



**Notice of a public meeting of
Economy & Place Policy Development Committee**

- To:** Councillors Cuthbertson (Chair), Kramm (Vice-Chair),
N Barnes, S Barnes, Cullwick, Rawlings and Steward
- Date:** Tuesday, 29 January 2019
- Time:** 5.30 pm
- Venue:** The Thornton Room - Ground Floor, West Offices (G039)

AGENDA

1. Declarations of Interest

At this point, 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 - 8)

To approve and sign the minutes of the Economy and Place Policy Development Committee (Pre Decision Calling In) meeting held on 5 November 2018 and minutes of the meeting held on 20 November 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 **5.00pm** on **Monday 28 January 2019**. 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 Officer responsible for the meeting (the contact details are available at the foot of the agenda).

Filming or Recording Meetings

Please note that, subject to available resources, this meeting will be filmed and webcast, or recorded, including any registered public speakers, who have given their permission. This broadcast can be viewed at <http://www.york.gov.uk/webcasts>.

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The Council's protocol on Webcasting, Filming & Recording of Meetings ensures that these practices are carried out in a manner both respectful to the conduct of the meeting and all those present. It can be viewed at http://www.york.gov.uk/download/downloads/id/11406/protocol_f_or_webcasting_filming_and_recording_of_council_meetings_20160809.pdf

4. Economic Health of York City Centre Final Report (Pages 9 - 24)

This report is to inform members of the Economy and Place Policy Development Committee of the work carried out by members of the Economy and Place Scrutiny Committee into the Economic Health of York City Centre. It also asks that the Policy Development Committee considers whether it wishes to take forward elements of the scrutiny review which relate to policy development as identified in the recommendations at paragraph 54 of this report, as referred by the Economy and Place Scrutiny Committee.

5. Work Plan 2018/19 (Pages 25 - 26)

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

6. Urgent Business

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

Democracy Officer: Angela Bielby

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Email – a.bielby@york.gov.uk

For more information about any of the following please contact the Democracy Officer 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 własnym języku. (Polish)

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

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

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City of York Council

Committee Minutes

Meeting	Economy & Place Policy Development Committee (Pre Decision Calling In)
Date	5 November 2018
Present	Councillors Cuthbertson (Chair), Kramm (Vice-Chair), S Barnes, Cullwick, Richardson, Steward and Flinders (as a substitute for N Barnes)
Apologies	Councillors N Barnes

1. Declarations of Interest

At this point in the meeting, Members were 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. None were declared.

2. Public Participation

It was reported that there had been three registrations to speak under the Council's Public Participation Scheme.

Karen Froggatt, Chief Executive of York Blind and Partially Sighted Society (YBPSS), informed the committee of her concern with the lack of engagement between the Council and YBPSS on this issue. Ms Froggatt outlined that the narrow pavements and bollards within the plans were hazardous for blind and partially sighted residents and that more consultation with YBPSS could have resulted in resolutions to these issues.

June Tranmer, Director of the Healing Clinic and Briar House Resources CICs, addressed the committee and outlined her support for the pedestrianisation of Fossgate. She highlighted that this was the right time to pedestrianise this street and that Fossgate should be viewed in the wider realisation of CYC's ambition for footstreets in the City Centre.

Sarah Lakin, representing the Fossgate Association, then outlined her support for the pedestrianisation of Fossgate to the committee. Ms Lakin said the Fossgate Association broadly supported the proposals,

however they did not go far enough to realise the ambitions of Fossgate businesses to fully pedestrianise the street.

3. Pre-Decision Called In Item: Fossgate Public Realm Improvements

The committee then heard from one of the Calling-in Members, Cllr Craghill. Cllr Craghill outlined the reasons for the call-in and explained that the consultation had clearly highlighted that pedestrianisation was desired by residents and businesses in the area. Cllr Craghill said she believed the proposals did not go far enough and suggested a number of recommendations that could be sent to the Executive Member.

Cllr Dew, the Executive Member for Transport and Planning, briefly addressed the committee to express his appreciation and thanks for the comments made on the Fossgate Public Realm Improvements and to inform Members that he has asked for a pre-Decision Session meeting with officers to discuss the issues raised by this Call-in.

Under questioning from Members, Cllr Dew explained that a lack of resources had been the reason for not including the pedestrianisation of Fossgate in the original consultation, however the current plans did not preclude pedestrianisation in the future.

Officers then highlighted a number of points to the committee, including that:

- The scheme had been created in response to April's Decision Session in which the flow of traffic had been permanently established following an experimental traffic regulation order.
- This was still at an early stage in the design process and that should the decision be taken to go ahead with the proposed scheme, an equalities impact assessment would be carried out.
- There had to be a balancing act between the needs of all users, including residents that live on Fossgate itself.
- The Council would risk a public enquiry, should they now alter the plan and fully pedestrianise Fossgate, as this had not been consulted on.
- In the situation the Council were currently in, the best course of action would be to deliver this scheme, build an evidence base and consult on pedestrianisation in 2019.

Officers also highlighted that in 2015, when the idea to pedestrianise Fossgate was first suggested, it was not fully supported by residents. Following debate on the topic, it was moved and seconded that recommendations 1 (subject to an amendment), 3 and 5 suggested

by Cllr Craghill be sent to the Executive Member for Transport and Planning for his consideration. Those recommendations are listed below:

- i. That the Executive Member actively supports the proposal at paragraph 16 to investigate the pedestrianisation of the street during foot-street hours, but that this happens as soon as possible. This should include a pro-active consultation involving traders and residents in the street as well as disability groups and the wider public who use and value the street.
- iii. That in order to facilitate the possible later implementation of the above option and to avoid unnecessary expenditure, that the proposed gateway treatment at the Walmgate end of the street should be either not implemented or significantly modified to take into account a possible future need for two-way traffic in that location.
- v. That further consideration should be given to using design to improve pedestrian flow across Pavement into Fossgate, for example using zebra crossings or colourful crossings over the whole junction.

Therefore it was,

Resolved: That recommendations i, iii and v, as listed above, be sent to the Executive Member for consideration during the Decision Session of the Executive Member for Transport and Planning on 15 November 2018.

Councillor I Cuthbertson, Chair

[The meeting started at 5.30 pm and finished at 7.15 pm].

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Meeting	Economy & Place Policy Development Committee
Date	20 November 2018
Present	Councillors Cuthbertson (Chair), N Barnes, S Barnes, Cullwick, Steward, D'Agorne (Substitute for Cllr Kramm) and Rawlings (Substitute Cllr Richardson)
Apologies	Councillors Kramm and Richardson

25. Declarations of Interest

Members were asked to declare, at this point in the meeting, any personal interests not included on the Register of Interests or any prejudicial or discloseable pecuniary interest that they might have in respect of the business on the agenda. None were declared.

26. Minutes

Resolved: That the minutes of the last meeting held on 18 September 2018 be approved as a correct record and then signed by the Chair subject to the attendance being amended to record Cllr Fenton attending the meeting as substitute for Cllr Cullwick and Cllr Fenton being added to the Residents' Parking Task Group.

27. Public Participation

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

28. Community and Operational Asset Strategy - Development and Implementation

Members considered a report which gave focus to the Community and Operational Asset Strategy (CAS) element of the Asset Management Strategy for 2017-2022. The Commercial Project Manager – Community Asset Strategy was in attendance to present the report. He set out how the CAS would be delivered. It was noted that included in the CAS were

children's centres, community centres, health and adult social care, libraries, parks, playing fields and open spaces, schools and office accommodation and operational sites. There should be a joined up approach for the delivery of services. Buildings were assets and wherever possible an asset should no longer be used for a single purpose.

Members asked a number of questions to which it was confirmed that:

- There had been a joined up approach to Bootham Park Hospital with the Council working with NHS Property Services and the Clinical Commissioning Group (CCG) to look at what can be delivered on that site rather than just sell it to a developer.
- In relation to Children's Centres the approach would be to look at how the space could be used best to deliver child related services. It was noted that a number of services were delivered at the Children's Centres, which had a lease of 25 years. An explanation was given as to why a period of 25 years was chosen.
- The previous Manor CE School site was not within the scope of the CAS as it fell within the scope of the former British Sugar site (which was included in the Local Plan). During discussion on asset strategy it was suggested that there could be separate spatial and asset management strategies.
- Academy schools were included on the list of assets because it was decided to categorise them as schools. As schools converted to academies it had been considered whether the whole of the site was needed by the academy.
- The CAS list included all the CYC owned and leased sites.
- In relation to open spaces, officers had looked at how to get communities interested in those spaces. It was noted that a broad approach was needed to consider what was best in each location.
- A number of community amenity spaces may be part of a highway.
- Concerning whether surplus land could be leased, consideration would be given as land came forward and the market at that time.
- There was leadership on joint projects with different governance arrangements in place for different projects. Bootham Park Hospital was a good example of this and an explanation of the leadership arrangement for this was given.

- Discussions would be held regarding how the provision of Information Technology (IT) and Facilities Management (FM) on different sites would be taken forward.

Resolved: That the report be noted.

Reason: To involve Members in the principles and approaches for taking forward the Corporate Asset Strategy.

29. Local Enterprise Partnerships (LEP) Review - Update

Members considered a report that provided an update on the current Local Enterprise Partnerships (LEP) review, the responses made to date and the implications for York.

The Head of Corporate Policy and City Partnerships was in attendance to present the report. He reported that a review of LEPs was announced in the Industrial Strategy White Paper. York was currently part of the Leeds City Region (LCR) and the York, North Yorkshire and East Riding (YNYER) LEPs and had enjoyed positive working arrangements and benefits from both. Both the LEP and the YNYER had received a response from the Government saying there should be no overlapping borders and there was now an agreement to suggest a merger of the two footprints. An update on the YNYER Board meeting was provided and it was noted that the LCR Board meeting was to take place later that week. The governance arrangements for transition to a new LEP were explained.

In response to Member questions, Head of Corporate Policy and City Partnerships confirmed that:

- There were separate conversations about South Yorkshire LEPs.
- The final response concerning whether the East Riding would become part of the Humber LEP had not been received.
- The composition of the LEP Boards would be discussed over the coming 6 months.
- The role of combined authorities in Yorkshire was noted and the Head of Corporate Policy and City Partnership noted that the benefits of footprint of One Yorkshire had been articulated.

Resolved: That Members note the progress to date.

Reason: To support York's economic wellbeing.

30. Scrutiny Topic Scoping Report - Review of Residents' Parking Scheme

The report sought to define the scope of work based on preliminary work undertaken by the informal Residents' Parking Task Group in regard to the proposal made by Cllr D'Agorne to review CYC's Residents' Priority Parking Scheme. His topic registration form was included at Annex A.

Cllr D'Agorne gave an update on the work of the Task Group. He noted that a number of other Local Authorities charged a third of the York charge (circa £100) for residents parking schemes.

The Parking Services Manager and Assistant Director Transport Highways and Environment were in attendance for the item. During robust discussion regarding the scope of the review a number of views were expressed. Following discussion it was:

Resolved: That the Residents' Parking Task Group needed to narrow its scope so that the review could be completed within a realistic timeframe.

Reason: To undertake a meaningful scrutiny into Resident Parking Permits.

31. Work Plan 2018/19

Members considered the Committee's work plan for the 2018/19 municipal year. Members discussed potential topics and it was agreed that the January meeting would include the following items:

- Residents Parking Review
- Economic Health of the City Centre

Resolved: That the work plan be approved subject to the inclusion of the items above and additional items to be agreed by email.

Reason: To keep the Committee's work plan updated.

Cllr I Cuthbertson, Chair

[The meeting started at 5.30 pm and finished at 7.35 pm].



Economy and Place Policy Development Committee**29 January 2019**

Report of the Head of Economic Growth

Economic Health of York City Centre Final Report**Summary**

1. This report is to inform members of the Economy and Place Policy Development Committee of the work carried out by members of the Economy and Place Scrutiny Committee into the Economic Health of York City Centre.
2. It also asks that the Policy Development Committee considers whether it wishes to take forward elements of the scrutiny review which relate to policy development as identified in the recommendations at paragraph 54 of this report, as referred by the Economy and Place Scrutiny Committee.

Background

3. In June 2018 the Committee welcomed the Executive Member for Economic Development and Community Engagement to its meeting and also received a presentation from CYC Head of Economic Growth which updated Members on the Economic Strategy 2016-23.
4. During the meeting Members expressed concerns at the number of empty shops in the city centre, particularly a cluster of empty shops on Coney Street, but accepted that addressing this problem was complicated. However, it was agreed that York was doing well against national trends and across the city only three Council-owned properties were currently vacant.
5. The Economy and Place Scrutiny Committee Chair subsequently had a meeting with the Head of Economic Growth and the Assistant Director for Transport, Highways and Environment and agreed it would be useful to undertake a full Committee review of the city centre economy, the immediate problems it is facing and what measures could be taken to resolve them.

6. In July 2018 the Economy and Place Scrutiny Committee considered a scoping report on the economy of York city centre and themes that can be investigated to influence the city centre economy.
7. Members considered that this was a topic worthy of further investigation and agreed to undertake a full Committee scrutiny review and further agreed the following remit:

Remit

Aim:

To understand the economic health of York city centre and where the Council can influence the city centre economy.

Objectives:

- i. To examine all the available evidence about York city centre as a retail location and how this has changed in recent years;
 - ii. Consider the factors that influence the city centre economy and what role the Council has to play;
 - iii. Understand the global trends that underpin changes in retail and the city centre environments and how these might affect York;
 - iv. Identify the Council's priorities with regard to the city centre economy.
8. It was also agreed that while this was a full Economy and Place Scrutiny Committee review a minimum of three Committee Members would be available to attend additional sessions outside the Committee meetings to provide flexibility in progressing the review.

Information Gathered

9. In September 2018 the Economy and Place Scrutiny Committee received a briefing from the Economic Growth Team to establish an evidence base for the scrutiny review.

Employment in York city centre

10. In 2016, there were a total of 20,500 people employed in York city centre, around 18% of all jobs in the city. Over the past 15 years, a net 4,250

jobs have been lost from the city centre, although the overall total number of jobs in the city was static. Public administration was the biggest loser among sectors in that period, with over 1,700 jobs lost, 50% of the 2003 total. Retail was the second biggest loser, with a 20% reduction in employment and 1,100 jobs lost. In the same period, employment in the food and drink service sector increased by over 1,000, a 40% gain, while the cultural and creative sectors gained a total of 800 jobs, a remarkable 700% increase.

11. What we see is a pattern of retail space being converted to bars and restaurants, public sector employment declining significantly, in part through transferring employment to independent trusts in the creative and cultural sector, and a general reduction in office based jobs as premises undergo change of use to hotels and residential.

Visitor numbers and tourism

12. The latest Visit York figures show a total of 6.9m visitors to the city per annum, spending a combined £564m in York. Over the past 5 years, the total number of visitors has increased by nearly 500,000 and total spend is up by over £100m. The York Tourism Strategy, which is due to be reviewed by the new Head of Visit York, sets a target for the sector to become a £1bn contributor to the York economy.
13. In late October 2018 York was announced as the second most visited city in the UK according to research conducted by Snaptrip, a holiday marketplace company. The city surpasses larger cities such as Manchester, Birmingham, Edinburgh, Leeds and Newcastle with only London proving more popular.

Recent York retail studies

14. To prepare for the development of previous versions of the Local Plan, in-depth studies of York's retail sector were prepared by Deloitte (2014), WYG (2013), GVA (2008), Roger Tym & Partner (2004), and CB Hillier Parker (2001). These reports document a changing retail landscape over the past 17 years, with the predominant themes being the changing mix of food/comparison goods/leisure, the rise of Leeds as a regional retail hub and the decline of smaller centres as retail locations, York's tourism offer and its attraction to retail, and the growth of out-of-town centres.
15. In the 2008 study, which focussed on recommendations for the then plans for Castle Piccadilly, the main emphasis was on the role of department stores, the need for modern retail units to compete with other

cities, and the extent to which York residents were shopping in other centres. There was no recognition of the imminent growth in online retailing and the impact that this would have on the high street. In the 2014 Deloitte study, the threat of online is touched on, with a forecast that 20% of all purchases would be online by 2028. The speed of change and the challenges in forecasting are clearly demonstrated here – 20% of purchases were online for the first time in November 2017.

16. While these reports provide useful accounts of the health of retailing across York, they have not proven to be as helpful in predicting what might be needed in terms of space and infrastructure to support the city centre as a retail environment.

Centre for Cities – Building Blocks report

17. The influential think tank Centre for Cities recently published a report on the role of commercial space in shaping city centre economies. The report used rates data to look at the mix of retail, office, food and leisure, industrial, warehouse and other uses in cities, drawing conclusions about the best mix to support a thriving retail offer. On the basis of cities such as Manchester, Leeds and Nottingham, the report suggests that “the strongest city centres have a large share of office space compared to other types of commercial property. This office space tends to be of higher quality, and these city centres tend to have a lower share of high street vacancies. This is because the office space leads to footfall on the high street.”
18. However, the report and its associated data set shows that the two cities with the lowest vacancy rates are Cambridge (6.92%) and York (7.03%), with city centre economies driven by tourism rather than office occupancy. In York, 50% of our city centre commercial space is retail (41%) or food and leisure (9%), supported by 28% office space which is higher quality than the national average.
19. This mix demonstrates the challenges that our city centre faces. As our Economic Strategy recognises, York has high levels of employment in low paid work such as retail, food and leisure, and tourism. To make housing in the city more affordable for residents, we need to grow more high paid jobs and support lower paid industries to be commercially successful so that they can increase pay. Our current strategy focuses entirely on growing more jobs in better paid industries, while our city centre economy is driven by tourism, retail, food and leisure.

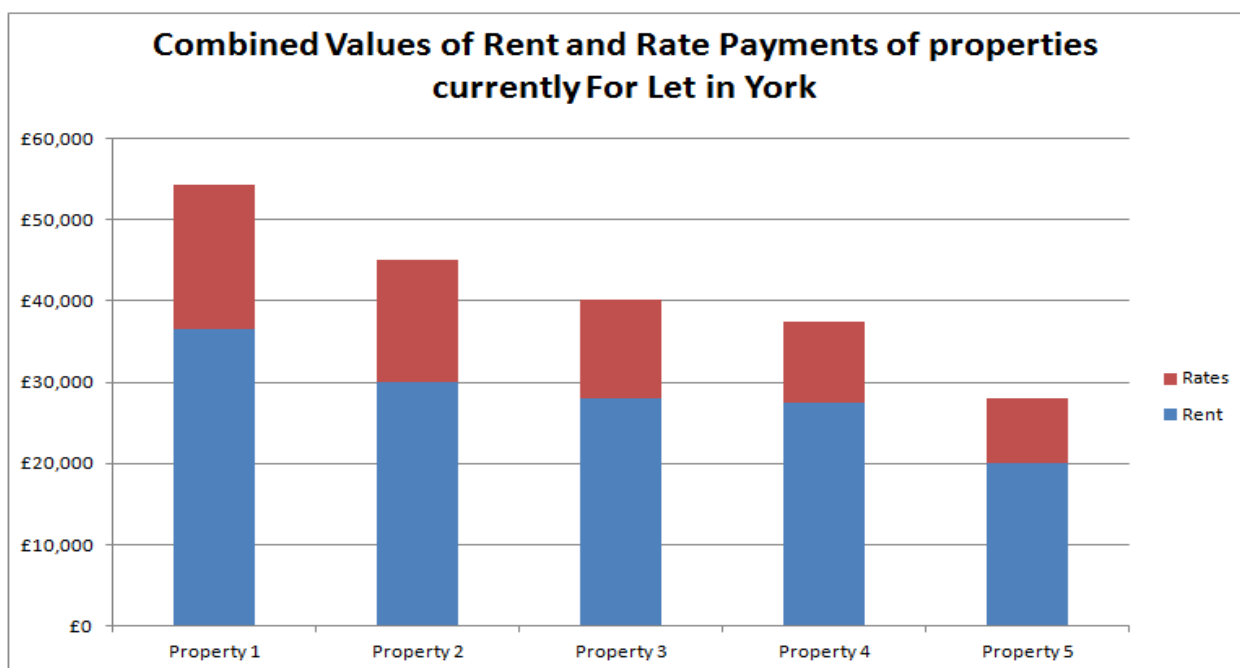
Vacant premises in York City Centre

20. Despite recent headlines and the very noticeable cluster of vacancies in Coney Street, as noted above, York has the second lowest vacancy rate of all UK cities. Looking at the vacancy rate recorded by our Business Rates team over the past 7 years, the level of shop vacancies is currently lower than it has been for the last 3 years. There are, however, two “problem areas” – Coney Street and Goodramgate – where vacancies are clustered.
21. Coney Street is our classic high street with large big-name shops and the highest rents as demonstrated in the rent hot spot map from the Deloitte 2013 report. Much of the street is owned by pension funds and corporate landlords as part of large portfolio holdings, meaning that ownership is remote and unresponsive. The public realm is difficult, with a tall, narrow street which needs to accommodate delivery lorries and is thus hard to turn over to street cafes and other leisure uses. The rental market is currently adjusting to much-publicised Next CVA arrangement which is forcing down rents. Beyond working on the public realm, there are limited options for us to intervene on Coney Street.
22. In Goodramgate, rents are approximately 1/3 of the per sq ft rates in Coney Street, and the street is on the edge of the core retail area. There are also problems with public realm because of the need to provide car access for disabled parking, and there is a cluster of vacant shops. There is probably more scope for intervention here, and there are some encouraging signs, including the establishment of an independent traders group and some new occupiers.
23. In terms of our own retail portfolio, there are currently no city centre vacancies. The recent purchase of Back Swinegate is providing a good return, and there is clearly an option, funding permitting, to extend Council ownership to both generate further rental income and provide more options for regeneration.
24. Beyond these ongoing issues and challenges, there are several “problem occasions” when the city centre environment must accommodate competing interests. On race days, there is often an influx of race goers seeking to extend their day out. In the run up to Christmas, the city centre can be difficult to move through because of sheer weight of numbers. On weekend evenings, particularly Saturdays, the popularity of York as a venue for stag and hen nights can conflict with the needs of families. And as we saw over this summer, we are very reliant on rainfall to keep the streets clean, so when it doesn't rain, the streets can get

dirty. Much of the negative media coverage of the city centre is as a result of these factors.

Business Rates

25. Much has been made of the cost of business rates for city centre retailers, and current campaigns by retailers and politicians are promoting a fundamental review of the rates system. This is currently based on the rental cost of premises, providing significant financial challenges for shopkeepers in the city centre. The way that rates are calculated means that they can add nearly 50% to the cost of premises – the rates on a shop with rental costs of £50,000 would be around £22,000 to £24,000 depending on the tenant, equivalent to the costs of a member of staff.



26. In late November 2018 the Committee met with representatives from key stakeholders in the city including Make It York, York Business Improvement District, Indie York, York Retail Forum and York Food Festival.

CYC Economic Growth Team

27. To progress the review and gather information on the needs and aspirations of city centre businesses the Economic Growth Team sent out 125 questionnaires to businesses and held 17 feedback sessions. The aim was to discover the views of local businesses and develop an understanding of what it is like being a retailer in York, and find out how

the Council can work further with businesses and adapt its approach to support retailers in the city.

28. Many of the businesses surveyed praised the work of Council partnerships, such as York BID, and the work of Indie York in promoting local businesses. However, there were concerns about a perceived lack of clarity and consistency around accessing information around Council policies, particularly planning and licensing, and a seeming lack of communications between Council departments. The key issues identified were:

- Business rates
- Lack of communication/consistency
- Stag and hen parties
- Change in retail day
- Markets
- Circular investment
- No clear City vision
- A boards
- Pedestrianisation

Make It York

29. The Managing Director of Make It York told the Committee that there were many reasons to be optimistic about the future of York:

- 2018 YTD footfall figures up 2.7% on 2018 (v UK average decline of 2.5%)
- Retail occupancy is 91.8% compared to a national average of 89.9% and a northern average of 85.2% (LDC 2017)
- The city has developed Christmas really well : “Britain’s most festive city”
- Tourism numbers are positive across a range of measures
- Unprecedented calendar of events and festivals during 2018 (Bloom!, Shakespeare’s Rose theatre, Mediale, Hot Air Balloon fiesta etc.)

- BID making significant contribution to street cleanliness, safety, way-finding, Christmas lights etc.
- A significant 'indy' sector with an infrastructure for promotion and marketing
- Pipeline of retailers interested in York with around 30-40 a month expressing an interest.
- And some of them do land... Flying Tiger, Flight Centre, The Entertainer, Wild and Westbrooke
- It has the England's best Visitor Information Centre (Visit England 2017/18)

30. But while there were reasons for optimism, there was no place for complacency and several challenges need to be faced:

- Respond to the Grimsey challenge (vision, leadership)
- Be less tolerant to poor behaviour (gag mag sellers, public drug taking, illegal van parking, ASB etc.)
- Fulfil the commitment on way-finding
- Continue with proactive approach to new retailers
- Create a new plan for the development and future-proofing of the Shambles Market
- Resolve to address the car parking issues
- Complete and commit to a city events strategy... with clear guidance and free of politics
- Embed an ambitious city tourism strategy within the city's economic development plan... and see it as an asset not a burden
- Ensure there is an holistic view of where future events/festival space is going to be in the city, given all the new developments
- Ensure that the core city centre doesn't get subsumed by the new developments i.e. it needs attention and investment too

York Business Improvement District

31. The BID's long-term economic master plan for the city centre Includes:

- Infrastructure for business growth
- A great city centre for all ages to live, work and play
- A green city that rises to the challenge of technological change
- A city with agile decision-making bodies

- A focus on communities

32. And economic plan priorities from a BID perspective are:

- Plan for large vacant units and absent landlords
- Improved car parking technology / cycle lanes / public transport
- Care over the appearance of the city centre
- Preparing for how retail will look in 10-15 years
- Plans to improve footstreets (including clarity on enforcement)
- Help businesses to be found

Indie York

33. Indie York, or York Independent Business Association, was set up after the Boxing Day floods of 2015 to get the message across that York was still open for business. It has grown to an organisation of around 200 independent businesses with a business address within York Ring Road.
34. The Association has an interactive website and city map on which every business is numbered in a red dot and highlights clusters of the city's independent strongholds, including Fossgate, Goodramgate, the Minster Quarter, Micklegate, The Shambles and Shambles Market, and the Fifth Quarter, as well as Fulford, Acomb, Fishergate and Bishy Road,
35. The Committee was told that in York in excess of 65% of businesses are independent and helped give the city its USP (Unique Selling Point). The aim is for independent businesses across the city to work together to market independents for residents and visitors, direct people to independent businesses and give members a collective voice.
36. However, the Committee was told that Indie York was financed through the £50 per member annual membership fee so was surviving on very little at the moment. The organisation would welcome any support it could get from the Council to help fund its activities, website and publication of its city map.

York Food Festival

37. York Food Festival run events throughout the year celebrating local and regional food and drink, with the main 10 day festival held at the end of

September. It is a not-for-profit organisation and any money generated from ticket sales goes back in to the festival to improve it year after year.

38. Its aims are:

- To promote local food producers, independent restaurants and retailers in York.
- To provide educational and fun workshops and cookery demonstrations to encourage people to eat healthy, homemade and locally sourced food.
- To establish York as a culinary hotspot and a place to visit all year round (not just for the festival), building on: York's history as a chocolate city and historic market; the city's talented food specialists and the qualities of Yorkshire food.
- To transform the city streets throughout the days and in the evenings during the festival with a wealth of activities for all ages to enjoy.

39. Issues raised by York Food Festival at the meeting included the city centre infrastructure and problems faced, particularly in Parliament Street, around waste, electrical supplies and drainage. They suggested that the city would also benefit from a flexible structure that could stage events but does not block the space permanently.

40. As mentioned in paragraph 6 of this report, Members agreed that while this is a full Committee review, a minimum of three Committee Members would be available to attend additional sessions outside the Committee meetings to provide flexibility to progress the review. Such a meeting was held on 11 December 2018 and was attended by Cllrs Pavolvic, Steward, D Myers and Craghill (as substitute for Cllr D'Agorne).

41. The aim was to consider the information gathered and to agree some draft recommendations for further discussions by the full Committee.

42. The group also considered CYC's Discretionary Business Rate Discount Policy and considered that this was an issue that warranted more in-depth scrutiny.

Consultation

43. To progress this review the Committee has been guided by CYC's Head of Economic Growth and has consulted with representatives from Make It York, York Business Improvement District, Indie York, York Retail

Forum and York Food Festival.

Analysis

44. A steady stream of high-profile retail failures is focussing national attention on “the future of the high street”. Across the western world, the rise of online retailing and changing shopping habits are bringing change to town and city centres, local shopping parades and out-of-town shopping centres. In the USA, shopping malls now have an overall vacancy rate of 20%, with department stores closing and traditional retail companies going bust. In the UK we have seen a wave of closures and business restructures from household names such as Woolworths, BHS and House of Fraser, and national high street vacancies are at an overall rate of around 12% and rising.
45. In York, there is a cluster of empty shops in Coney Street, the main shopping street in the city and the heart of the prime retail area, which provides a very visible reminder that York is not immune to these global factors. However, our vacancy rate is currently around 6%, half the national rate, and a recent report from Centre for Cities looking at the health of city centres identified York as second only to Cambridge in terms of overall city centre occupancy of commercial space.
46. In difficult times, York is faring well in comparison to other UK cities, and bucking a regional trend which sees Yorkshire and Humber as the only part of the UK with declining retail health (LDC 2018).
47. However York has one of the lowest vacancy rates in the UK, and a steadily growing tourism industry which is bringing increasing numbers of international visitors to the city. Employment in the city centre remains constant, but there are high numbers of jobs which are relatively low paid, bringing particular challenges to York due to our relatively high cost of living.
48. The Grimsey challenge, as mentioned in paragraph 30, follows an independent review of the UK’s town and city centres by Bill Grimsey, a former chief executive of Wickes, Iceland and Booker. The review concludes that, amid an ongoing shift to online shopping, bricks-and-mortar retailing can no longer be the anchor for thriving high streets, which must become community hubs that include offices, housing and public open space as well as shops and that stronger local leadership is needed to give high streets a renewed sense of purpose and identity.

49. The information gathered during the round table discussions with city stakeholders led to several shared ambitions for the city:

50. Strategy

York needs a long term plan for the city centre to enable it to continue to thrive. This needs to take account of:

- Global/national trends on the high street e.g. if more department stores and banks close, what use could those empty premises be put to?
- Events/markets in the city centre – ensuring we have the right balance of events for visitors and locals, and that the opportunities to trade on those occasions are also available for York businesses
- Getting people to the city centre, and helping them find what's available – car parking, way-finding, public transport, park & ride.

51. Attractiveness

It is important that we think about the city centre in the same way that we have been planning for York Central, Castle Gateway, etc. Issues which need urgent attention include:

- Parliament Street as an events space, given the condition of the paved surfaces, trees, etc
- “Poor behaviour” in the city centre must be challenged.
- Shambles Market – what is its long term future? Can we keep it lively and help it to animate the city centre?

52. City Centre as a business location

The city centre is increasingly dominated by visitors, particularly at the weekends. It has a strong independent retail and tourism offer, and the success of these businesses, the employment they provide, and the opportunities the environment presents, are perhaps the most important contribution the city centre makes. We need to consider:

- Business rates and rates relief – implementation of our existing policies and consideration of new approaches to support the growth

of local businesses through rates relief

- Better regulation – need to better align application processes for planning, environmental health, licensing, etc to make compliance easier for small businesses
- Supporting our independent offer – work with traders groups to help the indie sector to grow and become more sustainable.

Options

53. Having considered the information above the Economy and Place Policy Development Committee has the option to either to take forward the policy development elements of the Economic Health of York City Centre, or not.

Review Recommendations

54. At the informal meeting on 11 December the sub-group of the Economy and Place Scrutiny Committee made the following recommendations which were endorsed by the full Economy and Place Scrutiny Committee at their meeting on 16 January:

That the Council:

- i. Fully supports the work and ambitions of Indie York in helping further develop and grow the independent business sector in the city and that the Council makes a grant of £10,000 to Indie York to help progress this work;
- ii. Consider making a bid to the £675 million Future High Streets Fund to secure funding to help York respond and adapt to changes facing city centres.
- iii. Prepare a long-term strategy to make its high streets and the city centre fit for the future, taking into account relevant aspects of the Grimsey report and the view of all key stakeholders.
- iv. Develops an easy but comprehensive and consistent guide to help businesses access relevant information around Council policies effecting businesses, such as planning and licensing issues and alike. This could take the form of a booklet which could attract sponsorship
- v. Examines ways of extending the city's traditional festivals venue in Parliament Street to open up other areas to visitors, particularly

across the river into Micklegate, and reduce pedestrian congestion in parts of the city centre at peak hours.

- vi. Works with Indie York and traders to develop a city-wide loyalty scheme to make it easier for businesses to reward customers with an attractive discount offer for shopping locally while encouraging business growth and customer retention across a city-wide customer engagement platform.
- vii. Incentivises ways to further encourage more people to use Park and Ride and work with bus operators to extend the operating hours of Park and Ride to help reduce vehicle congestion in the city.

55. Further, the Economy and Place Scrutiny Committee reaffirmed the recommendations made by Economy and Place Policy Development Committee following a scrutiny review into the Impact of the Arts and Culture Sectors on the Economy of York which were agreed by Executive on 25 January 2018, namely:

- i. The Council should work with BID to explore all means available of achieving improvements to the public realm in the city, particularly Parliament Street;
- ii. The Council should seek ways of protecting and utilising the city's stock of historic buildings to attract more growing business, rather than increasing residential use, by encouraging imaginative approaches to redevelopment through the Local Plan and master-planning frameworks, and through its Asset Management Strategy and the future development of its commercial portfolio.
- iii. That Make It York concentrates its focus on higher quality events and festivals in the city centre to protect the York festival brand and maximise their GVA.
- iv. That Make It York works with BID and other interested parties e.g. York Civic Trust, to devise a comprehensive 21st century system of way-finding within the city using all available methods and technologies.

Council Plan

56. This report is linked to the Prosperous City for All and A Council That Listens to Residents priorities of the Council Plan.

Risks and Implications

57. Any risks and implications arising from this report will be identified once the Committee has decided whether they want to progress policy elements of this scrutiny review and subsequently therefore included in any future reporting on those elements.

Conclusions

58. How York responds to changes in retailing, and how we adapt our city centre to provide the best environment for businesses, customers, residents and visitors, is one of the most important challenges that we face.
59. York's city centre is used by a wide range of people for many purposes. Underpinning its success, however, is the strength of our tourism industry and the money that visitors bring and spend in our shops. Despite the cluster of empty shops on Coney Street, our city centre is performing better than any other city with the exception of Cambridge. However, the pace of change in retail is accelerating, and the future success of York is not guaranteed. The areas where City of York Council can influence its development include:
- the public realm,
 - our own premises,
 - the rates system,
 - promotion of the city centre
 - transport and the highways
 - the planning system
60. Many businesses recognised that stag and hen parties provide a high income for licensed premises in the city. However, they have a detrimental effect on retail at weekends, with Monday becoming the main shopping day for locals in York instead of Saturday.

Recommendations

61. Having considered the information in this report, this Committee is asked to determine whether there are opportunities for any further policy development work it would wish to indicate over and above the areas already identified in the review recommendations set out in paragraph 54 of the report.

Reason: To progress this scrutiny review in accordance with scrutiny protocols and procedures.

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Wards Affected:

All

For further information please contact the author of the report

Background Papers:

Annexes

Abbreviations

BID – Business Improvement District

CVA – Company Voluntary Arrangement

CYC – City of York Council

YTD – Year to Date

Economy & Place Policy Development Committee - Workplan 2018-19

19 June 2018	<ol style="list-style-type: none"> 1. Attendance of Exec Mbr for Economic Dev & Comm Engagement - Priorities & Challenges for 2018/19 2. Creative Strategy for York - with attendance of Head of Science City York (Heather Niven) 3. Residents Parking Scrutiny Topic Feasibility Report (James Gilchrist/Graham Titchener) 4. Workplan 2018/19 5. <i>Urgent Business</i> – Draft Service Specification for Make it York Contract 2018-21(Charlie Croft)
17 July 2018	<ol style="list-style-type: none"> 1. Attendance of Exec Mbr for Environment - Priorities & Challenges for 2018/19 2. Attendance of Exec Mbr for Transport & Planning, 3. Presentation on Economic Strategy Progress inc. Strategy Review Plan & Update on Local Industrial Strategy (Simon Brereton) – <i>deferred from June 2018 meeting</i> 4. Workplan 2018/19
18 Sept 2018	<ol style="list-style-type: none"> 1. Introduction to City Centre Access Works & Initial Consultation on City Centre Disabled Parking (2. Overview of Planned Work to Enhance Economic Growth in Secondary Shopping Areas 3. Update Report on Street Lighting Policy 4. Workplan 2018/19
Nov 2018	Business Week – Conference on the Future of York’s Economy
20 Nov 2018	<ol style="list-style-type: none"> 1. Residents Parking Review Scoping Report (James Gilchrist) 2. Update on Development of a Community Asset Strategy for York (Tracey Carter) (moved from Sept agenda) (Neil Ferris 030918) 3. Briefing paper on the changes to LEP geographies on York 4. Workplan 2018/19
29 Jan 2019	<ol style="list-style-type: none"> 1. E&P Scrutiny Report into Economic Health of York City Centre 2. Verbal update on Residents’ Priority Parking Scrutiny Review 3. Workplan 2018/19

5 March 2019	1. Workplan 2018/19
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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