

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

City of York Council Recovery and Renewal Strategy - Update

Summary

1. This report outlines further elements to York's Economic Recovery Plans following the coronavirus pandemic, and builds on the response of the Council to date. The report also introduces the proposed 10-year plan for the city and how this might be taken forward, working with a range of city partners, to respond to the impacts of the pandemic over the long-term and build back better.
2. The report includes an annex outlining the work done throughout the crisis to keep York's children safe and supported.

Recommendations

3. Executive is asked to:
 - a. Note the development of a '10-year City Recovery Plan', which is being developed with city partners to build on the work outlined in the council's recent 1-year Recovery and Renewal Strategy.
 - b. Approve the recommendations in Annex A - COVID-19 Economic Recovery Plan, specifically:
 - i. Note the likely scale and range of impacts on the York economy
 - ii. Endorse the Economic Recovery Strategy set out in this report
 - iii. Make a long term commitment to facilitate the continuation of the business liaison activity that has been established in response to Covid-19, in order to coordinate the city's response to emerging economic challenges
 - iv. Approve the Councils Commitment to facilitate the establishment of a York City Skills Board, to oversee the development of the adult education and skills plan

- v. Request that the Executive Member for Economy and Strategic Planning engages with Corporate Scrutiny to seek views on the COVID-19 Economic Recovery Plan, as outlined in Annex A.
 - vi. In response to the scale of the emerging economic challenge and new financial context for the council, endorse a coordinated corporate lobbying effort, led by the Leader of the Council and working with partners in the region, to request additional funding to support local businesses, cultural institutions, residents facing financial hardship, invest in infrastructure and demonstrate what York can achieve in the 10-year strategy with funding support from central government.
- c. Note the actions outlined in Annex 5 to keep children safe.

Background

- 4. As a city, York has many strengths – an economy creating £6.4bn GVA, over 8 million visitors per year, 30,000 jobs in the tourism and hospitality sectors, nearly half our working age population qualified to level 4 or above, and regularly voted the best place to live in the country.
- 5. On 25th June, Executive received a report to outline the council's 1-year Recovery and Renewal Strategy. This highlighted the need for a revised set of strategies to address the very significant and immediate impacts of coronavirus across all aspects of life in our city.
- 6. The strategy set the following principles upon which we will build our response:
 - a. Prioritise the health and wellbeing of our residents, against the immediate threat of coronavirus and the consequences of changes to the way we live. Public Health guidance will be paramount in all the decisions we make.
 - b. Support the economic recovery of the City, helping to create a strong, sustainable and inclusive economy for the future. Learning lessons from the challenges of coronavirus, promote a system that utilises the strengths of our city and region to the benefit of all York's residents and businesses.
 - c. Protect and prioritise the City's environment and reinforce our work to mitigate and adapt to climate change.
 - d. Pursue improvements in service delivery where they have been identified as part of the Response phase, creating a more efficient and resilient system.

e. Reinforce and restore public confidence in the resilience of public agencies and resilience to future challenges and emergencies.

7. Included in June’s report was a One Year Transport and Place Strategy, as the first part of the economic recovery approach. This report now supplements this with a Business Support Plan, a Skills and Employment Plan and a Tourism Marketing Plan. The relationships of these plans are shown below, with those in bold included in this report:

CYC Recovery and Renewal Plan (1 year)				
Economic Recovery Plan – Annex 1			Communities	Corporate
Business Support Plan – Annex 2	One Year Transport and Place Plan	Skills and Employment Plan – Annex 3	Recovery from coronavirus: A community-based approach	Organisational Development Plan
Tourism Marketing Plan – Annex 4				

8. Additionally, at Annex 5, an update is provided on the work during the crisis to keep children safe in York.

10 Year Plan

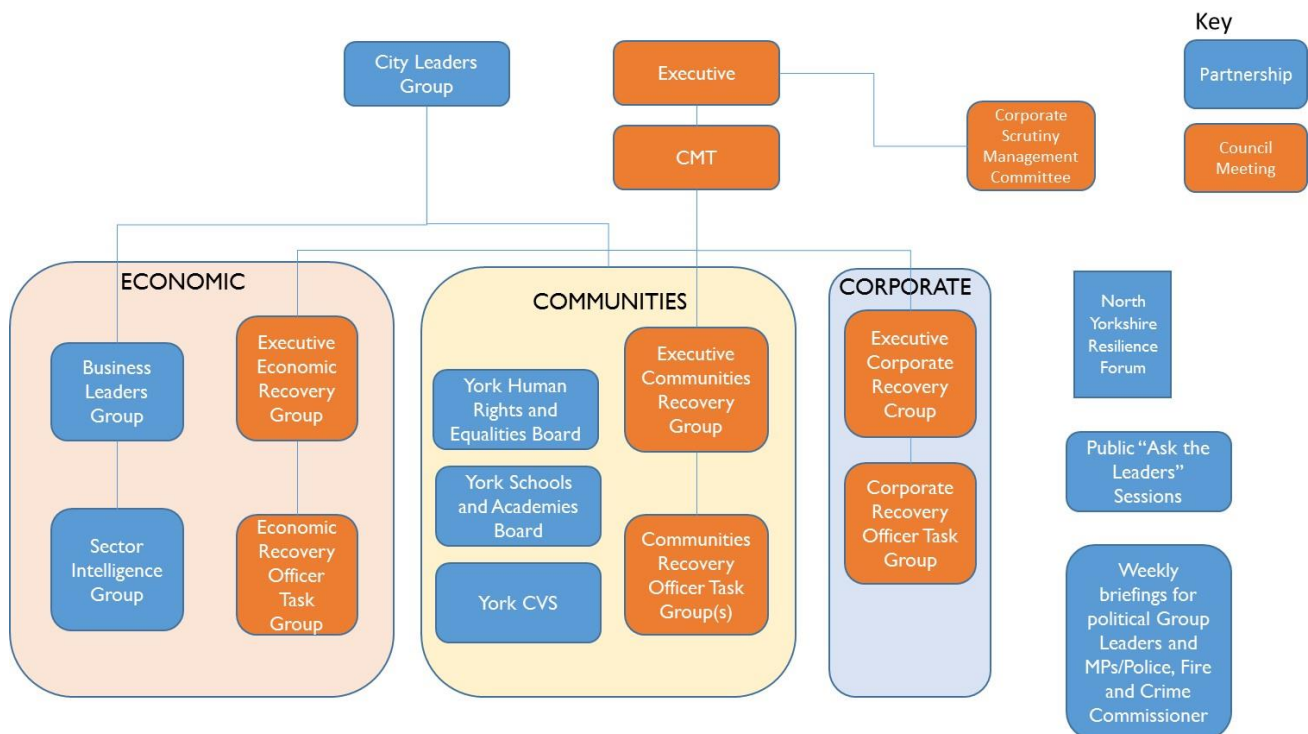
9. At a city level, a longer-term 10-year recovery plan will be developed with city partners to detail the broader transformational ambitions and direction for York, and identify the necessary priorities to achieve them.

10. From initial conversations, there is a desire for this plan to represent the unique qualities of York and to focus on a small number of key challenges that can best be addressed at a city level. These are likely to include the linking of our education, skills and innovation systems to support our key employment sectors, climate change, culture and international relations, and using these sectors to address wider determinants of good health.

11. To do so, the themes and activities would be discussed as part of Our Big Conversation to ensure the input of residents, communities and businesses. At the same time, it is proposed that the emerging plan be sent to the Corporate Scrutiny Management Committee to support its development.

12. The development of a 10-year City Plan can also be used to add value to the Council’s corporate lobbying efforts, in order to outline what York can achieve, particularly in recovery and renewal, with sufficient funding from central government.
13. It is intended that this plan is in place by March 2021, to follow on from the One year recovery and renewal strategy.
14. The strategy would be approved through partners’ own governance arrangements. As this would be a ‘city’ plan, the next update to the current Council Plan would have to take into account the development of the 10-year City Plan and link as appropriate.

Working in Partnership



15. Throughout the response and recovery phases to date, the council has drawn in support and collaboration across the city. To ensure the city is working together, this has included:
 - a. public discussions through “Ask the Leaders” sessions
 - b. weekly briefing of political Group Leaders and MPs/Police, Fire and Crime Commissioner
 - c. updates to both Scrutiny and Executive Meetings
 - d. an internal governance structure of meetings, led by Executive Members to work across the three themes of Economy, Communities and Corporate.

16. The map above provides a number of examples of where the Council has been engaging with partners to develop responses to the pandemic. This is not a complete list of partnerships, but demonstrates where some partnership work has taken place.
17. During the response to COVID-19, the council established a range of groups to quickly provide partners with the latest updates on Council services, best practice, insight and identify where collaboration can take place.
18. A City Leaders Group was established virtually by the Leader of the Council, which included representatives of both Universities, York College, Askham Bryan College, the Clinical Commissioning Group, York Hospital, North Yorkshire Police, the Police, Fire and Crime Commissioner's Office, York CVS, the Army, the Chamber of Commerce, and York and North Yorkshire LEP. Moving forward and to facilitate the development of a 10-year City Plan, work will take place to transition the City Leaders Group into a new 'York Partnership'.
19. The City Leaders are now considering how they can continue to work together in partnership, in support of the development of a 10-year plan for York. This will be subject to further updates and recommendations to Executive.
20. A Business Leaders group was also established virtually by the Leader of the Council, with representation across a wide range of sectors. Conversations are now underway to consider how this could evolve into an ongoing economic partnership, to be chaired by the Executive Member for the Economy, feeding into the wider partnership activity above. Executive Members have also previously set out plans for a parallel "people's panel" to complement groups of established leaders through adding a diverse range of voices, and the 12 sector roundtable groups established as part of our response have begun to get that broader range of voices heard. This will continue to feed into the Business Leaders group and the broader city leaders group.
21. Beyond this strategic partnership, there is a strong need to coordinate the work of partners across the city as we respond to the immediate impacts of the economic downturn. The Skills Board would report to the Economic Partnership, ensuring that strategic discussions are made in the light of practical experience of delivery from the full range of partners.

Recent Recovery Activity

22. Against each of the three themes within the Recovery and Renewal Strategy (Economy, Communities, Corporate), significant work has continued to drive forward a strong recovery in the city. This report does not list all activity, but some main examples are included below:

Communities

23. Annex 5 summarises the response, to date, to COVID-19 by children's services and wider partners. It outlines key actions that have been taken to keep children and young people safe during the unprecedented response to COVID-19 and identifies a number of positive changes to practice that should be sustained into the recovery phase.

24. Prior to COVID-19 York had been driving forward a broad range of improvement activity in relation to children's services. The Improvement Plan was well established at the onset of COVID-19 and as such improvement activity has rightly continued during this time with a relentless focus on getting it right for children and families. In some cases the creative responses required have produced solutions that we would want to build on in any return to "normal" arrangements. Annex 5 outlines how Children's Services have taken action to ensure effective help and protection to children during Covid-19 whilst continuing to shape service delivery in light of the improvements required.

25. Public Health teams have led on the development of the Outbreak Management Advisory Committee, which met most recently on 13 July. This group brings together elected members and senior officers from the Council, as well as key partners from statutory, private and voluntary sector organisations to support local outbreak management measures. Details of this group can be found here:

<https://democracy.york.gov.uk/ieListMeetings.aspx?CId=988&Year=0>

26. Adult Social Care teams have continued to focus on keeping people safe, with the appointment of link workers to all residential and nursing homes. The discharge command centre, preventative teams aligned with community hubs and provision of short stay residential recuperation and recovery facilities continues to ensure people can leave hospital in a safe and supported manner. Providers have been supported through *The Team Around The Home* as part of our Care Home Support Plan, with NHS clinical leads / GPs, including access to Infection Prevention and Control training.

Economy

27. Detailed updates are included in the Economic Recovery Section below. Significant work has been undertaken to facilitate the reopening of non-essential retail and the hospitality sector over the last month.
28. Since June's update to Executive and the approval of the Transport and Place strategy, a number of measures have already been put in place, firstly to prepare the city centre for the reopening of non-essential retail on the 15 June 2020:
- A first phase extension of the city centre footstreets, with staffed barriers to assist the public;
 - Identification of a second phase of city centre footstreet extensions;
 - Implementation of a Circulation Management Plan for pedestrians;
 - Increased disabled parking provided at Monk Bar car park;
 - Identification of constrained streets where queuing will be challenging, with a wraparound support service for businesses;
 - Guidance and support packs issued to businesses on how to reopen safely;
 - Public toilets reopened, with additional temporary toilets;
 - Launch of the Let's Be York campaign to provide information and support for all residents, visitors and businesses;
 - Bespoke city wide signage created, implemented and shared with all stakeholders and businesses to ensure a consistent, friendly and high quality standard.
29. As part of the reopening of hospitality on the 4 July, a second phase of priority implementation measures has been implemented, including:
- a. Further footstreet extensions;
 - b. Extended footstreet hours in to the evening;
 - c. Supporting businesses to secure pavement café licences to allow them to have outdoor seating;

- d. Managing and identifying public spaces to support businesses and encourage positive behaviour;
- e. Collaboration with NY Police, BID and Make it York to manage the city centre;
- f. Parking incentives in July and August.

30. The wider transport measures set out in the Transport and Place Strategy will be worked up and delivered at pace over the coming months, particularly as national guidance continues to evolve.

Corporate

31. The financial context of the council is discussed below in paragraph 43.

32. Work has continued to reopen, as far as possible, customer facing services. The first weddings were held at the Register Office on 4th July. Planning is continuing to facilitate the partial reopening of the Customer Centre at West Offices at the end of July. Libraries partially reopened on 7 July, and work is underway to support the reopening of leisure facilities from the end of July.

33. Staff continue to be supported through a changed and challenging working environment. Work is underway to ensure all staff have the right equipment and any revision to working hours to allow them to be fully productive over the medium term. Furthermore, the development of an Organisational Development Plan has been updated to address the challenges posed by the pandemic and to support staff in the delivery of services for residents, businesses and communities.

34. Further remote meetings are now being held including Corporate Scrutiny Management Committee, Licensing Committee, Member Decision Sessions, Planning and Executive.

Economic Recovery

35. The COVID-19 lock down has interrupted normal business life, leaving some sectors with reduced levels of trade and activity whilst others have struggled to do business at all. Global and national predictions are that there will be a pronounced and long-term economic downturn which may well continue until, and even if, a vaccine or a treatment are identified.

36. As retail expert Bill Grimsey made clear at a recent Indie York open meeting, there is a large and sudden decline in retail happening across the world, and York is not immune to these changes. He went on to highlight some of the ways that cities can adapt to this global decline. We are already seeing an acceleration of shop closures in York and we anticipate that there is more to come in the months ahead. These global structural changes in the way we all shop are beyond the control of individual cities and local authorities, and we must focus instead on how we support those who are left needing new work. Grimsey's core themes for Building Back Better of localism, leadership and a focus on people rather than cars are all reflected in our approach, and we remain confident that York's city centre has a vibrant future.
37. Despite this unique and significant set of challenges, there is real opportunity to use the recovery work to address pre-existing challenges with York's economy, and to improve outcomes for our residents through strengthening our key sectors, addressing inequality and creating a more resilient and inclusive economy for the future.
38. As set out in the City of York Council Recovery and Renewal Strategy, agreed by Executive on 25th June 2020, this economic recovery plan forms part of a broader approach, with public health driving the overall recovery. The overall strategy is clear on how this will influence economic recovery - *"Public health guidance will drive the decisions taken in respect of the economy. It must also be recognised that a strong economic recovery is necessary for the ongoing health and wellbeing of all residents, reflecting the wider determinants of health."*
39. This Economic Recovery Strategy will also align with the development of a 10 year recovery plan for the city.
40. Both our overall strategy and this economic recovery plan must be seen in the light of national and regional plans. The development of new York and North Yorkshire LEP arrangements are of key importance to our local economy. The LEP is also coordinating a broader economic recovery plan which builds on all the local authority work across the geography.
41. Previous Executive Member decisions have set out steps for the development of a new inclusive economic strategy. The short-term recovery strategy set out in this paper is a further step towards that new economic strategy, which seeks inclusive and sustainable growth leading to increases in household disposable income. The challenges that have been identified in our local economy remain, with low-paying employment

in retail, hospitality and social care representing a high proportion of jobs in York. Growing more better-paid work, including part-time and flexible roles which support parenting and informal care, continues to be our goal. The recently announced national Government programmes to support green jobs will also form part of the strategy.

Financial Context

42. Work continues on monitoring and understanding the financial impact of the pandemic and recovery. Since the June report to Executive there have been some further announcements of Government funding.
43. On the 2nd July a further round of funding for local government comprising a national pot of £500m (compared to £3.2bn allocated to date), additional support for income losses and the ability to spread Council Tax and Business Rate losses over a 3 year period were all announced. At the time of writing, we have not yet received details of our allocation from the £500m, nor have we received the technical guidance on in relation to the schemes announced for dealing with losses of income.
44. The Government has created a new formula for the distribution of the £500m funding that will reflect population, levels of deprivation and variations in service costs across the country and therefore it is difficult to estimate how much we might receive, although we anticipate it to be less than £1.5m.
45. Government is introducing a co-payment scheme to compensate councils for irrecoverable income losses in 2020/21. Under this scheme, we will bear the first 5% of losses compared to budgeted income (estimated at approx. £1m) but Government will cover 75p in the pound of losses beyond this. We are awaiting further guidance on the scheme, however early indications are that the scheme will not cover any commercial rent losses. It will also only cover losses from services directly provided by the Council, and as such will not therefore assist with losses of income experienced in libraries, leisure or museums as these are all delivered by external service providers. Our initial estimate is that York could potentially claim c£4.8m through this scheme, although we do need to await the technical guidance to confirm this.
46. Council Tax and Business Rate losses remain the most difficult area to estimate as we do not expect to see the true impact on businesses and residents until later in the year when the Government furloughing scheme

ends. Therefore whilst the ability to spread any losses of income in this area is welcome, in reality it only buys time to develop savings plans. It does not remove the need to make savings.

47. Due to the way in which the accounting arrangements work, these losses do not impact on the Council in this financial year and the Government has committed to consider the apportionment of these losses between central and local government and that this will be determined at the Spending Review which is currently expected sometime in the Autumn.

48. The following table outlines the latest forecast of the financial impact of the COVID-19 pandemic on the Council.

Estimated financial impact of COVID-19	Total £m
Latest forecast of additional expenditure	10.8
Latest forecast of lost income from sales, fees & charges	9.9
Net General Fund impact	20.7
Less Government funding to date	(10.4)
Less Council funding identified (contingency and YFAS reserve)	(0.9)
Latest net impact	9.4
Potential further Government Funding	(5.5)
Revised net General Fund impact in 2020/21	3.9
Estimated potential loss of council tax and business rate income	16
Total financial impact	20.4

49. The latest forecast budget gap in this financial year, taking into account the estimated impact of the new funding announcements, is c£4m. In addition, there are potential forecast shortfalls in Council Tax and Business Rates of £16m which would impact in the following financial year. This could reduce if the Government is minded to accept a proportion of these losses centrally.

50. The Council has an unallocated general reserve of £7.4m which could be used to offset the cost in this financial year. However, the use of this reserve would require growth in future years to replace any funds used and to ensure that the Council's financial stability was maintained. The scale of council tax and business rates income losses would potentially

require further savings to be identified over the next 3 to 5 years. A refreshed Medium Term Financial Strategy is being prepared to outline the scale of the financial challenge.

51. As outlined in previous reports, the financial impact on local government is a national issue and to date, the Council has actively supported various bodies, such as the Local Government Association, in lobbying Government to recognise the significant financial issues being faced by Councils across the country. Moving forward, the Council will continue to coordinate a corporate lobbying campaign, with city partners, to request additional funding for council services, business support, residents facing financial hardship, support for cultural institutions and investment in infrastructure.
52. The work to consider planned capital investment to ensure this is consistent with the recovery plan is ongoing and will be considered at a future meeting.

Council Plan

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

Implications

- **Financial** – Discussed above in paragraph 41-53.
- **Human Resources** – No specific impacts identified.
- **One Planet Council / Equalities** – A principle of recovery is to ensure climate change is considered in decisions taken. The economic recovery plans recognise and respond to the unequal impact of coronavirus and the risk of increasing levels of inequality as a result.
- **Legal** – No specific impacts identified.
- **Crime and Disorder** – No specific impacts identified.
- **Information Technology** – No specific impacts identified.

Risk Management

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

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Report
Approved

Date 15/07/20

Wards Affected:

All

For further information please contact the author of the report

Background Reports

Update on Coronavirus Response – 7 May 2020

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

City of York Council Recovery and Renewal Strategy

<https://democracy.york.gov.uk/ielIssueDetails.aspx?IId=59688&PlanId=0&Opt=3#AI55501>

Annexes

Annex 1 - COVID-19 Economic Recovery Plan

Annex 2 – Business Support Strategy

Annex 3 – Skills and Employment Strategy

Annex 4 – Tourism Marketing Strategy

Annex 5 - Keeping children safe during Covid – 19