

# **NORTH YORKSHIRE COUNTY COUNCIL**

**17 DECEMBER 2008**

## **STATEMENT OF THE COMMUNITY SERVICES PORTFOLIO HOLDER COUNTY COUNCILLOR GREG WHITE**

### **ECONOMIC DEVELOPMENT**

There is much talk at the moment about the worsening economic climate, the impact of the credit crunch on businesses and likelihood of redundancies. So what is the position in North Yorkshire? It is probably too early to give a definitive view on this as it will take time for statistics to reflect the real impact and for interventions put in place by Government and the Regional Development Agency to take effect. Recent unemployment figures show that the number of people out of work in North Yorkshire increased by 236 in October of this year to 5,676. Last year the total fell by 208 in the same period. The claimant count unemployment rate for North Yorkshire is now 1.7%, up by 0.4% on the year. The rate for the region is 3% and for the UK 2.6%. However, the county figure masks a diverse picture at district level. While Scarborough and Harrogate districts have seen monthly increases of over 7%, Hambleton and Ryedale experienced a small reduction in the number of claimants.

While economic conditions are undoubtedly difficult, particularly in terms of businesses accessing finance, experience of previous downturns shows that the North Yorkshire economy, with a preponderance of small businesses, shows a higher degree of resilience compared with neighbouring areas where large businesses predominate. This does not mean that we can be at all complacent.

The Government has published its response to the consultation on the Sub National Review of Economic Development and Regeneration. The Government has confirmed that it is to take forward proposals in a number of key areas – legislation to require each region to produce a new regional integrated strategy, together with an implementation plan, and reformed regional governance structures which will give joint responsibility for their production to the RDA and the local authority Leaders' Board; the delegation of decision-making by Regional Development Agencies to local authorities, although it is not proposing new legislation to make that happen; legislation to create a duty for the County Council to prepare an economic assessment, together with a duty on the County Council to work closely with District Councils on its production and a duty on District Councils to cooperate with the County Council; and legislation to allow for the creation of statutory sub-regional authorities for economic development where local authorities choose to do this. Most of these changes will require legislation in order to be implemented. The document does not give a timescale on this other than to say that it will use forthcoming legislation.

**GREG WHITE**