

**Executive**

**27 August 2020**

Report of the Interim Head of Paid Service  
Portfolio of the Leader of the Council

## **City of York Council Recovery and Renewal Strategy – August Update**

### **Summary**

1. This report provides an update on activities both directly in response to Covid-19 and the work to support recovery and renewal. This follows previous Executive decisions to approve the Recovery and Renewal Plan, which frames the Council's recovery activity for this year.
2. Whilst Covid has brought challenges across all areas, the council has continued to deliver services in support of residents, communities and businesses. In addition to updates across the three recovery themes (Economy, Communities and Corporate), there are more detailed updates on the work of the Health, Housing and Adult Social Care directorate over the course of the crisis (annex 1) and the opening and operation of schools and early years settings (annex 2).
3. This report also provides an update on the financial context for the Council.

### **Recommendations**

4. Executive is asked to:
  - a. Note the contents of the report
  - b. Approve that officers commence engagement with disabled groups and delivery drivers to understand how the changes to the highway layout in response to the current pandemic has impacted upon them and how these can be best mitigated, including longer term considerations (see paragraph 14).
  - c. Approve the use of £25k of Local Transport Plan funding to support the engagement above.

## Background

5. On 25<sup>th</sup> June, Executive received a report to outline the council's 1-year Recovery and Renewal Strategy. This highlighted the need for a revised set of strategies to address the very significant and immediate impacts of coronavirus across all aspects of life in our city.
6. The strategy set the following principles upon which we will build our response:
  - a. Prioritise the health and wellbeing of our residents, against the immediate threat of coronavirus and the consequences of changes to the way we live. Public Health guidance will be paramount in all the decisions we make.
  - b. Support the economic recovery of the City, helping to create a strong, sustainable and inclusive economy for the future. Learning lessons from the challenges of coronavirus, promote a system that utilises the strengths of our city and region to the benefit of all York's residents and businesses.
  - c. Protect and prioritise the City's environment and reinforce our work to mitigate and adapt to climate change.
  - d. Pursue improvements in service delivery where they have been identified as part of the Response phase, creating a more efficient and resilient system.
  - e. Reinforce and restore public confidence in the resilience of public agencies and resilience to future challenges and emergencies.
7. Included in June's report was a One Year Transport and Place Strategy, as the first part of the economic recovery approach. A report in July supplemented this with a Business Support Plan, a Skills and Employment Plan and a Tourism Marketing Plan.

CYC Recovery and Renewal Plan (1 year)				
Economic Recovery Plan			Communities	Corporate
Business Support Plan	One Year Transport and Place Plan	Skills and Employment Plan	Recovery from coronavirus: A community-based approach	Organisational Development Plan
Tourism Marketing Plan				

## Recovery Updates

### Economic

8. As we move towards the end of the Government's Job Retention Scheme, estimates of the likely scale of job losses are being recalculated. YNY LEP had previously forecast 17,500 as the number of jobs which might be lost in York. This has been adjusted down to 8,500 in the light of July's revised Office for Budget Responsibility forecasts for GDP loss. The Bank of England have subsequently forecast an even smaller overall impact on GDP, but are also predicting a slower recovery across 2021, assuming that the pandemic does not re-emerge. Whatever the forecasts, claimant counts show an increase of 3,500 in out-of-work benefits recipients in York between February and June 2020, with significant further job losses to come.
9. Our work to reopen the city centre and support the return of customers for retail and hospitality is showing positive results. Footfall is now at around 70% of normal levels and rising, well above national average which is just above 50% for high streets. Our car parks closest to the city centre are averaging 80% occupancy, although use of public transport is just a fraction of normal levels. The city centre is very reliant on visitors, with around two thirds of customers normally coming from outside of York. We hope that the new "eat out to help out" promotion, together with our own incentives, attracts significant numbers from York to come in to the city centre. The 6 month tourism marketing strategy that we are now beginning with Make it York is also key to supporting the city centre economy.
10. Business support, together with skills and employment initiatives, are being refocussed to support covid recovery. We are working with both LEPs and our local partners to maximise the help that businesses and employees can receive through the current changes in our economy. For business support, this means more help for early stage businesses, a new focus on retail and hospitality, and setting up a business hub. For those who need new jobs, we are working with JobCentrePlus and DWP to bring their support closer to residents and ensuring that our frontline staff have the right training so that can give as much information, advice and guidance as is possible.
11. The existing temporary measures to change highway layouts have been to support social distancing and to support economic recovery. They have largely been well received, both by the city's businesses and by

those residents who have responded to the initial 'Our Big Conversation' survey. Of the 1200 respondents (of as 6 August 2020), 62.3% agree or strongly agree with the extension of footstreets, while 14.25% disagree or strongly disagree.

12. They have, however, impacted upon some sections of our communities more than others, especially disabled people and in respect of deliveries to some locations. However, responses from those who consider themselves disabled (138 of the 1200) are broadly in line with overall public support. 60% of 138 agree or strongly agree with the footstreets extension, but a larger proportion (22%) disagree or strongly disagree.
13. The response to the mitigation measures at Monkgate car park, coupled with increasing usage figures, suggest that they meet the needs of some but reinforces the need for the further planned engagement. 36% disagree or strongly disagree with the measures at Monkgate car park, while 31% agree or strongly agree with them.
14. Recognising that the ongoing pandemic may mean these measures are in place for a long time, engagement with those most affected has started and will continue with a specific engagement to see how these impacts can be best mitigated. Each of the measures will need to be reviewed as will the current temporary Traffic Regulation Order to see if it is appropriate in response to the pandemic. Recognising the public support and business support, and the likely continuation of the public health advice which made it necessary, this engagement should explore the impacts if they were made permanent so that this can inform any decisions in the future. This engagement will form a useful information set for work on a future local transport plan, therefore £25k of funding from the allocation for the Local Transport Plan is appropriate.

## **Communities**

15. Throughout the crisis, the Council has worked to ensure there is continuity of support to residents. Annex 1 contains an update on the approach and work to support adult communities over the past months.
16. Annex 2 contains an update on the work with schools and early years to allow the safe return of more children and young people. This includes the significant work to make arrangements for the return of pupils in September.

17. Between March and June, the number of people claiming Job Seekers Allowance has almost tripled, from 180 to 530. Council Tax Support claimants have risen by 29% over the same period. It is likely that this represents on the beginning of much larger increases, particularly at the point when the furlough scheme comes to an end.
18. At the start of the COVID crisis, the Council put an additional £1m into the York Financial Assistance Scheme (YFAS). At this point, there remains significant amounts remaining but it is likely that the demand will increase over the coming months.

## Corporate

19. Work continues on monitoring and understanding the financial impact of the pandemic and recovery. Since the July report to Executive there have been no further announcements of additional Government funding and we are still awaiting the technical guidance that will allow us to submit a claim under the Income Compensation Scheme.
20. As outlined in previous reports, Council Tax and Business Rate losses remain the most difficult area to estimate as we don't expect to see the true impact on businesses and residents until later in the year when the Government furloughing scheme ends and we await the Spending Review details due in autumn this year to see if the Government will help councils with these losses.
21. The following table outlines the latest forecast of the financial impact of the COVID-19 pandemic on the Council.

Estimated financial impact of COVID-19	Total £m
Latest forecast of additional expenditure	13
Latest forecast of lost income from sales, fees & charges	8
Net General Fund impact	21
Less Government funding to date	(11.7)
Less Council funding identified (contingency and YFAS reserve)	(0.9)
Latest net impact	8.4
Potential further Government Funding	(4)
Revised net General Fund impact in 2020/21	4.4
Estimated potential loss of council tax and business rate	16

income	
Total financial impact	20.4

22. The latest forecast budget gap in this financial year remains at c£4m. In addition, there are potential forecast shortfalls in Council Tax and Business Rates of £16m which would impact in the following financial year. This could reduce if the Government is minded to accept a proportion of these losses centrally although, as outlined earlier, this won't be known until the autumn.
23. As outlined in previous reports, the Council does have an unallocated general reserve of £7.4m which could be used to offset the cost in this financial year. However, the use of this reserve would require growth in future years to replace any funds used and to ensure that the Council's financial stability was maintained. The scale of council tax and business rates income losses will require further savings to be identified over the next 3 to 5 years, over and above those already identified. A refreshed Medium Term Financial Strategy is being prepared to outline the scale of the financial challenge and to inform the 2021/22 budget strategy.
24. The combination of additional COVID related expenditure and shortfalls in income, along with the underlying budget pressures being seen in both adults and children's social care, result in a significant financial challenge both in this financial year and the years ahead. Without additional Government funding this could pose a risk to the ongoing delivery of Council priorities. Work is ongoing to identify where in year savings can be achieved, whilst protecting essential front line services and also ensuring that investment can be made in the city's recovery plans.
25. Clearly the financial impact on local government is a national issue and the Council has actively supported various bodies, such as the Local Government Association, in lobbying Government to recognise the significant financial issues being faced by Councils across the country. The Leader of the council has also stepped up regional and national lobbying efforts to urge the Government to Back York by seizing the opportunities that are unique to York and making the city an exemplar of 'recovery'.
26. To kick-start the economic recovery of the region, there are opportunities unique to York, opportunities that other cities and towns would envy. Recently, it was agreed that we, with our partners, would develop a 10-year City Plan to enable York and the region to build back better by

drawing on the city's strengths; from utilising the biotech industry in the city, to seizing the once in a lifetime regeneration opportunity in York Central. It is clear that, with further funding, York can go far in driving the recovery of our city and region.

27. In response to the scale of the emerging economic challenge and new financial context for the council, the Council is coordinating a corporate lobbying programme, led by the Leader of the Council and working with partners in the region, to request additional funding to support local businesses, cultural institutions, residents facing financial hardship, invest in infrastructure and demonstrate what York can achieve in the 10-year strategy with funding support from central government.

## **Council Plan**

28. The Recovery and Renewal Strategy outlines activities for the next year to allow the continued achievement of Council Plan outcomes.

## **Implications**

- **Financial** – Discussed above in paragraph 19-27.
- **Human Resources** – No specific impacts identified.
- **One Planet Council / Equalities** – A principle of recovery is to ensure climate change is considered in decisions taken. The economic recovery plans recognise and respond to the unequal impact of coronavirus and the risk of increasing levels of inequality as a result.
- **Legal** – No specific impacts identified.
- **Crime and Disorder** – No specific impacts identified.
- **Information Technology** – No specific impacts identified.

## **Risk Management**

29. There remain significant areas of risk in responding to this crisis across all areas of recovery. The highest priority continues to be the health and wellbeing of residents and all planning and decisions will be taken with this in mind.

## Contact Details

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Report  
Approved



Date 18/08/20

**Wards Affected:** List wards or tick box to indicate all

All

**For further information please contact the author of the report**

## Background Reports

Update on Coronavirus Response – 7 May 2020

<https://democracy.york.gov.uk/documents/s139955/Coronavirus%20Executive%20Report.pdf>

City of York Council Recovery and Renewal Strategy - June

<https://democracy.york.gov.uk/ie/IssueDetails.aspx?Id=59688&PlanId=0&Opt=3#A155501>

CYC Recovery and Renewal Strategy Update – July

<https://democracy.york.gov.uk/mgl/IssueHistoryHome.aspx?Id=59899>

## Annexes

Annex 1 – Adults Update

Annex 2 – Update on schools