers. Financial activity with SMEs remain steady with loan applications flat but there is increasing scrutiny for all loan applications considering the impact that Covid and previous lockdowns have had on business finances. As reported before, this has affected the sectors hardest hit by the pandemic including the hospitality and leisure sector where there is demand for working capital to cover the



rising costs of raw materials. Most of the smaller companies are still reluctant to take on additional debt.

21. We are seeing the banking sector reaching out more to SMEs to offer more support and generally making a greater effort to engage companies more.
22. In the last 2 quarters and the start of this quarter, manufacturers reported output levels growing at record rates as companies saw a significant rise in demand for goods. In the last few weeks contacts said that longer delivery times for components and materials were a significant constraint on output, but that shortages of labour also held back activity across a range of sectors. Output has slowed relative to the previous two quarters but is still strong. Some companies expect supply issues to continue to weigh on output in the short term, and some thought supply chain disruption could persist into 2023, as supply bottlenecks were expected to unwind at differing paces. For example, a local electrical manufacturer expects semiconductor shortages to last into 2023 and companies are having to become very savvy about how they operate to minimise any impact of supplies chain delays and shortages. Despite these bottlenecks the company continues to expand and we are working to identify additional industrial and office space.
23. Investment and property sales in the city centre are still robust with the last quarter seeing the registered sale of 11 properties. Six of these were retail storefronts, 1 light industrial/manufacturing, 1 track of land for industrial use and 3 office buildings of which 2 are for owner occupier and the other for investment. As reported last quarter, despite the huge uptick in online retail sales, there is still huge demand and interest in acquiring retail storefront units in the city centre.
24. Office occupancy is still some way off the pre-pandemic levels and there is no evidence that this will change soon. Vacancy rates currently stand at 4.7% compared to 0.5% at the start of the pandemic. According to CoStar this is likely to improve to 3.4% in 2022. Most companies are still advocating remote working in line with government guidelines. Some companies are looking to maintain their current space but planning to use it differently with a mixture of remote and office working, using the space for teams to meet up one or two days per week. This is especially true for the smaller office-based companies.
25. Demand for industrial property on the on the outskirts of the city continues to be strong with units still being developed speculatively. These are between 5,000 sq. ft. and 30,000 sq. ft. and are likely to be taken as soon as they are available. We are also seeing evidence of consolidation with one particular company bringing 6 units into a larger 30,000 sq. ft. unit in the Elvington area. The team is currently working with several companies

looking for larger industrial space on the outskirts of the city, all of which are proving challenging. Industrial space occupancy currently stands at 1% compared with pre-pandemic vacancy levels of 1.2% so the market is getting even tighter and this is despite new units coming onto the market. The availability of suitable premises to support business and jobs growth remains a key area of focus for the Economic Growth Team.

26. Innovation is continuing to play a major role in companies, both big and small, and many view it as a chance to enter new markets. In the last quarter we saw a local rail IT company awarded a research and development grant as part of a European consortium, and this led to the company establishing a joint venture with an Austrian company. The new venture will supply a product for the German rail network and offer the local company various new opportunities to expand further into Europe and the rest of the world. Proof of concept has now been established for the initiative and respective teams from both companies are now working together in York to deliver on the new innovative project.
27. On general skills, we are working with a local large insurance company to showcase the innovative work they have done around part time and remote working. We are also working with them and DIT, who are working closely with the City of London to promote the UK as a global hub for Insurance Resilience Solutions to international buyers, and ultimately:
  - To increase exports of UK speciality insurance and resilience services;
  - To promote the attractiveness of the UK and York as an investment destination for speciality insurers and resilience service providers.

This is part of, and in advance of, the next Business Resilience Conference in Spring 2022.

28. The Economic Growth Team held an initial meeting with various rail influencers in the rail sector last quarter with a follow up skills meeting held in December. The rails skills roundtable event was well attended and attracted 26 delegates from the rail and higher education sector. As part

of the discussion there was a breakdown of York's Rail skills with the main points being:

- In the immediate York region, there are approximately 4,000 workers;
- Over a quarter of the workforce are female against a national figure of 17%;
- There are just over a quarter of the workforce in business management type roles, a fifth of the workforce in track and nearly a third of workforce in operations;
- On the skills levels, we can see that 40% of the workforce in the UK is a Level 3 where for York 35% of the workforce are at Level 5;
- Just over a fifth are at Skill Level 6 as well;
- The rail workforce in York is already working at a higher level than the rest of the UK, and there is demand for higher level skills in York.

This lays out a clear path where we need to focus our skills strategy efforts.

29. The delegates agreed to work in a more coordinated and collaborative way to ensure the city has the right skills to continue to lead the way in train operations and innovation. Additionally, there is a renewed effort to engage schools in the area as part of the skills strategy.
30. The Economic Growth Team along with EuroPartnerships, jointly hosted a rail networking dinner for a German Ministry for Economic Affairs and Energy supported trade mission to the UK. The delegation included senior representatives from the German Railway Association (VDB) and German companies from the railway industry. The Economic Growth Team used the visit to introduce the German companies to local rail companies aiming to stimulate conversations relating to potential collaboration and export opportunities for York's companies.
31. The German companies were seeking opportunities and potential collaboration with local companies and hoping to have procurement type conversations. It is part of our continuing effort to support the local rail sector with export opportunities and showcase how important York as a city is to rail. The event also helped to underline York's importance to the sector to companies in other countries and cement our relationship with EuroPartnerships whom we intend to undertake more of these events with.

There is the potential for a Finnish Trade delegation with EuroPartnerships next summer.

### York Business Week

32. The Economic Growth Team's partnership approach to this year's York Business Week with the Federation of Small Businesses, York & North Yorkshire Chamber of Commerce, the Institute of Directors, York BID, Make it York, the University of York, York St John University, York & North Yorkshire LEP and the Ad:venture Programme was a huge success delivering 35 events to over 600 delegates.
33. The week delivered a series of virtual and in person events to address current business aims and helped companies to understand the middle and longer-term opportunities for growth and how sectors can focus on accelerating growth. It was also a great opportunity for the Council and its partners to showcase its practical support for local companies.
34. A detailed report on York Business Week, key outcomes, feedback from attendees and ideas for how the Council can further develop the initiative through a partnership approach will be brought to the Executive Member's February Decision Session.

### Inward Investment

35. Over the reporting period, the team responded to 23 investment enquiries, with five of those being overseas enquiries from businesses looking for UK locations, nine being UK based companies exploring York as a new opportunity, and the remaining nine represented by York businesses planning to move or expand within the city. There is continued interest from a broad range of sectors including biotech, rail, hotels and retail.
36. During late October 2021, the Council's Economic Growth Team hosted a two-day visit from an award-winning Israeli technology company. Interested in setting up a UK team, the company's latest product is a virtual guided tours platform - an end-to-end fully immersive e-learning virtual platform.
37. A two-day visit comprised a visit to a handful of York-visitor attractions, a networking session with local businesses, a pitch session with York's attractions and universities to explore opportunities for pilot activity and a tour of the York Guildhall development. Impressed with York's mix of heritage and high-tech industry, rail connectivity and nurturing business support environment, the company are now in discussion with York

Science Park over taking up space on the Science Park before transferring over to the Guildhall building once it opens.

### Business Support

38. Between July and September 2021, the Council's Business Growth Managers provided support to **65 businesses** across a wide range of sectors. There is renewed interest from the business community on decarbonisation and low-carbon development, and this was a strong theme in interactions.
39. November 2021 saw the Council launch its Business Growth Voucher Scheme, utilising £500k of Additional Restrictions Grant funding from the Government to provide additional support to local businesses.
40. The aim of the scheme is to enable small and micro businesses to navigate the challenges of the pandemic, stabilise their business models and relaunch and refresh their offer with help from York's business community. The scheme supports businesses to think through the key issues they face before accessing local specialist resource to begin implementing these changes. Through the voucher scheme local businesses will get up to £1,000 of expertise and support from other businesses across the city – not only helping those in receipt of the vouchers, but also generating income for other local businesses.
41. Since its launch, the scheme has received an overwhelmingly positive response with around 550 local businesses applying for the scheme. In addition, over 140 York-based businesses have been approved as suppliers to provide a range of support services to businesses in possession of a voucher that can be redeemed until 18 March 2022. Having quickly reached the anticipated number of applicants for the scheme, a decision was taken to pause any remaining applications from 23 December 2021 in order to review the help that local businesses may need in light of the Omicron variant.
42. Focus will now turn to ensuring that businesses in possession of a voucher are able to effectively access the support they require from local suppliers, with the work taking place promptly and scheme concluding as planned.
43. The rise of the Omicron variant during December 2021 has caused additional disruption to local businesses in the hospitality and leisure sectors, impacting what is often the most profitable time of year for many businesses in these sectors.
44. In the wake of increased public health restrictions due to the spread of the Covid-19 Omicron variant, the Council's Executive Member for Economy

and Strategic Planning wrote to the Chancellor of the Exchequer, Rishi Sunak MP, to highlight the plight of local businesses owners in the hospitality, tourism and travel sectors who were facing increased cancellations and the postponement of trips, calling for comprehensive support for these businesses. Following engagement with local businesses and York's business membership groups, the Council's Economic Growth Team also fed intelligence to Government on the economic impacts being felt locally by the spread of the Omicron variant.

45. Following lobbying efforts made by elected officials, local authorities, business membership groups, trade groups and businesses themselves, the Chancellor Rishi Sunak announced additional support for businesses impacted by the Omicron variant. This support will take the form of the following:

- Omicron Hospitality and Leisure Grant (OHLG) to support businesses in the hospitality and leisure sectors;
- Additional Restrictions Grant (ARG) top up to support businesses most in need but not eligible for OHLG;
- Government to cover the cost of Statutory Sick Pay for Covid-related absences for SMEs across the UK;
- Further funding made available through the Culture Recovery Fund.

City of York Council will be responsible for the local delivery of the OHLG and ARG funding and will distribute grants swiftly.

### Economic Strategy

46. Work is currently underway to ensure strong alignment between the Council's emerging Economic and Climate Change Strategies and emerging Local Transport Plan. A second phase of engagement is being planned for the Economic and Climate Change Strategies through Our Big Conversation, the Council's city-wide engagement mechanism. This phase of engagement will test the acceptability of priorities within the strategies; deepen insight into the approach needed to implement these successfully; and understand the aspirations and attitudes of 'missing audiences' in the first phase of engagement.

47. The Council's new Economic Strategy will be brought to Full Council for approval in June 2022, alongside the Council's Climate Change Strategy.

### Skills, Apprenticeships and Training

48. Over the quarter, the team have worked closely with colleagues at the LEP to ensure that the new Skills Bootcamp programmes are available to York businesses and residents. See the published [list of Skills Bootcamps](#) for current availability. HGV Bootcamps were also rolled out with a range of providers across the region – Qube Learning covering Novice to category C and C+E in York.
49. In the lead up to Christmas, advertised apprenticeship vacancies within 15 mile radius of York remained around 180-195 (equating to circa 200-220 jobs). As of 7 January 2022, there were 165 advertised vacancies with 11 added since Christmas Eve. The majority of vacancies continue to be at Intermediate and Advanced levels with retail and hospitality continuing to dominate the ‘new’ posts, with a consistent need being seen for pharmacy too. This slight decrease isn’t alarming at this time of year but we need to keep an eye over the next month, as some vacancies may be frozen or withdrawn (in sectors impacted by working from home guidance and other Covid-related impacts). The ‘extended’ apprenticeship recruitment grants are also only in place until 31st January 2022 (employment start date). These provide £3,000 (from £1,500) for all/any age apprentice starts, which means £4,000 for a 16 to 18 or an under 25 with EHC Plan or Care leaver (added to the existing £1,000).
50. The York Apprenticeship Provider Network met this quarter, as did the National Apprenticeship Hub group. Key discussion items included challenges around filling the number of vacancies currently available, including those that have needed to be re-advertised due to poor levels of applications.
51. The ESF-funded York, North Yorkshire and East Riding Apprenticeship Hub is working in partnership with the impartial CYC-led York Apprenticeship Hub to support businesses and individuals in the city, adopting a ‘no wrong door approach’ and working collaboratively for greater reach/impact such as joint communications and engagement around National Apprenticeship Week (7-14 February 2022).

#### York Bank Summit

52. During York Business Week 2021, the Economic Growth Team hosted a virtual Bank Summit to discuss how the Council can work more closely with York’s banking institutions and partners to address the challenges and pressures faced by residents and businesses in the city. The session was attended by representatives from the Council, York and North Yorkshire LEP, the Institute of Directors, York and North Yorkshire Chamber of Commerce, as well as financial institutions such as the Bank of England, British Business Bank, HSBC and the Co-operative Bank. A

renewed commitment was made between the Council and partners to work in partnership to support residents and businesses to be able to access the services they need to prosper.

### Small Business Saturday visit

53. As part of their 2021 Tour, the Small Business Saturday (SBS) fleet visited Haxby during York Business Week in November. This grassroots initiative encourages the 'Shop Local' ethos and champions the small business community with a focus on boosting local micro-economies.
54. The SBS campaign this year was entitled 'Small Business, Big Thank You', and five local micro businesses from different sectors came forward to be interviewed, raising both their business profile and that of the overall campaign. Exposure of the event was increased by YO1 Radio and the Council's Communications Team via various social media platforms.
55. This event was deemed a great success by SBS who indicated they were pleased with the proactive approach taken by the Council. As a result, they have registered their interest in visiting York city centre to hold an event on a much larger scale. Discussions around this are anticipated to begin around Spring 2022.

### Secondary Shopping Areas

56. The Haxby and Wigginton Economic study consultation period began on 17th November 2021 and closed just before Christmas. This work was commissioned by the Council to gain a greater understanding of how this secondary shopping area is used, the aspirations and ambitions that people have for the area, and to gather a database of opinion and feedback that can be used to leverage future capital funding. 477 surveys were completed, with users able to access the consultation online and in hard copy form.
57. Focus groups with key local organisations are scheduled to take place in January 2022, along with an interim feedback meeting with the consultants to discuss issues arising from the study. An options report is expected in February.
58. A similar study was carried out in the Acomb Front Street area in 2021 with consultants producing a series of proposals for the local area based on comments and feedback from those responding. A paper is now being prepared for Executive to consider these options, outlining the survey process and subsequent results, along with expenditure to date. A series of recommendations will be put forward for Members to consider, with a



request for allocation of resourcing and funding to support development of the project going forward.

#### Work with Traders' Associations and ARG funding

59. Over the last few months, the Economic Growth Team has continued to engage with the local business community, and in particular with Traders' Associations around the City. Supporting them has been key to helping the City economy begin to recover from the pandemic, as well as important to the traders themselves.
60. A proportion of the ARG funding received from central Government was set aside to support Traders' Associations and organisations to stage festivals, events and initiatives to draw footfall back and boost the economy. Several applications for funding have now been supported, including:
  - Snow in the Shambles
  - Micklegate Mingle
  - Goodramgate Heritage Trail maps and;
  - Indie York promotional videos
61. We have also supported major events staged by Make It York and York BID such as the Ice Trail, York Restaurant Week and the Deckchair Trail.
62. Outside the City Centre, the Haxby Christmas lights switch on took place on 25 November 2021. This was well attended, with an extension of the lights coverage and a radio roadshow event. Led by Haxby and Wigginton Traders' Association and supported by local organisations such as Haxby Town Council, this event is now a fixture in the local calendar and allows for traders to benefit through extended opening hours and increased footfall.
63. These business conversations will continue over the course of the coming year, with a view to strengthening the working relationship we now have with the business community and developing a clearer understanding of their needs.

#### A York and North Yorkshire Plan for Growth

64. York and North Yorkshire LEP officers continue to work on a Plan for Growth for the sub-region, with a series of research and evidence reports being finalised. These include identifying the potential growth sectors for York and North Yorkshire and their opportunities, an overview of the

economic impact of Covid-19 on the sub-region, a revisit of the spatial area SWOTs and a refresh of economic datasets. This will be provided in a position paper by the end of January 2022.

65. Further work is progressing to identify the emerging strategic priorities and objectives for the Plan, but this will be worked through in conjunction with the development of local economic strategies for City of York and North Yorkshire. These, together with further delays in the release of the Levelling-Up White Paper has extended the timeframe for the Plan for Growth. A new timeframe is being developed in conversation with City of York Council and North Yorkshire Country Council so that plans and strategies are better aligned.

#### Local Government Reorganisation and Devolution

66. City of York Council officers are continuing to prepare for negotiations with Government, potentially imminent once the Levelling-Up White Paper is published, which could be as soon as mid-January. Programme governance arrangements, to support the process of developing a deal with Government, are being worked up for agreement across all local authorities and with York and North Yorkshire LEP.
67. Recent correspondence with ministers has shown continued desire to achieve a deal for York and North Yorkshire which can support shared aspirations for Levelling Up, reflecting the “Asks” agreed and submitted to Government in late 2020.

#### LEP Review

68. Since March 2021, the Government has been reviewing the role of Local Enterprise Partnerships (LEPs) with the aim of evolving the form, functions and geographies of LEPs to respond to changes in Central Government policy.
69. The outcome of the LEP Review is expected with the release of the Levelling-Up White Paper, which is scheduled for January 2022.

#### **Consultation**

70. 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**

71. 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

**Author:**

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**Chief Officer Responsible for the report:**

**Tracey Carter**  
**Director for Housing, Economy and**  
**Regeneration**

Report  
Approved  Date:  
18/01  
/2022

**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  
CJRS – Coronavirus Job Retention Scheme  
DIT – Department for International Trade  
IT – Information Technology  
LEP – Local Enterprise Partnership  
ONS – Office for National Statistics  
SEISS - Self-Employed Income Support Scheme  
SWOT – Strengths, Weaknesses, Opportunities, and Threats

**Background Papers:**

**Annex A:** York BID Movement Insights Reports – Oct to Dec 2021



# Report for: York City Centre

All data is anonymised, aggregated and GDPR compliant.

During October 2021, York city centre experienced an increase in footfall of 11% with respect to September, with the highest visitor numbers witnessed during the October half term (22nd – 31st October). Visitor demographics were overall consistent with September, but showing a lower proportion of visitors aged 55 and above and a higher proportion of very-high spend power visitors. Trips to the city centre from over 50km increased by 4% to represent 54% of the total number of visits. VISA data from quarter 3 2021 (July – September), compared with the 3 month period showed that merchant spend increased by 38% in York city centre, with the hospitality sector (restaurants, café, bars, pubs, fast food, hotels, accommodation) benefiting most greatly, increasing by over 70%. Online spend made by York residents decreased by 4%.

## Footfall

Powered by: O2

Footfall is measured by the number of visits detected by the presence sensor located in the city centre. This metric is presented at the monthly (Fig.1) and daily levels (Fig.2), together with location benchmarks (Fig.3).

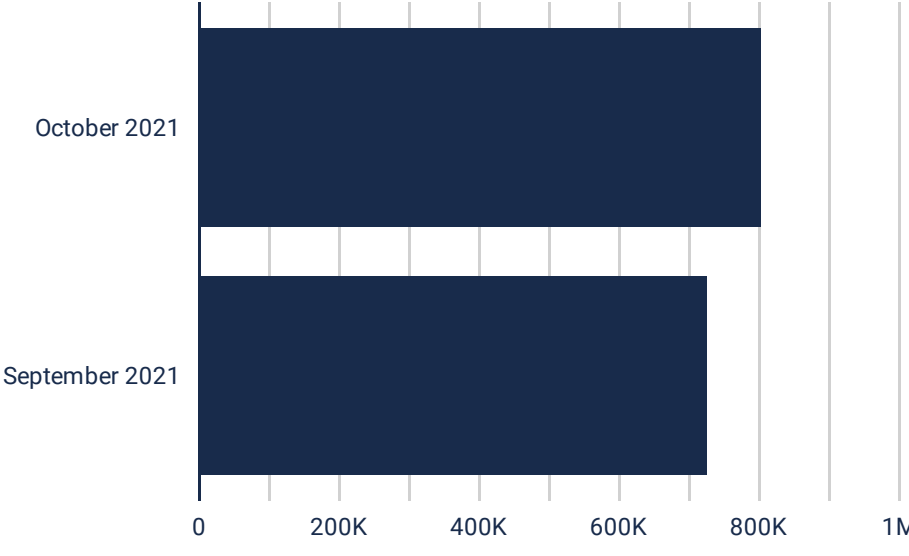


Fig.1. Number of monthly visits to the site.



Fig.2. Number of daily visits to the site.

Footfall in October saw an increase of 11% with respect to the month of September.

The 23th of October represented the maximum daily footfall volumes seen in the last 2 months.

The daily average number of visits per week showed the maximum of the last three months on the last week of October. This increase in footfall was also experienced in other client town locations.

### Comparison of Average Visits

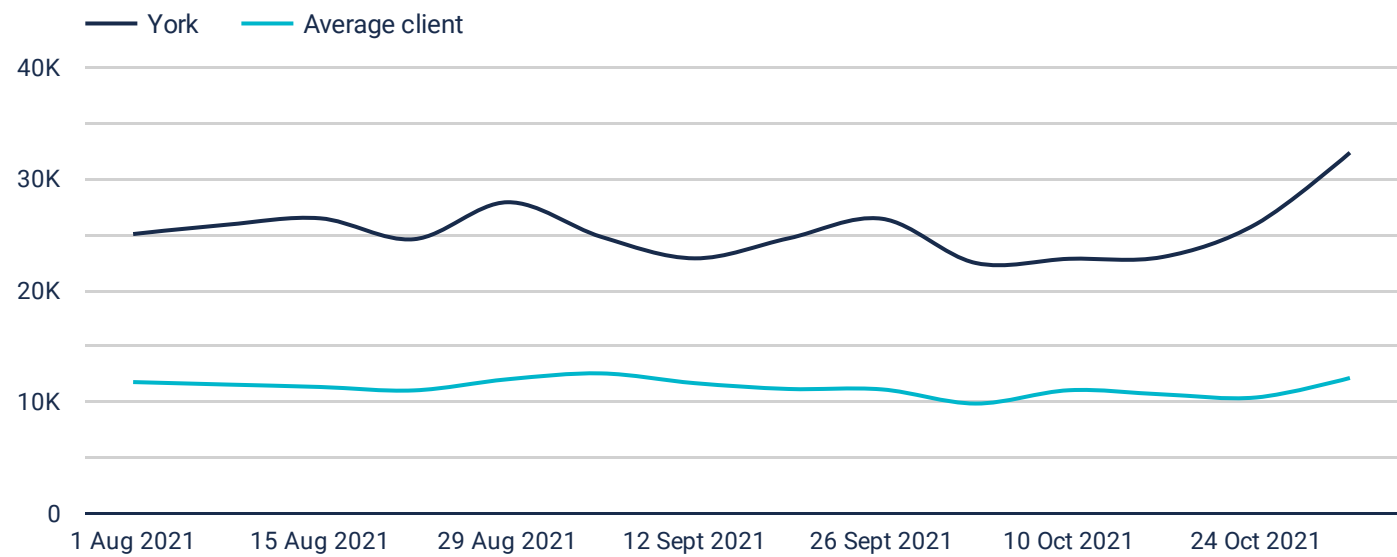


Fig.3. Daily average number of visits by week and city throughout the past 3 months.(1)

## Visitors to the City Centre

Powered by: O2

A number of features are understood for the users sighted by the presence sensor. Their distributions by month are presented here.

With respect to September, October 2021 presents no significant changes overall. However, the following small changes can be noted:

- A lower proportion of visitors aged 55 and above.
- A higher proportion of very-high spend power visitors.

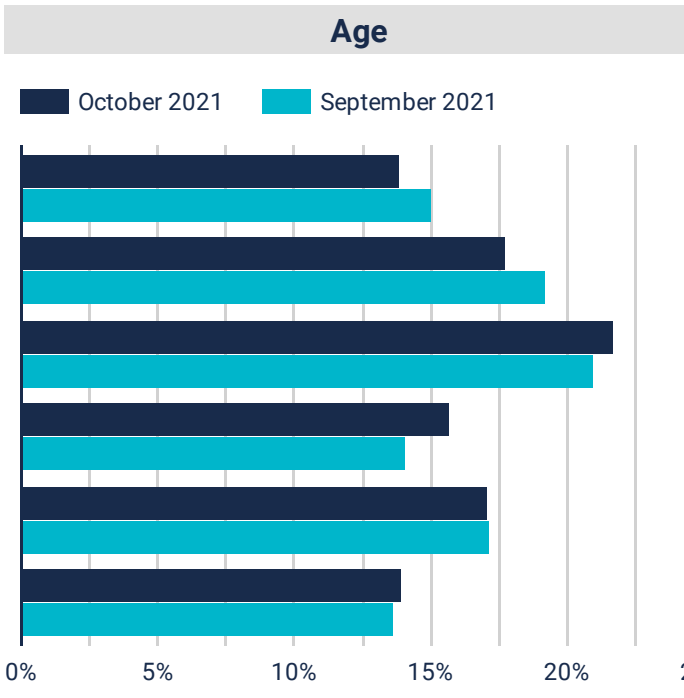


Fig.4. Age profile by month.

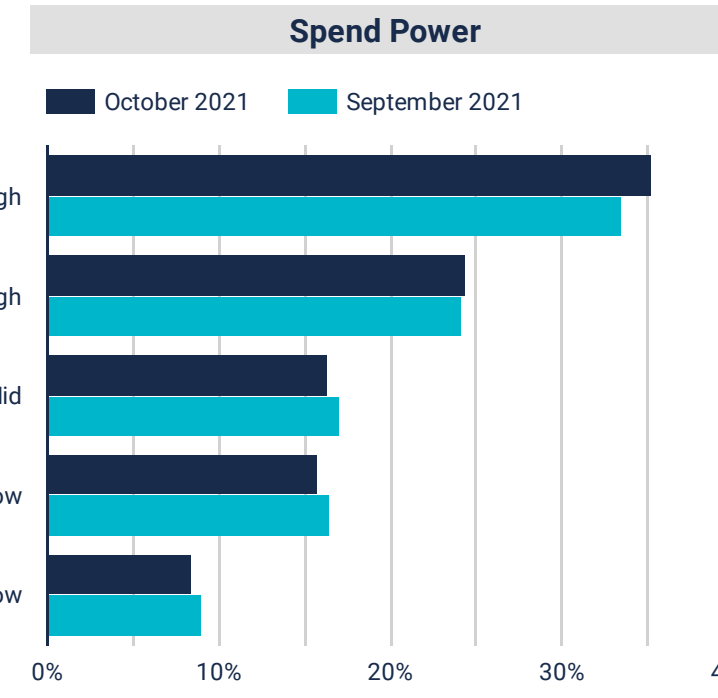


Fig.5. Spend Power profile by month. Spend power measures potential spend comparing to the regional score. (2)

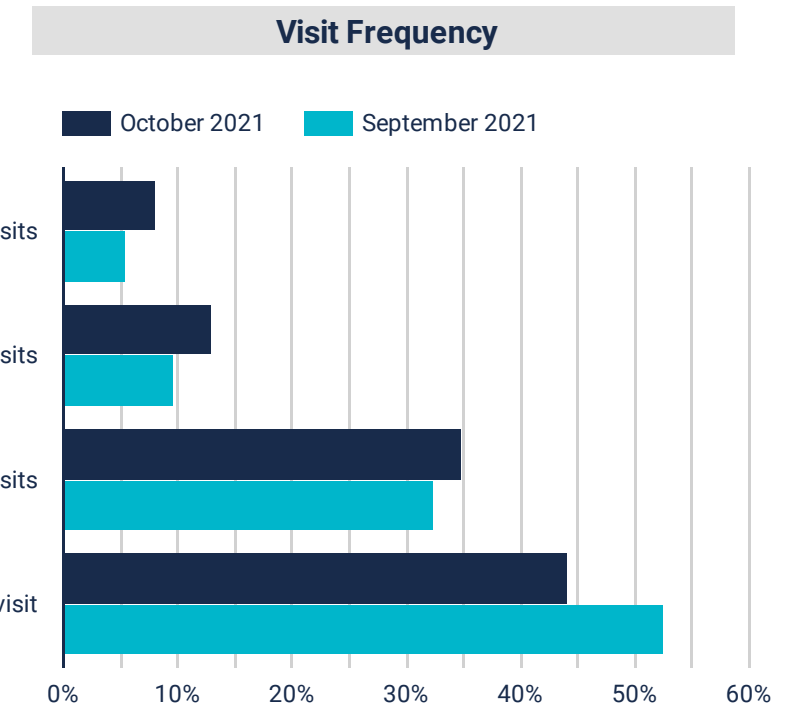


Fig.6. Visit Frequency profile by month. Visit frequency is defined as the number of unique days a person visits the vicinity of the presence sensor in a month. (O2 undergoing change in methodology)

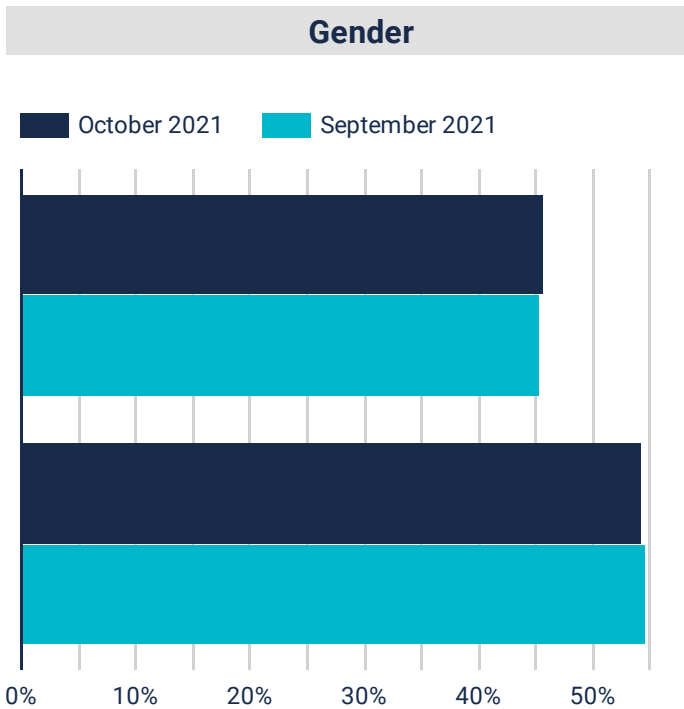


Fig.7. Gender profile by month.

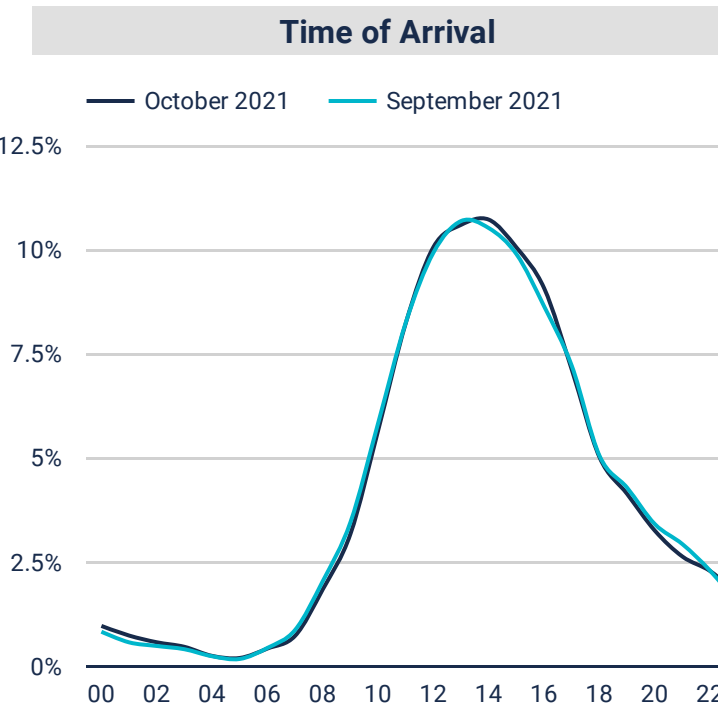


Fig.8. Time of arrival in the city centre for the month. Hour of day for first time sightings.

## Where Do Visitors Come From?

Powered by: O2

Mobile data allows us to understand where visitors to the city centre have come from. This is shown below at local authority level (Fig.9) and postcode sector level (Fig.11). A distribution by distance to the small cell displays in Fig.10.

The local authority of York gathered 18% of visits, while it represented 22% the previous month. 24% of the users sighted live within 0-10km to the site. Long distance visitors represented 54% of the distribution.

Local Authority	October 20...	September ...	October 20...
York	17.75%	21.82%	null
East Riding of Yorkshire	5.23%	5.16%	null
Selby	4.09%	3.99%	null
Leeds	4.03%	3.76%	null
Harrogate	3.79%	3.84%	null
Hambleton	3.46%	3.58%	null
Ryedale	2.4%	2.41%	null

Fig.9. Top home local authority catchment locations by month. Data sorted by latest month.

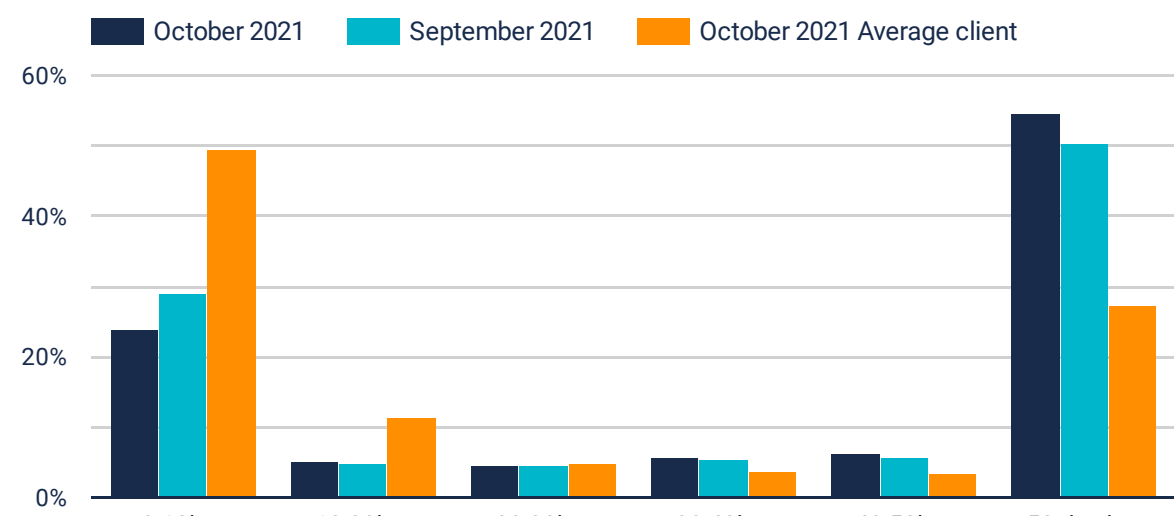


Fig.10. Distribution of distance to user's home location.

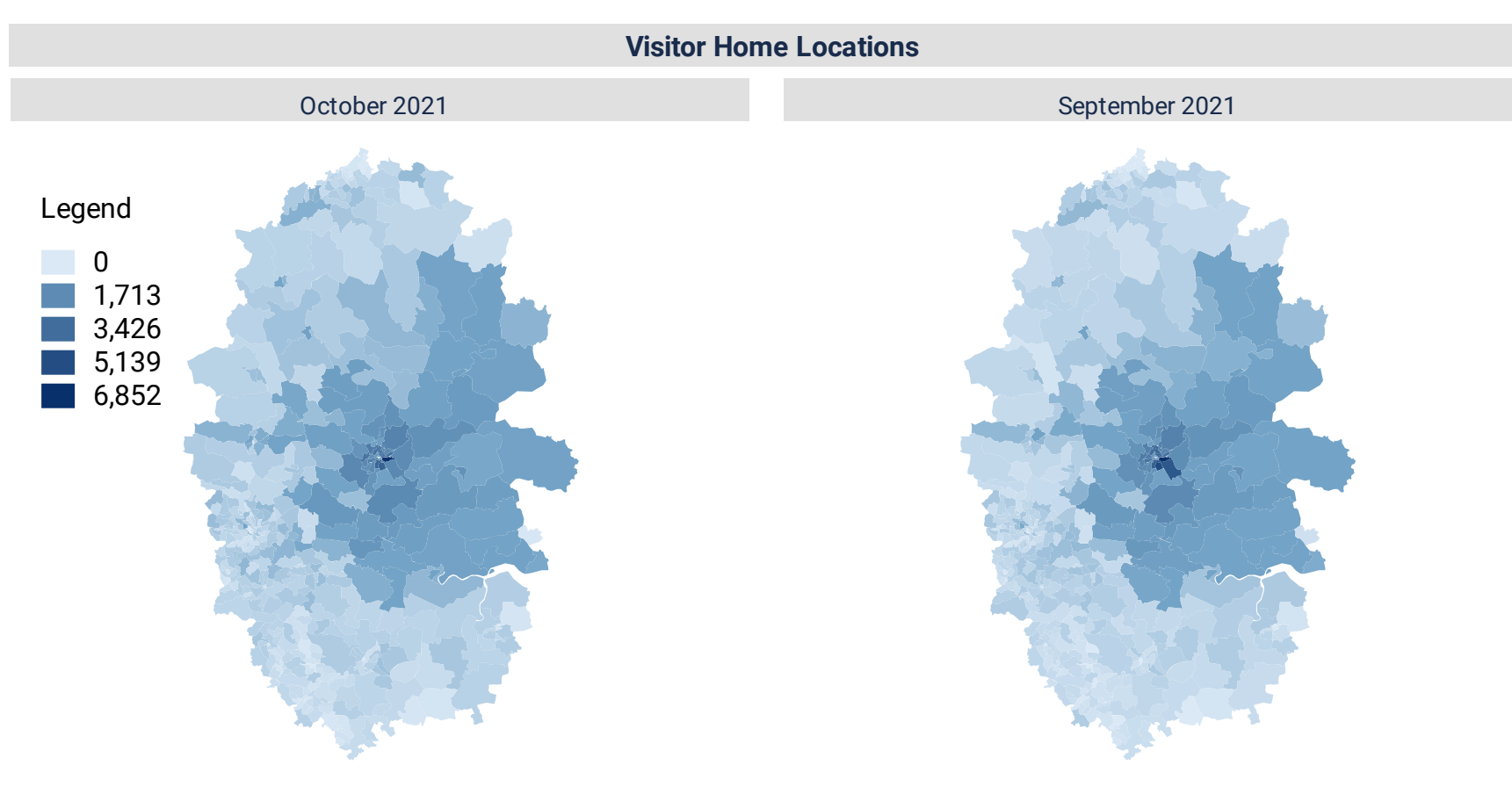


Fig.11. Number of users detected by the presence sensor by their inferred home location. (3)

## Spend Data (Quarterly)

Powered by: VISA

The following totals represent spend with merchants and on VISA cards in the city centre. All the figures below refer to the postcode district YO1, except for Fig.16 and Fig.17, where insights refer to the post town of York. This data will only be updated on a quarterly basis as it is released by Visa.

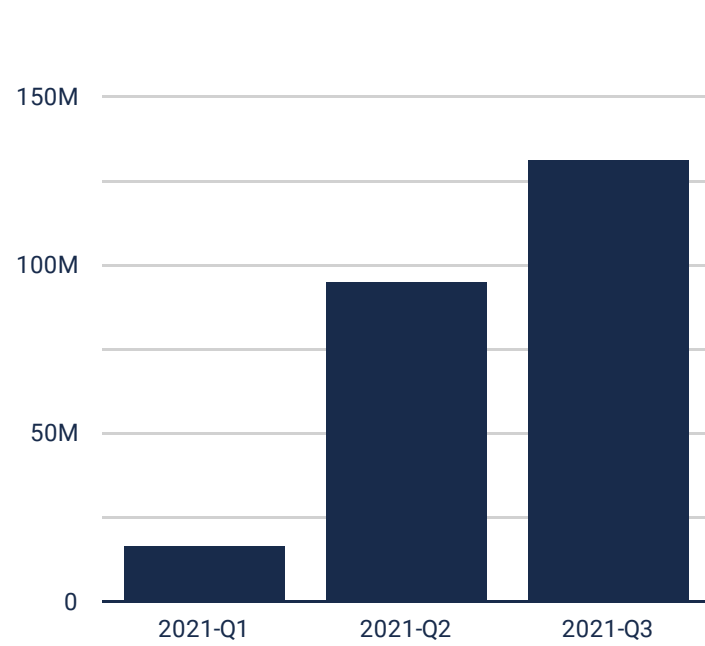


Fig.12. Total spend with city businesses in pounds by quarter.

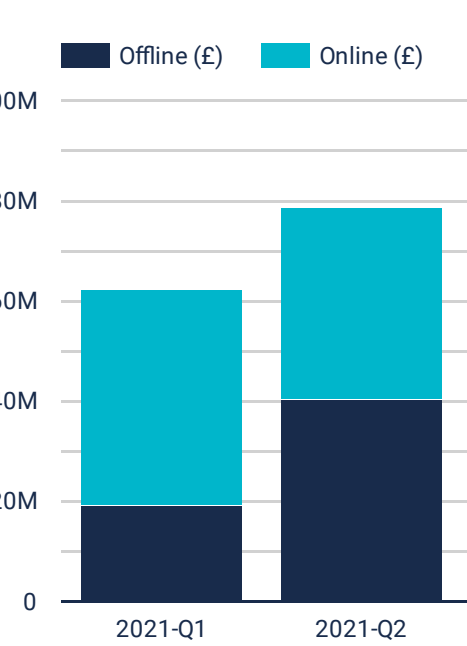


Fig.13. City resident spend with offline and online businesses by quarter

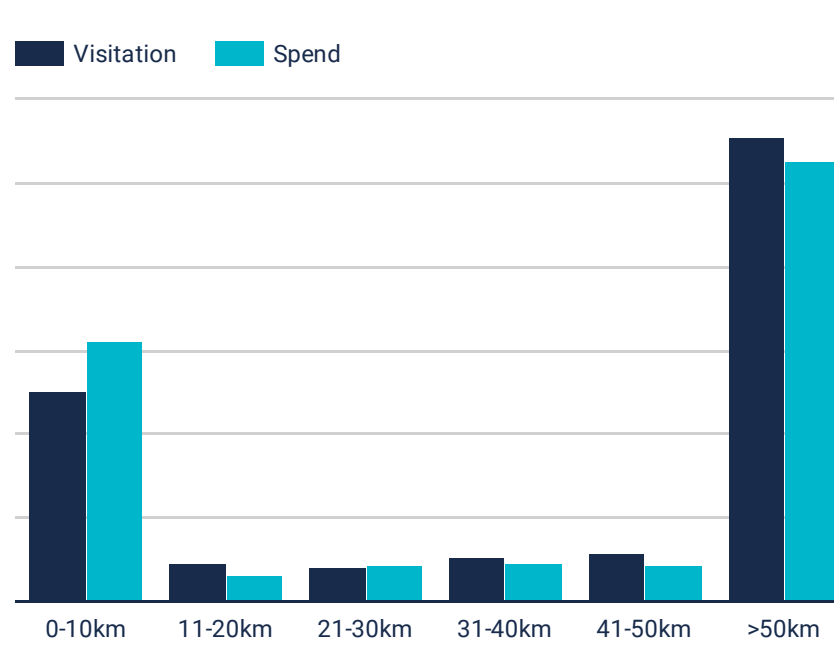


Fig.14. Visits and spend in the city centre by origin in last quarter. Visitation data is powered by o2.

Category	Total Spend (£)			Average Spend (£)		
	2021-Q1	2021-Q2	2021-Q3	2021-Q1	2021-Q2	2021-Q3
Restaurants	2,283,137	34,824,605	59,130,347	6.6	17.4	17.4
Retail & High St	2,242,194	18,082,874	21,262,364	13.1	32.6	33.8
Clothing	207,071	14,913,223	16,194,976	35.1	43.1	42.2
Hotel/Accommodation	0	3,216,248	5,522,684	null	53.2	62.7
Travel	0	0	4,654,279	null	null	7.1
Food & Drink	1,508,305	2,322,205	2,722,518	8.6	8.0	7.9
Health	4,952,051	1,929,071	2,186,380	25.4	28.4	19.9

Fig.15. Total spend and average spend per transaction in city centre by top 7 categories. Table sorted by latest quarter.

### Where Does Spend in the City Come From?

### Where Do City Residents Spend?

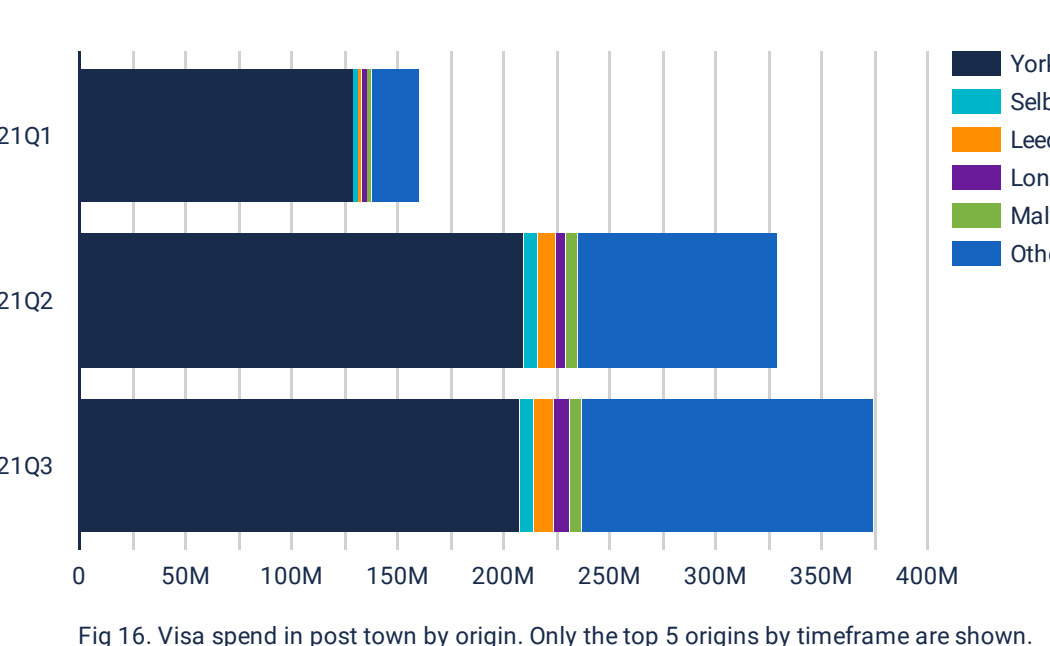


Fig.16. VISA spend in post town by origin. Only the top 5 origins by timeframe are shown.

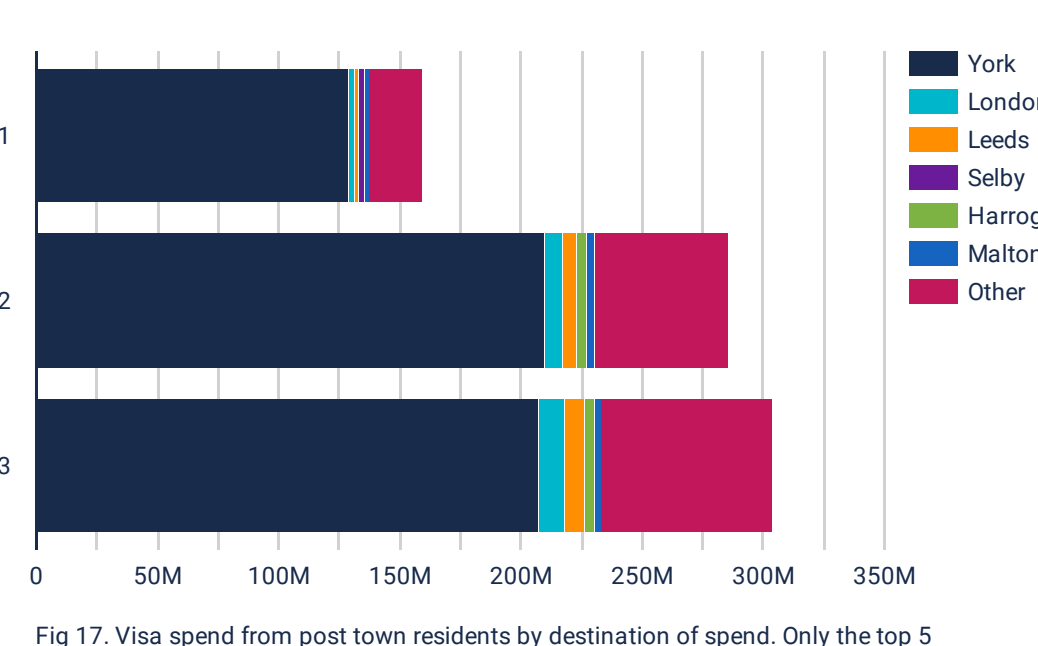


Fig.17. VISA spend from post town residents by destination of spend. Only the top 5 destinations by timeframe are shown.

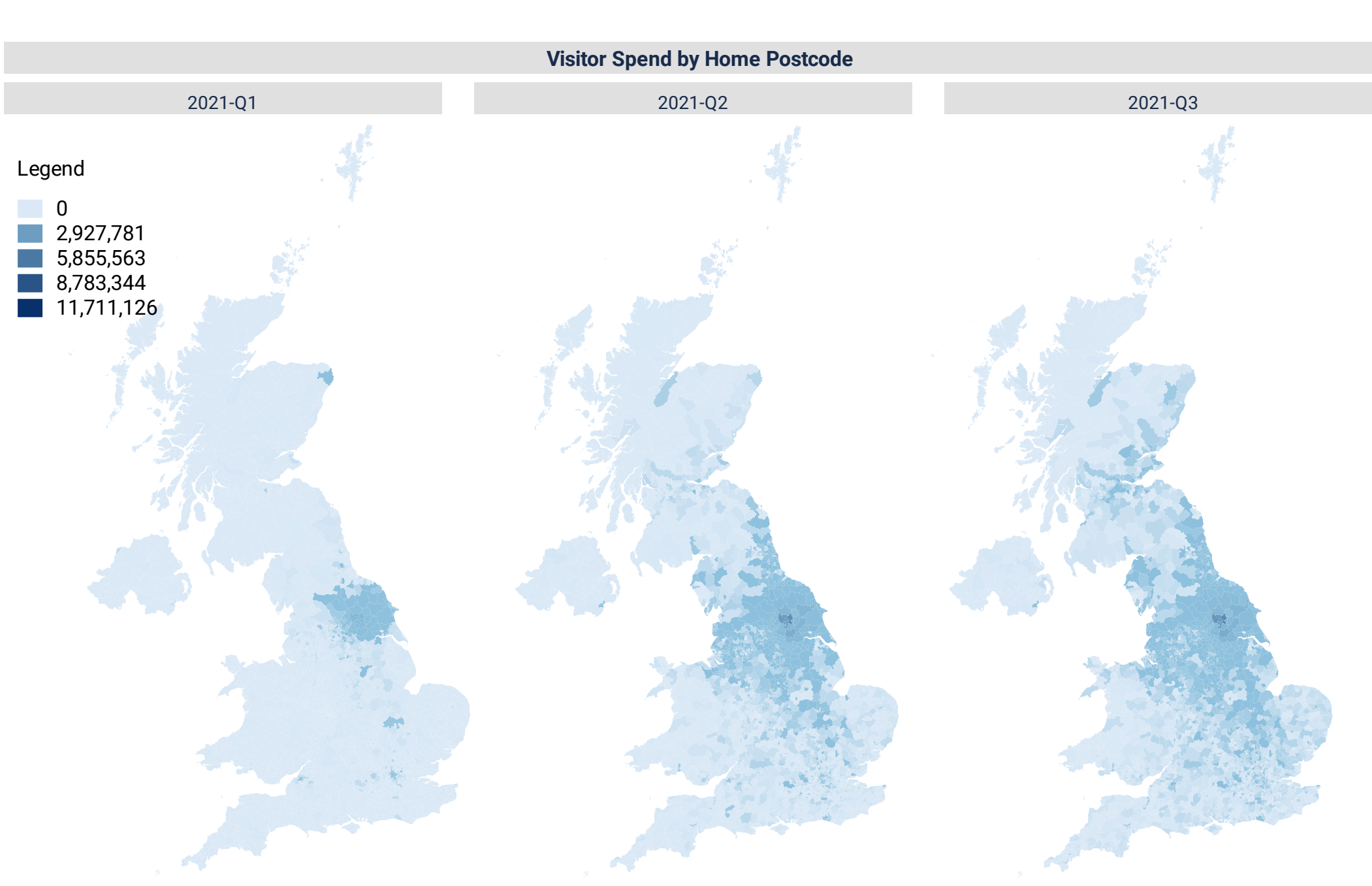


Fig.18. Spend in city centre by postcode district of origin.

## Social Media

Powered by: Twitter

Tweets related to the city are pulled and analysed. Fig.19 shows the volume of tweets by week for the last months together with their average positive/negative rating. This rating ranges between -1 (most negative) and 1 (most positive). Fig.20 shows a word map of the terms most frequently used in the last month.

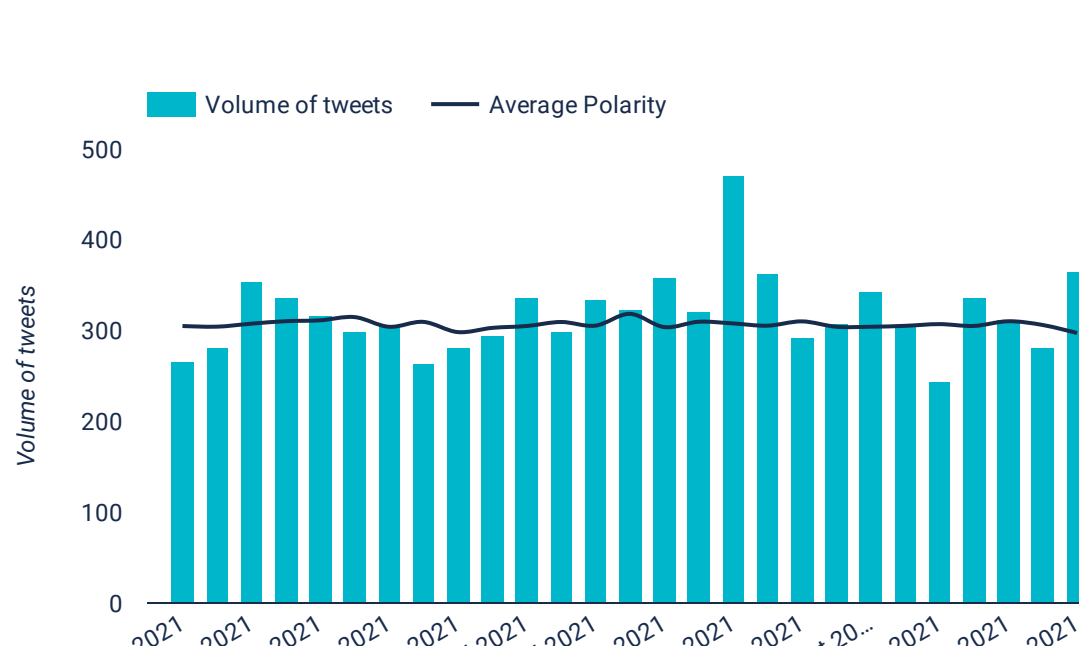


Fig.19. Weekly volume of tweets and their average positive/negative rating.



Fig.20. Word cloud for the month.

## Background - About the Data and Limitations

The mobile phone device of o2 users establishes connection with the presence sensor when passing near it. In the process, the presence sensor identifies the device and O2 provides Movement Strategies (A GHD company) with anonymised, aggregated and GDPR compliant data of the visitors. Advanced modelling is applied to extrapolate volumes to all presence in the city, not just those on the O2 network. This is a novel dataset, currently in use by a limited number of BIDs in UK. Our modelling traditional footfall information by understanding who is the visitor.

1. The 'Average client' includes combined insights from presence sensors in Bath, Bristol, Belfast, Giant's Causeway, York, Manchester and Liverpool.
2. Spend power is derived through a combination of several measures (e.g. mobile device cost, frequency of upgrade, home postcode and a number of other behavioural inputs).
3. Due to privacy constraints, postcode sectors from which the visitation at the site is lower than 10 people are shown as 0.

Bespoke reports and further information are available to levy payers on request.









# Report for: York City Centre

All data is anonymised, aggregated and GDPR compliant.

During December 2021, York city centre experienced no significant deviation in footfall with respect to November. Visitor demographics were overall consistent with November but showing a lower proportion of visitors aged 45 and above. Trips to the city centre from over 50 km represented 50% of the total number of visits. This figure has stay at 50% and above consistently since reopening in June 2021. New VISA data for the quarter 4 trading period (October – December 2021) will be published in next month's report.

## Footfall

Powered by: O2

Footfall is measured by the number of visits detected by the presence sensor located in the city centre. This metric is presented at the monthly (Fig.1) and daily levels (Fig.2), together with location benchmarks (Fig.3).

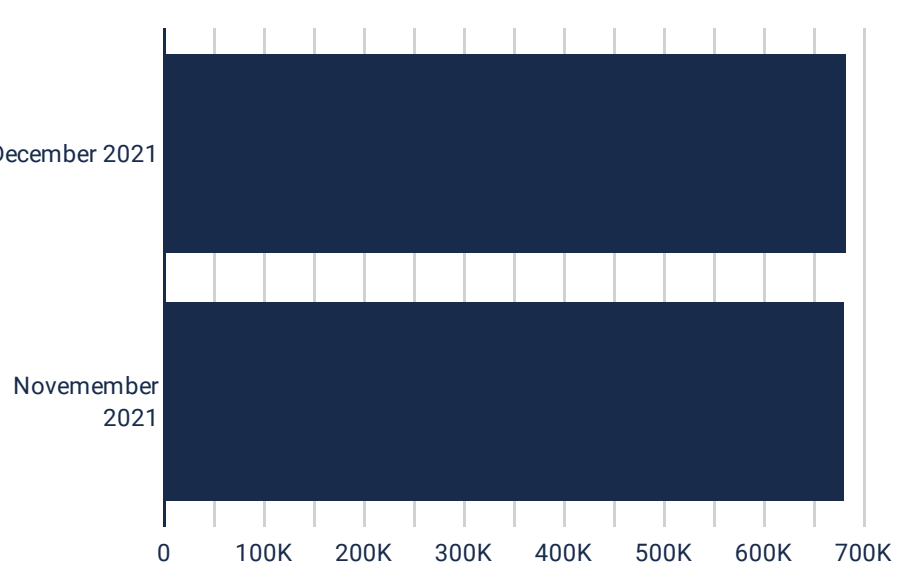


Fig.1. Number of monthly visits to the site.

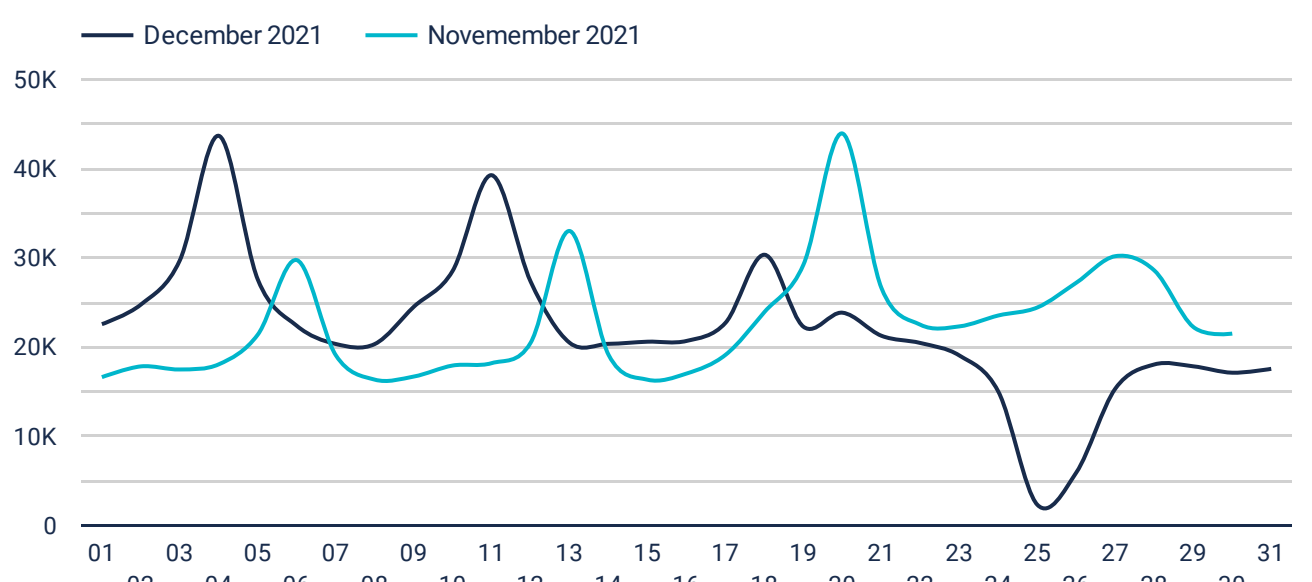


Fig.2. Number of daily visits to the site.

Overall footfall in December maintained the levels seen in November.  
 The 25th of December represented the minimum daily footfall volumes seen in the last 2 months.  
 The daily average number of visits per week showed the maximum of December on the week ending on the 5th December. The week ending on the 26th represented the minimum footfall levels of the last 3 months.

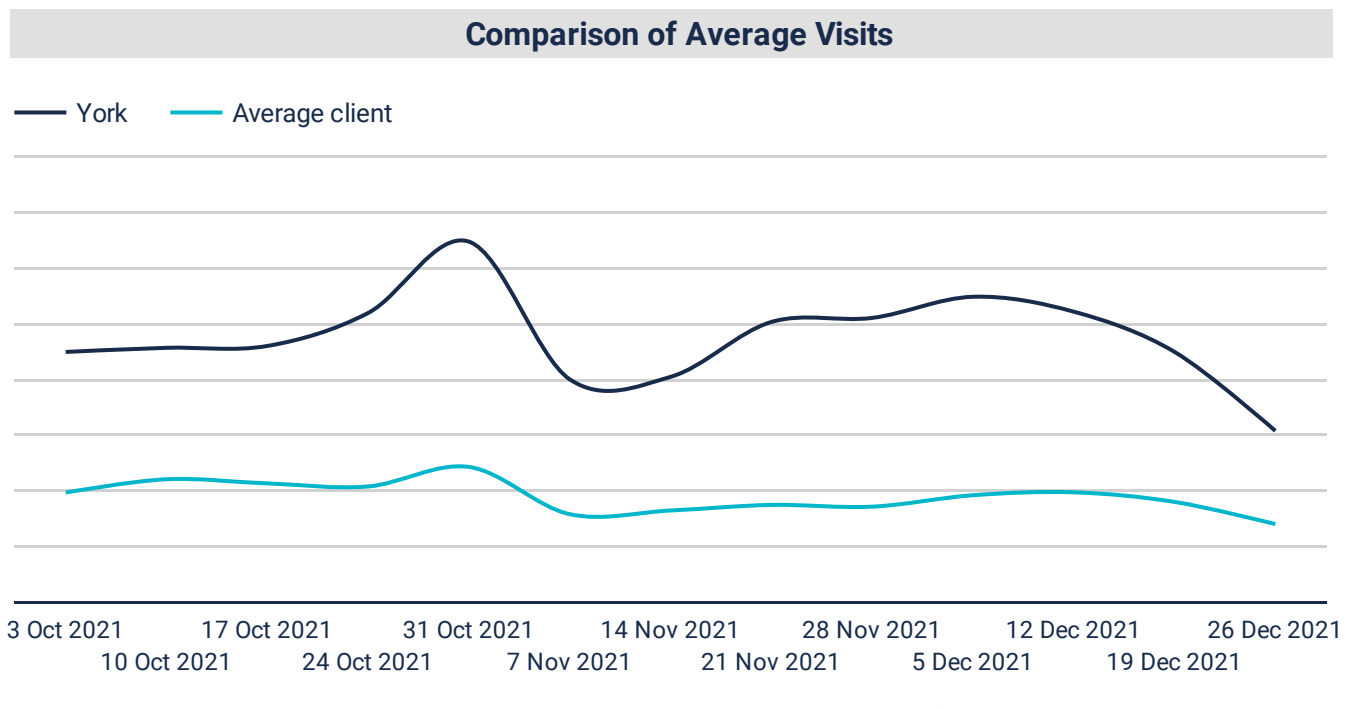


Fig.3. Daily average number of visits by week and city throughout the past 3 months.(1)

## Visitors to the City Centre

Powered by: O2

A number of features are understood for the users sighted by the presence sensor. Their distributions by month are presented here.  
 With respect to November, December 2021 presents no significant changes overall. However, the following small changes can be noted:  
 - A lower proportion of visitors aged 45 and above.

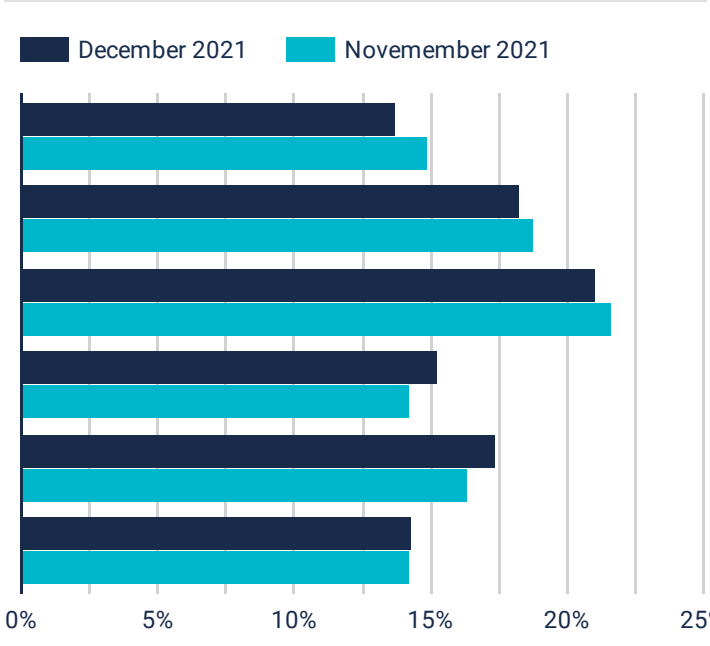


Fig.4. Age profile by month.

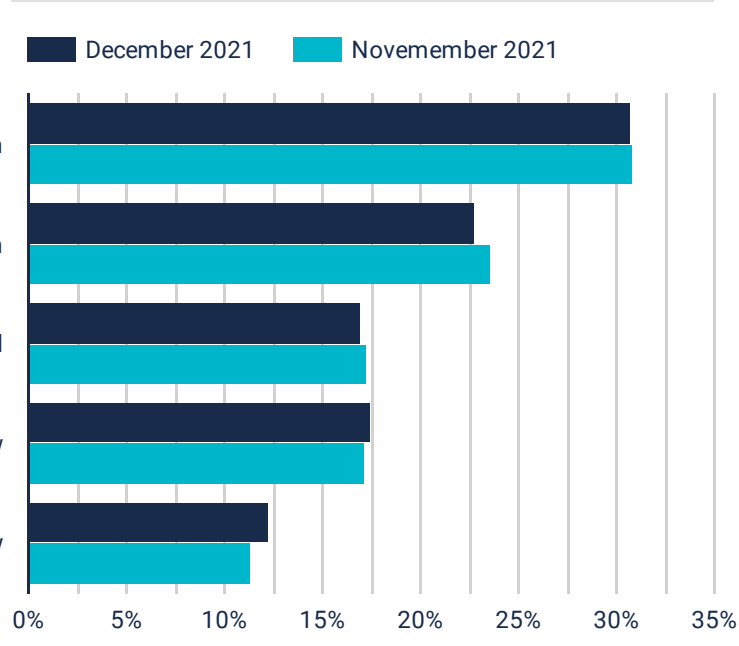


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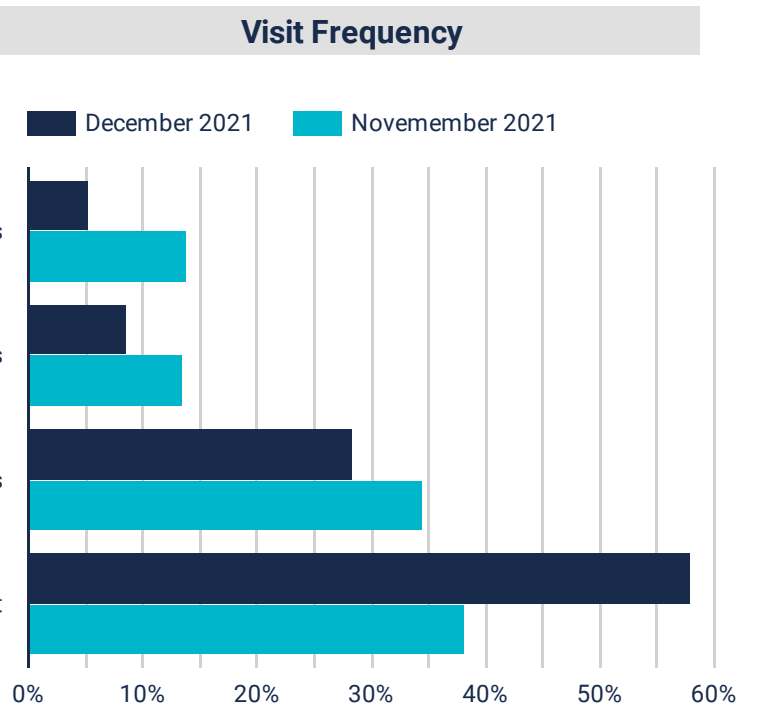


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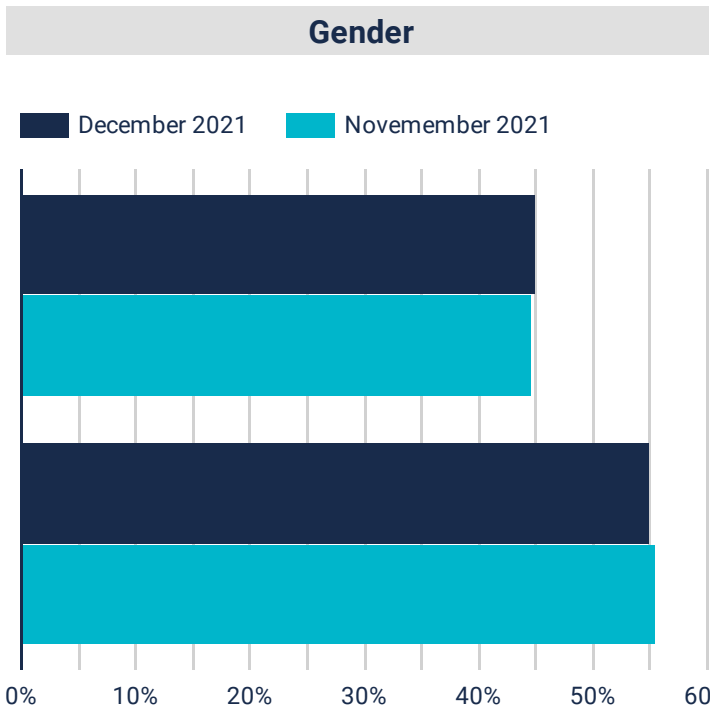


Fig.7. Gender profile by month.

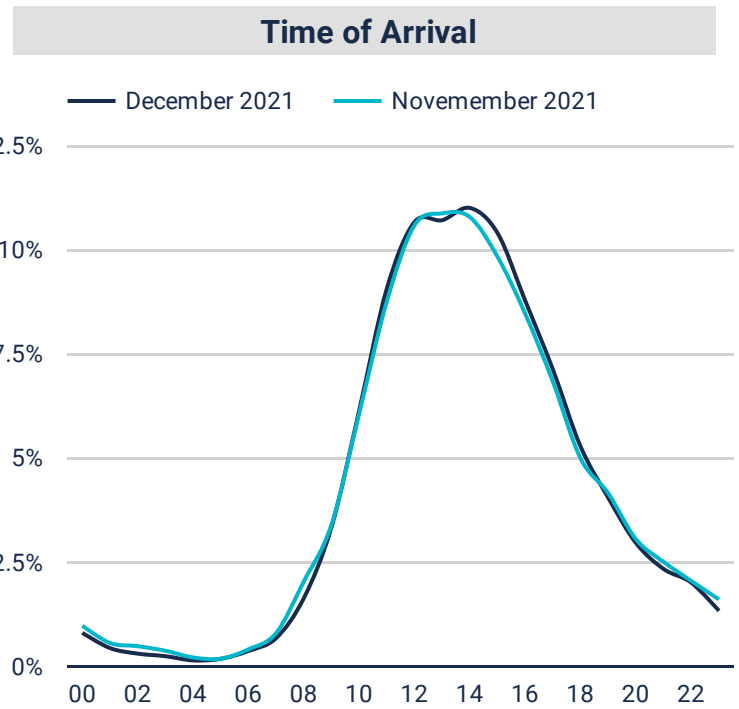


Fig.8. Time of arrival in the city centre for the month. Hour of day for first time sightings.

## Where Do Visitors Come From?

Powered by: O2

Mobile data allows us to understand where visitors to the city centre have come from. This is shown below at local authority level (Fig.9) and postcode sector level (Fig.11). A distribution by distance to the small cell displays in Fig.10.

Local Authority	December 2021	November 2021	December 2020
York	18.43%	19.93%	31.94%
East Riding of Yorkshire	6.04%	5.77%	5.23%
Leeds	4.89%	4.31%	5.52%
Selby	4.4%	4.2%	7.35%
Harrogate	4.05%	4.01%	6.74%
Hambleton	3.68%	3.55%	6.56%
Ryedale	2.63%	2.53%	3.86%

Fig.9. Top home local authority catchment locations by month. Data sorted by latest month.

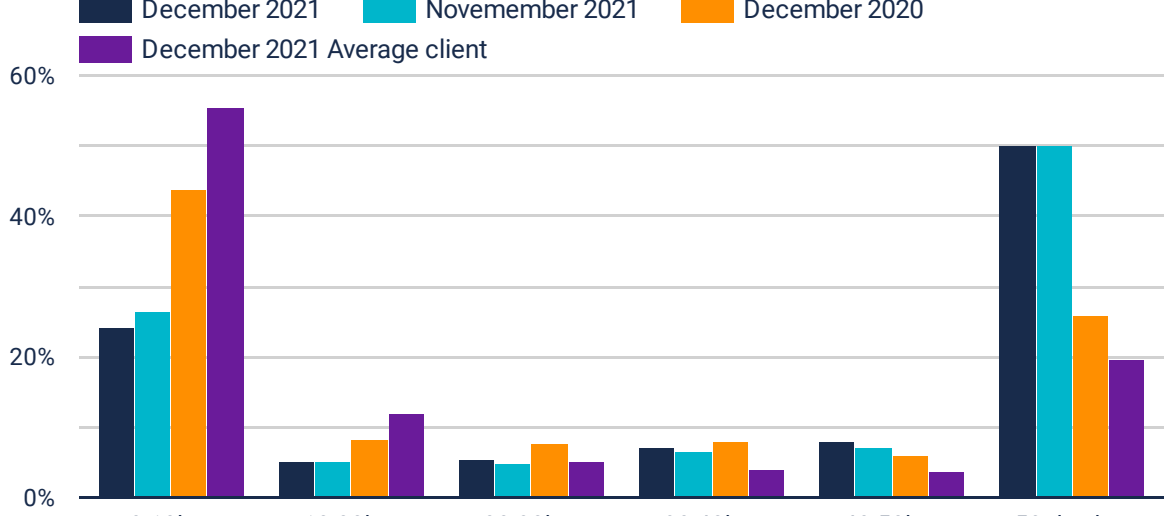


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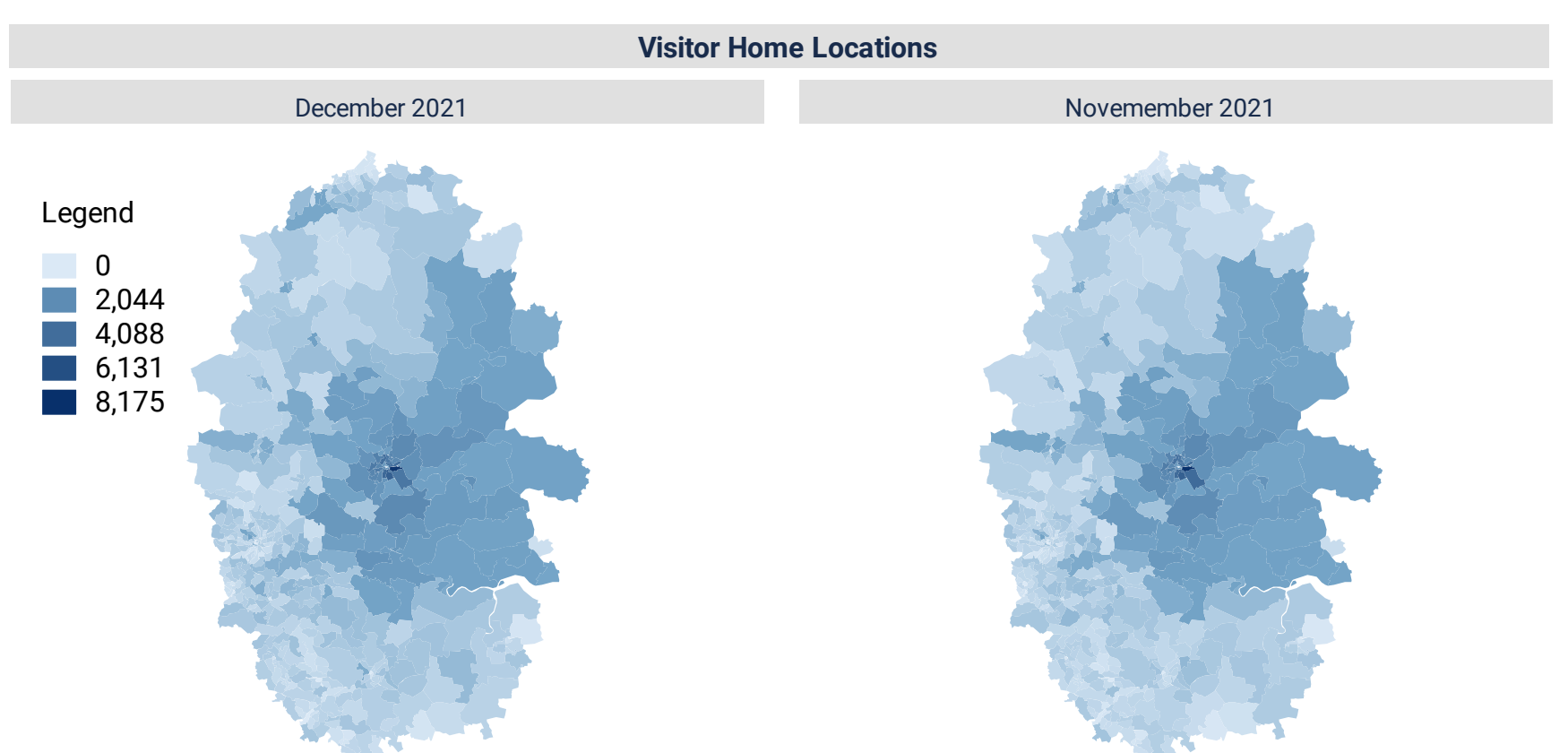


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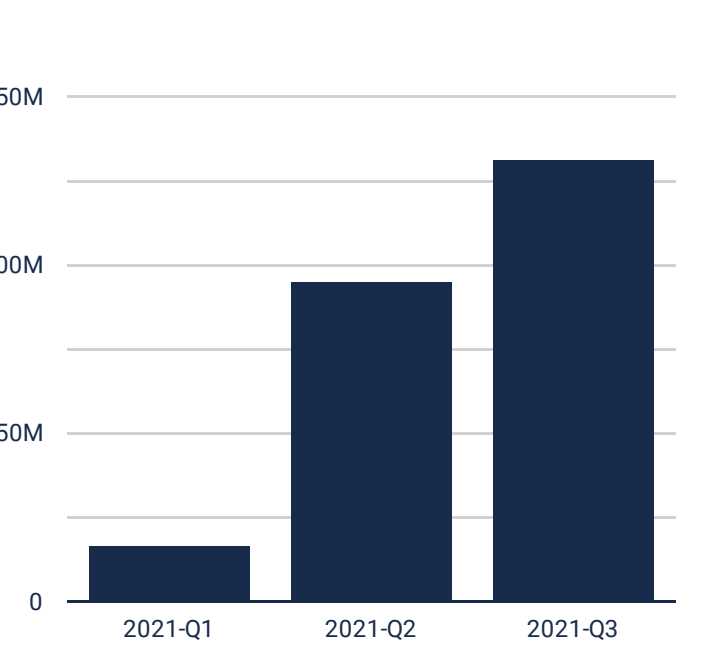


Fig.12. Total spend with city businesses in pounds by quarter.

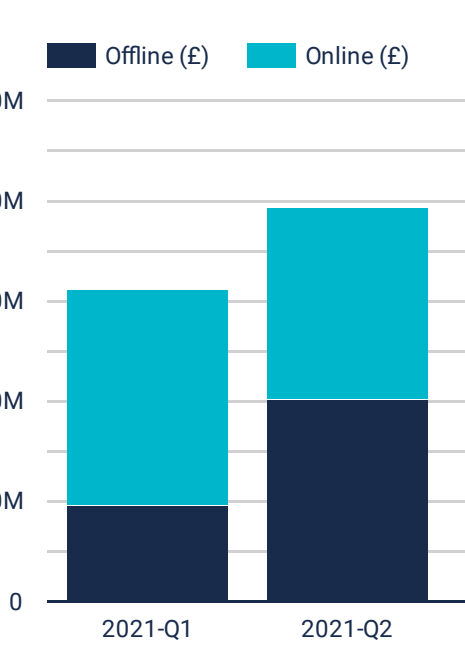


Fig.13. City resident spend with offline and online businesses by quarter

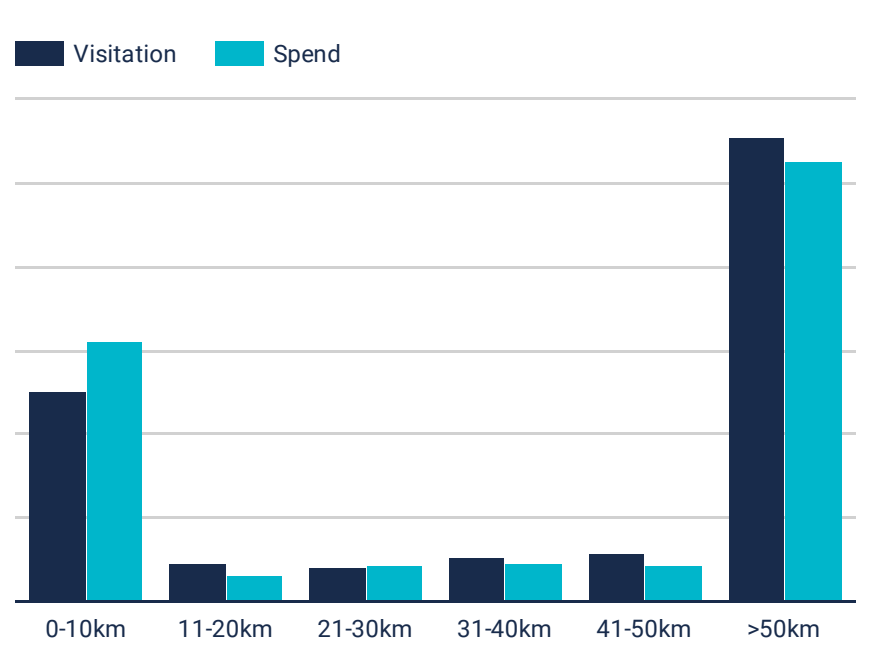


Fig.14. Visits and spend in the city centre by origin in last quarter. Visitation data is powered by o2.

Category	Total Spend (£)			Average Spend (£)		
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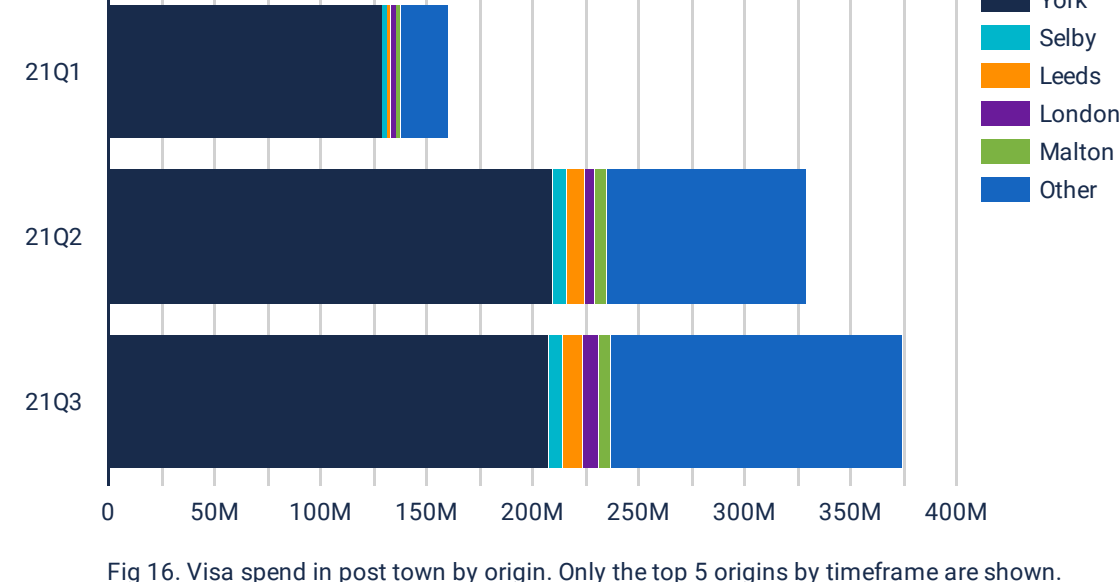


Fig.16. Visa spend in post town by origin. Only the top 5 origins by timeframe are shown.

### Where Do City Residents Spend?

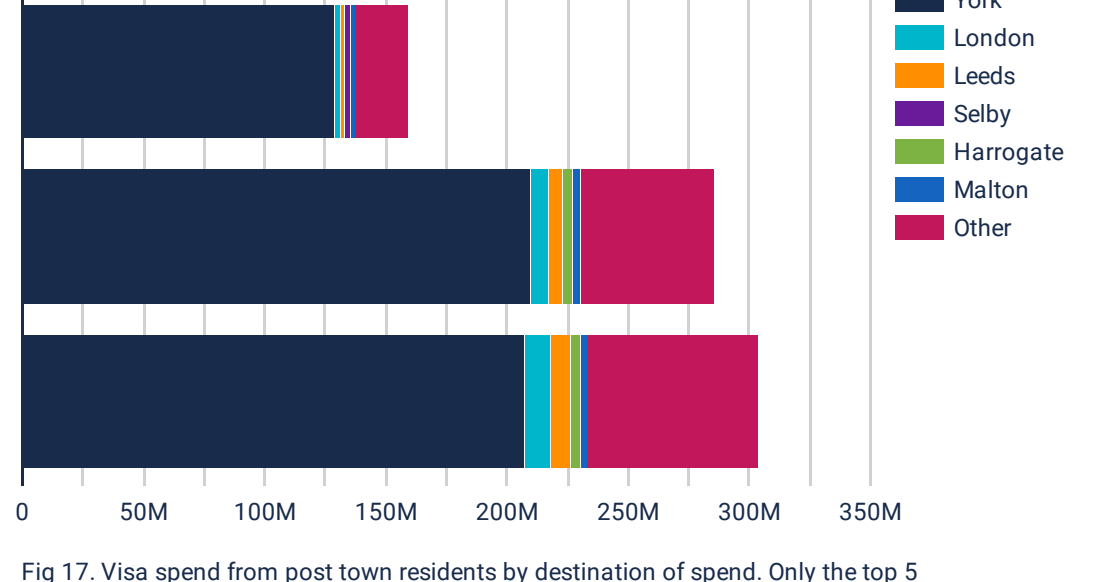


Fig.17. Visa spend from post town residents by destination of spend. Only the top 5 destinations by timeframe are shown.

### Visitor Spend by Home Postcode

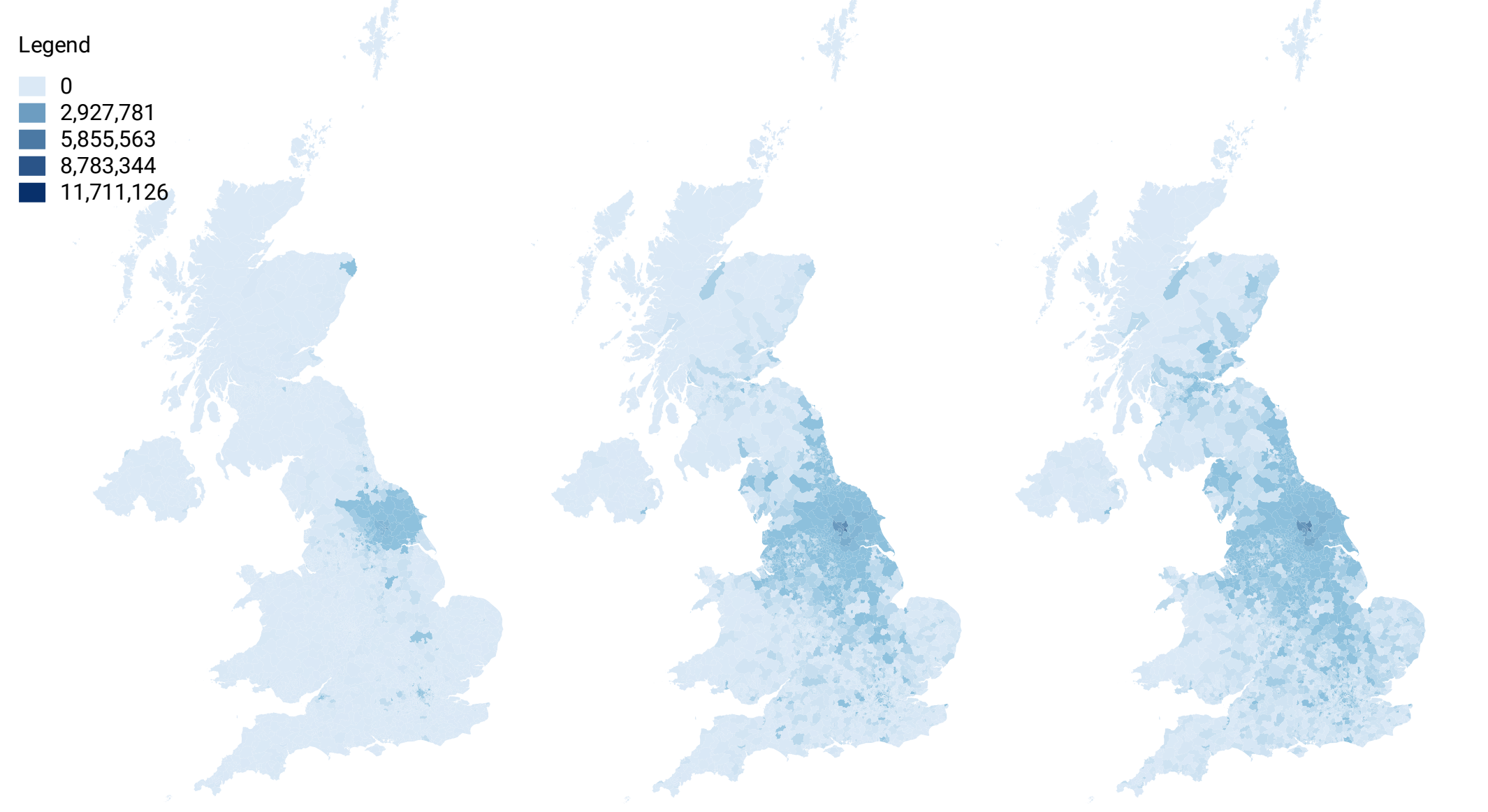


Fig.18. Spend in city centre by postcode district of origin.

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Powered by: Twitter

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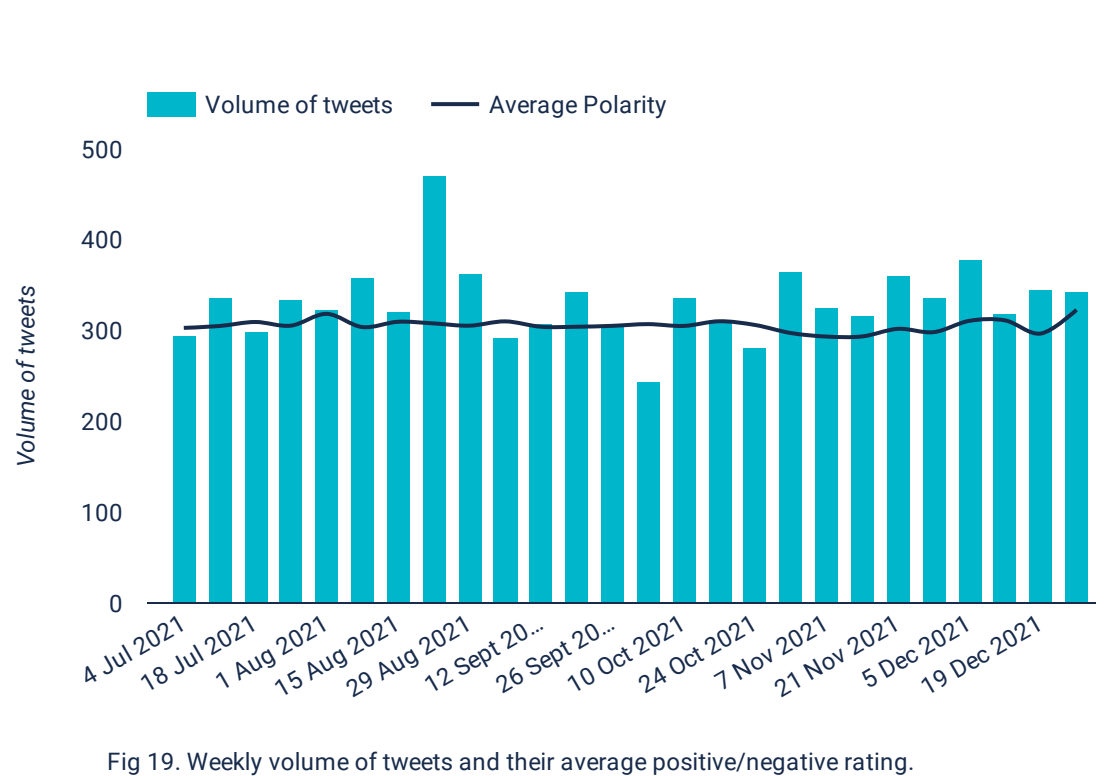


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