



**Notice of a public**

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

**To:** Councillor Waller (Executive Member)

**Date:** Wednesday, 20 October 2021

**Time:** 3.00 pm

**Venue:** The Snow Room - Ground Floor, West Offices (G035)

**AGENDA**

**Notice to Members – Post Decision Calling In:**

Members are reminded that, should they wish to call in any item\* on this agenda, notice must be given to Democracy Support Group by:

**4:00 pm on Friday 22 October 2021** if an item is called in *after* a decision has been taken.

\*With the exception of matters that have been subject of a previous call in, require Full Council approval or are urgent which are not subject to the call-in provisions. Any called in items will be considered by the Customer and Corporate Services Scrutiny Management Committee.

Written representations in respect of item on this agenda should be submitted to Democratic Services by **5.00pm on Monday 18 October 2021**.

## 1. **Declarations of Interest**

At this point in the meeting, the Executive Member is asked to declare:

- any personal interests not included on the Register of Interests
- any prejudicial interests or
- any disclosable pecuniary interests

which he may have in respect of business on this agenda.

## 2. **Minutes** (Pages 3 - 8)

To approve and sign the minutes of the meeting held on 28 September 2021.

## 3. **Public Participation**

At this point in the meeting members of the public who have registered to speak can do so. Members of the public may speak on agenda items or on matters within the remit of the committee.

Please note that our registration deadlines have changed to 2 working days before the meeting, in order to facilitate the management of public participation at remote meetings. The deadline for registering at this meeting is **5:00pm on Monday 18 October 2021**.

To register to speak please visit [www.york.gov.uk/AttendCouncilMeetings](http://www.york.gov.uk/AttendCouncilMeetings) to fill out an online registration form. If you have any questions about the registration form or the meeting, please contact the relevant Democracy Officer, on the details at the foot of the agenda.

### **Webcasting of Public Meetings**

Please note that, subject to available resources, this public meeting will be webcast including any registered public speakers who have given their permission. The public meeting can be viewed live and on demand at [www.york.gov.uk/webcasts](http://www.york.gov.uk/webcasts).

During coronavirus, we've made some changes to how we're running council meetings. See our coronavirus updates ([www.york.gov.uk/COVIDDemocracy](http://www.york.gov.uk/COVIDDemocracy)) for more information on meetings and decisions.

- 4. Quarterly Economic Update** (Pages 9 - 44)  
The Executive Member will consider a report which will provide him with a quarterly economic update.
- 5. Economic Strategy Progress Update** (Pages 45 - 102)  
This report provides an update on the development of a new, inclusive Economic Strategy for York. Widespread engagement with York's residents, workers and businesses took place over the summer through the Council's Our Big Conversation, with a coherent approach to engagement undertaken to address the overlapping themes of York's economy, carbon reduction and transport.
- 6. Apprenticeship Update** (Pages 103 - 118)  
The Executive Member will consider a report which will provide him with an update on apprenticeships in the city.
- 7. Government Consultation on Supporting defence infrastructure and the future of time-limited permitted development rights** (Pages 119 - 134)  
The Executive Member will consider a report on the Department for Levelling Up, Housing and Communities' consultation which is inviting submissions with regard to a series of questions concerning proposed changes to Permitted Development Rights. These focus on two key areas.
- a) The future of time limited permitted development rights; and
  - b) The expansion of permitted development rights, specifically with regard to supporting the delivery of defence infrastructure on defence sites.
- 8. Urgent Business**  
Any other business which the Executive Member considers urgent under the Local Government Act 1972.

### Democracy Officer

Joseph Kennally

Contact details:

- Telephone – (01904) 551573
- Email [joseph.kennally@york.gov.uk](mailto:joseph.kennally@york.gov.uk)

**This information can be provided in your own language.**

**我們也用您們的語言提供這個信息 (Cantonese)**

**এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)**

**Ta informacja może być dostarczona w twoim własnym języku. (Polish)**

**Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)**

**یہ معلومات آپ کی اپنی زبان (بولی) میں بھی مہیا کی جاسکتی ہیں۔ (Urdu)**

** (01904) 551550**

For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting

- Registering to speak
- Written Representations
- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details are set out above



## Coronavirus protocols for attending Committee Meetings at West Offices

If you are attending a meeting in West Offices, you must observe the following protocols.

**Good ventilation is a key control point, therefore, all windows must remain open within the meeting room.**

If you're displaying possible coronavirus symptoms (or anyone in your household is displaying symptoms), you should follow government guidance. You are advised not to attend your meeting at West Offices.

### Testing

The Council encourages regular testing of all Officers and Members and also any members of the public in attendance at a Committee Meeting. Any members of the public attending a meeting are advised to take a test within 24 hours of attending a meeting, the result of the test should be negative, in order to attend. Test kits can be obtained by clicking on either link: [Find where to get rapid lateral flow tests - NHS \(test-and-trace.nhs.uk\)](https://www.nhs.uk/conditions/coronavirus/covid-19/testing/rapid-lateral-flow-tests/), or, [Order coronavirus \(COVID-19\) rapid lateral flow tests - GOV.UK \(www.gov.uk\)](https://www.gov.uk/order-coronavirus-rapid-lateral-flow-tests). Alternatively, if you call 119 between the hours of 7am and 11pm, you can order a testing kit over the telephone.

### Guidelines for attending Meetings at West Offices

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- You may wish to wear a face covering to help protect those also attending.
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- Visitors to enter West Offices by the customer entrance and Officers/Councillors to enter using the staff entrance only.
- Ensure your ID / visitors pass is clearly visible at all time.
- Regular handwashing is recommended.
- Use the touchless hand sanitiser units on entry and exit to the building and hand sanitiser within the Meeting room.
- Bring your own drink if required.
- Only use the designated toilets next to the Meeting room.

### Developing symptoms whilst in West Offices

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- Make your way home immediately
- Avoid the use of public transport where possible
- Follow government guidance in relation to self-isolation.

You should also:

- Advise the Meeting organiser so they can arrange to assess and carry out additional cleaning
- Do not remain in the building any longer than necessary
- Do not visit any other areas of the building before you leave

If you receive a positive test result, or if you develop any symptoms before the meeting is due to take place, **you should not attend the meeting.**

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City of York Council

Committee Minutes

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MEETING	DECISION SESSION - EXECUTIVE MEMBER FOR ECONOMY AND STRATEGIC PLANNING
DATE	28 SEPTEMBER 2021
PRESENT	COUNCILLOR WALLER

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**11. DECLARATIONS OF INTEREST**

The Executive Member was asked to declare, at this point in the meeting, any personal interests not included on the Register of Interests or any prejudicial or discloseable pecuniary interest that he might have in respect of the business on the agenda. None were declared.

**12. MINUTES**

Resolved: That the minutes of the previous meeting held on 27 July 2021 be approved as a correct record and signed by the Executive Member.

**13. PUBLIC PARTICIPATION**

It was reported that there was one registration to speak under the Council's Public Participation Scheme.

Councillor Claire Douglas spoke on the Planning Enforcement Update item. She raised the challenges faced by the Planning Enforcement team, and the wider Planning Department. She stated that the number of cases resolved annually by the team since 2017 have been increasing, but that there still 580 cases open, which Cllr Douglas stated was equivalent to one year's workload. She expressed her concern that the Planning Department would not be able to keep up with the current workload, and noted the importance of planning work for providing homes and workplaces for York residents and workers. Cllr Douglas stated that the current administration did not have the situation under control, arguing that there had not been enough investment in planning functions. She drew attention to upcoming staff retirements and rates of long-term sickness and raised concerns around development of the Local Plan.

#### 14. PLANNING ENFORCEMENT UPDATE

The Executive Member considered a report which provided him with an update on planning enforcement cases and the progress of work within the planning enforcement team on its development and the new Enforcement Plan. The Head of Planning and Development Services and the Principal Development Management Officer were in attendance to present the report and respond to questions.

Officers noted that:

- In 2020 there had been 499 new planning enforcement investigation cases, and 467 were closed. A total of 580 investigations remained open at the end of the year and 12 enforcement notices had been served.
- To date in 2021, 496 new planning enforcement investigation cases were received and 522 were closed. A total of 535 remained open.
- Enforcement notices were served for a number of issues, such as failure to comply with noise conditions, an unauthorised porch, an unauthorised access road, the conversion of stables to a holiday let and untidy land. 12 enforcement notices in 2020 indicated a significant increase since 2015.
- There had been some issues in publishing the Enforcement Register online, but the fully up to date version had now been published.
- 3 members of staff had retired from the Enforcement team this year, and staff were in the process of recruiting for these posts and had increased the posts in the team by 0.8. A review of the Council's Enforcement Plan was also underway.

The Executive Member noted that:

- The current administration was committed to the delivery of the Local Plan, emphasising that more progress had been made on the current Plan than any in the last 50 years.
- Planning Enforcement was an issue that affected all ward councillors in York, and that in order to prevent frustration to reasonable members of the public and the members representing them, clarity was needed in the review on what does and does not come under the remit of the

Planning Committee and what issues can and cannot be enforced by officers.

- He had been active in responding to Government consultations on Planning, emphasising the need to balance development in keeping with the great amount of heritage in the city with sympathetic development in the future.
- The Planning Enforcement team was now at 4.8 full time equivalent positions.
- The pandemic and lockdowns may have contributed to the higher number of cases this year.
- He was looking forward to examining the key performance indicators for planning.

Resolved:

- i. That the contents of the report be noted.

Reason: To enable the Executive Member to receive the update.

## **15. YORK 10-YEAR SKILLS STRATEGY**

The Executive Member considered a report about the development of York's 10-Year Skills Strategy, delivered through the city's Skills and Employment Board, and which presents the final draft strategy for endorsement by the Executive Member. The Skills Manager was in attendance to present the report and respond to questions.

Key points raised during the presentation of the report included:

- The strategy was a partnership produced document by the Skills and Employment Board, which was established in late 2020 to aid in the economic recovery of the city following the Covid-19 pandemic. The Board is chaired by York College and has partners from further and higher education, employee and employer representatives, the Local Enterprise Partnership and City of York Council.
- The Partnership had worked over the last 10-12 months with the support of a jointly-procured consultant to produce an initial, 1-year plan focused on short-term change which was endorsed by the Executive Member in March 2021, and the 10-Year Strategy focused on long term skills infrastructure in York.

- A robust evidence base underpinned both plans, including external strategies, policies and research, as well as built-in employer and elected member consultations. Over 250 business contributed to the building of the strategy, as well as bespoke engagement through the University of York.
- That there were 8 principles in the Strategy, 4 commitments, of which there were 3 priorities under each and 8 key priority sectors. Consultation was to continue with stakeholders to shape delivery plans over the coming years.
- There was to be key metrics under the delivery plans, asking how accessible, sustainable and scalable individual initiatives are, which would be used to measure their effectiveness..

The Executive Member noted that:

- As a member of the Skills Board, he was aware of the large levels of consultation that had gone into the Strategy.
- He recognised that there was a focus on matching unemployment with vacancies, therefore the skills gap was a crucial aspect that needed addressing.
- He emphasised the inclusive nature of the strategy, which would enable all communities in the city to benefit from economic success.
- In the context of the national debate on green jobs, he noted that the strategy would enable York to secure its fair share of these jobs.

Resolved:

- i. That the contents of the report be noted.
- ii. That the final draft of York's 10-Year Skills Strategy, recognising the strong partnership approach taken to understand, reflect and respond to local priorities be endorsed.
- iii. that the ongoing engagement with stakeholders to continue to shape delivery of the strategy be noted.

Reason: To continue to help support people and businesses through change and begin developing the skills infrastructure that will support inclusive and sustainable growth in York

CLLR A WALLER, Executive Member  
[The meeting started at 10.04 am and finished at 10.29 am].

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

**20th October 2021**

## **Quarterly Economic Update**

### **Summary**

1. July 2021 saw the end of Covid-19 trading restrictions beyond international travel and the long awaited reopening of the economy. Three months later, we can now see in some detail the underlying challenges that this has revealed, including staff shortages and disruption of supply chains. The consequences of changed trading and labour mobility arrangements following our exit from the EU are clearly compounding global shortages. We can also look back on a strong quarter of performance in the city centre economy and be reassured that York remains among the best performing local economies in the UK.
2. The Government’s Coronavirus Job Retention Scheme (CJRS, or “furlough”) closed at the end of September 2021. Over the past year we have consistently highlighted the risk of unemployment that would come with the end of the scheme. As we went into September, 3,100 jobs in York were still furloughed, with the hospitality sector accounting for almost a quarter of the total. While it is too soon yet to see the full impact, we are hopeful that many of those furloughed will either return to their jobs or be able to find alternative employment.
3. Businesses and organisations from across the city and from multiple sectors are now reporting significant challenges in recruitment, rising prices for raw materials, and disruptions in supply, particularly where that is from overseas. There are concerns that this is holding back recovery and providing a brake on growth.
4. In response to the recruitment challenges, the Council’s Skills, Adult Education and Economic Development teams continue to work closely together. With the hospitality sector, we have helped to roll out specific initiatives to help train chefs and fill the many gaps elsewhere, with this work continuing in months ahead. Connections are strong with many other sectors in York, underpinned by the engagement undertaken to develop

the new skills plan. This co-development approach is supporting initiatives to further develop apprenticeship opportunities, work with key sectors including rail and smart transport, and our continued focus on wellbeing and mental health support to businesses and employees.

5. As businesses reconfigure for the post-Covid recovery, property is a significant focus. There remains strong demand for office space, and also considerable movement in the city centre retail and hospitality sector, with a string of purchases along Coney Street over the summer heralding the tentative revival of York's original high street.
6. The City Centre economy has seen a strong summer, with footfall approaching levels last seen before the pandemic with higher levels of expenditure. This has continued beyond the end of the school holidays and is still being seen at time of writing in early October. York was in the top 5 for both spend and footfall in the September 2021 iteration of Centre for Cities' high street recovery tracker.

## **Recommendations**

7. 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**

8. This report covers the period July 2021 to October 2021, when the economy moved through the final step of the Government's Roadmap to Recovery. In the July report we touched on the challenges being seen in hospitality recruitment and more broadly in semi-skilled staff such as HGV drivers. These challenges continue and are now being seen more broadly across the economy.
9. The Council's Economic Development team has expanded in recent months, taking in the Business Team from Make It York and recruiting to vacant posts. With the additional capacity, we have begun to monitor a broader range of data including the number of vacancies advertised in the city. There are currently 3,400 jobs in York being advertised by employers, up 10% from the beginning of August. There are vacancies across the

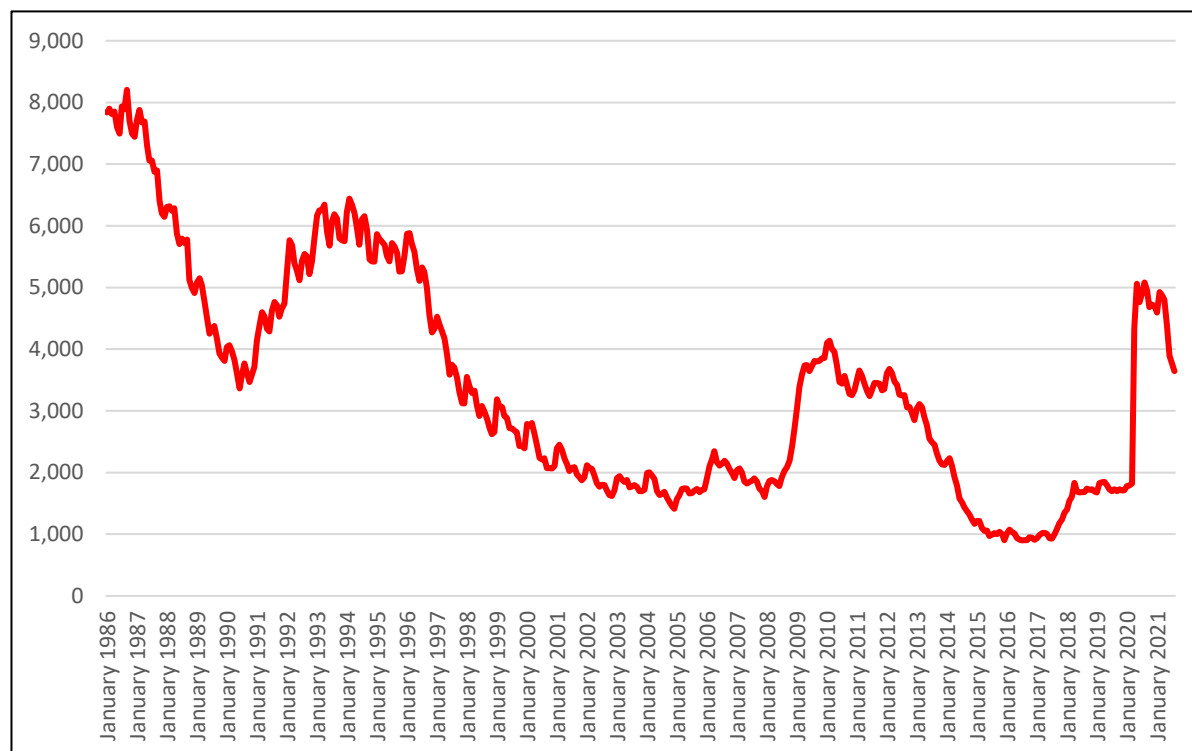
economy, in full time, part time and temporary roles, and in jobs at all salary levels.

10. Staff shortages are resulting in employers increasing pay levels in an attempt both to attract more recruits and to retain existing staff. While this is beneficial for employees, it will no doubt have an impact on prices and may drive inflation if traditional economic theory is played out. Staff shortages are also impacting on opening hours for customer facing businesses and are limiting, for example, the number of customers that restaurants can serve and more generally on the ability of businesses to take on new work. This is acting as a brake on potential growth, as well as impacting on recovery.
11. Intelligence from our business community also reveals strong upward pressure in materials costs and availability, particularly where importing is involved. This is partly due to covid related disruption across the globe, but is compounded by our changing trading and labour mobility arrangements after leaving the EU. The recent challenges with regard to the availability of fuel in retail outlets do not appear to have significantly impacted on businesses though. Increased materials costs will also be seen in increased prices in the months ahead. At present, intelligence suggests that customers are accepting price increases, but this will not continue indefinitely.
12. As can be seen in Annexe 1, the city centre is performing well, with footfall and spend both strong over the past quarter. There are plenty of customers for businesses, with that picture extending beyond the school holiday period and into early October. We have also heard from out-of-town locations that trading is strong in York in contrast to other locations, with the average high street footfall across the country being around 18% below what was seen in 2019.
13. Investor interest in York continues, both in terms of commercial property investment, and in acquisitions and expansions. The recent months have seen 20 recorded sales of such property, including two large hotels (Dean Court and Monk Bar), three offices and a dozen retail sites.
14. We have also been able to announce significant investment in York businesses including ETAS, a subsidiary of Bosch which provides embedded software to the automotive industry. York tech business Pikel

was recently bought by Harrogate-based Redcentric in a multi-million pound deal which will strengthen the business's position in the market.

### Unemployment, Furlough and Job Vacancies

15. Figures from the Office for National Statistics (ONS) show that York's unemployment rate has consecutively fallen for the past six months (see



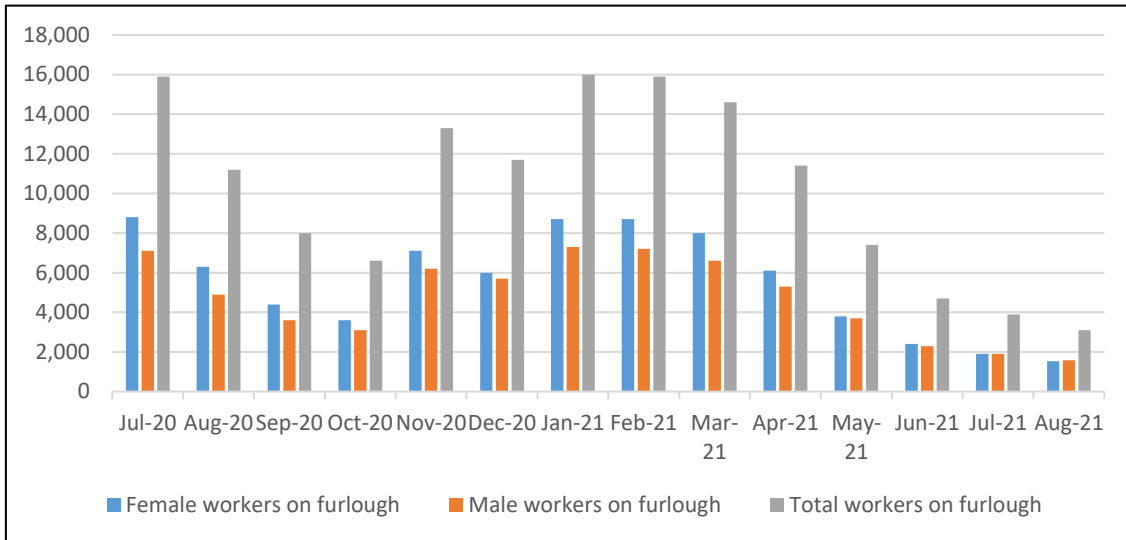
*Figure 1 York out-of-work benefit claimants*

figure 1). The number of York residents claiming out-of-work benefits has dropped to a total of 3,645 in August 2021. This is 1,435 below the peak in September 2020 but still higher than at any time since 2012.

16. York continues to be the city with the lowest percentage increase in unemployment, as tracked by think tank Centre for Cities, comparing favourably with the UK average and all northern regions.<sup>1</sup>
17. Data published by the Government on the Job Retention Scheme (JRS) shows that the total number of people on JRS in York dropped from 4,700 to 3,100 between June and August 2021.<sup>2</sup> Analysis of the data shows that there is an even split across genders and age bands. This is the first time the gender split has been even, with females outnumbering males on furlough for the previous year.

<sup>1</sup> <https://www.centreforcities.org/data/uk-unemployment-tracker/>

<sup>2</sup> <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-9-september-2021>



18. A sectoral analysis of JRS data for York shows that the Accommodation and Food Services sector has the highest amount of workers still on furlough, with 800 people accessing the scheme in July 2021, although this has decreased markedly as lockdown restrictions eased. The Wholesale and Retail sector ranked second highest with 390 workers supported through the scheme.

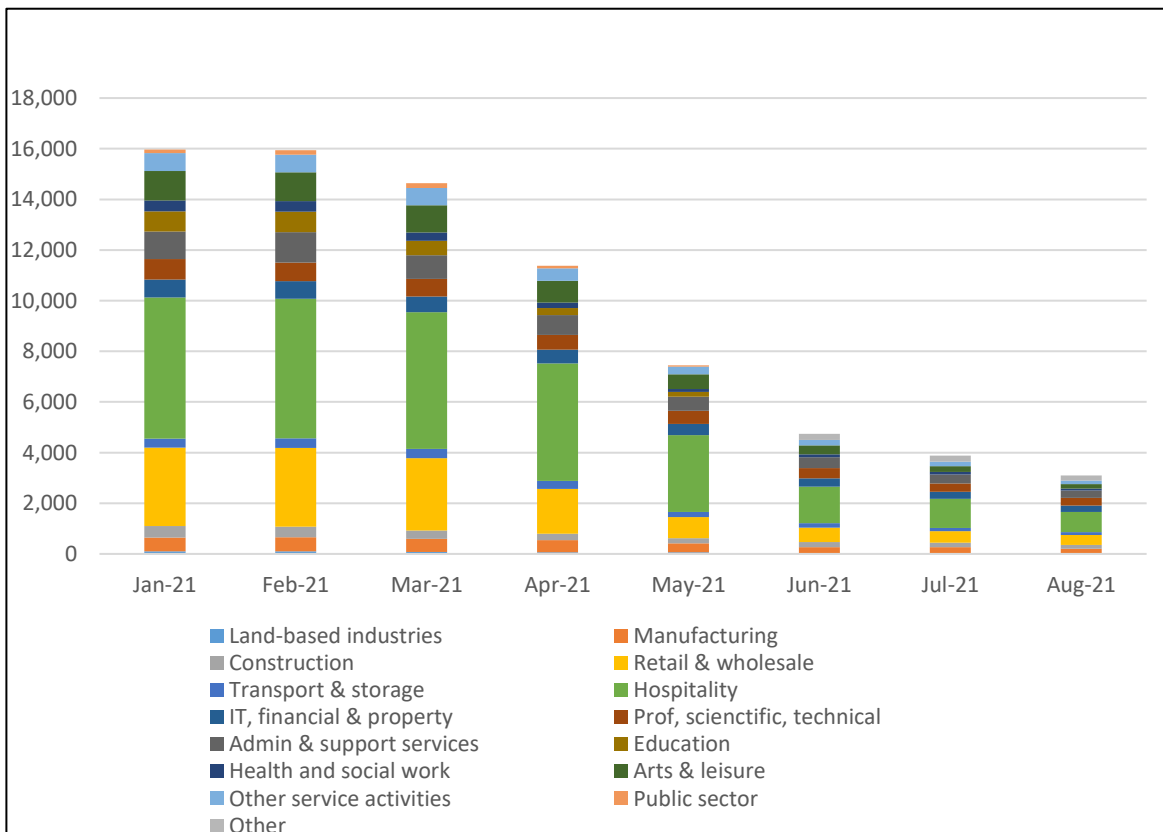


Figure 3: Furloughed Staff by Sector - York 2021

19. The latest Government data on the Self-Employed Income Support Scheme (SEISS) shows that a total of 1,800 claimed self-employed support by the middle of August 2021 although this can only be regarded as an interim figure; the fifth iteration of the SEISS grant continues to run until the end of September 2021.<sup>3</sup> For comparison purposes, around 4,800 people claimed self-employed support at the end of May 2021.<sup>4</sup>

### Business Intelligence

20. Conversations with York businesses during the last quarter have been dominated by difficulties in recruiting new staff and the general shortage and rising cost of materials. We also saw an initial rebound of the economy with the Covid-19 restrictions being lifted during the last quarter. According to the Bank of England, the economy as a whole saw growth in consumer demand following the reopening of non-essential stores and this was dramatically reflected in the retail, and domestic tourism and ultimately other parts of the economy.
21. Spending on household goods and furniture, sports and outdoor equipment, technology and jewellery was particularly strong. However, supply-chain issues such as materials shortages and haulage bottlenecks were reported to be restricting the availability of some goods – such as furniture, new cars and electrical items – resulting in longer lead times. Some contacts reported being obliged to streamline product ranges as a result of shortages, and some expressed concern about the impact of supply-chain issues on the availability of goods in the run-up to Christmas. Contacts also said that demand for footwear and clothing was starting to pick up – possibly in response to the reopening of the hospitality sector, and as people prepared to return to office working.
22. In the services sector, contacts in hospitality and leisure reported record levels of demand in July and August boosted by staycation effects. By contrast, contacts in large cities said demand remained very subdued due to a lack of international tourists and the absence of the office workers who drive their retail economies. Bad weather in some parts of the UK over the summer had also kept some customers away, though in general contacts operating outdoor attractions reported stronger demand than those running indoor activities, such as gyms and bingo halls. Personal care

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<sup>3</sup> <https://www.gov.uk/government/statistics/self-employment-income-support-scheme-statistics-september-2021>

<sup>4</sup> <https://www.gov.uk/government/statistics/self-employment-income-support-scheme-statistics-july-2021>

businesses, such as hairdressing salons, reported sales returning to more normal levels following an initial boost after restrictions were lifted.

23. Contacts in accountancy, legal and consultancy continued to report good levels of demand, even after bringing back all staff from furlough. There is strong activity relating to corporate finance and business acquisitions some of which was put on hold since the start of the pandemic. Demand for loans and finance has been steady but not showing any huge upswing in demand. Conversations with the local banking sector reflect this, with tighter scrutiny being applied to loan requests as they consider potential constraints and supply chain disruption alongside labour shortages hindering growth. This has affected the sectors hardest hit by the pandemic including the hospitality and leisure sector.
24. Nationally, manufacturing output was supported by strong demand, however the rate of growth has slowed due to shortages of materials and labour. A combination of strong worldwide demand for goods, global supply-chain issues, transportation issues and labour shortages constrained output and stretched lead times. There was some evidence of this locally with one large engineering/construction company experiencing some labour and material shortages. The same company has just installed a new robotic assembling line, not just to head off the impact of labour shortages but also to increase efficiency. The team is currently working with the company to identify consultants to analyse the new processes and fully understand the value stream impact. A local automotive IT company officially opened its Centre of Excellence in York and are poised to recruit an additional 40 staff in the coming 18 months but are looking to get the first 20 recruited as soon as possible. In July and August, companies welcomed confirmation that changes to the rules will exempt double-vaccinated employees from having to self-isolate.
25. Last quarter it was noted that the city saw over 43 commercial properties change ownership in the last 12 months to June. Investment and property sales in the city centre is still robust with the last quarter seeing the sale of 11 properties. Seven of these were retail storefronts, 2 hotels, 1 manufacturing and the post office building on Lendal. Despite the huge uptick in online retail sales, there is still strong demand and interest in acquiring retail storefront units in the city centre.
26. Office occupancy is still some way off the pre pandemic levels and there is no evidence that this will change soon. Most companies are still advocating some degree of remote working with some workers returning for part of the week. 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, however, the larger ones are slowly bringing some staff back into the city.

27. Office rental demand remains strong, with the new Hudson Quarter development welcoming their first tenants, and significant Cabinet Office interest ahead of decisions on the Government Hub network. University of York's partnership with the Council to run the Guildhall as a business hub is also a positive sign, and early reports suggest significant interest from across the economy from businesses wanting to move in.
28. Demand for industrial property on the outskirts of the city continues to be strong with several units 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. The team is currently working with 6 companies looking for industrial space on the outskirts of the city, all of which are proving challenging. In the event we are not able to find suitable premises it is likely these businesses may move to other areas away from York. The other scenario is the lack of additional space may prevent these companies from growing and creating additional jobs.
29. Innovation is continuing to play a major role in companies big and small and many see it as a chance to enter new markets. This has not changed in the last few months and businesses expect to continue to review products and assets with a view to mutually beneficial collaborations.
30. The Economic Growth Team held an initial meeting with various influencers in the rail industry recently to brainstorm ideas on how to better support the sector in the city. There is a follow up meeting planned with a wider cross section of the sector and the aim is to gather intelligence from the sector and encourage collaboration as well as work with the sector on mutual ambitions and a growth strategy that will create jobs and foster inward investment. Discussion topics will include skills, innovation, premises and how best the city can collaborate to attract the new GBR headquarters which has the potential to create additional jobs in the city.

#### Inward Investment

31. As part of the changes to economic development arrangements, the Make It York Inward Investment function transferred to the Council on 1 September 2021. Over the reporting period, the team responded to 32 investment enquiries, with seven of those being overseas enquiries from businesses looking for UK locations, a further ten being UK based companies exploring York as a new opportunity, and the remaining fifteen



represented by York businesses planning to move or expand within the city.

32. As is noted elsewhere in this report, we were delighted to support Bosch with their investment in ETAS, which provides embedded software for the automotive industry. ETAS are a real York success, having spun out of the University of York before being bought by Bosch in 2003. Their software is present in almost every modern car. We welcomed the UK Managing Director of Bosch to York in September, with the Lord Mayor hosting a networking lunch at the Mansion House and the Leader of the Council cutting the ribbon for the official opening of the new Software Centre of Excellence.
33. In recent months we have welcomed specialist tool manufacturer Marcris International's tech team to York, helping them find offices for their new team. Specialist engineering firm JME Consultants have been supported to open a new York office, as have data compliance training company BLS Stay Compliant.
34. Investment interest in York comes from many sectors, with several current enquiries being from food and drink manufacturers, IT and data remaining strong attractors, and ongoing enquiries from tourism businesses, management consultancies and health businesses. York is seen across all sectors as an attractive location with a well-qualified workforce, strong quality of life and great transport connections.
35. As thoughts move towards post-Covid working arrangements, we are seeing many enquiries from businesses that would like to shift to a more flexible use of office space. Businesses are shifting towards co-working locations, backed up with options for occasional team meetings and high-quality spaces to meet clients. There is already strong demand for the new space at the Guildhall, which will be managed by the University of York.

### Business Support

36. September 2021 saw the Make it York Business Team amalgamate with City of York Council's Economic Growth team in a move to strengthen the delivery of business support, economic development and inward investment activity across York.
37. Between July and September 2021, the Council's Business Growth Managers provided support to **over 85 businesses** across a wide range of sectors. Notable success include an Edtech business receiving a £7k grant from the Department for International Trade to expand into Chile, and £4.5k from the Digital Enterprise programme. A video production

company has received a £12k grant and a construction company has received a £10k grant from Digital Enterprise. In addition to the above, three Connect over Coffee networking sessions ran over the period being reported on with a total of 29 business participating across these sessions.

38. With regards to key business issues being raised, the majority of businesses cited staffing and recruitment as a major challenge, as well as the supply and price of raw materials. We have also heard of a range of businesses that are holding back investment due to the lack of staff and rising costs. Business Growth Managers are still receiving several request for capital grants to support premises/unit fit-out support, with limited support provision currently available to York businesses. Growth Managers are also reporting significant business demand for marketing support (including website design) – we anticipate that the Council's forthcoming Business Voucher Scheme will be able to support businesses with these needs.

### Economic Strategy

39. Work continues on the development of a new, inclusive Economic Strategy for York, with a separate update being provided to the Executive Member's October 2021 Decision Session. Engagement with York's residents, workers and businesses took place over the summer through the Council's Our Big Conversation, with a coherent approach to engagement undertaken to address the overlapping themes of York's economy, carbon reduction and transport.
40. A second phase of engagement is being planned over the next month to sense check initial findings and explore key themes. A new Economic Strategy will be brought back to the Council's Executive for sign-off in January 2021. The Council's Economy and Place Policy and Scrutiny Committee will continue to play a key role in reviewing the development of a new inclusive, Economic Strategy for York.

### Skills Strategy

41. York's 10-Year Skills Strategy, developed in partnership with the York's Skills and Employment Board, was endorsed by the Executive Member at his September Decision Session. Ongoing engagement will take place with stakeholders to continue to shape the delivery of the strategy.
42. A separate update on apprenticeship activity in York will be provided to the Executive Member's October Decision Session.

### Lord Mayor's Hospitality Summit

43. In response to the skills and recruitment challenges being faced by York's hospitality sector, the Lord Mayor of York hosted a Hospitality Summit on 27<sup>th</sup> July to discuss the challenges being faced by the sector and to collectively identify and develop appropriate solutions.
44. In a wide-ranging discussion, important issues such as wages, recruitment, skills, career progression, and the public perception of the sector and transport infrastructure for employees were featured. Possible solutions identified to support York's hospitality sector included flexible training provision to fill keep industry position (such as cheffing), the creation of a local hospitality PR campaign to communicate to jobseekers and those seeking a career change the progression routes and varied roles that exist in the sector, as well as incentivised (and improved) public transport provision for industry workers.
45. Strong progress continues on the development of a sector-based work academy, in conjunction with Jobcentre Plus, York College and industry representatives, to develop kitchen assistants who in time can progress to chefs. It is hoped that the first courses can begin in November so that participants would be joining employers during Christmas, the busiest time of year. As part of the initiative, employers would offer guaranteed interviews for permanent jobs at the end of the course.

### ARG Business Support Voucher Scheme

46. At the Council's August 2021 Executive meeting, Members agreed a recommendation to utilise £500k from its final £1.4m instalment of Additional Restrictions Grant (ARG) from the Government to provide additional support to local businesses. This support will be provided through the creation of a business support voucher scheme which will 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. Our scheme will enable 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.
47. Development of the voucher scheme is well underway, with specialist consultancy support commissioned to help the Council design and administer the scheme. We anticipate that our business support voucher

scheme will be available for business registrations towards the end of October.

### York Business Week 2021

48. This year's York Business Week will take place between Monday 8<sup>th</sup> November and Friday 12<sup>th</sup> November. Now in its 11<sup>th</sup> year, the week-long programme of free virtual and in-person events will focus on supporting York's business community, inspiring growth, creativity and innovation.
49. Having worked in close collaboration with York's key business support agencies during the pandemic to great success, the Council's Economic Growth team have adopted a similar partnership approach to this year's Business Week programme. City of York Council, 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 have all been involved in shaping and delivering this year's week of activities.
50. The week-long programme will include events, workshops and seminars to support York's business community now and in the coming months. More information on York Business Week and this year's programme can be found [here](#).

### Small Business Saturday

51. To promote both York Business Week and Christmas, the Economic Growth team has secured the services of the Small Business Saturday fleet. Small Business Saturday is a grassroots, non-commercial campaign which highlights small business success and encourages customers to 'shop local' and support small businesses in their communities. Now in its ninth year, the initiative will be visiting Haxby and Wigginton on Tuesday 9<sup>th</sup> November, providing an opportunity to showcase local business through a series of media interviews, and their current campaign – 'Small Business, Big Thank You' – which is especially pertinent after a difficult 18 months for businesses as a result of the pandemic.
52. Planning for Small Business Saturday's visit to Haxby is currently underway, with several strands of activity being considered to maximise the impact of the visit, including a multi-media PR campaign and the chance for participation from the local business community.

### Secondary Shopping Areas

53. The Haxby and Wigginton Area Study is the second of two planned studies supported by the Secondary Shopping Area Fund, the first was a similar

project on Acomb Front Street. The Council has procured consultants to undertake a study to better understand the needs of residents living in Haxby and Wigginton, the traders who work there and the evolving needs and expectations of those who use the area, and how this impacts our understanding of the current shopping area.

54. Through the study, the Council wants to support Haxby and Wigginton in strengthening its contribution to economic growth across York, and to gain an insight as to how the area is likely to change, and what opportunities and challenges this presents in terms of place-making. Once clear ambitions have been set out, this will enable us to seek suitable options for capital funding through the Council's internal budgets or access funding made available through the LEP and/or central Government.
55. The consultants are now in the design phase of the consultation element of the study, which is running in parallel with a consultation on the new library in Haxby. The two teams are working together to ensure clear stakeholder briefings, a social media campaign and press promotion also take place. The public consultation is expected to begin mid-October and will run for six weeks before the findings are collated and worked into proposals for consideration in the local area.

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

56. The Council has endeavoured to distribute its Additional Restrictions Grant (ARG) funding in a way that has been as equitable as possible, reaching many small businesses, as well as larger ones. Particular heed has been paid to those most adversely affected by restrictions on movement and social distancing, including music, community and sports venues, accommodation and hospitality sectors, as well as the international travel industry.
57. At the July Trader's Association roundtable session, chaired by the Executive Member, it was announced that funding set aside from ARG would support trader-led events and projects to encourage visitors and residents back into York's city centre and secondary shopping areas. Several organisations came forward with proposals, and as a result, the Council has been able to fund a number of projects including:
  - Snow in the Shambles: a repeat of an already successful project to add a festive feel to the well-known area of York using artificial snow (Shambles Area Trading Association);
  - Micklegate Mingle: a Father Christmas experience for children, including gifts and live music. Local traders will set up stalls, or stay

open later, and provide the local community with some family friendly fun (Micklegate Business Initiative);

- Heritage Trail maps: a family-friendly, free physical map to share the secrets, history and magic of the Goodramgate area (Goodramgate Traders' Association); and,
- A series of promotional videos: commissioned from an independent operator in the city, these videos will promote Indie York and its 200+ member businesses through a paid for social media campaign (Indie York).

58. A small amount of funding remains from this allocation, and further creative and innovative ideas from traders have been received. In particular, applications from Traders' Associations operating in areas outside of the city centre have been encouraged. This will be an opportunity to promote individual pockets of interest with the Christmas period approaching, and decisions on the latest round of project proposals will be made shortly.

59. In addition to the above, August 2021 saw £100k allocated from the Council's ARG to boost large events and to increase footfall for those businesses most affected by the pandemic. Four key music venues have been earmarked for support (The National Centre for Early Music, The Crescent, Fulford Arms and Victoria Vaults), recognising the important contribution they make to York's cultural sector which has faced major challenges arising from social distancing and Government restrictions. This funding also supports a previous motion from 2019 in which the Council unanimously passed a motion to 'Protecting Live Music Space'.

60. In addition to support for music venues, £100k has also been allocated to support key events and festivals. Grants have been made on best value in terms of potential numbers of end users and greatest impact on the local business community. Recipients include:

- York Food and Drink Festival;
- York Design Week;
- Ice Trail;
- Aesthetica Film Festival; and
- Jorvik Viking Festival.

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

61. Work continues on a Plan for Growth for York and North Yorkshire, building upon the foundations set out in the Local Enterprise Partnership's (LEP) Local Industrial Strategy (agreed in March 2020), Reshaping the

Economy post-COVID-19 Plan (October 2020), and draft Devolution Deal (December 2020). The Plan will take forward the LEP's vision of a Greener Fairer Stronger economy for the sub-region - a carbon negative, circular economy that increase productivity and provides higher paid jobs.

62. The purpose of the Plan for Growth is to set out the next steps for how York and North Yorkshire can recover and grow post-Covid, as well as creating an economic strategic framework that enables partners and stakeholders to work together to achieve ambitious economic outcomes for the sub-region. It is envisaged that a York and North Yorkshire Plan for Growth will provide the basis for future bids to, and influence for, the Government's Shared Prosperity Funding and further rounds of Levelling Up funding. The Plan will be clearly articulate how the sub-region can make a significant contribution towards the Government's ambitions for Global Britain, Levelling Up and Net Zero (as articulated in the Government's national Plan for Growth).
63. Stakeholder and partner engagement and consultation forms a critical part of the LEP's process for developing a York and North Yorkshire Plan for Growth, and will be undertaken at different stages of the Plan's development. It is our intention for the LEP to provide an update on the development of the Plan at a future Executive Member Decision Session. It is envisaged that a Plan for Growth will be formally approved by the LEP Board in March 2022.

#### Local Government Reorganisation and Devolution

64. A decision has been reached by Government to retain City of York Council in its current form and adopt a single unitary council for North Yorkshire. Now that Government has agreed a future model for local government in York and North Yorkshire, we anticipate negotiations on a Devolution Deal for the sub-region to take place shortly.
65. City of York Council officers are currently undertaking work to review the Devolution Deal to ensure that it recognises the role that York plays as a key economic centre within a largely rural geography, and that the asks unlock the full economic potential of our city.

#### **Consultation**

66. 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**

67. 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:**

Simon Brereton  
Head of Economic Growth  
Place Directorate

**Chief Officer Responsible for the report:**

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

**Report**  **Date** 11 October 2021  
**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

JRS - Job Retention Scheme

LEP – York and North Yorkshire Local Enterprise Partnership

ONS – Office for National Statistics

SEISS - Self-Employed Income Support Scheme

**Background Papers:**

**Annexes**

Annex 1            York BID report: York’s Summer Recovery

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# York's Summer Recovery

Monday 11<sup>th</sup> Oct 2021



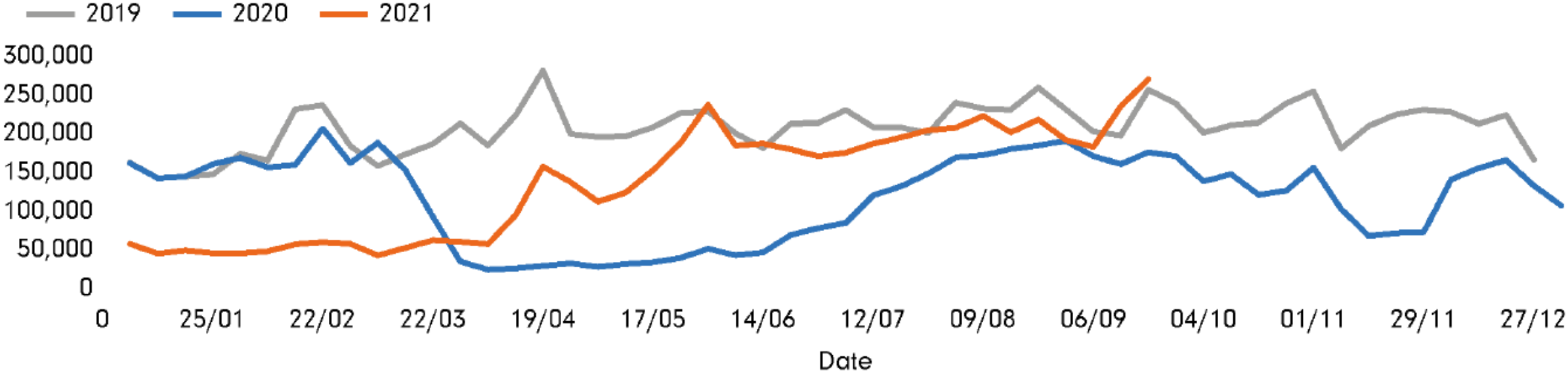


# OVERVIEW

- This is a summary report, looking at how York's city centre economy has performed this summer (with focus on school holidays going into Sept).
- The report also looks at how highstreets are performing in a national context (H1 2021) and places York within that context.
- The report uses several sources of information including Springboard, Local Data Company and Movement Insights.
- The report was compiled by the York BID, in line with its partner working with CYC in procuring and using performance data.

# Footfall - York

Footfall by week



# August 2021 Footfall compared to UK

	AUGUST
	2021 Vs 2019
York	<b>-10.8 %</b>
North & Yorkshire	<b>-18.4 %</b>
UK	<b>-23.1 %</b>

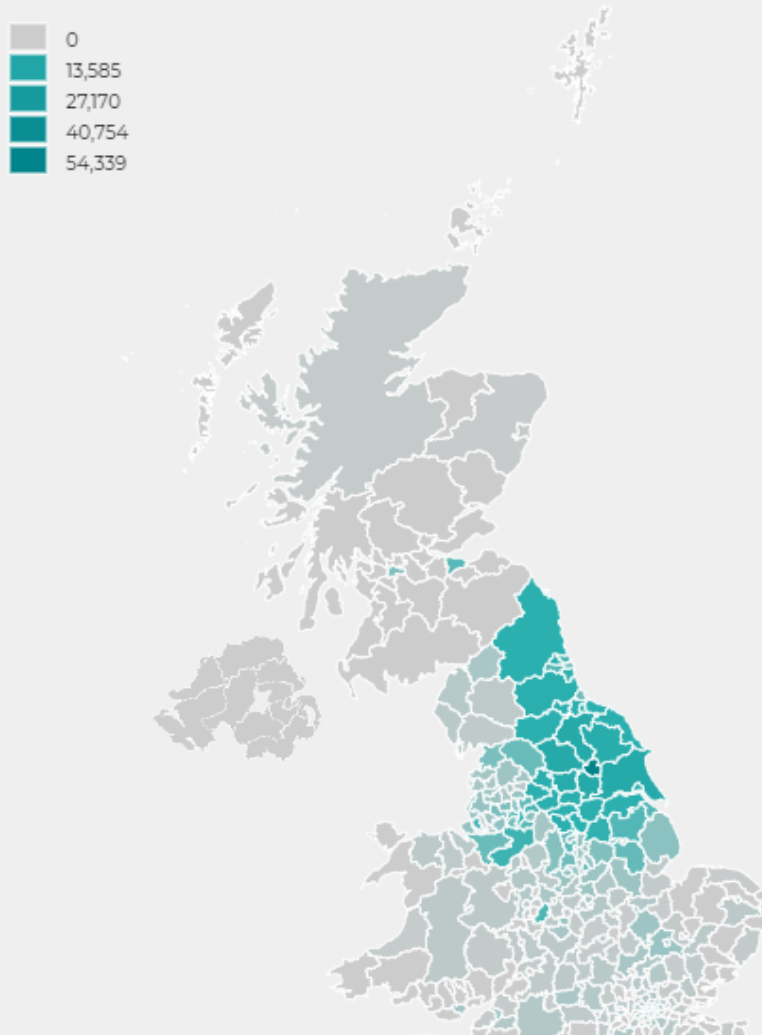
York is compared to the high street index.

- NOTE! - Footfall in York for 2021, still overall 38% down on 2019 (start of 2021 saw lockdowns that lasted three months)

# APRIL – VISITOR ORIGIN

ANNEX 1

Home Catchment - Local Authority District  
Home catchment grouped by local authority district.



Top 20 Local Authorities by home location  
Home catchment percentage split by local authority.

	Local Authority District	Home Volume	%
1.	York	54,339	39.47%
2.	Harrogate	9,032	6.56%
3.	Selby	8,923	6.48%
4.	Hambleton	8,636	6.27%
5.	East Riding of Yorkshire	8,586	6.24%
6.	Leeds	6,722	4.88%
7.	Ryedale	4,597	3.34%
8.	Wakefield	2,135	1.55%
9.	Scarborough	1,761	1.28%
10.	Kirklees	1,582	1.15%
11.	Sheffield	1,465	1.06%
12.	Doncaster	1,390	1.01%
13.	Bradford	1,305	0.95%
14.	Kingston upon Hull, City of	1,242	0.9%
15.	County Durham	1,181	0.86%
16.	Barnsley	868	0.63%
17.	Newcastle upon Tyne	792	0.58%
18.	Manchester	790	0.57%
19.	Stockton-on-Tees	665	0.48%
20.	Redcar and Cleveland	646	0.47%

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Top Postcode Districts by home location  
Home catchment percentage split by postcode district.

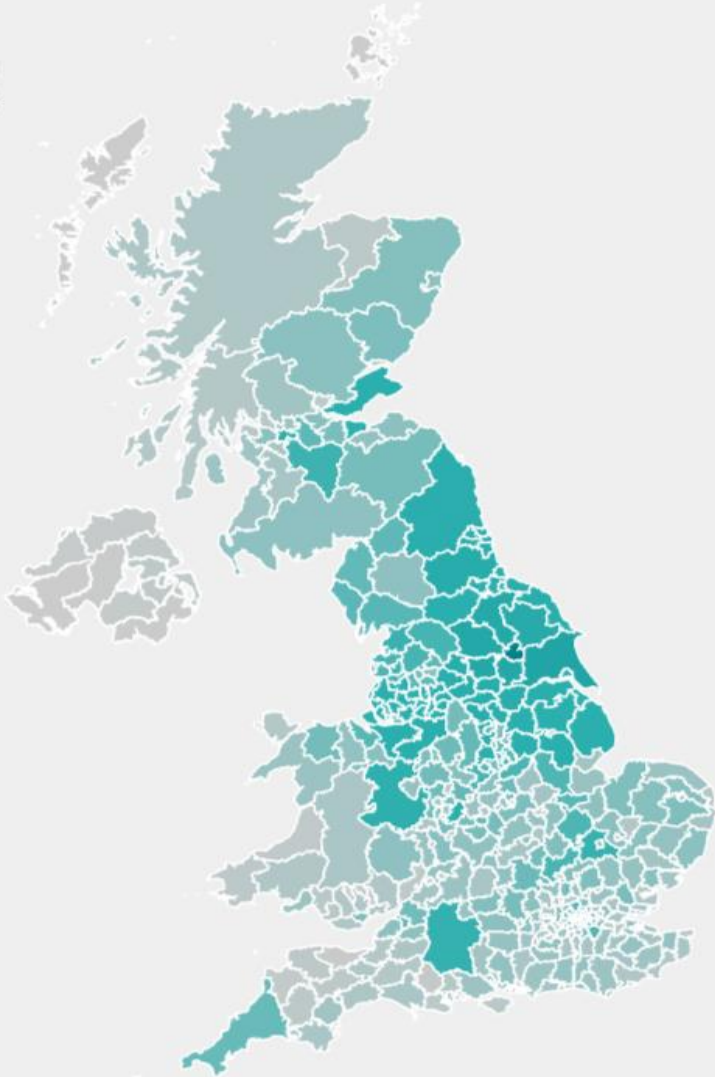
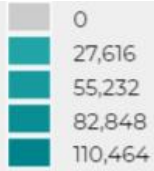
	Postcode District	Home Volume	%
1.	YO10	15,669	11.36%
2.	YO31	13,427	9.74%
3.	YO30	8,091	5.87%
4.	YO24	8,065	5.85%
5.	YO26	7,007	5.08%
6.	YO23	5,965	4.32%
7.	YO32	5,897	4.28%
8.	YO1	3,894	2.82%
9.	YO8	3,571	2.59%
10.	YO19	3,069	2.23%
11.	YO41	1,852	1.34%
12.	YO42	1,711	1.24%
13.	YO17	1,417	1.03%
14.	DN14	1,362	0.99%
15.	YO61	1,248	0.9%
16.	LS24	982	0.71%
17.	LS25	944	0.68%
18.	YO12	833	0.6%
19.	YO25	721	0.52%
20.	HU17	671	0.49%

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60% from York, Harrogate, Selby or Hambleton

# AUG/ SEP – VISITOR ORIGIN

ANNEX 1



	Local Authority District	Home Volume	%
1.	York	110,464	18.98%
2.	East Riding of Yorkshire	28,480	4.89%
3.	Selby	21,621	3.71%
4.	Leeds	21,529	3.7%
5.	Harrogate	20,764	3.57%
6.	Hambleton	18,852	3.24%
7.	Ryedale	12,445	2.14%
8.	County Durham	9,342	1.61%
9.	Wakefield	8,193	1.41%
10.	Kirklees	8,072	1.39%
11.	Sheffield	7,066	1.21%
12.	Doncaster	6,529	1.12%
13.	Bradford	6,481	1.11%
14.	Kingston upon Hull, City of	6,405	1.1%
15.	Scarborough	5,708	0.98%
16.	Northumberland	5,183	0.89%
17.	Newcastle upon Tyne	5,013	0.86%
18.	Barnsley	4,507	0.77%
19.	Sunderland	4,367	0.75%
20.	Stockton-on-Tees	4,196	0.72%

1 - 20 / 391 < >

	Postcode District	Home Volume	%
1.	YO10	30,308	5.21%
2.	YO31	27,943	4.8%
3.	YO24	16,580	2.85%
4.	YO30	15,243	2.62%
5.	YO26	13,695	2.35%
6.	YO32	13,130	2.26%
7.	YO23	12,886	2.21%
8.	YO8	8,946	1.54%
9.	YO19	7,180	1.23%
10.	YO1	7,040	1.21%
11.	YO42	4,819	0.83%
12.	YO41	4,472	0.77%
13.	YO17	3,735	0.64%
14.	DN14	3,445	0.59%
15.	YO12	2,914	0.5%
16.	HU17	2,903	0.5%
17.	LS25	2,850	0.49%
18.	YO61	2,812	0.48%
19.	YO25	2,677	0.46%
20.	LS24	2,363	0.41%

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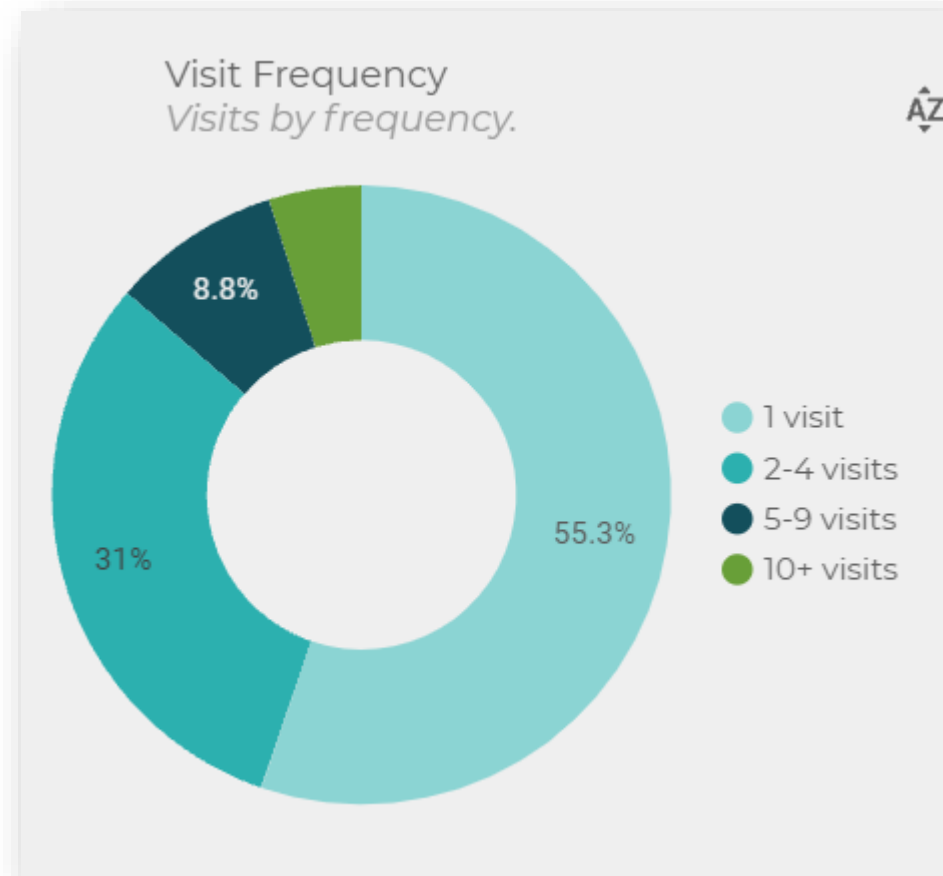
32% from York, Harrogate, Selby or East Riding



# AUG / SEP – VISITOR ORIGIN

ANNEX 1

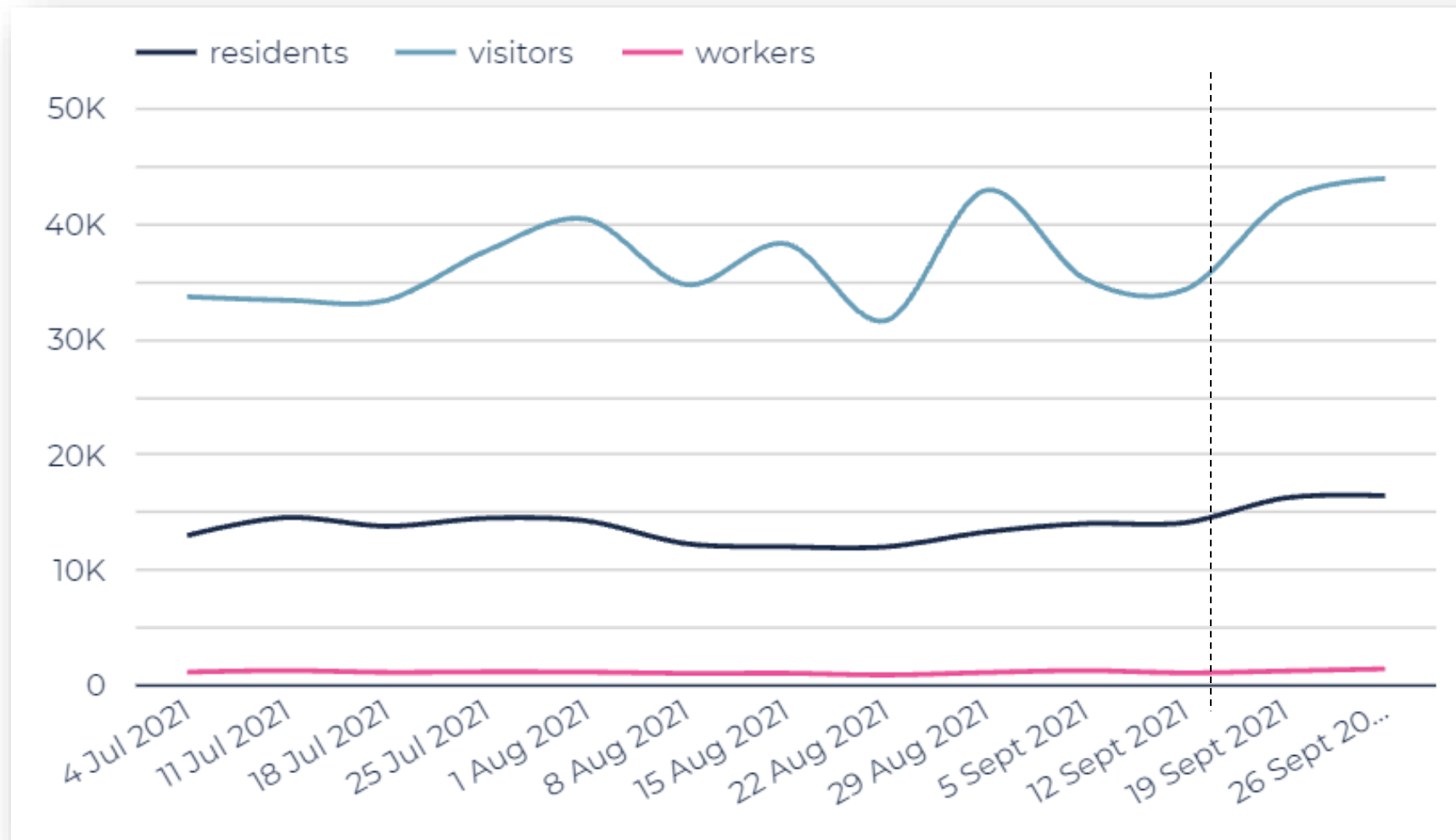
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17.	Newcastle upon Tyne	5,013	0.86%
18.	Barnsley	4,507	0.77%
19.	Sunderland	4,367	0.75%
20.	Stockton-on-Tees	4,196	0.72%



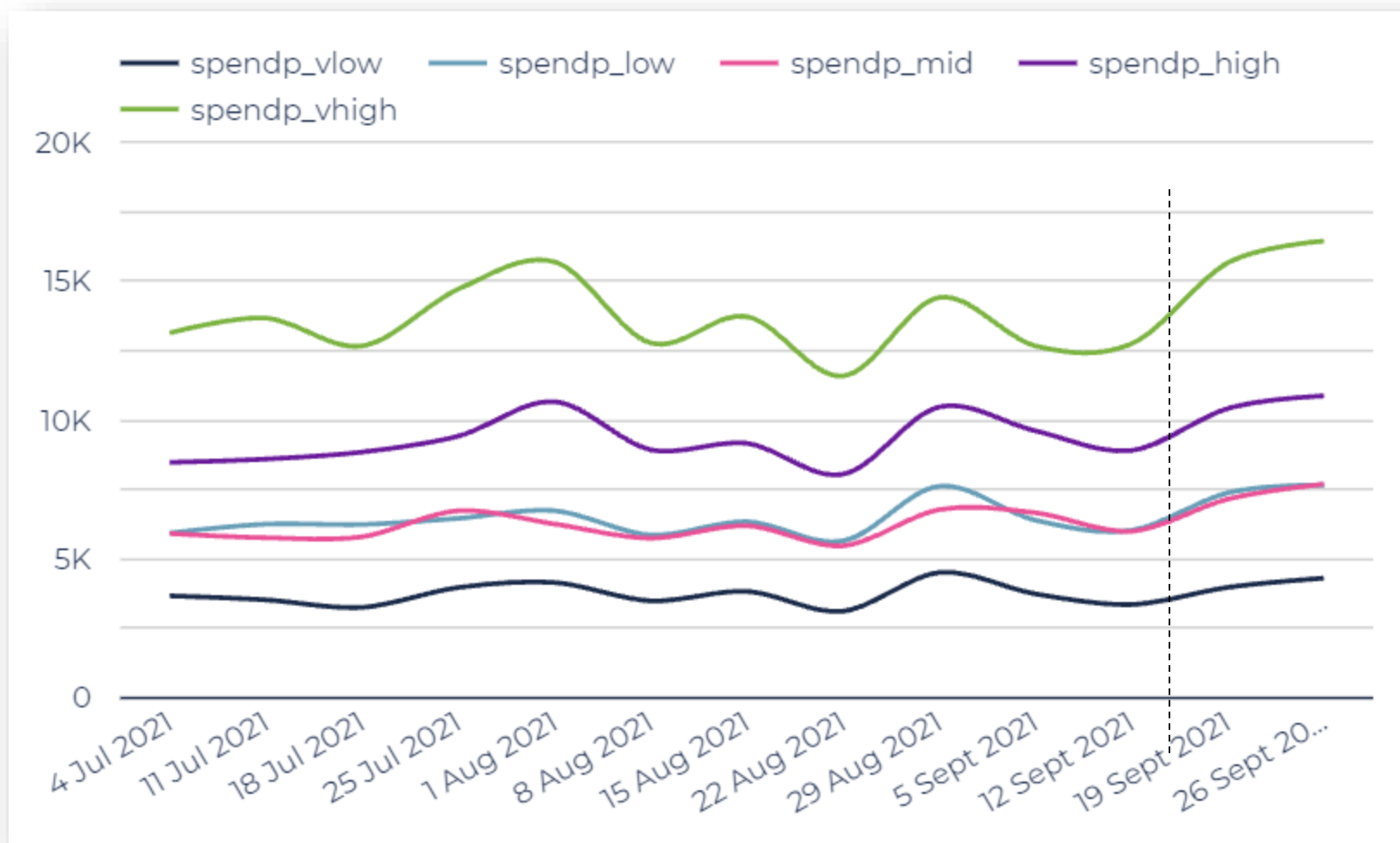
57% (top 20 of all visitors) travel from a circa 2 hour radius.

Day tripper market has been strong

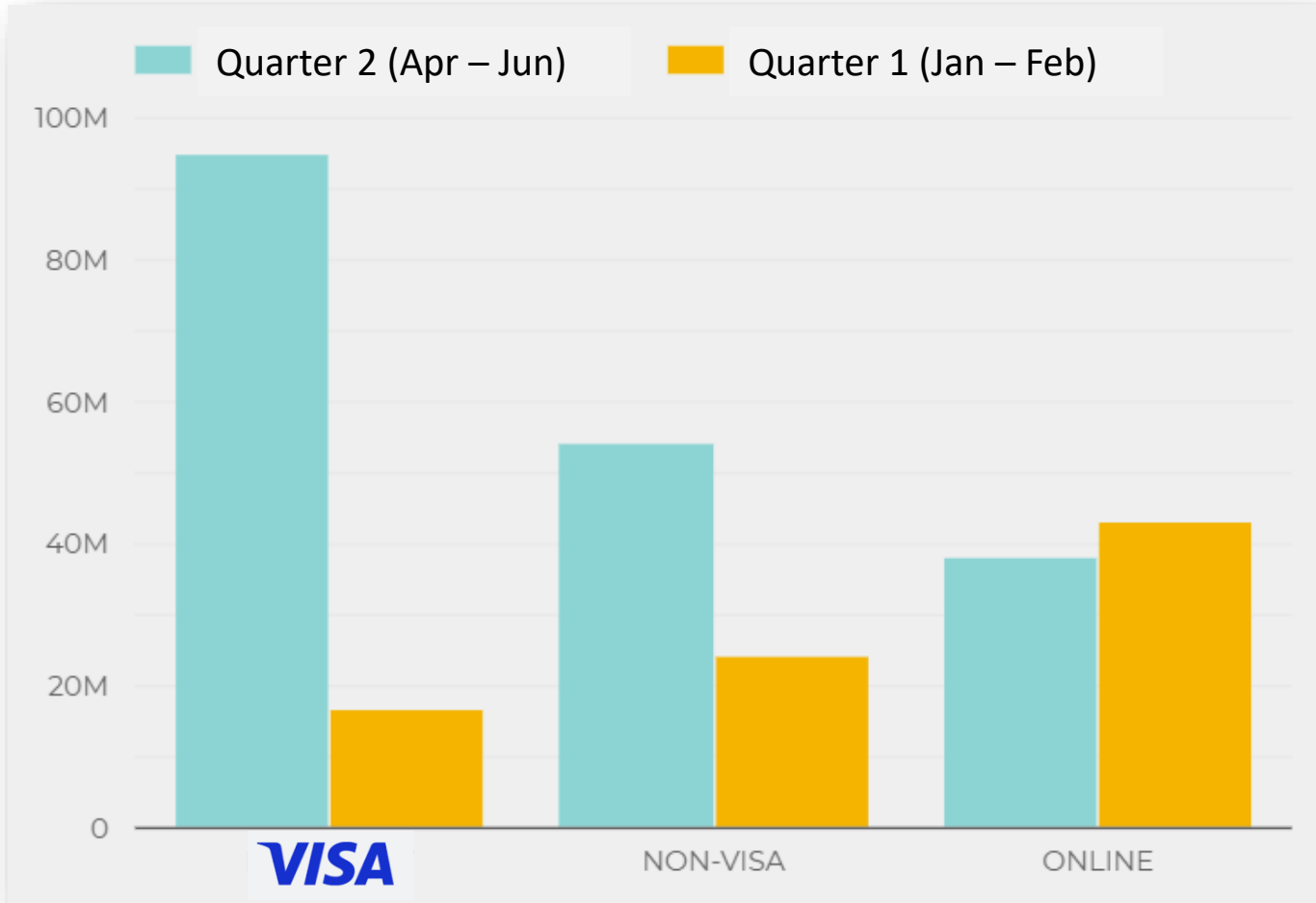
# Food & Drink Festival end of September gave city a real boost



# York benefits from attracting high spenders



# Spend Recovery



- NOTE! – Quarter 3 (Jul – Sep) data not available yet

# UK HIGHSTREET RECOVERY

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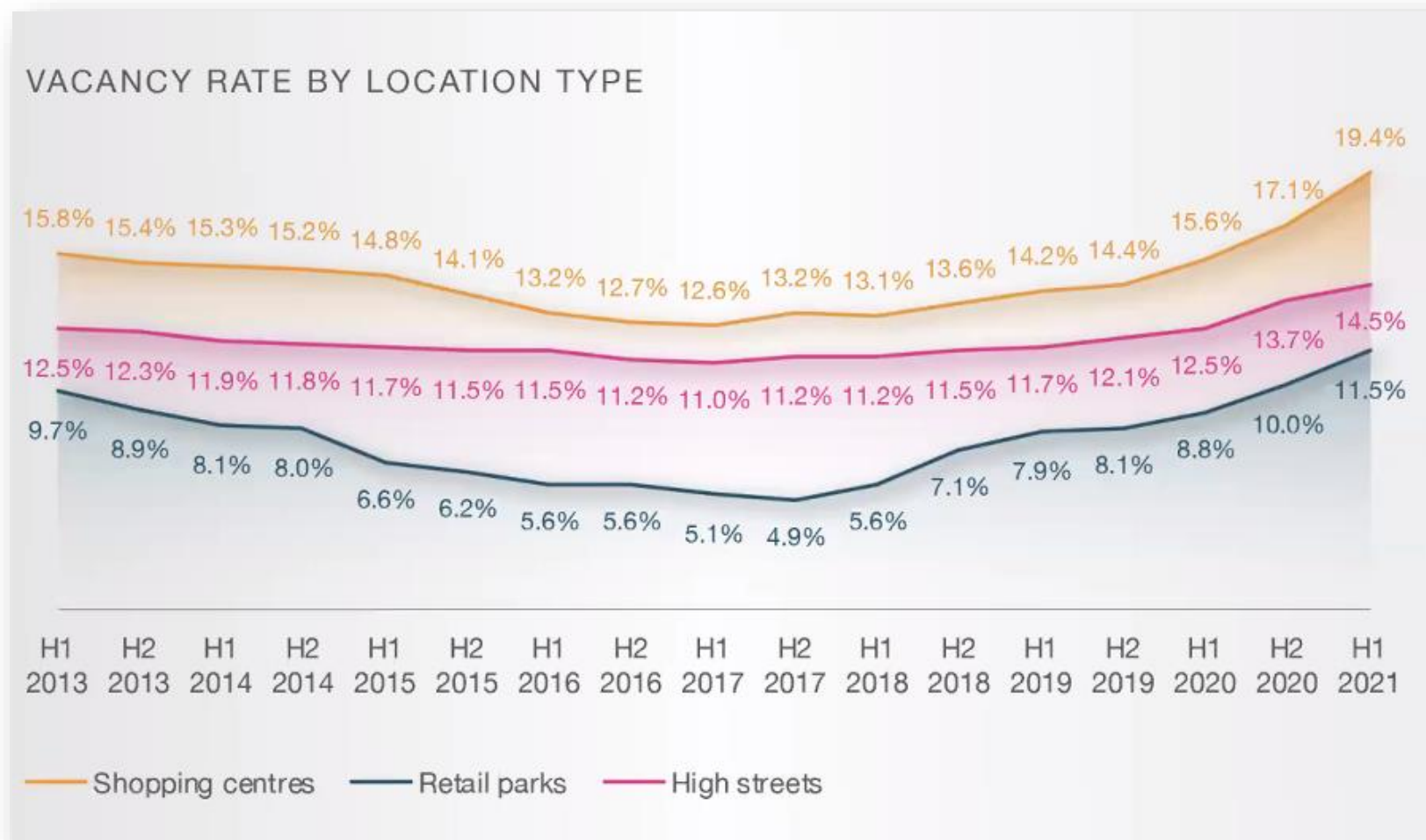
# UK – STORE OPENINGS & CLOSURES

OPENINGS AND CLOSURES, H1 2014 TO H1 2021



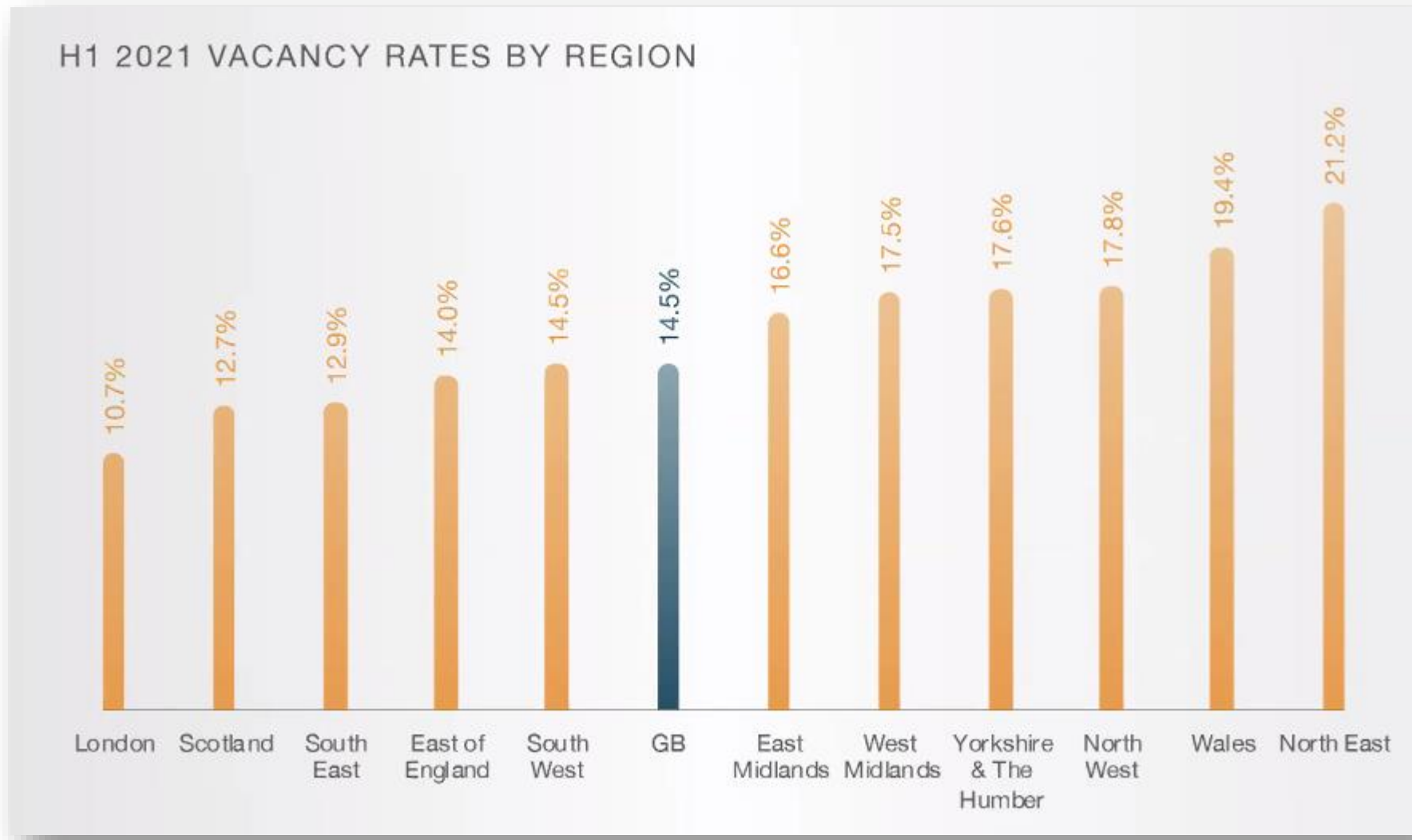
4,000 net loss  
in H1 2021,  
compared to  
8,000 net loss  
H1 2020

# VACANCIES – HIGH ST SHOWING RESILIENCE !



Shopping centres feeling the brunt, with big chains such as Debenhams, Frankie and Benny's etc leaving large holes.

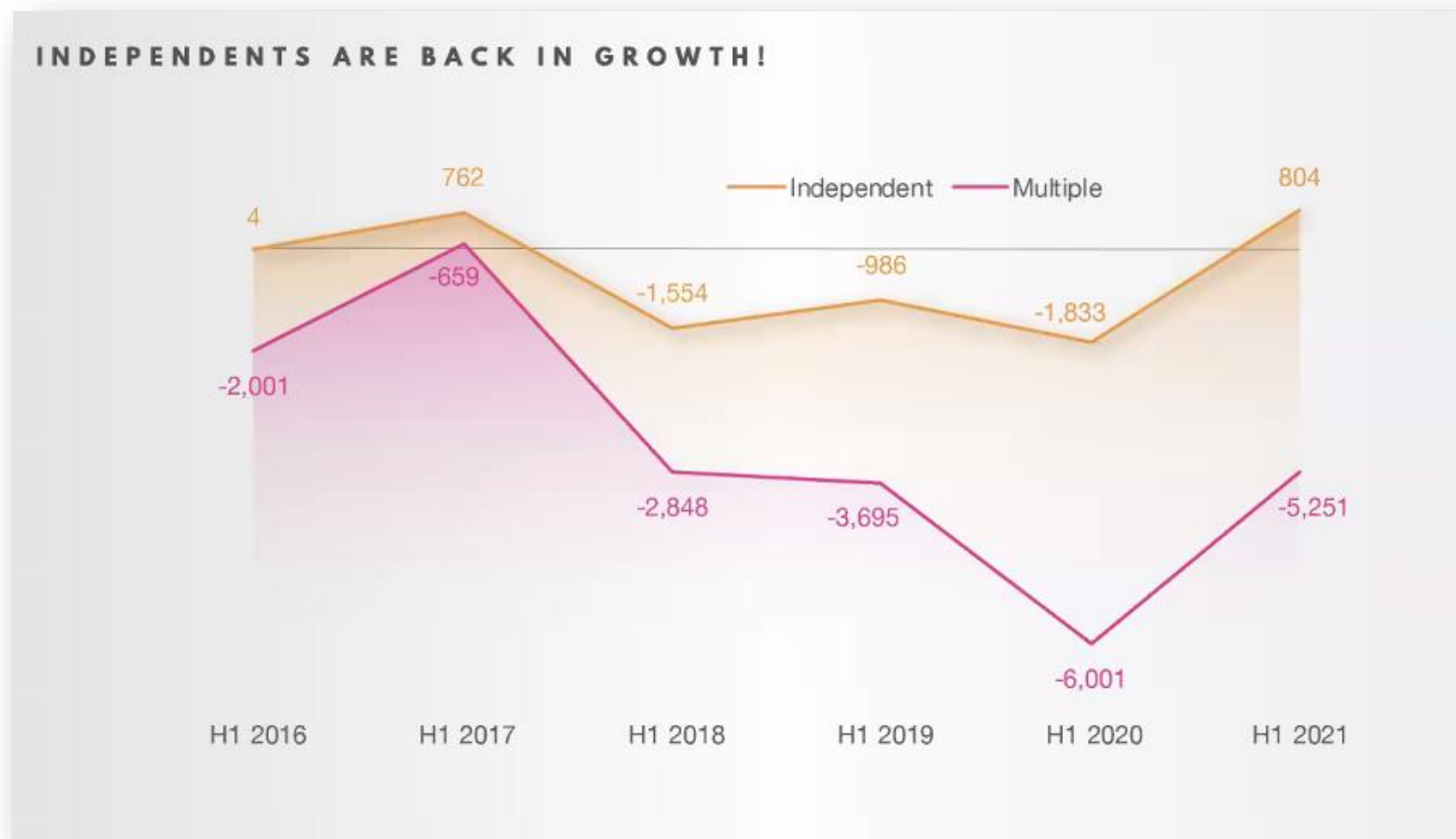
# UK VACANCY RATES BY REGION



NOTE! - York's Vacancy rate circa 9-11% - so compares well to national figures



# UK NET OPENINGS - INDIE'S DRIVING GROWTH - FIRST GROWTH IN INDIE'S SINCE 2017!



Bodes well for York with strong Indie scene!

# UK SECTORS HIT HARD DURING H1 2021

FASHION CONTINUES TO  
FACE CHALLENGES



# UK SECTORS THAT HAVE SEEN GROWTH H1 2021

FAST FOOD AND CONVENIENCE STORES HAVE BENEFITTED FROM COVID-SPECIFIC TRENDS



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

**20<sup>th</sup> October 2021**

**York Economic Strategy – Progress Update Report**

**Summary**

1. This report provides an update on the development of a new, inclusive Economic Strategy for York. Widespread engagement with York's residents, workers and businesses took place over the summer through the Council's Our Big Conversation, with a coherent approach to engagement undertaken to address the overlapping themes of York's economy, carbon reduction and transport.
2. 1,934 residents participated in the residents' survey and 93 businesses participated in business survey – with 53 firms fully completing the survey. Further engagement with businesses is planned to ensure that York's new Economic Strategy reflects their needs and aspirations. A survey was also undertaken through Citizens Advice York to better understand their clients' experience of Covid-19 and employment in York.
3. Work has also taken place to update the Economic Evidence Base that will underpin the Council's new Economic Strategy. Economic data shows that York's economy has been performing strongly, with the Council's strategic focus on growing high-paid jobs bearing fruit. However, the hardship and lessons from the past 18 months must not be forgotten and an emphasis on inclusive growth in our new Economic Strategy is paramount. Focus will be placed on improving employment conditions and wage levels in York's high-volume sectors (retail, hospitality and health and social care) whilst also growing the amount of part-time work available in high-paid sectors and encouraging continuous learning to improve individual mobility.
4. Engagement findings from Our Big Conversation and the Economic Evidence Base has helped inform the development of four headline commitments which set out how the Council will work with businesses,

residents and partners to ensure that economic growth in York is both inclusive and sustainable. These are:

- An economy powered by 'good' business;
  - Creating the right conditions for sustainable growth;
  - A thriving local workforce; and,
  - A globally-connected city.
5. These four commitments will form the basis of the Council's new, inclusive Economic Strategy. Engagement will take place with businesses, key business support agencies and city partners to ensure that our emerging priorities meet the needs of York's economy and secure agreement for the activities that will underpin each commitment. A new Economic Strategy will be brought to the Council's Executive for sign-off in January 2021.

## **Recommendations**

6. The Executive Member is asked to:
- 1) Note the contents of the report;
  - 2) Provide comments on engagement findings, the draft economic evidence base and headline commitments for a new, inclusive Economic Strategy.

Reason: To support the development of a new, inclusive Economic Strategy for York.

## **Report**

7. City of York Council's current Economic Strategy was launched in 2016 and covers the period 2016-20. The Executive has committed to renewing and adapting the strategy, with a new focus on inclusive growth, and to launch a new York Economic Partnership, which will include a diverse range of voices and perspectives.

## Engagement Activity and Findings

8. July 2021 saw widespread engagement with York's residents, workers and businesses placing these groups at the heart of plans to build an inclusive and greener economy. Through the Council's Our Big Conversation, a coherent approach to engagement was undertaken to address the overlapping themes of York's economy, carbon reduction and transport.
9. In total, 1,934 residents participated in the residents' survey and 93 businesses participated in business survey – with 53 firms fully completing the survey. Given the limited number of responses to the business survey, it must be recognised that survey results here cannot be taken to be wholly representative of York's business community. Further engagement with businesses is planned to ensure that York's new Economic Strategy reflects their needs and aspirations.
10. An overview of headline findings from the Council's Our Big Conversation engagement exercise with residents and businesses can be found at Annex 1. Key findings include the following:
  - The vast majority of residents and businesses support York's ambition to become a net-zero carbon city by 2030;
  - More than two-thirds of workers are expecting to work from home more in future when compared with before the pandemic;
  - 73% of residents reported that their broadband speeds meets their needs;
  - 2 in 3 workers are interested in learning new skills, with advanced/specialist IT skills and management/leadership skills being most in demand;
  - 1 in 5 residents in employment feel worse off financially than they were 12 months ago, with half of those falling within the 25 to 39 age category;
  - 40% of residents working part-time do so to have a better work/life balance;
  - Businesses cite the availability and/or cost of land/premises as the biggest challenge for operating in York;

- 2 in 5 businesses are rethinking their workspace requirements, with the majority looking to either revise their current layout or relocate to larger premises.

11. In addition to the Council's Our Big Conversation engagement activity, a survey was undertaken through Citizens Advice York to better understand their clients' experience of Covid-19 and employment in York. 222 clients were interviewed between July and August 2021. A summary of headline findings can be found under Annex 2. In short, the survey found that clients already in employment and those without a disability/health problem were most confident about their employment prospects. Those with long-term health conditions faced difficulty in finding employment, and clients were more likely to report that the pandemic had resulted in a negative impact on their health, particularly their mental health, than on their employment situation.

### Phase 2 Engagement

12. Work is underway with Communications to undertake a second phase of engagement with residents and businesses over October 2021. Again undertaken through the medium of Our Big Conversation, engagement activity will demonstrate how existing feedback has shaped the Council's thinking and approach to strategy development, whilst also addressing gaps in our insight and/or sense checking findings.

### Revised Economic Evidence Base

13. In addition to the aforementioned engagement activity, work has also taken place to update the Economic Evidence Base that will underpin the Council's new Economic Strategy (see Annex 3). The previous iteration of our Economic Evidence Base was presented to the Executive Member at his January 2021 Decision Session.

14. Our economic evidence base explores York's levels of productivity and wage levels, employment mix (sectors, skills, and types of roles), numbers of business start-ups, skill levels, housing affordability, the economic impacts of Covid-19, and the forecast for growth and employment (including 'green' jobs).

15. Economic data shows that York's economy has been performing strongly with higher levels of productivity than the rest of the region, and growth in GVA per hour worked over the last five years. It also shows that our prevailing economic strategy since the 2007 financial crash – to focus on growing high-paid jobs, has borne fruit:



- We have a strong knowledge economy which has grown, with more than 17,000 high skilled jobs created in York since 2005;
  - Pay in York is close to the national median (across full-time and part-time roles), and higher than much of Yorkshire and the Humber;
  - We also have the highest level of skills of any northern city.
16. With significant new developments coming forward in the city such as York Central and the Guildhall redevelopment, we can expect further growth in well-paid jobs. We have also seen strong growth in hospitality, retail and social care employment. These lower-paid sectors provide much of York's part-time work, contributing to household incomes, but also providing some challenges.
17. Data on York property price to earnings ratio shows that York's housing affordability is at England's average level, but compares poorly with much of the North. In terms of property rents, rental prices in York are equivalent to those in the East and South East of England, outstripping the national average when looking at homes with two bedrooms or more.
18. The economic impact of Covid-19 has been disproportionately felt by industries relying on visitors and consumers. Whilst York's economy has fared better than many other cities, national lockdowns over the past 18 months have disrupted trade in retail, hospitality and leisure sectors. Forecast modelling undertaken by Oxford Economics predict that the 8.5% year-on-year (y-o-y) contraction to York's GVA in 2020 will be replaced by a 9.8% y-o-y expansion in 2021. Further to this, York's GVA is predicted to be close to the UK average for the next 7 years, outstripping the growth predicted across York & North Yorkshire and Leeds City Region. The same is true for employment forecasts, with York predicted to be one of the few places to see employment increase during 2021, and either be above or close to average UK employment levels to 2028.<sup>1</sup>
19. As of October 2021, the Coronavirus Job Retention Scheme (CJRS) and the Self-Employment Income Support Scheme (SEISS) have come to a close. Since the launch of the government support schemes in March 2020, we have seen the total number of people furloughed on the CJRS in York reach 16,000 in July 2020 and during January and February of 2021. This number had fallen to 3,100 people at the end of August 2021, with it also being the first time more men were on furlough than women,

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<sup>1</sup> Forecasts by Oxford Economics undertaken in July 2021

with women outnumbering men on furlough for the previous 12 months.<sup>2</sup> A further 2,500 people were claiming self-employed income support in September 2021.<sup>3</sup>

20. This downward trend in the number of people relying on Government support has been accompanied by a significant drop in unemployment. Claimant count data has shown unemployment in York to be decreasing consecutively since February 2021, with the figure standing at 3,645 in August 2021. Whilst on a historical scale this is a high figure, York is ranked as the city in the UK with the lowest levels of unemployment according to the Centre for Cities Unemployment Tracker.<sup>4</sup>
21. The hardship and lessons from the past 18 months must not, however, be forgotten and an emphasis on inclusive growth in our new Economic Strategy is paramount. York is undoubtedly a working city, with stronger self-employment, lower unemployment, and lower economic inactivity levels for those who don't want a job compared to UK levels. But, whilst part-time employment has increased overall, these jobs are concentrated in typically low-paid sectors, and we estimate that York has lost 13,000 jobs in medium-skilled well-paid jobs since 1998. Focus therefore needs to be placed on growing the amount of part-time work available in high-paid sectors and encouraging continuous learning to improve individual mobility.
22. Self-employment, making up 10.6% of York's working age population in March 2021, is greater than Leeds and Sheffield City Regions by roughly 2.5% and UK levels by 1%. History tells us that self-employment tends to grow after economic recessions, and supporting residents in setting up and growing their own business will be an important component of our new economic strategy. Rawcliffe and Clifton without, Guildhall and Micklegate have seen the most start-ups by ward in 2021 as of July.
23. Attracting 'green' jobs and growing the low carbon and renewable energy economy (LCREE) will also be a key focus of our new economic strategy. Not only will it help us achieve York's net-zero ambitions but also help forge an economy ready for the future. Research from the Local Government Association forecasts Yorkshire and the Humber as being the second highest region, after the North West, to receive direct

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<sup>2</sup> Note that the August 2021 figure for the CJRS is provisional

<sup>3</sup> Note that the September 2021 figure for SEISS is provisional

<sup>4</sup> Centre for Cities Unemployment Tracker – last updated on 01/09/2021 – <https://www.centreforcities.org/data/uk-unemployment-tracker/>

jobs in the LCREE, with a potential for 99,000 direct jobs by 2030 and 168,000 direct jobs by 2050.<sup>5</sup>

### Towards a new Economic Strategy for York

24. Our new Economic Strategy will adopt a twin track approach – to continue the long established focus on developing higher paid jobs in key sectors across the economy, while developing a clearer approach to inclusive growth across our economy. These two priorities will be underpinned by two cross cutting themes: the notion of 21<sup>st</sup> century jobs, built flexibly around the needs of employees, and supported by continuous learning to improve individual mobility, and a focus on a green economic recovery, addressing the Council’s low-carbon commitments and the city’s nationally-significant bio-economy and agri-tech innovation assets.
25. In developing the above approach, four headline commitments have been identified setting out how the Council will work with businesses, residents and partners to ensure that economic growth in York is both inclusive and sustainable. These are as follows:
- **An economy powered by ‘good’ business** – embedding responsible business practises in line with York’s Good Business Charter City accreditation; supporting businesses to decarbonise; and creating more work experience, internship and apprenticeship opportunities locally;
  - **Creating the right conditions for sustainable growth** – providing high quality support to entrepreneurs and businesses to enable resilience and growth; improving access to affordable, good quality workspace; and FE and HE skills provision shaped by the needs of business;
  - **A thriving local workforce** – access to training and upskilling support for all our residents and workers; broadening part time job opportunities across York’s economy, thus improving career prospects; and providing more apprenticeships at higher levels and in STEM; and,
  - **A globally-connected city** – supporting businesses to expand into new global markets; maximising existing linkages between York and cities/countries across the rest of the world; promoting the

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<sup>5</sup> Local Government Association (2020) – Local green jobs - accelerating a sustainable economic recovery – <https://www.local.gov.uk/local-green-jobs-accelerating-sustainable-economic-recovery>

city's academic R&D strengths to attract private sector investment and support job creation; and act as a focal point for inward investment across the region by capitalising on the York's existing assets and internationally-recognised brand.

26. Annex 4 sets out in greater detail the priorities that fall underneath each headline commitment. The commitments incorporate the work of the city's Skills and Employment Board in developing a 10-Year Skill Strategy for York, the later endorsed by the Executive Member at his September 2021 Decision Session. They also support the Council's low carbon commitments, and emerging Climate Change Strategy.
27. In addition to work taking place on Phase 2 engagement, the Council will engage with key business support agencies and city partners in York – Make it York, York Business Improvement District, Indie York, York and North Yorkshire Chamber of Commerce, the Federation of Small Businesses, the Institute of Directors, University of York, York St John University and York and North Yorkshire LEP amongst others, and local businesses to ensure that our emerging priorities meet the needs of York's economy and secure agreement for the activities that will underpin each commitment.
28. A new Economic Strategy will be brought to the Council's Executive for sign-off in January 2022.

### **Consultation**

29. Engagement with businesses, residents and partners on the development of the Council's new Economic Strategy has taken place through existing communications mechanisms such as the Council's Our Big Conversation. A coherent engagement approach has been taken to the overlapping themes of York's economy, carbon reduction and the city's local transport plan, with insight supplemented by information from other Council engagement activity such as My City Centre, Skills Strategy, and Micro Grants Evaluation.
30. Our approach to engagement on Economic Strategy aligns with the Council-wide Resident Engagement Strategy, and places York's residents and businesses at the heart of plans to build an inclusive and greener economy.

### **Council Plan**

31. Our work addresses the following outcomes from the Council Plan:

- Good health and wellbeing;
- Well-paid and an inclusive economy;
- A better start for children and young people;
- A greener and cleaner city;
- Safe communities and culture for all; and,
- An open and effective council.

## Implications

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

## Risk Management

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

## Contact Details

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### Chief Officer Responsible for the report:

Tracey Carter  
Director for Housing, Economy and  
Regeneration

Report Approved  Date: 11 October 2021

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

All

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

**Background Papers:**

**Annexes**

Annex 1: Our Big Conversation – Key Findings Summary Report

Annex 2: Citizens Advice York Client Survey – Summary Report

Annex 3: York Economic Evidence Base (Draft)

Annex 4: Towards a new Economic Strategy – Headline Commitments

**List of Abbreviations Used in this Report:**

IT – Information Technology

LEP – Local Enterprise Partnership

R&D – Research and Development

## **Our Big Conversation: Key Findings Report**

### **Executive Summary**

During July 2021, City of York Council engaged with residents and businesses of York as part of its “Big Conversation” to help inform the Council’s approach to climate change, transport and the economy. The key results from these surveys are discussed in this report. There is an awareness that low response rates, particularly from the business survey, with only 53 firms fully completing the survey, precludes any findings to be ultimate and that secondary engagement work will be needed.

Survey results showed that the vast majority residents and businesses support York’s ambition to become a net zero carbon city by 2030, with residents outlining that an affordable and efficient transport system should be central to achieving these ambitions. For businesses, what appears to be a main challenge is how they adapt to meet this target, with many businesses seeking assistance in reducing their carbon emissions and becoming net zero businesses.

Driving and walking are the most used forms of transport in York, but more than half of our residents reported that they will be using their car the same amount or more in 5 years’ time. There is strong appetite among residents to switch to electric vehicle however, suggesting York needs to prepare its electric-charging infrastructure to enable this transition.

York’s economy changed overnight when the COVID-19 pandemic hit the UK, and some of those changes appear to be lasting, with many businesses and more than two thirds of workers expecting to work from home more in the future compared with before the pandemic. Several businesses are also redesigning their workspace, whether it be upgrading or expanding, but the availability and/or cost of land/premises in York is being reported by businesses as the biggest weakness to operating in the area, suggesting that this places a limitation on businesses growth and expansion.

York remains a city with high employment levels and 2 in 3 workers are interested in learning new skills. Of those interested in further skills training, advanced/specialist IT skills and management/leadership skills are of most interest which largely aligns with the skills desired by our businesses.

Despite the city’s economic resilience, 1 in 5 York residents in employment feel that they are worse off financially than they were 12 months ago with just over half of these respondents being in the 25-39 age category. Underlying issues such as having a large number of people in low-paid part-time employment may explain this. Comparisons with previous engagement work and with regional economic data, along with additional engagement activity will enable these results to be of great value in shaping City of York Council’s new Economic Strategy.

## Key Findings Report

### Introduction

This report provides an overview of the headline findings from the City of York Council's Our Big Conversation engagement exercise with residents and businesses. Two surveys were issued, one to residents and one to businesses, during July 2021 focusing on the topics of Climate Change, Transport and the Economy.

### Respondents

From the resident survey, 1934 people participated, over half of which were of working age (64% of respondents). Of those working, the highest proportion who responded were working full time (39%), followed by part-time workers (14%), and the self-employed (6%). The retired (36%), the unemployed (3%) and students (2%) also contributed to the survey. Of those in employment, respondents largely fell into the 25-59 age bracket (76% of responses), and there was a close split across genders. 66% of respondents in employment work in the York local authority area, mainly across education, local government, financial services and health sectors.

With regards to the business survey, there was a limited number of responses, with 93 participating and only 53 firms fully completing the survey. Given there are over 7,000 businesses in York it must be recognised that survey results here cannot be taken to be wholly representative of York's business community. To help validate the insights gained from this survey, this report has referred to results gathered from other engagement work such as the Council's 'My City Centre' survey and 'York Micro Grant Evaluation Report', making sure to clearly label these different findings throughout the report. From those businesses who did respond, the majority were either micro or one-person businesses with 80% of respondents having fewer than 10 employees. Respondents encompassed a wide range of sectors, although Wholesale and Retail was the largest sector represented with 19% of respondents based in that industry.

### Climate Change

York residents overwhelmingly support York's ambition to become a zero carbon city by 2030, with 80% agreeing with the target. There is also clear sentiment that the onus is on government, both national and local, and large private businesses to deliver this target, with 4 out of 5 residents agreeing that it's very important for these institutions to take responsibility for the task. Yet, many do wonder if the net zero target is achievable, or at least felt it should not be achieved at any cost, particularly at the expense of more vulnerable people or other city priorities.

With regards to how City of York Council should approach the net zero challenge, 74% of York residents felt that developing an efficient and affordable transport system should form the most important part of any strategy. This coincides with residents most frequently mentioning that individuals could take action by using alternative means of transport other than driving, particularly walking or cycling wherever possible.

It appears there is strong appetite to take individual action on climate change with 84% of York residents having already reduced the amount of waste they produce, 69% having made changes to their purchasing habits and 65% having made changes to their personal travel. Cost is the main reason why some residents have not yet taken action in some areas to reduce their carbon footprint.

There is strong alignment among businesses in York for the Council's climate change ambitions with 78% of firms agreeing with the ambition for York to become net zero by 2030. Yet, businesses need



assistance around how they can play their part, with 3 in 5 businesses not having a carbon reduction strategy or official target for carbon emission reduction. More than a quarter of firms would like support in achieving net zero emissions, with calls for support in calculating carbon footprint, producing green travel plans, and writing climate action plans. Encouragingly though, 19% of firms responding to the survey are considering diversifying into goods and services that are part of the green economy over the next 12 months.

### **Transport**

From our resident survey, driving and walking are reported as the most used forms of transport in York, with driving used most often to access services and walking the most used mode for accessing parks and open spaces. Cycling tends to be done either regularly or not at all, while bus and rail services tend to be used infrequently.

At present, more than half of residents consider congestion to be a very serious problem in York, while almost half consider local air pollution from traffic and the impact of transport on climate change to be very serious. This aligns with similar findings from the 'My City Centre' survey where less traffic/fewer cars was the most frequently mentioned way to make it easier to get around York City Centre.

With that in mind, it might be concerning that over the next 5 years 43% of residents expect to use their car the same amount as they are now and a further 16% expect to use their car more. Interestingly though, 43% of residents also plan to switch to an electric/hybrid vehicle. It is worthwhile noting then that residents are least likely to feel electric charging points meet their needs at present, and that just over half of residents considered more electric vehicle charging points to be the most effective measure in encouraging more sustainable driving behaviour.

Residents would generally prefer to walk wherever possible, unless visiting friends/relatives over a longer distance or shopping for heavy items, in which case they would rather travel by car. Indeed, needing to travel too far to walk or cycle is the main reason residents do not utilise active modes of transport more often.

Around 1 in 4 respondents also reported that no regular bus service, cost and a lack of suitable cycle routes as barriers to using sustainable transport. This corroborates the finding that more than two in three residents feel that more frequent and reliable bus services, a more extensive bus network and cheaper bus fares would be effective in encouraging greater use of public transport.

Regarding actions already taken, the expansion of the footstreets area and electrifying the bus network were most likely to have improved residents' experience of the city centre in the past year.

From our business survey, York's rail and road links are generally seen as strengths, but the cost and availability of parking is mostly seen as a weakness. 37% of businesses did also highlight local transport connections as a weakness. Micro businesses had previously informed us from our Micro Grant Evaluation Report in May 2021 that the car (79%) and walking (29%) were their most used modes of transport across York. Intriguingly though, 52% of businesses surveyed in that evaluation report do not rely on transport links into and out of York City Centre.

## Work

### Location & Premises:

As Covid-19 hit the UK, many residents began working from home (WFH) and in York 44% of workers have WFH since the start of the pandemic, while a further 32% have worked in a hybrid fashion. Nearly two thirds of workers are expecting to work from home more in the future.

From a business perspective, more than a quarter of firms who responded to the survey describe their premises as homeworking, and of those businesses where there is an option to work remotely, almost half expect a greater number of their employees to work remotely post-Covid.

At the same time, 2 in 5 businesses are rethinking their workspace requirements, with the majority looking to either revise their current layout or relocate to larger premises. Businesses reported that it was the overall attractiveness of York that was the biggest strength in terms of their success at their current location. But the availability and/or cost of land/premises in York was reported as the biggest weakness, suggesting that this places a limitation on businesses growth and expansion. The most likely to highlight this issue were businesses based in the Professional Services sector.

We know from our My City Centre survey that 7 in 10 residents would like to see empty spaces in the City Centre converted into retail start-ups, along with a preference to have more creative spaces. In particular, more than 9 in 10 residents wanted to see the use of ground floor space in Coney Street and Davygate operated by smaller independent retailers and 3 in 5 would also like to see makers/artists have a space in the area. This suggests, with the previous paragraph in mind, there is desire both from businesses and consumers to see existing businesses expand and new businesses set up across York.

### Employment:

Survey results suggest that 93% of main adults and 77% of second adults in York households are working full-time, which corresponds with employment data showing York to have strong employment levels across both full-time and part-time work. Most workers in York tend to hold one job, but there is a sizeable minority of part-time workers with 2 or more part-time jobs.

The main reason given by York residents for working part-time is to improve their work/life balance (40%), while just over 1 in 3 are making time for caring responsibilities. Moving towards retirement or being semi-retired and disability/health were key “other” reasons for working part-time. 17% work part-time because full-time work was not available, while 15% of respondents indicated that they work part time to boost household income.

A sizeable portion of residents were interested in starting a business, with students (30%) and the unemployed (27%) the highest groups by proportion. Almost 1 in 5 workers were also interested in starting their own business and a further 13% are unsure. Lack of finance, time constraints and confidence were listed as the main barriers to starting a business, although a high proportion of students also identified a lack of knowledge as being a key barrier to entrepreneurship.

Regarding employment prospects, York residents are more likely to agree that they feel optimistic about the security of their own job or business (64%), than about the career prospects of their family (45%).

From the business survey, almost 1 in 5 businesses said that they have struggled to fill staff vacancies during the last 12-18 months. Of those that have employed new personnel over the past 18 months, 31% were recent university graduates or school leavers. With more than two-thirds of new recruits

not being graduates or school leavers, this highlights the enduring importance of job experience and lifelong learning to employers.

Apprenticeships:

From those firms that have employed new staff over the past 18 months, just 5% were apprentices. This trend looks set to continue with just 12% of businesses planning to take on apprentice in the future, the vast majority of which intend to do so within the next 6 months.

**Skills**

From our resident survey, over 80% of workers agree that they have enough opportunity to use their skills and knowledge in their current workplace. However, when asked about whether the skills needed in their current job will change in the future, opinion was divided. Only 6% gave a score of 9 or 10, (i.e. they expect the required skills to change a lot), while 18% only gave a score of 1 or 2 (i.e. they don't expect the required skills to change a lot). The average response was 5 out of 10, suggesting a degree of uncertainty about how the economy might look or operate in the future.

Over the past year, 3 in 5 workers say they have undertaken some form of work-related training, and 2 in 3 are still interested in learning new skills. Of those interested in further skills training, advanced/specialist IT skills and management/leadership skills are of most interest, followed by foreign languages. These were also the top three responses from student respondents. It's also worth noting that the most frequently occurring "other" response was an interest in learning skills for the green economy.

Just over 20% of the unemployed had also undertaken some form of work-related training in the past year. Yet for those that had not undertaken any training since leaving education, the unemployed had the highest representation (8%). In terms of what skills the unemployed ranked as most helpful in adapting to the future labour market, advanced/specialist IT skills (27%) was highest followed by administration and organisation skills (25%), business/financial planning (21%) and communication skills (21%).

From the business survey, the skills that businesses felt required improving within their workforce so they can meet their needs over the next 2 years were sales and marketing skills (41%), advanced/specialist IT skills (22%) and business/financial planning skills (19%). Over 2 in 5 firms intend to fill these skill gaps by upskilling/reskilling existing employees.

With regards to business support, 3 in 10 businesses felt that support around marketing (including social media) would benefit them, while around a quarter would benefit from access to finance and sales/accessing new customers. This corroborates our findings from the Micro Grant Evaluation Report where the exact same areas of business support were highlighted as the most useful to improving business competitiveness. From this same report, we also know that while there is strong awareness of City of York Council, Make it York and York's universities, engaging with the business support on offer from these bodies is significantly lower, suggesting there is need for greater promotion of business support across York.

Intriguingly, 21% of firms stated that no skills needed improving within their business, with most of these based in the Education and Wholesale and Retail sectors. In addition, only 7% of all businesses said they needed support to develop or review their training and development plan.

**Financial Wellbeing**

Among residents, financial confidence is relatively high with almost 2 in 3 residents saying they could handle a major unexpected expense. However, 1 in 5 feel they are worse off financially than they were 12 months ago with 52% of these respondents being in the 25-39 age category, and 44% of them in full-time employment.

Regarding personal consumption, 68% of workers reported that they are shopping online more compared to before the pandemic. This trend of increased online shopping ties in with findings from the 'My City Centre' survey where it was found that 18% of respondents now visit the city centre less than once a month compared to only 5% before the Covid-19 and that 40% of respondents intend to spend less time shopping in the city centre in the next 12 months.

However, businesses have adapted in the face of these changing spending habits. From our Micro Grant Evaluation Report, it was found that 57% of business respondents had diversified or adapted as a result of the pandemic, with 42.3% (269 businesses) digitising some or all of their products and services, highlighting the continued resilience of York businesses in the face of a challenging trading environment.

As a result of Covid-19, 2 in 3 businesses said their turnover over the last 12-18 months had decreased. All businesses in the Food Services and Arts, Entertainment and Recreation sectors that responded to this survey question said their turnover had decreased, along with the majority of businesses in the Professional Services, Education, Wholesale and Retail and Creative sectors. This downward turn in finances across York businesses is a message that also came through our Micro Grant Evaluation Report, where 26% of the grant recipients (294 businesses) were at risk of permanently ceasing trade over the past year, and 64% of businesses had seen their customer base shrink. Actions taken by the City of York Council, such as the Micro Grant Scheme, have supported businesses to handle this financial hardship, with many businesses using grant assistance to help stay afloat, and to diversify and invest in their businesses.

**Broadband**

For residents, there is positive feedback regarding broadband coverage, with 99% of workers able to access the internet at home and 73% reporting that their broadband speeds meets their needs.

There is mixed feedback from businesses regarding their broadband provision. From the business survey 52% of businesses said their current broadband service/speed completely or largely meets their needs, and a further 32% said it adequately or somewhat meets their needs. 9% of firms did report that their broadband service/speed doesn't meet their needs. Interestingly, findings from the York Micro Grant Evaluation Report saw 42% of businesses note that their internet connectivity had placed limits on their business. This suggests that further engagement is required in order to understand which businesses require better connectivity, and in which locations.

### **Citizens Advice York Client Survey – Summary Report**

As part of the development of City of York Council's new, inclusive Economic Strategy, several engagement exercises with the residents and businesses of York have been conducted with the intention that the information gathered from these engagement pieces will inform and shape the development of the strategy. This report summarises the key findings from a survey conducted with Citizens Advice York's (CAY) clients.

#### **Survey Background:**

Between July and August 2021, interviews were conducted with clients of CAY on their experience of COVID-19 and employment in York.

In total, 287 interviews were conducted with 222 clients. Where clients were interviewed more than once, their most recent responses were included in this report.

#### **Key Findings:**

Given the survey's specificity and shortness, the findings from this engagement work can neatly be summarised in the following bullet points:

- Amongst clients of working age (16-64), more were confident about their employment situation than not. Those already in full-time employment (>30 hours) and those without a disability/health problems were most confident about their employment situation, while those with a long-term health condition were least confident
- More than half of clients, 55%, reported having a disability or long-term health condition
- More than half of clients, 58%, are unemployed or experience barriers to work
- The majority of clients with a long-term health condition are also unemployed
- Amongst employed clients, of most relevance to their employment is their job-related experience, with some having worked for more than 15 years
- More clients reported that the pandemic had resulted in a negative impact on their health, particularly their mental health, than on their work situation.

#### **Conclusion:**

Despite this being a short engagement activity over a small time span, economic and social themes that are long-standing and prevalent on a regional and national scale can still be garnered. These include:

1. Those with long-term health conditions face difficulty in finding employment
2. Those in employment are generally more confident about the future than the unemployed
3. COVID-19 has had a negative impact on a large number of people's health, particularly their mental health.

It is therefore important to take consideration of these themes when developing a future economic strategy, especially how we support those furthest from the labour market back into employment.

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# York Economic Strategy: Draft Economic Evidence Base

# 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?





# 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
- Supporting York's recovery from Covid-19 and guiding future prosperity

# Build Back Better: Government Priorities

- “Levelling up” agenda – addressing inequality and creating opportunities for all
- Lifetime skills guarantee – investing in post-16 and adult education
- 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 up to 250,000 jobs

# Local Industrial Strategies (LIS)?

- LEP review underway
- LISs now considered defunct and to be replaced by local growth plans (national Plan for Growth)
- Levelling Up means improving everyday life, boosting local growth and jobs
- Placed-based approaches are well aligned to this new direction of travel
- Good news for York and North Yorkshire!

# Our Approach

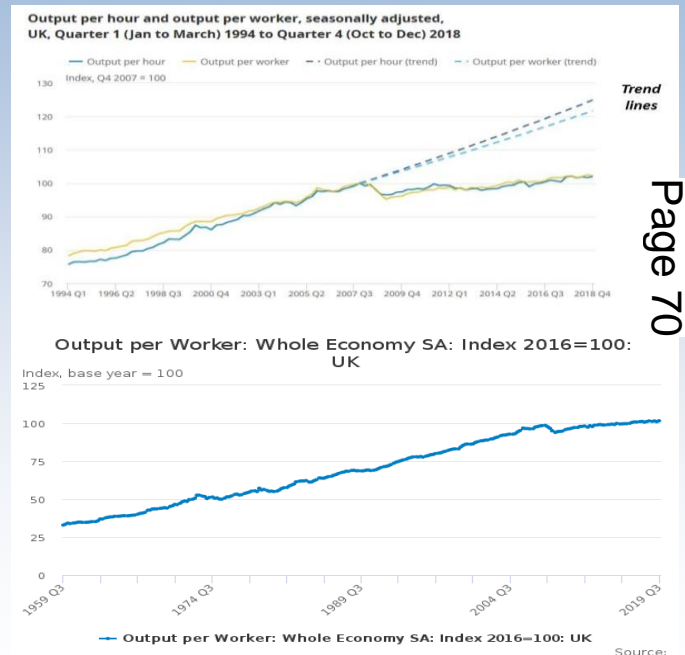
- A twin track approach:
  - Developing high paid jobs in key sectors
  - A clear approach to inclusive growth across York
- Cross cutting themes:
  - 21<sup>st</sup> century jobs
  - A green economic recovery
- Engagement activity that places businesses and residents at the heart of conversations

# Covid-19 – Economic Impacts

- Full economic impact of Covid-19 still unknown
- Oxford Economics forecasts for York predict a 8.5% drop in GVA for 2020, with GVA exceeding pre-pandemic levels in 2021
- Full impact on jobs difficult to tell due to Government support (furlough, business grants, loans etc.)

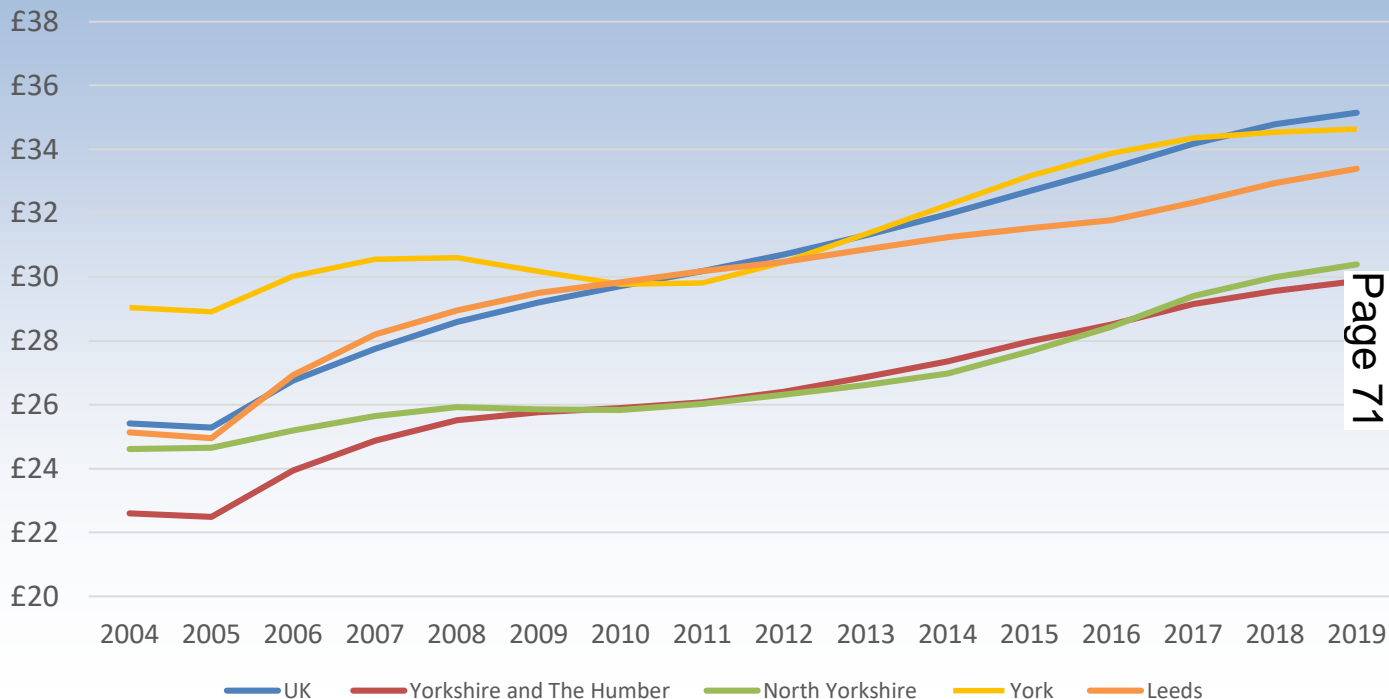
# The productivity challenge(s)

- 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”



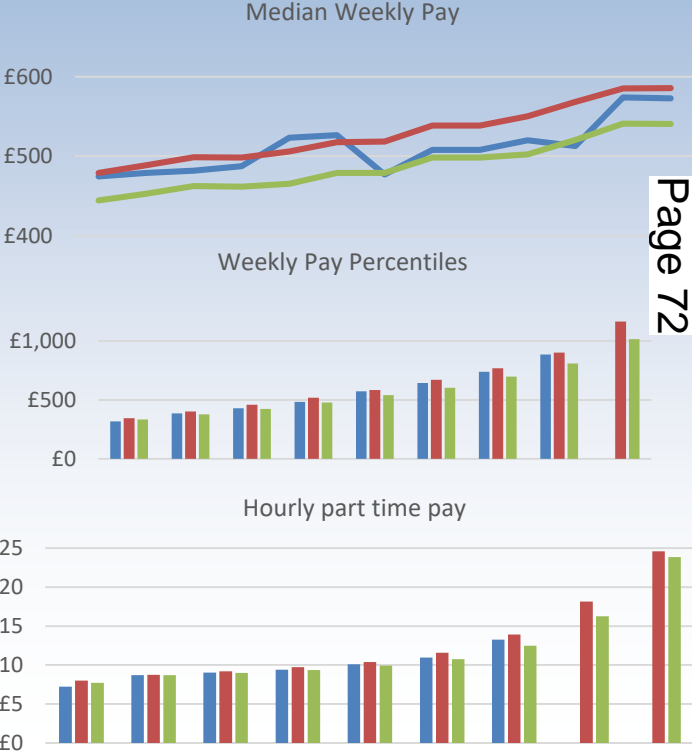
# York is a highly productive city

Productivity per hour worked



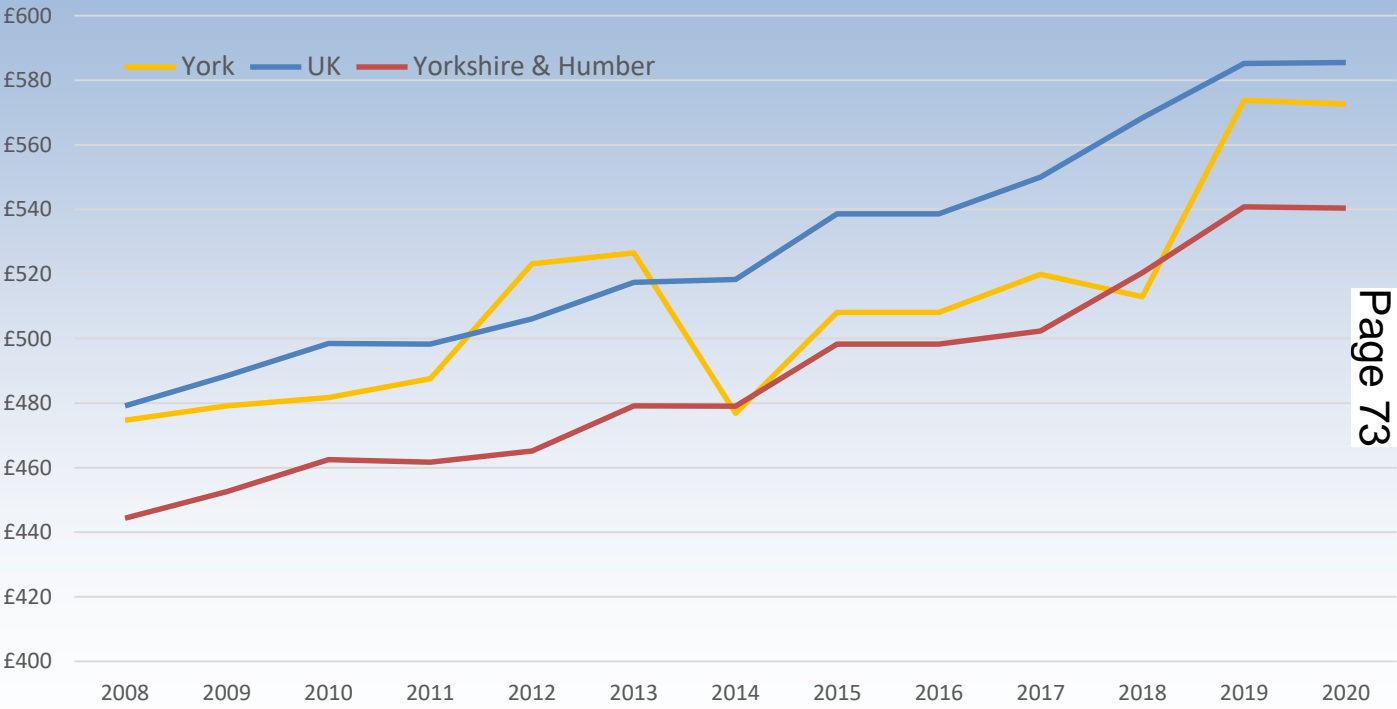
# York is not a low wage city

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



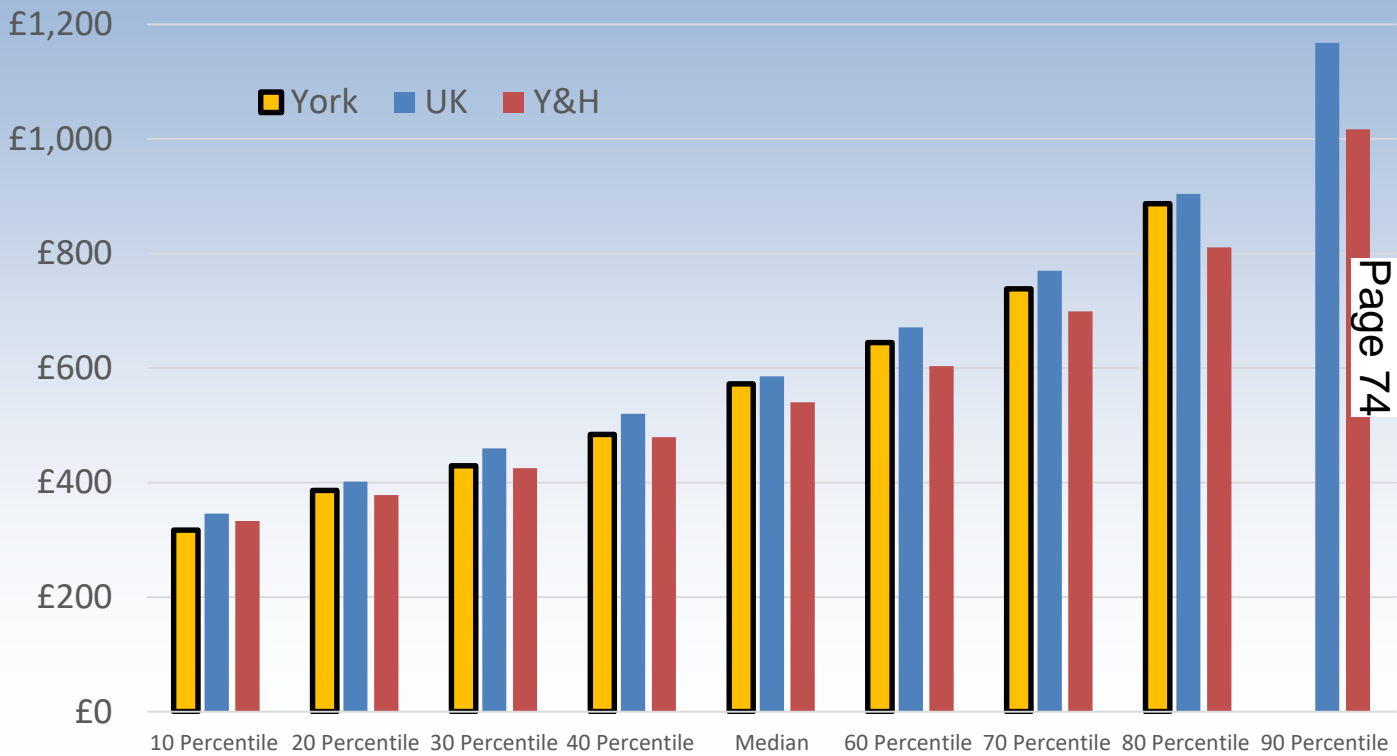


# Full time weekly pay in York is close to the national median



ONS: Annual Survey of Hours and Earnings – 2020 Figures – Median Full Time Weekly Pay (Gross) – York Residents  
To be updated: November 2021

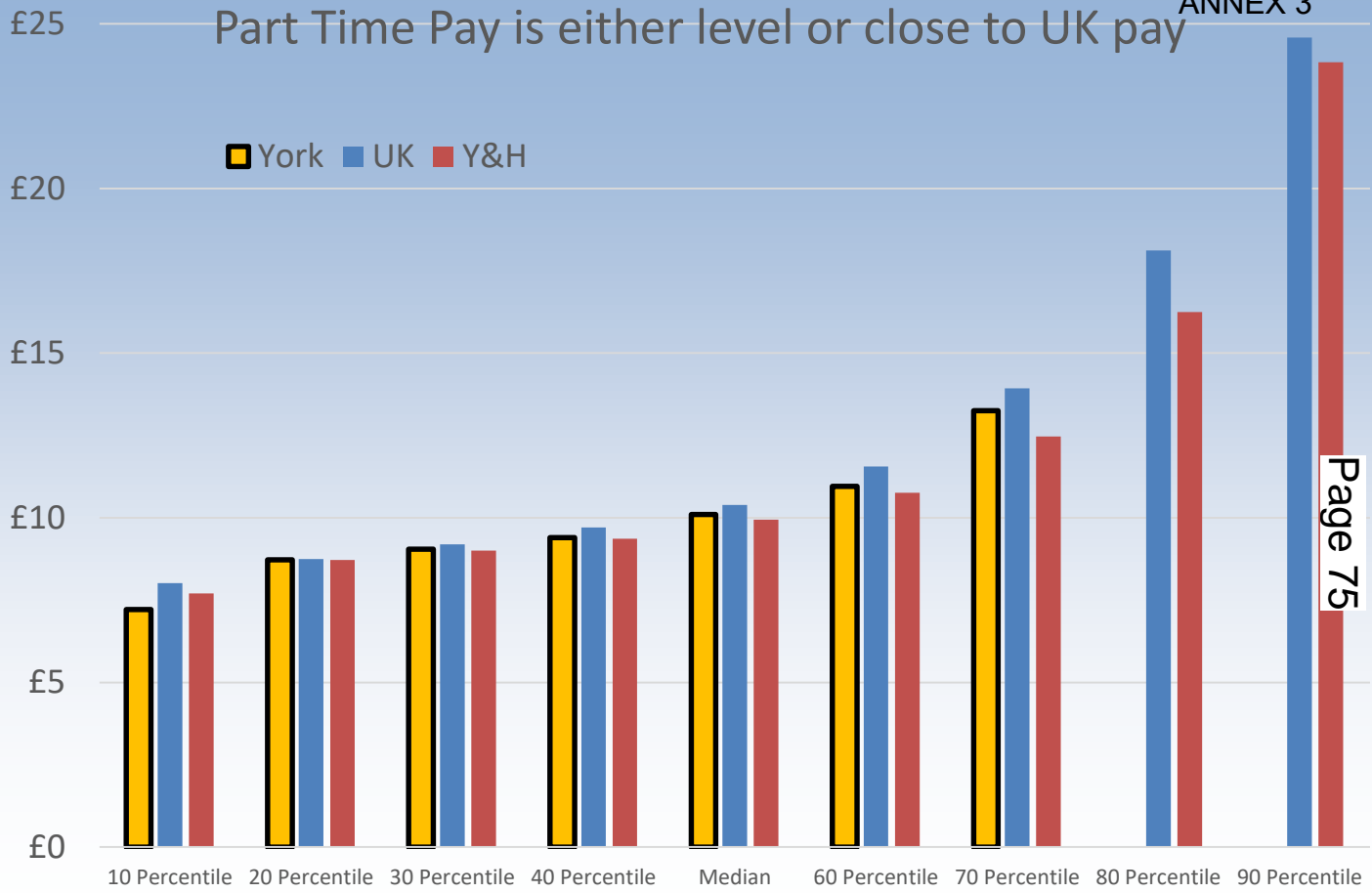
# York's Full Time weekly pay is stronger than the Y&H region and close to UK levels



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ONS: Annual Survey of Hours and Earnings – 2020 Figures – Full Time Weekly Pay (Gross) – York Residents  
To be updated: November 2021

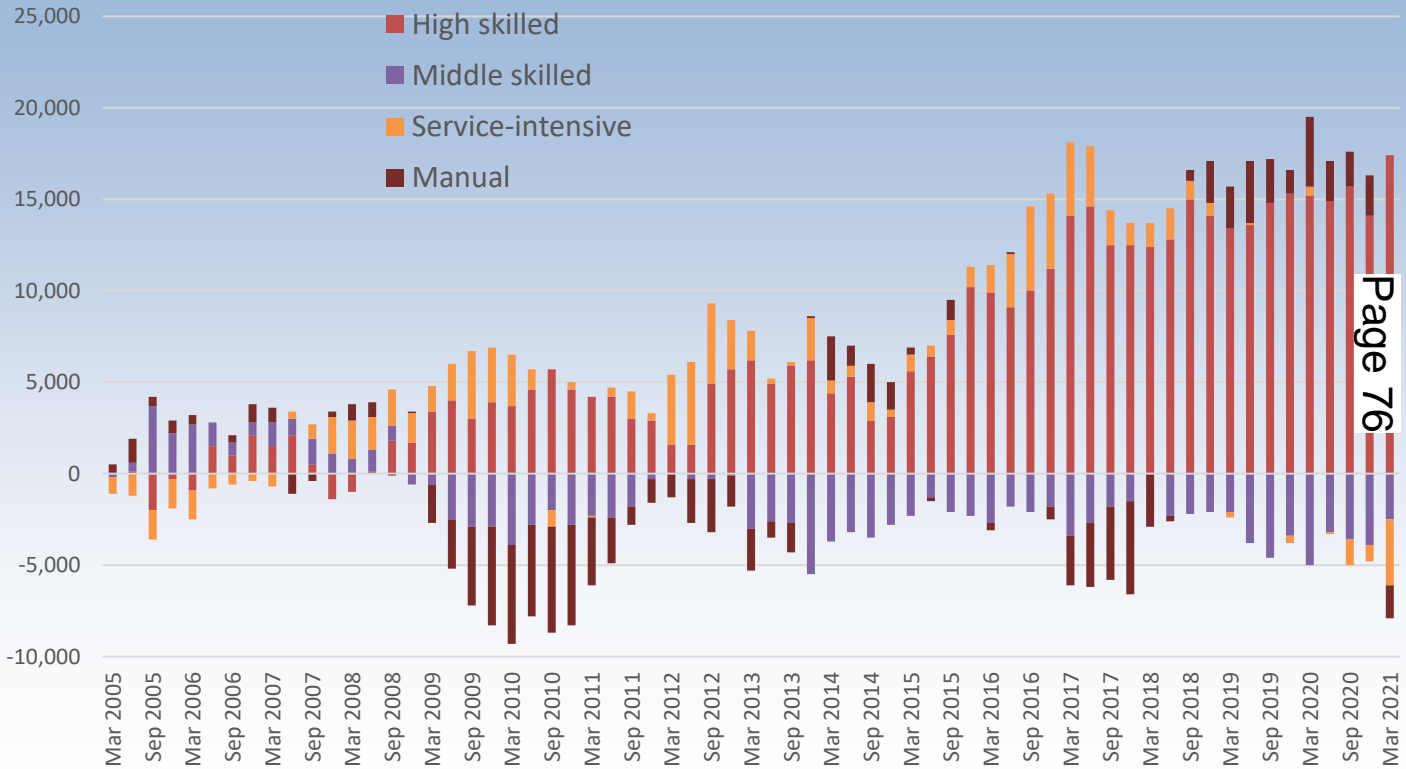
# Part Time Pay is either level or close to UK pay



ONS: Annual Survey of Hours and Earnings – 2020 Figures – Part-Time Weekly Pay (Gross) – York Residents  
To be updated: November 2021

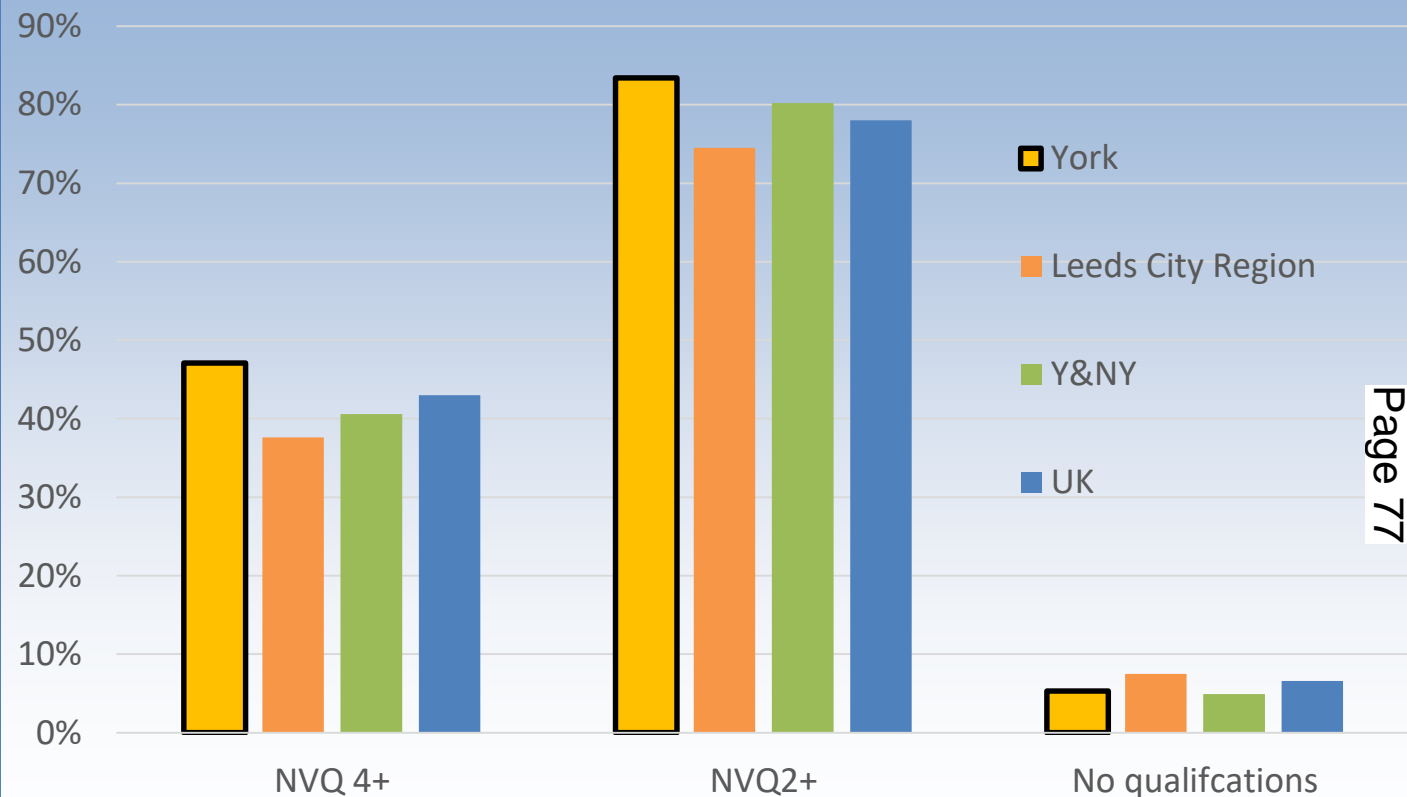
Page 75

# 17,000 high skilled jobs created since 2005



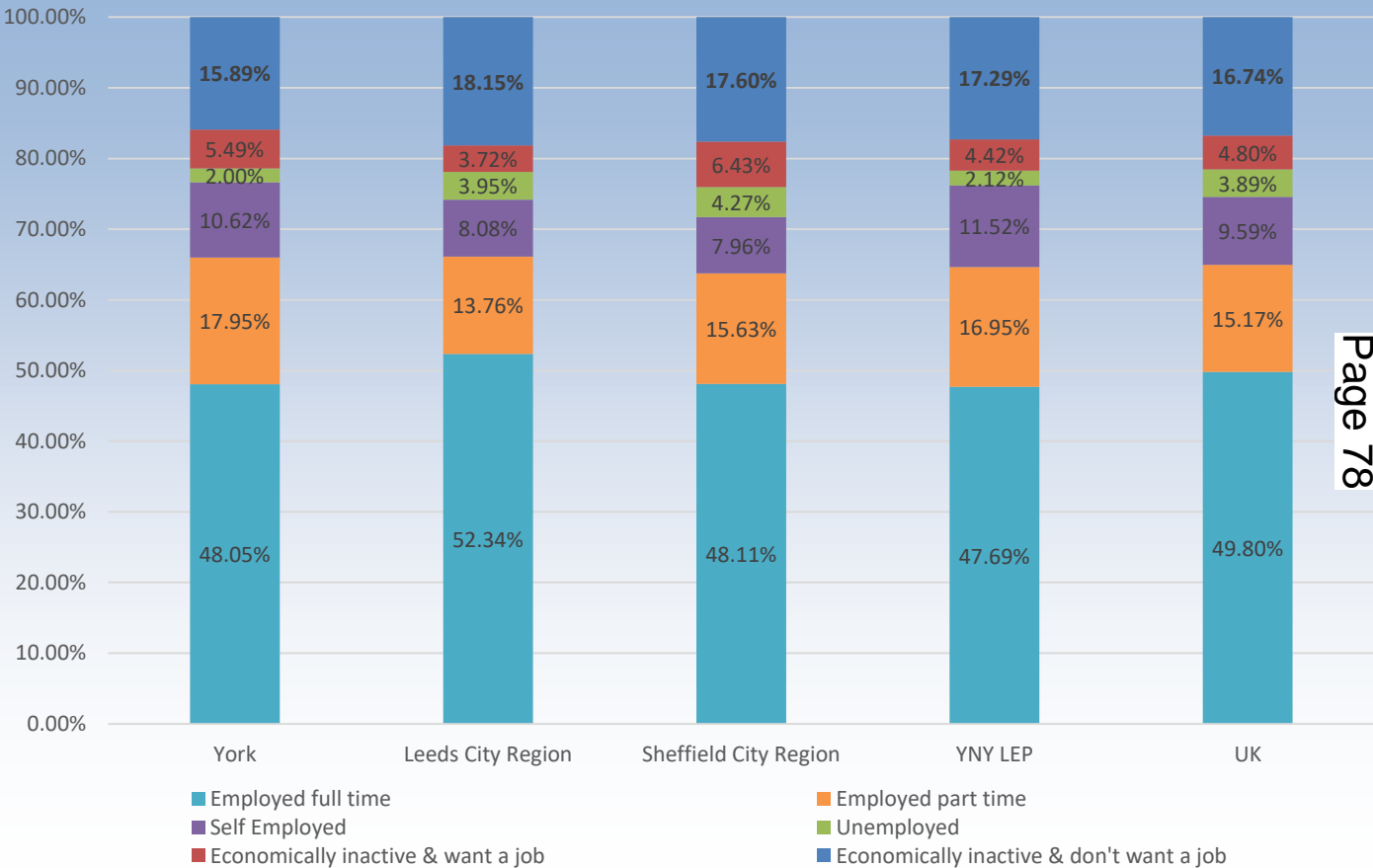
ONS: Annual Population Survey employment by SOC Code (2010)  
To be updated: 12/10/2021

# York is a highly skilled city



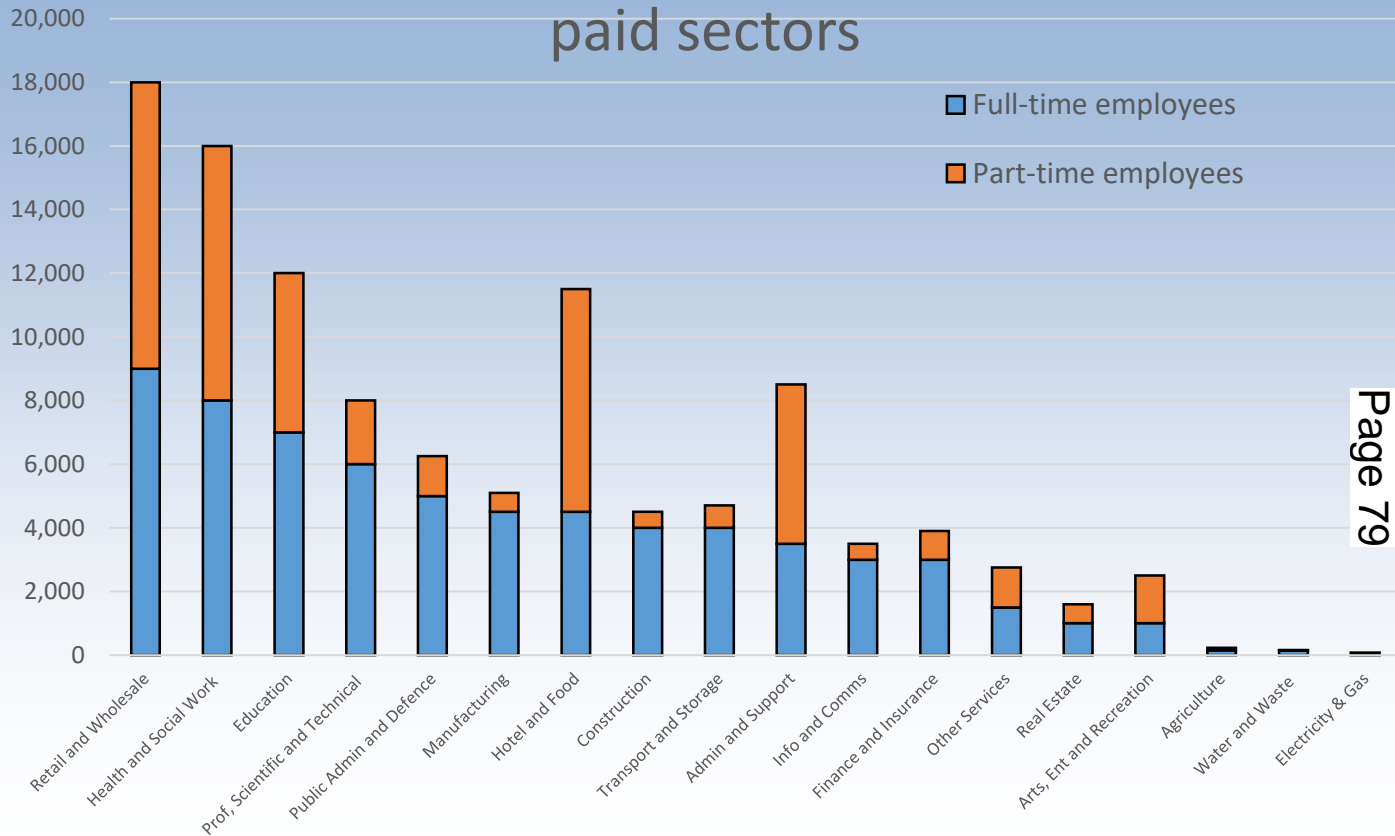
ONS: Annual Population Survey – Jan 2020 – Dec 2020 – % of working age population (16-64)  
To be updated: 12/10/2021

# York has high employment, unlike much of Yorkshire

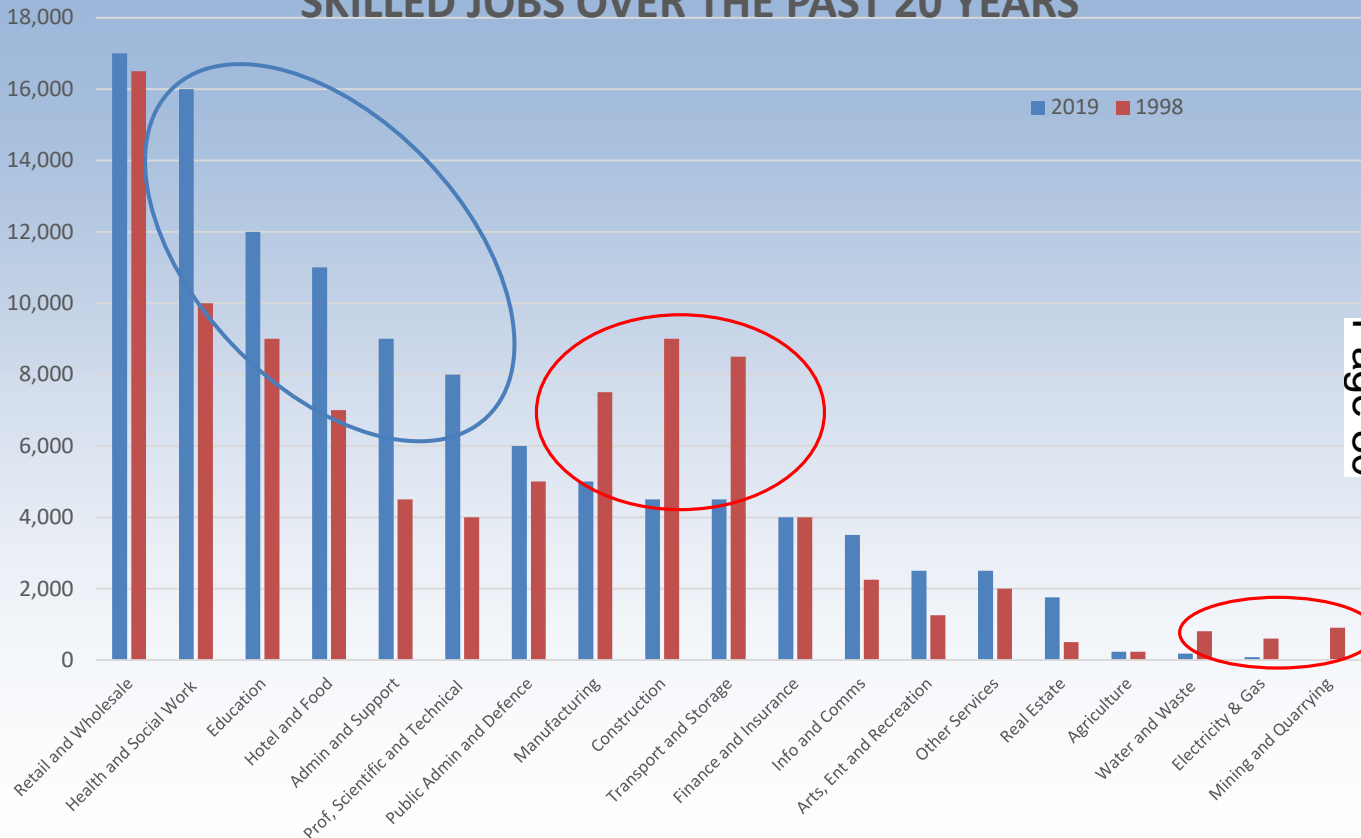


ONS: Annual Population Survey – Jan 2020 – Dec 2020 – % of working age population (16-64), To be updated: 12/10/2021

# But part time work is concentrated in lower paid sectors



# AND WE HAVE LOST 13,000 WELL PAID LOW-MEDIUM SKILLED JOBS OVER THE PAST 20 YEARS ANNEX 3



ONS: Business Register and Employment Survey – Open Access – 2019 – Total Employee Count in York  
 To be updated: 19/10/2021



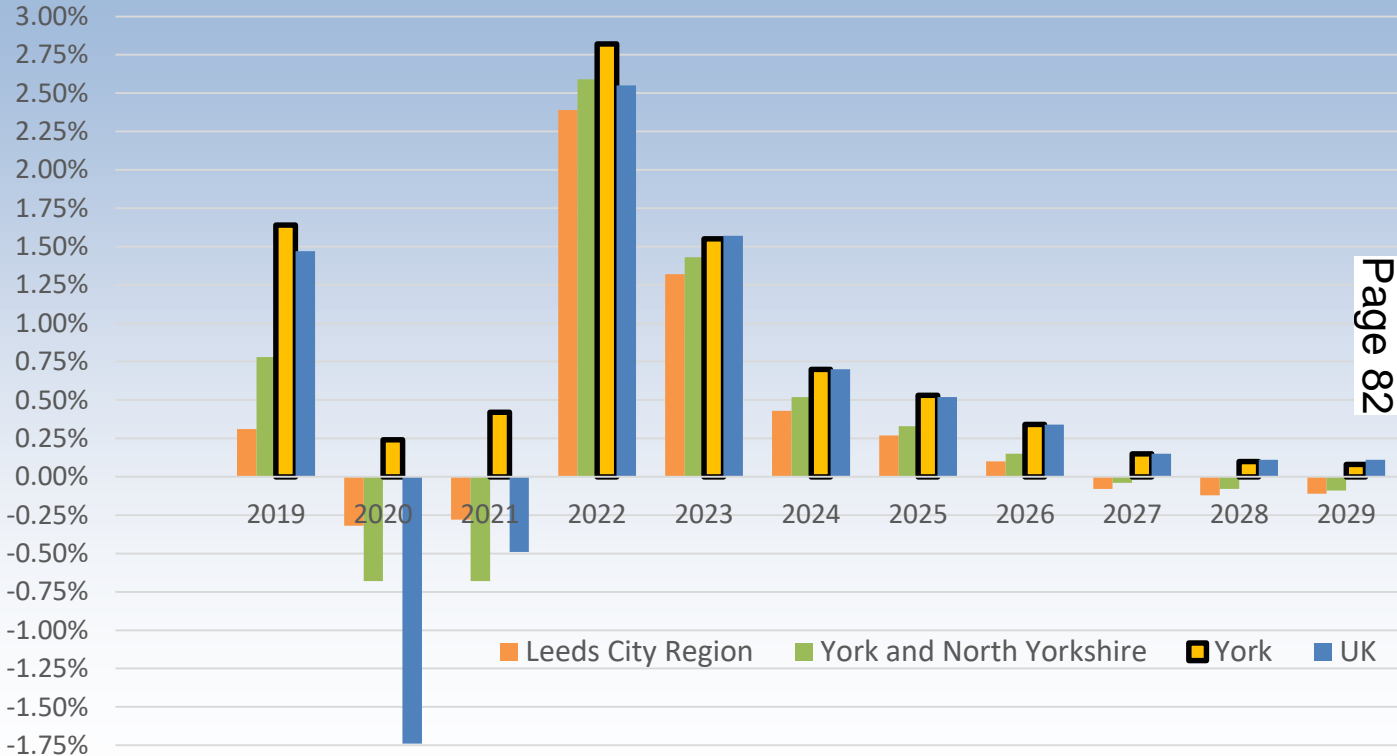
# Employment in York is forecast to continue to grow in the years ahead



Oxford Economics – Total Employment Forecast – Level values – 2019-2029 – Forecast based on data from 28/07/21

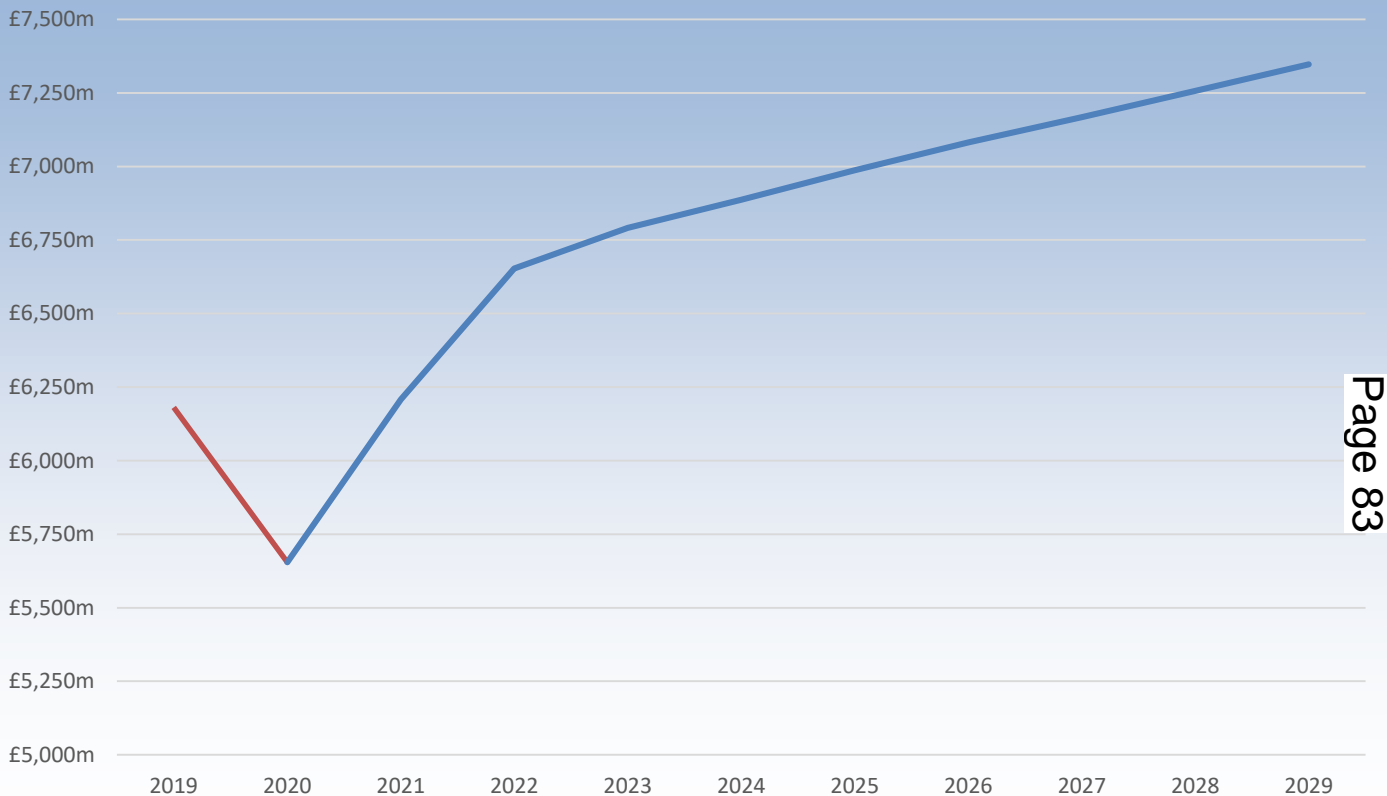
\*2019 are actual figures

# Employment in York is forecast to continue to grow ANNEX 3 in the years ahead

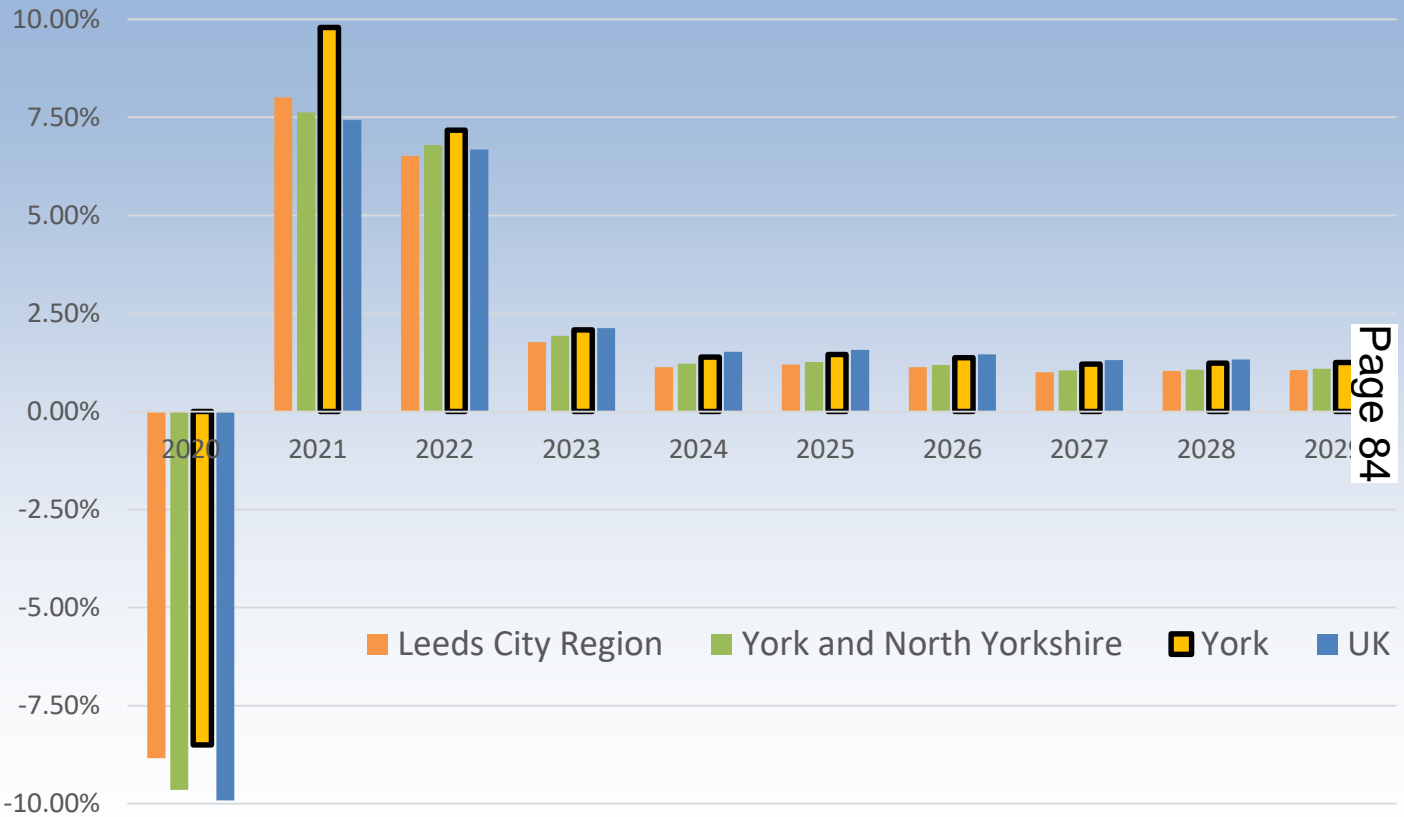


Oxford Economics – Total Employment Forecast – % change Y-o-Y – 2019-2029 – Forecast based on data from 28/07/21  
\*2019 are actual figures

# And GVA will grow too

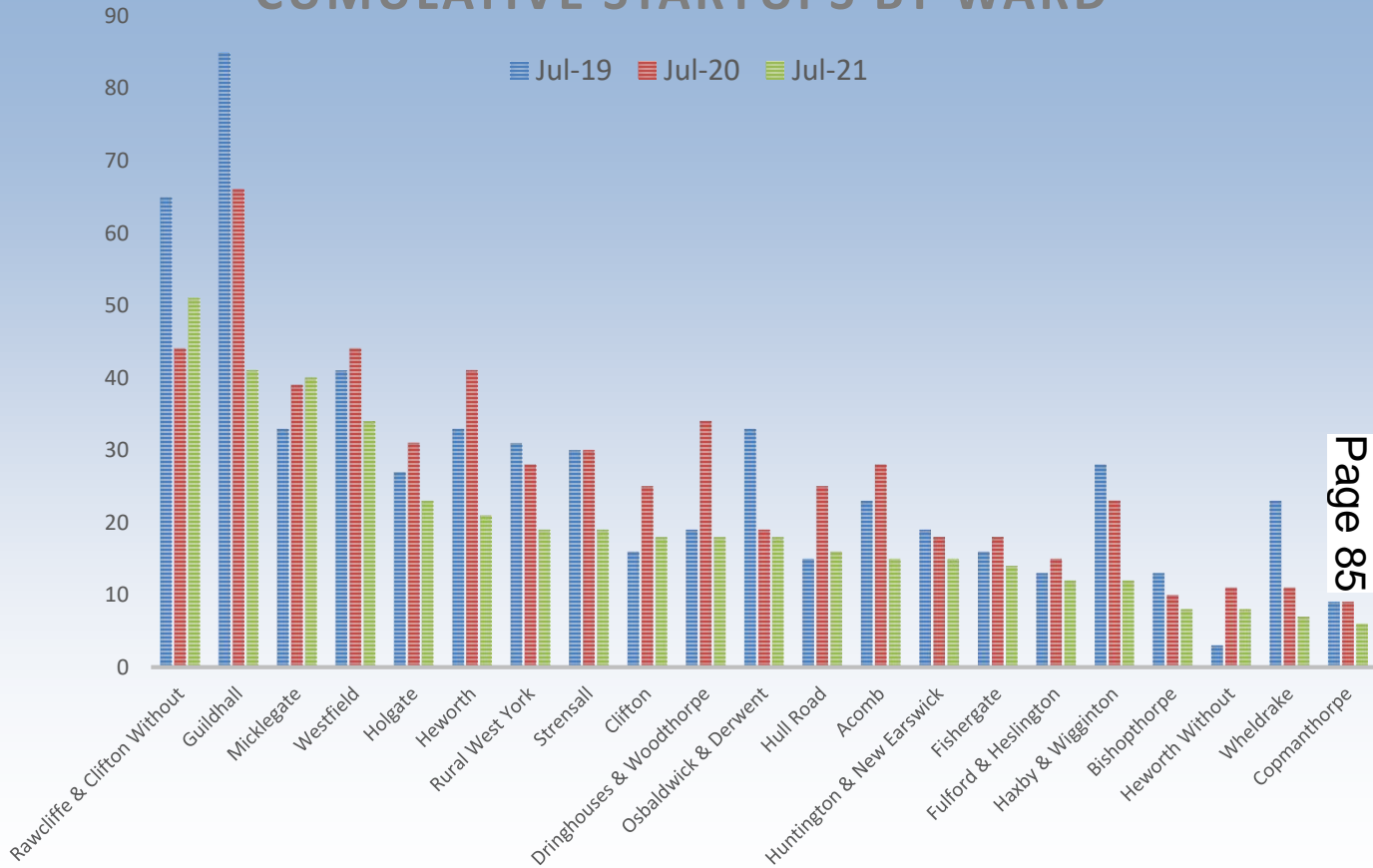


# GVA is forecasted to initially exceed national levels

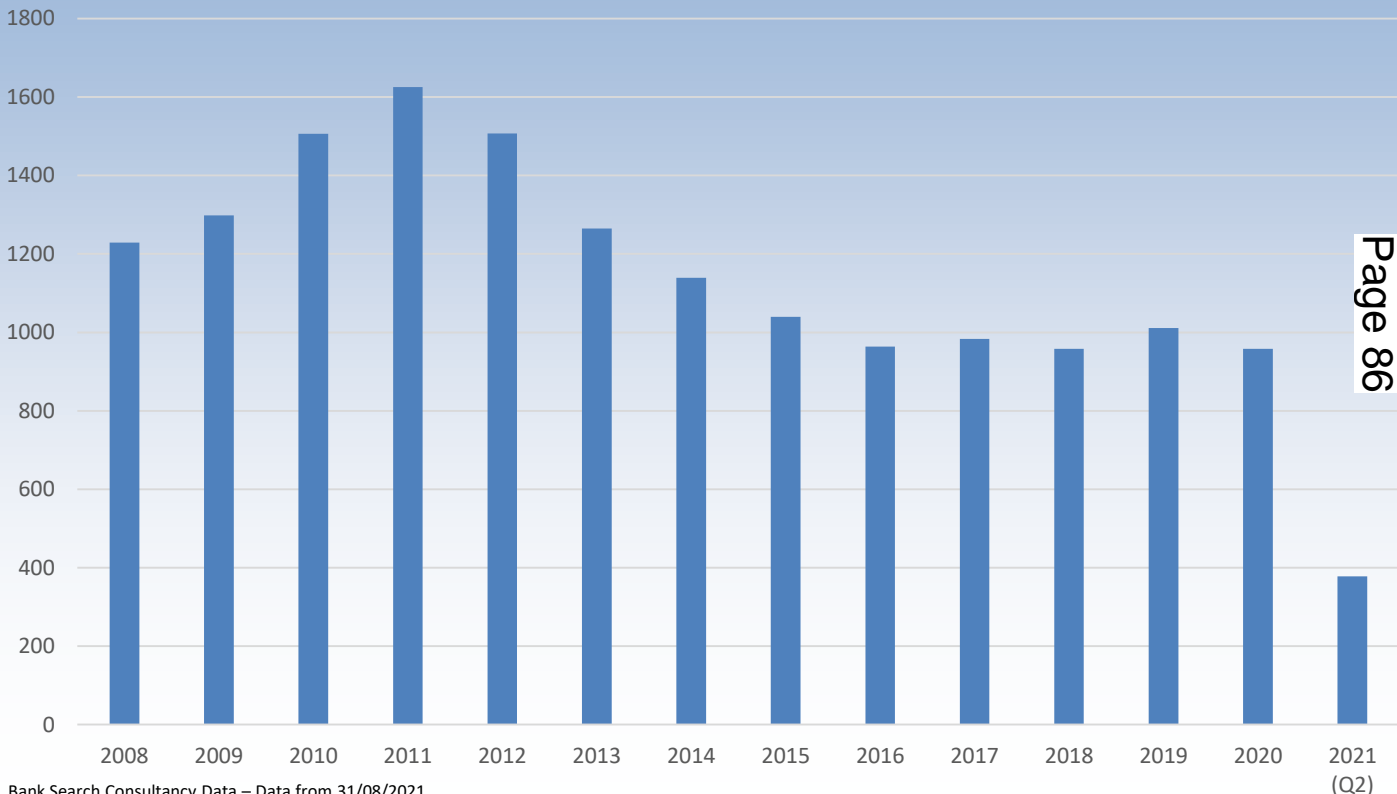


Oxford Economics – GVA Forecast – % change Y-o-Y – 2019-2029 – Forecast based on data from 28/07/21  
\*2019 are actual figures

# CUMULATIVE STARTUPS BY WARD



# Around 1,000 businesses start in York each year



Page 86

Bank Search Consultancy Data – Data from 31/08/2021

To be updated: TBC

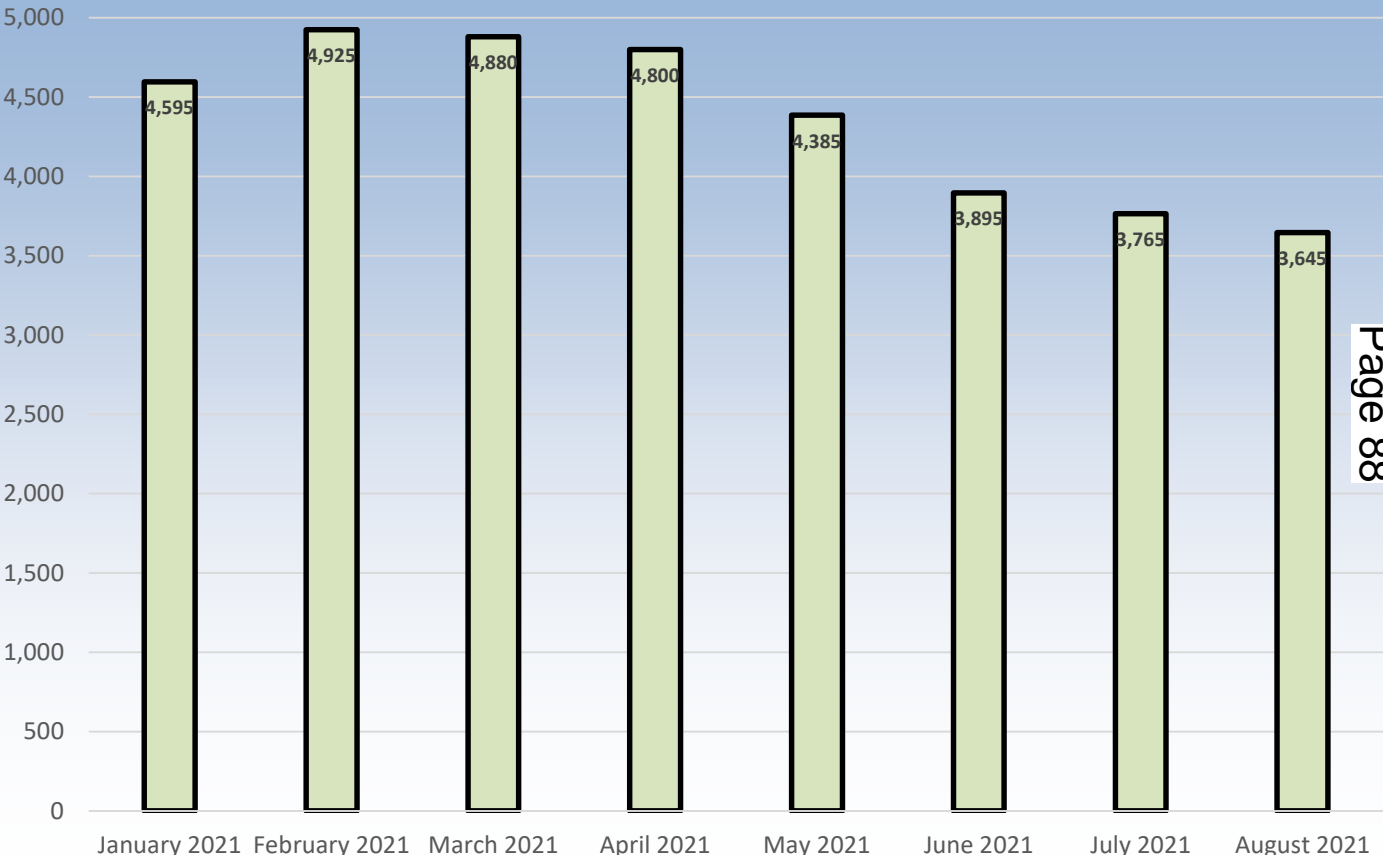
# York's Claimant Count remains high on historical levels



Page 87

ONS: Claimant Count – Total – York  
To be updated: 12/10/21

But, has consecutively fallen the past 8 months!

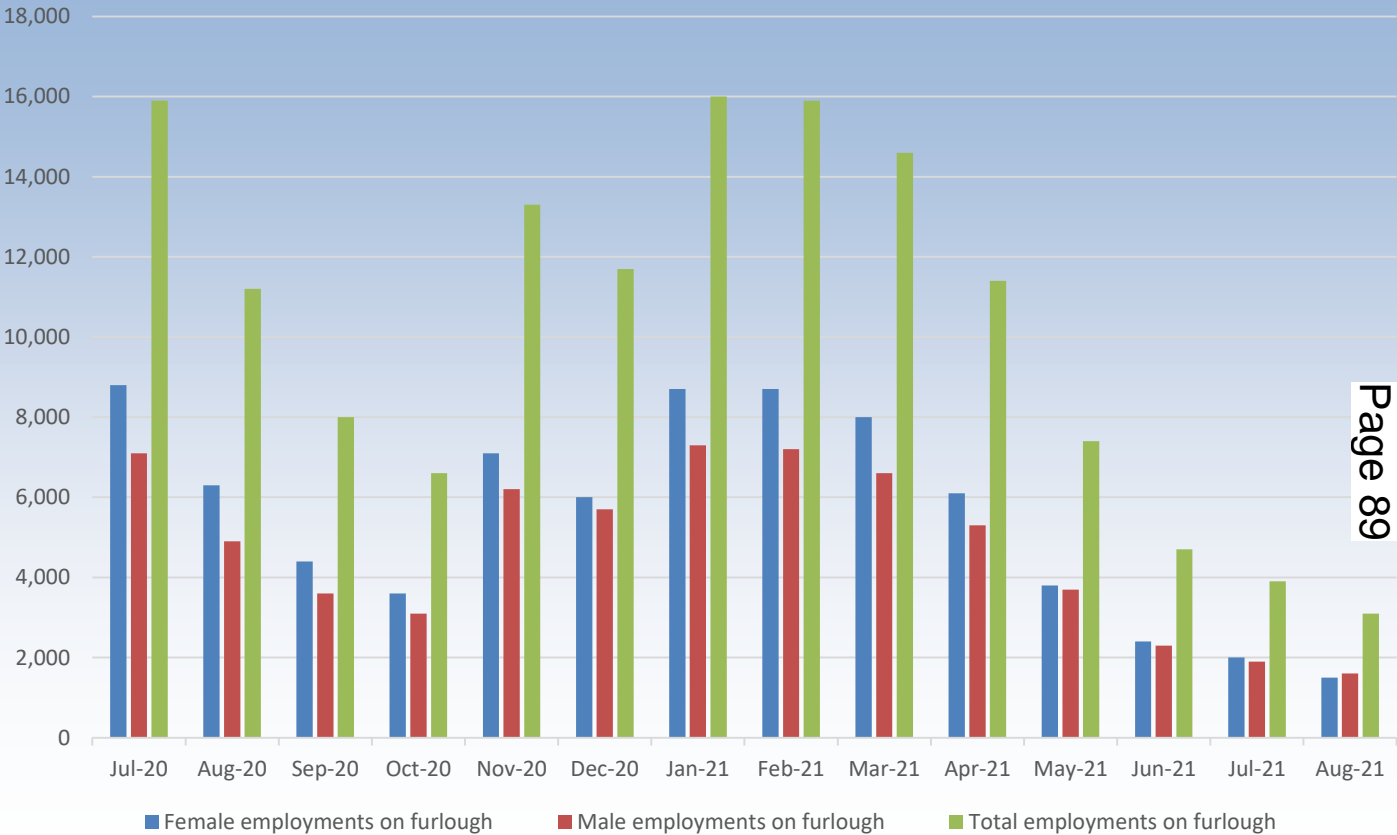


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ONS: Claimant Count – Total – York  
To be updated: 12/10/21

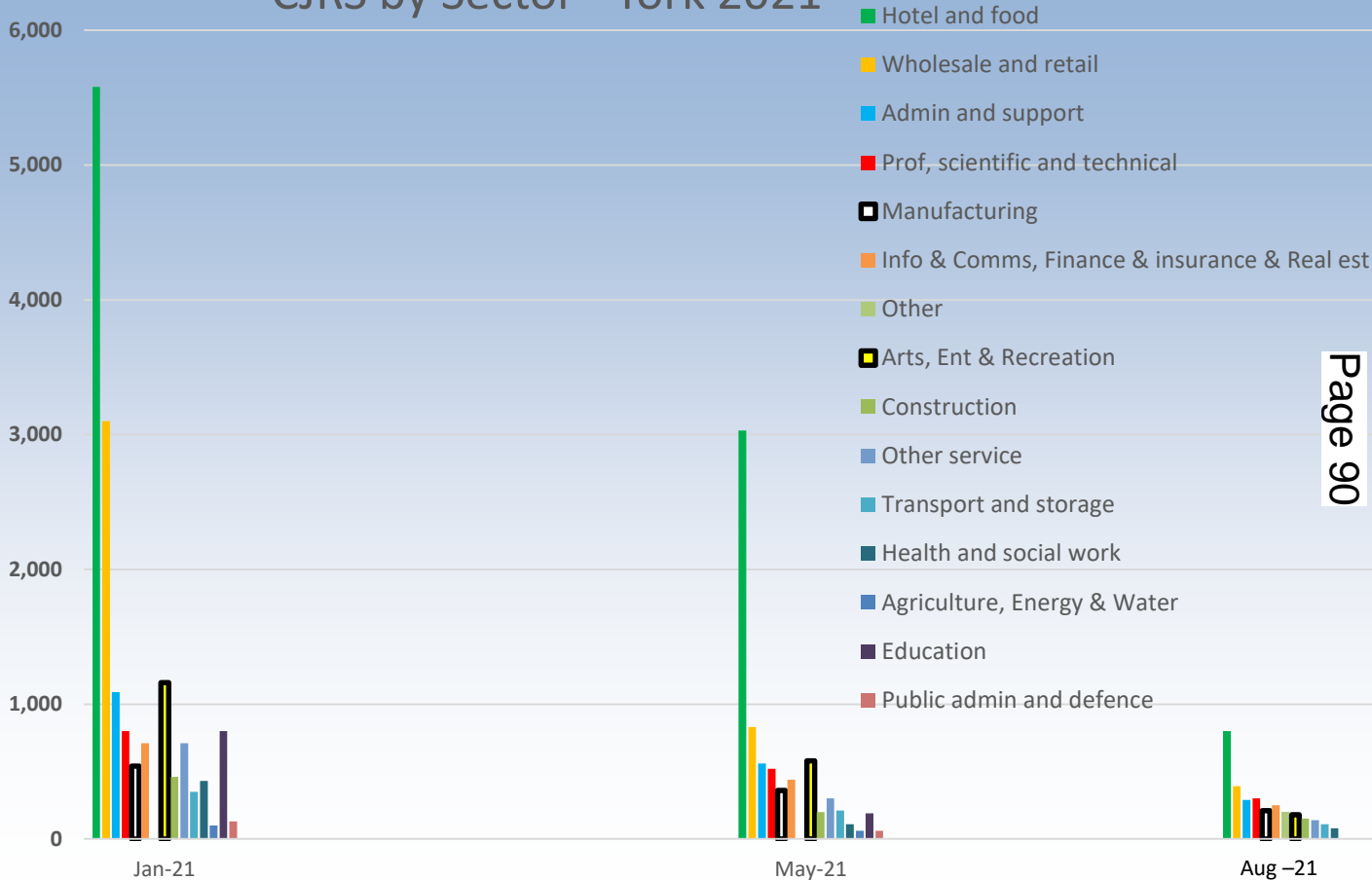


# CJRS in York 2020-21



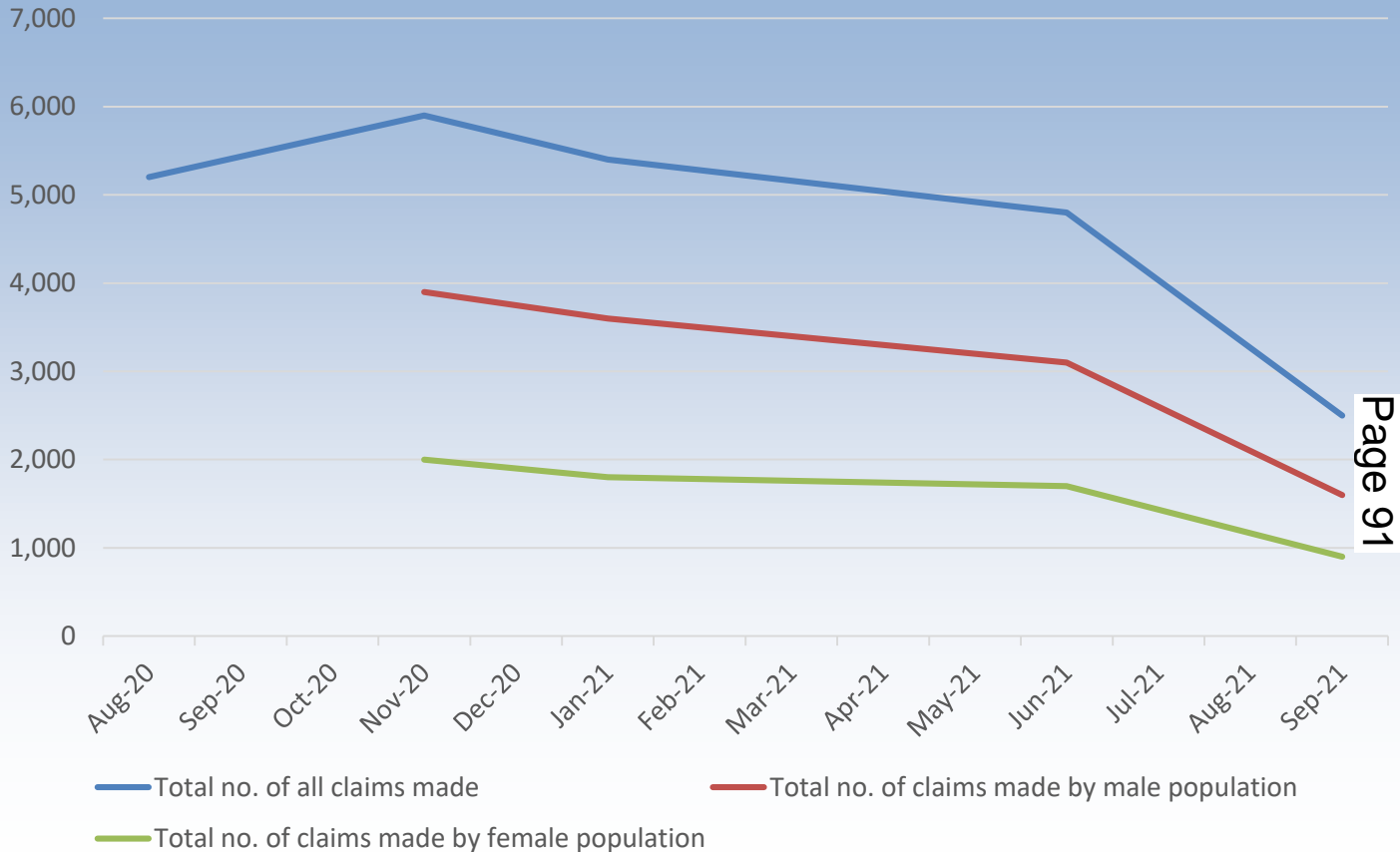
HMRC: Coronavirus Job Retention Scheme – \*August 2021 data is provisional  
To be updated: TBC

# CJRS by Sector - York 2021



HMRC: Coronavirus Job Retention Scheme – \*August 2021 data is provisional  
To be updated: TBC

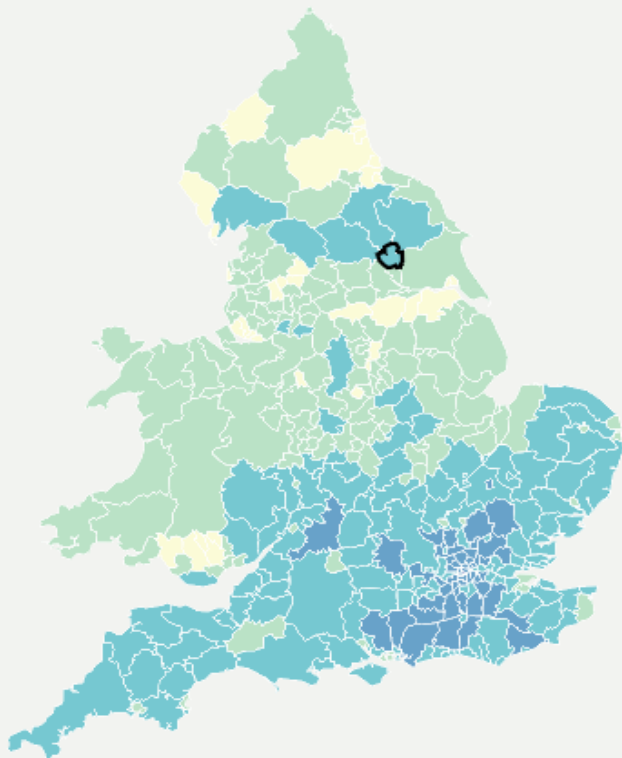
# SEISS in York 2020-21



Page 91

HMRC: Self-Employment Income Support Scheme – \*September 2021 data is provisional  
To be updated: TBC

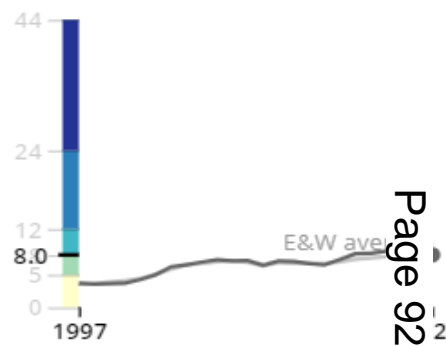
2020



+  
-

York ANNEX 3

Property price to earnings ratio

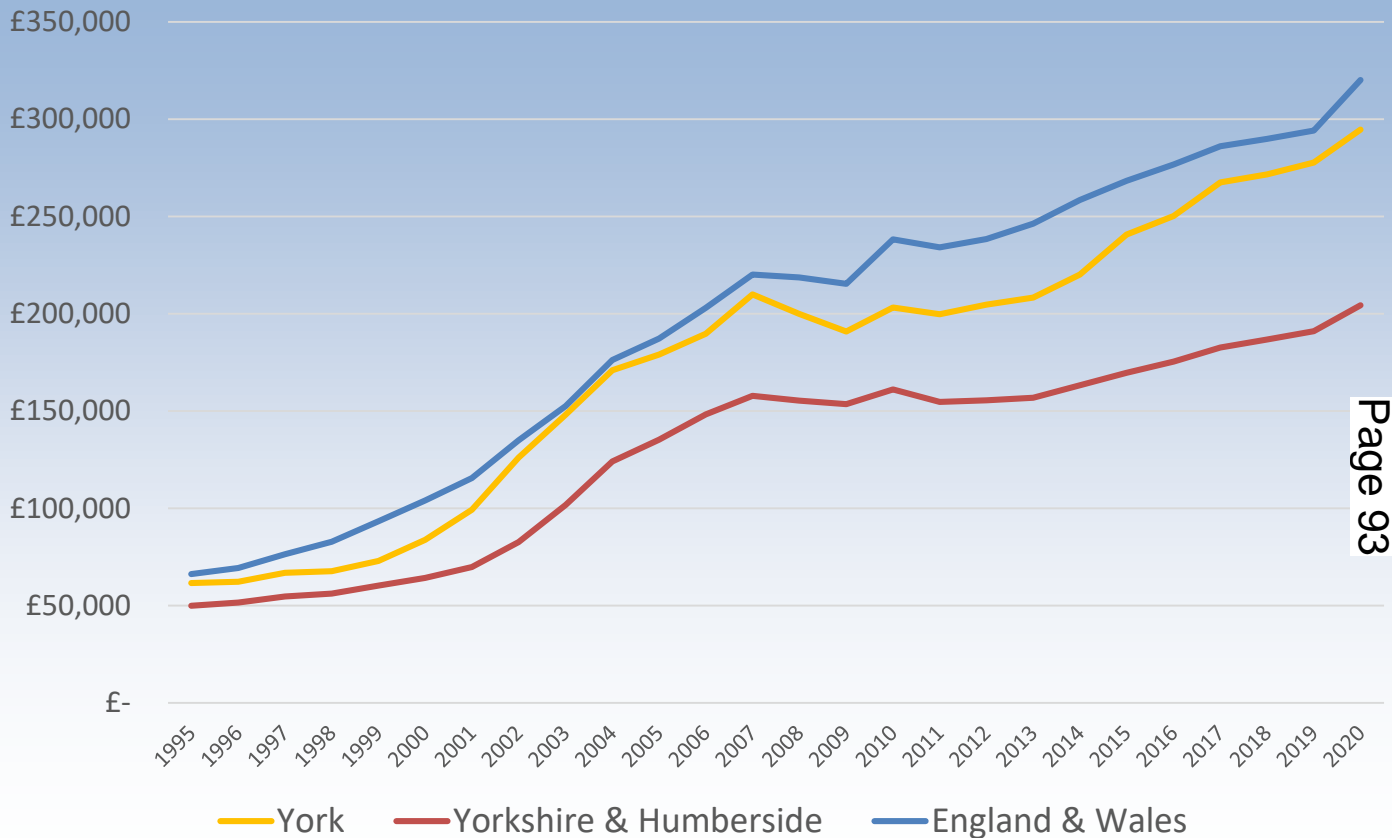


York's housing affordability is at UK average levels, but compares poorly to much of the north

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Source: House Price Statistics for Small Areas and Annual Survey of Hours and Earnings, ONS

# York house prices remain close to the UK average



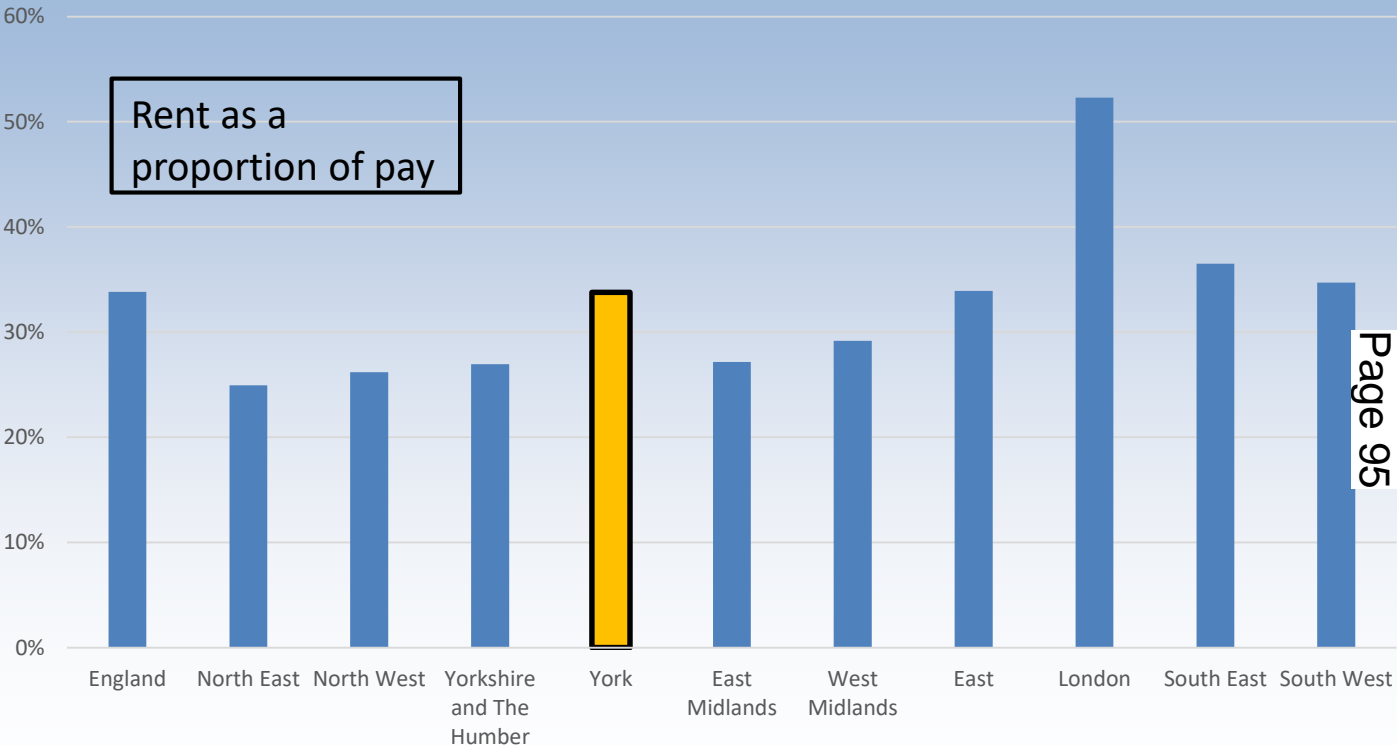
# York's rental costs are like the south of England



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ONS - Private rental market summary statistics in England – April 2020 to March 2021  
To be updated: December 2021

# York rents are among the least affordable in the North of England



Rent as a proportion of pay

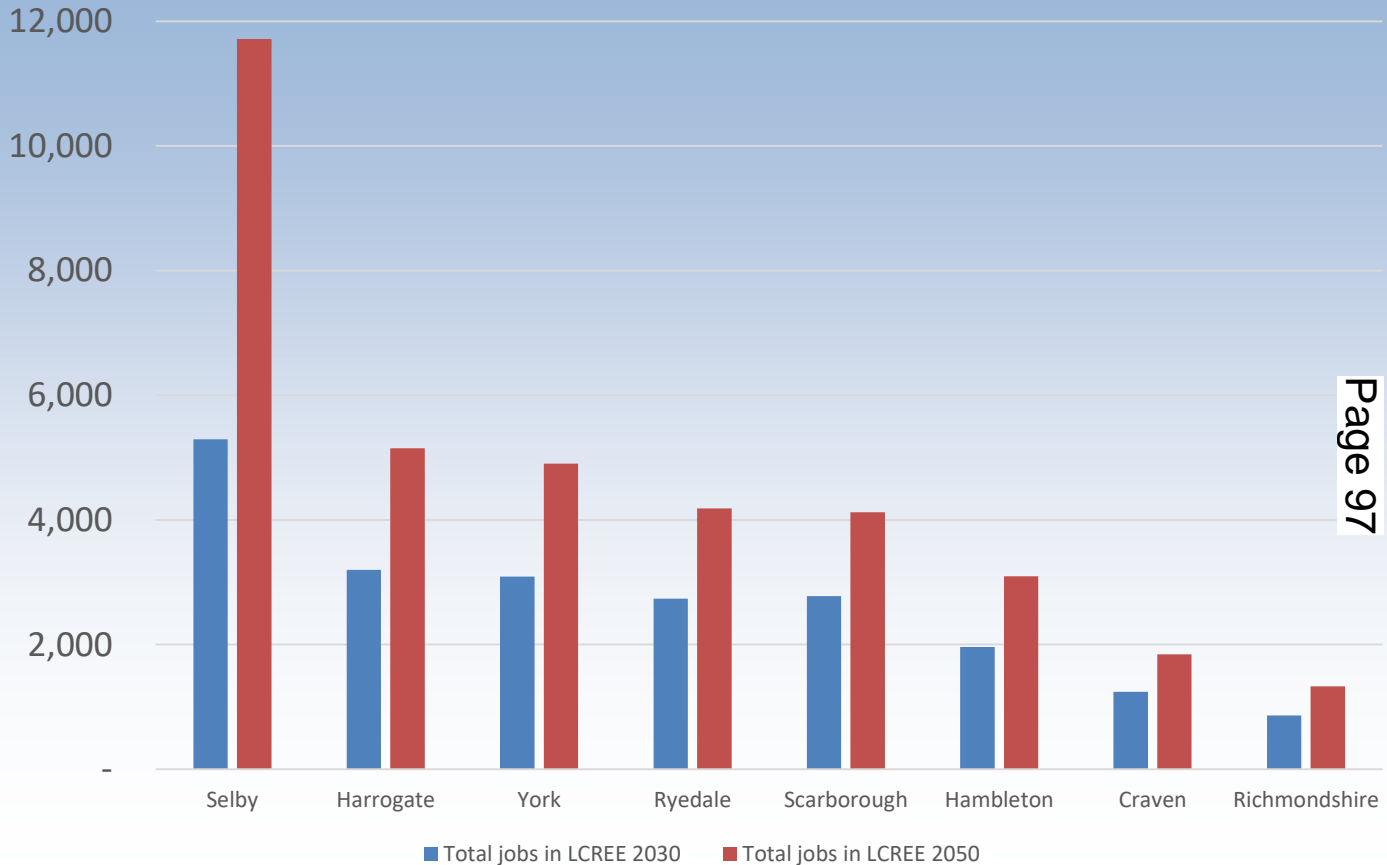
Page 95

ONS: Annual Survey of Hours and Earnings (2020) – FT Median Gross Weekly Pay  
ONS: Private rental market summary statistics in England – April 2020 to March 2021 Data – Overall mean of rent  
To be updated: November & December 2021

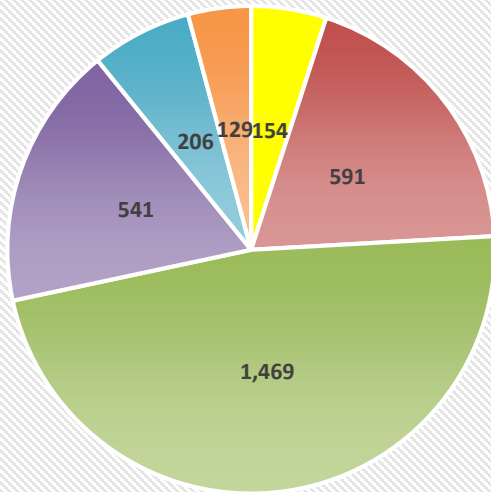
- In 2018 there was 185,000 full-time jobs in England's LCREE
- By 2030 there could be 694,000 jobs
- By 2050 there could be 1.18 million jobs





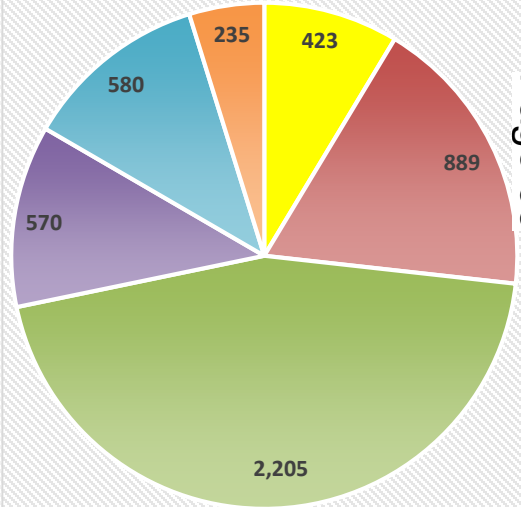


## York 2030



- Estimated jobs in Low-carbon electricity
- Estimated jobs in Low-carbon heat
- Estimated jobs in Alternative fuels
- Estimated jobs in Energy Efficiency
- Estimated jobs in Low-carbon services
- Estimated jobs in Low emission vehicles & infrastructure

## York 2050

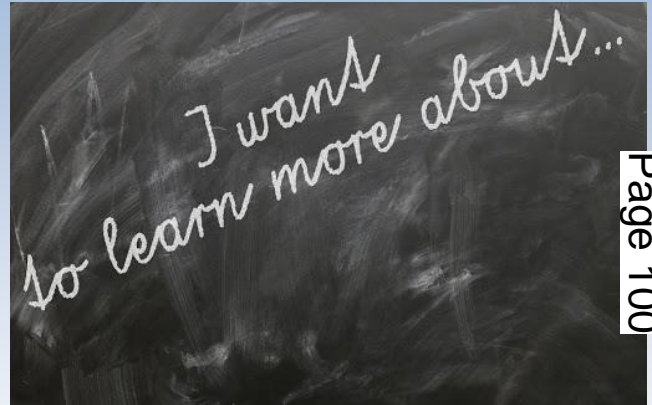


# So what do we know?

- Wages are not the whole story
- High employment but limited options for many
- High skills but limited opportunities for many
- In work poverty and insecure employment are issues
- Part time work options are limited
- Housing affordability can be challenging
- Many people do not feel well-off!
- The green economy represents a real opportunity for York.

# What do we need to know more about?

- 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



## Developing York's new Economic Strategy: Headline Commitments

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### Priority 1

## An economy powered by 'good' business

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- Embedding responsible business practices in line with the Good Business Charter's 10 components for ethical capitalism
- Businesses supported to decarbonise and make a positive contribution to the city's net zero-ambitions
- Supporting businesses to act as place leaders in their community
- More work experience, internships and apprenticeship opportunities created to enable young talent to thrive

### Priority 2

## Creating the right conditions for sustainable growth

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- Local businesses and entrepreneurs receiving high quality advice to support resilience, growth and prosperity
- Businesses placed at the heart of city-wide plans to develop a strong pipeline of local talent
- Access to affordable, good quality workspace to support business growth and job creation
- Facilitating business to business connections to support York's economy

### Priority 3

## A thriving local workforce

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- Access to training and upskilling for all
- More apprenticeships at higher levels and in STEM
- Broadening part time job opportunities across York's economy, creating more career opportunities in better paid jobs
- More links between businesses, FE and HE to help young people thrive

### Priority 4

## A globally-connected city

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- Support for businesses to take advantage of new trade opportunities and expand in new markets
- Maximise existing academic, civic and business links between York and the rest of the world for the benefit of trade, investment and local job creation
- Promote academic R&D strengths to attract private sector investment and boost job creation
- Act as a focal point for inward investment across the region, capitalising on the city's economic assets and internationally-recognised brand.

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**Decision Session – Executive Member for  
Economy and Strategic Planning****20 October 2021**

Report of the Assistant Director, Education and Skills

**Apprenticeships Update****Summary**

1. Apprenticeships, alongside a number of other training and development schemes, are playing an important role in supporting the city's economic recovery from the COVID-19 pandemic, providing opportunities for those entering the workforce or who need to reskill or upskill.
2. The council's Apprenticeship Hub has continued to maintain a high profile and promote information, advice and guidance for people and businesses in the city, as well as signposting to the apprenticeship vacancies. Additional activity for the team has included launching the council's Apprenticeship Levy Transfer Scheme, developing a suite of apprentice and employer case studies, reviewing the York Apprenticeship Offer (YAO) to schools, participating in *Learning in York Week* and informing a feature article in York Press.
3. The Hub continues to provide free advertising for recruiting employers and support for individuals via a weekly e-newsletter (nearly 500 young people, parents and advisers on mailing list), virtual recruitment events and regular Facebook posts (2,342 followers with potential post reach of up to 15,000).
4. Targeted activity to support young people included a Facebook Live event for school leavers, which received more than 650 views. The Skills Team continues to work with local secondary schools, colleges and other partners to promote apprenticeship opportunities (section 36) and connect those who may decide to leave full time education with appropriate (Level 2 and 3) apprenticeship vacancies.
5. In the first three quarters of 2020/21 (August 2020 – April 2021), 800 York residents commenced an apprenticeship including 180 young people, aged 16-18. This brings the total number of apprenticeships being undertaken by York Residents to more than 2,100.

6. 800 new starts in York for the first three quarters of 2020/21 equates to 82% of the full-year starts in York during 2019/20. This is comparable with the national Q3 2020/21 performance, which equates to 78% of the full-year starts in England during 2019/20.
7. During the past six months, the number of advertised apprenticeship vacancies within a 15 mile radius of York has increased three-fold, reaching a peak of 250 over the summer and has since settled at around 200 vacancies (across 180 adverts) per week.
8. The easing of Government restrictions and increased financial incentives up to 31 January 2022 (previously September 2021)\*, has encouraged a growth in apprenticeship opportunities at all levels and sectors including retail, hospitality and tourism. However, employers are reporting an insufficient supply of applicants to fill these apprenticeship vacancies.
9. This has also been the council's experience, with some of its recent 14 apprenticeship vacancies having been re-advertised due to a low number of applications.

Information on job vacancies (including apprenticeship vacancies) at the council can be found on the council's website: <https://jobs.york.gov.uk/>

The York Apprenticeship Hub can also help individuals or businesses wanting to find out more about apprenticeships in York  
email: [york.apprenticeships@york.gov.uk](mailto:york.apprenticeships@york.gov.uk) or write to: Apprenticeship Hub, West Offices, Station Rise, York, YO1 6GA

10. Despite these challenges, the council continues to actively recruit new apprentices into the organisation and offers a diverse range of apprenticeship standards at levels 2 to 6. This proactive approach included a successful apprenticeship campaign to recruit a stonemason, welder, joiner, business administrators and public health apprentices into the council.
11. Apprenticeships remain an integral part of the council's strategy to support succession planning and upskilling the existing workforce. As of 30 September, there were 53 active apprenticeships within the council's existing workforce, compared with 34 in April 2021. Overall the council's levy spend on apprenticeship training during April – September 2021 was 32% more than for the same period in 2020.

\*national apprenticeships grant of £3,000 for hiring a new apprentice of any age, plus the existing £1,000 if the apprentice is aged 16-18 or up to 25 with an Education, Health or Care Plan or care leaver.



12. Since April 2021, 32 Expressions of Interest (EOIs) were submitted and approved by the council's Apprenticeship Task Group and School Apprenticeship Panel for new apprenticeships within the council and Local Authority Maintained Schools.
13. The HR and Skills teams have also worked with the Apprenticeship Task Group to launch and facilitate the council's Apprenticeship Levy Transfer Scheme. As a result, a total of six applications for levy transfer have been approved, ring-fencing £75,000 for local businesses over a potential maximum of 39 months.
14. The council's levy transfer is therefore having a further positive impact by enabling local businesses (large and small) to make use of any unallocated apprenticeship levy funding and provide opportunities for those newly entering the world of work, or who need to reskill or upskill.
15. Whilst the amount of levy in the account and how much expires can fluctuate for a number of reasons, the overall direction is a decrease in expired funds each month, aligned with an increased take up of apprenticeships within the council, Local Authority Maintained schools and local SMEs.

### **Recommendation**

16. The Executive Member is asked to note the content of this report.

Reason: To continue to encourage the creation of apprenticeship opportunities in York, by supporting local businesses to access available funding and to support routes to employment for local residents.

### **Background**

17. At his decision session on 24 November 2020, the Executive Member for Economy and Strategic Planning approved the City of York Council's Apprenticeship Levy Transfer Strategy. This included the framework through which local micro, SME, public sector and VCSE organisations can apply to receive a transfer of levy funding from the council, and the criteria for assessing applications.
18. A subsequent skills and employment report, which included an update on the apprenticeship support available for businesses and residents in York, was provided to the Executive Member at his Decision Session on 22 December 2020.
19. At his Decision Session on 27 April 2021, the Executive Member received a comprehensive paper on apprenticeships and requested six-

monthly updates. This report updates the Executive Member on apprenticeship activity in York from 1 April to 30 September 2021 (inclusive), covering:

- the work of the impartial Apprenticeship Hub
- use of apprenticeships to support skills development within City of York Council's existing workforce
- the support provided to local businesses through the council's Apprenticeship Levy Transfer Scheme
- updates from the Education and Skills Funding Agency (ESFA).

### Apprenticeships in York

20. As reported in April 2021, the local apprenticeship market had begun to show signs of recovery, with around 60 adverts listed for apprenticeship vacancies within a 15 mile radius of York per week. This was a welcome increase from the low of 20 per week which was seen at the start of the pandemic (March 2020).
21. During the past six months, the market has continued to recover well and the number of advertised apprenticeship vacancies within a 15 mile radius of York has surpassed the pre-pandemic average of 80 per week. During the peak in July 2021, there were around 250 apprenticeship vacancies, with the number now having settled at around 200 vacancies (across 180 adverts) per week.
22. This renewed confidence aligns with the easing of restrictions in line with the Government's roadmap and the Apprenticeship Hub's work to promote the support available to businesses locally, including the national financial incentives and the council's own Levy Transfer Scheme (section 59).
23. Encouragingly, the most impacted sectors of retail, hospitality and tourism account for over 50% of the advertised apprenticeship opportunities in York (prior to March 2020, these sectors accounted for around 30% of the local apprenticeship market).
24. However, these sectors along with those that remained the most resilient during the past 12 months (childcare, early years, construction pharmacy and dental nursing), are reporting that there is an insufficient supply of applicants to fill current apprenticeship vacancies.
25. The reasons for this vary between sectors and across apprenticeship levels but feedback from individuals, employers and training providers includes:
  - A continued perception that career pathways within sectors that remain susceptible to future lockdowns are less secure;

- The buoyancy of the local job market may make a job without training but higher salary more attractive than an apprenticeship;
  - It's unclear how many of the people on the Government's furlough scheme (to 30 September 2021) would otherwise be applying for an apprenticeship;
  - Fewer young people in York have taken the apprenticeship route, choosing to remain in Further or Higher Education – influenced by the reduced number of apprenticeship vacancies seen in the first half of 2021 and the continuation of Centre Assessed Grades.
26. Whilst the number of apprenticeship vacancies in York is recovering, the Skills Team continues to predict a reduction in the overall number of apprenticeship starts in York for 2020/21, when compared with 2018/19 (the last full reporting year not affected by the pandemic) and in particular, the number of apprenticeship starts for 16-18 year olds.
27. At the end of Quarter 3 2020/21 (April 2021), Government data\*\* shows there were 2,170 apprenticeships being undertaken by York Residents, with 800 of these having commenced during the first three quarters of 2020/21 (August 2020 to April 2021 inclusive).
28. The number of apprenticeship starts is commensurate with the impact that national restrictions have had on employers, learners and training providers during the pandemic. It's therefore anticipated that the final figure for new apprenticeships started in the full-year 2020/21 will be similar to that in 2019/20 (970) but remain lower than in 2018/19 (1,340).
29. 800 new starts for the first three quarters of 2020/21 equates to 82% of the full-year starts for York during 2019/20. This is comparable with the national Q3 2020/21 performance, which equates to 78% of the full-year starts in England during 2019/20.
30. Encouragingly, there appears to have been a good spread of apprenticeship starts across the three levels - Intermediate (230), Advanced (300) and Higher (270) to the end of quarter 3 2020/21. However, it's worth noting that half of the total number of starts were by people aged 25 or older.
31. Of the 2,170 apprenticeships being undertaken by residents in York, 530 are by young people aged 16-18, with 180 of these having been started in the first three quarters of 2020/21, which is comparable with the number commenced in the first three quarters of 2019/20.

\*\*<https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships> (2019/20 data)

\*\*<https://explore-education-statistics.service.gov.uk/find-statistics/apprenticeships-and-traineeships/2020-21>

32. To support this age group, the Skills Team continues to work with local secondary schools, colleges and other partners to promote apprenticeship opportunities and connect those who may decide to leave full time education with appropriate (Level 2 and 3) apprenticeship vacancies.

### The Apprenticeship Hub

33. Through the impartial Apprenticeship Hub, the Skills Team continues to support individuals, businesses and training providers in York to make the most of apprenticeships.
34. The Skills Team provides free advertising for recruiting employers and support for individuals via the Hub's weekly e-newsletter (nearly 500 young people, parents and advisers on the mailing list), virtual recruitment events and regular Facebook posts (2,342 followers with potential post reach of up to 15,000).
35. Targeted activity to support young people included a Facebook Live event for school leavers. The panel comprised representatives from the Apprenticeship Hub, a local employer, Further and Higher Education providers and business start-up support. The live audience number peaked at around 30 views with the video having been viewed 656 times.
36. The team also continues to raise awareness of apprenticeships with young people through the impartial York Apprenticeship Offer. Managed by the Hub, this city-wide partnership approach is delivered by a range of training providers and support agencies, including NYBEP who deliver the national Apprenticeship Knowledge for Schools and Colleges (ASK) contract locally.
37. In preparation for the current academic year and taking account of the easing restrictions, the team has worked with partners to review the offer and revise resources to reflect the changing local labour market. This has included updating our suite of apprenticeship case studies to support engagement with both young people and employers.
38. The work of the Apprenticeship Hub, including a selection of these case studies and a contribution from the Executive Member for Economy and Place, positively informed a feature article on apprenticeships in the York Press (10 August 2021).

39. In the past six months, the Business Engagement Officer provided impartial advice and support to 55 businesses (compared with twenty in the first quarter of 2021 (calendar year) including 13 with an interest in the council's apprenticeship levy transfer scheme (section 59).
40. The team continues to develop the York Apprenticeship Provider Network, with more than 30 organisations now regularly represented. A key output/insight from the last quarterly meeting (7 September) was regarding provider support for fulfilling current record level of vacancies.

### Apprenticeships at the Council

41. Whilst the financial impact of the pandemic on the Local Authority's budget has greatly reduced its ability to create new roles, apprenticeships, remain an integral part of the organisation's strategy to support succession planning and upskilling of the existing workforce.
42. Despite the challenges, at 30 September 2021, there were 53 apprenticeships active across the council and local authority maintained schools. 17 of these apprenticeships commenced within the last six months, compared to nine within the same period in 2020. More than half (10) of the 17 starts were new apprentice recruits.
43. At the same time, apprenticeships are being used to support skills development within the existing workforce and help fill skills gaps. Within the council, these include higher level apprenticeships in Social Work, Civil Engineering and Senior Leadership.
44. Within Local Authority Maintained Schools, higher level apprenticeships in Senior Leadership, Accounting, Coaching, Learning and Skills Teaching and School Business Professional are helping to develop existing employees. Interest is also being generated for the new school-specific apprenticeship standards in leadership and management that could be used by the wider schools workforce.
45. Since April 2021, 32 Expressions of Interest (EOIs) have been approved by the council's Apprenticeship Task Group (21) and School Apprenticeship Panel (11) for apprenticeship starts within the council and Local Authority Maintained Schools. This is compared with eight during the same period in 2020.

46. **Snapshot: 1 April 2021 - 30 Sept 2021**

Metric	City of York Council	Local Authority Maintained Schools	Total
# Expressions of Interest Received	21	14	35
# Expressions of Interest Approved	21	11	32
# New apprenticeship <b>starts</b> (existing staff and new apprentice recruits)	11	6	17
# New apprentices <b>recruited</b> in to organisation (included in above figure)	10	0	10
# New apprenticeship starts <b>pending</b> (existing staff and new apprentice recruits)	11	6	17
Examples of apprenticeships and level (L) approved/being undertaken			
City of York Council	Senior Leader L7, Civil Engineer L6, Welder L3		
Local Authority Maintained Schools	Coaching L4, Admin L3, Teaching Assistant L3, Early Years Educator L3, School Business Professional L4, Learning & Skills Teacher L5, Departmental Manager L5		

47. In any given period, there will likely be a difference in the number of approved EOIs, apprenticeship starts and apprenticeship starts pending. Reasons for the variance in the numbers in the table above include:

- Existing employees completing functional skills qualifications ahead of their apprenticeship starting – EOIs approved but apprenticeship not yet started
- Apprenticeship is part of a cohort that hasn't yet started – those with known future start dates are reflected in 'new apprenticeship starts pending' figures
- Managers are being supported to progress procurement of the training provider and/or recruit candidates for approved EOIs – some EOIs have only recently been approved and some new roles have had low levels of applications and have therefore been advertised more than once.

### Apprenticeship Levy

48. The Apprenticeship Levy is the apprenticeship funding system that took effect from April 2017. Businesses with an annual wage bill of more than £3m are required to set aside 0.5% of their monthly payroll for apprenticeship training – this is known as the Apprenticeship Levy.

49. Funds collected are credited to the business' online digital 'levy account' called the Apprenticeship Service Account (ASA) on a monthly basis. These credits are topped up with an additional 10% from the Government.
50. Levy funds are accrued on a monthly basis, with any unallocated monies being returned to Central Government ("clawed back") on a rolling 24 month cycle e.g. if not all funds set aside in April 2017 had been allocated by April 2019 the unused amount was 'clawed back'.
51. Funds in the digital account can only be used to pay for training and assessment for apprenticeship standards, and for new apprenticeship starts (new or existing employees). They cannot be used for wages or other associated costs.
52. As of 1 October 2021, the City of York Council Apprenticeship Service Account stood at £988,833 (compared with £997,256 at 1 April 2021). When considering this figure, it is important to understand that the account balance fluctuates on a regular basis and is affected by:
- the date that credits enter the account each month
  - the date that unallocated credits expire each month
  - when new apprenticeship starts being added to the system. For instance, funding for some of the 32 approved internal expressions of interest (section 45) and 6 external levy transfer expressions of interest won't have been deducted
  - when the completion payment ( $\leq 20\%$ ) is claimed by the provider.
53. Also, funds for ongoing apprenticeships are only deducted on a monthly basis and the earliest credits are used first. So, the account balance still includes those future contributions that the council has committed to make, whether on behalf of its own employees or through the process of levy transfer.

54. In summary:

City of York Council Apprenticeship Service Account Balance at any given date <b>equals</b>	Payments in	<b>less</b>	Payments out	Not shown in balance
	Monthly credits from CYC levy Government top up (10%)		Payments for training and assessments made up until today  Unallocated funds from levy credits that entered the account more than 24 months ago	Future contributions the council has committed to make for active apprenticeships including any that have paused (known as a Break in Learning).

55. As the levy can only be used to pay for training and assessment for apprenticeship standards, and for new apprenticeship starts (new or existing employees), the council remains unlikely to use all of the account balance on training its own apprentices. In order to ensure that more of its levy is used in the local area, the council developed a Levy Transfer Scheme, in common with many other public sector levy payers, and this approach was endorsed by the Executive Member for Economy and Strategic Planning at his decision sessions in November 2020.
56. Since the introduction of the Apprenticeship Levy in 2017, the City of York Council has utilised £519,638 (£109,178 in the past six months) - supporting apprenticeship training for new and existing employees and, more recently, supporting levy transfers. Cumulatively, a total of £713,246 has expired from the account and the council is working hard to reduce the amount of funds expiring each month. It's important to note that the oldest funds will always be utilised first, so apprenticeships being funded in September 2021 may be utilising credits from as far back as September/October 2019.
57. By continuing to value and use apprenticeships within the council and by supporting Small and Medium Enterprises in York via levy transfer, the amount of expired levy funds for the period, April 2021 to September 2021, has reduced to an average of £24,107 per month (compared with £34,348 per month for April 2020 to September 2020 and £24,713 for November 2020 to March 2021).
58. Whilst the amount of levy in the account and how much expires can fluctuate for a number of reasons, the overall direction is a decrease in monthly expired funds, aligned with increased take up of apprenticeships within the council, Local Authority Maintained schools and local SMEs.

#### Apprenticeship Levy Transfers

59. As approved by the Executive Member for Economy and Strategic Planning at his decision session in April 2021, the council's Apprenticeship Levy Transfer Scheme was launched late May.
60. During the first window for levy transfer applications (June 2021), the council's skills and HR teams serviced enquiries from eight local employers (the majority responding to York Press coverage of the council's press release). The Skills Team's Business Engagement Adviser worked with each employer and ultimately, five formal Expressions of Interest (EOIs) for five new apprentice recruits were received and approved by the council's Apprenticeship Task Group - committing £60,000 over a maximum of 39 months.



61. Consequently, three new apprentices have been recruited into Early Years, Software Development and Digital Marketing roles with monthly transfers having been set up from the council's Apprenticeship Service Account. The other employers are being supported to progress their apprentice recruitment and the transfer of levy funds.
62. One employer has encountered difficulty in recruiting candidates for their Level 6 Digital Marketing role. The EOI approval remains valid for six months so the Business Engagement Adviser will maintain contact with the employer to try to progress before the end of the year.
63. One of those approved EOIs is for a new Level 3 Digital Marketing Apprentice with a key strategic partner in the region, working with schools and businesses to drive skills development to support economic growth.
64. This first window served as a pilot to gauge and if necessary, manage demand for apprenticeship levy transfers from the council. Since the first window 'closed' at the end of June, we have continued to receive employer enquiries. The Apprenticeship Task Group felt it would not be in the best interests of the employers or the council to hold these over until a future 'window' and agreed to consider EOIs as they are received, alongside updated apprenticeship levy spend forecasts.
65. Subsequently, there have been enquiries from a further five employers for a total of 14 apprenticeships (potentially two new apprentice recruits and 12 apprenticeships to upskill existing employees). From these, two EOIs have been received, with one having been approved to fund the £15,000 training and assessment costs of a Level 4 Data Analyst Apprenticeship, over 30 months. Consideration is being given to the other EOI in accordance with the council's Apprenticeship Levy Transfer Criteria.
66. The Business Engagement Adviser continues to support six active employer enquiries. If EOIs are received and approved for all 16 apprenticeships, there would potentially be an additional combined commitment of £107,000 over a potential maximum of 51 months.
67. The council remains committed to transferring any of its unallocated annual apprenticeship levy funds, up to a maximum of 20% of the annual amount accrued, to local employers to support the city's economic recovery. This could equate to around £100,000 per annum. As levy funds are transferred to receiving employers on a monthly basis (for the duration of the apprenticeship), approving EOIs with a combined total of more than £100,000 would not necessarily breach the annual transfer limit.

68. At its meeting in October, the Apprenticeship Task Group will consider the status of the council's levy funds alongside any outstanding EOIs and ESFA updates (details below), before deciding whether to actively solicit more applications for levy transfer.

### **Education and Skills Funding Agency (ESFA) - updates**

69. **Levy Transfer Service** – As announced in March, the Government has been developing a 'bulk levy transfer tool' to support the matching of SME's looking to receive funds with organisations who have unallocated levy to 'pledge' The service (referred to as 'Pledge and Match') was launched in a phased approach as follows:
- 23 August 2021 – the service was switched on for a small number of sending employers to add pledges
  - 13 September 2021 – the service allows all sending employers to add pledges
  - 27 September 2021 – the Service allows all receiving employers to apply for pledges
70. The council's impartial Apprenticeship Hub is supporting the local roll out of marketing materials and is ready to advise sending and receiving employers in the city.
71. Feedback from employers, training providers and other partners will inform if/how the council may wish to add its own pledges to the system, along with the 'match criteria' (aligned with its Apprenticeship Levy Transfer Strategy) that any receiving employer would need to meet.
72. **Incentive payments for hiring a new apprentice** – From 1 April 2021 to 30 September 2021 (now January 2022 - see section 74), enhanced employer incentives were in place to provide recruiting employers with £3,000 for hiring a new apprentice, plus an additional £1,000 if the apprentice was aged 16-18 or aged under 25 with an Education, Health and Care plan or is a care leaver.
73. As highlighted in the Executive Member's letter to Alex Burghart MP, Parliamentary Under Secretary of State at the Department for Education, apprenticeships are playing an important role in supporting York's economic recovery from the pandemic and, with the Job Retention Scheme also coming to end on 30 September, it made little sense to remove the stimulus for creating new apprenticeship vacancies, at a time when more people would potentially be seeking them.

74. On 4 October 2021, the government announced an extension to the incentive payments to 31 January 2022 and the York Apprenticeship Hub continues to support businesses to make the most of the opportunity.
75. **Flexi-job Apprenticeships** – The new scheme aims to help sectors with flexible employment patterns and short-term roles, such as agriculture, construction and creative to create apprenticeship opportunities - by enabling an apprentice to work across a range of projects and with different employers to gain the full skills and experience they need to complete their programme.
76. This scheme will become the third agency-type model for apprenticeships, following Apprenticeship Training Agencies (ATAs) and Group Training Associations (GTAs). ATAs recruit, employ and arrange training for apprentices on behalf of employers. GTAs train apprentices on behalf of groups of employers, often from the same industry sector.
77. Whilst a £7m start-up fund has been made available to support flexi-job apprenticeship agencies, there appears to be a lack of interest from prospective agencies due to funding constraints and the level of 'risk' they would need to absorb.
78. The Skills Team at York and North Yorkshire Local Enterprise Partnership is leading engagement in the region and with ESFA (who have been unable to offer any comment due to the open procurement process).
79. The Skills Team Business Engagement Adviser is contacting partners via the York Apprenticeship Provider Network for their views and to identify whether providers intend to bid.

### **Council Plan**

80. The Council Plan identifies eight priorities, four of which are relevant to this work:
- Well-paid and an inclusive economy;
  - A better start for children and young people;
  - Safer communities and culture for all;
  - An open and effective council.

### **Implications**

81. The following implications have been considered:

- **Financial** – no additional implications – paper covers continued use of the council’s apprenticeship levy funds
- **Human Resources (HR)** – no implications;
- **One Planet Council / Equalities** – no implications
- **Legal** – no implications;
- **Crime and Disorder** – no implications;
- **Information Technology (IT)** – no implications;
- **Property** – no implications.

**Risk Management**

82. None specifically associated with the recommendation within this paper. However, the continued uptake of apprenticeships within the council and effective implementation of the levy-transfer strategy are fundamental in utilising the council’s apprenticeship levy funds locally.

**Chief Officer Responsible for the report:**

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**Report**  **Date** 11 October 2021  
**Approved**

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

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

**Background Papers:**  
None

**Annexes**

None

**List of Abbreviations Used in this Report**

ASA – Apprenticeship Service Account

BIL – Break in Learning

EOI – Expression of Interest

ESFA – Education and Skills Funding Agency

NYBEP – North Yorkshire Business and Education Partnership

SME – Small or Medium sized Enterprise

VCSE – Voluntary, Community and Social Enterprise

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

**20<sup>th</sup> October 2021**

Report of the Head of Planning and Development Services

**Department for Levelling Up, Housing and Communities consultation on  
Supporting defence infrastructure and the future of time limited  
permitted rights.**

**Summary**

1. On 5<sup>th</sup> September 2021 The Department for Levelling Up, Housing and Communities (formally The Ministry of Housing, Communities and Local Government (MHCLG)) published an open consultation entitled Supporting defence infrastructure and the future of time limited permitted development rights.  
<https://www.gov.uk/government/consultations/supporting-defence-infrastructure-and-the-future-of-time-limited-permitted-development-rights>
2. The consultation invites submissions with regard to a series of questions concerning proposed changes to Permitted Development Rights. These focus on two key areas.
  - a) The future of time limited permitted development rights; and
  - b) The expansion of permitted development rights, specifically with regard to supporting the delivery of defence infrastructure on defence sites.
3. The deadline for submissions is 11:45pm on Sunday 14<sup>th</sup> November 2021.

**Recommendation**

The Executive Member is asked:

- a. Note the content of this report; and
- b. Delegate to the Head of Planning and Development Services to submit a response to the abovementioned consultation.

Reason: To allow a submission to be made to consultation in a timely manner and allowing the Council to make representations in respect of the proposed changes to permitted development rights.

## **Background**

### Permitted Development Rights

4. Permitted Development Rights (PDR) allow for certain types of development to take place without requiring the benefit of formal planning permission from the Local Planning Authority (LPA). PDR's cover a wide range of works and development from simple changes of use where no physical building works take place, to types of development where building work does occur; such as extensions and alterations to a residential dwelling or minor works such as the erection of a wall or fence.
5. Different land uses benefit from different PDR's. For example Householders benefit from PDR's which can allow them to make extensions and alterations to their property, whether that be a single storey rear extension or the erection of an outbuilding. PDR's allow the Council in its role as Local Highway Authority to undertake development within the Highway. It is PDR that makes provision for telecommunications providers to install things like street cabinets for broadband services.
6. Typically PDR's set out the nature or type of development that be undertaken and then prescribes a set of conditions or limitations which the development must accord with in order to allow the development to constitute permitted development. PDR's are set out within national legislation with slightly differing regimes existing in England, Scotland and Wales. However in all cases they transcend Local Authority boundaries.

### Introduction of Temporary Permitted Development Rights

7. Since March 2020 the government has introduced a number of temporary PDR's in response to the coronavirus pandemic. The intention being that these would enable businesses, local authorities, and health service bodies to react to the unprecedented situation brought about by the pandemic.
8. Some of the PDR's were introduced to help support businesses in re-opening and provide flexibility to encourage the use of outdoor spaces.



This was to allow businesses to re-open whilst allowing them to comply with social distancing measures and operate in a Covid safe manner.

9. The consultation published by The Department for Levelling Up, Housing and Communities comprises of two parts. The first seeks views on two of the temporary PDR's that were implemented, and specifically seeks evidence as to the impacts of the rights as they currently exist, and views on the future of the rights including any proposed mitigation if they were to be made permanent. The second covers the possible expansion of PDR's afforded to defence sites with a view to supporting the provision of defence infrastructure.
10. It should be noted that there were 3.no other temporary PDR's implemented in response to the coronavirus pandemic, which are not subject to this consultation. The first allowed pubs, cafes and restaurants to operate as takeaways without needing to apply to change use; this right will not be extended beyond 23<sup>rd</sup> March 2022. Operating solely as a takeaway would usually constitute a change of use, for which planning permission would be required.
11. The second right which allows for additional days for the temporary use of land for any purpose, doubling days from 28 to 56 in 2020, and subsequently 2021. This right expires on 31<sup>st</sup> December 2021 and it is not proposed to extend the additional days.
12. The third right allowed for the emergency development by local authorities or health service bodies to respond to the spread of Coronavirus. The right enables local councils and health service bodies to respond and provide facilities to limit the spread, treat, test, care for and manage the recovery of patients. This right is due to expire on 31<sup>st</sup> December 2021 and will only be extended on a temporary basis if it is necessary to do so.

#### Right for markets by or on behalf of local authorities

13. In June 2020 as lockdown restrictions were being eased, the government implemented a temporary PDR under Class BA of Part 12 of Schedule 2 of the General Permitted Development Order (GDPO). This enable markets to be held by or on behalf of local authorities for an unlimited number of days, including the provision of moveable structures related to this use. Previously there was a 14 day allowance per calendar year to hold a market under the temporary use of land PDR (Part 4, Class B). This right does not allow markets to be held on Sites of Special

Scientific Interest (SSSI); consideration is also being given as to whether heritage assets such as scheduled monuments should be exempt from the right.

14. This change was put in place to support communities hold outdoor markets and encourage the use of outdoor public spaces, both to support health initiatives and the reopening of the high street. The PDR does not remove the need to get a license to hold a market.
15. The right was initially in place until 23<sup>rd</sup> March 2021 and was subsequently extended to 23<sup>rd</sup> March 2022. Within this consultation it is now proposed to make this PDR permanent. The consultation poses the following questions:

**Q.1.a. Do you agree that the right allowing markets to be held by or on behalf of local authorities for an unlimited number of days per year (Part 12, Class BA) should be made permanent?**

16. The planning process is required to ensure that there are the relevant assessments in place to safeguard that the markets are acceptable in terms of their impact. This may be through a limiting the number of days or ensure that the prior approval process allows for these considerations.

**Q.1.b. Do you have any evidence as to any benefits and impacts as a result of introducing this right for markets, or have views of the future impacts were the right made permanent?**

17. CYC planning department are not aware of any uptake of this PDR in York and therefore no benefits or impacts can be reported.

**Q.1.c. Do you think there should be a limit on the number of days that this can be used for in a calendar year?**

18. This would need to take into account if the area proposed was of a special character for example a conservation area or within proximity to Listed Buildings.

**Q.1.d. Do you have views on whether there should be additional restrictions on the use of this right to mitigate against potential impacts of making this permanent, including proximity to scheduled monuments?**

19. It is not considered that the proposals would be appropriate however additional restrictions would be required in order to preserve the historic character and setting such as Conservation Areas and Listed Buildings. The restrictions would need to be stringent to ensure that minimal damage could be done.

#### Right for the provision of moveable structures

20. In April 2021 a temporary right was introduced under Class BB of Part 4 of Schedule 2 of the GPDO. The right allows for the provision of moveable structures within the curtilage of a pub, café, restaurant, or historic visitor attraction. This includes allowing moveable structures for the first time in the ground of listed buildings, helping to support the hospitality and tourism sectors. The right is currently in place until 1<sup>st</sup> January 2022.
21. The purpose of the right was to support greater use of outdoor spaces, for example enable additional covered seating or through the use of outdoor spaces for ticket sales.
22. The right was introduced on a temporary basis and as a result is relatively unrestrictive as to the types of structures that can put up and for how long. The consultation is interested in understanding whether there is evidence of any impacts from the use of the right so far. It is also seeking views on whether it would be beneficial to introduce a height limit or size limit on moveable structures allowed under the right to mitigate against impacts were the right to be made permanent.
23. The consultation suggests a height limit of 4m in line with the height limit of the PDR for buildings incidental to the use of a dwellinghouse and a suggested size limit of 50% of the footprint of the existing building on site. The consultation is also interested in seeking views on whether there should be a limit on the number days that such a right could be used per calendar year – with a proposed limit being 56 days. Views are also sought on whether the limit should be longer than 56 days, or whether there should be a limit at all, in the curtilage of non-listed buildings as this could have important economic benefits.
24. The consultation highlights that alongside the mitigation being proposed, the statutory nuisance framework provides an enforcement mechanism for local authorities to deal with noise where there are unacceptable impacts.

**Q.2.a. Do you agree that the right allowing for the provision of movable structures (Part 4, Class BB) should be made permanent?**

25. No. When originally introduced the measures were intended as being a way of assisting businesses, particularly those in the hospitality sector to quickly adapt their business to allow them to operate in a Covid safe manner and comply with social distancing regulations. Whilst such measures were no doubt of assistance to these sectors, there has been a very wide range of structures that have been introduced to sites. Many of these have a temporary type appearance. In addition to this there have been instances where the positioning of structures has been less than sympathetic to the character and setting of the host building or indeed the wider streetscene and built environment in general.

**Q.2.b. Do you have any evidence of benefits and impacts as a result of the introduction of the right for moveable structures (Part 4, Class BB) , or have views on potential future impacts were the right to be made permanent?**

26. It is recognised that the temporary structures were of assistance to businesses at a time where their ability to operate as they would do normally was heavily restricted by movement restrictions and social distancing measures. There is the concern there is a potential for some of these structures to have a detrimental impact on the surrounding area in a number of ways including both the impact on amenity and visually and there is a need for these to be fully assessed in order to ascertain their acceptability.

**Q.2.c. Do you think the right for movable structures (Part 4, Class BB) should be limited to 56 days per calendar year?**

27. If the right were to be retained a time limit could be considered to be an appropriate mitigation measure. However the obvious risk with this is that the recording of the 56 day period could be problematic and therefore give rise to difficulties in monitoring such development and ultimately enforcing such regulations. Thus placing a greater burden upon Local Planning Authorities.

**Q.2.d. Do you think that the right for movable structures (Part 4, Class BB) could be greater than 56 days, or allowed for an unlimited number of days, in the curtilage of non-listed buildings?**

28. No, if the right is to be retained it must be time limited. The temporary measures have seen a very wide range of structures introduced to sites. Some of which have had no regard for factors which would normally be considered as part of the planning process; such as visual impact, amenity impact upon neighbours and adjoining land uses. To allow their presence on a site to be unlimited would be tantamount to it being a permanent structure.

**Q.2.e. Do you agree that there should be a height limit for the movable structures of 4 metres?**

29. If the right is to be retained a height limit should be introduced. The suggested limit is drawn from the existing Householder PDR's. It would perhaps also be prudent to include an enhanced height restriction in cases where development occurs within a set distance of the site boundary. This will provide enhanced protections to adjoining properties, which in some cases could be residential.

**Q.2.f. Do you agree that there should be a size threshold on the moveable structures allowing them to be up to 50% of the footprint of the existing building on site?**

30. It is right that there should be a size threshold on the size of movable structures allowed. However a 50% limit based on the footprint of the existing building on site would be problematic. Firstly it allows for the permitted size of structure to grow as and when the building grows (perhaps as a result of an extension). A limit based on the footprint at the time of the legislation coming into force may be preferable as it would provide for a defined starting point to be established. Therefore ultimately providing an upper limit to any PDR development. An alternative may be a size limit based on the available curtilage space as this would then provide an alignment with the overall amount of space that is available at the site and therefore introduce a parameter which respects the scale and extent of any existing outside space.

**Q.2.g. Do you have any evidence of the impacts specifically on heritage assets, including listed buildings as a result of the introduction of the right for moveable structures (Part 4, Class BB). Do you have any views on potential future impacts on heritage assets were the right to be made permanent?**

31. Given the very real potential for harm to be caused to heritage assets were the right to be made permanent it would perhaps be preferable for

the right to be withdrawn from Listed Buildings and Article 2(3) land so as to allow matters such as Listed Buildings and Conservation Areas to be suitably protected. Otherwise it would nullify the provisions of other Acts.

**Q.2.h. Do you have views on whether there should be any other additional restrictions on the use of this right (Part 4, Class BB) to mitigate against potential impacts of making this permanent?**

32. There should be restrictions on the permitted location of such development. In the interests of safeguarding visual amenity and highway safety. For example such structures should not be permitted when they are forward of the principle elevation or on land that fronts a highway. There have been instances where structures have been installed at a premises which completely obscures the frontage of the site and they occupy a very prominent position adjacent to a main route into the city.

Public Sector Equality Duty and Impact Assessments

33. The consultation then seeks opinion upon whether any of the proposed changes could give rise to impacts on people who share a protected characteristic.

**Q.3. Do you think that any of the proposed changes in relation to the future of the time limited permitted development rights could impact on: a) businesses, b) local authorities, c) communities.**

34. The proposals have the potential to impact businesses involved in sectors who may benefit from the PDR's, although such impacts may be positive. It is likely that local authorities and communities would be adversely impacted upon by these measures. Local authorities would likely be subject to increased burdens around monitoring and enforcing these measures both in planning terms but also under other regulatory frameworks such as Environmental Health. Local Authorities would also lose the ability to regulate such development by way of planning condition. Communities will likely be adversely impacted as a result of the continued deregulation of the planning system. They would lose the opportunity to consider development proposals which may directly affect them.

**Q.4. Do you think that any of the proposed changes in relation to the future of the time-limited permitted development rights could rise to any impacts on people who share a protected characteristic?**

35. No, not in the sense of the PDR's themselves. It would however be necessary to ensure that any such developments suitably comply with Building Regulations with regard to matters such as access for all.

### **Supporting Defence Infrastructure**

36. The second strand of the published consultation considers the provision of Defence Infrastructure. The intention behind these proposed measures is to support the plan to invest and transform the existing defence estate. The scale, nature and location of the estate needs to be better aligned to current and future Armed Forces' size and composition.
37. Within the context of York the sites that would likely benefit from these proposed new PDR's would be Imphal Barracks in Fulford and Queen Elizabeth Barracks in Strensall.
38. The consultation proposed 2.no new PDR's to allow the Ministry of Defence (MOD) to develop new and regenerate existing buildings on the Defence Estate, within the confines of Defence bases. The new build and regeneration activities will enable the MOD to modernise and better utilise their estate; without the need to seek planning permission for specific projects, but in line with predetermined limits.
39. The proposed new PDR's are:
- a) Enable Defence to erect, extend, or alter its single living accommodation and its supporting infrastructure by up to 25% of the floor space of the total current single living accommodation buildings and ancillary supporting infrastructure on a Defence site at the time the legislation is brought into force.
  - b) To enable Defence to erect, extend or alter its work and training facilities/space by up to 35% of the total floor space of the current workspace and training buildings on a Defence site at the time the legislation is brought into force.
40. The provision of 25% is based upon analysis of the current requirement now for new single living accommodation (where serving personnel live on base) – whilst this will not enable Defence to build the totality of its requirements it will allow a difference to be made and allow faster construction of smaller to medium size developments.
41. The provision of 35% is in recognition of the greater size many of our non-accommodation buildings such as workspace, messing facilities which provide meals and gyms.

42. The consultation states that the majority of Defence sites are sizable and in locations where it is anticipated new development would have a minimal impact on local communities. Development would also be in accordance with existing security parameters which dictate the location of defence buildings away from view.
43. The PDR's will not apply to service families housing, which will still be subject to the existing requirement for planning permission.
44. The proposed limitations would consist of:
  - a) The PDR's would be subject to Prior Approval with the Local Authority in relation to siting and scale of the building where the proposed footprint exceeds 4,000m<sup>2</sup>.
  - b) PDR's would be limited by height to 12 metres. The height parameter recognises that, particularly in relation to single living accommodation and where extending the footprint of a proposed building is problematic due to restrictions on the size/location it is something necessary to build higher.
  - c) Where a proposed building would exceed existing building heights of building types at the location and be visible from the public highway, the development will be situated a minimum of 25 metres away from the perimeter to minimise visual impact and will be subject to prior approval from the LPA regarding exterior appearance.
  - d) In relation to existing buildings the, the new extension will be limited to the height of the existing building.
  - e) The location of any new build or extension would no closer than 15 metres of the site perimeter.
  - f) Where the building will exceed the existing building heights at a site, it will be no closer than 25 metres to the site perimeter.
  - g) The PDR's will not apply to land which is or forms part of a Site of Special Scientific Interest (SSSI), to Listed Buildings and their curtilage, Scheduled Monuments, or to Article 2 (3) land.
45. In addition to these limitation the MOD is and would continue to be, bound by statutory controls and policy commitments. These include Conservation of Habitats and Species Regulations, Countryside and Rights of Way Act (Sites of Special Scientific Interest) and Natural Environment and Rural Communities Act. Statutory controls include screening for environmental impact assessment (which if a proposal triggers an impact assessment then PDR's cannot be used).



46. The consultation seeks responses on the following questions:

**Q.5. Do you agree that new rights should be created that will enable MOD to develop more single living accommodation within the perimeter of their sites up to 25% of the existing floor space for single living accommodation at a Defence site to support service personnel?**

47. No. Typically MOD sites are extremely large and as a result already contain large or numerous buildings. As a result the potential scale of additional buildings created via PDR could be very large.

**Q.6. Do you agree that new rights should be created that will enable MOD to develop other types of workspace up to 35% of the existing floor space within the perimeter of their sites?**

48. No. For the same reasons outlined in Q.5.

**Q.7. Do you agree that supporting the redevelopment of Defence assets and Defence bases will provide an opportunity for new jobs in regions across the UK and will underpin Defence's active role in communities across the UK?**

49. Yes, however the same could be achieved via existing planning processes. This benefit would not be imperative upon the introduction of a new PDR.

**Q.8. Do you agree that permitted development rights should be applied to the wide range of buildings needed by the MOD?**

50. Many existing land uses benefit from some form of PDR. It would not be unreasonable for Defence sites to also benefit from some form of PDR however this must be tempered via the use of sensible size controls and limitations.

**Q.9. Do you agree that a greater percentage should apply for workspace provision?**

51. No opinion on this particular element given the concerns raised in response to Q.5.

**Q.10. Do you think restricting the location of development to 15m from the perimeter of the military site is sufficient or would a greater distance be better?**

52. Potentially however the suitability of such a separation distance will be dependent upon the size and scale of the building being developed.

**Q.11. Do you think there is scope to raise the 4000m<sup>2</sup> footprint trigger for prior approval on the very largest operational military sites.**

53. No because a 4000m<sup>2</sup> is already extremely large.

**Q.12. Do you agree that locating taller buildings together would be a good idea?**

54. Yes, however there are other factors which would also need to be considered such as proximity to site perimeter and therefore possible neighbours. A more stringent distance from the site perimeter may be appropriate for the tallest of buildings.

**Q.13. Do you think that exercise of the permitted development rights in flood risk zones should be subject to prior consultation?**

55. Yes. Given the possible scale of development that could arise from PDRs and the fact that some of this could be living accommodation it is imperative that flood risk be considered fully.

**Q.14. Do you think that the exercise of permitted development rights in relation to sites with land contamination should be subject to prior consultation?**

56. Yes. Given the nature of Defence sites and the very real potential for land contamination to exist this should be subject to prior consultation. This is because such issues could be a risk to the wider public and environment and transcend the boundaries of the actual Defence site.

**Q.15. Do you think it is appropriate that only SSSI, Article 2(3) land, listed buildings and Scheduled Monuments should be excluded from the permitted development rights?**

57. Yes. Although consideration should also be given to including Green Belt land as the proposed scale development that could be achieved under these PDR's is very large and they would have the potential to harm the openness of the Green Belt.

58. This element of the consultation then closes by asking the same Public Sector Equality Duty and Impact Assessments as set out earlier in this report.

**Q.16. Do you think that any of the proposed changes in relation to permitted development rights for defence could impact on: a) businesses, b) local authorities, c) communities.**

59. Businesses are unlikely to be impacted by these changes. However Local Authorities and Communities will, again, be adversely impacted as a result of further deregulation of the planning system. Local communities will not be able to shape development. Local authorities will not be able to properly regulate development and properly manage it in line with their own local spatial visions.

**Q.17. Do you think that any of the proposed changes in relation to permitted development rights for defence could give rise to any impacts on people who share a protected characteristic?**

60. Not known.

## **Consultation**

2. That by considering the response to consultation at a public decision session allows a level of public scrutiny and comment that would not otherwise happen.

## **Options**

Option A

The Executive Member is asked:

- Note the content of this report; and
- Delegate to the Head of Planning and Development Services to submit a response to the abovementioned consultation.
- Add any comments they wish officers to be mindful of when responding

Option B

To not respond to the Government Consultation

## Council Plan

3. The following Council priorities are relevant:
- Good health and wellbeing
  - Well paid jobs and an inclusive economy
  - A greener and cleaner city
  - An open and effective council.

## Implications

- **Financial** There are no financial implications
- **Human Resources (HR)** There are no HR implications
- **Equalities** There are no equalities implications
- **Legal** There are no legal implications
- **Crime and Disorder** There are no crime and disorder implications
- **Information Technology (IT)** There are no IT implications
- **Property** There are no property implications
- **Other** There are no other implications

## Risk Management

4. There are no known risks

## Contact Details

**Author:**

**Author's name**

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**Report**  **Date** 11/10/2021  
**Approved**

**Wards Affected:**

All

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

**Background Papers:**

None

**Annexes**

None

**List of Abbreviations Used in this Report**

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