

External Funding Scrutiny Review Final Report – Cover Report

Summary

1. This cover report presents the draft final report arising from the External Funding scrutiny review, and asks the Task Group to identify any changes required to the report ahead of its presentation to the Economic & City Development Overview & Scrutiny Committee on 24 September 2013.

Background

2. In September 2012 this Committee received an initial briefing note on a scrutiny topic proposed by Councillor Semlyen. The premise for the suggested review was to unlock the potential of external funding for economic development and regeneration projects.
3. The Committee agreed to proceed with the review and set up this Task Group to carry out the review on their behalf.
4. Following some initial investigation by this Task Group, in January 2013 ECDOSC agreed a remit for the review together with a number of objectives. However, as work on the scrutiny review progressed, ECDOSC were asked to agree some minor changes to the objectives set, to allow the Task Group slightly more flexibility within their review. Work on this review then progressed based on the following remit and objectives:

Aim

To be more effective and systematic in securing external funding and investment for York

Key Objectives

- i) To assess how Leeds City Region are articulating investment priorities, including looking at the case of the LEP European

Regional Development Funding Programme and broader funding priorities.

- ii) To assess what resources are available to City of York Council (CYC) to effectively identify and successfully secure funding (resources in this instance including CYC staff, additional or temporary staff, partnership staff, ability to provide match funding, up-skilling and training)
- iii) To develop a plan for presenting a strong case to attract funding for York's top investment priorities.

Consultation

5. Work on this review, included meeting with external partners from Network Rail and Leeds Local Enterprise Partnership, alongside colleagues from CYC Development Control and the Economic Development Unit.

Additional Information

6. Since the Task Group last met in June 2013, further information on the Single Local Growth Fund has emerged as part of the June Spending Review i.e.:
 - Creating a Single Local Growth Fund (SLGF) with over £2 billion of budgets from skills, housing and transport for 2015-16;
 - Making a further commitment of £5 billion of transport funding in the SLGF from 2016-17 to 2020-21 to enable long-term planning of priority infrastructure while also committing to maintain the SLGF at a total of at least £2 billion each year in the next Parliament; and
 - Giving LEPs responsibility for how €6.2 billion (£5.3 billion) of EU Structural and Investment Funds is spent, bringing resources under the strategic influence of LEPs of at least £20 billion in the years to 2021.
7. In support of the Task Group 's work on Objective (i) of this review, this new information has been incorporated at paragraph 16 of the review draft final report at Appendix 1.

Analysis

8. The draft final report attached contains a full analysis of the information gathered in support of the review.

Draft Recommendations Arising from the Review

9. Two strategic recommendations have been identified as a result of the work on this review – see below:

Strategic Recommendations

Recommendation (i) - EDU to develop and publish on the web an 'Investment Plan' that will highlight key growth priorities for CYC and wider City, and identify specific projects to take these priorities forward, and match them to the most relevant sources of finance (with an appropriate forward scanning function to achieve this). To be completed by December 2013.

Recommendation (ii) – To apply measurable targets to the investment plan in order to gauge its impact e.g.:

- Target for funding bidding success - Compared to funding per capita, York to win 20+% more of Leeds City LEP funding than would be proportionate to a per capita allocation of the LEP pot
 - That York Economic Development Unit submits quality “oven ready” bids: i.e. those that win funding success in at least 40% of bid submissions
10. The Task Group are asked to note that the specific targets and potential success measures listed above are shown only as examples, as officers believe the best measures of success will only emerge over time.
 11. The remaining draft recommendations arising from this review are specific to the individual objectives of this review - see below:

Objective (i) Recommendations

Recommendation (iii) - The priorities of the City to be aligned with broader regional priorities, particularly those contained within the Leeds City Region LEP Investment Plan. CYC needs to be proactive in engaging the Leeds City Region and other potential partners to ensure

that York's key investment targets are prioritised effectively in regional and national investment plans.

Recommendation (iv) - CYC to be proactive in engaging the Leeds City Region and other potential partners to ensure that York's key investment targets are prioritised effectively in regional and national investment plans.

Recommendation (v) - Regular updates on York's key investment priorities, including progress with specific bids to be communicated to Leeds City Region, Science City York and other relevant partners who either need or wish to be informed of specific bids.

Objective (ii) Recommendations

Recommendation (vi) - CYC to continue to subscribe annually to the REM licence and budget for it as a core expenditure, in order to utilise the REM to evidence the overall economic impact of every project or initiative (where a clearer understanding of the broader economic impact forms part of the bid criteria) thereby clearly articulating and strengthening the evidence base for all funding applications.

Recommendation (vii) - CYC to explore, under the licence agreement the benefit of, using the REM and sharing the data produced by the REM – and how we involve/engage citywide partners in making the most of the modelling software. Aim to produce an agreed REM user plan by December 2013.

Objective (iii) Recommendations

Recommendation (viii) - CYC to draw upon relevant officer expertise, and ensure that sufficient officer time and resource is made available to build and develop business cases of suitable robustness and probity around the major flagship projects featured in the Investment Plan, in order to maximise significant funding and investment into those schemes.

Recommendation (ix) - CYC to develop a clear inward investment menu or offer on the 'yorkmeansbusiness' website, setting out the various support services available to potential investors. This should draw on the support made available as part of recent successes in attracting inward

investment e.g. Hiscox. The initial development of the webpage to be completed by October 2013.

Recommendation (x) - CYC to maintain a presence at prestigious international events to attract developer and investor finance for key sites in the City. Every lead from such events should be followed up and invited to York to meet with relevant senior CYC officers.

12. An additional recommendation in regard to Website development and its broader functionality was originally proposed. However that recommendation has been omitted as the work is currently in hand. Officers have confirmed that a wider refresh of the website is currently being undertaken to make it more accessible, user friendly and suitable for business / investor needs.

Options

13. Having considered the draft final report attached, the Task Group may choose to:
 - i. Identify any revisions required to the draft final report and instruct the Scrutiny Officer to make the necessary changes ahead of the meeting of the Economic & City Development Overview & Scrutiny Committee on 24 September 2013.
 - ii. Identify any additional conclusions for insertion in the draft final report at Appendix 1.
 - iii. Identify any additional recommendations for insertion in the draft final report at Appendix 1

Council Plan

14. The work on this review and its arising recommendations supports the '*create jobs and grow the economy*' element of the Council Plan 2011-15.

Implications & Risk Management

15. Information on the implications and risks associated with the recommendations arising from this scrutiny review will be sought from the relevant officers once the Task Group have agreed all the recommendations they wish to make. Information on those implications

will be inserted into paragraph 65 of the draft final report at Appendix 1, ahead of its presentation to the Economic & City Development Overview & Scrutiny Committee on 24 September 2013.

Recommendations

16. Taking into consideration all of the information contained within the attached draft final report and its annexes, the Task Group are recommended to:
 - i. Identify any revisions required to the draft final report
 - ii. Identify any additional conclusions and/or recommendations for inclusion in the draft final report

Reason: In order to conclude their work on this review in line with Overview & Scrutiny procedures and protocols.

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Report Approved



Date

17 July 2013

Wards Affected:

For further information please contact the author of the report

All



Background Papers: N/A

Annexes

Appendix 1 – Draft Final Report & Associated Annexes