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## **Economic Development Partnership Board**

20 June 2006

Report of the Director of City Strategy

### **Progress on Key Issues**

#### **Summary**

1. The report picks up on any matters arising from the last meeting of the Board and briefs Board members on issues/progress in other areas of economic development activity.

#### **Background**

2. This is the progress on key issues report which is given at every Economic Development Partnership Board to update members on projects and to answer any matters arising from the previous meeting. The following 5 paragraphs relate to requirements from the new protocol for Council reports and the detail on progress starts from paragraph 8.

#### **Consultation**

3. No consultation necessary for this report.

#### **Options**

4. This report is for information only and therefore does not present options for decisions by Board members. Where decisions are necessary specific reports on those issues and options will be presented. However, Board members are invited to comment on aspects of the information provided.

#### **Analysis**

5. As stated in the paragraph above, options have not been presented therefore there is no appraisal of options available.

#### **Corporate Objectives**

6. All the projects reported on in this report are firmly embedded within the Council's corporate objectives and the Without Walls initiatives.

\* The "Thriving City" theme of the WOW Community Plan has the following strategic objective:

"To support the progress and success of York's existing businesses and to encourage new enterprises in order to maintain a prosperous and flourishing economy that will sustain high employment rates."

- \* The Council's corporate objective 3 – “strengthening York’s economy”, sets out the following strategic objectives:
  - Generate business growth and start-ups in science, creative tourism and other key business sectors to protect existing jobs and provide higher quality, sustainable and higher paid jobs.
  - Attract investment to strengthen the city’s high growth sectors and generate quality jobs.
  - Ensure that the University and other higher education providers contribute to business growth and generate quality jobs and underpin skills-training opportunities for local people.
  - Support residents into learning and work, and improve skill levels in key areas of the economy.

## **Implications**

7. As this is a general report on the progress of key issues there are no Financial, HR, Equalities, Legal, Crime and Disorder, IT, Property, or Other implications. Any significant implications to the economic programme will be brought to the Board through a separate issue specific report.

## **Matters Arising**

8. Without Walls “Thriving City” theme – revised high level measures.
  - \* Proposed changes, taking on board comments made by the Board in March, will be reported to the Without Walls Strategic Monitoring Group meeting in July, and then to the Without Walls Board for final agreement.
9. Economic Development Programme 2006/07.
  - \* The proposed Programme forms part of the agenda for the Council’s City Strategy/Leader Advisory Panel meeting on 7 June. It should therefore be possible to confirm the outcome at the Board meeting.
10. Yorkshire Forward/City of York Council relationship.
  - \* The observations/comments discussions the Board are being fed into the on-going dialogue between the Council and Yorkshire Forward.
11. York Christmas Lights.
  - \* The approach agreed at the March Board meeting has been fed back to the Christmas Lights Group. Council economic development staff are leading the work to explore options for innovative lighting installations, and retailers are enquiring about the potential to take on and fund the cross-street lighting.
  - \* Following the discussion at the last Economic Development Board the Christmas Group has now met and have considered the recommendation that retailers take the lead themselves on generating funding for the cross-

street lighting. In turn the issue is being discussed with key retailers groups. In the meantime costs have been established for the erection of lights on a street by street basis and the Council can continue to cover storage costs until October 2006. However, feedback from retailers at the recent Retail Strategy Group indicates that they do not feel able to take this on. Accordingly, the emphasis will be placed on lighting installation(s)/trees, together with the existing Council lighting in Parliament Street, St Sampsons square, Duncombe Place and St Leonard's Place, and retail streets/areas where retailers already organise their own lighting (e.g. Stonegate, Coppergate).

## **Tourism**

12. Work is advancing on the tourism delivery structures in the Yorkshire region, with the development of Area Tourism Partnerships (ATPs) including one based on the First Stop York tourism partnership. A draft business plan for the ATP has been produced and resources are being sought from Yorkshire Forward for the three ATPs in North Yorkshire. The York component includes a combination of organisational enhancements to help raise standards in the tourism industry and allow the partnership to work more closely, and developments designed to improve the York offer. A decision on the scale of support from Yorkshire Forward is anticipated soon.

\* The York ATP is required to develop an Area Tourism Plan, looking long term, strategically, at where York is headed and to identify key issues and priorities for investment from a full range of sources – not just from Yorkshire Forward but the private/commercial sector as well. In assembling the Area Tourism Plan there will be a market segmentation workshop, looking at the markets which York should be targeting, and there will be an examination of long-term future investment priorities, building on York's great heritage strengths and reflecting them in a creative and innovative way. The Area Tourism Plan needs to be completed before the end of the summer.

13. The Station VIC has reopened following support from Yorkshire Forward and showed instant results with a 73% increase in merchandising sales in the first three months of reopening (Feb-April 2006) compared with the same three months in 2005

\* Consultants are still working with the partners on a report on the future of city centre Visitor Information Centre services. A number of critical issues remain, particularly regarding the financial appraisal, and discussions are continuing within the Council and with key external partners.

\* The FSJ Product Development Group has agreed to support, alongside the Council, the replacement of the "Welcome to York" city centre maps with an updated alternative. The maps will feature the new as well as traditional attractions, and will promote the walking trails which the Product Development Group has been supporting for some time.

14. A number of new and improved attractions have opened in York in the past few months, including:

Yorkshire Wheel at the National Railway Museum

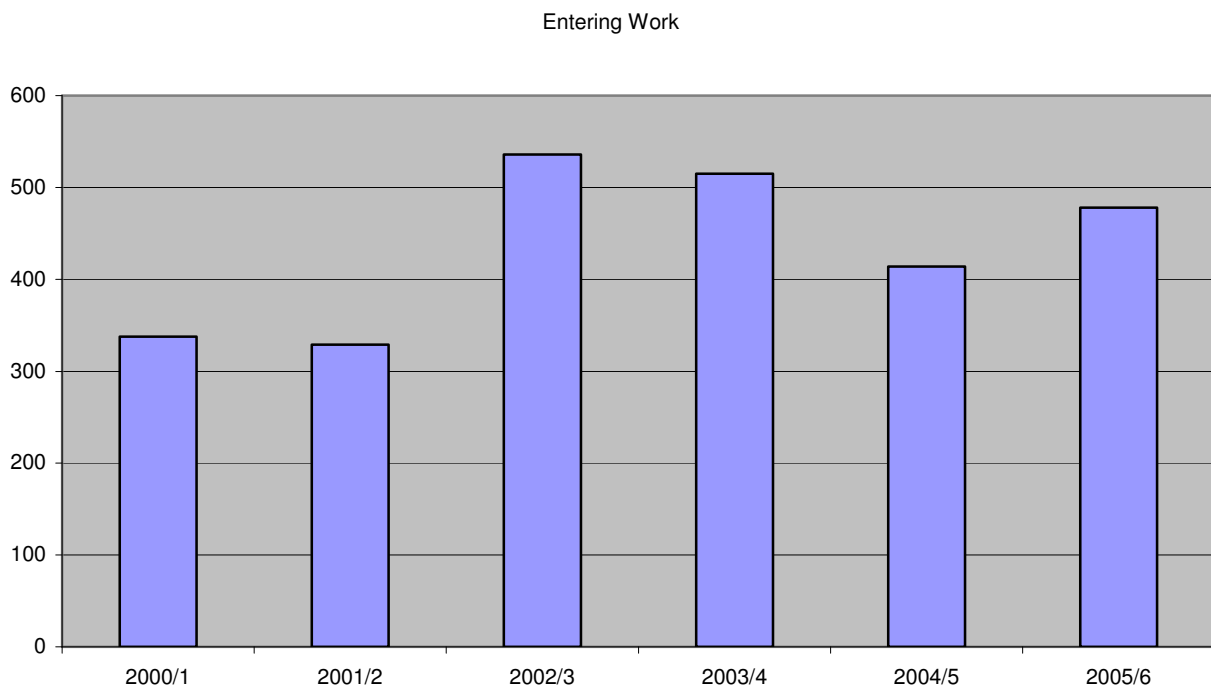
The Constantine exhibition at Yorkshire Museum  
DIG – the former Archaeological Resource Centre in St Saviourgate  
Investment in Kirkgate at the Castle Museum  
English Heritage now run as a visitor attraction a former Cold War bunker in Acomb

15. Meanwhile there is continued investment in city centre retailing following the new shopping development in Spurriergate. These additional attractions and investment will further broaden the York visitor offer, and form a valuable investment in the city's product, important in maintaining the interest of repeat visitors, and in attracting new ones.
16. A consequence of this is that York has seen better hotel occupancy performance in the first four months of 2006 compared with the same period last year with April (Easter) figures well up on 2005. Visitor numbers to attractions have also improved over Easter.
17. The first results from the 2005-06 visitor survey have started to be published. Though the key trends of York's visitor profile continue – that it is increasingly older and less affluent, and still relies on the domestic UK market far more than it did a few years ago – there are some developments as below.
18. In addition to the staples of history and heritage, more visitors are specifically stating that they like the variety of things to see and do, and food/restaurants and pubs.
19. The great majority of visitors are **repeat visitors** (76%) – but many haven't been to York for more than five years, so might not be aware of all the changes to York that there have been in recent years.
20. **Overseas visitor numbers** to York have slipped back to 19%, however the proportion of American visitors was 6% higher than in 2004-05 – also more from Australia and New Zealand. Fewer from Far East this year. There has been a significant recovery re: **Manchester Airport** as an entry point for the overseas visitors who do come to York (26% v 14% in 2004-05) – also Leeds-Bradford Airport is doing proportionately somewhat better (7% vs. 1% a year ago)
21. **Travel to York.** For all visitors coming to York, a record 28% are coming by train (up 5% on 2004-05), with 60% by car (down 5%) – confirming the importance of York's national rail connectivity.
22. For people who obtained **information** before they came to York then the internet is by far the main source (62% of such people use the net). Once people get to York then the main source of information they use, when they seek information at all, is the Visitor Information Centre (45%).
23. Over two thirds of **visitors to York go on to other parts of Yorkshire** during their stay – Harrogate and the Yorkshire Coast were singled out this year, as well as the countryside.
24. Finally some questions were asked of staying visitors about their perception of **the evening economy**. Half of the staying visitors do spend time in York in the evening – mainly dining out – but the second largest visitor activity in the evenings is the ghost walks. There has been a very positive reaction to improved city centre

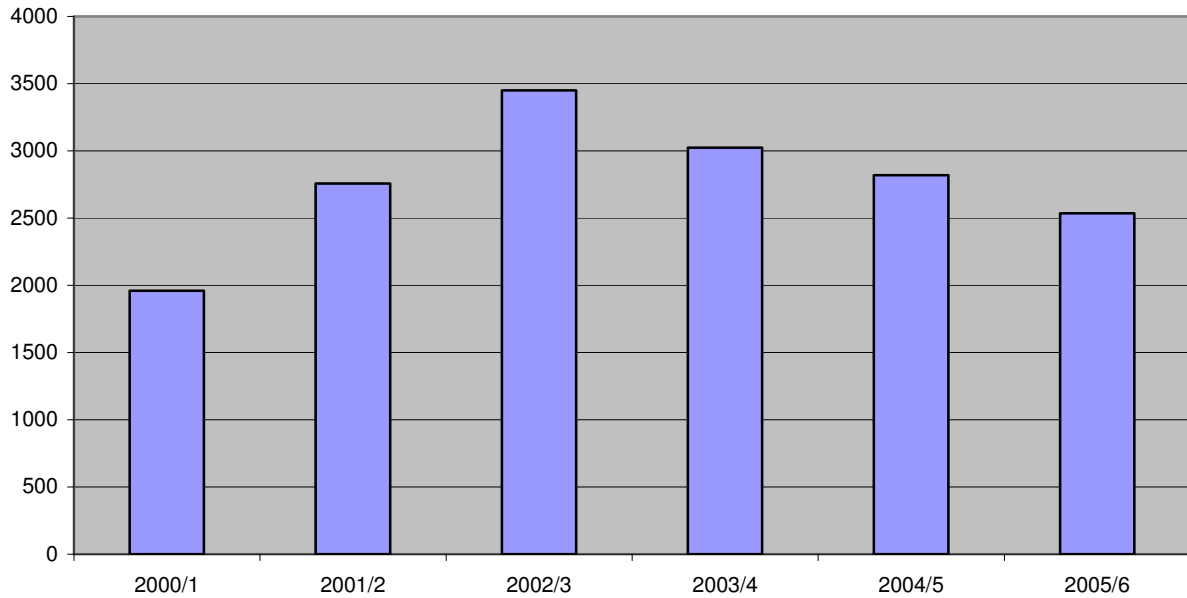
lighting schemes (82% of people who've seen the lighting see this as attractive/beautiful, or as adding to the city's atmosphere).

## Future Prospects

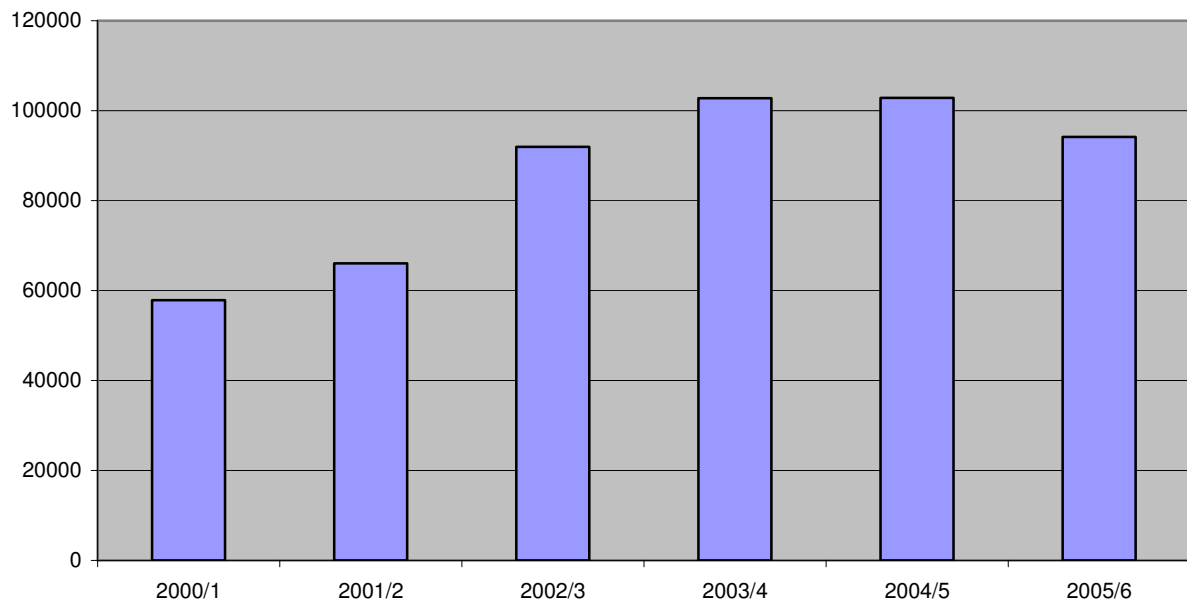
25. Future Prospects has continued the development of all services and maintained the standards expected by the organisation. This year has seen the commencement of two additional projects, both sitting within the DAWN team, aimed at increasing the participation of disabled people within the workplace.
26. The website has been revised and is proving an invaluable tool for tracking and marketing planning. New opening hours have enhanced the service, especially to people who are working and looking at finding improved employment and training opportunities.
27. In the past 12 months Future Prospects have completed the following key outcomes:
  - 94,199 contacts were made with Future Prospects
  - 6,554 enrolments to York College and CoYC Adult Education courses were processed, with an additional 1100 enrolments onto other partner provision.
  - 22,412 contacts (individual users each day) were made through our website
  - 14,514 in-depth advice sessions with 2,535 people entering learning programmes and 478 starting work
  - 4,143 doors were knocked
  - 5,852 clients attended drop-ins through 1250 sessions
  - 127 clients aged under 25 entered work through the M-Power project
  - 81 disabled clients entered work through the DAWN project
  - 848 people accessed the ICT in the Community project
  - Clients expressed a 98% satisfaction rate with the service
28. Trends for the last six years are provided for three key statistics:



Starting Learning



Total Contacts



### Statistical data analysis

29. Due to the nature of the service, statistical trends and performance data is sometimes difficult to assess and monitor. The project funded aspects of the service draw clients from different sectors, have different service specifications and therefore some of the indicators are that of the FP service, not of the changing demographics of the York area.
30. The overall figure of service contacts has dropped by 8% from last year to 94,199. This figure comprises information contacts, enrolment contacts and guidance clients. Within this figure, the number of people accessing full guidance has actually increased, reflecting the in-depth service through project funding.

31. The drop in the overall total is probably due two primary reasons.
- Reduced number of learning opportunities for adults – this leads to less enquiries and less enrolments
  - Reduced direct service delivery in the community – focus on supporting other services to provide level 1 learning and work information service. This results in fewer level 1 outreach contacts, though more level 2 and 3 guidance referrals.
32. A significant increase has been in the number of people gaining employment (19% greater than 2004/5 figures) largely due to an increase in the in-depth guidance service, improved tracking and more work focussed project activity.
33. Although not graphed above, the Board may be interested in the following information drawn from the annual report:
- The numbers of door knocked in the community has dropped, reflecting the reduction in traditional community outreach, though this has been replaced with more focussed community working practice.
  - There has been an increase in the number of people from ethnic minority groups, with a notable increase in people from EU accession countries who are looking for migrant work. This effect on the service has been tracked though ongoing MI analysis and has informed the planning process for the year 2006/7.
  - An even split of clients across the range of qualification levels is also evident, reflecting the strategic planning in contract tendering (and acquisition) to provide a comprehensive service to people at any stage in their learning journey or career development. This trend will probably continue for the next two years as project delivery has clear delivery aims at below level 2, and at levels 2, 3 and 4.
  - The number of people learning through the IT in Community project has decreased by 20%, reflecting the end of FP delivery on the E2E project and an increased focus on providing longer first step learning experiences.

### **Rail-related issues**

34. There has been significant coverage in the media recently concerning the Rail regulator's allocation of scarce East Coast Main line (ECML) "paths" to new open access operator Grand Central. The incumbent ECML services franchise holder GNER has raised fundamental objections which primarily relate to the consequences of this decision on its own future funding streams due to "abstraction" from services at stations including York. GNER is now considering whether its own franchise commitments to the government can be met, especially in relation to company plans for significantly increased service provision between Kings cross and Leeds which were an essential component in generating the £1.3 billion it is to give to the Treasury over the life of the franchise. It seems likely that there will be further discussions however, the matter is to be raised in the High Court, possibly in July. Members will be updated as the matter unfolds.

There has also been publicity regarding the financial status of GNER's parent company Sea Containers. This is important because Sea Containers provide GNER with significant stand-by credit facilities and a working capital guarantee. Again, the position is being monitored.

### **Science City York**

35. Work is progressing in all aspects of Science City York activity, which is detailed in the additional agenda item on Science City York. The project variation of £162k revenue and capital expenditure from Yorkshire Forward has been carried forward from 2005/6 into 2006/7 and 2007/8 in view of the delayed project start. This will enable project implementation to complement the SCY team reorganisation, and the budget has been revised to reflect this. There has also been agreement in variation for carrying forward targets on a pro rata basis.
36. Science City York has been involved in ongoing discussions with the partners in the Leeds City Region and within the Key Cities network to establish the parameters of joint working in innovation. Key to this work is the completion of a pan-regional innovation study that can draw together previous mapping work and produce recommendations for the way forward. The Board is advised on progress: -
- The work has been altered in view of the new 'Science & Innovation Fingerprint' that has been recently completed by the Regional Science Council, Yorkshire Science.
  - The brief has been issued to tender following extensive local consultation on the final version. It has been issued through the Leeds City Council procurement, who are responsible for the Key Cities / Leeds CRDP funding.
  - Over 8 bids have been received, with a short listing scheduled for 8<sup>th</sup> June 06, and interviews on 15 June 06.
37. As part of the Northern Way Investment Funding, work is underway to secure a potential capital funding allocation of £2.63m for each Science City in the North (York, Manchester and Newcastle) Outline proposals need to be drawn together by the end of June, with a view to projects starting in September 2006 and capital projects complete by March 2008. This is being progressed with colleagues at Yorkshire Forward and further updates can be provided to Board members when details are confirmed.

### **City Centre Partnership (CCP)**

38. The CCP is now well established at 5 Silver Street alongside the city centre team. The Business Improvement District (BID) action plan has been developed and was launched on 25<sup>th</sup> April along with the CCP interactive web site. Both have received favourable comments from city centre businesses. The CCP newsletter "Outlook" has been published twice and the Chief Executive of CCP has agreed to Chair the RACY Board.



## Risk Management

39. In compliance with the councils risk management strategy. There are no risks associated with the recommendations of this report.

## Recommendations

40. The Board's input and endorsement is requested.

Reason: To help shape the effectiveness of future action.

### Contact Details

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Bill Woolley  
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**Report Approved****Date** 5 June 2006**Specialist Implications Officer:** None**Wards Affected:** *List wards or tick box to indicate all***All****For further information please contact the author of the report****Background Papers:** Progress on key issues report 14 March 2006**Annexes -** Annex 1 – York/National tourism Trends: Results to March 2006  
Annex 2 – Performance Indicators