

**Decision Session – Executive Leader
(incorporating Policy, Strategy and
Partnerships)**

15th January 2020

Inclusive Growth Initiatives Fund – Progress and Authority to Spend

Summary

1. Developing a more inclusive approach to supporting economic growth and ensuring that York’s residents have the best possible access to economic opportunities are central to the plans of the new Council administration, as set out in the Council Plan.
2. Consequently, as part of the July 2019 supplementary budget, Full Council reallocated £300k of LCR Business Rates Pool funding from the City Narrative project to support inclusive growth. This funding was committed to an Inclusive Growth Initiatives Fund by the Executive Leader at his decision session on 18 September 2019.
3. This report outlines further background on the inclusive growth challenges that York faces, the approach that will be taken to address these through a new Economic Strategy, and the progress that has been made in establishing the projects outlined at the 18 September Decision Session. It seeks approval from the Executive Leader to begin implementation of the projects.

Recommendations

4. The Executive Leader is asked to:
 - 1) Note the progress that has been made on developing the agreed projects
 - 2) Approve the commissioning of those projects as set out in paras 11 to 28
 - 3) Delegate the funding decision for 14+ vocational training and work (paras 21 and 22) to the Corporate Director of Children, Education

and Communities in consultation with the Executive Leader.

Reason: So that the Council develops a pipeline of projects that positively address inclusive growth in the City of York.

Background

5. For economic growth to be inclusive, its benefits must be felt by all those in society, regardless of where they live, how they make a living, and who they are.
6. Inclusive growth cannot have neighbourhoods that are left behind, opportunities that are only selectively available, or a two-tier economy where some people are doing well at the expense of others who are not.
7. The York economy is performing strongly. We have many positives on which to build, and our prevailing economic strategy since the 2007 crash – to focus on growing high-paid jobs in professional, scientific and technical industries – is bearing fruit.
 - There are more people than ever in work, with higher levels of productivity than the rest of the region (see Annex A, Fig 1), and consistent growth in GVA per hour worked over the past five years.
 - Our knowledge economy is strong and growing (Fig 2), with more than 14,000 high skilled jobs created in York since 2008.
 - We have the highest level of skills of any northern city (Fig 3), and pay in York is close to the national average (Fig 6), higher than much of the Yorkshire region.
8. With significant new developments, including York Central, now about to take place, we can expect further growth in well-paid jobs. Alongside this positive picture, we have also seen strong growth in hospitality and social care employment, and continuing high levels of employment in retail, despite the national decline in the high street. These lower-paid sectors provide much of York's part time work (Fig 5), contributing to household incomes, but also providing some challenges. To ensure that our growth becomes more inclusive, there are some key issues which need to be addressed:
 - Opportunities for those without high levels of skills are decreasing, leaving workers without qualifications shut out

from many of the emerging better paid roles, and leaving young people who are NEET isolated from economic success

- Independent retailers, the mainstay of our city centre economy, are facing a wide range of challenges but lack the resources of their larger competitors
- Those dependent on part time work have few options beyond lower-paid roles in retail, hospitality and social care.

9. York's economic strategy for the last 15 years has focussed on growing the number of higher paid jobs and promoting significant regeneration schemes such as York Central and the expansion of the University of York. These long-term approaches have benefitted the wider economy, but there remain a significant number of people in York who are not able to benefit fully.
10. A new emphasis on inclusive growth is therefore proposed which will continue to support this growth but also work much more closely with communities, existing local employers and our anchor institutions with the aim of opening up opportunities for York residents and growing household disposable income.
11. The £300k budget provided by the Council through its supplementary budget was allocated to the following eight projects by the Executive Leader at his decision session on 18 September 2019:
 - Establishing a York Poverty Commission
 - Community hubs as drivers of economic growth
 - Greening our commercial estate
 - Community jobs fairs
 - 14+ vocational training and work
 - Independent retail growth fund
 - Mental health, wellbeing and employment
 - York Economic Partnership

Update on development of projects

Establishing a York Poverty Truth Commission

12. Poverty Truth Commissions are being set up across the UK to bring together individuals who have direct experience of living in poverty with key policy and decision makers, building a shared understanding of practical steps that can be taken to improve peoples' lives and reduce poverty. Nationally, the Joseph Rowntree Foundation is a key supporter of this initiative, which has also attracted funding from Leeds City Council, the National Lottery and the Scottish Government.
13. Dundee and Leeds have successfully launched their own Poverty Truth Commissions. Through an 18 month process of developing confidence and a shared understanding, Dundee Fighting for Fairness has developed an [action plan](#) that looks at key issues such as money, mental health and the stigma of poverty and deprivation. The Leeds Poverty Truth Commission has developed its [Humanifesto](#), and is taking practical steps on issues such as the cost of clothing children and the importance of frontline Council staff in supporting people in poverty. In both cities, the Commission has enabled the voices of residents who have direct experience of living in poverty to be heard and acknowledged, and helped employers, local government and the third sector to understand their needs.
14. A small group of interested organisations and individuals is currently promoting the project in York and is seeking funding from a range of sources, including the Council. An office base has been offered by one organisation, and a larger organisation has been asked to act as banker for any grants secured. Support is being provided by one of the Leeds Commission facilitators, who is working with JRF funding to promote and spread the model. A range of funders have indicated that they would be interested in receiving a request to contribute to the costs of a Commission.
15. The model that is being established elsewhere is for an independent group to promote the Commission, securing funding to employ a freelance coordinator. Based on experience in Dundee and Leeds, the total costs would be in the order of £65k-80k for a Commission, which would take place over a two year period. Costs include independent facilitators, events and publications. A contribution of £20k is sought from the Inclusive Growth Fund, and other local and national funders are also being approached.

Community hubs as drivers of economic growth

16. York's Community Hubs are a key element of the York Council Plan, contributing to safer communities and culture for all. Three hubs are already established, with a commitment to have one in every ward by 2023. The existing hubs, based in existing community buildings and offering a range of services from public and third sector agencies, have begun to deliver jobs fairs, volunteer development programmes and training, and support for residents. It is clear that community hubs improve the quality of life for many people, providing support such as personal finance, benefits and budgeting advice in a community setting. For further detail see: [link](#).
17. In order to support the growth and sustainability of the hubs, a contribution of £40k from the Inclusive Growth Fund has been requested by the Communities Team, who currently coordinate the Hubs. Through continuing their work, they will promote job opportunities, entrepreneurship and financial advice to local people. They will also work with low-income families to learn more about the challenges they face, such as the costs of childcare, transport, housing, food and energy, and support the development of further inclusive growth initiatives. The funding would be monitored and the outcomes evaluated through a service level agreement with the Economic Growth team.
18. A dedicated officer in the Communities Team would:
 - support the community groups running the hubs to work through issues and consider future developments to enhance their offer;
 - enable the existing hubs to further develop their support around learning, employment and entrepreneurship;
 - build connections with local businesses in order to raise awareness of what's going on locally and increase community engagement;
 - actively seek new volunteering opportunities on an area basis in order to increase the range of opportunities offering experience and skills development and in return support for local projects and businesses;
 - trial at least two new hubs in wards not currently served.

Greening our commercial estate

19. City of York Council is landlord to over 100 businesses in York through its property portfolio. Many of these are independent local businesses, and many are facing the well-documented challenges of the changing retail landscape. The York Council Plan sets out our commitments to tackle climate change and to align our strategies to protect the environment.
20. Bringing these two priorities together, it is proposed that £70k of the Inclusive Growth Fund is used to survey the Council's commercial tenants and the buildings they occupy to establish some workable options which would reduce both energy and occupancy costs. The proposed budget of would support the survey and contribute to the early delivery of these options.

Community jobs fairs

21. In recent years, Council-run Job Fairs at the Railway Institute and in Acomb have helped local residents to access new employment and learning opportunities. The York Learning team has previously run these events, but there is no future budget provision to continue. It is proposed that £30k of the Inclusive Growth Fund is used to fund these fairs for the next three years. This would be provided through a service level agreement which would include monitoring and evaluation requirements to ensure that local residents are benefitting from the investment through finding new or better jobs.

14+ vocational training and work

22. With the current national focus on academic attainment, our secondary schools have few options to support young people seeking a more vocational route pre-16. York's Secondary Heads and Principals Forum, working with York College, are proposing to pilot new alternative curriculum pathways for students at 14+ to help those identified as at risk of becoming NEET to make early steps towards employment. Work would initially focus on the Construction and Health & Social Care sectors, seeking to provide practical skills linked to clear economic opportunities and provide challenge to traditional workforce gender imbalances in those sectors.
23. The detail is still being developed, however it is proposed to make £50k available, subject to the approval of the Corporate Director of Children,

Education and Communities in consultation with the Executive Leader. This would enable a pilot project to be undertaken which would explore the feasibility of non-academic alternative pathways for all schools in York.

Independent retail growth fund

24. Much attention has been focussed nationally on supporting high streets and retailers to adapt to our changing shopping habits. Independent retailers are key to ensuring the diversity and sustainability of neighbourhood retail areas, and groups such as Bishy Road Traders provide a model for how these businesses can be encouraged to work together with local communities.
25. There are now a dozen or so traders associations in York, and the independent retail growth fund seeks to support further development of existing and new associations and their network, with the aim of supporting high streets and shopping areas across the City to strengthen their role as centres for communities. A fund of £40k is proposed, with the evaluation criteria and process set out in Annex B to this report.

Mental health, wellbeing and employment

26. NESTA, the National Endowment for Science Technology and the Arts, have established the concept of Good Help through their Health Lab. CYC's Local Area Coordinators are working with these Good Help principles to support community-led work focussing on early intervention and prevention, including work on mental health and wellbeing. A call for proposals to NESTA for Good Help Places funding is expected in Spring 2020.
27. The Local Area Coordinator team wishes to make a proposal for York to become a Good Help Place, and will require match funding of approximately £25k. It is proposed that the Inclusive Growth Fund provides that match funding.

York Economic Strategy and Partnership

28. The Executive Member for Economy and Strategic Planning has agreed an outline process to develop an inclusive Economic Strategy, developed in partnership with residents and with the business community. To support the development of the strategy, a process

similar to that used for the MyCastleGateway, MyYorkCentral and MyCityCentre consultations is proposed, building on the methodology used in that work. Beyond the publication of the strategy, those businesses, organisations and communities involved in its development will be invited to join a new Economic Partnership for York, as set out in the decision report [here](#).

29. It is proposed that £25k of the Inclusive Growth Fund is used to undertake effective community based consultation to ensure that the voices of residents and businesses drive the development of the strategy.
30. In summary, the proposed allocation of the Inclusive Growth Fund is as follows:
 - Establishing a York Poverty Commission: £20k
 - Community hubs as drivers of economic growth: £40k
 - Greening our retail estate: £70k
 - Community jobs fairs: £30k
 - 14+ vocational training and work: £50k
 - Independent retail growth fund: £40k
 - Mental health, wellbeing and employment: £25k
 - York Economic Strategy consultation: £25k

Consultation

31. Consultation on potential projects for the Inclusive Growth Initiatives Fund has taken place with the Executive Leader and the Executive Member for Economy and Strategic Planning.

Council Plan

32. The projects proposed under the Inclusive Growth Initiatives Fund will address 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 new financial commitments. Previous commitments within the body of the report;
- **Human Resources (HR)** – no implications;
- **One Planet Council / Equalities** – the proposed project to green the Council's retail estate will address the Council's climate change challenge. A number of the proposed projects will positively support the Council's equalities objectives;
- **Legal** – no implications;
- **Crime and Disorder** – no implications;
- **Information Technology (IT)** – no implications;
- **Property** – depending on the findings of the survey, the proposed project to green the Council's commercial estate will have property implications. Any measures taken to improve the energy efficiency of the Council's commercial stock will need to balance commercial viability with environmental benefits.

Risk Management

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

Contact Details

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Report **Date** 6th January 2020
Approved

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 A – Inclusive Growth Evidence Base

Annex B - Independent Retail Growth Fund Criteria and Process

List of Abbreviations Used in this Report

JRF – Joseph Rowntree Foundation

LCR – Leeds City Region

NEET – Not in Education, Employment, or Training

NESTA – National Endowment for Science Technology and the Arts