
Economic & City Development Overview & Scrutiny Committee

9 March 2010

Feasibility Report – Acceptance of Euros by York Businesses

Summary

1. This reports asks Members to consider the feasibility of a scrutiny topic registered by Councillor James Alexander regarding the acceptance of Euros by York Businesses. A copy of the registration form is attached at Annex A.

Criteria

2. Councillor Alexander believes that this topic fits with the following eligibility criteria as set out in the topic registration form:
 - Public Interest
 - In keeping with Corporate Priorities – This fits in with the ‘Thriving City’ them of the Corporate Strategy, which states: “We shall implement a programme of support for local businesses and communities, to ensure that York employment remains as high as it can be during the economic downturn.” and “We recognise the importance of tourism to the economy of the city and commit to further developing York as a major destination for visitors from all over the UK, Europe and beyond.”
 - National / Regional Significance

Consultation

3. The following people were consulted on the feasibility of progressing this topic to review.
 - Councillor Stephen Galloway, Executive Member for City Strategy
 - Councillor Richard Moore, Executive Member for Resources
 - Assistant Director of Economic Development
 - Director of Resources
 - Peter Kay, Chair of the Economic Development Partnership
 - Dave Martin, Visit York Director
 - Business Analyst for City Strategy

Their comments are set out at Annex B.

Options

4. In considering the information provided within this report Members may choose between the following options:

Option A Progress this topic to review.

Option B Do not proceed with a review.

Option C Defer the decision until the completion of research currently being undertaken by Visit York. Receive a presentation from Mr Martin on conclusion of his research pilot.

Analysis

5. Both the Assistant Director of Economic Development and Councillor Stephen Galloway, in his role as Executive Member of City Strategy, commented that the Council does not have the power to influence businesses to accept Euros.
6. Others consulted, such as the Director of Resources, commented on the extensive current use of credit cards in spending foreign currency, so the benefits upon businesses would be limited.
7. However, Mr Martin, a Visit York Director raised that in addition to increasing the turnover for retailers, the key benefit of doing this would be to be able promote York as a Euro friendly zone as a part of a wider strategy to make it a more visitor friendly zone, and in that way having a positive effect on York businesses.
8. He has begun to investigate this topic as part of his role with Visit York:

“I have already started conducting some research along Gillygate with around a dozen retailers [talking to them and encouraging them to accept Euros], and have had a very positive response to my arguments for adopting the policy.”

He advises:

“At this stage I cannot see any necessity for council involvement until at least another month of research is done. However, I would not like to close the door to the possibility, particularly if the scheme becomes extensive.”

9. Debate around the extent of the benefit for businesses accepting Euros would form part of the remit of any review. However, initial views do suggest that, if any, the key benefactors would be businesses in the tourist industry. Mr Kay, Chair of the Economic Development Partnership, suggested that any review should solely concentrate on this area. This narrower remit may avoid further complications with the Council’s own position of accepting Euros. For example, if a broader business context was taken and the Council encouraged all businesses to accept Euros, there may be the expectation that the Council itself should also accept Euros. The Director of Resources reflected that “In terms of CYC accepting euros I would be strongly against it from an efficiency

point of view as we are trying to move away from handling notes and coins in Sterling as this is expensive in terms of cashiers time, banking charges for handling coins and security of storing and transporting, therefore the same argument would apply to accepting Euros.”

10. Given that the focus of any review is likely to include tourists spending Euros in shops, the fact that Visit York are currently investigating this means that, if undertaken, a full review by scrutiny may be more beneficial after the initial research has by Visit York has been completed in order to avoid duplication. The initial Gillygate pilot by Visit York will be completed by April, after which conclusions may have been reached as to whether it would be beneficial for the Council to have a role in encouraging businesses to accept Euros. Mr Martin, who is carrying out the research, is willing to speak to the committee about this upon completing this initial piece of research. Mr Martin did not feel it would be worthwhile speaking to the committee before this point as he has only just begun his research and no conclusions have yet been made.

Conduct of Review

11. Should this topic be progressed to review, members should consider whether they wish the topic to be considered by the whole committee or set up a task group, and agreed a remit for the review. The review may include investigating:
 - Existing businesses that accept Euros
 - The evidence of whether this is beneficial to these existing businesses
 - Other towns around the country who have adopted this practice and the effect on their local economy
 - If the practice is deemed beneficial, what powers the Council has over persuading traders

Corporate Strategy 2009/2012

12. The contents of this report and the focus of any review that may be undertaken are linked to the ‘Thriving City’ theme of the Corporate Strategy as highlighted in paragraph 2.

Implications

13.
 - **Financial** - There are no financial implications associated with the decision of whether to commence a review, however should this topic be progressed there may be implications in further decisions on this topic. There is a small amount of funding in the scrutiny budget to enable reviews to take place.
 - **Human Resources (HR)** - There are no human resources implications associated with the decision of whether to commence a review, however

should this topic be progressed there may be implications in further decisions on this topic.

- **Equalities** – There are no equalities implications associated with the decision of whether to commence a review.
- **Legal** - There are no legal implications associated with the decision of whether to commence a review, however should this topic be progressed there may be implications in further decisions on this topic.
- **Other** – There are no other implications associated with the decision.

Risk Management

14. There are no risks associated with the decision of whether to commence a review. Should the review be progressed, there may be risk in further decisions on this topic, which would be monitored accordingly.

Recommendations

15. Having considered all the information provided within this report, it is recommended that the Committee receive a presentation from Mr Martin on his findings from the Gillygate pilot upon its completion in April. The decision of whether to proceed with any review should be deferred until this point.

Reason: In order to address the issues highlighted in the topic registration form without duplicating work.

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**Feasibility Study
Approved**



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Specialist Implications Officer(s) None

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

All



For further information please contact the author of the report

Annexes

Annex A – Topic Registration Form

Annex B – Consultation Responses