



## Notice of a public meeting of

### **Economy & Place Policy Development Committee**

- To:** Councillors Cuthbertson (Chair), Kramm (Vice-Chair),  
N Barnes, S Barnes, Cullwick, Richardson and Steward
- Date:** Tuesday, 17 July 2018
- Time:** 5.30 pm
- Venue:** The Thornton Room - Ground Floor, West Offices (G039)

### **AGENDA**

#### **1. Declarations of Interest**

At this point in the meeting, Members are asked to declare:

- any personal interests not included on the Register of Interests
- any prejudicial interests or
- any disclosable pecuniary interests

which they may have in respect of business on this agenda.

#### **2. Minutes**

(Pages 1 - 6)

To approve and sign the minutes of the last meeting of the Economic & Place Policy Development Committee held on 19 June 2018.

### **3. Public Participation**

It is at this point in the meeting that members of the public who have registered their wish to speak can do so. The deadline for registering is by **5pm on Monday 16 July 2018**. Members of the public may speak on an item on the agenda or an issue within the Committee's remit. To register, please contact the Democracy Officers responsible for the meeting (the contact details are available at the foot of the agenda).

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### **4. Attendance of Executive Member for Environment** (Pages 7 - 10)

The Executive Member will be in attendance to provide an update on his priorities and challenges for the 2018-19 municipal year.

### **5. Attendance of Executive Member for Transport & Planning**

The Executive Member will be in attendance to provide an update on his priorities and challenges for the 2018-19 municipal year.

**6. Economic Strategy Review** (Pages 11 - 34)

This paper sets out a proposed timeline and outline process to review the economic climate, consider the challenges we face as a city, and enable the development of a refreshed Economic Strategy as an early priority in the 2019/20 work programme.

**7. Work Plan 2018/19** (Pages 35 - 36)

Members are asked to consider the Committee's work plan for the municipal year.

**8. Urgent Business**

Any other business which the Chair considers urgent under the Local Government Act 1972.

Democracy Officers:

Catherine Clarke and Louise Cook (job share)

Contact details:

- Telephone – (01904) 551031
- Email [catherine.clarke@york.gov.uk](mailto:catherine.clarke@york.gov.uk) and [louise.cook@york.gov.uk](mailto:louise.cook@york.gov.uk)

(If contacting by email, please send to both Democracy Officers named above).

For more information about any of the following please contact the Democratic Services Officers responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

**This information can be provided in your own language.**

**我們也用您們的語言提供這個信息 (Cantonese)**

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

Ta informacja może być dostarczona w twoim (Polish)  
własnym języku.

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی مہیا کی جاسکتی ہیں۔ (Urdu)

**☎ (01904) 551550**

City of York Council

Committee Minutes

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Meeting	Economy & Place Policy Development Committee
Date	19 June 2018
Present	Councillors Cuthbertson (Chair), Kramm (Vice-Chair), N Barnes, Cullwick, Richardson and Steward
Apologies	Councillor S Barnes

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### **1. Declarations of Interest**

Members were asked to declare any personal interests not included on the Register of Interests or any prejudicial or disclosable pecuniary interests that they might have in respect of the business on the agenda. Councillor Cuthbertson declared an interest in item 10 (Make it York Service Level Agreement) in his capacity as a Trustee of York Museums Trust (appointed by the Council). There were no further declarations of interest.

### **2. Minutes**

Resolved: That the minutes of the last meeting held on 21 March be approved as a correct record and signed by the Chair.

### **3. Public Participation**

It was reported that there had been no registrations to speak under the Council's Public Participation Scheme.

### **4. Priorities and Challenges 2018/19**

The Executive Member for Economic Development and Community Engagement gave an overview of his priorities and challenges for 2018/19.

Members welcomed the update and in response to Members questions the Executive Member commented that:

- Whilst CYC could acquire empty shops there needed to be a balance of providing a return on those shops to CYC. CYC was working with York Business Improvement District (BID) and York Retail Forum to address

this. It was a complicated picture as some of the empty buildings were owned by companies based in London. He confirmed there were no empty CYC owned shops in the city centre as of 6 June 2018. Discussion also took place regarding the work that would be undertaken to support the growth of secondary shopping areas.

- The Economic Strategy and Skills Plan were designed to address low wage sectors, graduate retention and creating attractive employment opportunities, as well as affordable housing and the cost of living.
- CYC was working towards the goal of being the greenest city in the North via the integration of the One Planet York decision making tool into every decision taken by the Council.
- Residents' comments during the consultation for My Castle Gateway had informed the process of consultation for York Central. The Assistant Director for Planning and Public Protection confirmed that CYC had been assigned two inspectors for the Local Plan.
- There was a need to balance what the York Central site would provide i.e. the balance between Grade A office space, other types of work space and housing. The Executive Member undertook to ask MiY for information on the demand for Grade A office space.
- CYC could support small businesses in providing apprenticeships through the York Apprenticeship Hub. It was awaiting the outcome of a collaborative European bid led by the West Yorkshire Combined Authority (WYCA) in partnership with other Leeds City Region (LCR) Local Authority partners to re-launch a proactive independent brokerage service for employers (of all sizes) which would better support young people into apprenticeships / employment.
- The Economic Strategy would be refreshed along the One Planet York principles after the 2019 local elections, and the need to examine this in line with the Skills Plan was noted. It was noted that MiY could provide quarterly economic trackers for the committee.

The Executive Member for Economic Development and Community Engagement was thanked for his update and it was:

Resolved: That Members note the priorities and challenges for Economic Development and Community Engagement and Environment 2018/19.

Reason: To understand the priorities and challenges for Economic Development and Community Engagement and Environment 2018/19.

## **5. Draft Creative Industries Strategy**

The Head of Science City York provided an update on the drafting of a Creative Industries Strategy, highlighting the research and findings used to inform the process.

Members thanked the Head of Science City York for her update and following Members' questions and comments, she advised that:

- Creative Industries impacted different businesses in a number of ways and she highlighted a number of examples.
- 87% of jobs within the Creative Industries could not be automated, for example within the fields of AR, VR, heritage technology and way finding. There were also lots of different ways to use creative technologies in non creative fields.
- An explanation of how small businesses were supported through advice was given. It was noted that a number of businesses were service based rather than product based.
- Work had begun to improve the visibility of the Creative Industries through the creation of an online platform for content. The estimated cost for this was £50k for which the necessary funding would need to be sourced.
- Regarding higher education opportunities in the Creative Industries, the University of York and York St John University were developing courses in these. University placements with AR and VR businesses were also in development. It was noted that a six month knowledge transfer partnership was being explored.
- In terms of support from CYC for the Creative Industries, the Assistant Director for Communities and Equalities explained that the Corporate Management Team (CMT) had identified an opportunity for a funding source from LCR to support this.

Following Member comments and questions it was:

Resolved: That Members note the update on the draft Creative Industries Strategy.

Reason: To understand the draft Creative Industries Strategy.

## **6. Presentation on Economic Strategy Progress**

As Head of Economic Growth had given apologies for the meeting it was:

Resolved: That the item be deferred to the next meeting.

Reason: To enable the Head of Economic Growth to be in attendance to deliver the presentation.

## **7. Residents Parking Scrutiny Topic Feasibility Report**

This report provided feedback from appropriate officers on the proposal made by Cllr D'Agorne to review CYC's Residents' Priority Parking Scheme (copy of topic registration form included at Annex A). Members were asked to consider the work currently ongoing and its impact on the topic, and agree how best to progress the policy development review proposal from Cllr D'Agorne.

The Assistant Director for Transport, Highways and Environment explained the officer response to Cllr D'Agorne's proposal and the rationale for the recommendation to Members to consider undertaking two policy development reviews, starting with a review to examine how best to mitigate the effects of the city centre access works on disabled parking, to be followed by a holistic review of residents parking across the city.

Cllr D'Agorne then explained his scrutiny review proposal to identify efficiency savings, examine different processes to use e.g. new technology, and best practice from elsewhere. etc

Members discussed the benefits and negatives of the order in which the two reviews could be carried out. Following a robust discussion during which a number of views were expressed, it was:

Resolved: That;

- i. The Committee undertake two policy development reviews, starting with an initial review to examine how best to mitigate the effects of the city centre access works on disabled parking permit holders.



- ii. Cllrs N Barnes, Cullwick, D'Agorne, Kramm, Richardson and Steward form an informal Task Group to carry out some initial research in support of the residents parking review.
- iii. The Committee receive a scoping report at its November 2018 meeting on the Residents Parking Review, informed by the informal work carried out by the Task Group. The remit of the review to be inline with Cllr D'Agorne's topic proposal as detailed in paragraph 9 of the report.

Reason: To identify an appropriate parking model that will rationalise arrangements for residents parking across the city.

## **8. Draft Workplan 2018/19**

The Committee considered the draft work plan for the 2018/9 municipal year. Members were reminded of the process for suggesting topics via the submission of a scrutiny topic proposal form. The Scrutiny Officer was asked and updated Members on the progress of the Motion on single use plastics. Following discussion it was agreed that:

- i. The Economic Strategy presentation be deferred to the 17 July meeting.
- ii. The initial parking review to examine how best to mitigate the effects of the city centre access works on disabled parking permit holders be started at the 17 July meeting.
- iii. The Update on the Development of a Community Asset Strategy for York be deferred to the 18 September meeting.
- iv. A scoping report on the holistic review of residents parking to provided at the 20 November meeting.

Resolved: That the work plan for 2018-19 be approved, subject to the above amendments.

Reason: To ensure that the Committee has an agreed programme of work in place.

## 9. Urgent Business

### **Draft Service Specification for Make it York Contract 2018-21**

In accordance with section 100B(4)(b) of the 1972 Local Government Act, the Chair had agreed for the Committee to consider a report under urgent provisions, in order that it may comment on the draft service specification for the new MiY contract, prior to its consideration by the Executive Member for Culture, Leisure & Tourism at the Decision Session on 23 July 2018.

The report presented the new service specification for Make it York which the Assistant Director for Communities and Equalities confirmed had been updated to include suggestions made by the Committee at previous meetings.

Members considered the draft SLA and made the following further suggestions:

- Schedule 1 Part 1) Objectives – point 1 (b) (ii) to change to: ‘Average wages for York residents and workers to be above national average year on year.’
- Schedule 1 Part 2) Service Specific Requirements, Section 5 Sector Development - addition of point 5.4 to refer to the Creative Industries Strategy.

Following Member feedback it was:

Resolved: That the draft MiY SLA be presented to the Executive Member for Culture, Leisure & Tourism Decision Session on 23 July 2018 with the addition of the suggested amendments above.

Reason: To inform the Executive Member’s consideration of the draft agreement.

Cllr I Cuthbertson, Chair

[The meeting started at 5.30 pm and finished at 8.15 pm].

**Economy and Place Policy Development Committee**

17 July 2018

**Report of the Executive Member for Environment**

Improving the connection between the council and York's residents will be the key feature in the year ahead.

**Waste and Recycling**

There will be a report on waste later this year which will look at the charges for Bulky Waste Collections and how these can be reviewed in the light of information coming from the Community Recycling Fund. The report will also cover the issue of charges for rubble from households.

Time banding for commercial waste will be reviewed during the year ahead to avoid the issue of bags being out on street, particularly in the city centre for over 12 hours attracting 'night time economy' side waste which is left on top. Whilst, as with many things, this is easier in London it is something that working with the Retail Forum and BID needs to be fully examined. Also within the city centre the failing Solar Compactor bins are being replaced, and steps are being taken to deal with bins which are too small from a previous roll out of street furniture.

The council has a key role in taking the lead with low emission vehicles for work. I appreciate that the committee has done some work around fleet procurement. My own view is that the council should be working towards an all electric waste fleet, and similar vehicles. As technology develops, particularly around battery design the opportunities for vehicles which have more power demands (such as bin lorries) have increased. I will be working with officers on how this can be developed linking waste/recycling with air quality.

Also now that the Local Plan has been submitted I will be asking officers to develop a Waste Supplementary Planning Document so that developments have easily maintained waste facilities, and that these enable the proper containment of waste/recycling containers, and the appropriate presentation for efficient collections.

There is clearly increased public interest in the matter of plastics recycling and the range of different types that can be put into the box. I have pressed for this to be reviewed, with the further recent complications of the whole industry being impacted by the tightening of tolerances on contamination by the Chinese Government on all types of recycled material. At the same time there have been moves to eliminate single use plastics even the current Government has made some suggestions that it might consider action. Together with moves from supermarkets to reduce the plastic element of packaging there is uncertainty on what the plastic waste stream would be. As there will need to be considerable investment in facilities to respond to this it is important that this is factored into the future policies of the council. Therefore I will be working with officers to develop the business plans for this much sought after service.

### **Flood Defence**

As we work through the 5 year plan with the Environment Agency I will be working with officers and as the City's Representative on the Regional Flood and Coastal Committee to ensure that all the resources allocated to the city are fully utilised. There will continue to be quarterly updates to my Executive Member Decision Sessions which will include further work by the council to cover the issue of surface water drainage, which has become a key consideration with the impact of climate change on sudden downpours.

I will continue to work with organisations such as Yorkshire Integrated Catchment Solution Programme (iCASP) which looks at spreading best practice on integrated Catchment Plans, natural flood management, and upstream steps which can be delivered to reduce flood risk downstream.

### **Air Quality**

The consultation on the Clean Air Zone for the city will result in a significant amount of work on how this will be delivered and the necessary policies to implement this scheme which would be the first voluntary CAZ in England.

I will continue to support sustainable transport, and following on from the objectives built into the Castle Gateway and York Central developments there will be specific work on the implementation of projects which will improve accessibility for cyclists and pedestrians. I will be working with external organisations, such as the Cycle Pedestrian Forum to ensure

that these new schemes are a driver to improve the infrastructure around the rest of the city. Improvements to the roundabouts on the Ring Road need to improve opportunities for sustainable transport and I shall continue to work for these to be factored into the programme. This will be part of my role on the West Yorkshire Combined Authority.

I am grateful for the officers, councillors and residents who worked hard to increase awareness of Clean Air Day and I will be looking to develop the anti-idling message and how the new traffic light system can help to alleviate the pressure on some of the hotspots of poor air quality.

### **Clean Energy**

The funding to enhance photo-voltaic schemes, and other newable power has already produced additional PVs on council properties, and working with the Green Economy Panel for Leeds City Region I will over the next year be working to produce a greater capacity within the city to become more self-reliant in energy terms.

### **One Planet York**

There are 10 strands for the One Planet York initiative and therefore working with other departments, and external partners I will be working over the next year to develop these. It was important to see the Health and Wellbeing Board taking the lead with this year's annual One Planet York Conference.

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**Economy and Place Policy Development Committee**

17 July 2018

Report of the Director of Economy and Place

**Economic Strategy Review****Summary**

1. The current York Economic Strategy was developed in 2015 and launched just after the Brexit referendum in summer 2016. It reflected economic growth forecasts made prior to that decision and recognised the importance of bringing forward a Local Plan and proposals for York Central.
2. National economic strategy is set out in the Government's Industrial Strategy, with local enterprise partnerships (LEPs) being encouraged to develop their own regional approaches through Local Industrial Strategies. Both Leeds City Region (LCR) LEP and York North Yorkshire and East Riding (YNYER) LEP have begun the process of developing such a document. York needs to clearly articulate its economic priorities and challenges to both LEPs and seek local industrial strategies which support our development priorities.
3. As the York Central project progresses rapidly towards delivery, our Local Plan comes closer to formal adoption and other key sites including Castle Gateway start to really shape growth in York, the need to adapt our Economic Strategy to make it fit for the next 5 years becomes a pressing concern.
4. This paper sets out a proposed timeline and outline process to review the economic climate, consider the challenges we face as a city, and enable the development of a refreshed Economic Strategy as an early priority in the 2019/20 work programme.

**Background**Current Strategic Economic Context

5. Officially launched on 19 July 2016, just 26 days after the EU referendum, the current York Economic Strategy was developed

following a year-long consultation with over 100 business groups, voluntary organisations, educational establishments and entrepreneurs. It is a partnership plan rather than simply a Council strategy, and is underpinned by an extensive evidence base of forecasts, scenarios and consultations, all prepared prior to the Brexit vote and subsequent General Election.

6. The strategy, sub-titled “Choosing a better story”, considers two scenarios. In the first, the growth that had been experienced following the 2008 recession was allowed to continue without intervention, leading to strong growth in retail, tourism and heritage, but a decline in office accommodation and further hikes in house prices. Without intervention, the strategy argues, York becomes a University and dormitory town, over-run by tourists and too expensive for Yorkies to live in.
7. In the second scenario – the “better story” of the title – York becomes the intellectual hub of the Northern Powerhouse, developing key sites such as York Central and growing high-value employment sectors, building affordable homes for the local population, and reinventing itself as a modern city with a strong and distinct heritage.
8. The second scenario, the one we have signed up to deliver, is set out in four headline targets:
  - Growing wages to above the national average by 2025
  - Meeting in full the requirements for business space and housing
  - Growing priority high-value sectors at least 20% faster than baseline forecasts
  - Maintaining comparative advantages in employment, skills and connectivity
9. The programmes and actions anticipated to deliver these headlines are then set out in “Eight essential to-dos”:
  - Deliver the York Central enterprise zone & high speed hub
  - Deliver a Local Plan that supports a high value economy
  - Take practical steps to develop and retain talent in the city
  - Drive real University- and research-led business growth in key sectors
  - Lobby for investment in key transport networks
  - Use local business rate freedoms to drive high value growth
  - Make a fresh loud statement of cultural and visual identity



- Bring people and businesses together in creative low-cost ways
10. York Skills Plan 2017-2020 was approved on 1st August 2017 and looks in depth at how we develop, retain and attract talent, adding a further important objective of making sure no one is left behind.
  11. National economic strategy is guided by the HM Government Industrial Strategy: Building a Britain fit for the future, published in November 2017. Built on 5 foundations of Ideas, People, Infrastructure, Business Environment and Places, the strategy seeks to address the grand challenges that can put our economy at the forefront of global development. The Industrial Strategy then sets out sector deals to support growth in Life Sciences, Construction, Artificial Intelligence, and Automotive. A second wave of sectors with sector deals in advanced stages of development covers Creative Industries, Manufacturing, and Nuclear, and a roadmap for further sectors to gain deals is also set out. LEPs are identified as the key economic geography, and those with Metro Mayors are gifted funding and additional powers. LEPs without mayors will develop their own local Industrial Strategies and be able to bid for funding from central government.
  12. York, North Yorkshire and East Riding Enterprise Partnership's Strategic Economic Plan 2014-2020 sets out a series of ambitious priorities to make the area "the place in England to grow a small business, combining a vibrant business location with an enviable quality of life". YNYER are now working on a Local Industrial Strategy which will define their investment priorities over the coming years.
  13. Leeds City Region Strategic Economic Plan 2016-2036 presents a vision to deliver transformational change across the UK's biggest economy outside of London, driving prosperity, jobs and quality of life through good growth. Inclusive growth is becoming a key theme in LCR policy development, with a focus on growing employment and incentivising employers to pay the real living wage. For York, key priorities include becoming recognised as a global digital centre, boosting exports, a focus on high level skills, and securing investment in rail infrastructure. LCR too are developing their Local Inclusive Industrial Strategy.

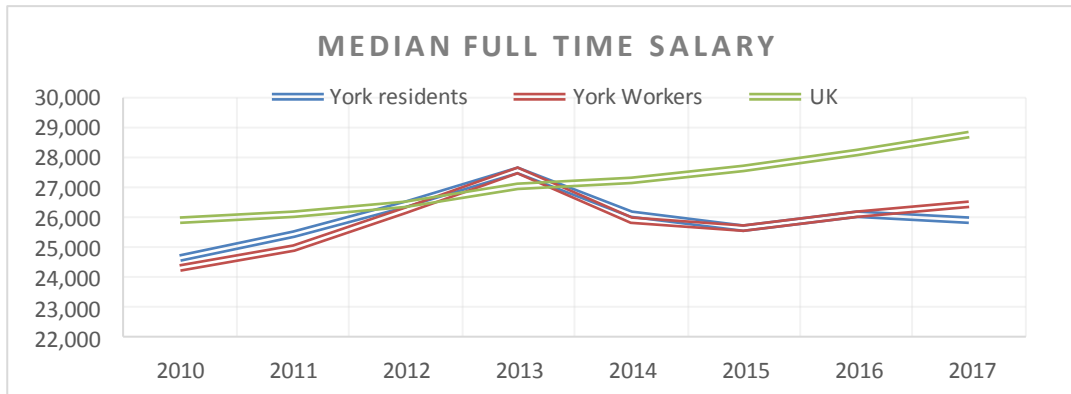
### **Progress against York Economic Strategy priorities**

14. Looking first at the 8 essential to-dos of our economic strategy, our assessment is that four of the priorities are progressing well and assessed GREEN, with the remaining four underway, but progressing more slowly and assessed AMBER.

15. Deliver York Central & High Speed Hub: progress on York Central is accelerating, with an outline planning application to be submitted in August 2018, a detailed planning application for access to follow in September, and plans for development of the Station frontage recently the subject of public consultation. Work to finalise the funding package, enabling the signing of a formal partnership agreement, will be complete by the close of the year, and work is expected to commence on site in 2019 for access works and 2020 for construction. High speed rail plans through HS2 reflect the importance of York as a rail hub, while our work with other authorities along the East Coast main line continues to place development of existing routes at the centre of rail strategy for the North. Assessment: GREEN
16. Deliver a Local Plan that supports a high value economy: the draft Local Plan was submitted in May 2018, and Inspectors have now been appointed by Government and we are awaiting feedback to inform the next stage in the process. Assessment: GREEN
17. Take practical steps to develop and retain talent: work with Higher York and the Skills Team is still at an early stage. As York Central, which will provide a rapid expansion of workspace for graduate level employment, comes closer to fruition, this priority will become increasingly urgent. Assessment: AMBER
18. Drive real University and research-driven growth in key business areas: closer collaboration between the Universities and the Council has been a priority for some time and still remains a challenge. However, growth in the bio-economy – exemplified in the Biorenewables Development Centre at Dunnington, the Biovale initiative and the National Agri-Food Innovation Campus (NAFIC) at Sand Hutton – is strong. The fastest growing sector in our economy is creative industries, with both Universities strong in this area, and emerging work exploring artificial intelligence applications in the insurance industry presents further opportunity. Assessment: AMBER
19. Lobby for investment in key transport networks: we are making steady progress on securing investment in key local rail links; the York perspective is being reflected in plans for HS2, the trans-Pennine route and East Coast main line; work is now underway on further improvements to the A1237 (York outer ring road northern section). Transport infrastructure continues to be a high priority for the city, and underpins much of work with both LEPs and more broadly with Transport for the North and the Northern Powerhouse. Assessment: GREEN

20. Use local business rate freedoms to drive high value growth: the adoption of York Central as an enterprise zone in April 2017, incentivising inward investment through rates relief, is a key recent success. The LCR business rates pool, piloting potential national approaches to implementing business rate freedoms, has already provided significant investment into our creative and cultural industries sector, and three bids to the current round will, if successful, bring a further £1.4m to support priority sites, industries and city-wide projects. Assessment: GREEN
21. Make a fresh loud statement of visual and cultural identity: early work to establish a shared city brand is underway, informed by the Cultural Leaders group's emerging York Cultural Strategy and an industry-led creative industries sector plan. We hope to secure funding through the Business Rates Pool to support a city-wide process to engage with residents, businesses and key institutions and enable the development of a shared vision. Assessment: AMBER
22. Bring people and businesses together in creative low-cost ways: public engagement through My York Central and My Castle Gateway is demonstrating the value in bringing people together, and we are now seeking to extend the approach into working with the business community. Our partners in Make It York, York Business Improvement District (BID), the Chamber of Commerce and the Federation of Small Businesses all need to be involved as we seek to develop ways to bring the business community together. Assessment: AMBER
23. For our headline targets (see para 8 above), progress is less positive, with two assessed at RED, two at GREEN.
24. Growing wages to above national average by 2025: as the chart below shows, wages in York are rising but lagging behind the national average. This is a consequence of the industrial structure of our economy, with retail, tourism, hospitality, health and social care and education making up 60% of all jobs in the city. While high wage sectors, including the creative industries, science and technical and financial services, are all growing faster than lower paid sectors, they still represent a minority of employment in the city. Assessment: RED
25. A more nuanced view is presented by recent data on household disposable income, which shows the overall impact on household finances of pay, income from investments, and both income from and the costs of housing. These figures are more positive for York and hint at the broader approach needed if we are to find ways to increasing the

prosperity of our residents. It is not simply take home pay which is important – the cost of living in York, with relatively high house prices and factors such as transport and childcare costs, also needs to be taken into account.



26. Meeting in full the requirements for business space and housing: The adoption of our draft Local Plan will be a crucial step in enabling the right quantum of housing and employment land to be brought forward and support growth. Putting aside targets for housing numbers, figures on actual delivery of units show that an average of 302 units per year have been built in York over the past 5 years. As current estimates suggest that around 3 times this number is actually needed, it is clear that demand is not being met. There is a similar picture to be painted for both industrial and office space in York, with supply not meeting demand and businesses having to choose between constraining their own growth or leaving York. Assessment: RED
27. Growing priority high-value sectors at least 20% faster than baseline forecasts: The fastest growing sectors in terms of percentage growth in employment are creative industries and science and technology, which created a combined 1,400 jobs in 2017, well ahead of the published target. To emphasise the point made above on pay, businesses in the retail and logistics sectors, which are low paid industries, added 1,250 jobs in the same period. Financial services did less well last year, losing 500 jobs which was an 11% reduction. Assessment: GREEN
28. Maintaining comparative advantages in employment, skills and connectivity: These measures are provided by Centre for Cities, with data in the most recent year showing continued improvement in employment and skills data, where York is among the highest scoring cities in the UK, and a level position for connectivity. Assessment: GREEN.

### **Gaps in the current strategy**

29. The current York Economic Strategy was developed prior to the vote to leave the European Union and the subsequent General Election. The national Industrial Strategy has been released in the meantime, and much progress has been made with key sites such as York Central and with our Local Plan.
30. Each of these is a good reason in its own right to review our Economic Strategy. Together, they make a compelling argument for an update of our current published plan.
31. The York Skills Plan recognises the need to ensure no one is left behind. The Inclusive Growth agenda has developed considerably over the past year, and this is emerging as a gap in our own strategy. Understanding what Inclusive Growth means for York, rather than simply adopting policies developed in a West Riding context, is a vital step if we are to be fully involved in this area of policy.
32. Recent high profile closures and business failures of well-known high street chains and the continued growth in online retailing demonstrate the global changes that are happening in retail. Our current strategy sees retail in York purely from the perspective of the many low wage jobs that the sector is built on. We need to embrace this key element of our economy, understand the global changes that are impacting the sector, and build a positive view of retailing into our strategy.
33. For our large regeneration projects and for York Central in particular, it is vital that we set out a plan for the sectors that we want to see expanding into the new work space that will be provided. Left to its own devices, the market will bring a broad mix of occupiers. A targeted campaign, underpinned by a clear strategy to drive growth, could bring a step change to our economy.

### **Developing a refreshed Economic Strategy for York**

34. Our current Economic Strategy is for the period 2016-2020, and its sister document, the York Skills Plan, covers 2017-2020. A new strategy will thus be needed for 2020 onwards, with drafting taking place in 2019, and there is an opportunity to bring both economic development and skills together into a single framework.
35. While we have identified weaknesses and gaps in the current Economic Strategy, it has enabled a targeting of resources on key issues, and is

delivering results. This suggests that we should develop a refreshed Strategy rather than starting again from scratch.

36. To enable the completion of such a refreshed Strategy in 2019, work would need to begin in Autumn 2018 to develop a common appreciation of the challenges that York faces and the scope that we have as a city to influence economic change. Establishing this prior to the 2019 Election period would allow a diversity of potential policy responses to be brought forward by politicians. Drafting work on the refreshed Strategy could then begin soon after the elections, enabling formal adoption before the end of the year.
37. In September 2017, we held a review event looking at progress on the Economic Strategy. This brought around 100 stakeholders together, looking at four key themes. These were:
  - 18-35s,
  - a shared investment plan,
  - City centre,
  - City brand.
38. The event was well attended, and the conversations around those themes helped to shape subsequent work. There is a desire for a similar event this year, potentially as part of a rejuvenated York Business Week which takes place from 12<sup>th</sup>-19<sup>th</sup> November 2018.
39. A conference, bringing together partners, stakeholders and businesses to reflect on progress in the economy and consider some of the challenges we face, would form a good starting point for the work needed for a refresh.
40. An outline process for the work is proposed as follows:
  - Now to Autumn 2018 – review, refresh and extend evidence base
  - Autumn 2018 – Economic Strategy conference (either after the Party conference season in early October or as part of York Business Week in November)
  - Between conference and January 2019 – a series of papers looking at key aspects of the Strategy, challenges for the York economy, and potential policy responses to inform policy development
  - Spring 2019 – process on hold during Election period

- June 2019 to Autumn 2019 – develop refreshed Strategy with the new administration
- Autumn 2019 – launch York Economic Strategy 2020-?? at a further iteration of the conference

### **Consultation**

41. Stakeholders will be consulted as part of the refresh process.

### **Council Plan**

42. Developing a clear and relevant Economic strategy is key to delivering a prosperous city for all.

### **Implications**

43. **Financial** - there are no financial implications.

**Human Resources (HR)** - There are no human resource implications

**Equalities** – There are no equalities implications

**Legal** - There are no legal implications

**Crime and Disorder** - There are no crime and disorder implications

**Information Technology (IT)** - There are no IT implications

**Property** - There are no property implications

**Other** -There are no other implications

### **Risk Management**

44. The risk of not updating our strategy is that it becomes increasingly irrelevant and our work on economic development retrenches to a responsive approach. Equally, if we refresh the strategy before the full Council elections in May 2018, there is a significant risk that the new administration will not adopt the strategy. By developing thinking over the coming months to set a shared understanding of the challenges and strengths of our economy, we plan to enable that new administration to bring forward their responses to those challenges in a new strategy which can be launched in the early months of a 4 year term.

## Recommendations

45. Members are asked to note and comment on the contents of this report prior to it being considered by the Executive Member for Economic Development and Community Engagement at a Decision Session on 23 July 2018.

Reason: To inform Members of the proposed timeline and process for the development of a refreshed Economic Strategy.

## Contact Details

Author:

**Chief Officer Responsible for the report:**

Simon Brereton  
Head of Economic Growth

Neil Ferris  
Corporate Director of Economy and Place

Tel: 01904 552814

**Report Approved**  **Date** 9/07/2017

**Wards Affected**

**All**

**For further information please contact the author of this report**

**Background papers**

**York Economic Strategy 202015-20**

[https://www.york.gov.uk/downloads/file/10991/york\\_economic\\_strategy\\_2016\\_to\\_2020](https://www.york.gov.uk/downloads/file/10991/york_economic_strategy_2016_to_2020)

**Annexes**

Annex 1 – York Economic Strategy Update

**Abbreviations**

BID – Business Improvement District

LCR – Leeds City Region

LEP – Local Enterprise partnership

NAFIC – National Agri-Food Innovation Campus

YNYER – York, North Yorkshire and East Riding



Annex 1

# York: Economic Strategy

Simon Brereton  
Head of Economic Growth

# What's The Plan?

- ▶ York Economic Strategy 2016-23
- ▶ York Skills Plan 2017-2020
- ▶ York, North Yorkshire & East Riding Enterprise Partnership Strategic Economic Plan 2014-2020
- ▶ Leeds City Region Strategic Economic Plan 2016-2036
- ▶ HM Government Industrial Strategy: Building a Britain Fit for the Future

# York's Headline Targets

- ▶ Growing wages to above the national average by 2025
- ▶ Meeting in full the requirements for business space and housing
- ▶ Growing priority high-value sectors at least 20% faster than baseline forecasts
- ▶ Maintaining comparative advantages in employment, skills and connectivity



# Eight essential to-dos

## EIGHT ESSENTIAL TO-DOS

Programmes and actions



**DELIVER YORK CENTRAL ENTERPRISE ZONE + HIGH SPEED HUB**



**DELIVER A LOCAL PLAN THAT SUPPORTS A HIGH VALUE ECONOMY**



**TAKE PRACTICAL STEPS TO DEVELOP AND RETAIN TALENT IN THE CITY**



**DRIVE REAL UNIVERSITY & RESEARCH-LED BUSINESS GROWTH IN KEY SECTORS**



**LOBBY FOR INVESTMENT IN KEY TRANSPORT NETWORKS**



**USE LOCAL BUSINESS RATE FREEDOMS TO DRIVE HIGH VALUE GROWTH**



**MAKE A FRESH LOUD STATEMENT OF CULTURAL + VISUAL IDENTITY**



**BRING PEOPLE + BUSINESSES TOGETHER IN CREATIVE LOW-COST WAYS**

# Progress on the 8 essential to-dos

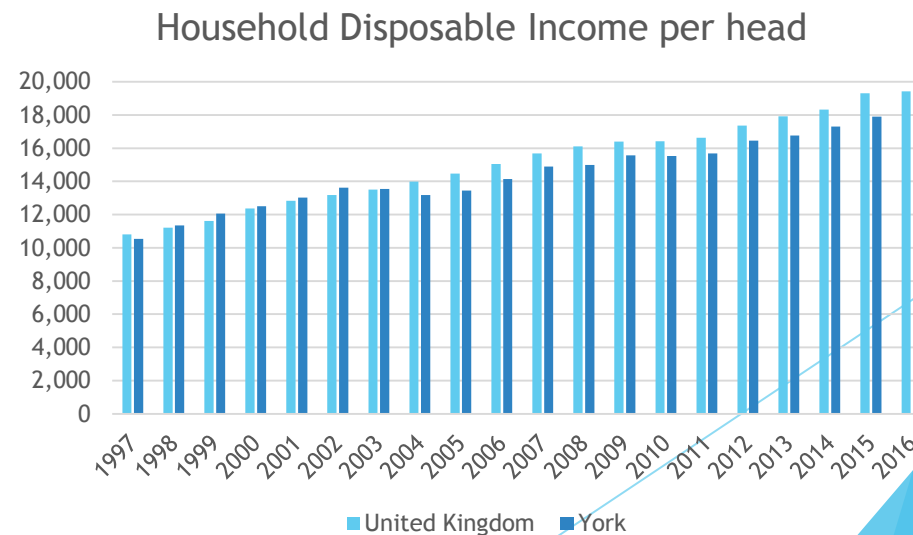
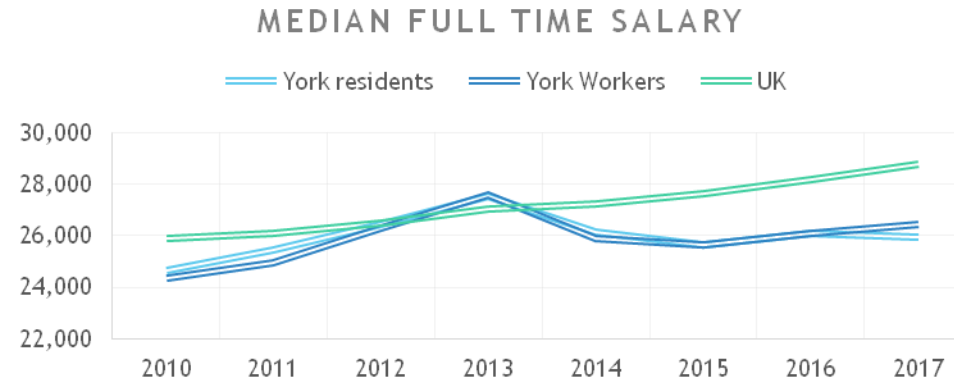
- ▶ Deliver York Central & High Speed Hub
  - ▶ Masterplanning underway, York Station frontage underway, engagement with HS2, key continued role of ECML. Overall: **GREEN**
- ▶ Deliver a Local Plan that supports a high value economy
  - ▶ Plan submitted. Awaiting next steps! Overall: **GREEN**
- ▶ Take practical steps to develop and retain talent
  - ▶ Little progress over the last year Overall: **AMBER**
- ▶ Drive real University and research-led growth in key business areas
  - ▶ Biorenewables sector; York Central opportunities; opportunities there, but not yet being “driven” Overall: **AMBER**

# Progress on the 8 essential to-dos (2)

- ▶ Lobby for investment in key transport networks
  - ▶ Slow but steady progress on rail links. Investment beginning in ring road. ECML vs HS2 needs keeping on the LCR agenda! Overall: **GREEN**
- ▶ Use local business rate freedoms to drive high value growth
  - ▶ York Central EZ & potential occupiers is key to this. LCR business rates pool - 3 bids under consideration. Scope for further consideration of options. Overall: **GREEN**
- ▶ Make a fresh loud statement of visual and cultural identity
  - ▶ City brand work key to this, but also builds on Cultural Strategy & Creative industries work. Overall: **AMBER**
- ▶ Bring people and businesses together in creative low-cost ways
  - ▶ Good progress on “people” side, less progress to date on businesses. Overall: **AMBER**

# Progress on headline targets: increase median wages

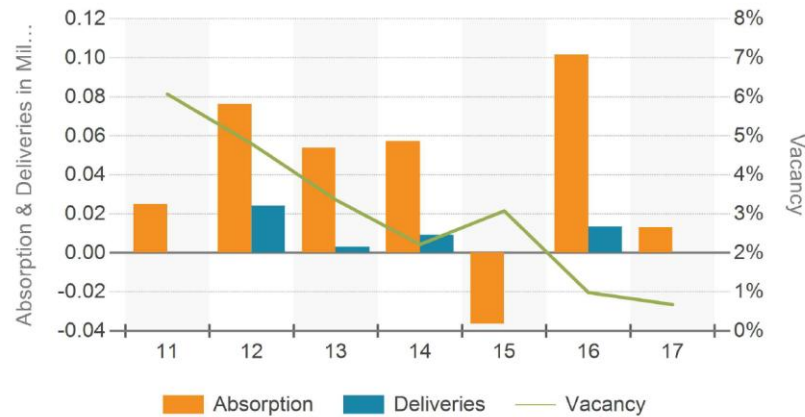
- ▶ Pay gap widening but household income figures more positive
- ▶ Target focusses only on hourly pay rates - reality is much more complex:
  - ▶ Housing costs
  - ▶ Energy costs
  - ▶ Transport costs
  - ▶ Childcare costs
- ▶ York needs a more sophisticated approach to prosperity than headline pay rates!



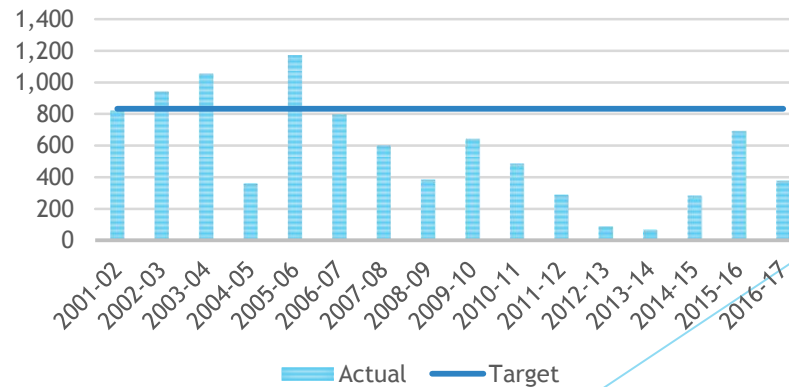
# Progress on headline targets: Business space and housing

- ▶ Housing target vs actual delivery of units - key is the latter!
- ▶ Business space estimates in local plan based on sound evidence, but what about pent-up demand?
- ▶ York central will deliver office space, but we have a growing shortage of industrial space

ABSORPTION, DELIVERIES, VACANCY



HOUSING DELIVERY VS LOCAL PLAN TARGET

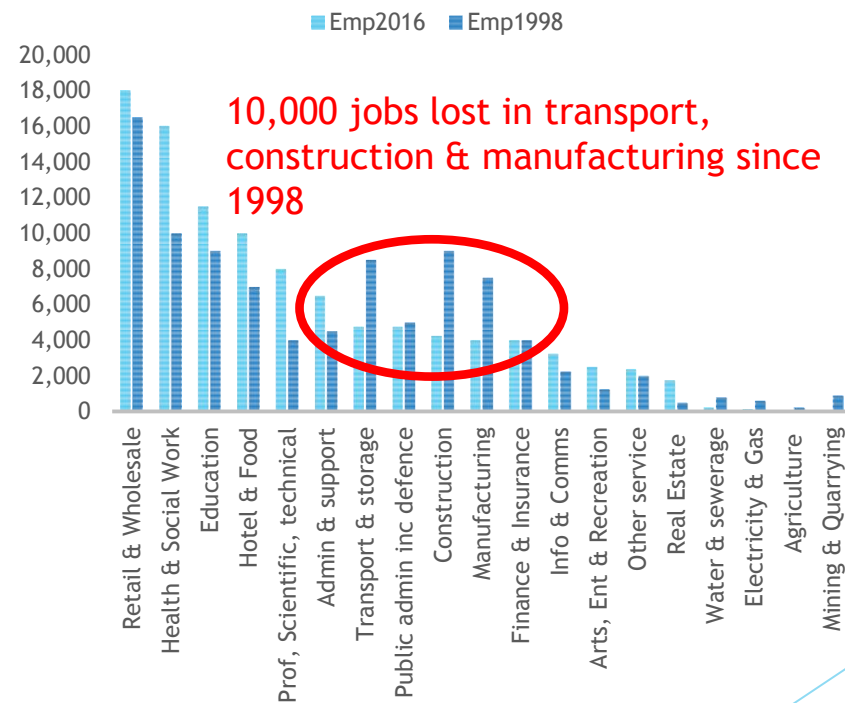




# Progress on headline targets: Growing priority high value sectors

- ▶ Science, technology, professional, finance, insurance all growing
- ▶ So too are retail and hospitality!
- ▶ Space and talent are key to further growth
- ▶ What about high value employment for non-graduates?

YORK EMPLOYMENT, 1998 TO 2016



# Progress on headline targets: Maintain comparative advantages in employment, skills & connectivity



- ▶ Employment Rate (%) 76.7 (13/63) - up from 17/63 for the previous year
- ▶ Skills - level 4 quals and above 40.6% (13/63) down from 12/63 in the previous year
- ▶ Skills - 5 A\*-C GCSEs 63.7% (4/59) up from 5/59 the previous year
- ▶ Connectivity - Ultrafast broadband 53.56% (53/63) no comparator

York Factsheet	
Year of data:	Latest ▼ (Factsheet shows the latest data for each indicator)
<b>Area</b>	
Area	270km <sup>2</sup>
Local Authorities	York
<b>Business and innovation</b>	
Business Churn Rate (%) 2015	2.51 (60/63)
Business Closures (per 10,000 population) 2015	32.14 (34/63)
Business Start-ups (per 10,000 population) 2015	40.12 (50/63)
Business stock (per 10,000 population) 2015	318.03 (23/63)
GVA per Worker (£) 2015	48,259.77 (34/62)
Patent Applications (per 100,000 of population) 2015	26.03 (17/63)
<b>Demographics</b>	
People Born Outside the UK (%) 2011	9.2 (38/63)
Population Aged 0-19 (%) 2011	22.13 (55/63)
Population Aged 20-29 (%) 2011	17.12 (15/63)
Population Aged 30-44 (%) 2011	19.6 (47/63)
Population Aged 45-64 (%) 2011	24.28 (35/63)
Population Aged 65+ (%) 2011	16.87 (15/63)
<b>Exports</b>	
Exports per job (£) 2014	3,710 (62/62)
Goods exports per job (£) 2014	1,420 (62/62)
Services exports per job (£) 2014	2,290 (57/62)
<b>Housing</b>	

# Are We On Track?

To-do	Overall RAG rating
York Central	GREEN
Local Plan	GREEN
Talent retention	AMBER
University & research-led growth	AMBER
Lobby for investment in key transport networks	GREEN
Business rates freedom to drive high value growth	GREEN
Fresh loud statement of cultural identity	AMBER
Bring people and businesses together in low-cost ways	AMBER

Indicator	Overall RAG rating
Wages	RED
Business Space & Housing	RED
Priority Sector Growth	GREEN
Employment, Skills, Connectivity	AMBER

# What next?

- ▶ Autumn economic conference
  - ▶ Review progress
  - ▶ Agree evidence base
  - ▶ Towards June 2019!
- ▶ Business Rates Pool projects
  - ▶ Housing delivery
  - ▶ Castle Gateway
  - ▶ City Brand
- ▶ Continue with the “to-dos”



# What More Could We Do?

- ▶ Meanwhile uses on long term development sites
- ▶ Understand future property needs better
- ▶ Use Council financial clout to de-risk development
- ▶ Strengthen partnership working on economic issues



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## Economy & Place Policy Development Committee - Workplan 2018-19

19 June 2018	<ol style="list-style-type: none"> <li>1. Attendance of Exec Mbr for Economic Dev &amp; Comm Engagement - Priorities &amp; Challenges for 2018/19</li> <li>2. Creative Strategy for York - with attendance of Head of Science City York (Heather Niven)</li> <li>3. Residents Parking Scrutiny Topic Feasibility Report (James Gilchrist/Graham Titchener)</li> <li>4. Workplan 2018/19</li> <li>5. <i>Urgent Business</i> – Draft Service Specification for Make it York Contract 2018-21(Charlie Croft)</li> </ol>
17 July 2018	<ol style="list-style-type: none"> <li>1. Attendance of Exec Mbr for Environment - Priorities &amp; Challenges for 2018/19</li> <li>2. Attendance of Exec Mbr for Transport &amp; Planning,</li> <li>3. Presentation on Economic Strategy Progress inc. Strategy Review Plan &amp; Update on Local Industrial Strategy (Simon Brereton) – <i>deferred from June 2018 meeting</i></li> <li>4. Workplan 2018/19</li> </ol>
18 Sept 2018	<ol style="list-style-type: none"> <li>1. Overview of Planned Work to Enhance Economic Growth in Secondary Shopping Areas (Simon Brereton)</li> <li>2. Update on Development of a Community Asset Strategy for York (Tracey Carter)</li> <li>3. Introduction to City Centre Access Works &amp; Consultation on City Centre Disabled Parking (Graham Titchener)</li> <li>4. City Centre Access Works –Consultation Feedback (Graham Titchener)</li> <li>5. Workplan 2018/19</li> </ol>
Nov 2018	Business Week – Conference on the Future of York’s Economy
20 Nov 2018	<ol style="list-style-type: none"> <li>1. Residents Parking Review Scoping Report (James Gilchrist)</li> <li>2. Update on Enhancing Economic Growth in Secondary Shopping Areas (Simon Brereton)</li> <li>3. Workplan 2018/19</li> </ol>
22 Jan 2019	1. Workplan 2018/19

5 March 2019

1. Workplan 2018/19

### Future Areas of Policy Development

- Economic Strategy 2020–2025 - Building in Economic Metrics & Performance Assessment
- Community Infrastructure Levy
- Supplementary Planning Guidance – Priorities for York
- Policy on Crossing Points