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## Decision Session – Cabinet Leader

5 July 2011

Report of the Director of City Strategy

### Jobs Fund

#### Summary

1. This report seeks approval to allocate funding from the Jobs Fund established at the Council's budget meeting for specific initiatives. It follows up on the reports presented at the meetings of the Leaders decision session held on 1<sup>st</sup> March 2011 and 5<sup>th</sup> April 2011, which highlighted the current economic position facing the City of York. This recognised that the Council and its partners can take action to assist the city during a slow recovery from the period of downturn to help business as well as those individuals and communities hardest hit.
2. This report has a good strategic fit with the long term aspirations of the city under the Inclusive City, Learning City, Sustainable City and Thriving City themes in the Sustainable Community Strategy.

#### Background

3. Previous report to the Council's Executive in 2008 and 2009 outlined the implications of the global recession on the local economy of York and identified a number of actions for the Council to take in response to this. It was recognised that York was initially better placed than some other cities to respond to the changing economic picture. It has experienced relatively high levels of employment and encouraging economic growth over recent years especially in the technical, creative and scientific sectors. The City has strong partnership working and a good support infrastructure which has been responsive to changing economic circumstances. This has been key to ensuring that York remains vibrant and successful at attracting investment and visitors. Whilst apparently affluent, there are, however, significant pockets in York where deprivation is relatively high and where action is required if the circumstances of those least well off are not to be exacerbated by the prevailing economic climate. There remain concerns regarding the high level of public sector employment in the city which highlights the importance of both encouraging private sector employment and supporting initiatives to help local people get into work.
4. The Council's budget meeting in February established a budget of £98,000 to support additional initiatives to respond to these objectives under the collective title of the Jobs Fund. Work is well underway with a range of partners to develop proposals to use this funding in the most effective ways. Proposals will be brought forward for consideration at the Leaders decision making sessions as these are developed. Two initial proposals were approved in April 2011 approving additional support of £53,000 for one year only to Science City York and £20,000 per annum for each of 3 years to Future Prospects in order to roll out proposals for income maximisation developed through area based approaches in Kingsway West and Clifton. This report highlights two additional initiatives, namely support for Higher York and the York and North Yorkshire Local Enterprise Partnership.

## **Consultation**

5. Previous consultation has taken place with the York Economic Partnership, York Business Forum, Science City York, york-england.com, Visit York, York Professionals, Retailers Forum and Chamber of Commerce.

## **Higher York**

6. Annex 1 sets out a briefing note regarding the activities of Higher York and the contribution that these make to supporting the local economy, as well as supporting efficiencies for the Council such as through the encouragement of shared services. The Council is a full member of Higher York and it is therefore an appropriate time to regularise the Council's contribution to this organisation. Due to the other funding contributions made to Higher York and the need to cover its liabilities, the level of the Council's contribution would be £10,000 for the current financial year, £12,500 for 2012/13, and £14,500 for 2013/14.

## **York and North Yorkshire Local Enterprise Partnership (LEP)**

7. The York and North Yorkshire LEP has now been approved by the Government and a board established to guide its work. The leader of the Council is a member of the LEP board. In order to cover the secretarial and administrative support to the LEP, contributions have been sought from all local authorities within the LEP. The contribution requested from the Council is £8,000. In view of the potential of the LEP to contribute towards jobs and growth in the City, it is recommended that this contribution is made from the Jobs Fund. Any funding for subsequent years will be determined when a business plan is in place to determine in more detail activity to be undertaken by the LEP.

## **Options**

8. The purpose of this report is to note progress with the initiatives report and the current state of the local economy. Reference is made to the budget allocation of £132,000 agreed by the Council for the Jobs Fund. The option for the decision by the Executive Leader is therefore to accept these recommendations or not to do so.

## **Corporate Priorities**

9. The actions in this report support the Inclusive City, Learning City and Thriving City elements of the Sustainable Community Strategy and the Council's Corporate Strategy.

## **Implications**

### **Financial**

10. The recommendations can be supported through existing budgets, given the allocation of £98,000 agreed at Budget Council for the Jobs Fund.

### **Human Resources (HR)**

11. There are no specific HR implications arising from this report.

### **Equalities**

12. This paper proposes action to support the least well of in York and promotes financial inclusion and economic participation for all.

### **Legal**

13. There are no immediate legal implications.

### **Crime and Disorder**

14. This paper supports the consideration of crime and disorder in the context of deprivation in ward planning as demonstrated by the Kingsway Pilot.

### **Information Technology (IT)**

16. There are no strategic IT implications.

### **Property**

17. Previous actions have supported some businesses within the Council's portfolio that have suffered down-turn as a result of the prevailing financial climate.

### **Risk management**

18. The projects previously approved have been assessed to ascertain their effectiveness

## **Recommendations**

19. That the Leader notes the progress made with measures undertaken by the Council in response to the economic downturn.
20. That the Leader agrees to allocate £10,000 for the current year only from the approved Jobs Fund to support additional activities to be undertaken by Higher York as outlined in this report.
21. That the Leader agrees to allocate £8,000 for the current year only to support the York and North Yorkshire Local Enterprise Partnership.
22. That the Executive Leader agrees to receive further updates on York's economic climate and assessment of the effectiveness of actions initiated as a result of this report.

### **Reason**

To enable the Council to respond effectively to the economic downturn, and promote jobs and growth in the City.

## Contact Details

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**Report Approved**

**Date** 20 June 2011

**Specialist Implications Officer(s)**

**Implication:** Financial

**Name** Patrick Looker

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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**

**Annex 1 – Briefing note re Higher York**