

**Decision Session –  
Executive Member (Economy and  
Planning)**

**12<sup>th</sup> October 2020**

**Inclusive Growth Initiatives Fund – Progress update**

**Summary**

1. This report provides an update on the actions set out in the Inclusive Growth Initiatives Fund, as agreed by the Executive Leader at his Decision Session on 18<sup>th</sup> September 2019.

**Recommendations**

2. The Executive Member is asked to:
  - 1) Note the progress that has been made on the agreed projects
  - 2) Based on the information in this report, advise how the Programme should proceed given the impact of COVID 19.

Reason: So that the Council nurtures a pipeline of projects that positively address inclusive growth in the City of York, and focusses funding where it is most needed.

**Background**

3. 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.
4. Inclusive growth cannot have neighbourhoods that are left behind, opportunities that are only selectively available, or a two-tier economy where some people do well at the expense of others who are not. There are multiple, hidden impacts for those excluded, including mental health issues, families falling into poverty and social stigma.

5. 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 18th September 2019:
6. In summary, the current 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
7. Into the beginning of the year, and as reported in January, the York economy was performing strongly, with many positives on which to build:
  - 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. On this measure of productivity, York has been consistently above the national average for the last 20 years.
  - Our knowledge economy is strong and growing (Fig 2), with more than 15,000 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. However, the COVID 19 global pandemic has presented unprecedented economic and humanitarian challenges, and will have a long-term and far-reaching effect on our economy and communities, potentially for years to come. Financial and social impacts of have been instant and severe, and felt acutely at the heart of our local communities.
9. Figures for the Job Retention Scheme (JRS) and Self Employment Income Support Scheme (SEISS) published by Government show a total

of 30,300 people furloughed by York employers and a further 6,500 claiming self-employed support. Approximately £150m has been paid from these sources to businesses and the self-employed in York to date, with as much as £80m yet to be claimed if current rates continue. Most commentators agree that it is these furloughed and income-supported workers who are most at risk of redundancy.

10. If the same proportions reported nationally apply, 14,000 of those furloughed staff are in our retail and hospitality sector, with many part time roles at risk. The arts, entertainment and recreation sector is also particularly vulnerable, with 1,400 staff currently furloughed.
11. 70% of the jobs which are viewed as most at risk are filled by women, and we recognise the inclusive growth challenges that the scale of predicted job losses would bring. The impact on household incomes will mean that many families will find it increasingly hard to make ends meet.
12. The pandemic has also meant the Council's inclusive growth priorities have needed to be reassessed to support the most economically vulnerable: those who are out of work, or at risk of being so, young people entering the labour market, and our small, independent businesses.
13. This shift in priorities has led us to review the original Inclusive Growth Programme against our current situation, and report back on how the Council has responded to the extraordinary circumstances.

## **Project updates**

### **Establishing a York Poverty Truth Commission**

14. The funding for establishing York Poverty Truth Commission remains in place and is not for reallocation. This sum, to be match funded, was initially agreed by the Council, but this project was put on hold due to COVID 19, and no match actively sought.
15. This remains an important theme, and we are continuing to explore what might be possible, with the intention of trying to ensure that the Economic Strategy is developed in response to lived experience. Ensuring that the voices of those who have benefited least from York's recent economic growth are heard will be key to the success of the Strategy. We will update the Executive Member on the development of approaches to include a diverse range of voices in this work.

## **Community Hubs as drivers of economic growth**

16. The £40k for this priority contributed to the Area Based Financial Inclusion Manager post to lead on the Community Hub approach. Prior to the COVID 19 outbreak, the post holder supported the existing Community Hubs to maintain and develop their offers and subsequently established support networks amongst peers.
17. Since the beginning of the COVID 19 outbreak, and particularly during lockdown, the focus changed from the provision of Community Hubs to one of emergency response and support, helping to coordinate food distribution, prescription collection and deliveries, and other support as needed.
18. A refreshed signposting and support mechanism was developed to ensure that local people facing hardship as a result of the pandemic got the support that they needed including benefits advice, emergency financial support, wellbeing support, training and skills, and referrals to voluntary and community organisations with the expertise to support individual needs and circumstances.
19. Five emergency response hubs - Acomb, Tang Hall, Haxby, Clifton and Micklegate - are locally managed by a member of CYC staff acting as hub manager, and supported by volunteers who have received essential training, including safeguarding.
20. Each of the five hubs has developed close working relationships with local groups and organisations in order to offer comprehensive support to local residents and to facilitate local resilience. The project has directly supported some local community groups in reshaping their own Community Hub offers in order to restart or continue their operations to support the local community in a COVID-safe way.
21. The Foxwood Community Centre and Community Hub closed at the beginning of lockdown. The Community Centre has been an emergency response hub since June and the project manager has worked with the community to begin a new food waste project which sees over 70 people a week (supporting families and neighbours, so actual people supported through each session will be much higher) coming to access free food. This also allows an opportunity to meet face to face, socially distanced way which offers the opportunity for the project manager and the Local Area Coordinator to offer support, signposting and reassurance.

22. Chapelfields Community Association has opened a similar weekly session, in addition to the food deliveries they are already offering. Advice has been given to other groups, offering similar projects and support in the form of staff time and sharing of donations as appropriate. There are discussions ongoing to get more food projects going in different areas of the city, and to link these in with the hub support and learn from existing projects.
23. Over the coming months all of the Community Hubs will continue to play an important role in employment outreach work – supporting those whose jobs have been lost or at risk – and the Information, Advice and Guidance training that has already taken place for managers and volunteers will ensure that best use is made of resources to find new work and opportunities for those in need.
24. The next goals are to:
  - increase opportunities to access outreach support services – e.g. benefits, debt, employability and skills, wellbeing and personal development
  - maintain and build contacts and connections with partners and residents on an area basis, with a view to being able to transition from emergency response to the public facing Community Hub model once conditions allow

### **Greening our commercial estate**

25. Reducing both the costs and the carbon footprint of our commercial estate remains a priority. However, in current circumstances, we recognise that the ability of small businesses to co-invest in such work is limited. We propose therefore to continue with the work to survey premises and tenants to establish what might be feasible, to extend that survey work to small businesses that have received other grants from the Council, and then to use that intelligence to support future funding proposals to the Council's capital programme and to external funders. Underspend from this theme would then be reallocated elsewhere in the Inclusive Growth Fund.
26. In particular we wish to run two survey strands:
  - a) To survey the Council's commercial tenants and the buildings they occupy to establish some workable options to reduce both energy

and occupancy costs. This will look at piloting renewable energy, better understanding the tenant experience and how these factors might impact upon the sustainability of the buildings they occupy.

- b) £10k to engage more broadly with the business community, including recipients of the £1,000 Council-funded Micro Business Grant at the start of the COVID pandemic. The aim is to seek their feedback on how the funding was put to use and the challenges they have faced, and how they engage with the net-zero carbon objectives of the city. This business-friendly engagement will tease out additional themes for us to explore and allow us to develop an ongoing dialogue with key stakeholders which can be used to further develop the refreshed Economic Strategy.

- 27. Our experience of communicating with grant applicants, the resulting FSB membership scheme and the foundation economy round table, is already producing key findings, not least that many of these participant businesses are providing a valuable source of income for households in deprived areas of York, thereby establishing localised and inclusive circular economies.

### **Community employment initiatives**

- 28. £30,000 was set aside in the original inclusive growth allocation to run community jobs fairs and large events as have been run through York Learning in previous years and are designed to bring together employers and residents to build links between the two cohorts, matching opportunities available with a potential skills pipeline.
- 29. Under the current circumstances, Job fairs are not possible, but the funding will be held until viable alternatives for helping residents back into work emerge. £10,000 of the agreed funding has been used for targeted learning to support employment such as careers advice, Information Advice and Guidance (IAG), training others in IAG within Community hubs and other workshops aimed at those looking for employment which are not funded by Community Learning.
- 30. This is a possible category to receive funding reallocated from elsewhere in the programme, especially given the anticipated rise in worklessness liable to occur in line with the end of the Government's furlough scheme at the end of October and the consequent need to reach more people requiring support to find work.

## **14+ vocational training and work**

31. £50k is available to enable a pilot project to explore the feasibility of non-academic alternative pathways for all schools in York and to challenge to traditional workforce gender imbalances in those sectors.
32. A steering group of John Thompson, Head of Secondary and Skills), David Hewitt (Headteacher, Joseph Rowntree School) and Sharon Smith (Vice Principal, York College) was set up to progress this and a three year plan to provide initial subsidised access to courses delivered at York College, along with capacity for coordination and facilitation, has been drawn up.
33. This would have the first Construction Skills course starting September 2020 with additional provision to be added in each of the next two years. This proposal was fully supported by the Headteachers of all the York Secondary Schools and plans were put in place for the first cohort.
34. Due to the COVID 19 pandemic, it has not been possible to undertake the necessary preparation and transition work with students likely to start in the first cohort. There are also constraints on capacity at York College this term with the need to complete courses and assessments from the previous academic year.
35. It is now intended to start a shortened first programme at York College in January 2021 and preparatory transition work for students is due to start in November.

## **Independent Retail Growth Fund**

36. Independent business and SMEs make up a larger percentage of the high street in York than in most Cities across the country, so we are keen to create and maintain strong networks to enable them to trade sustainably for both their benefit, and that of the health of the high street.
37. Of the £40k allotted, £10k has gone to support the work of Indie York in recognition of the work they do with small businesses, and other local Traders' Groups have been approached to see what other projects, if any, might come forward.

38. We are especially keen to make the link between projects and initiatives in out of town shopping areas and the City Centre. For example, an enhanced Christmas lights display or Ice Trail in secondary shopping areas could run in parallel with similar schemes in the City Centre. These are designed to boost footfall and to energise local communities, and have probably never been more important than they are now. Further decisions to allocate this element of the Fund will be made using delegated authority, following a public call for proposals.

### **Mental health, wellbeing and employment**

39. The 'Good Help' programme, jointly supported by the Government, NESTA and the National Lottery Fund came forward in 2019, and Council funding of £25k was originally set aside for this initiative.
40. Good Help is based on a number of fundamental purposes, driving forward services within public organisations and authorities which may:
- significantly improve people's lives through supporting good help
  - establish a long-lasting local movement of people
  - support one another to deliver good help• work on a specific projects in a statutory service (e.g. a school, rehabilitation support service, JobCentre or advice service)
  - evaluate the project to generate data so we can clearly see the difference we have made and compare ourselves to similar activities
  - support a sustainable permanent, transition to offering good help
  - generate learning that people in other places can benefit from and be inspired by.
41. The Council were working with supporting partners to gain Good Help accreditation, to the extent of embedding its principles in the Children and Young People's Plan. However, the formal external funding bid made to the National Lottery and the Government failed at the final hurdle.
42. Financial priorities needed to be focused elsewhere with the onset of the Coronavirus pandemic, and as a result, even though the Good Help organisation recognised City of York Council as a strong candidate for obtaining funding, work has been paused for the moment, with no timescale for when this might begin again.

43. Several similar projects within the Public Health Team have been delayed whilst they contend with a fast-paced, ever changing environment. Resources have been diverted to support efforts to deal with the pandemic, largely through working closely with businesses and employees in the City.
44. We recognise that a community response is important for those coming forward at Community Hubs facing job losses. Some may need support around mental health issues and we are exploring opportunities to develop appropriate provision, including wellbeing sessions as part of the Community Hub offer, cultural activities and social prescribing alternatives.

### **York Economic Strategy and Partnership**

45. It was agreed, following the previous update report, that £25k of the Inclusive Growth Fund be used to undertake community based consultation to ensure that the voices of residents and businesses drive the development of the refreshed Economic Strategy.
46. An exercise to procure consultants to carry out this work was nearing completion at the beginning of 2020, but had to be halted due to the constraints of Coronavirus when it became clear that the face to face consultation work planned was neither safe nor feasible.
47. Work on the current Economic Strategy is about to recommence, with the existing evidence base refreshed and updated to take account of newly available data and the impact of COVID 19. Rather than procuring consultants to carry out a consultation, we are now advocating utilising this budget to undertake additional pieces of research to support the strategy development process. This may include undertaking stakeholder surveys and further detailed engagement through the use of focus groups.
48. Over the Summer, the Economic Growth Team worked to connect with the business community on the key issues that affect them, and held a series of sector round table events to encourage high levels of engagement. These outreach sessions have provided valuable data and information for gap analysis work to inform the Economic Strategy.
49. Other emerging themes to explore include assessing how COVID has impacted on the demand for physical office space, the property market, women in the workforce, and what a 21st Century workplace may look like in a post-COVID world.

## Consultation

50. 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.
51. Consultation proposals for each initiative under the sub-themes will be set out in individual Project Initiation Documents.

## Options

52. Options for the Executive Member to consider are as follows:
  - a) Retain the original Inclusive Growth Programme without amendments and proceed as agreed;
  - b) Cease the Programme in its current form and explore how best to use all of the funding allocated for Inclusive Growth purposes;
  - c) Continue the Programme, diverting some of the funding to support the most vulnerable – those out of work, and at risk of being so, young people entering the labour market, and small independent businesses. Detailed decisions could be delegated in consultation to the Corporate Director for Economy and Place.

**Recommendation:** Based on the detail laid out in the main body of this report, the recommended option to pursue is c).

## Council Plan

53. 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 12 October 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

### List of Abbreviations Used in this Report

CYC – City of York Council

FSB – The Federation of Small Businesses

SME – Small or medium enterprise (referring to a business size)