
Executive

4th December 2007

Report of the Director of City Strategy

REPORT OF THE FUTURE YORK GROUP

Summary

1. The report seeks to brief Executive on consultation undertaken following receipt of the Future York Group and makes recommendations for the Council, working in partnership with others, to adopt in response to the report.

Background

2. The Future York Group was commissioned by the City of York Council to undertake an independent strategic review of the local economy, following a series of announcements regarding job losses in the City. The Group was chaired by Christopher Garnett and was well attended at its meetings by the group members. They received a variety of presentations and background information to enable them to make their conclusions and recommendations. This authoritative report will provide the framework for future actions to be undertaken by the City of York Council and partners with regard to promoting the economic well-being of the City. Their final report was launched on 12th June when it was handed over to the City of York Council at a public event at the Mansion House. Copies of the executive summary of the report have been made available to all elected members and the full report has been published on the Council's web-site.

Consultation

3. The report effectively entered the public domain on its handover to the Council on 12th June 2007 and has been made widely available since then. Comments received on the findings of the Future York Group have been collated and are appended to this report. Copies of the full responses made to the consultation are available on request. In addition, the York Professional Initiative have conducted an on-line survey of businesses and the results of this are also appended to this report. Formal consultation on the report has also taken place through the Without Walls Local Strategic Partnership and its thematic groups. The views of the Economic Development Partnership Board were sought at its meetings held on 19th June and 25th September. There has also been the opportunity over the summer/autumn period to consult on the findings of the Future York Group report as part of planned consultation for the review of the Sustainable Community Strategy and the Local Development Framework core strategy. This consultation will set a strong and robust strategic framework for future actions in enhancing the economic well-being of the City.

Options

4. There are a considerable number of recommendations set out in the Future York Group report. A response to each is appended to this report. Members may wish to comment on each response although the analysis set out below deals with the most significant issues arising from the report.

Analysis

5. This Future York Group is an authoritative analysis of the local economy based upon a wealth of data and presentations given to the group. There has been a process of consultation on the findings of the report has highlighted above. A framework for responding to all the recommendations set out in the Future York Group is appended to this report. Progress with the key recommendations can be summarised in the following:

VL1: We recommend our vision of the long-term economic future of York to City of York Council and partners, and urge them to adopt it as the plan for future policy and action.

The York Council has undertaken an extensive consultation exercise following receipt of the Future York Group report. Work has now started on reviewing the Sustainable Community Strategy for York through the Without Walls Local Strategic Partnership. This will form the future vision for York and will be guided by the recommendations set out in the Future York Group report. The revised Sustainable Community Strategy will be in place by April 2008. Members of the Without Walls Board have decided that the review of the Sustainable Community Strategy will work within its current vision for York and therefore it will not seek to amend this; this states that :

“York will make its mark by:

- building confident, creative and inclusive communities
- being a leading environmentally-friendly city
- being at the forefront of innovation and change with a prosperous and thriving economy
- being a world class centre for education and learning for all
- celebrating our historic past whilst creating a successful and thriving future”.

P1: It is essential that City of York Council re-invigorate the role and membership of its partnerships, to ensure that they are effective in delivering the Future York Vision and the oversight of economic development and place shaping activities. We recommend to businesses and business organisations in the city that they commit themselves to support the new partnership and consultation arrangements, and actively participate in them.

Members will be aware that the Council has been instrumental in the appointment of Sir Ron Cooke as Chair of the Local Strategic Partnership. In addition, the Economic Development Partnership Board has recognised the need to review its terms of reference and membership; a report will be presented to the next meeting of the Board at the end of November 2007.

P6: We recommend that City of York Council urgently prepare a Master-plan, reflecting the Future York Vision, to guide development and investment decisions and promote investment.

The key elements of the Masterplan will be the revised strategic aims and key actions within the Sustainable Community Strategy which will be in place by April 2008 and the Core Strategy of the Local Development Framework, programmed for 2009. In addition, the Council is working closely with Yorkshire Forward and other partners to develop the strategic thinking around connecting the York Northwest site. Work is also underway to examine good practice in masterplanning among other cities.

E1: We recommend that City of York Council and its partners adopt ambitious plans for the future economy of York, with an aim to double the city's economy by 2026. We ask City of York Council and its partners to create an economy which supports knowledge-led businesses; which develops its tourism and retail industries to achieve higher added value; which promotes financial and professional service activities; and which creates a supportive business environment.

Yorkshire Forward have identified in their overview of the York economy a number of "key messages" regarding the opportunity for York's economy to grow. Whilst some of these messages are covered elsewhere in the recommendations of the Future York Group report, at the heart of the messages is the need to deliver York's identified brownfield regeneration sites. In particular, York Central and Heslington East are mentioned. Heslington East now has planning permission and is rapidly progressing to a number of detailed applications. York central is now combined with British Sugar's redundant site in planning terms and is known as York Northwest. In order to ensure the smoothest transition of these sites into development, an Area Action plan within the Local Development Framework is underway, which when complete will provide the planning framework and relative certainty for both sites. The Council has committed extra resources to developing the Area Action plan which now means that the plan will be completed in advance of the landowners programme for planning permission and subsequent development. The other important brownfield sites are also moving forward and the Council's recently completed Employment Land review and subsequent Employment Land Allocations policy, again within the emerging Local Development Framework, will ensure the opportunity for regeneration activity is not lost.

The Council will continue to work with other partners, particularly Yorkshire Forward to agree the key priorities for the economic well-being of the City and to incorporate these into the Sustainable Community Strategy, City of York Council strategic objectives (as recently amended by the Executive), and Local Development Framework Core Strategy. Discussions are underway with york-england, Science City York, and the Local Strategic Partnership to plan collectively on this basis, as highlighted in the appended framework for action. In addition, the Council will be working with Yorkshire Forward in the coming months to put in place a programme of prioritised activity to take the economy forward following announcements expected to be made by Yorkshire Forward on their policy priority areas for investment.

The Enterprise and Economy work within the Local Area Agreement will need to consider the recommendations of the Future York Report, as it is revised to be re-submitted to Government Office by June 2008.

Latest projections show the population of the City to grow by 20% by 2029. In addition, the Government has recently published proposed changes to the Regional Spatial

Strategy which are being evaluated by Officers, taking account of the recommendations from the Future York Group report. York North West (York Central and British Sugar sites) are being promoted as growth points within the Leeds City Region a part of the response to this Government initiative.

E3: We recommend that Science City York continue to be supported as a key programme for the future. We endorse the proposals of Science City York, and of City of York Council, and the University of York for the expansion of innovation activity; for the provision of high quality sites and premises for science based businesses; and for the proposed University of York Developments at Heslington. Science City needs to develop engagement with the wider business community in York in order to leverage the benefits of its nationally recognised status.

The Council together with the University are the key partners in establishing Science City York as a Company Limited by Guarantee. The Science City York Board are also in the process of establishing an advisory group which will seek to encourage the engagement of a wide section of partners in its work. Science City York has accessed funding through Yorkshire Forward to support business and cluster development. It has also accessed funding through the Northern Way initiative for the Park central project at York Science Park and for the Biological Business centre at the University. Detailed discussions are currently taking place with Yorkshire Forward regarding the remainder of funding available from Northern Way. As this requires to be spent by the end of March 2008 and due to delays in bringing forward development proposals on the Terry's site, an alternative proposal to create a Centre of Excellence in Mass Spectrometry, rivalling centres in Cambridge, Manchester and Scotland, has been proposed and is being evaluated. Yorkshire Forward have indicated that they would still be prepared to support the Digital and Creative Technologies Centre proposed for the Terry's site through their single capital funding pot in the forthcoming financial year.

Heslington East received planning permission for the expansion of the University as the Future York Group report was being launched. The Council is actively engaged in providing advice and support to the University in the implementation of the plans and guidance on the opportunities for financial support through the European Regional Development Fund. The University is intending that Complex X, which will include a centre for business and innovation, will be open in October 2009.

The Council has written to the Prime Minister and the Minister for Science and Innovation on behalf of Future York regarding the enterprise zone-style capital allowance for limited classes of property investment in R&D zones to encourage development. No response has been received as yet.

The Pre Budget Report did outline that overall spending on science was to increase by £900 million through to 2010-11. This is in support of a new PSA target which focuses on increasing R&D and Innovation activity. This also included a commitment to work more closely with higher education establishments.

E4: We recommend that City of York Council strengthen its tourism partnerships, by having a single tourism partnership organisation, working with the private sector to deliver growth in tourism spend which exceeds Yorkshire Forward's 5% per annum target for the city. The partnership should adopt a plan which aims to deliver transformational enhancements to York's visitor attractions; improvements to

accommodation and hospitality provision within the city; and to the quality of the public realm; in order to attract higher added value in the tourism sector, and strengthen the city's function as a tourism gateway to the wider region. This is likely to require a creative approach to securing the necessary funding which involves both the public and private sector, and the lobbying of Government for financial assistance.

The move to a new structure for the tourism partnership will provide a united focus to the development of the visitor economy. York achieved 6.8% last year against the Yorkshire Forward annual growth target of 5%, but the challenge for the new partnership is to do even better. The Council has been instrumental in the establishment of the new partnership and will be determining its representation at the meeting of Council on 29th November 2007. It is also proposed to present a further report to the Executive in December regarding a funding issues and a service level agreement between the Council and the new tourism partnership. Plans are therefore well advanced for the creation of a Single Tourism Organisation in York by April 2008. A new independent Chair and Directors have recently been appointed, and will seek to build on the work of First Stop York in such areas as marketing and promotion, development of the quality of the product, improved market intelligence and better visitor information, whilst at the same time safeguarding and ultimately growing the scale of private and public investment in tourism activity. It is intended that the Board will be in place in shadow form from December 2007.

Opportunities around High Speed 1 commencing operation on 14th November, will open up new marketing opportunities for York, both leisure and business travel.

Also the 2012 games offers an opportunity for York and North Yorkshire to benefit from visitors who will not want to be in London when the games are on and instead of travelling to Europe they could be attracted to Yorkshire. There is an opportunity to exhibit in Beijing next year and showcase York and North Yorkshire. Yorkshire Culture is leading this work and planning on this activity will be done over the next few months.

E5: We recommend that City of York Council work closely with key business sectors, particularly manufacturing and financial services, to better understand their needs; to create appropriate conditions both for their continuing success within the city; and to foster growth opportunities.

Officers have also met with Yorkshire Forward and york-england.com and the framework of key account management in the City has been reviewed and revised. Major employers will have a key contact within the Council at a senior level. Other businesses will be covered with regular visits using officers from the Council, Yorkshire Forward and york-england.com. The object of these contacts is to get a much better understanding of business needs and a more responsive public sector approach. In particular, information on future employment needs will be fed into the City's skills strategy to ensure both the best employment opportunity for the City's residents and that businesses have available the necessary skilled workforce.

Current engagement with Leeds City Region will assist in further development of the financial and business sector in York.

S1: We recommend that City of York Council work with Business and other key partners, and support the work of Learning City York in analysing the city's skills needs and the spatial mismatches between labour demand and supply. This will enable more specific targeted policy responses to be developed.

Early discussions have taken place with the Learning and Skills Council to consider existing strategies including the Adult Skills Strategy and 14-19 Strategy for Education and Training. Changes as a result of the Government's Sub National Review moving the 14-19 agenda to the local authorities mean that existing activity and the Lifelong Learning Partnership for York will require further review. This matter will be considered further at the December meeting of the Lifelong Learning Partnership. It is intended that any revisions to the Adult Skills Strategy and the 14-19 Strategy for Education and Training taking account of the Future York Group report will be in place by April 2008.

A report was provided to the Economic Development Partnership Board, setting out details of the Adults Skills Strategy and advising that work is on-going to identify potential gaps. Work is continuing to ensure that the Skills Strategy and Future York Report are aligned. Closer working between the Economic Development Partnership Board and the Learning City Partnership is being encouraged. A report will be presented to the next meeting of the Economic Development Partnership Board reviewing membership and terms of reference for this Partnership – this will strengthen the links between economic development and skills strategies.

S7: We recommend that City of York Council work with key partners and relevant stakeholders to ensure that the disparity in income in the city does not widen as the economy expands. Positive action must be taken to ensure that as many residents and employees as possible can benefit from the new economic opportunities.

It is important that the Council works to develop activity to ensure that people from the deprived communities in York have the opportunity to access jobs and that young people in the areas have the chance to broaden their horizons through a better range of work experience opportunities for them in the city. A proposal to address adult worklessness has been developed and is being led by Future Prospects, working in partnership with others. This seeks to target support to specific groups and geographical areas within the City. The proposal is currently seeking funding, predominately through the European Social Fund, and if successful will be implemented from April 2008 onwards.

The Future York Group report highlighted that in order for the City to reach its economic potential, specific deprivation issues need to be addressed alongside skills and educational development. Corporate Management Team has considered developing approaches toward neighbourhood management and this will be presented to the Executive in January 2008.

In1: We ask City of York Council to provide the additional resources needed to ensure that the Local Development Framework is adopted by 2009, so that a strong and statutory planning framework is in place to support and guide future economic development, housing and transport infrastructure requirements.

A programme of action has been developed, balancing quality of production against time in order to make sure the LDF meets the required standard. It is now expected that the LDF Core Strategy will be adopted by 2009, as recommended in the Future York Group report.

In5: We urge City of York Council to work with neighbouring authorities and with regional partners to ensure the adoption of a supportive and consistent economic development, employment, land, housing and transport strategy across the sub-region.

Currently work is going on around Leeds City Region Development Programme and City of York Council is engaged with this. City of York Council are also still active members of the York and North Yorkshire Partnership taking forward the priorities for the next period of Investment Planning and connecting York to the wider sub-region. A plan of engagement with the Leeds City Region is currently being developed and will be reported to the Executive in January 2008.

In6: We recommend to City of York Council that sufficient and appropriate housing (partly affordable and family housing, both of which are currently in short supply in the city) is allocated in the LDF to support the economic and social development objectives of the city and be consistent with our economic and employment proposals

The City has recently been allocated in the final draft Regional Spatial Strategy a higher housing figure of 850 dwellings per annum from 2008 until 2026. As a result of this York has bid to become a New Growth Point on the York Northwest site which could mean, if successful, money would be available to help fund significant infrastructure costs of developing this site. In addition, the City has recently completed its Housing market Assessment which will identify the need for family houses and will enable the Council to defend its position in subsequent housing planning applications.

In12: We recommend that City of York council be pro-active in working with regional partners to:

- i) Secure the necessary funds to allow for the dualling of the city's northern ring road**
- ii) Make the required connectivity improvements to at least one of the three regional airports to allow a maximum forty-five minute transfer time from the city. In addition to benefiting York this would develop international access across the region, which would significantly develop Yorkshire and Humber's competitiveness in the global knowledge economy.**
- iii) Investigate options and funding mechanisms to improve sustainable public transport links to neighbouring towns and cities.**

The Council has written to the Minister for the region, Caroline Flint, regarding the ring road. The council are also discussing with Peel the operators of Robin Hood Airport links to York. The Council is also planning to submit a proposal to the Regional Transport board when it reviews its 10 year Regional Transport Programme in Spring 2008. This is a very important and necessary step in getting the proposal into the programme thus allowing a Major Scheme bid to be made to the Department of Transport for funding of the necessary Northern Ring Road improvements.

6. Whilst considerable progress is being made to implement the recommendations arising from the Future York Group report, the attached framework will be used to ensure action continues to be made and that progress continues to be monitored. Since the Future York Group report was produced, the Government has announced

its Comprehensive Spending Review (CSR) and the sub-national review of economic development and regeneration. This sets out plans to refocus powers, responsibilities and accountabilities of the Regional Development Agencies and proposes new responsibilities for local authorities, including a statutory responsibility for economic development and the 14-19 education agenda (refer S1). These changes will provide a very positive opportunity for City of York Council to work with partners to respond to the recommendations set out in the Future York Group report.

7. Council has asked for further work to be undertaken on the environmental implications of the Future York Group report. This has been undertaken by the Sustainability team within City Strategy and further information is appended to this report. These considerations will need to be taken forward as the Sustainable Community Strategy for the City is developed.

Corporate Priorities

8. The Future York Group report relates to the following objectives for the Council, the Economic Development Service Plan and the LSP 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 strategy identifies a number of priorities relevant to the Future York Group report:
 - Increase people’s skills and knowledge to improve future employment prospects.
 - Improve the prosperity of residents with a focus on minimising income differentials.
 - Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city.
 - Improve the way the Council and its partners work together to deliver better services for the people who live in York.

Implications

9. Financial: Progress on the Future York Group report has been undertaken to date using existing resources within the Council. There remain some key areas for the Council to develop in response to the Future York Group if the City is to fully realise its economic development potential. These include additional efforts to stimulate and develop the economy, further engagement with business, and ensuring that as many residents as possible benefit from proposals to develop the local economy. There may therefore be direct financial implications for the City of York Council in

responding to the findings of the Future York Group report and these will be considered as part of the budget setting process of the Council and as part of any future reports to the Executive or EMAP.

- 10. Human resources: None
- 11. Equalities: None
- 12. Legal: None
- 13. Crime and Disorder: None
- 14. Information Technology: None
- 15. Property: None

Risk Management

- 16.. In compliance with the council's risk management strategy. There are no risks associated with the recommendations of this report.

Recommendation

- 17.. The Executive is requested to agree the actions set out in paragraph 5 above and in the appended framework as a response to the Future York Group report.

Reason: To help shape the effectiveness of future action.

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Report Approved Date

Wards Affected:

All

For further information please contact the author of the report

Background Papers: The Future York Group report – an independent strategic review of the York economy, June 2007