

### 1. Knowledge

It is important to understand the structure of the local economy and to build a rich picture of the impact of the recession on businesses, people, capital developments and demand for local services. From April 2010, the proposed local authority economic assessment duty is expected to come into force. This would require councils and their partners to develop a shared understanding of local economic conditions to inform their interventions.

#### 1a. Does the Council understand its local economy?

Does the Council:

- Have an economic assessment of the area (their own or externally commissioned)

*An economic assessment for North Yorkshire is being provided as part of the evidence for the drafting of the Integrated Regional Strategy. This will fulfil the statutory requirements for economic assessment and is to be carried out principally by the York and North Yorkshire Partnership Unit. The Partnership Unit works on behalf of both the County Council and the District Councils and is therefore well placed to carry out this task. It also has well established links with other City Regions and its functions cover the City of York.*

*This economic assessment does, of course, not start from scratch. The Sub Regional Investment Plan remains a key source of evidence for the economic assessment, recognising that events have moved on, not least the financial climate.*

- Understand their area's role in the sub regional economy

*The York and North Yorkshire Sub Region incorporates the County of North Yorkshire plus the City of York. However, the economic assessment will follow functional economic areas ensuring that there is sufficient collaboration and assessments where there are cross boundary issues. The sub region includes a number of functional spatial areas as set out in the regional spatial strategy and, it is believed, these appear to remain valid. The conclusions on the economic assessment will therefore incorporate the following spatial pattern –*

- *Leeds City Region*
- *York Sub Area (also part of Leeds City Region)*
- *Remoter rural area (two – the Moors and the Dales)*

- *Vales and Tees Links*
- *The Coast*

- Understand which are their key business sectors and biggest employers

*The economic assessment aims to build from the local. As a result, it will be possible to determine key business sectors at the local and county level. It should also be noted that the public sector is, in itself, amongst the biggest employers in the County.*

*The emerging economic assessment has identified the relative importance of the following industrial sectors –*

- *Agriculture*
- *Energy*
- *Food and drink*
- *Manufacturing*
- *Construction*
- *Transport and distribution*
- *Cultural, creative and the visitor economy*
- *Finance and business services*
- *Higher and further education*
- *Local service economy*

*It is also noted that self employment is key within the North Yorkshire economy.*

- Know where their residents work and where their workers live (i.e. employment and commuting patterns)

*Significant detail on this issue is captured within the Sub Regional Investment Plan (SRIP). This work is to be built upon in the new economic assessment.*

*The technical assessment of the emerging economic assessment has already identified that travel to work and commuting patterns, goods and services flows etc. are key to understanding the spatial analysis.*

*It should also be noted that significant work has been carried out, particularly in relation to the Leeds City Region, and there is therefore a wealth of information at the disposal of all parties.*

- Understand the reasons for unemployment / worklessness

*North Yorkshire has benefited from strong employment growth over many years. Employment rates across the County has high and unemployment and inactivity rates are therefore low. North Yorkshire does not have the scale or intensity of issues which face other parts of the region but there are a number of issues affecting particular groups in the labour market. There are also areas of the County where more focussed attention is required and this is again reflected in the emerging technical assessment which will review worklessness by area, ethnicity, gender and age. This will also be reviewed alongside the learning and skills position in localities and across the County.*

- Understand the relationship between the skills and knowledge of the local labour force and the needs of local employers?

*The County benefits from above average school attainment, a relatively well qualified workforce and employers with a relatively high level of engagement in training. This position does not, however, apply across the whole of the sub region and there are areas where there are significant numbers of adults with literacy / numeracy difficulties and adults with no qualifications are lower than the national average. There are therefore some specific skills issues which require further attention.*

*Positive work is currently underway to ensure that private sector links are made within the Sub Regional Work and Skills Partnership. This Partnership will include representation from the Leeds, York and North Yorkshire Chamber of Commerce, the North East Chamber and a representative from the Land Business Sector. Amongst the issues under consideration will be labour markets and skill requirements, linkages with education including schools, FE and HE. This is in addition to well developed relations with local employers at district level.*

**1b. Does the Council know how the recession has affected the area?**

- Does the Council have good intelligence about how the recession is affecting its area, businesses and citizens?

*The partnership Unit produces monthly updated economic data which provides invaluable information as to the impact of the recession. This information can be drilled into so that more local information is available. This information is therefore used to inform countywide and local responses to the recession.*

*Local data is collected at LSP level and is evidenced in LSP reporting and action planning.*

*Ongoing relationships with business sector support agencies (such as the Chamber) and third sector community groups (CAB for example), mean that it is also possible to collect softer data so as to assess the levels of confidence within the community.*

- Is the Council using recent data on impacts where available, for example claimant count and notified redundancies?

*Yes, monthly updates are provided and more local information is collected in order to ensure that redundancy positions are “hot off the press”.*

- Does the Council know where its knowledge is lacking, and is it working to fill the gaps?

*As part of the emerging economic assessment the Partnership Unit has produced a gaps analysis for early consideration. The aim is to ensure that such gaps are populated as the economic assessment is developed.*

- Is the Council working with its partners and others to build a picture of impacts? This could include:
  - LSP partners, such as the primary care trust and the police
  - Neighbouring authorities
  - Regional bodies
  - The business sector
  - Private-sector developers
  - The voluntary sector
  - Jobcentre Plus; and
  - The Learning and Skills Council

*It is recognised that councils acting in isolation will only have marginal impact upon the economic recession and their ability to mitigate the effects will therefore be diluted. For that reason, councils have been acting in support of other partners where they are best placed to provide direct action. Key relations have therefore been formed at a regional, sub regional and local level with such bodies as the Chamber of Commerce, Business Link, Yorkshire Forward, Federation of Small Businesses.*

*The North Yorkshire Strategic Partnership has sought to ensure that key partners share experiences, share learning and identify areas for further action for example, a partnership event was held on 12 March 2009 when the Regional Minister attended to contribute to a discussion about the impact of the recession in North Yorkshire.*

*Relationships with the third sector have also proved critical during the recession. Additional funding has been provided to support those agencies who have found their services under increased pressure.*

- Does the Council know how the recession is affecting partner organisations?

*See above*

- Has the Council identified different groups that are at risk or have already been badly affected? Examples of groups could include: young people, older workers, a locally important business sector or small shops.

*Agencies have not waited until the effects of the recession have been felt on groups of citizens. It is recognised that all groups will suffer, to some extent, the adverse effects of the recession. Details on support to business have been provided in greater detail above.*

*Other targeted activity includes benefits and warmth advice for older people, financial inclusion work for children and families through the Credit Union whilst partners have come together in order to develop a more sustainable approach to implementing the Future Jobs Fund.*

**1c Does the Council know how the recession is affecting particular communities and individuals?**

- For example
  - Older People
  - Younger workers
  - Vulnerable groups
  - Deprived communities
  - Migrant workers
  - Long-term unemployed
  - Recently unemployed

*Councils collectively are responsible for ensuring that they are aware and are seeking to mitigate the negative effects of recession and other such factors. As a result, it is essential that councils monitor the position and stay close to communities through these difficult times. It is also important that services do not work solely on a reaction basis but seek to inform, guide and assist those groups most at risk. Evidence of such activity for particular communities and individuals can be further elaborated upon.*

**1d Does the Council know how the recession is affecting businesses?**

- Is the Council in touch with its biggest employers?

*Please see earlier comments relating to engagement with business support agencies.*

*LSPs proactively encourage participation of the business sector and relations with the largest employers are a key part of that approach. As mentioned previously, it should also be noted that the public sector (local authorities, health sector, central government and MOD for example) features as one of those largest employers.*

- Does the Council know how the main sectors in its economy are faring in the recession?

*Local, sub regional and regional intelligence is gathered to inform. It has been recognised that the wider economy of North Yorkshire is unlikely to anticipate either the peaks or the troughs of growth and recession as experienced elsewhere within the region. This is principally because of the makeup of the economy in the county, elements of which are experiencing real growth, such as tourism.*

*This information is supplemented by the wealth of information referred to earlier.*

- Is it aware of the main issues for local firms, for example cash flow or falls in consumer spending

*It is difficult to generalise as to why local firms may be struggling. Details are more likely to be gathered at a local level when difficulties are encountered and this data is then used to inform local intelligence.*

## 1e Is the Council monitoring changing demands for services?

- Is the Council looking for early warning signs of higher demand, for example new families needing social work involvement or housing enquiries that could lead to homelessness?

*The data gathered by the Partnership Unit includes data from council services. There is therefore a focus on those key services which are likely to be required by vulnerable people such as social care and housing. This is supplemented by data from the third sector as mentioned previously.*

- Has the Council developed informed forecasts of where and when increases in demand are likely to be seen, and in which services?

*It is difficult to develop a model of forecast demand for all services in the same manner. However, projections are taking place where possible and monitoring continues.*

- Where increases are already being experienced, for example for housing benefit claims, it is monitoring levels of demand and the impact on staffing, budgets and service standards?

*Where services are statutory then the councils have no choice but to meet the demand. The impact upon staffing, budgets and service standards is therefore of paramount importance but demand will be met by whatever means possible and available.*

- Is the Council working with partners to detect changes in demand, for example, increasing levels of mental ill-health or other social issues?

*See earlier comments.*

## 2. Knowledge

It is important to work in partnership through the LSP to maximise the impact of the recession response. Actions should be agreed through the LSP and implemented by all relevant partners. The views and experiences of a wider range of stakeholders should inform these plans.

**2a Is there a jointly agreed approach for the area?**

- Has the response to the recession been developed with the LSP?

*The dynamics of the two tier county are such that the North Yorkshire Strategic Partnership seeks to ensure that there is a collective sharing of intelligence and resources for countrywide issues. At the more local level, each local strategic partnership seeks to ensure that it has a view of the economy at district boundaries although the same agencies play a part as at the NYSP level. It is therefore not possible and unhelpful to try and distinguish between the strategic and local partnerships.*

*All of the data been collected in response to the recession is shared with all strategic partners. Co-ordinated activity takes place, where appropriate, not just at sub region but also at regional level. For example, all 8 local authorities have signed up to the regional pledge in order to try and support local businesses through these difficult times. Action plans can therefore be found at local, sub regional and regional level but, it is believed, that they are all complementary.*

*As the recession reaches its trough, it is recognised that partners need to continue to work collectively in order to aid recovery. This is an area where partners will seek to establish whether further improvements are necessary and / or be realised.*

- Has each partner determined their own response?

*See above*

**2b. Are partners implementing recession plans**

- Are partners implementing recession policies to maximise impact? For example are they:
  - Changing their corporate behaviour by paying invoices more quickly or trying to buy locally?
  - Making their staff and users of their service (for example patients at the local hospital and users of voluntary services) aware of local initiatives such as debt advice, anti-loan shark campaigns and training opportunities?

*The regional pledge includes changing the way in which councils pay invoices and all have signed up to this pledge.*

*A wealth of information has been produced in order to inform staff and service users about the services that are available to assist during the recession. As identified earlier, much of the information is to sign post people to the agency who is best placed to support them. On occasions, this is the council itself but often, this is another agency such as the CAB.*

### **3. Decision-making principles**

In deciding on a recession response, councils and partners should follow sound principles of good decision making, including setting clear objectives, developing a sound plan, appraisal of options, and monitoring.

#### **3a. Are objectives clear?**

- Is the Council clear about what its role should be in the recession and what it is trying to achieve? Objectives might include:
  - To slow economic decline / promoting economic growth
  - To deal with extra service demand and carrying on 'doing the day job' well
  - To prevent the development of social problems / inequalities linked to recession, unemployment and increased level of deprivation
  - To make efficiency savings and reducing council tax.

*The councils are clear that their role should be about protecting to the best of their ability the communities which they serve. In order to achieve this, councils need to work on multiple objectives and no one approach will work in isolation.*

*It needs to be recognised that the economic situation is an international phenomenon and councils can only therefore make a marginal impact. Nevertheless, councils have been seeking to do whatever possible to support businesses through this period.*

*In parallel, it has been necessary to meet the extra service demand and to pre-empt any adverse impacts of the recession. This is, of course, against a backdrop of a tightening financial scenario, reducing developer contributions, increased numbers of citizens entitled to service and a pressure on delivering value for money savings. Whilst keeping council tax levels low. There is no easy solution to this but all councils are committed to facing this challenge.*

### 3b How is the Council prioritising its efforts?

Just as their local economies and communities are most in need, councils' opportunities for action may be restricted by the recession's impact on their finances. Addressing one issue can have consequences for another, for example making redundancies in a council's workforce reduces costs, but exacerbates local worklessness. Councils need to be clear about how they are prioritising between these two pressures.

- Is the Council more concerned about:
  - **Internal issues** – increasing service demand and pressure on finance; or
  - **External issues** – their efforts to make changes in the local economy; or
  - **Both?**

*See above – priorities cannot be mutually exclusive.*

### 3c Do actions match priorities?

- What are the issues that:
  - Senior management has spent most time discussing?
  - Have been the subject of new research?
  - Have dominated agendas?

*See above*

- Is this consistent with the priorities of the Council?

*See above*

### 3d Have responses to the recession been well thought through?

- Why were specific interventions chosen?
  - Are they specifically targeted at addressing an issue for the local economy?
  - Were potential alternatives considered and rejected?
  - Were benefits weighed against cost and felt to represent value for money?

- Have the risks been fully assessed?
- Are any risks being effectively managed?

*Specific interventions tend to have been made as a result of requests from key partners or in order to try and mitigate to adverse impacts of the recession upon key client groups. Decisions such as investing increased money into support agencies such as the CAB clearly carries risk. However, it is balanced against the alternative scenario where there is unmet demand for services from vulnerable groups. It must be realised that decision making needs to be responsive or the damage will already have been done. It also needs to be recognised that evaluation of decision making, in some cases, will be very difficult as it will be benchmarked against a scenario which never took place.*

*All of the above involves the normal approach to decision making, albeit in abnormal times.*

### **3e How will success be measured?**

- Are the objectives and outcomes for each intervention clearly articulated?

*See above*

- Are there metrics available and pre-determined to measure effectiveness?

*See above*

- Is progress being monitored?

*See above*

- If effectiveness is dependent on targeting specific groups, are the methods of identification and means of communicating with each group clear?

*See above*

### 3f Learning and capacity building

- Is the Council aware of any skills, experience or capacity gaps that could hamper effective action?

*The gap analysis prepared by the Partnership Unit helps to identify areas where further development is required. This includes closer working with the business sector, particularly in relation to skills and worklessness. Additionally, the sub region has secured additional RIEP money in order to bolster its capacity to meet the demands of the recession and the economic assessment duties.*

- Is the Council taking steps to fill significant skills or capacity gaps?

*See above*

- Is the Council taking steps to learn from the experience of others – particularly if it has limited experience of economic development and / or the area has not yet been badly affected?

*See above – the County and the Partnership Unit have strong relations with the wider region and particularly the other sub regions such as Leeds City Region and Tees Valley Region.*

- Are the results of monitoring being used to improve recession interventions?

*See above*

### 4. Targeting

The Council's response needs to be matched to the extent and type of local issues, and should be an appropriate combination of universal and specific approaches.

- Is the Council using its knowledge and local intelligence to develop an overall approach to the recession that is matched to the specific issues its economy faces?

*See above comments*

- Is the Council using links with key employers to identify and, if appropriate, respond to the specific issues they are facing?

*See above comments*

- Does the Council's system and delegation arrangements allow for flexible responses, in an appropriate timescale, while still managing risks?

*See above comments*

- Is the Council using its knowledge of its community, and of how local people are being affected, to develop responses that target specific issues, for example addressing particular training needs for preventing homelessness?

*See above comments*

## **5. Planning for recovery**

Even in the early stages of a recession, it is important to ensure that the area is well placed to share in economic growth once the recession is over.

- Does the Council have a clearly articulated vision for its post-recession economy?

*As identified earlier, planning is currently taking place in order to help identify areas where further collaborative working can assist. It is therefore recognised that this is an areas which requires further focus.*

- Does the Council have a clear view of whether its economy is well placed to benefit from the recovery when it comes? For example, which of its industries and sectors have potential for future growth?

*As also identified earlier, there is a good understanding of the impact of the recession, and its ability to recover, across the industries and sectors within North Yorkshire. The high potential of tourism, the high levels of self employment and the creative industries are all identified as areas which have potential for future growth.*

- Have long-term capital and economic development plans been re-evaluated in the light of the recession?

*The emerging economic assessment will incorporate.*

- Has the Council discussed its future economy with the regional development agency and other relevant regional or sub-regional bodies (for example, if they are part of a multi-area agreement)?

*Relationships with Yorkshire Forward are on-going and well established. Additionally, the Partnership Unit is a well respected interface with Yorkshire Forward.*