

APPENDIX 1: Projects for consideration by July Cabinet

1. Reinvigorate York – Initial Package of Public Realm Projects

EIF Theme: Reinvigorate York

Proposal summary

Background

Reinvigorate York is part of a wider programme of activity emerging to create the York city centre of the future as a more competitive and distinctive USP in the York economy – capable of attracting new investment and generating growth in the existing business base, and attracting new visitors and residents.

The programme is focused on the public realm element of this programme – and the initial package of projects included in this proposal are designed to kick start further investment in high profile projects throughout the city centre to create a modern, clean public space that both showcases the city’s heritage and history, but also provides the environment for businesses, residents and visitors of today.

The package presented here provides the initial critical investment in city centre infrastructure that will unlock this further investment. This package creates a step change in the public realm, including paving, lighting, seating as well as de-cluttering unnecessary signage, fencing, bollards and other items of street furniture.

Reinvigorate York is a key element of a wider programme of work being developed to facilitate the evolution of the future of York’s city centre, and a core element of the emerging city centre investment and action plan being developed to support this evolution. This plan will identify both the future trajectory of the city centre economy and the interventions required to facilitate this economic transformation. The role of Reinvigorate York will be to ensure the city centre environment is of the quality required to attract the visitors and business investment to the city that the city’s ambitious economic aims would suggest.

In this way, the Reinvigorate York project presented here is a key contributor to the **Council’s Priority 1, Creating Jobs, Growing the Economy** and the **York Economic Strategy’s Ambition 4,**

World Class Place.

It represents the Council's investment in the city centre as an economic asset, and has the potential in the context of the work being undertaken through an expanded Retail Strategy Group to become a York City Team to bring forward further investment from the private sector.

Strategic Need

Strategically, the investment to be made in this initial phase of Reinvigorate York will be a critical step in potentially unlocking further such investment in the form of either increased visitors and/or business investment to the city centre.

This investment may either be in the form of investments made by businesses locating in the city or already existing in the city, or in increased visitor numbers (particularly repeat visits), or in a different way through the potential bringing forward of a Business Improvement District in the city to generate further investment by partners in supporting a wider transformation of the city centre.

Strategic impacts

The power of heritage and the distinctiveness of York city centre cannot be underestimated in the generation of economic growth for the city's future.

The city centre has the potential to attract increased numbers of businesses, residents and visitors. As Centre for Cities has found in its Making the Grade Office Report, small cities tend to have higher demand in the centre for office accommodation, but limited ability to accommodate that demand given current constraints on city centre space and capacity.

Equally, the city centre and particularly the heritage offer available in the city centre is a strong draw for international visitors to the UK. 40% of the 10 million holiday trips made by overseas visitors to the UK each year cite heritage as the primary motivation for their trip to the UK – more than any other single factor (Oxford Economics, 2009, [Heritage and the UK Tourism Economy](#)). At the moment, however, international visitors only make up 13% of overall visitors to the city (Fact 09, Visit York).

This is backed up by the research for *Heritage Counts*. 91% of survey respondents to the on-street survey considered that the

historic environment was either important or very important in decisions on where to visit. It was also an important factor in deciding where people live (74%) and work (68%).

In addition, the attraction of greater footfall to the area can increase the turnover of indigenous businesses. According to English Heritage, just over one in four of the businesses surveyed (26%) said that their turnover had directly increased as a result of the historic environment investments. The organisation also finds that investment of this kind generates a greater mix of business investment – greater diversity and likelihood of independent businesses to locate in city centre

The impact of investing in the historic public realm is estimated at £1.6 for every £1 invested over ten years.¹

Likely project impacts

The project thus has the potential to generate the following impacts:

- **Increased inward investment** from businesses locating or growing in the city centre
- **Increased return and new footfall from visitors**, and therefore, increased overall footfall year on year, measuring from 2011-2012 figures. Given 99% of visitors are likely to recommend the city to a friend, any increase in visits is likely to generate further multiplier effects in the number of visitor trips to the city.
- **Increased GVA** – overall impact at £1.6 for every £1 invested

Strategic Fit

The project supports Council Plan Priorities for Creating Jobs, Growing the Economy, Get York Moving, Protect the Environment and Protect Vulnerable People. It also supports Ambition 4 in the York Economic Strategy, that of a World Class Place.

¹ English Heritage (2010). Heritage Counts.

Proposal

Eight specific projects are proposed to go forward now, with up to £200k of funding for the initial phase of Reinvigorate York from the Council's Economic Infrastructure Fund (EIF).

This phase of the work is considered the critical first step in unlocking further investment from private investors and landlords in the public realm surrounding their property – creating a modern public realm that is fit for purpose for the modern yet historic city centre that will attract the further investment in the city that is required for the city to reach its economic ambitions.

The 8 specific proposals to be considered are set out below.

- 1. Removing, replacing, refurbishing waste bins - £20k**
- 2. Removing, replacing, refurbishing, restoring street lighting - £70K**
- 3. Removal, replacement, and standardisation of bollards in the city centre - £20k.**
- 4. Refurbishing, repairing, replacing of street seats - £30K**
- 5. Painting of poles etc. - £10k**
- 6. Inner city tree work: new planting and better management - £10k**
- 7. Station to Minster Route – Paving of Station Rise - £25k**
- 8. Reinvigorate York needs to demonstrate/ explain work in progress_- £5k**

TOTAL (provisional estimate) = £190,000 (allowing £10k contingency)

Financial Projection

Investment sought	£200K
Additional investments/income/funding	
Recycled return on investment if any	N/A

Outcomes	
<ul style="list-style-type: none"> • An increase in visitor numbers – most likely from repeat visits • An increase in business investment and diversity of that investment – either through growth of existing city centre businesses and/or the attraction of more new investment • An increase in GVA – initially this investment will provide £120K added value; more indirectly, this added value will increase on the back of further investments made by the private sector in the public realm 	
<i>Contribution to economic targets</i>	
Direct Economic Growth	See below
Indirect Economic Growth	£320K ² + additional investment from private sector to be determined
Direct jobs created	Jobs associated with projects
Indirect jobs created	
<i>Contribution to social targets</i>	
The project will enable a more inclusive city centre environment through greater accessibility and a public realm that a greater range of residents and visitors alike can enjoy.	
<i>Contribution to environmental targets</i>	
<p>The project will contribute directly to attracting greater economic activity and investment in the city centre – which by its very nature enables lower CO2 emissions through agglomeration effects (i.e. greater concentration in a smaller area of activity, thereby minimising the need for CO2-hungry transport modes and contributing to greater density of development).</p> <p>Through encouraging greater investment in the city centre, the city will take pressure off otherwise less sustainable development outside the centre.</p>	

² Based on multiplier from English Heritage (2010). Heritage Counts.

2. Digital, Media and Cultural Centre

EIF Theme: Sustainable Economy

Proposal summary

Background

It is proposed that a Digital Media and Cultural Centre is created to provide affordable space for up to 250 micro/small creative businesses over a period of 5 years. The development will be located in the heart of the City of York at a site to be confirmed. The City of York Council are committed to this project and will support the project by building it into the City's strategy and any future development spokes.

The project responds to a market failure in the provision of flexible, city centre space for the digital and creative industries. This shortage has been identified in the 2011 DTZ report commissioned by Science City York.³

The sector is dominated by micro or small businesses; many of them are young and innovative. These businesses require flexible, low-cost premises located in the city centre, however land values and rental prices are prohibitively high acting as a barrier to growth. Market demand for affordable studio and business premises is high.

The model would adopt a pricing structure that provides a ladder of progression from start-up to established business, enabling growth.

The Site

A preferred site has been identified in the heart of the City Centre – the Bonding Warehouse. The refurbishment costs are based on an appraisal and feasibility study undertaken on the preferred site. Finalisation of agreement on this site will be subject to conclusion of satisfactory agreement being reached with the owner of the building.

³ DTZ (2011) Specialist property strategy for science and technology businesses in the city of York. Commissioned by SCY.

However, other sites have been explored and are available should the preferred site negotiations not produce agreement.

Aims

- Build capacity through developing a creative hub in the City of York
- Create a destination venue, contributing to the cultural tourism offer of the City
- Unlock critical business space required to drive growth in the creative business sector
- Generate new business and jobs, helping established businesses to grow
- Providing a ladder of progression from start-up micro enterprise to high growth business
- Create an innovation hub that generates b2b activity, collaborations and new IP
- Provide professional & skills development
- Development and integration into the existing infrastructure

Strategic Fit

The project delivers against **Council Plan Priority 1: Creating Jobs Growing the Economy** and **York Economic Strategy Ambition 2: A More Competitive Business Base.**

The acknowledged overspill of creativity as a driver of innovation in other industry sectors is seen as one of Europe's biggest challenges over the next decade. The Commission has earmarked over 380 million Euros to invest in innovation and have established a new body to support creative overspill. An essential element of any city's ambition to maximize these opportunities is the ability to identify where creative talent thrives, can be engaged and skilled with the right tools to support other industry sectors in generating new, innovative services, products and processes.

Having recently been shortlisted for status as a UNESCO City of Media Arts, the York creative sector has made clear its ambitions to become an internationally renowned hub of media arts. To support development of this hub, the newly launched York Economic Strategy sets out an ambition for strengthening supply chains and supporting infrastructure for businesses in the creative and media arts sector to grow. This in turn provides a direct

relationship with the LEP strategic aims to achieve recognition of the region as the innovation capital of the North of England.

The city has the clear potential to become not only nationally but also internationally competitive. York is currently home to more than 250 creative and media arts businesses, and it is the fastest growing sector of the city's economy. It has thus been identified as a key opportunity for further business growth – not only to support existing businesses and new start-ups and to encourage University spinouts, but also to attract further investment in the sector from beyond the city. Acting as a supply chain for HEIs' and FEIs' graduates and micro enterprises wishing to grow. Providing an intermediate step with business parks and York Science Park for expanding businesses. In addition the city will benefit from a destination venue that is recognised as contemporary cultural landmark, forming a vital link to a new connected and global network of similar organisations and cities. The result will be an iconic and visible presence that reaffirms York's commitment to the contemporary creative and cultural sector.

That of 'The Baltic Triangle', the main 'Cultural & Creative Industries' legacy of the 2008 European Capital of Culture, exemplifies a successful example of investment of this nature. <http://www.liverpoolbaltictriangle.co.uk/> The initial £8 million invested has provided leverage for a many other schemes including a £65 million private sector development. By building strategic alliances between city council, business, cultural venues and heritage the Baltic Triangle has achieved international acclaim. The development of the DMCC would be the lynchpin of the City of York strategy to achieve international recognition as a centre for 'Media Arts'.

Financial Projection	
Investment sought	1,400,000
Additional investments/income/funding	2,995,000
Recycled return on investment	1,400,000 over life of project from year 5

Breakdown of funding

Element of project	Source of funding	Type	Funding (in millions)
Feasibility Study	Business Link Legacy Funding	Grant	.015
Purchase of building (private investor)	Private investor	Investment	.755
Refurbishment of building	<i>YNYER LEP Funding</i>	<i>Loan</i>	<i>1.0</i>
	<i>CYC EIF (pending decision)</i>	<i>Loan</i>	<i>1.4</i>
Due diligence	CYC Delivery and Innovation Fund	Grant	.025
Mentoring, business support services	<i>ERDF (outline business plan approved)</i>	<i>Grant</i>	<i>1.2</i>
Total cost of project			£4.395m

Lines in italics pending due diligence and further steps

Further funding options

Arts Council Strategic Capital funds up to £500,000 & Heritage Lottery Capital funds up to £500,000 along with other targeted funding pots.

Private finance through the sale of leasehold space, to be explored further if invited to the next stage could also raise revenue

Outcomes	
Direct Economic Growth	
Indirect Economic Growth	
Direct jobs created	142 jobs created
Indirect jobs created	235 Jobs created

Contribution to social targets

By creating a central space for creative industries, the project will enable greater public interaction with one of the city's growing industries.

By creating affordable business space, the project will open out the possibility of enterprise to a wider range of individuals – thereby creating greater opportunity for employment.

Contribution to environmental targets

The project would be developed using environmentally sustainable standards of building and the feasibility study would scope what level these environmental standards could be.

3. Targeting Growth in Key High Value Sectors

EIF Theme: Sustainable Economy

Proposal summary

Background

The city's recently published York Economic Strategy sets out the ambitious targets of becoming a top 5 UK city and top 10 European mid sized city. However, recent economic forecasts produced by the Regional Economist Unit suggest that these targets will be challenging if interventions are not undertaken to proactively drive growth in the private sector – and particularly high value, high growth sectors like IT/digital, creative and biosciences.

The city has significant potential in both retaining and attracting new presence in these key sectors, and the profile of these industries – high value, lower employment – mean that, alongside some of the general business support and employment work the city is undertaking, growth in these industries could fill a growing need for private sector growth.

However, attracting and retaining business presence in these sectors requires consistent understanding, development and marketing of the offer and business environment for these industries – a capacity that any local authority would struggle to provide.

Strategic Need and Fit

The strategic need for this project is predominantly covered by **Council Plan Priority 1: Creating Jobs, Growing the Economy** and **York Economic Strategy: Ambition 2: A Competitive Business Base and Ambition 5: Coordinated approach to investment.**

The project will provide funding to the city's lead industry body for these high value sectors – Science City York – funding to provide dedicated resource in engaging with and most importantly, identifying the barriers to growth in these sectors, as well as solutions for retaining and growing the city's existing business base in these sectors, but also to attract new businesses in these sectors. The capacity provided by the SCY team will provide a critical opportunity to make a real difference in the way that the city develops the offer for existing businesses to grow and new businesses to locate in the city.

Proposal

This funding would enable SCY to provide detailed sector knowledge through increased engagement with businesses with high growth potential across the city. Key aspects of this delivery would include:

- Engagement with businesses from a broad range of industry sectors across the York and North Yorkshire, Leeds and Humber LEP geographies, to further identify their needs, provide solutions or signpost and make referrals and to act as a broker where required between organisations.
- Liaison and joint working with other relevant business networking organisations and other industry focused groups.

Maintaining regular communications with businesses across SCY networks, and overseeing the delivery of SCY annual events programme

Financial Projection	
Investment sought	£40K
Additional investments/income/funding	N/A
Recycled return on investment if any	N/A

Outcomes	
<ul style="list-style-type: none"> • Delivery of strategy and deliverables to support media arts industry including Digital Media and Cultural Centre • Identification of and development of projects that will add to the city's growing capacity in the biorenewables/biosciences industries • Production of regular reports on issues/opportunities in the IT/digital, creative and biosciences industries, along with other high growth industries as appropriate • Growth in number of jobs in high growth industries • Growth in GVA from high growth industries 	
<i>Contribution to economic targets</i>	
Direct Economic Growth	See below – aggregated to indirect
Indirect Economic Growth	£1m
Direct jobs created	See below – aggregated to indirect
Indirect jobs created	150 jobs
<i>Contribution to social targets</i>	
<i>Contribution to environmental targets</i>	

4. Tour de France Campaign

EIF Theme: Sustainable Economy

Proposal summary (up to 2 sides A4)

Background

The region, through Welcome to Yorkshire is bidding to host the Grand Depart for the Tour de France in 2014, and the city of York has the potential to benefit from the second of the two stages for which the region is bidding in this Grand Depart.

The Tour de France is the largest annual sporting event in the world, with 2bn spectators worldwide watching either live or on TV/internet/radio.

Welcome to Yorkshire is leading the official bid to bring the Grand Depart of the Tour de France back to England, with two stages in Yorkshire and a third stage in Southern England, en route to the south coast for an efficient transfer to Northern France.

The region is competing against places like Barcelona, Germany, Utrecht (The Netherlands) and Scotland

Yorkshire's England Bid has high profile support from star sprinter Mark Cavendish and Team Sky team mate Ben Swift and Rapha Condor Sharp's Ed Clancy. The bid has full backing of the local authorities, police, transport companies as well as cross party political support and business community buy in

The public campaign launched to encourage people to show their support www.yorkshire.com/backlebid

The potential for both the attraction of visitors and investment to the city as well as the exposure the event will provide to the city to the international markets with which the city of York is keen to make stronger links is the key rationale for CYC developing the proposal to play a key part in this campaign.

Strategic Need

The project has the potential to advance the city's ambitions to internationalise its offer and connect to new markets beyond the UK's borders. In this way it fits the strategic need set out in the **Council Plan, Priority 1: Creating Jobs, Growing the Economy** and in **York Economic Strategy, Ambition 5: Coordinated approach to investment**.

The project also provides an opportunity to promote the value of cycling and sport to our residents – fitting with Council Plan priorities for **Get York Moving** (improving take up of cycling), and **Build Strong Communities** (healthy, sustainable communities).

Strategic Fit

The project adds significant value to the internationalisation programme of activity for the city over the short-term – providing a platform for promotion of the city as a quality destination – not only to visit, but to live and work.

Key points

- **A global audience of over 2bn people watch the race every year**
- Roughly every other year the race starts outside of France, this year it starts in Liège in Belgium
- **Over 185 countries around the world show the Tour de France every year on 92 different television channels with the last hour of every stage broadcast live across Western Europe**
- The tour itself, including teams and administration, **give a huge boost to accommodations, restaurants and shops**
- That could start several days before racing begins
- Great opportunity to showcase other cycling routes in the area
- According to the main backer of **the 2007 English start, Transport for London, the Tour is estimated to have brought £88m to south-east England and to have generated £35m worth of media coverage.**
- **Spectator numbers were estimated at more than 2m over the two days of racing**

Evidence from the London experience

The experience of London and the Southeast in hosting the TdF in 2007 suggest the likely impacts of hosting a Grand Depart. Evaluation indicated highly favourable attitudes towards London as the host of both the TdF. Eight out of ten people interviewed said the TdF was the main reason for their being out. A survey of satisfaction with the Tour de France and related events produced very high scores for the TdF as a spectacle, the quality of stewarding, the information available, and facilities for the public.

The TdF directly generated £73 million in London, £15 million in Kent and a further estimated £35 million from publicity. In addition there were many other related events held by local authorities and other organisations which cumulatively generated substantial additional activities and spending.

Estimated attendance was around three million or more in London and Kent. The picture overall is of people treating the TdF and associated events as family and social occasion. More than half came from outside London, and ten per cent came from overseas.

Surveys results indicated that just over half of those attending said they were more likely to cycle as a result of the TdF in particular for leisure. Overall, one fifth of cyclists interviewed at the Festival said they already cycled more than in 2006 and 11% had taken up cycling since then. Those most likely to cycle more included younger women, people aged 16-34 and those in social classes ABC1.

Strategic impacts

The proposal could result in the following specific measurable impacts:

- **Increased brand recognition** – the Grand Depart will be broadcast on **100** TV channels, **70** radios, **400** newspapers and press agencies, **70** websites, that is to say **2,300** journalists representing **35** nationalities (using 2011 figures), broadcasting in **185** countries on 92 channels, of which **60** transmit live coverage; and receiving 14 million unique visitors to its website, generating a platform for showcasing the city in which the event takes place

- **Increased footfall** – recent figures suggest that the Olympic torch relay drove footfall up by 23 to 25% on an average Tuesday. The impact of a Tour de France Grand Depart, given the unique draw for audiences not just in the city (as would have been the case for the torch relay) but in the region and wider national catchment for the event, would be significantly higher. From the London experience, 3 million attended the event, and 80% were visitors.
- **Increase in proportion of overseas visitors** – as in the case of London, up to 10% of attendance could be from overseas visitors – providing direct experience of York to a range of international markets. Building on this, the chances of repeat visits are relatively high, given recent survey data suggesting that 99% of visitors to the city would return. At the moment, only 13% of York visitors visit from overseas markets.
- **Increase in spend in local economy as a result of the immediate event** – The TdF has been estimated at a value of £300m to the Yorkshire economy if the bid is successful. For York, a stage of this event could attract anywhere around the £75m that the London event attracted for the one stage it hosted in 2007.
- **Increase in proportion of residents considering and taking up cycling** – 50% of those attending more likely to consider cycling for leisure and 20% to cycle more often than before the event (some leakage of this benefit to visitors)

Proposal

The proposal is for the city to release two stages of £25K contributions each to the campaign to bring the Grand Depart to the region, with the specific aim of bringing one of the two stages being sought to the city. The campaign will identify York as the preferred host for the second stage of the Grand Depart.

For the Tour de France the start of a stage is about:

1. The City (York)
2. The Teams and Riders
3. The Publicity Caravan – up to 250 decorated cars and promotional vehicles

The City of York will feature prominently in the marketing for the Bid. The iconic image of the Minster will be used and this will appear, for example, as we sponsor Eurosport's coverage of the Tour de France. This programme runs daily from June 30th – July 22nd. The image will appear nearly 1200 times and be seen by over 2 million people. The value of this package alone is £117,500.

The money provides the necessary contribution to leverage the support of a larger campaign from across the region that has the potential, beyond the weight of the city alone, to secure this event for our benefit and the benefit of the wider region.

Financial Projection	
Investment sought	£50K over two years
Additional investments/income/funding	Match by RIEP funding and additional support to be secured from West Yorkshire authorities.
Recycled return on investment if any	N/A
The £50K will be released over two years – the first tranche immediately on approval and the next at beginning financial year 2012-13. Fund will be coordinated through a West Yorkshire bid partnership, with support from Wakefield MDC.	

Outcomes
<ul style="list-style-type: none"> • Increased brand recognition of York as a destination for business, visitors and living (as measured by market perceptions work) to 190 countries via international broadcasting, and • Increased footfall for the event in the region of more than 25% (using Olympic torch relay as a benchmark)

- Increased longer term footfall from return visitors (99% of visitors would return and 94% would recommend to family and friends from 2009/10 Yorkshire Visitor Survey)
- Potential for increase in spend in the visitor, retail and leisure economy
- Increase in proportion of visitors from overseas markets – currently 5% (as per Fact 2009, Visit York)

Contribution to economic targets

Direct Economic Growth	See below (aggregated figures taken from London experience and estimates of Yorkshire proposal impacts)
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Indirect Economic Growth	£75 million
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Direct jobs created	TBC (economic impact report being prepared by W2Y)
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Indirect jobs created	
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Contribution to social targets

The TdF Grand depart would contribute to the Building Stronger Communities priority of the Council through the increase in health and well being as a result of increased take up of cycling.

Contribution to environmental targets

Bringing the event to the city would enable the city to enhance the take up of cycling by residents in the city and would offer a platform for further encouraging this take-up.