

Economic & City Development Scrutiny Committee
York as a Super-Connected City
The Economic Impact & Potential of Enhancing York's Digital Capacity

1. Background

City of York Council is working with private sector investment to enhance York's digital capacity. For projects where the private sector is not willing to invest, but which are important for York's economic future, the Council is taking advantage of resources made available by central government (the Department of Culture, Media and Sport (DCMS) via the Super-Connected Cities (SCC) Programme (£1.7mn now confirmed, not the original £2.75mn requested) and has also recommended a CYC investment from the Economic Infrastructure Fund.

See Cabinet Report from June 4 attached, which also recommends a Digital Strategy be put in place to steer new investments guided and advised by a Digital York Board.

These collective initiatives and proposals are to support York's potential to establish a comprehensive digital highway by 2015 that would propel the City into becoming one of the best digitally connected cities in Europe.

The infrastructure capital funding and associated revenue funding includes support for:

- Business Growth – to provide the infrastructure and access to ultrafast broadband (100 Mbits as a minimum) for businesses in both the urban and outer York areas
- Digital Inclusion for residents
- Digital Education

2. Original Interest from Scrutiny

- *'One in six Brits is running online businesses. 8m people are working from home either reselling goods for a profit or making their own products to sell. Home online working has few transport impacts (other than delivery).'*
- *How can CYC and its partners work together to help our existing online entrepreneurs both working from home grow and be more profitable (add GVA) and bring in wealth.*
- *How can CYC encourage more of our citizens to start to work online from home, providing flexible self employment, low cost overheads, supporting residents who are marginalised / forced to be at home because of carer responsibilities, lack of childcare, disability, illness etc.*

3. What we do and don't know about Businesses or Residents that will benefit from Faster Broadband connectivity in York?

What we do know:

- Digital applications are relevant to 98% of businesses – however, there is no business definition or distinction for 'on-line (only) entrepreneurs'.

- Faster broadband can reduce operating and capital costs, especially through cloud computing, and can help reduce barriers to entry for new and expanding businesses. Independent research suggests that Gross Value Added (GVA) can increase across the UK economy by £15 for every £1m invested;
- Consultation has taken place with businesses in York about the general business benefits of faster broadband connectivity (Economic Development Unit – 2013)
- Household internet connectivity by ward
- What we don't know:
 - How many businesses are running 'online only' businesses (this data is not collected)
 - How many York residents are currently working from home running on-line businesses (census data is not available to enable any cross-tabulation of intelligence)
 - How many jobs are available as working from home 'on-line'

4. Areas that Scrutiny might wish to explore further

Following discussions with officers across the Council who are working on digital infrastructure or digital application projects, there is a consensus that the area that the scrutiny committee has identified is too narrow in its focus. It is recommended that the committee looks at one of the following two areas of digital activity to deliver more impact:

- How CYC can support all businesses to take advantage of faster broadband to stimulate business growth (and jobs) in York (led by Katie Stewart, Head of Economic Development)
- How CYC can help residents further with online skills so that they have the skills to apply for jobs online and consider opportunities for working from home 'on-line' (Alistair Gourlay, Head of York Learning)

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