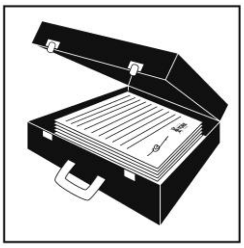
CITY OF YORK COUNCIL



Notice of a public meeting of

Executive

To:	Councillors Steward (Chair), Aspden (Vice-Chair), Ayre, Brooks, Carr, Gillies, Runciman and Waller
Date:	Thursday, 19 May 2016
Time:	5.30 pm
Venue:	The George Hudson Board Room - 1st Floor West Offices (F045)

A G E N D A

Notice to Members – Post Decision Calling In:

Members are reminded that, should they wish to call in any item* on this agenda, notice must be given to Democracy Support Group by **4:00 pm** on **Monday 23 May 2016**.

*With the exception of matters that have been the subject of a previous call in, require Full Council approval or are urgent which are not subject to the call-in provisions. Any called in items will be considered by the Corporate and Scrutiny Management Policy and Scrutiny Committee.

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 - 12)

To approve and sign the minutes of the last Executive meeting held on 28 April 2016.

3. **Public Participation**

At this point in the meeting members of the public who have registered to speak can do so. The deadline for registering is **5.00pm** on **Wednesday 18 May 2016.** Members of the public can speak on agenda items or matters within the remit of the committee.

To register to speak please contact the Democracy Officer for the meeting, on the details at the foot of the agenda.

Filming, Recording or Webcasting Meetings

"Please note this meeting will be filmed and webcast and that includes any registered public speakers, who have given their permission. This broadcast can be viewed at http://www.york.gov.uk/webcasts.

Residents are welcome to photograph, film or record Councillors and Officers at all meetings open to the press and public. This includes the use of social media reporting, i.e. tweeting. Anyone wishing to film, record or take photos at any public meeting should contact the Democracy Officer (whose contact details are at the foot of this agenda) in advance of the meeting.

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/downloads/file/6453/protocol_for_webcasting_filming_and_recording_of_council_meetingspdf

4. **Forward Plan** (Pages 13 - 20)

To receive details of those items that are listed on the Forward Plan for the next two Executive meetings.

5. **Delivery of Community Facilities at the Burnholme Health & Wellbeing Campus** (Pages 21 - 58)

This report seeks consent to begin to deliver the Burnholme Health & Wellbeing Campus and secure a viable future for the former Burnholme Community College site in Heworth ward.

6. **Health and Wellbeing Communities Funding** (Pages 59 - 86)

This report sets out proposals to use the Community Fund budget allocated as part of the 2015/16 Council Budget.

7. Additional School Places for the Micklegate area
(Pages 87 - 118)
This report will explain the preferred option to make changes to internal space within Scarcroft Primary School (part of the South Bank Multi Academy Trust) to allow an increase in pupil numbers. It will also explain the options available to increase outdoor space in order to accommodate government requirements for sufficient playing areas.

8. York Economic Strategy (Pages 119 - 306)
This report presents York's new draft Economic Strategy for 2016-20.

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

Democracy Officer:

Name: Jill Pickering
Contact details:
- Telephone – (01904) 552061
- E-mail – jill.pickering@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)**

☎ **(01904) 551550**

City of York Council — Committee Minutes

Meeting	Executive
Date	28 April 2016
Present	Councillors Steward (Chair), Aspden (Vice-Chair), Ayre, Brooks, Carr, Gillies, Runciman and Waller
Other Members participating in the meeting	Councillors D'Agorne and Looker
In attendance	Councillors Fenton, Kramm and Richardson

Part A - Matters Dealt With Under Delegated Powers

134. 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 disclosable pecuniary interests they may have in respect of business on the agenda.

Cllr Waller declared a personal interest in relation to agenda item 8 – Review of Provision of Home to School Transport as a communicant Anglican on the electoral roll at St Olave's Church.

Cllr Brooks also declared a personal interest, in relation to the same agenda item, as a member of the Church of England and on the electoral role for St Nicholas Church Dunnington and a member of Dunnington Parochial Church Council.

Cllr Runciman also declared a personal interest, in relation to the same agenda item, as a member of the Church of England and on the electoral role for York Minster.

Cllr D'Agorne also declared a personal interest, in relation to the same agenda item, as an employee of York College although not involved in direct support to pupils using school transport and as a Chair of School Governors as the outcome could affect residents in his Ward.

135. Minutes

Resolved: That the minutes of the last meeting of the Executive held on 17 March 2016 be approved and signed by the Chair as a correct record.

136. Public Participation

It was reported that there had been three registrations to speak at the meeting under the Council's Public Participation Scheme, and that two Members of Council had requested to speak on the following items:

<u>Public Interest Report – City of York Trading (CYT)</u>

Gwen Swinburn spoke to highlight a number of points in relation to the report and its findings. She referred to the need for adequate checks and balances via the Audit & Governance Committee rather than the Executive and felt the report failed to address a number of the issues raised.

Martin Whitely also spoke in relation to this report and to his earlier work with the Council's Audit and Governance Committee and to the Committee's consideration of technical breaches.

<u>Review of Provision of Home to School Transport</u>

Jen Dungy spoke to thank the Executive and Officers for acknowledging parents concerns regarding proposed changes to the home to school transport provision to Manor C of E Academy. She asked the Executive to consider a fairer system of imposing charges for all pupils in receipt of home to school transport.

Councillor Stephen Fenton also spoke to thank the Executive and Officers on behalf of children in the Woodthorpe area for agreeing to continue the provision of home to school transport in order to allow time to consider alternative arrangements. He made reference to possible alternative bus services which were also currently under review and he requested a holistic review transport provision in the city.

Letting of Red Tower, Foss Islands Road

Councillor Keith Myers spoke to express his full support for the proposed letting and reuse of a building which had been vacant for a number of years. As part of the lease he requested that the building was opened on York Residents Weekends, Heritage days and for heritage visits.

137. Forward Plan

Members received and noted details of those items on the Forward Plan for the next two Executive meetings, at the time the agenda was published.

138. Goose Management Scrutiny Review Final Report

Consideration was given to the final report and recommendations from the Goose Management Scrutiny Review. A review undertaken to improve the experience of residents and visitors to public parks, gardens and open spaces by examining the geese and other water fowl related problems affecting Rowntree Park, the University and other sites.

Councillor Kramm as Chair of the Task Group presented the report, giving a comprehensive review of the work undertaken, evidence received and findings which had led to the recommendations which they felt would assist in the development of a long term strategy for the management of geese in the city. He thanked Task Group member and all those who had provided evidence to support the production of the report.

The Chair highlighted that the majority of the geese problems impacted on a small number of wards in the city and he questioned the benefits of a survey of the goose population and nesting sites. Members went on to thank the Task Group for their work but raised concerns regarding the resourcing and Officer time in relation to the production of an integrated goose management strategy.

The Executive Member confirmed that, whilst not supporting the full report recommendations, Officers would continue to trial various measures in an effort to alleviate the problems detailed in the report.

Following further discussion it was

Resolved: That having considered the Goose Management Scrutiny Review Task Groups final report, the Executive agrees to refer back the report and recommendations listed at paragraph 2 (i to v) to the Communities and Environment Policy & Scrutiny Committee for further examination in order to refine the recommendations, in line with budget constraints, prior to consideration by the Executive Member for Culture, Leisure & Tourism. [1.]

Reason: To conclude the Scrutiny Review in line with CYC Scrutiny procedures and protocols.

Action Required

1. Refer back the report and recommendations to the C & E Policy & Scrutiny Committee for further examination in order to refine the recommendations, in line with budget constraints. MC

139. York Museums Trust Scrutiny Review Final Report

Members considered the final report and draft recommendations of the York Museums Trust (YMT) Scrutiny Review undertaken to consider the Council's financial contribution to YMT, to identify the most appropriate custodianship arrangements and to enable the Trust to operate effectively as a business-like charity.

Consideration was given to the following recommendations:

In regard to the Council's financial contribution to YMT that:

i. A Funding Agreement be developed and maintained consisting of four elements: *Common Partnership Objectives for Museums Provision; Reporting Mechanisms; A Long-Term Financial Plan; A Projected Capital Development Plan*, as set out in paragraph 19 of the final report

ii. YMT provide a 5 year rolling financial plan with commentary (at the level of detail given in Annex B of the final report) to support the Council in its consideration of its contribution to maintaining YMT's core business.

iii. YMT provide a long-term capital development plan to inform the Council's consideration of its support of YMT's capital development programme.

In regard to future custodianship arrangements:

iv. A consistent charitable framework to be implemented for all assets and collections, which addresses the objectives set out at paragraph 23 of the review final report, and which together with the proposed Funding Agreement, replaces the various current legal agreements.

To ensure YMT can operate as an effective business-like charity:

v. The *Common Partnership Objectives for Museums Provision* at paragraph 6 be endorsed as the partnership's long- term shared intentions

vi. The reporting arrangements set out in the final report at paragraph 19 ii to be adopted, and the Learning & Culture Policy & Scrutiny Committee to receive bi-annual reports on developments and challenges with respect to the Common Partnership Objectives, the Financial Plan and the Capital Development Plan as the basis for discussion on shared opportunities for the partnership between the Council and YMT. [2.]

Councillor Looker as Task Group Chair presented the report and recommendations which examined ways in which long term security could be provided for the Trust whilst accessing other sources of funding and providing a coherent charitable framework. She referred to the significant support received from all concerned and work undertaken to meet the review objectives.

The Executive Member highlighted the management risks to the Council without a renewed funding agreement with YMT, as set out at paragraph 9 of the report, and expressed his full support for the review recommendations.

Resolved: That, having considered the York Museums Trust Scrutiny Review Task Groups final report and annexes, the Executive approves the recommendations listed at paragraph 2 (i to vi) of the report. [1.]

Reason: To conclude the Scrutiny Review in line with CYC Scrutiny procedures and protocols.

Action Required
1. Implement YMT Scrutiny Review recommendations. CC
2. Note receipt of bi-annual YMT reports in L&C Policy & Scrutiny Committee's work plan. MC

140. Public Interest Report - City of York Trading (CYT)

[See also Part B minute]

Consideration was given to a report which provided a summary of the actions the Council had either taken or were planning to take in order to address the recommendations in the Public Interest Report; this followed the reports agreement at Council on 24 March 2016.

The Chief Executive presented the report highlighting the changes proposed in relation to Council approval of the payments made, the governance arrangements, the Officer's Register of Interests, the Council Procedure Rules and the Council's Webcasting Protocol. He confirmed that further reports on a governance structure for external bodies would be brought to the Executive's meeting in June and that the Audit and Governance Committee would be asked to consider changes to the Council's Constitution in the interests of transparency and consistency.

The Chair expressed his support for the proposed changes, in particular the wording of the Council Procedure Rules, to reflect the balance between freedom of speech and effective management of the meeting.

Resolved: That the Executive note and agree the actions the Council is taking and proposes to take in order to address the Auditor's recommendations in their report, as set out in paragraph 9 onwards.

Reason: In order to address the recommendations highlighted in the Public Interest Report.

141. Review of Provision of Home to School Transport

Consideration was give to a report which presented proposals for revision of home to school transport to:

- Manor CE Academy
- St Wilfrid's RC Primary School and
- Withdrawal of post 16 and 19-25 SEN transport

Officers referred to the report recommendations, in particular, to (i) - the withdrawal of dedicated home to school bus services to and from Manor CE Academy. In view of representations received and discussions undertaken, since publication of the agenda, it was proposed to continue to provide a dedicated home to school transport service for eligible pupils until 2017 in order allow parents and the school to consider alternative arrangements.

The Executive Member thanked Officers and the Head of Manor Academy for work on the revised recommendation. With regard to earlier speakers comments she highlighted the authorities statutory duty to provide free home to school transport for eligible pupils.

In answer to Members questions Officers confirmed that full consultation would be undertaken with parents/carers of those eligible for a Personalised Transport Budget and that any changes in their circumstance would result in a review of the arrangements. Officers also confirmed that timescales in relation to the implementation of the new arrangements would be provided.

Resolved: That Executive approve:

(i) Paragraph 11 (b) of the report, to continue to provide a dedicated home to school transport service to Manor CE Academy for eligible pupils until July 2017, with non-eligible pupils having the option to purchase a concessionary seat at the current cost of £380.
and :

- That Manor CE Academy will contribute £13,280 (50% of the shortfall between the cost of the seat and the concessionary fare for non-eligible pupils) towards this service;

- That from September 2017 City of York Council will no longer provide dedicated home to school bus services to Manor CE Academy;
- That parent/carers and the school will have16 months to consider alternative arrangements to get pupils to and from school. The Local Authority will provide advice and support in this process. [1.]

(ii) The option as set out in paragraph 18(a) of the report - to continue to provide a dedicated home to school bus service to St Wilfrid's RC Primary School for both eligible and non eligible pupils (who will pay a concessionary fare) for 2016/17 but withdraw the dedicated home to school bus service from July 2017, replacing it with the offer of a mileage allowance to parent/carers of eligible pupils. [2.]

(iii) The option as set out in paragraph 24 (b) of the report - To begin consultation on implementing Personalised Transport Budgets (PTB's) at an enhanced rate for all Special Educational Need Post -16 and 19-25 young people who are eligible for assistance with transport, on a rolling programme from September 2016 onwards. This would achieve savings of £32,812 for the 2016/17 financial year, based on 50% of eligible young people being transferred to PTB's from September 2016. [3.]

Reason: (i) This option will provide savings of £24,346 for the 2016/17 financial year and will maintain the current provision of the dedicated home to school bus services for both eligible and non-eligible pupils.

(ii) This will ensure provision of transport for eligible pupils but will achieve a saving of £5,220 for the 2016/17 financial year and £16,000 for the 2017/18 financial year.

(iii) To maintain support for transport for these students but enable a reduction in expenditure.

Action Required

1. Continue provision of home to school transport for eligible pupils to Manor CE Academy until July 2017. ME, SK
2. Continue provision of home to school transport service to St Wilfrid's RC Primary School for 2016/17. ME, SK
3. Commence consultation on implementing PTB's for all SEN eligible young people. ME, SK

142. Community Wellbeing and Support (Housing Related Support)

Consideration was given to a report which looked at the commissioning of an alternative service model for Community Support and Wellbeing (Early Interventions and Prevention) involving a radical approach of co-design and partnership working which included the reduction of the number of service contracts from over forty to eleven.

Officers presented the report, providing the background to the development of the new “whole” service approach including the required efficiency savings and contract projections. In particular, Officers highlighted the proposed Government cap on Housing Benefits and the possible implications on Local Authority Housing Allowance. They also confirmed that it was proposed that the implementation date of the new service delivery model would be February 2017.

Members thanked Officers for their work on the development of the new services and referred to the importance of monitoring so as not to lose sight of the individuals involved.

Consideration was then given to the following options:

Option A - The Council to commission an alternative service model for Community Support and Wellbeing (Early Interventions and Prevention). This will involve a radical approach, one of co-design and partnership working and proposes reducing the number of service contracts from over 40 to approximately 11 but with only 3 new commissioned service contracts/areas.

Option B – Retain the existing programme in its existing format but change the name to Community Wellbeing & Support. If Members adopt this recommendation, the £750K required efficiencies will have to be found from elsewhere in the Council budget.

Resolved: That Executive approve Option A to commission an alternative service model, paragraphs 40-46 of the report, and note the implications of the recent proposals regarding Local Housing Allowance, which is under review, and the impact that this may pose to the proposals within the report. [1.]

Reason: To deliver a new model of delivering Housing Related Support Services to residents of York and ensure continuation of a Housing Related Support programme.

Action Required

1. Proceed with commissioning of alternative service model. GB

143. Letting of Red Tower, Foss Islands Road

Members considered a report which set out details of a request received from The Incredible Movement in York (TIM), a voluntary community involvement group, to lease the Red Tower and adjacent land, to provide a residents meeting place and to engage with the community to promote improvement of the neighbourhood.

Officers reported on consultation undertaken and the refurbishment proposals for the building via Government funding received by TIM. In answer to the earlier speakers comments Officers also confirmed that, subject to funding, TIM intended to appoint a manager which would enable the Tower to be opened as often as possible for use and visits by the community and heritage groups.

Members expressed their support for the letting of the tower to bring a vacant building back into use for community led projects.

Consideration was given to the following options:

Option 1- Let the premises on a long lease to TIM
Option 2 – Decline to let the premises

Resolved: That Executive agree to let the Red Tower and part of the adjacent land to The Incredible Movement in York for a term of 30 years at a peppercorn rent.[1.]

Reason: To enable an unused council building to be utilised and improved and thereby provide a resource which will benefit the local community.

Action Required
1. Proceed with letting of Tower to TIM in accordance with the agreed terms. PF

Part B - Matters Referred to Audit & Governance Committee

144. Public Interest Report - City of York Trading (CYT)

[See also Part A minute]

Consideration was given to a report which provided a summary of the actions the Council had either taken or were planning to take in order to address the recommendations in the Public Interest Report; this followed the reports agreement at Council on 24 March 2016.

The Chief Executive presented the report highlighting the changes proposed in relation to the Council approval of the payments made, the governance arrangements, the Officer's Register of Interests, the Council Procedure Rules and the Council's Webcasting Protocol. He confirmed that further reports on a governance structure for external bodies would be brought to the Executive's meeting in June and that the Audit and Governance Committee would be asked to consider changes to the Council's Constitution in the interests of transparency and consistency.

The Chair expressed his support for the proposed changes, in particular the wording of the Council Procedure Rules, to reflect the balance between freedom of speech and effective management of the meeting.

Recommended:	That the Audit & Governance Committee consider the changes, suggested in paragraph 23 of the Executive report, to both the Council Procedures Rules and the Council's Webcasting Protocol.
Reason:	In the interests of clarity and transparency of approach.

Action Required

1. Refer to Audit & Governance Committee. JP

Cllr C Steward, Chair
[The meeting started at 5.30 pm and finished at 7.30 pm].

Forward Plan: Executive Meeting: 19 May 2016

Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 30 June 2016

Title and Description	**Author**	**Portfolio Holder**
Council-Owned Companies Purpose of Report: As the Council develops proposals to deliver its budget over the coming years, it is considering opportunities presented by trading some of its activities through external trading companies. This report sets out proposals to create a governance structure to oversee the activity of its current and future external bodies in which the Council has a commercial interest. The Executive is asked to agree the recommendations as outlined in the report.	Steve Stewart	Executive Leader, Finance & Performance
Reinstatement of Coppergate Traffic Restrictions - Approval to Advertise Purpose of Report: To present proposals for the reinstatement of the Coppergate traffic restrictions including potential alterations to the Traffic Regulation Order, details of the proposed signage and consultation arrangements. Executive will be asked to consider approval to consult on the Traffic Regulation Order and signage	Tony Clarke	Executive Member for Transport and Planning
Financial Strategy Update Purpose of Report: The report provides an update on the Financial Strategy. Members are asked to note the issues.	Debbie Mitchell	Executive Leader, Finance & Performance

The Private Sector Housing Strategy Purpose of Report: This strategy sets out how the council and its partners will work to help improve the condition and management of owner occupied and privately rented homes in York. Members are asked to approve the strategy and the supporting action plan. (Please note this item has been called in for pre-decision scrutiny and will be considered by Corporate and Scrutiny Management Policy and Scrutiny (Calling In) Committee on 9 May 2016)	Ruth Abbott	Executive Member for Housing and Safer Neighbourhoods
Alcohol and Illicit Drug Treatment Service Re-commissioning Purpose of Report: This report outlines the proposed re-commissioning and procurement of adult alcohol and illicit drug treatment services. Members are asked to: a) agree the proposal to re-procure adult alcohol and illicit drug treatment. b) agree the methodology for the re-procurement.	Leigh Bell	Executive Member for Adult Social Care and Health
Capital Programme Outturn Purpose of Report: To provide Members with the outturn position on the capital programme. Members are asked to note the outturn and recommend to full Council any changes as appropriate.	Debbie Mitchell	Executive Leader, Finance & Performance

2015/16 Finance and Performance Outturn Purpose of Report: To provide Members with the year end position on both finance and performance. Members are asked to note the outturn.	Debbie Mitchell	Executive Leader, Finance & Performance
Treasury Management Annual Report & Review of Prudential Indicators 2015/16 Purpose of Report: To provide the annual treasury management review of activities and the actual prudential and treasury indicators. Members are asked to note the issues and approve any adjustments as required to the prudential indicators or strategy.	Ian Floyd	Executive Leader, Finance & Performance
City of York Local Plan – Preferred Sites Consultation Purpose of Report: To update Members on Local Plan progress including details of further technical work to underpin a revised portfolio of sites for consultation in Summer 2016 along with an updated timetable for progressing the Local Plan to Submission and Examination. Members to agree a way forward.	Martin Grainger	Executive Leader, Finance & Performance and Executive Member, Economic Development & Community Engagement (Deputy Leader)

Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 14 July 2016

Title and Description	Author	Portfolio Holder
The Guildhall – Detailed Designs and Business Case Purpose of Report: To present Members with the detailed design, project costs and lease / financing proposals to secure the future of complex, through the delivery of a scheme of refurbishment and part redevelopment of Guildhall complex. This will facilitate ongoing council use as agreed, the creation of a business club and serviced office venue and associated cafe / restaurant units. Members will be asked to approve the proposals, submission of planning and listed building consent applications and the proposed financing arrangements necessary to deliver the scheme. This report may contain an annex that may be considered in private as it contains Exempt Information as described in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).	Tracey Carter David Warburton	Executive Leader, Finance & Performance
Proposals for Children's Centre and City Centre Youth Offer Provision Purpose of Report: This paper is a response to the decisions made at an Executive Meeting on 17 March 2016. Members were asked to agree the following: a. endorse the implementation of new place-based prevention and early intervention services within Local Area Teams b. agree to a public consultation and further paper on the delivery of the children's centres as part of the new operating model	Angela Crossland Niall McVicar	Executive Member for Education, Children and Young People

Title and Description	Author	Portfolio Holder
c. agree to receive a further paper addressing finalised proposals on revising the city wide and city centre youth offer as part of the new operating model The report will outline the public response to the Children's Centre consultation and identify proposals for both the delivery of services at an early years level, as well as intended plans for the delivery of services from current children's services locations. It will outline preferred options for this and how this will then be implemented as part of the Local Area Teams approach which was endorsed at the March meeting. The city wide youth offer will be identified to the Executive with specific detail around how the city centre offer will look. The paper agreed by Executive in March set out the following as key features of the new offer: - identifying the best delivery vehicle for the counselling service - early identification, tracking and response to older young people within the Local Area Team model, for proactive engagement within their communities - a potential shared approach to city centre drop-in access Members will be asked to: - approve proposals to review the delivery of children's centre services in line with the Local Area Team approach. - endorse the plans for the city wide youth offer and redesign of the city centre youth offer within this.		

Table 3: Items slipped on the Forward Plan

Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
The Private Sector Housing Strategy Purpose of Report: This strategy sets out how the council and its partners will work to help improve the condition and management of owner occupied and privately rented homes in York. Members are asked to approve the strategy and the supporting action plan. (Please note this item has been called in for pre-decision scrutiny and will be considered by Corporate and Scrutiny Management Policy and Scrutiny (Calling In) Committee on 9 May 2016)	Ruth Abbott	Executive Member for Housing and Safer Neighbourhoods	31 Mar 16	30 Jun 16	Due to delays in receiving the refreshed evidence base, this report will now be considered by the Executive on 30 June 2016. This will give time to assimilate the findings, refresh the strategy with help of the steering group, and undertake consultation.
Treasury Management Annual Report & Review of Prudential Indicators 2015/16 Purpose of Report: To provide the annual treasury management review of activities and the actual prudential and treasury indicators. Members are asked to note the issues and approve any adjustments as required to the prudential indicators or strategy.	Debbie Mitchell	Executive Leader, Finance & Performance	11 Feb 16	30 June 16	This item has been brought forward for consideration at the June Executive meeting as the information will be available earlier than anticipated.

Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
Due to an administrative inputting error this item should be considered by Executive on 14 July 2016					
2015/16 Finance and Performance Outturn Purpose of Report: To provide Members with the year end position on both finance and performance. Members are asked to note the outturn.	Debbie Mitchell	Executive Leader, Finance & Performance	14 July 16	30 June 16	This item has been brought forward for consideration at the June Executive meeting as the information will be available earlier than anticipated.
Capital Programme Outturn Purpose of Report: To provide Members with the outturn position on the capital programme. Members are asked to note the outturn and recommend to Full Council any changes as appropriate.	Debbie Mitchell	Executive Leader, Finance & Performance	14 July 16	30 June 16	This item has been brought forward for consideration at the June Executive meeting as the information will be available earlier than anticipated.

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CITY OF YORK COUNCIL

Executive **19 May 2016**

Report of the Director of Adult Social Care from the portfolio of the Executive Member for Adult Social Care and Health

Delivering the Burnholme Health & Wellbeing Campus

Summary

1. This report seeks consent to begin to deliver the Burnholme Health & Wellbeing Campus and secure a viable future for the former Burnholme Community College site (the **Site**) in Heworth ward.

2. Following extensive engagement with the public, key stakeholders and with potential partners and in the context of a worked-up spatial plan for the redevelopment, Members are asked to sanction the procurement of a nursing and residential care home (the **Care Home**) at Burnholme, the preparation and submission of a planning application relating to the provision of community and library facilities, an access road and associated car parking and investment in enabling works to allow the Care Home to be developed. Members are also asked to sanction the sale of former school playing fields for housing development (or the development of that land by the Council itself for housing) subject to necessary Department of Education (**DfE**) consents being obtained.

Recommendations

3. The Executive are asked to:

   a. Note the positive resident and stakeholder support for the plans to re-develop the Site to create a Health & Wellbeing Campus.

   b. Agree the spatial plan prepared for the Site as the guide to its redevelopment.

   c. Agree to:

      a. procure a developer/operator to construct and operate a Care Home on the Site;

b. dispose of the site of the Care Home to its developer by way of a long lease in return for payment of a premium/capital sum;

c. impose a condition within the lease that the land can only be used as a Care Home for a specified period;

d. procure a contract under which the Council would seek to purchase access to a specified number of beds in the Care Home at a specified rate for a specified number of years;

e. (in order to facilitate construction of the Care Home and development of adjoining land for housing) the undertaking by the Council of demolition, road construction and other enabling works estimated to cost in the region of £981,000; and

f. the cost of this procurement and the necessary demolition and enabling works initially being paid out of the Older Persons' Accommodation Programme budget and later by receipts from the disposal of land on the Site.

d. Agree to receive the recommendation to sell land for the Care Home to the preferred bidder in accordance with Financial Regulations.

e. Agree to the preparation and submission of a planning application (relating to the community and library facilities, the new access road and car parking on the Site) in order to facilitate the development of the Care Home with the cost of preparing the planning application estimated to be £90,000, to be initially funded from the Older Persons' Accommodation Programme and subsequently from future receipts from the disposal of land on the Site.

f. Agree to seek a developer or alternatively for the Council to undertake development for housing of approximately 4.5 acres on the Site subject to obtaining necessary DfE consent and the funds released by this development are used to support the provision of community, library and sports facilities on the Site.

g. Agree to receive the recommendation, where relevant, to sell land for housing to the preferred developer in accordance with Financial Regulations.

h. Recommend to Council that the estimated £981,000 of costs for the enabling works and the access road needed to facilitate the development of the Care Home are added to the Capital Programme with the costs initially being funded from capital held for the use of the Older Persons' Accommodation Programme and subsequently being paid back from the capital receipt received from the disposal of development land on the Site.

Reason: To progress to delivering the Burnholme Health & Wellbeing Campus including the delivery of a Care Home as part of the Older Persons' Accommodation Programme.

i. Request that reports are brought to Executive later in 2016 to:

   i. Provide details of the health facilities that can be provided on the Site and the structure of the partnership which will deliver them.

   ii. Sanction investment in the community, library and sports facilities once DfE consents have been obtained.

   iii. Sanction arrangements for the future management of the community facilities on Site once DfE consents have been obtained.

Reason: So that the project can progress.

4. The Council is committed to securing a viable future for the Site in Heworth ward. Burnholme Community College closed in summer 2014. During consultation on the school closure the Council committed to continue community use on the Site and encourage the on-going use of its sports facilities. In the winter and spring of 2014 initial public engagement explored appetite for these uses.

5. The result was the solution which was presented to and sanctioned by Executive in October 2015, namely: continued community and sports use of the Site, complemented by wider health, care and enterprise services and new housing. This sanction followed gateway reviews by Executive in July 2014 and July 2015.

6. The Council has also committed to procure a new Care Home on the Site as part of the wider Older Persons' Accommodation Programme (the **Programme**). This needs to be delivered by the end of 2018 as it forms the final step in this three year modernisation programme.

7. It is recognised that there should also be housing on the Site, both to meet housing accommodation needs and to generate funds that will contribute to the costs of delivering the refurbished community, library, sports and enterprise facilities.

8. The delivery of the Burnholme Health & Wellbeing Campus will realise a range of strategic and financial benefits by enabling the potential provision of:

   a. accommodation for an Explore Centre, relocating and enhancing the services currently provided from Tang Hall Library, including a reading cafe;
   b. nursery and out of school care for pre and primary school age children;
   c. meeting and activity spaces for community and voluntary sector groups and communities of interest, including existing faith groups and the Tang Hall SMART;
   d. premises for rent by start-up enterprises or by small third sector organisations;
   e. flexible training and meeting spaces for health service and lifestyle group meetings;
   f. a wide spectrum of both formal and informal indoor sports and active leisure provision;
   g. sports pitches and other outdoor activities to encourage active lifestyles and community cohesion;
   h. accommodation for General Medical (GP) and community-based health services;
   i. a care home, in relation to which the Council will seek to enter into a contract with the operator to purchase a specified number of beds at a contractually fixed price for a period to be determined;
   j. complementary commercial offering e.g. pharmacy, community cafe etc; and
   k. new housing.

   (together the **Project**).

9. At the request of Executive in October 2015 we have commissioned a spatial plan for the Site (see **Annex 1**). This plan confirms that all the components of the Project identified in paragraph 6 above can be contained on the Site and further confirmed that land use and acreage development assumptions are achievable.

10. The spatial plan, the proposals for the Site and proposals to dispose of Area C, which is currently designated as "playing field", have been the subject of an extensive public information and engagement activity (between 1st March and 12th April 2016).

This engagement has reaffirmed the support of local people and stakeholders for our plans (see **Annex 2**).

11. We have also undertaken market engagement with potential providers of the Care Home on the Site, and with other potential partners, as requested by Executive in October 2015. This engagement has shown that the assumptions behind the Burnholme business plan are robust and there is interest in being involved in the Project.

12. The proposal to invest in refurbished community, library and sports facilities and retain playing fields while also setting aside land for development to deliver a Care Home, a Community Health Hub and housing is forecast to be affordable based on current projections. This is because the development of land will release funds for the refurbishment of the community, library and sports facilities, where existing site users will be accommodated. The operation of the community and library facilities can be sustained from rents and other receipts from users.

13. While a pragmatic solution has been agreed for delivery of this vision, the Site remains complex. The range of complementary uses, which will bring benefit above and beyond the sum of the parts, also bring challenges for construction phasing and interface issues.

14. The clear first step in unlocking the Site will be to address issues around site services, demolition of redundant classroom blocks and the creation of a new access into the Site, facilitating the delivery of the services identified above and, particularly, unlocking the site for the Care Home.

15. These enabling works will initially be funded from the Older Persons' Accommodation Programme, as they will facilitate early delivery of a Care Home on the Site, and later by receipts from the disposal of land on the Site.

16. In parallel, it is proposed that the Council progresses the procurement of the Care Home on the Site. The Council is seeking a developer/operator to construct and operate a dual-registered Care Home on approximately 1.5 acres of the Site. The Council will seek to purchase a specified number of beds, at a fixed price for a fixed period from the developer/operator once the Care Home has been constructed.

17. An application for consent under Schedule 1 of the Academies Act 2010 (for change of use and disposal of non-playing field school land) has been submitted to the DfE.

Once DfE consent has been obtained, the initial phases of the Project described above will be able to be progressed.

18. At the end of the six week consultation period, which concluded on 12 April 2016, we submitted an application to the DfE for consent under Section 77 of the School Standards and Framework Act 1998 for re-use of the Site and disposal of Area C (former school playing fields). Once the Secretary of State for Education consent has been obtained, or alternative options implemented, the remaining phases of the Project, described below, can progress.

19. Approximately 4.5 acres of land (Area C) identified for residential development will be prepared for development for housing use, generating funds which will be reinvested in those aspects of the Site which bring social benefit to the area.

20. The finalisation of the design of the community/library area and submission for planning consent will be progressed "at risk" until DfE consent is secured and the re-development of the land assured. Progress on this matter has been identified by potential bidders for the Care Home as necessary proof of intent.

21. Additionally, the sale/long-term lease of the Care Home site and the freehold disposal of the housing site will not complete (and the capital receipts will not be obtained) unless and until planning permission on terms satisfactory to the respective developers has been obtained by them.

22. Council officers continue to work closely with health provider organisations including Priory Medical Group and Tees Esk & Wear Valley NHS Foundation Trust, and the Vale of York Clinical Commissioning Group who see this as an opportunity to create an integrated community health "hub" to the East of the City.

23. By making the decisions requested in this report we can progress the Project and seek to deliver under the following timescale:

May 2016	Executive approval to: a. Commence the procurement of the Care Home. b. Prepare and submit a planning application for the community and library facility, the access road and associated car parking.

	c. Invest in enabling works to allow the Care Home to proceed, funded from the Older Persons' Accommodation Programme budget. d. Sell Area C to a housing developer in order to generate funds for the project, subject to the Council having first obtained School Standards & Framework Act consent (or alternatively for the Council to construct housing on Area C itself for sale and rent and manage resources accordingly).
July 2016	Demolition and enabling works commence, assuming that DfE consents obtained.
August 2016	Planning submission for community/library facility and new access road, assuming that DfE consents obtained.
December 2016	Building of new access road begins, assuming that planning and DfE consents obtained.
Q4 2016	Seek Executive approval for disposal of part of the Site (by way of long lease) to a Care Home provider following formal procurement.
Q4 2016	Seek Executive approval, where relevant, for disposal of Area C to a housing developer (or alternatively for the Council to construct housing on Area C itself for disposal on the open market).
Q4 2016	Works commence on community/library phase.
Q2 2017	Works commence on Care Home construction.
Q3 2017	Residential site development commences.
Q3 2017	Community/library phase complete.
Q4 2018	Care Home complete and in operation.

Background

24. Executive approved the closure of Burnholme Community College in May 2012 due to dwindling school numbers. When approving the closure, an undertaking was made to attempt to preserve the existing community uses of the Site.

25. In June 2013, a separate procurement was undertaken to deliver a new Older Persons' Home on redundant playing fields to the south of the Site.

For reasons of affordability this procurement was abandoned in March 2015 with the alternative plan agreed by Executive in July 2015 that the whole of the Site should be developed as an integrated Health &Wellbeing Campus.

26. A report to Executive in October 2015 received Member sanction to:

a. Seek interest from partners to progress:

i. continued community and sports use on the Site;

ii. a residential care home for older people;

iii. housing provision; and

iv. health services delivered in a community setting.

b. Agree that Officers develop a spatial plan for the Site in order to maximise land use and draw up a development timetable, utilising resources already held in the Older Persons' Accommodation Programme budget.

c. Request that a report is brought back to Executive in Q1 2016 to further examine the risks and rewards of the development and approve the approach/s to procurement of relevant partners.

Reason: To secure the most appropriate and best value approach to develop and deliver the vision for the Burnholme Health & Wellness Campus including the delivery of a residential care home as part of the Older Persons' Accommodation Programme; so that best use is made of this Site; and so that the project can progress.

A community resource

27. Since the Council Asset & Property Management team took over the operational management of the Site on 1 September 2014 community and voluntary sector tenants have been supported to continue to deliver valuable services to the local community.

28. The Sport & Active Leisure team have been managing the sport facilities on Site in order to ensure that they are preserved for the local community. Bookings for both indoor and outdoor sport and activity use have increased significantly over this period with some 1100 people per week accessing the sports facilities during the 2015-16 winter season.

29. A training room has attracted many and disparate bookings, demonstrating a need for flexible spaces to meet community requirements.

30. Discussions with representatives of the Tang Hall Big Local and other members of the community have reconfirmed community support for improved and increased provision of assembly, activity and meeting spaces on the Site.

The Vision

31. The vision for the redevelopment of the Site delivers a range of integrated public, private, community and voluntary activities and services, all of which support each other and contribute to improved health and wellbeing for the local community.

32. This vision is entirely congruent with the Council Plan key priorities of:

- **A prosperous city for all -** where local businesses can thrive and residents have good quality jobs, housing and opportunities
- **A focus on frontline services** - to ensure all residents, particularly the least advantaged, can access reliable services and community facilities
- **A council that listens to residents** - to ensure it delivers the services they want and works in partnership with local communities.

33. The co-location, within improved environments, of health and care providers, alongside community and voluntary sector groups and wider public, commercial and community services such as the pharmacy and social-enterprise led activity will provide an invaluable test-bed for a range of new models of integrated care.

34. In addition, the Care Home and other services on the Site will create new jobs as well as opportunities for training and enterprise.

Development Strategy

35. In order to achieve best value, yet retain control over build standards and usage, as well as being able to exploit synergies between the different areas of the Site, it is proposed that:

a) pitches, sports and active leisure facilities are retained freehold by the Council (operational management may be separately procured at a later date);

b) premises reserved for use by community, enterprise and third sector organisations (including accommodation for existing tenants such as the Burnholme nursery, Tang Hall SMART and an Explore Centre) together with flexible spaces for training and lifestyle support are retained freehold by the Council;

c) Explore York Libraries and Archives Mutual Limited be offered a head lease over the community and library facilities, for a rental sum to be agreed between the Council and that organisation, in order that they are able to manage the building operationally. This lease would be co-terminus with their contract for the provision of services. Renewal, expiry or earlier termination of the service contract and the lease would be simultaneous and inter-linked. When the service provision contract is renewed or re-tendered, any new provider would be required to enter into a new head lease.

d) the building currently leased to Hempland Kids Club is retained.

36. In order to obtain sufficient capital receipts to enable the community areas to be provided without additional Council investment, it is anticipated that:

a) approximately 1.5 acres is disposed of (by way of long term lease) as land for the development of a Care Home. The lease shall contain a restriction stating that the land must be used for the operation of a care home for a period to be determined in due course;

b) land is sold as the Site for the GP/primary care/NHS services. This should be offered either leasehold or freehold, enabling our NHS or other healthcare provider partners to invest in the construction and running costs of the new facilities; and

c) approximately 4.5 acres of the Site which is not required for the uses described above will be developed for residential housing, with no condition other than those (if any) prescribed by the Local Planning Authority.

Progress since October 2015

Public Information and Engagement

37. During the six week consultation period (1 March to 12 April 2016):

i. Our proposed plans have been on display at Tang Hall library along with comment cards.

ii. An on-line consultation has been available for comment on the Council website.

iii. An e-mail address burnholme.development@york.gov.uk has been live for public feedback.

iv. 350 leaflets have been delivered to areas around the Site inviting comment and feedback.

v. Posters have been displayed in local shops, GP surgeries and community facilities in Tang Hall.

vi. Officers have displayed plans at parents' evenings at St Aelred's Primary School.

vii. Individual briefings have been held with Councillors from Heworth and Osbaldwick Wards, with relevant Group leads and Executive Member and with Osbaldwick Parish Council.

viii. Two public engagement events have been held at the Site between 4pm and 7pm on Wednesday 16 and Tuesday 22 March.

ix. Existing tenants of the building have distributed leaflets and comment cards to their clients, requesting feedback on our plans, which have been displayed within their leased areas.

x. Additional invitation leaflets were delivered to immediate neighbours of the Site, offering an additional personal discussion at a final event at the Site on Thursday 7 April 2016.

xi. A notice was published in the York Press newspaper on 1 and 9 March seeking comments on the Council's proposal to dispose of approximately 1.515 hectares of former school playing field land.

38. The primary focus of the engagement related to the spatial plan, though early designs for the community/library facility have also been available for stakeholders and the public to comment on.

39. The feedback has been extremely positive, with the vast majority of respondents being supportive of our plans. Those who commented were particularly pleased to see that the Council was proposing to honour the early commitments made regarding continued community and sports use and were pleased to see progress towards delivery of these commitments. A regular comment made was: "and now get on with it", reflecting citizen views on the need to deliver Council programmes.

40. However, there were some concerns and queries raised during the engagement period which are welcomed, and these will be taken into account as our plans progress. These include:

a) Adequacy of car parking indicated on the plans shown.

b) Potential traffic impact on neighbouring streets.

c) Potential increased water run-off, impacting on existing adjacent properties.

d) Impact of increased residential development on available school places.

41. A full report on the six-week engagement period and responses received is included at **Annex 2**.

42. In light of the results of the most recent public engagement we ask Executive to note the positive resident and stakeholder support for the plans to re-develop the Site.

Spatial Planning

43. Following previous approval from the Executive, a firm of architects were appointed to apply their expertise to the spatial planning for the Site and to secure the most appropriate and cost-effective use of the land available.

44. The spatial plan has enabled:

a) Decisions regarding access and site service infrastructure to be informed; and

b) Areas of land to be "parcelled" for eventual sale/lease (subject to final approval).

45. A copy of the spatial plan is attached at **Annex 1**.

46. The plan demonstrates that our aspirations for the Site can be accommodated and further confirms that land use and acreage disposal assumptions are achievable.

47. The plan identifies that a central area of the Site, sitting between the Community and Library facilities and the Sports facilities should be the location for the proposed Community Health Hub. This site has strong presence as it can be easily seen from Bad Bargain Lane while also being in the heart of the Site close to other services.

This location means that the desired integration between health, library and sports uses can be easily achieved. The location has been welcomed by health partners. We continue to work on the detail of the health partnership.

48. We therefore propose to Executive that the spatial plan for the Site is agreed and that a further report is provided to give details of the health facilities that can be accommodated.

Department for Education Consents

49. An application has been submitted under Schedule 1 of the Academies Act 2010 for the appropriation and disposal of the redundant Burnholme Community College buildings at Area A. This is progressing and we await approval of this application.

50. Notices have been placed in the newspaper and a formal six-week consultation undertaken in relation to the proposed disposal of former playing field land at Area C, for which consent under Section 77 of the School Standards & Framework Act 1998 is required. At the end of this consultation period (12 April 2016) an application for disposal of Area C under Section 77 of the School Standards & Framework Act 1998 was submitted to the Secretary of State for Education. We await approval of this application.

Market Engagement – Care Home developers/operators

51. As requested by Executive in October 2015 a market engagement event was held on Monday 14 March 2016 to which potential developers and operators of the Care Home were invited.

52. Ten separate organisations attended the event and received a briefing from the Council team regarding the whole Site vision and the proposals for the Care Home including the proposed contract structure, followed by a Site visit.

53. A questionnaire was then sent to the attendees, to determine whether the Council's proposed commercial and contractual structure for the procurement of the Care Home would be seen to be commercially viable and would attract suitable bids.

54. This market engagement has shown that:

   a. There is proven demand for and interest in building a Care Home in this location, with one respondent demonstrating an under-supply of 300 beds within a 5 mile radius.

b. That the proposed location of the Care Home on the Site is appropriate.

c. That, to give confidence to bidders in any competitive process, they would like to see enabling works underway (including the access road) and planning consent for the community facilities in progress.

d. There were mixed views as to the size of the home (ranging from 66 to 90 bedrooms) with the decision very much driven by the individual company's operating model.

e. There were mixed views on the number of beds which could be "block purchased" by the Council and at what value. All agreed that such "block purchase" arrangements would be time-limited with the suggested length of the purchase agreement varying according to company operating model.

f. Should TUPE obligations arise (and based upon recent care home closure experience they may not) potential bidders were concerned about the additional costs that would fall to them and reflected that this will influence how much they can pay for the land and the price they charge for "block purchase" beds.

55. Feedback from this event will now be incorporated into our procurement proposals. The Council will obtain further legal advice on the procurement and contractual structure and in relation to determining the Council's commercial requirements which will form the basis of the procurement offering.

56. Subject to further legal advice, it is anticipated that the following aspects will be included in the procurement:

a. The Council will seek a developer/operator to construct and operate a dual-registered Care Home on approximately 1.5 acres of the Site.

b. The land for the Care Home will be disposed of (by way of long term lease) to the developer and shall contain a restriction stating that the land must be used for the operation of a care home for a specified period.

c. The Care Home will be built to a timescale and minimum standard to be specified within the tender documents and agreement for lease.

d. The Care Home will be operated for a specified minimum period to a specified standard - and which satisfies the Care Quality Commission registration requirements.

e. The developer will offer a capital receipt for the land. The amount will be at the discretion of bidders but will be a significant factor in evaluation of the final bids.

f. Bidders will be asked to state the financial implications of TUPE as part of their bid (including the implications if TUPE does not apply). It should be noted that whether or not TUPE applies is a matter of law to be determined on the facts at the relevant time and TUPE cannot be contracted-out of.

57. We therefore propose to Executive that we procure the Care Home developer/operator, undertake enabling works and, at a future meeting, agree to the sale of land for the Care Home.

Enabling Works

58. Additional mechanical and electrical investigations, alongside more detailed planning associated with the production of the Site spatial layout has emphasised the need for enabling works, which will facilitate and expedite delivery of our plans, particularly the procurement and construction of the Care Home. Potential bidders for the Care Home opportunity emphasise that progress on enabling works will give them confidence when bidding.

59. The electricity supply, which serves the existing school buildings, runs from the sub-station to the north west, adjacent to Bad Bargain Lane, diagonally across the Site via the canteen and kitchen building to various outdated distribution boards within the existing buildings. This will need to be re-routed prior to any demolition taking place.

60. The existing gas supply runs to an underground central boiler room behind the school hall from which the heating pipes run along corridors, either along ceiling voids or in underground ducts, which no longer meet appropriate standards for access and maintenance.

61. New mechanical and electrical supplies will enable the community/library and the sports facilities to eventually be independent of each other and will enable separate metering.

62. The cost of these works, estimated at £981,000, can initially be funded from the capital receipts achieved from the sale of Oliver House and set aside for the Older Persons' Accommodation Programme with the

monies repaid from receipts from the disposal of the Burnholme Care Home land at a later date.

63. During the works to create a new community/library facility, the existing tenants will be decanted into a relatively “new” classroom block, which currently already accommodates the nursery and training room (the **Nursery Block).** The Nursery Block will therefore need to remain in situ until the new building is completed.

64. The Nursery Block does not encroach on the proposed site for the Care Home. The demolition of the canteen/kitchen and Eccles blocks, along with the two front classroom blocks and the corridor that links the school hall and the sports hall (as shown highlighted yellow on the demolition plan at **Annex 3**) will enable disposal of 1.5 acres of the Site to a Care Home developer to progress.

65. We therefore propose to Executive that they seek consent of Council to add the cost of the enabling works to the Capital Programme.

Design of the Community/library facility

66. Delivery of this element of the Project will:

a) Evidence Council support for community and voluntary sector groups and existing tenants at the Site.

b) Enable the Tang Hall library to be relocated from out of date accommodation and to embrace its wider remit as an Explore Centre.

c) Enable existing Tenants to vacate the Nursery Block, which will then be demolished, enabling the new access road to be extended to the rear of the Site. This in turn will enable residential development to commence.

d) Demonstrate to bidders for the Care Home opportunity that progress is being made towards redeveloping the whole Site.

67. The Project team has engaged with existing tenants and the Tang Hall library to understand their requirements and have drawn up a proposal which combines refurbishment and new build to the north east corner of the Site (fronting Bad Bargain Lane).

68. The tenants, who are to be accommodated in the proposed Phase 1 development are:

a. Explore Centre (moving from Tang Hall library)

To include library, children's area, space for IT and adult education (shared) and a reading cafe in the main entrance.

b. Burnholme Nursery

A charitable body, operating nursery facilities for around 30 pre-school children, including babies and toddlers.

c. Tang Hall SMART

A social enterprise that has two main strands: music-based clubs and events for local people and vulnerable groups, and entry-level music industry training.

d. Activity and meeting rooms

A range of spaces of different sizes and specifications, which can be rented on a sessional basis by individuals, groups or organisations, promoting social interaction and community cohesion.

e. Office bases

A number of offices are available for rent to community, voluntary sector organisations and for rent by local enterprises, particularly start-ups.

f. Specialist social activities for adults

The specialist activities, which are currently provided from Burton Stone community centre, will be accommodated within the new facility.

69. The proposal is focused around the existing school hall, which is a highly valued facility for the area. The design promotes the sharing of spaces, which are bookable on a sessional basis, for meetings, education and training and group activity.

70. The design has been costed by external quantity surveyors. These will be refined over the coming weeks as the design develops.

71. We therefore propose to Executive that they agree to the preparation and submission of a planning application relating to the community and library facilities, the access road and car parking.

Land available for residential development

72. As noted above, the development of land identified for housing (Area C) is dependent on the Council being able to secure consent from the

Secretary or State for Education for the disposal of land, which is currently designated as “playing field”. Sale to a developer (and eventual development) is also dependent upon planning permission being granted on terms acceptable to the prospective developer.

73. It has also been noted that the delivery of a new and refurbished facility for community meeting and activities and for Tang Hall library is partly dependent on funds released from the development of this land.

74. Failure to secure consent from the Secretary of State for Education, under Section 77 of the School Standards & Framework Act 1998, would preclude the Council’s ability to deliver much needed community and library facilities on this Site. An application for consent to dispose of the Site has been submitted following the six week formal consultation period.

75. Should consent to dispose be denied, this risk is managed by:

a. not proceeding with investment in either the sports, community or library facilities in part or whole; and/or

b. reducing the scope of works to match receipts available; and/or

c. part-funding investment in these facilities from alternative capital receipts and/or borrowing; and/or

d. a combination of the above.

76. No decision is needed on these options unless and until this risk is crystallised.

77. In the meanwhile, in order to expedite the Programme we propose to undertake the work to prepare to develop the land on the assumption that consent will be granted.

78. We therefore propose to Executive that approximately 4.5 acres of land is developed for housing and the Council procure a developer or progress to develop the land itself.

Financial Matters

Capital costs

79. The Project will cost the Council approximately £7m and is forecast to be self-financing in relation to capital expenditure based upon current estimates of capital receipts for the Care Home and housing land and

current estimate of construction costs for the enabling works and redevelopment of the community & sports facilities.

80. It is anticipated that the Project will also attract private sector and health sector investments of approximately £20m.

81. The original capital modelling was completed following an external assessment of the Site and the likely requirements of refurbishment. Industry standard assumptions were made regarding fees and an appropriate level of contingency. In addition, an amount was included for inflation, which was based on BCIS industry standard.

82. Prudent assumptions regarding the likely level of capital receipt that could be generated from the Site were made, based on an external assessment of the Site value.

83. Recent market engagement has proved these assumptions to be robust. Officers will continue to work on the whole-site financial model and closely monitor any change in assumptions throughout the life of the Project. As with all projects of this nature, the final costs of each element will not be known until its respective procurement process is complete.

84. Early enabling works, which will allow the Care Home site to be sold to a developer, will initially be funded from the Older Persons' Accommodation Programme budget. This Programme currently holds capital receipts of approximately £2.5m, a combination of accumulated social services capital grant and the receipt from the sale of Oliver House, and has the expectation of further receipts of at least £3m. While these receipts will be needed at a later date for use by the Programme they can meanwhile be used at Burnholme to facilitate the Care Home development. Once receipts are received from the sale of land at Burnholme the cost of the enabling works will be charged to these funds, releasing the Older Persons' Programme receipts back to their original intended use.

85. The cost of these enabling works is estimated to be £981,000.

This includes all associated fees, an assumption for any increases in inflation costs and a contingency sum for any unforeseen costs that may arise during the course of the works.

86. The approval of capital expenditure relating to the works on the community and library facilities and the sports facilities will be the subject of separate Executive and Council sanction.

87. We therefore propose to Executive that they seek consent of Council to add the cost of the enabling works to the Capital Programme and, at a later meeting, that they sanction the capital investment in the Community, Library and Sports facilities.

Revenue

88. Upon completion, the new community facilities are forecast to be self-financing and thus a sustainable resource for the people of the Tang Hall area.

89. It is proposed that a lease of the whole of the community and library facility is offered to the Explore Library service, enabling that organisation to maximise usage and respond to operational requirements. The head lease will be offered at a rent to be negotiated and will be co-terminus with their service contract, as stated above. Discussions and mutual understanding of these issues are well advanced.

90. Sports & Active Leisure, who are currently managing the indoor and outdoor sports facilities on site, are currently considering how the management of these areas might best be managed in the future.

91. Sanction to agree the management arrangements for the community facilities on the Site will be the subject of future report/s to Executive.

Implications

Legal

92. Legal services have been involved in the development of these proposals and their comments have been incorporated within this report. A full examination of the legal implications of the various property and procurement elements of this Project have been undertaken and these will be kept under review, and brought forward for due consideration, as we progress with the various elements of the Project.

93. Some external legal advice has been received to date in relation to the procurement of the Care Home and it is anticipated that further external advice will be required in due course in relation to this element of the Project.

94. The report properly identifies that the proposal to identify a developer to build and operate the Care Home should, in this instance, be regarded as a procurement rather than a land transaction.

95. The key legal implications at this stage relate to Department for Education consents for disposal of land at the Site.

96. Paragraphs 4 and 6 of Part 1 of Schedule 1 to the Academies Act 2010 requires that consent of the Secretary of State for Education is obtained before a local authority disposes of (or appropriates to non-educational use) any land or buildings which has been used for other school purposes (not as playing fields) within the last 8 years.

97. Section 77 of the School Standards and Framework Act 1998 requires that consent of the Secretary of State for Education is required for disposal or change of use by a local authority of land used as playing fields by a maintained school within the last 10 years.

Risk Management

98. The key risks to delivery of the Project are:

Risk	Likeli-hood	Impact	Score	Mitigation
Failure to secure consent to dispose of Area C to the South of the Site	3	4	12	Consultation has not elicited any valid objection. Failure to secure consent would prevent development for residential development, which in turn would mean that the community/library facility may be unaffordable as currently designed.
Failure to secure consent to use redundant school buildings	2	5	10	Engagement with DfE; early submission of application for consent. While relatively unlikely, the realisation of this risk would prevent the Council from progressing plans for the Site.
Failure to deliver an operational Care Home by the end of 2018	2	5	10	The delivery of the Care Home at the Site forms an integral part of the Older Persons' Accommodation programme and proposals for early enabling works will help facilitate delivery to timetable.

Risk	Likeli-hood	Impact	Score	Mitigation
Actual construction costs exceeds budget estimate	2	4	8	Contingency for inflation built in to budget planning. Estimated costs used for budget purposes have been externally validated.
Unforeseen technical matters arise	2	3	6	Investigation into utilities/services; environmental surveys commissioned.
Failure to secure Planning Consent	1	5	5	Colleagues in Commissioning & Design Services with extensive experience of design process and expectations of Planning officers and committee. Public support for the development has been evident during recent engagement.
Inability to meet existing tenant aspirations	1	3	3	Understanding of drivers; flexible spaces with ability to book on a sessional basis. Tenant feedback to date has been highly complimentary.

Equalities

99. In considering this matter the Council must have regard to the public sector equality duty. In summary, those subject to the equality duty must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equalities Act 2010.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

100. The Equalities Act 2010 explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

101. An Equality Impact Assessment (at that time a "Community Impact Assessment") for the Site was undertaken in July 2014 and remains valid. It particularly highlighted the positive implications of the Project for the health, security and wellbeing of all residents. This has and will continue to be updated as the project progresses.

102. An Older Persons' Homes Wider Reference Group has been established to act as a sounding board for the development of plans as the implementation of the Project unfolds. The project team also continues to use established channels to communicate with, and gather the views of, members of the local community, partners, stakeholders and staff.

Human Resources

103. The HR implications of the Burnholme Health & Wellbeing Campus are being monitored as the Project progresses.

104. Should TUPE obligations arise in relation to the Care Home provision (and based upon recent care home closure experience it may not) potential bidders will be asked to identify the financial impact and potential mitigations which can be considered.

Crime & Disorder

105. Since the school closed, the Site has been the subject of vandalism and trespass, including access to the roof, which carries significant risk to the persons involved.

106. During redevelopment, plans will take account of design features, which minimise opportunities for vandalism and trespass and thus risk to the individuals concerned and ultimately financial risk to the Council.

Information Technology

107. There are no direct Information Technology implications to this report.

108. Provision has been made within the budget for the installation of an appropriate level of IT access for community use.

Other Implications

109. There are no other implications arising from this report.

Annexes:

Annex 1 - Proposed Spatial Plan
Annex 2 - Burnholme Consultation and Engagement Feedback Report
Annex 3 - Plan showing proposed initial demolition works

Abbreviations:

BCIS	Building Cost Information Service (part of the Royal Institution of Chartered Surveyors)
CQC	Care Quality Commission
DfE	Department for Education
GP	General Practitioner (family doctor)
IT	Information Technology
NHS	National Health Service
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended)

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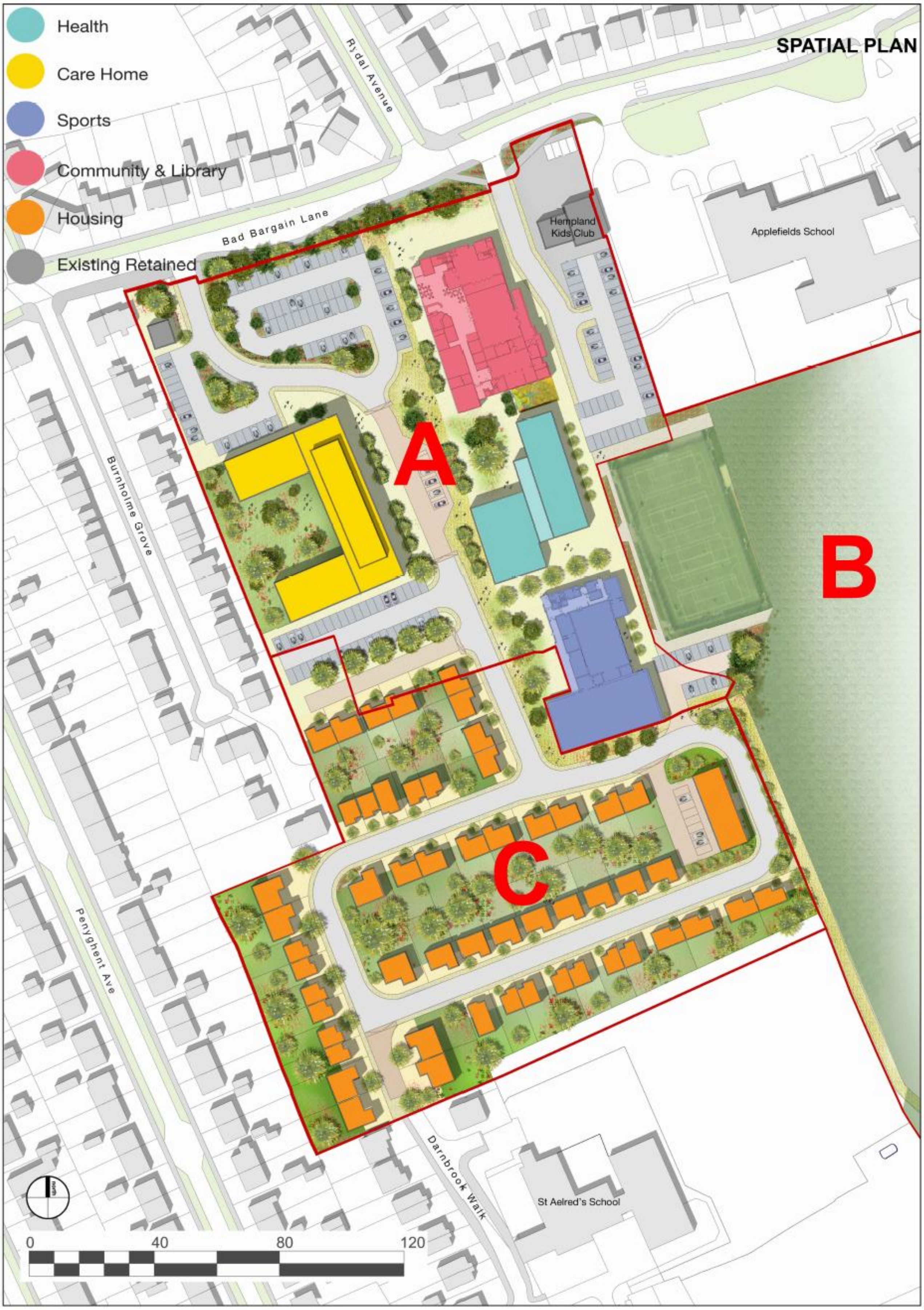
Annex 1 – Proposed Spatial Plan



Annex 2

Feedback Report: Burnholme Health & Wellbeing Campus

Public consultation, information and engagement

1 March 2016 to 12 April 2016

1. Promotion of consultation and engagement opportunities

The opportunity to view our proposals for the redevelopment of the old Burnholme Community College site, and to feedback comments was promoted using a variety of methods:

- Public notice in the York Press regarding proposal to dispose of an area of playing field and formal consultation on the proposal (advertised 1 and 9 March)
- A City of York Council press release sent to local media outlets and posted on the Council's website, with social media support, plus a follow-up, reminder release.
- Leaflet drop to approximately 350 houses in the immediate area
- Manned display at St Aelred's parents' evenings (15 & 17 March)
- Three-hour, manned engagement events at Burnholme school hall (Wednesday 16 and Tuesday 22 March, 4pm-7pm)
- Local Councillors 1:1 and distribution of leaflets/posters
- Attendance at Osbaldwick Parish Council
- Distribution of information via existing tenants
- Posters in local shops, Tang Hall GP practices and Tang Hall Community Centre
- Information on Tang Hall Big Local and Community Centre facebook pages
- Display and comments box at Tang Hall Library through six week duration

- City of York Council website shows plans and survey to capture feedback
- Display of plans at Hempland Kids Club, Burnholme sports and reception areas, Burnholme nursery
- York Press article following first engagement event
- City of York Council twitter feed, promoting engagement events
- Additional invitation leaflet to immediate neighbours (37 households) to engagement event on 7 April 2016

2. Burnholme Engagement Events

Two, three-hour (4pm – 7pm) engagement events at Burnholme school were augmented by displays from Explore library, York Community Church and Tang Hall SMART. Burnholme Nursery staff were also in attendance.

The display included copies of the spatial plans, architect images and proposals for the community and library redevelopment. Plans showing the existing school buildings were also available.

The events, which were held on different days of the week, were staffed by officers who took brief notes of conversations while inviting attendees to share specific thoughts on written comments cards.

Attendees' postcodes and/or street name were generally recorded, demonstrating that the majority of attendees were from the neighbouring streets.

The final engagement event was held on 7 April, with a specific targeted invitation to 37 immediate neighbours.

3. St Aelred's School Parents' Evenings

The parents of the pupils at St Aelred's Roman Catholic Primary School were invited to attend one of two parents' evenings, at which the plans were displayed. There are currently almost 200 pupils at the school, approximately 50% of whom are from the immediate catchment area.

The first event held between 15:30 and 17:30 and attracted mainly local people from the Tang Hall area, while the second was held 17:00 – 19:00 and was attended mainly by parents from further afield. The teachers who were in attendance expressed particular interest in the plans.

The display showed the spatial plan, architects' images and proposals for the community/library refurbishment.

The two events were manned by the Project Manager. Notes were taken of conversations, in which a particular view (positive or negative) was expressed and all were encouraged to submit written comments.

4. Press Coverage

The reporter from York Press attended the evening event on 16 March and the editorial, alongside an image of the spatial plan, was published on 18 March 2016 with the headline:

Community groups back Burnholme redevelopment

PLANS to convert the former Burnholme school site into a "health and wellbeing campus" went on show in Tang Hall last night.

The old Burnholme Community College school buildings are earmarked for redevelopment by the city council, with proposals including a new care home of up to 90 beds, a health centre, space for the community groups already using the site, and housing on some of the playing fields.

On Wednesday night residents had the chance to see some of the plans and discuss what could happen on the site.

York Community Church has been using the Burnholme site for its Sunday services and other meetings since 2010, and will stay in the refurbished main school building.

Church leader Mark Lewis said they were keen to be part of a mixed community, and wanted to keep their church office in the new facilities, as well as the Christians Against Poverty debt advice services they run for the east of the city.

Their "wish list" for the redevelopment centre includes a hall at least as big as the existing one, and large rooms that they and other community groups can book.

Burnholme Nursery is another current user and chairman of the trustees Karen Todman said they were keen on the "community" aspects of the plans. "I think the health centre would be very useful for a lot of our families," she added.

The plans could see them lose part of their outside space, she added, but will mean they have a separate entry - important when it comes to safety and security for the children.

Karen, who also lives close by, said: "It's been a long time since the school closed so it's good to see something happened. A mixed community is good as well, rather than all housing, and I think it's something this area needs."

However some concerns were voiced about the plans. The city council's project manager Louise Ramsay said some people attending the consultation, many near neighbours of the site, were worried that not enough parking would be provided on site leading to overspill parking on the residential streets around.

Another exhibition and consultation will be held at the Burnholme school site on Tuesday, March 22 from 4pm to 7pm.

5. Conversations with public and stakeholders

In all, the team recorded 56 separate conversations (majority of which with couples/groups) in which particular views were expressed. Of these, several key themes emerged:

- ✓ Good plans:
  - Better than those submitted two years ago
  - Great to see integration of services
- ✓ Delighted to see retention of pitches/sports on site
- ✓ Keen to see extended range of Explore library services on site
- ✓ Will take advantage of the opportunity to visit GP/health services
- ✓ Grateful for the opportunity to comment on our plans
- ✓ Keen that we "get on with it" – take advantage of great opportunity
- ✗ Concerns raised regarding the amount of parking on site - particularly keen that family homes should have two "driveway" parking spaces each
- ✗ Potential traffic impact on Bad Bargain Lane and Tang Hall Lane junction
- ✗ Concerns regarding availability of (secondary) school places when Derwenthorpe and Burnholme residential developments are complete
- ✗ Local residents believe that the local water "run off" has been negatively affected by Derwenthorpe and more development might cause localised flooding.

6. Osbaldwick Parish Council

The Programme Director attended a meeting of the Parish Council on 15 March 2016.

Support was expressed for key elements of the proposals. They were pleased to see the large area of playing field provision, supported the community facilities including the relocation of the library, liked the idea that GPs would be on site and recognised that land for housing was necessary to pay for it. They were also keen to see the cycle route opened up.

They queried how the sports fields would be managed and whether full public access would be allowed at all times. They queried the massing/planning impact of four storey buildings on site. They asked about construction traffic and about access via Darnbrook Walk. They also asked that parking and traffic calming issues on Bad Bargain Lane are examined/reviewed. They noted that they would like to see more provision for teenagers.

The Parish Council thanked us for the effort we are taking to hear people's views.

7. Online survey

The City of York Council website carried the article below for the duration of the consultation and engagement period:

Burnholme Health and Wellbeing Campus - Have your say

Residents and businesses are being asked for their comments on plans for a new health and wellbeing campus on land including the former Burnholme School site.

The plans include developing the existing community and sports use of the site, complemented by wider health and enterprise services, building a residential care home for older people, together with housing and new community and social activities, including Tang Hall Library and a cafe.

You can have your say on the plans in a number of ways:

- Attend one of our drop-in events at Burnholme Community Hub on Wednesday 16 March from 4-7pm or Tuesday 22 March from 4-7pm.
- View the plans at Tang Hall Library and email any comments to **burnholme.development@york.gov.uk**
- Give us your views online

The closing date for comments is Tuesday 12 April.

41 responses were received, which followed broadly the same themes as those received on comment cards:

- Need to retain the existing school hall as a large bookable space
- Access to kitchen for events
- Concerns regarding parking and traffic issues
- Comments regarding the need for affordable housing
- Requests for more detail regarding the plans for specific areas and questions which would have been addressed by officers at engagement events.

A formal response was received from the Tang Hall Big Local

“On behalf of Tang Hall Big Local We are glad to see the site having a strong community focus and part of a mixed use site attracting a broad selection of the population. Can any of the housing be co-housing or self build? Will it have a village feel or will all the buildings feel separate? On the Community aspect - we would like to ensure that local people are involved in the running of this facility to give it as much credibility as possible. We hope that there will be a flexible approach to how the community space is run and that it can be adapted to the changing needs/desires of local residents as well as being attractive for a broader offering. It would also make sense for it to be complementary to the Tang Hall Community Centre and in a sense for the 2 to work together in a cohesive approach. THBL has been part of the consultation and would like to add to comments as the more detailed plan of the Community Space develops. Will there be small spaces for micro starts ups/rooms for community groups - space for Tang Hall Big Local etc? There is also the sustainability approach to keep future costs down - using almost passive house standards for insulations and using renewable energy will keep the future value of the building and reduce the energy costs to a minimum - providing an example of how it could be done. Don't forget cycle racks. The immediate environment of the buildings would make sense to make them attractive to walk around and be able to sit outside(when sunny:))and be able to maybe do a little attractive measured walking/ running circuit - will fit into to CYC wellbeing policy and social prescribing approach.

Anna Bialkowska Chair Partnership Tang Hall Big Local”

8. Comments and Feedback

A comment box was sited for the full six-week duration at Tang Hall Library and a second was kept in the Burnholme Sports area until the engagement events, when it was available on a separate table for attendees to give anonymous feedback. The comment cards asked which services the respondent currently uses, and which they would be likely to use in the future. Not all respondents completed this element, nor did everyone provide a postcode.

The existing tenants were encouraged to ask their current clients to complete comments cards. This is reflected in the number and, in some cases, the nature of the responses.

All of the 107 comments cards received have been transcribed and sorted into categories according to the content:

A	Positive or no specific comments	(59)
B	Include suggestions or questions	(31)
C	Include concerns	(4)
D	Unsupportive of our plans	(4)
	No comments included	(9)

In common with the online comments submitted via Surveymonkey, those cards collected at the library included a higher proportion of questions and queries regarding the plans, and included more cards without specific comment. This compared with those submitted by the clients of existing tenants or by people who attended engagement events, where the respondents had been verbally briefed on the proposals.

The majority of comment cards received were highly positive and supportive of our plans. Examples include:

“Great Stuff! Really good community provision by the looks of it. Well done”

“I think the plans look great. Just what this area needs”

“The plans look great. Lots of space and a great way to connect with different parts of the community.”

“Wow! It’s great to see the rejuvenation of an often neglected area of York. I shall definitely be making the most of these exciting new resources “

“Library & GP welcome and also a chemist. Kids club vital for so many families. Meeting place and activities I would go to. Adult learning - a big "yes, please". Care Home needed. Sports used by many.”

Within the category “B”, many were users of the Hempland Kids Club, making the case for an external play area for the children.
Other themes include:

- The need for affordable housing
- The design of meeting and activity spaces, including need for access to a kitchen
- Parking and traffic issues
- Comments and suggestions regarding planning issues, from near neighbours

“Plans well presented and verbal explanation was very good - thank you. Site layout/uses - looks very good and a great improvement on the 2014 proposals. Comments: Can house development be subject to at least 1 x parking space OFF ROAD per dwelling. Community halls and meeting rooms - can they be made available for sensible prices e.g. £25 for 1/2 day meeting room for up to 20 - £65 per 1/2 day for the main hall. Thank you for the chance to come down to see people and to ask questions”

“Will the housing be affordable? We need affordable housing in York, maybe this could be the answer? Love the plans in general! Hope this goes ahead.”

“Youth access to sports activities and sports facilities. Encourage walking and cycling. Secure bike parking.”

Of the eight responses, which who expressed concerns or were unsupportive of our plans, the feedback focused on:

- Youths roaming the streets after organised activity
- Traffic concerns
- Insufficient car parking
- Lack of school places for new residents

- No need to move/change the library

“Concerned those additional houses would put pressure on the local schools. Would be concerned if the road continued on to Darnbrook Walk as there are already issues with traffic.”

“Do we really need more houses!! Where will everyone go to school?”

9. Current and future use

The comments cards and online survey also asked what facilities/activities the respondent currently uses, and which they expected to access when the project is complete.
Including all 148 respondents, 28 stated that they were users of the sports facilities, 69 were clients of existing tenants, 19 from church groups and 27 attend “other” activities on site.
Of the 122 who expressed a view: 79 would use meeting and activity spaces in the new development and a further 78 would use the library and reading cafe and 33 were keen to see adult learning from the site. 56 stated that they would use GP and health services, while 10 expressed an interest in the care home and 7 in the housing development.

10. Responses via e-mail address

The e-mail address burnholme.development@york.gov.uk was established to enable residents to feed back comments on the proposals for the site.

Three e-mails were received. The first commented on the venue for the proposed engagement events and the other two were looking for accommodation for community-focused activity.

11. Formal response to consultation

The notice below was published in the York Press on 1 and 9 March 2016:

THE COUNCIL OF THE CITY OF YORK
Section 77 of the Schools Standards and Framework Act 1998 (as amended)
Disposal of former school playing fields
NOTICE OF CONSULTATION OF CHANGE OF USE OF FORMER SCHOOL PLAYING FIELD

Proposal: It is proposed that part (1.886 hectares) of the former Burnholme Community College school playing field, which is located to the South of Burnholme College site, Bad Bargain Lane, York, is to be disposed of by The Council of the City of York ("the Council"). This will enable the redevelopment of the community facilities on the wider site and the refurbishment of indoor and outdoor sports facilities adjacent, including the 4.33 hectares of sports pitches/playing fields which are to be retained and improved elsewhere on the wider site.
Application Site: As shown edged red on the plan showing the situation of the land which may be inspected during week days at the Reception to West Offices, Station Rise, York YO1 6GA from 8.30am to 5pm (4.30 on Fridays) from Tuesday 1st March to Tuesday 12th April 2016.
Title No: NYK 389493: Ordnance Survey map reference: SE6252SE
For further information please contact Louise Ramsay on 01904 551828 or email louise.ramsay@york.gov.uk Anyone who wishes to make comments regarding this disposal proposal should do so in writing, to the Assistant Director of Governance and ICT, West Offices, Station Rise, York YO1 6GA, Ref. GA/LPR1.7994 by noon on Tuesday 12th April 2016.

The plans for the Burnholme Health and Wellbeing Campus are available to view on the Council website and at Tang Hall Library until 9th April 2016, and at drop-in events at Burnholme Community Hub on 16th and 22nd March 2016 between 4:00 and 7:00pm.
Please note that under the Local Government (Access to Information) Act 1985, your written comments will constitute a document which is available for any member of the public to see on demand.
An analysis of comments received will be forwarded to the Secretary of State for Education as part of the Council's application for consent to the proposal.
For information, further opportunities will be made for the public to comment once the feasibility studies for the development of this land have been completed.

Dated *25th February 2016*
Andrew Docherty
Assistant Director of Governance and ICT
Council of the City of York

No responses to this consultation were received by the Council.

12. The Way Forward

It is clear from the feedback received from our proposals, that there is broad and enthusiastic support for our plans. Local people are now keen to see the plans turn into reality, in order that they can access integrated services from the site and make full use of the range of facilities included within our vision.

In delivering our plans, we will

- Continue to engage with our existing and future tenants
- Ensure that local people are fully involved and continue to support our efforts
- Share the feedback, we have received with Council colleagues and with other stakeholders, who are involved in delivery
- Communicate local people’s concerns regarding traffic impact, parking and flood risk to development partners, to ensure that they are aware when developing their designs.
- Review specific comments regarding the design of the community and library facility, incorporating suggestions wherever possible.

Burnholme Project Manager
12 April 2016

Annex 3: Plan showing initial demolition works in yellow

Executive 19 May 2016

Portfolio of the Executive Members for Adult Social Care & Health and Deputy Leader, Economic Development & Community Engagement.

Report of the Director of Adult Social Care

Health and Wellbeing Communities Funding

Summary

1. This report sets out proposals to use the Community Fund budget allocated as part of the 2015/16 Council Budget. The purpose of the fund is to invest over the next two years in community initiatives which prevent or delay the need for people to access statutory social care provision by supporting the development of community and voluntary sector capacity to identify and respond to local needs.

2. The Executive has previously approved use of £150k of the Community Fund through the report - Listening to Residents: Ward Committees presented on 30th July 2015 (where it was agreed that £75k per annum, for 2 years would be devolved into ward budgets on a ‘per capita’ basis). This report builds on that approach and focuses on the proposals for the remainder of the fund and commitments made to date.

3. This report should be viewed in context alongside the proposals for the new operating model for the Council and how the proposals will help develop an enhanced community and prevention offer for customers. The approach is based on the principle that we should always seek to use the capacity of the person and the community to maintain their independence, before reverting to traditional care and support through the council and NHS.

4. The Council is moving towards a new operating model, one that will enable early intervention and prevention and supporting community capacity building to develop and provide local sustainable solutions.

5. To facilitate this shift in approach we will need to support communities to help themselves identify problems early and use assets, skills and capacity that already exists to take preventative action. We should look to work across the whole city in order to join up approaches, target resources and capitalise on the learning that we have. At the same time there will be the opportunity to achieve economies of scale, avoid duplication and make the most efficient use of resources. The proposed investment supports this direction of travel and will support residents, wards, and partners in developing capacity, networks and skills within local communities. The approach is consistent with discussions about the Council's new operating model.

   The Council has previously agreed an approach that should involve a long term, integrated, evidence based approach to supporting people with disabilities, mental health needs, older people and their families/carers to:

   - Build and pursue their personal vision for a good life
   - Stay strong, safe and connected as contributing citizens
   - Find practical, non service solutions to problems wherever possible
   - Build more welcoming, inclusive and supportive communities

   Therefore it is about:

   - Preventing or reducing demand for costly services wherever possible
   - Building community capacity and resilience
   - Supporting service reform and integration, having high quality services as a valued back up to local solutions

6. As identified in paragraph 2, local Ward Committees have already been allocated £150K over the 2015/16 and 2016/17 financial years. This report recommends that this approach is continued into years 2017/18 and 2018/19 with a pot of funding (Local Wards Allocated Pot) set aside for Ward Committees to support both the priorities identified by local residents and ward members.

7. The aim of the programme would be to stimulate residents into action and to develop initiatives supporting the local communities and utilise the funding available to develop new sustainable initiatives but not provide ongoing funding for service provision.

Targeted funding can also be achieved by officers working with local wards/communities to ensure areas which have specific needs can work together to deliver services purchased on a broader basis but delivered within specific localities.

8. Officers from the Communities Team and Adult Social Care would provide support to communities and local Ward Members and provide a “framework / menu” of potential initiatives that would meet the needs of local residents. Also support residents / wards to look at joining together with other localities with similar requirements to “buy” into broader / city wide services or continue to offer bespoke solutions where residents have identified the need. The potential initiatives could include;

    - Community Transport
    - Slipper Exchanges
    - Befriending/Social clubs and activities
    - Local handyperson schemes
    - Carers support
    - Falls Prevention
    - Social Media
    - Nutrition, Meals Club, Casserole clubs
    - Working with young parents
    - Good neighbour initiatives

    A guide previously issued by the Communities team is attached at annex B of this report.

9. It is proposed that the balance of the Community Fund as highlighted in paragraph 14 is used to develop a city wide approach in enhancing specialist services. A Dementia offer that would work across all ward locations. This would support the prevention and/or delay of people needing to access formal care packages and statutory support, and where people already have formal care and support, prevent or delay the need for this to increase. By intervening early and supporting low level community activity, the aim is to ultimately reduce adult social care expenditure, and ensure people receive the right level of support at the right stage. Support would also be provided to Good Gym and for Cultural Commissioning as identified in paragraph 14.

10. There are also commitments to fund a new Public Health Strategy for the City called “Well York” which is based on a model of wellness and the Public Health team will be developing an Ageing Well work programme in partnership with local communities. An appointment has been made to a co-ordinator post commencing in May.

11. The impact of the use of the use of the community fund on delivering the new strategy will be monitored by the Health and Wellbeing Board.

Recommendations

12. The Executive is asked to:

Agree

The use of this funding for the purposes outlined in the report, detailed in paragraph 14.

Reason:

In order to support the Council’s commitment to ensure people get the right level of support at the right time, supporting local residents and Communities in developing local services and prevent unnecessary demands on formal adult social care where peoples needs could more appropriately be met within the community.

Proposals

13. Members previously agreed a budget across the City of £500K - Community Fund to support a range of corporate initiatives focused on early intervention and prevention, community capacity, place making and delivery of area focused services. This supports the vision and direction for the Council’s new operating model across the City. The direction will support people to stay strong and develop welcoming and inclusive communities which support people in their own local areas.

14. The table below identifies the proposals for the un-allocated £350K budget:

New Proposals

	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Total
"Local Wards Allocated Pot" – Additional Funding to support local ward initiatives	0	75,000	75,000	150,000
Capacity Building in the Voluntary/Community Youth Sector	30,500	0		30,500
Dementia Friendly Communities Co-ordinator	23,500	23,500	0	47,000
Dementia Grants	15,000	15,000	0	30,000
Ageing Well Project	50,000	5,000	0	55,000
Good Gym	12,500	0	0	12,500
Cultural Commissioning	25,000	0	0	25,000
Total	156,500	118,500	75,000	350,000

Summary of Proposals

Additional Funding to Support Ward Initiatives

Officers from the Communities Team and Adult Social Care (Community Facilitators) would provide support to local Ward Members and Committees and provide a "menu" of initiatives that would meet requirements of local residents within communities. This would enable residents to look at joining with other wards with similar requirements to "buy" into city wide services that are available or continue to offer bespoke solutions where residents have identified the need. The final allocation will then be agreed by the Director of Communities (as per the Ward Committee system) with advice from the Director of Adult Social Care.

Capacity Building in the Voluntary/Community Youth Sector

This fund will support the development and capacity building of the voluntary and Community Youth sector with a specific focus on helping organisations to secure a sustainable future, for example supporting business and financial planning, and strengthening governance arrangements.

Dementia Friendly Communities Co-ordinator

A Co-ordinator role to further develop York as a **Dementia Friendly City**; to co-ordinate activity across the city, deliver dementia awareness sessions, work with local 'activists' in the identified priority geographical areas to become 'dementia friendly wards' and make sure there is a pathway that works for people to access dementia friendly resources and activity.

This will support the work of the York Dementia Action Alliance, and will meet the required outcomes of this funding; in particular, reducing social isolation and loneliness, preventing falls, improving access and transport, practical and emotional support for carers.

Also to note is that many of the attributes of a 'dementia friendly' community or service are things that are of benefit to all older and/vulnerable people, not just those with dementia.

The Co-ordinator post would be supported for a maximum of two years from this funding, with the intention that should the post still be required beyond this point, the York Dementia Action Alliance would have sufficient time to develop the capacity to seek alternative funding sources for the work.

Dementia Grants

We are aware that small grants for dementia projects have been used very successfully in York previously and have had significant impact in enabling people to live well in the community, so we wish to pump prime further small projects of this nature. All projects would be funded on a one-off basis, and would therefore need to demonstrate via the application process how they could be sustained beyond the timeframe of the project. The outcomes we wish to achieve from these small projects will include; reducing social isolation and loneliness, improving access and transport in the community, and/or practical and emotional support for carers.

Ageing Well Project

Supporting the development of a new public health strategy for the City called "Well York". The strategy is being based on a model of wellness and the public health team will be developing the Ageing Well work programme in partnership with local communities in support of it.

Deliverables by 31 March, 2017 will be:

- An evidence based Ageing Well delivery plan as part of the overall "Well York" strategy
- Increased capacity for tackling social isolation and loneliness in adults and older people, working in partnership with local communities and groups
- Increased capacity for falls prevention work in targeted neighbourhoods identified in the recent Health Impact Assessment of housing conditions, working closely with public health and the housing team in the Council
- Further work to develop York as a Dementia Friendly City

Cultural Commissioning

The City of York Council has been part of a national study over the last year working with the cultural sector and making the link to improve health and wellbeing, prevent loneliness and keep older people independent in their own communities.

As part of this we are working with our cultural partners in the city to bring forward local projects targeted at older people. Partners include the theatre, early music centre, art Gallery and museum.

Good Gym

Members of this scheme use running as an opportunity to get involved in community projects, one-off "missions" to help older people (e.g. making deliveries, changing light bulbs) and pairing members with isolated older people. The older person becomes a 'coach' to a runner, giving them encouragement and motivation to keep running, and in exchange the runner will call in for a chat, bring a newspaper and offer support as required.

15. There are a range of outcomes that we wish to achieve with this funding. This is because we are aware, from current demand and feedback, that support in these areas can enable people to stay living independently in their own homes for longer. Some of these outcomes also align with our Public Health priorities and outcomes:

- To reduce social isolation and loneliness
- To prevent falls

- Nutrition: to ensure older and vulnerable people have access to a regular nutritious meal
- Transport: to ensure people are able to access their community, via availability of affordable and accessible transport options
- To ensure people have low level practical and household support to maintain their independence
- To ensure carers are supported to enable them to maintain their caring role

16. There are also a number of other key themes we would wish to encourage:
    - Innovation and creativity
    - Digital innovation and use of technology
    - Co-production and collaboration, including within the voluntary and community sector in particular
    - Bold and entrepreneurial approaches
    - Initiatives that are specific and measurable (we need to demonstrate the impact of the work)
    - Prevention and sustainability (beyond the timeframe of the funding)

Monitoring

17. Monitoring of the individual projects supported by this fund would be proportionate to the scale of the project. For instance, small ward level projects will be asked to provide a summary report at the end of the period regarding their project, the beneficiaries and key outcomes achieved. Whereas beneficiaries of larger city wide projects are likely to have a Service Level Agreement, with information reporting requirements and regular monitoring meetings throughout the timeframe of the project.

18. We would also use other data sources available to us, such as adult social care expenditure rates and Public Health data, to help us measure the success of the overall funding initiative.

Implications

Finance

19. The £500K funding detailed within this report for the Community Fund was agreed as part of the 2015/16 budget.

Legal

20. There are no known additional implications

Equalities

21. A Communities Impact Assessment is attached to this report

Other Implications

22. There are no known additional implications

Recommendation

23. The Executive is asked to agree the use of the remainder of the allocated Community Fund as outlined in paragraph 14 of this report.

Contact Details

Author:	**Chief Officer Responsible for the report:**
Gary Brittain Head of Commissioning Adult Social Care Tel No.01904 554099	Martin Farran Director of Adult Social Care Sally Burns Director of Communities and Neighbourhood Services
Report Approved ✓	**Date 06/05/2016**

Wards Affected: **All** ✓

For further information please contact the author of the report

Background Papers:

Annex A – Community Impact Assessment

Annex B – Fact Sheet 3- Ward Budgets

SECTION 1: CIA SUMMARY

ANNEX A

Community Impact Assessment: Summary		
1. Name of service, policy, function or criteria being assessed: Health and Wellbeing Communities Funding		
2. What are the main objectives or aims of the service/policy/function/criteria? 1. The primary aim of the Health and Wellbeing Communities Funding is to support the prevention and/or delay of people needing to access formal care packages and statutory support, and where people already have formal care and support, prevent or delay the need for this to increase. By intervening early and a supporting low level community activity, the aim is to ultimately reduce adult social care expenditure, and ensure people receive the right level of support at the right stage. The aim of the programme would be to stimulate residents into action and to develop initiatives supporting the local communities and utilise the funding available to develop new sustainable initiatives but not provide ongoing funding for service provision. Targeted funding can also be achieved by officers working with local wards/communities to ensure areas which have specific needs can work together and access the "central" pot to deliver services purchased on a broader basis but delivered within specific localities.		
3. Name and Job Title of person completing assessment: Catherine McGovern Commissioning Manager, Adults Commissioning Team		
4. Have any impacts been Identified? (Yes/No) Detailed impacts not identified at this stage	**Community of Identity affected:** Disability	**Summary of impact:** We anticipate positive impacts for older and vulnerable adults in York.
5. Date CIA completed: 7.10.15 Updated 29.04.2016		
6. Signed off by: Catherine McGovern		
7. I am satisfied that this service/policy/function has been successfully impact assessed.		

ANNEX A

Name: Gary Brittain
Position: Commissioning and Contracts Manager
Date: 8.10.15 & 29.04.2016

8. Decision-making body:	Date:	Decision Details:

Send the completed signed off document to ciasubmission@york.gov.uk It will be published on the intranet, as well as on the council website.

Actions arising from the Assessments will be logged on Verto and progress updates will be required

CITY OF YORK COUNCIL

Community Impact Assessment (CIA)

Community Impact Assessment Title:	Health & Wellbeing Communities Funding

What evidence is available **to suggest that the proposed service, policy, function or criteria could have a negative (N), positive (P) or no (None) effect** on quality of life outcomes? (Refer to guidance for further details)

Can negative impacts be justified? **For example: improving community cohesion; complying with other legislation or enforcement duties; taking positive action to address imbalances or under-representation; needing to target a particular community or group e.g. older people.** NB. Lack of financial resources alone is NOT justification!

Community of Identity: Age			
Evidence	**Quality of Life Indicators**	**Customer Impact** (N/P/None)	**Staff Impact** (N/P/None)
The funding will be available for initiatives that support older people and vulnerable adults of all ages.	Potentially: - Access to Services - Health	P	None

Details of Impact	***Can negative impacts be justified?***	Reason/Action	Lead Officer	Completion Date
The funding is available for vulnerable people of all age groups, but older people are one of the key identified groups, so it is anticipated there will be a particularly positive impact for this group	N/A	N/A	Catherine McGovern	March 2016

Community of Identity: Carers of Older or Disabled People			
Evidence	**Quality of Life Indicators**	**Customer Impact** (N/P/None)	**Staff Impact** (N/P/None)
We anticipate this will have a positive impact for carers because we have identified support for carers as one of our priority areas for use of this funding	Potentially: - Access to Services - Health	P	None

Details of Impact	*Can negative impacts be justified?*	Reason/Action	Lead Officer	Completion Date
It is not possible to identify clear details of the impact at this stage, until we have finalised information about projects we will be funding, but we aim to ensure these provide a range of additional emotional and practical support for carers, including potential use of technology options to support carers.	N/A	Ensure that chosen initiatives can demonstrate additional support for carers	Catherine McGovern	March 2016

Community of Identity: Disability			
Evidence	**Quality of Life Indicators**	**Customer Impact** (N/P/None)	**Staff Impact** (N/P/None)
We judge this will have a positive impact for disabled people because the primary purpose of this funding is to increase the community based support for older people and vulnerable people of all ages, including those with a physical and/or learning disability, and/or people with a mental health problem.	Potentially: - Access to Services - Health	P	None

Details of Impact	***Can negative impacts be justified?***	**Reason/Action**	**Lead Officer**	**Completion Date**
Availability of increased community and voluntary support		- Ensure we choose a range of preventative initiatives that recognise the needs of the different client groups. - - Monitor all projects (proportionately) to ensure they are having a positive impact on older and vulnerable people. - Involve older and vulnerable people in decisions regarding the funding.	Catherine McGovern	March 2016

Community of Identity: Gender				
Evidence		**Quality of Life Indicators**	**Customer Impact** (N/P/None)	**Staff Impact** (N/P/None)
Not applicable – the initiatives we fund would be available for all		N/A	None	None
Details of Impact	***Can negative impacts be justified?***	**Reason/Action**	**Lead Officer**	**Completion Date**
None	N/A	N/A		

Community of Identity: Gender Reassignment				
Evidence		**Quality of Life Indicators**	**Customer Impact** (N/P/None)	**Staff Impact** (N/P/None)
N/A		N/A	N/A	N/A
Details of Impact	***Can negative impacts be justified?***	**Reason/Action**	**Lead Officer**	**Completion Date**
N/A	N/A	N/A		

Community of Identity: Marriage & Civil Partnership					
Evidence		**Quality of Life Indicators**	**Customer Impact** (N/P/None)	**Staff Impact** (N/P/None)	
N/A		N/A	N/A	N/A	
Details of Impact	***Can negative impacts be justified?***	**Reason/Action**	**Lead Officer**	**Completion Date**	
N/A	N/A	N/A			

Community of Identity: Pregnancy / Maternity					
Evidence		**Quality of Life Indicators**	**Customer Impact** (N/P/None)	**Staff Impact** (N/P/None)
Not applicable		N/A	N/A	N/A
Details of Impact	***Can negative impacts be justified?***	**Reason/Action**	**Lead Officer**	**Completio n Date**
N/A	N/A	N/A		

Community of Identity: Race				
Evidence		**Quality of Life Indicators**	**Customer Impact** (N/P/None)	**Staff Impact** (N/P/None)
Not applicable – initiatives funded would be available for all		N/A	N/A	N/A
Details of Impact	***Can negative impacts be justified?***	**Reason/Action**	**Lead Officer**	**Completion Date**
N/A	N/A	Ensure initiatives are accessible to all, and seek to actively engage and meet the needs of BME communities		

Community of Identity: Religion / Spirituality / Belief				
Evidence		**Quality of Life Indicators**	**Customer Impact** (N/P/None)	**Staff Impact** (N/P/None)
Not applicable – initiatives would accessible for all		N/A	N/A	N/A
Details of Impact	***Can negative impacts be justified?***	**Reason/Action**	**Lead Officer**	**Completion Date**
N/A	N/A	N/A		

Community of Identity: Sexual Orientation					
Evidence		**Quality of Life Indicators**	**Customer Impact** (N/P/None)	**Staff Impact** (N/P/None)
Not applicable – initiatives would be available for all		N/A	N/A	N/A
Details of Impact	***Can negative impacts be justified?***	**Reason/Action**	**Lead Officer**	**Completion Date**
N/A	N/A	N/A		

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Annex B - Fact Sheet 3 – Ward Budgets

The Council has decided to give wards more control of the money that it currently spends within its communities.

Each ward now has a budget made up of three components:

- A general ward fund
- The Community Care Fund
- The Pride in York Fund (annual fund for 2015)
- Pride in York Fund (one off)

Here is what we are being asked to do as a ward:

- Familiarise ourselves and discuss the information about the ward that we have available to us:
    - Statistical information about the ward – Ward Profile
    - Local intelligence from partners in the ward team
    - Information gathered from residents of the ward through engagement
    - Information about the needs of elderly and vulnerable people in the ward
    - Information about environmental services in the ward
- Identify 3 to 4 ward priorities that would best address the needs of the ward's residents through partnership working
- Invite local community and voluntary groups to bid for ward funding that would address one or more ward priorities and / or
- Commission local community and voluntary groups, or a specialist organisation, to deliver a project that addresses one or more ward priority
- Purchase Council services that will address one or more ward priority (see list).

It is up to us how we use our budget; however, we will be asked to bear in mind the purposes of the Community Care and Pride in York funds:

The **Community Care Fund**: This encourages us to look at ways that could prevent or delay the need for elderly and vulnerable people to access formal care packages and support or, if formal care is already in place, delay or prevent the need for this to increase.

We are well placed to know where elderly or vulnerable people live in this ward and we can help to identify and facilitate community activity that can ensure they receive the support they need to remain independent for longer. Current feedback has shown that support in the following areas can help with this:

- Reducing social isolation and loneliness
- Prevention of falls
- Nutrition
- Transport
- Practical support and handy person services
- Support for carers

We are asked to identify a ward priority that would best address our elderly and vulnerable residents. Examples of initiatives that ward funding could support include:

- Forming a volunteer group to ensure older and/or vulnerable people have access to a regular nutritious meal
- Supporting affordable and accessible transport options so people are able to access services
- Providing a grant to a local group or Parish Council in order to provide an additional service for a community or group of residents.

The **Pride in York Fund**: This fund is there to improve the local environment and street level issues in the ward. Examples of initiatives that ward funding could support include:

- Helping a community group to take on management of a local project e.g. looking after a piece of local open space
- Undertaking a local clean-up
- Changing the planting or other arrangements to make a space more attractive and easier to maintain in the future.

The one-off budget for 2015/16 is there to provide grants to partners, community groups and voluntary organisations to develop street-level environment initiatives that benefit the community and help reduce the reliance on Council services. When it's gone, it's gone.

It has been allocated to wards, based on current grounds maintenance spending by the Council in the ward. The reason for this is that the Council is having to making savings from its grounds maintenance budgets over the next few years. This affects the tasks that the Council can carry out in the wards. Naturally, the more activity that takes place in the ward, the bigger the savings that need to be made. So, wards with more current activity get a bigger share of this budget to help develop appropriate community projects.

Wards will be consulted about the current grounds maintenance activity in their ward, so that they can state their priorities and use this budget effectively in the light of tasks that the Council can no longer carry out (See Fact Sheet 3). There will be support from a relevant Council officer to develop ward projects.

How will we go about spending the money? We will do it either by:

- inviting groups and organisations to bid for a grant, or
- directly commissioning local groups to carry out projects that the ward team has identified will address ward priorities, or
- a mix of these two options.

Details of how groups and individuals can access and influence how the funding is allocated will be shown on posters locally, through social media and online on the ward web pages. If you wish to use funding application forms to enable organisations to bid for grants, the application pack is available on the Communities and Equalities team web page and on request.

Do's and Don'ts

- The annual ward budget may be used to give grants or to buy services or a mix of these two options
- The Ward Budget can be spent throughout the financial year.
- The one-off ward York in Pride budget may only be used to give grants
- Grants may only be given to organisations based in the ward unless there is a specialist need which cannot be met locally
- Grants may only be given to organisations will be from the voluntary sector, community initiatives, residents' associations, parish councils (where they have a stake in supporting a project), community halls, sports and other clubs.

They must be constituted and hold a bank account or have a sponsor organisation that can hold funds on their behalf

- Ward budgets must be spent in accordance with Council policies and procedures ensuring that the Council's best value and statutory obligations are met and that projects are legal and feasible
- Initially, where a ward wishes to buy services it will be from a Council department, subject to the ability of those departments to supply additional services at an economic cost
- A range of local services options will be developed to guide wards in this regard. This list will grow and develop as the requirements of wards become clearer and will be expanded to include purchasing options outside of the Council under the Council's framework agreements
- Ward budgets must not be used in any way that increases the Council's revenue costs
- If a commissioning route is taken, decisions on funding allocations will be recorded at ward team meetings on a commissioning pro-forma available from the Communities and Equalities Team, and shared via ward web pages, posters and social media.
- Ward councillors will need to apply due declarations of interests when considering applications.
- Details of how the Ward Budget is allocated will be outlined on the ward web pages.

Making an application:

Details of how groups and individuals can access and influence how the funding is allocated will be shown on posters locally, through social media and online on the ward web pages. The application pack is available on the Communities and Equalities team web page and on request.

Executive **19 May 2016**

Report of the Director of Children's Services, Education and Skills

Additional Primary School Places for Micklegate

Summary

1. This paper will explain the preferred option to make changes to internal space within Scarcroft Primary School (part of the South Bank Multi Academy Trust) to allow an increase in pupil numbers. The paper will also explain the options available to increase outdoor space in order to accommodate government requirements for sufficient playing areas.

Recommendation

2. In principle, Members are asked to approve the expenditure of Basic Need funding to allow Scarcroft Primary School to increase by 0.5 form of entry (15 pupils per year group) to 2 form of entry (60 pupils per year group). The funding will cover the cost of making internal modifications to Scarcroft Primary School; putting a small MUGA (Multi Use Games Area) on part of the school's car park; provide additional car parking spaces on Millthorpe School site and to create a full sized MUGA. A full sized MUGA is required as Scarcroft Primary School does not have enough outdoor playing space.

3. In exploring the options for a suitable site for a full sized MUGA the Executive is asked to approve a full consultation. The options to be explored include Millthorpe School, Scarcroft Green and the Little Knavesmire.

Reason: To meet its statutory duties to provide sufficient school places the Council supports the proposed changes to Scarcroft Primary school's building and the need to create additional outdoor spaces. As from the 1 April 2016 Scarcroft Primary School became part of the South Bank Multi Academy Trust.

This means that although the Council remains responsible for ensuring there are enough school places in its area it will be the South Bank Multi-Academy Trust Board who will need to seek approval for the increase in the size of the school through the Regional Schools Commissioner.

Background

4. This paper provides a response to the paper that was presented to the Executive on 17 March 2016. In March, the Executive was asked to consider the expansion of Scarcroft Primary School and a recommendation that further time was required to conduct a feasibility study before a preferred recommendation could be put forward to the Executive.

5. Following Primary National Offer Day on 18 April, expectations regarding the demand for the number of places in the Micklegate and South Bank areas have been consistent with the projections.

6. An admission number of 60 at Scarcroft Primary School from September 2017 will enable around 95% of pupils in the local planning zone, which includes Scarcroft and Knavesmire, to access a place at either primary school up to 2020. This percentage is based on a projection of 126 1st preferences for 120 places at either Scarcroft or Knavesmire in September 2017. The percentage of 1st preferences gaining a place at either school is projected to increase in the following years. Projections show that in September 2018 100% of 1st preferences for Scarcroft and Knavesmire will be met.

Consultation

7. As agreed at the Executive on 11 February 2016, a four week informal consultation took on the options for the provision of school places in the area. The consultation began on 12 February 2016 and closed on 11 March 2016.

8. The public were asked to give their views on seven options:
   (a) do nothing;
   (b) build an Annexe to Scarcroft on the Millthorpe School site;
   (c) build a new school on Nun Ings;

(d) build a new school on land adjacent to The Square;

(e) expand places in Bishopthorpe;

(f) expand at the existing Scarcroft Primary School site;

(g) recommend an application for a free school.

9. The table below summarises the results of the informal consultation.

Informal Consultation Responses			
	For	**Mixed**	**Against**
Do nothing	0	3	4
Scarcroft annexe at Millthorpe site	1	1	24
New school at Nun Ings	2	1	0
New school at The Square	2	1	5
Expand at Bishopthorpe	0	0	0
Expand existing Scarcroft site	22	0	0
Free School	3	4	1
Total number of respondents: 37			

Additional views, comments and question were also requested, which are summarised as follows:

(a) concerns about changes to catchment boundaries

(b) concerns regarding siblings being able to get into the same primary school

(c) concerns over the timing of the compliance of statutory duties and the proposal approval

(d) concerns about traffic and road safety

(e) concerns that parents' views need to be taken into account;

(f) concerns that information needs to be shared with all interested parties before decisions are made

(g) concerns relating to a split site

10. Two architectural companies with experience of working with listed buildings were commissioned in March 2016 with a brief to illustrate how it might be possible to expand Scarcroft Primary School.

11. As part of their proposals, the architects responded to the need to increase the numbers of classrooms from 12 to 14 by re-purposing the use of other existing rooms. This would allow the school to increase to 2 forms of entry (60 pupils per year group). The plans indicated that even when 14 rooms are utilised as classrooms there are still enough rooms remaining for other purposes, including dedicated music, library, preparation, planning and assessment (PPA) and intervention areas.

12. A meeting was held at Scarcroft Primary School on 13 April with the deputy headteacher and the chair of governors to share and discuss the plans the council has received from the architects. The meeting considered the proposals to increase the number of classrooms from 12 to 14, including the implications and any concerns the school may have regarding additional facilities, such as toilets, cloakroom space, hall space, the kitchen and general circulation.

13. Scarcroft Primary School will be asked to consider the preferred option at their Multi Academy Trust Board. Further discussion and consultation is also needed to resolve the issues of outdoor play and car parking space. The results of this consultation together with a recommendation will be included in the paper to be tabled to Executive in July.

14. A meeting was held at Scarcroft Green Nursery with the nursery manager on 20 April to discuss the impact of the preferred option with regards to car parking.

Preferred Option

15. To internally refurbish Scarcroft Primary School to allow the building to accommodate two forms of entry from September 2017.

Analysis

16. Scarcroft Primary School has 19 classroom sized rooms throughout its building. At present 12 of these rooms are used as classrooms, and seven others are used for other purposes.

17. To accommodate an increase to 2 form entry, 14 classrooms are required.

In discussions with Scarcroft Primary School on 13 April, it was agreed that the ICT suite and the intervention/group room could be re utilised as classrooms. Many schools are re purposing their ICT provision through the use of tablets and chrome books. Intervention and group room activities would share flexible and multi use within the music room and library.

18. Internal refurbishment may involve:
    (a) re-allocating two rooms for classroom use
    (b) re-evaluating and updating the kitchen, its ventilation system, cooking equipment where necessary and ensuring there is stainless steel surfaces throughout
    (c) improving cloakroom and storage areas
    (d) updating toilet facilities where required
    (e) improving dining management
    (f) encouraging staff to streamline existing resources
    (g) looking in detail at ICT provision

Council Plan

19. This proposal links to the following key council corporate priorities:
    (a) a prosperous city for all - the LA wants to ensure that there is a good quality of education available for all around the city
    (b) a focus on a frontline service - this proposal links directly to the CSES objective that all children should be able to go to local schools that are good or outstanding
    (c) a council that listens to its residents - the LA has listened to the needs of the school cluster by focussing on the needs of the local school and the local residents to provide enough pupil places in a popular area of the city

Implications

Financial

20. Initial estimates indicate that a budget of £2.5m would be needed for one or more MUGAs, some additional car parking spaces and internal changes to Scarcroft Primary.

21. The main capital funding for pupil place expansion is the Department for Education Basic Need Capital Grant. At present, allocations have been confirmed up to, and including, 2018/19, totalling £39.49m, of which £15.1m has been spent, or is committed to ongoing schemes.

22. Initial high level planning had allocated a further £19.8m for schemes to alleviate place pressures across the city, including provision for this scheme.

23. As of April 2016, around £1.26m of Section 106 has been earmarked for the scheme. Of this, £0.2m has been received by the council. The remainder relates to outstanding payments for the Terry's and York College sites, and an amount requested for the proposed Hudson House scheme, which is still under planning consideration.

Equalities

24. A CIA/EIA is included with this report as Annex B.

Property

25. As the whole of the Scarcroft Primary site is now leased to the South Bank Multi Academy Trust with effect from 1 April 2016, the Council will need to obtain permission from the academy trust prior to any alteration work commencing on site.

26. One of the buildings on the school site is sub-let to Scarcroft Green Nursery including car parking rights and allocated parking spaces. Agreement would need to be reached (between the academy trust, as landlord, and the nursery) for any alteration to these car parking rights/re-location of the nursery parking spaces.

27. Prior to the school converting to an academy, a small area of fenced land on Scarcroft Green (which forms part of Micklegate Stray) was used by the school on an informal basis. It is now proposed to seek approval in due course for either this arrangement to be more formalised or for an alternative option for playing field space, as referred to in this report. Any such permanent options would be subject to the provisions of the Micklegate Stray Act 1907 as well as s123 of the Local Government Act 1972 relating to Public Open Spaces.

Legal

28. Section 13 of the Education Act 1996 imposes a duty on the council as local education authority to “contribute towards the spiritual, moral, mental and physical development of the community by securing that efficient primary, secondary and further education are available to meet the needs of the population in their area.”

29. The option of using part of Micklegate Stray to increase the school’s access to outdoor space is complicated by the fact that the Stray is subject to the provisions of the Micklegate Stray Act 1907 which places restrictions on how it could be used. Any proposal would need to be carefully evaluated against the provisions of that Act.

30. In accordance with the new DfE guidance (March 2016) it is the South Bank Multi Academy Trust Board who need to seek approval from the Regional Schools Commissioner to increase the size of Scarcroft Primary School. That guidance ‘Making Significant Changes to an Existing Academy,’ states that:

    ‘Academy trusts will need to ensure that a fair and open local consultation has been undertaken; the change is aligned with local pupil place plans; that all required funding is in place and appropriate planning permissions and other consents have been secured to support all proposals.’

31. In accordance with this document it is assumed that the South Bank Multi-Academy Trust will be able to make a fast track application to increase the size of Scarcroft Primary School and therefore seek approval from the Regional Schools Commissioner to a change to their funding agreement with the Education Funding Agency.

Other Implications

32. There is no specific Human Resources (HR), Crime and Disorder or Information Technology implications arising from this report.

Risk Management

33. The need for school places in this area of the city is already significant and will continue to grow. To not add any places would result in pupils not being able to access their local school, additional transport costs will be incurred, reputational risk to the Council and failing in a key statutory duty not to provide sufficient school places.

Contact Details

Author:	Chief Officer Responsible for the report:
Claire McCormick Planning & Policy Officer School Services Children's Services, Education and Skills 01904 554334	Jon Stonehouse Director of Children's Services, Education and Skills **Report Approved** ✓ **Date** 10 May 2016

Specialist Implications Officer(s)
Finance – Mike Barugh, Principal Accountant, 01904 554573
Legal – Andy Docherty, Assistant Director of Governance and ICT, 01904 551004
Equalities – Mary Bailey, Head of Communities and Equalities, 01904 551812
Property – Lynn Hanser, Property Surveyor, 01904 553418

Wards Affected: Micklegate Ward **All** ☐

For further information please contact the author of the report.

Background Papers

None

Annexes

Annex A – Additional Primary School Places for Micklegate (17 March 2016)
Annex B - CIA/EIA Form

Annex A

CITY OF YORK COUNCIL

Executive

17 March 2016

Report of the Director of Children's Services, Education and Skills

Additional Primary School Places for Micklegate

Summary

1. This paper considers the options for providing additional primary school places in the Micklegate area of York.

Recommendation

2. Members are asked to approve the recommendation to expand Scarcroft Primary School as the preferred option for adding additional primary school places in the Micklegate area. Following more detailed analysis of the feasibility studies, and further discussions with the school's governing body; a paper will be presented to the April Executive meeting providing information about the adaptations to be made to the school and its outdoor space to accommodate additional pupil places.

   Reason: Whilst the LA supports proposed changes to Scarcroft Primary School's building and outdoor spaces, further time is required to receive and analyse that information before a preferred recommendation can be put forward.

Background

3. A consistent rise in demand alongside continued popularity of both Knavesmire and Scarcroft schools in the Micklegate area has led to the need to create additional primary school places.

4. Projections show that an additional 41 primary places will be required in the Micklegate area by September 2017. These figures reflect the projected level of future anticipated births, which are based on data supplied by the Office for National Statistics (ONS). By the 2022/23 academic year, as the larger cohorts begin to move through primary year groups, between 100 and 120 places

will be required across Reception to Year 6. The ONS projected births for the city indicate that the Reception cohort will continue to grow beyond this point until around 2025.

5. Projected pupil numbers are calculated from patterns of parental preference using ONS actual and projected birth data and the likely impact from new housing developments. The number of additional places required is calculated as the difference between number of pupils expected and the current capacity of schools serving the area.

Consultation

6. The Southbank cluster of schools were consulted in March 2015. The consultation concluded that an annex to Scarcroft Primary School on the Millthorpe site was the preferred option for adding additional primary school places in the Micklegate area.

7. On 26 January 2016, an information event was held at Scarcroft Primary as an opportunity for parents/carers and the local community to voice their questions and comments about the options being considered.

8. Following this information event, the Ebor Trust approached the council and the Education Funding Agency with a proposal for a city-wide Free School to be built on the former Askham Bar site.

9. A paper was presented to the council's Executive meeting on 11 February 2016. At this meeting, the decision was made to initiate a further period of options appraisals and to organise an informal consultation with parents and the local community. During the five week period of informal consultation, information was made available on a web page, a link and e-mail address at: micklegateschoolplaces@york.gov.uk. This period of consultation has informed the recommendation at paragraph 2.

10. On 8 March 2016, a ward councillors' meeting was held at Scarcroft Primary School to update parents/carers and the community on the results of the informal consultation process and to allowed people to voice further questions and comments.

Options

11. The following are a list of options. Options (b), (c) and (d) are currently being considered or are waiting for further information. Options (e) to (h) have all been rejected. The reasons for their rejection are discussed in the ‘Analysis’ section.

(a) provide no additional places in the Micklegate area

(b) seek additional feasibility studies to accommodate additional pupils in the existing Scarcroft Primary school building and look at options for providing outdoor spaces

(c) consider the option of a city-wide Creative Arts Academy which would be a free school as part of the Ebor Multi-Academy Trust

(d) build accommodation for 210 (1 form entry each year) additional places, as an annex to Scarcroft Primary on the Millthorpe School site

(e) build a 210 (1 form entry) place primary school on the former Terry’s Car Park site at Nun Ings

(f) build a 315 (1.5 form entry) place school on land behind The Grove and The Square off Tadcaster Road

(g) build a 630 (3 form entry) place school at either Bishopthorpe Infant or Archbishop of York CE Junior school sites

(h) exploration of other site options:

- (i) build a school on Little Knavesmire
- (ii) build on the allotments adjacent to Millthorpe School
- (iii) build on the former Askham Bar Park & Ride site
- (iv) build on Nunnery Lane car park

Analysis

<u>(a) Provide no additional places in the Micklegate area</u>

12. The area is currently served by Scarcroft Primary School, with pupils placed at Knavesmire Primary as part of the wider Southbank area. The demand for pupil places can no longer be met within the current 1.5 form entry Scarcroft Primary school, for the following reasons:

- to mitigate the need for places at both Scarcroft Primary and Knavesmire Primary, an expansion project to provide additional places recently took place at Knavesmire Primary which met the demand from both schools individual catchment areas. Following this extension, it is no longer possible to expand Knavesmire Primary as there is not enough playing space on the site to accommodate additional numbers
- if no additional places were to be provided, transport would have to be arranged for pupils living in the Micklegate and Southbank areas to the next nearest schools that have spaces. At present there are only a limited number of places in other local schools whilst those schools with any significant capacity are in other parts of the city some of which are some distance away from Micklegate and Southbank eg Clifton, Woodthorpe, Tang Hall
- transport costs would be significant. Any transport costs would have to be met out of the authority's revenue budgets. Estimated costs are expected to be in the range of 100k-150k per year
- families in Micklegate would not be able to access places in their locality

13. Therefore, in order to resolve the growing issues in this area, to do nothing is not an option.

<u>(b) Seek additional feasibility studies to expand provision at Scarcroft Primary School</u>

14. Once received, the options will be considered in order to create space at Scarcroft Primary to accommodate additional pupil places with the following implications:

- recognition will need to be given to the school's listed building status. As a grade 2* listed building, any adaptations are likely to be complicated and will need to be very carefully managed
- consideration will need to be given to the timescales required to make adaptations
- a key issue to be resolved is the need to increase the school's access to outdoor space and the ways that this could be increased. Options include using a section of the Micklegate Stray; adding a MUGA (multi use games area) onto Scarcroft

Primary's hard standing play ground of which space is already at a premium; adding a MUGA onto the Millthorpe School site; and reducing car parking areas within the school grounds

- additional approvals will need to be sought to fulfil listed building condition requirements
- the feasibilities will not take into account the effect on outdoor space. Whilst Scarcroft Primary will manage the lack of outdoor space by adopting staggered play times, the school has no green field areas or space for a multi use games area (MUGA)

(c) Consider the option of a Free School

15. A free school application is being developed by the Ebor Academy Trust. This application focuses on the development of a 2 form entry city wide Creative Arts Academy.

16. If approved by the Department for Education, parents from across the city would be eligible to seek a place at this school.

17. If additional places become available through a free school, it is predicted that there would be a surplus of places across the city.

18. As the location of this school has currently not been identified this option does not directly resolve the school pupil place issue in the Micklegate area.

(d) Build accommodation for 210 (1fe) additional places, as an annex to Scarcroft Primary on the Millthorpe School site

19. This would provide an annex to the existing Scarcroft Primary site.

20. The position of this building would be at the Nunthorpe Avenue side of the Millthorpe School site in an area not currently identified as playing field. See Annex A.

21. The proposed annex of Scarcroft Primary School would provide 210 additional pupil places, future proofing provision against increasing demand over the next ten years and beyond. Scarcroft Primary currently has an admission number of 45. An additional 30 places will increase Scarcroft's admission number from 45 to 75.

22. The current estimate for the capital outlay suggests approximately £5.3m for a traditional contractual building method, rising to £6.2m for a modular build. There would be no capital receipts gained from this option. The projected costs incorporate an estimate for the completion of the entire project, including fees, surveys, fixed furniture & equipment (ff&e), abnormals, exclusions and contingencies.

23. It is aimed to provide this new building for 1 September 2018. For the school year beginning 1 September 2017, additional pupil places would be accommodated within Scarcroft Primary in larger mixed year groups on a temporary basis.

24. There are a number of advantages in developing the annex on the Millthorpe School site. As the favoured option by the school cluster, the location of the new building would immediately be integrated within the existing school community. It is likely that the older age groups would be based at the Millthorpe site, therefore it is anticipated there could be strong parental support for this option as pupils would gain a familiarity and ease with regards to their transition from primary to secondary schools. The building will also create some flexible space to accommodate the anticipated increase in pupil numbers into the future, if required.

25. With no land purchase costs, this is seen as the best location to meet the demand for additional places in the Southbank area and there would therefore be no catchment changes required. There may be some issues throughout the planning process with regards to the availability of playing field space, highways infrastructure, travel planning, site access during the construction period and impacts on local residents, but it is felt that these problems can be overcome.

26. At present, Millthorpe School, Scarcroft Primary and Knavesmire Primary will be converting to academy status and forming a Multi Academy Trust (MAT). The target date for conversion is 1 April 2016. The freehold interest to the Millthorpe site is currently owned by the council but the whole site is to be leased on a 125 year lease to the MAT following conversion. Under the terms of this lease, the LA would need permission to build on the Millthorpe site. However, as the schools are currently in agreement with the recommended option, and the new building will be providing additional pupil places for the MAT, it is expected that once the

schools are part of a MAT they will continue to agree to the recommendation for the provision of additional pupil places as described.

(e) Build a 210 (1fe) place school on the former Terry's Car Park site at Nun Ings

27. This proposal was for a 2 storey 1fe (210 places) primary school plus an 80 place nursery (age ranges as described in option A) and a multi use games area. This option was rejected for the following reasons:

- as a traditional contractual building scheme, the estimate for capital outlay suggested £7.4m would have been required, which included an estimate to purchase land. This estimate rose to £8.3m for a modular build. The cost per pupil place would be very high at £35,238 for a traditional build and £39,523 for a modular build
- currently the land is owned by Henry Boot Ltd, therefore there would be no capital receipts gained from this option
- CYC Asset Property Management contacted Henry Boot Ltd with regards to the LA's interest in purchasing a section of land. On 16 November the agents of Henry Boot Ltd responded as follows:

  'The car park site is not an option my clients wish to explore due to proposed overspill car parking spaces for the uses we have agreed terms with on the Chocolate Works. We can look at the 20 acres of greenbelt land located adjacent in Henry Boot's control. However this will be long term in getting any consent and I believe you are under certain time constraints.'
- further correspondence was received on 27 November that intimated that Henry Boot Ltd might be willing to allow greenbelt land to be sold. However, due to the timescales for the provision of additional pupil places, the length of time and complexity involved in land negotiations and following advice received from Asset Property Management, it has been decided not to pursue the option of purchasing land from Henry Boot Ltd any further
- part of this site is within both flood zones 2 and 3 which would have needed careful consideration throughout part of the planning process

(f) Build a 315 (1.5fe) place school on land behind The Grove and The Square off Tadcaster Road

28. This proposal was to build a 2 storey 1.5fe (315 places) primary school together with an 80 place nursery on land directly adjacent to The Grove and The Square off Tadcaster Road and has been rejected for the following reasons:

- this land is too far away from the Micklegate area to be considered as an option

(g) Build a 630 (3fe) place school at either Bishopthorpe Infant or Archbishop of York CE Junior school sites

29. This proposal was for a 2 storey 3fe (630 places) primary school plus an 80 place nursery and a multi use games area. This option has been rejected for the following reasons:

- this was not an ideal option as the location is further from the Southbank area and would have only provided a partial solution for the need for additional primary places
- there would also have been other complications such as the need to consider changing the catchment area and flooding issues across the Bishopthorpe village area

(h) Exploration of other site options

30. Other options that have been considered and rejected are:

- build a school on Little Knavesmire. This proposal was rejected due to the encroachment onto a large, open community space
- build on the allotments adjacent to Millthorpe School. This proposal was rejected as any loss of allotment land will need to be re-provided in the existing area where space for allotment is at a premium
- build on the former Askham Bar Park & Ride site. This was rejected as this site was identified to be included in the Local Plan as a much needed area for housing
- build on Nunnery Lane car park. This site is very narrow for a school development and is adjacent to the city walls. As such, it is unlikely that planning permission would be forthcoming

Council Plan

31. This proposal links to the following key council corporate priorities:

- a prosperous city for all - the LA wants to ensure that there is a good quality of education available for all around the city
- a focus on a frontline service - this proposal links directly to the CSES objective that all children should be able to go to local schools that are good or outstanding
- a council that listens to its residents - the LA has listened to the needs of the school cluster by focussing on the needs of the local school and the local residents to provide enough pupil places in a popular area of the city

Implications

Financial

32. The main capital funding for pupil place expansion is the Department for Education Basic Need Capital Grant. At present, allocations have been confirmed up to, and including, 2017/18, totalling £37.75m, of which £15.1m has been spent, or is committed to ongoing schemes.

33. Initial high level planning had allocated a further £19.8m for schemes to alleviate place pressures across the city, including provision for this scheme.

34. As of March 2016, around £1,094k of Section 106 has been earmarked for the scheme. Of this, only £274k has actually been received by the council. The remainder relates to outstanding payments for the Terry's and York College sites.

Equalities

35. A CIA/EIA is included with this report as Annex B.

Property

36. Please refer to the recommended option for comments.

Legal

37. Section 13 of the Education Act 1996 imposes a duty on the council as local education authority to "contribute towards the spiritual, moral, mental and physical development of the community by securing that efficient primary, secondary and further education are available to meet the needs of the population in their area."

38. The expansion of an existing school would require a statutory proposal to be published, consulted upon and determined in accordance with the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013. Regard must be had to any statutory guidance. That guidance is currently under review by the Department for Education.

39. If the council thinks that there is a need for a new school then it is required to seek proposals for a Free School.

40. The option of using part of Micklegate Stray to increase the school's access to outdoor space is complicated by the fact that the Stray is subject to the provisions of the Micklegate Stray Act 1907 which places restrictions on how it could be used. Any proposal would need to be carefully evaluated against the provisions of that Act.

Other Implications

41. There is no specific Human Resources (HR), Crime and Disorder or Information Technology implications arising from this report.

Risk Management

42. The need for school places in this area of the city is already significant and will continue to grow. To not add any places would result in pupils not being able to access their local school, additional transport costs will be incurred, reputational risk to the LA and failing in a key statutory duty not to provide sufficient school places.

Annex A

Contact Details

Author:	Chief Officer Responsible for the report:
Claire McCormick Planning & Policy Officer School Services, Children's Services, Education and Skills 01904 554334	Jon Stonehouse Director of Children's Services, Education and Skills
	Report Approved ✓ **Date** 08.03.16

Specialist Implications Officer(s)
Finance – Mike Barugh, Principal Accountant, 01904 554573
Legal – Andy Docherty, Assistant Director of Governance and ICT, 01904 551004
Equalities – Mary Bailey, Head of Communities and Equalities, 01904 551812
Property – Lynn Hanser, Property Surveyor, 01904 553418

Wards Affected: Micklegate Ward **All** ☐

For further information please contact the author of the report.

Background Papers

None

Annexes

Annex A – Position of a new building at Millthorpe School
Annex B – CIA/EIA Form

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ANNEX B

SECTION 1: CIA SUMMARY

Community Impact Assessment: Summary

1. Name of service, policy, function or criteria being assessed:

Additional Primary School Places for Micklegate.

2. What are the main objectives or aims of the service/policy/function/criteria?

To make internal modifications to Scarcroft Primary School to allow the school to increase by 0.5fe (15 pupils per year group) to 2fe (60 pupils per year group). As Scarcroft Primary School does not have enough outdoor playing space, re modelling will include making changes to increase the provision of outdoor play opportunities. This will involve an exploration of the issues for the provision of one or more Multi Use Games Areas (MUGAs). The need to create additional playing space will result in the reduction of car parking bays whilst retaining space for deliveries at the school.

A consistent rise in demand, alongside pressures and trends in the Micklegate and South Bank areas has led to the need to create additional primary school places. The additional places will fulfil the Local Authority's legal obligation to ensure there are enough school places in the Micklegate and South Bank areas to meet the rise in local demand.

3. Name and Job Title of person completing assessment:

Claire McCormick – Policy and Planning Officer

4. Have any impacts been identified? (Yes/No)	Community of Identity affected:	Summary of impact:
Yes	Age, Race, Disability, Carers of older and disabled people, Pregnancy and Maternity.	Positive: Improved educational and sporting facilities for the community.

5. Date CIA completed: 21 April 2016

Mark A Ellis

6. Signed off by:

7. I am satisfied that this service/policy/function has been successfully impact

assessed. **Name:** **Position**: **Date:**		
8. Decision-making body: Executive Meeting	**Date:** 21 April 2016	**Decision Details:** Recommendation to seek approval for the estimated expenditure of £2.5m from the School's Basic Need Capital budget for internal modifications to Scarcroft Primary School and external modifications to improve playing space in the area.
Send the completed signed off document to ciasubmission@york.gov.uk It will be published on the intranet, as well as on the council website. **Actions arising from the Assessments will be logged on Verto and progress updates will be required**		

SECTION 2: CIA FORM

CITY OF YORK COUNCIL

Community Impact Assessment (CIA)

Community Impact Assessment Title:	Additional Primary School Places for South Bank

What evidence is available **to suggest that the proposed service, policy, function or criteria could have a negative (N), positive (P) or no (None) effect** on quality of life outcomes? (Refer to guidance for further details)

Can negative impacts be justified? **For example: improving community cohesion; complying with other legislation or enforcement duties; taking positive action to address imbalances or under-representation; needing to target a particular community or group e.g. older people.** NB. Lack of financial resources alone is NOT justification!

Community of Identity: Age

Evidence	Quality of Life Indicators	Customer Impact (N/P/None)	Staff Impact (N/P/None)
Pupils and staff – improved and expanded educational facilities	Education	**P**	**P**

Details of Impact	***Can negative impacts be justified?***	Reason/Action	Lead Officer	Completion Date
Will increase choice and improve educational outcomes.		Additional places will enable more children from the community to access local high quality education.		

Community of Identity: Carers of Older or Disabled People				
Evidence		**Quality of Life Indicators**	**Customer Impact** (N/P/None)	**Staff Impact** (N/P/None)
			None	**None**
Details of Impact	***Can negative impacts be justified?***	**Reason/Action**	**Lead Officer**	**Completion Date**

Community of Identity: Disability				
Evidence		**Quality of Life Indicators**	**Customer Impact** (N/P/None)	**Staff Impact** (N/P/None)
New educational facilities will comply with appropriate access legislation.		Access to services	**P**	**P**
Details of Impact	***Can negative impacts be justified?***	**Reason/Action**	**Lead Officer**	**Completion Date**
Improves access for disabled pupils, staff and visitors.				

<table>
<tr><th colspan="6">Community of Identity: Gender</th></tr>
<tr><td colspan="2">Evidence</td><td>Quality of Life Indicators</td><td>Customer Impact (N/P/None)</td><td>Staff Impact (N/P/None)</td></tr>
<tr><td colspan="2"></td><td></td><td>None</td><td>None</td></tr>
<tr><td>Details of Impact</td><td>Can negative impacts be justified?</td><td>Reason/Action</td><td>Lead Officer</td><td>Completion Date</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
</table>

Community of Identity: Gender Reassignment					
Evidence		**Quality of Life Indicators**	**Customer Impact** (N/P/None)	**Staff Impact** (N/P/None)
			None	**None**
Details of Impact	***Can negative impacts be justified?***	**Reason/Action**	**Lead Officer**	**Completion Date**

Community of Identity: Marriage & Civil Partnership					
Evidence		**Quality of Life Indicators**	**Customer Impact** (N/P/None)	**Staff Impact** (N/P/None)
			None	**None**
Details of Impact	***Can negative impacts be justified?***	**Reason/Action**	**Lead Officer**	**Completion Date**

Community of Identity: Pregnancy / Maternity					
Evidence		**Quality of Life Indicators**	**Customer Impact** (N/P/None)	**Staff Impact** (N/P/None)
Details of Impact	***Can negative impacts be justified?***	**Reason/Action**	**Lead Officer**	**Completion Date**

Community of Identity: Race					
Evidence		**Quality of Life Indicators**	**Customer Impact** (N/P/None)	**Staff Impact** (N/P/None)
			None	**None**
Details of Impact	***Can negative impacts be justified?***	**Reason/Action**	**Lead Officer**	**Completion Date**

Community of Identity: Religion / Spirituality / Belief					
Evidence		**Quality of Life Indicators**	**Customer Impact** (N/P/None)	**Staff Impact** (N/P/None)
			None	**None**
Details of Impact	***Can negative impacts be justified?***	**Reason/Action**	**Lead Officer**	**Completion Date**

Community of Identity: Sexual Orientation					
Evidence		**Quality of Life Indicators**	**Customer Impact** (N/P/None)	**Staff Impact** (N/P/None)	
			None	**None**	
Details of Impact	***Can negative impacts be justified?***	**Reason/Action**	**Lead Officer**	**Completion Date**	

CITY OF YORK COUNCIL

Executive **19 May 2016**

York Economic Strategy 2016-2020

Summary

1. York's existing economic strategy has come to an end and priorities for the local economy need to be re-evaluated. The Council have been working with the York Economic Partnership, to create a new economic strategy for York to cover 2016-2020. The draft strategy is attached as Annex 1.

2. The strategy represents the culmination of a year's work involving a wide range of partners in the city. A full outline of the approach taken to develop the strategy can be found in Annex 2.

3. The strategy has tried to focus on the overall strengths and challenges for York's economy. An overview of the data underpinning our economic strategy can be found in Annex 3. On strengths, York has distinct advantages in terms of local skill levels, connectivity and quality of life.

4. However, the city is not without its challenges; principally, stagnant productivity and falling wage levels. If York's economy is to thrive, all partners in the city need to work together to address the underlying reasons. These include the availability of high-quality office space, the promotion of entrepreneurial talent and the need to ensure that talent remains in the city, with the aim of rebalancing employment towards high-value jobs.

5. The overall strategy focuses delivery in a number of priority areas:

    a. Deliver York Central.

    b. Deliver a Local Plan that supports a high-value economy.

    c. Take practical steps to develop and retain talent in the city.

    d. Drive real University and research led growth in high-value sectors.

e. Lobby for investment in future transport networks.

f. Use local business rates freedoms to drive economic growth.

g. Make a positive statement of York's cultural identity to drive economic growth.

h. Bring businesses together in low cost ways.

Recommendations

6. The Executive are recommended to:

   i. Note the overall economic strategy document and narrative, as a city document developed by the York Economic Partnership.

   ii. Adopt and publish the draft economic strategy deliverables and priority areas as included at Annex 5.

Reason: To enable the delivery of the Economic Strategy for the city.

Background

7. An economic strategy for York should help York businesses, Higher and Further Education and skills providers, City of York Council, Make it York, and any other relevant parties, identify (a) the key challenges and opportunities for the future and (b) a prioritised action-based approach for the city to address this.

8. The strategy is intended to be owned by the city as a whole, rather than it being the Council's responsibility alone to deliver. Many of the ambitions for the city can only be delivered with all sectors fully on board, so it is important that the assessment of challenges, opportunities and priorities is led by the business community, working in partnership with the Council and other bodies.

9. Whilst the focus of the strategy is on developing the economy of York, there is a clear need to be mindful of other strategies being developed in the city. Therefore, in developing the strategy we have been mindful of how the strategy fits with the Council's overall priorities. In particular, there is a strong read across in the approach of this strategy to the skills strategy, One Planet York and developing future options for the Local Plan. The strategy also shows awareness of the need to develop our children and young people as well as retain graduate talent in the city in order to drive economic growth.

10. The strategy has also been produced drawing on lessons learned from the previous strategy. A summary of performance against the last Economic Strategy can be found in Annex 4.

Member involvement in developing the strategy

11. A number of Council Members contributed to the development of the strategy, by attending workshops and other partnership events **(see Annex 2 for a full outline of the strategy development process)**. A report was also produced by the Economic Development and Transport Policy and Scrutiny Committee which recommends the overall strategy to Executive, (included as Annex 3).

Next steps

12. Once approved, the Council will play its part in delivering the strategy alongside other partners. Annex 5 outlines our suggested approach to take the Economic Strategy forward.

13. We also need to learn from the lessons from the previous Economic Strategy and allow the time and resource to evaluate success or failure so that we can refine and refocus the strategy in future years based on what works.

Council Plan

14. The proposals for a new Economic Strategy relate closely to the Prosperous City for All and a Council That Listens to Residents elements of the Council Plan.

Implications

15. The following implications arising from the recommendations in this report have been identified. Implications arising from the draft economic strategy itself will be identified and addressed in a separate report.

- **Financial** – No additional implications.
- **Human Resources (HR) –** There are no implications for HR contained in the report as it is a general report to develop the Economic Strategy across the City.

  Once the strategy is further developed and the Council has identified what specific actions it needs to take to contribute to it, any Human Resource implications will need to be considered at that time.

- **Equalities** – There are no equalities implications
- **Legal** – There are no legal implications
- **Crime and Disorder** – There are no crime and disorder implications.
- **Information Technology (IT)** – There are no IT implications.
- **Property** – There are no property implications.
- **Other** – There are no other known implications associated with the recommendations arising from this review.

Risk Management

16. Whilst it is not essential for any city to have an economic strategy, there are many risks associated with not having such a document. Without an economic strategy, there is a risk that there is inadequate co-ordination with partners across the city to deliver robust economic development. For example, as outlined in the document above, the shortage of available high quality business space runs the risk of leading to a continuation in the long run decline in local wage levels. Without a coherent economic strategy, there is also a risk that key policy decisions such as commercial requirements in the Local Plan will not reflect the economic needs of the city.

Contact Details

Authors:	**Executive Member responsible for the report:**
Phil Witcherley Group Manager, Policy and Strategy Team (Economy and Place) City and Environmental Services **Tel No.** 553343	Cllr Keith Aspden Deputy Leader, Economic Development & Community Engagement **Chief Officer** Neil Ferris Director, City and Environmental Services
Mark Alty Principal Strategy and Economic Policy Officer City and Environmental Services **Tel No.** 554421	**Report Approved** ✓ 10 May 2016

Specialist Implications Officer(s)
Not applicable

Wards Affected: **All** x

Background Papers:
Annex 1-York Economic Strategy 2016-20: Presenting a Better Story
Annex 2- Refreshing the York Economy Strategy for 2016-2020: The Processes
Annex 3- An Overview of York's Economy
Annex 4 - Review of the City of York Council Economic Strategy 2011/15
Annex 5- Delivery of the Economic Strategy
Annex 6- Development of York's Economic Strategy report to Economic Development and Transport Policy and Scrutiny Committee 16 March 2016
Annex 6a- Key suggestions from Economic Development Strategy workshops

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ANNEX 1

YORK ECONOMIC STRATEGY 2016-20

Choosing a better story

INTRODUCTION

Experience shows that writing a strategy is the easy part. Delivering it is what really matters, and this should be in the forefront of our minds.

Regardless of what is written in a document, our 'economic strategy' will be the things we do over the next 5 years.

No more. No less.

No matter what the phrases we overlay as ambitions or objectives, our 'priorities' will be what we focus our resources and energies on in practice.

At the outset we have a choice about what those things will be and how we will make them happen.

The following pages therefore set out our considered view, as key partners in the City, on what these decisions should be.

These choices are important and have been the result of much debate and deliberation over the last year, taking heed of the input and ideas from over 100 businesses and delivery bodies in the city, as well as the evidence available. This has got us to a position where we can focus on making real decisions.

It is in these choices, and our ability to follow through on them, that we begin to compose the narrative of our City's future.

Clearly, businesses, skills providers and the public sector will only be part of the story. External and global actors will have an impact. However, based on what we know now and the results of our consultation exercise, this paper outlines what we need to do next as a city.

THE SCENE IS SET

Summary of where we are now; strengths, weaknesses, opportunities and threats

The last few months have provided a suitable backdrop to the future of York's economy.

- Enterprise Zone status for York Central brings the City's much vaunted landmark development within grasp, with the potential of around £100m of additional retained business rates.

- The relocation of the high value insurance firm, Hiscox, to the City and their associated business club which allows local small businesses to operate in their high quality offices in Hungate.

- £50m has been allocated by the Government for agri-tech Centres of Excellence at Sand Hutton, cementing York's position at the vanguard of agri-food and bioeconomy sectors.

- We have seen a decisive vote in favour of creating a Business Improvement District in York to deliver £4m private sector-led investment in the City Centre over the next five years.

- The hard work of Bishopthorpe Road traders has been given the recognition it deserves through its award for the 'Best British High Street'.

These achievements are foundations to build on, and a springboard for the future success of York. This should be seen alongside the City's exceptional rail connectivity, high ranking further and higher education, resident qualification levels, low unemployment and general quality of life.

Yet delve a little deeper, and the same challenges which York has faced for many years threaten to become permanent fixtures:

Despite having the highest skills levels of any city in the North, York's wages still fall below the national average in comparison due to a disproportionate skew towards low value sectors such as accommodation and food, retail and care.

Challenges with York's major sites and minimal new development has resulted in a shortage of office space in good locations, meaning few opportunities for new high value jobs from inward investment or major business expansion in York.

The response to the recent floods has shown the potential vulnerability of some of our businesses to these events. However, the response of the city to the challenges posed has been exceptional. We need to ensure that we work together with businesses to ensure the city is resilient to future challenges.

Completions of new houses have also been below projected requirements for a number of years, with high affordability ratios in comparison with wages for large parts of the local population.

Recent events also provided a stark reminder of the vulnerability to flooding of some York's business premises, and the effect this has on the City's economy.

Issues around congestion, graduate retention and external perceptions about the image of the City are other challenges which could be added to the list.

And all the while, other cities across the world are planning, striding forward, investing, competing. Standing still is not an option.

How will the story play out for York?

TWO TALES OF A CITY

Current projections of York's economy; vision and goals for what it could be

KEEP GOING, WE'RE DOING FINE…

Scenario one

Fast forward fifteen years or so, and using baseline economic projections from Oxford Economics and other trend information, a possible scenario of the future of the city begins to emerge. Clearly we can't predict exactly what York will be like in 15 years time, so in that sense the scenario is hypothetical, but based on current trends and forecasts, this could be a possible future if we don't take action.

In this scenario, we see York has retained its reputation as a top destination for tourism, education and quality of life, but there has been little shift in the underlying long term challenges in the city.

Some of the city's unique identity markers are likely to continue to flourish. The City's vibrant visitor economy has doubled in size, with successful promotional efforts in overseas markets, and new retailers coming to the city. The City has also preserved its heritage environment, and has in fact digitised its archives to be openly accessible anywhere in the world. People love to visit York, and not only that, it is a pretty in-demand residential destination too.

The University of York has made its way back into the top 100 institutions in the world for academic excellence, as well as York St John rising up the rankings, with many of the universities' international alumni taking up top jobs at leading global firms because of its prestigious networks.

However, while the growth in student accommodation has continued to abound both on and off campus, University and research-led job creation never materialised without the business space to accommodate it. Land use in and around the university was simply prioritised on what was most profitable for land owners and developers in the short term.

Likewise, the trend of re-classification of office space for city centre properties over the period continued for similar reasons, spreading to sites on the outer ring road, where congestion still undermines otherwise viable business destinations.

For a complex mix of reasons, York Central's potential as a Central Business District is still not realised with only parts of the site developed.

The low growth of office space and business rates base has also had the added disadvantage that there is limited new money to invest in the City, affecting the provision of public services.

Despite a number of windfalls through change of use, housing in the City is now rated as amongst the most unaffordable in the North. Not that it is actually the most expensive, rather wages are disproportionately low in comparison to other cities with similar demands on housing.

With accommodation and food, retail and care continuing their long term trend as the city's biggest growth sectors, wages remained on a their steady downward trajectory over the entire period, placing York in the lower quartile of regional league tables on wages and productivity. These low-wage sectors, in fact, now account for around half of the jobs in the City.

After a number of the City's fastest growing digital, rail consultancy and professional services businesses left through lack of grow-on space, York has struggled to attract new inward investors to fill their place, further compounding the issue: other cities simply are a more attractive proposition.

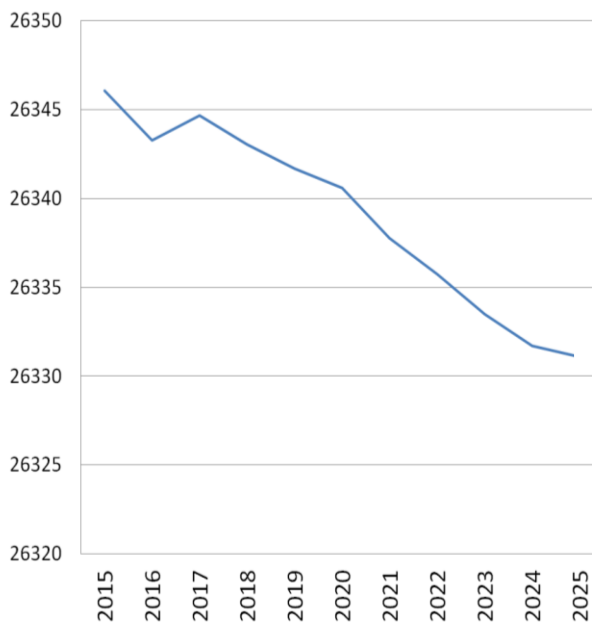
Many residents work in jobs below their qualification levels. Few students stay on in the City now, instead heading to more diverse and creative cities such as Liverpool, Hull and Sheffield, which also have greater career prospects in high paying industries that York simply cannot compete with, like high value chemicals, energy, digital and bioscience. There is more of a young people's buzz and "scene" in other cities in the North, with York's cultural offering seen largely as heritage/pastiche, and for a non-resident audience.

The proportion of older people has increased significantly in York, with the needs of its aging population a contributor to rapid growth in York's care sector, although this, too, is constrained by the lack of affordable housing.

While externally, the perception may be that all the city needs to do is keep going, it is important to grasp the action and decisions required to create a better future for our businesses and residents.

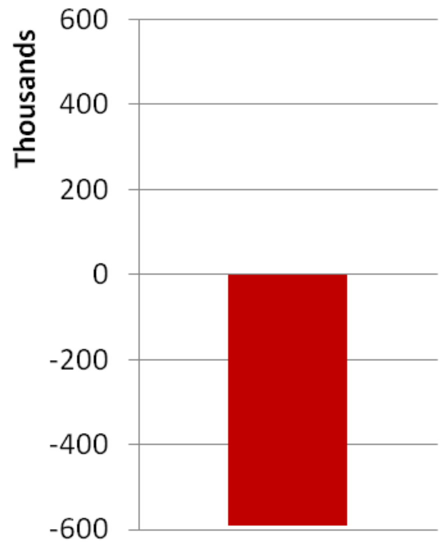
KEY TRENDS TO ADDRESS:

York resident average annual real wages projections*



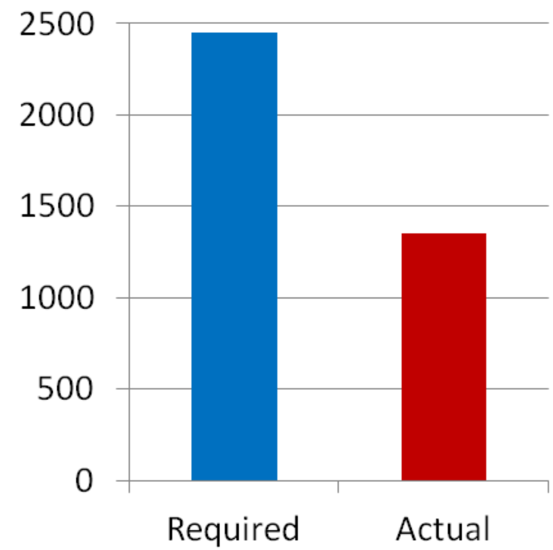
* Using Oxford Economic Forecasts and current national median wages for each sector to model future impact. If doubling size of tourism and retail sectors achieved, wages would be around £1,000 lower than the above trend by 2025.

3 year net office supply trend for York (m2)



2012-2015 net change in supply of office space through new provision, change of use and committed developments

3 year housing supply trend for York
(number of dwellings)



2012-2015 trend of net additional homes provided (Gov.uk 2016) versus local plan projected requirements (Arup, August 2015)

CHOOSING A BETTER STORY

Scenario two

Fast forward fifteen years and we could see a very different story. York is recognised as the intellectual hub of the Northern Powerhouse, *the* place to do business for a number of distinctive industries which rely on the local high quality skills base.

The City Centre has been transformed. With York Central delivering a new Central Business District with significant quality office space, we have been able to protect other things that are held dear within the City; enabling a shift to higher paid jobs and housing within the means of local residents without compromising the unique qualities of York.

Through the growth in business rates base and the size and value of the Business Improvement District, an overhaul of the public realm in the historic quarter of the City Centre has been achieved and high quality developments delivered with long term sustainability in mind, improving the attractiveness of the City.

Growing business rates have also allowed us to unlock investment to address key blockages in economic growth, including improvements to the Outer Ring Road. With its impressive station regeneration, similar to the award winning scheme at King's Cross, and recently completed High Speed links, the City lives up to its status as one of six Northern High Speed transport hubs, enabling businesses and residents to access most of the major cities in the country in less than 90 minutes.

Whilst there has been growth in the number and quality of jobs in the tourism and hospitality sector, the largest growth has been in high value jobs, both through incoming businesses and growing indigenous businesses. Subsequently, by making the right choices around creating the right conditions for high value jobs, York has turned around the trends of falling wages and GVA per head. The economy is not necessarily massively bigger in terms of overall jobs, but these headline figures reflect the transformation to a better sort of economy, reflective of the abilities of the City's potential and the skills of its residents.

The decision to focus on high-value industries where York has a comparative advantage over other cities, particularly rail, insurance, agri-food and bioeconomy can now been seen as the right one.

York is now *the* place in the UK for value rail businesses. The global growth in infrastructure investment in high speed rail has created the need for a higher number of rail engineering consultants, and York capitalised on its specialism here.

In Financial and Professional services, businesses and the public sector in York worked to ensure that the combination of connectivity and liveability in the city was fully promoted to inward investors from the capital, looking to escape their higher staffing and accommodation costs.

The City is leading the way in UK agri-tech and bioeconomy research and businesses, with major multinational companies moving to York, and numerous innovative SMEs expanding from small initial setups in the City as a result of bespoke industry engagement facilities and accommodation focussed on business needs. The east of the City, including Heslington East, Dunnington and Sand Hutton is seen as a key European hub for this rapidly expanding global industry.

The City has made the most of its UNESCO Media Arts designation. A diverse programme of activities from internationally acclaimed festivals to coding clubs for school children is delivered entirely through sizeable private sponsorship from major international brands, and has made a tangible impact on the IT and creative sectors.

There is a strong creative scene spanning across disciplines, but with particular strengths in film and digital media building on continued major national and international investment in both of York's universities in this area.

Together with ambitious contemporary architectural design around York's Southern Gateway and York Central developments, this cultural vibrancy has caused a shift in the brand people associate with the City, and has played a key role in attracting and retaining talent. This has also been strengthened by a well established citywide graduate and apprenticeship programme enabling students to be able to stay in the city if they wish, and has allowed small businesses to gain particular skills and abilities through courses with significant local business engagement.

Tough decisions have been made on housing developments and affordable allocations, and together with collaborative work with neighbouring authorities and windfalls from change of use, house prices in York have bucked the trend of the likes of Harrogate, Bath and Chester; staying largely at 2015 ratios to average wages. This has kept home ownership within the reach of born-and-bred Yorkies, and there is a range of additional affordable options for those on lower wages.

People love being in York and the benefits of being able to enjoy both interesting and stimulating careers, and have a great place to rest and play too, as well as houses they can actually afford. The City has broad appeal, whether for sociable single in their 20s, families with young children, or those who have lived in the City for more than half a century. Neither a copycat nor a place clinging on to the past, York has creatively used its heritage and unique assets to cement its reputation as a distinct, exciting and beautiful northern City.

IN NUMBERS: LONG TERM TARGETS

WAGES ABOVE NATIONAL AVERAGE BY 2025

Measured by ASHE data

BUSINESS SPACE + HOUSING REQUIREMENTS FULLY MET

Measured by planning records against Local Plan projections

PRIORITY HIGH VALUE SECTOR GROWTH AT LEAST 20% FASTER THAN PREDICTED

Measured by BRES data against Oxford Economics projections

EMPLOYMENT RATE, SKILLS + CONNECTIVITY COMPARATIVE ADVANTAGES MAINTAINED

Measured by being in top 10 Centre for Cities UK Rankings for indicators for the above areas where data recorded

A GREAT PLACE TO LIVE, WORK, STUDY, VISIT + DO BUSINESS

EIGHT ESSENTIAL TO-DOS

Programmes and actions

DELIVER YORK CENTRAL ENTERPRISE ZONE + HIGH SPEED HUB

DELIVER A LOCAL PLAN THAT SUPPORTS A HIGH VALUE ECONOMY

TAKE PRACTICAL STEPS TO DEVELOP AND RETAIN TALENT IN THE CITY

DRIVE REAL UNIVERSITY & RESEARCH-LED BUSINESS GROWTH IN KEY SECTORS

LOBBY FOR INVESTMENT IN KEY TRANSPORT NETWORKS

USE LOCAL BUSINESS RATE FREEDOMS TO DRIVE HIGH VALUE GROWTH

MAKE A FRESH LOUD STATEMENT OF CULTURAL + VISUAL IDENTITY

BRING PEOPLE + BUSINESSES TOGETHER IN CREATIVE LOW-COST WAYS

1. DELIVER YORK CENTRAL ENTERPRISE ZONE + HIGH SPEED HUB

The *number one* priority for the next five years is delivering the new Central Business District elements of York Central: providing around 7,000 high value jobs and up to 120,000m2 office led commercial space. Without this, it is unlikely we will achieve our ambitions of tangibly shifting York's wage, productivity or business space trends. As such, and as a complex project, there are a number of different elements which need to be taken forward. This work cannot be over-prioritised. We firmly believe that this provides an opportunity not just to provide an also-ran standard development, but to deliver something iconic and attractive which makes people sit up and take notice.

Directly linked to York Central is getting York Station high speed ready and moving towards it becoming a full regional multi-modal transport hub, which will both enhance the benefits of York Central as a business and housing location and cement York's excellent national and regional connectivity credentials.

We will…

IN PARTNERSHIP:

YORK CENTRAL AS FEASIBLE INVESTABLE PROPOSITION – Building on Enterprise Zone status, between Network Rail and City of York Council, get the site into a position where it is a feasible proposition for developers, delivering enabling infrastructure, necessary land clearance and acquisition and commercial partnership arrangements

LINE UP EXPANDING YORK BUSINESSES TO BE ANCHOR TENANTS ON KEY SITES - Compile and maintain documented demand for new premises from existing businesses with desire to expand, including enabling signing pre-lets where appropriate

TARGETED INWARD INVESTMENT THROUGH SENIOR ADVOCATES - Equip senior advocates to proactively sell the city, and specifically the York Central site, to inward investing businesses in high value sectors, with a rolling top 100 list of prioritised business targets

AS THE PUBLIC SECTOR:

INDEPENDENT DEMAND REPORT FOR YORK CENTRAL GRADE A OFFICE FEASIBILITY - Commission an independent report of demand for Grade A office space on York Central to demonstrate to market, and for planning decisions, the feasibility of high value commercial space on the site, as well as in the City Centre

PROMOTE MAJOR SITES TO INVESTORS + DEVELOPERS - Proactively promote key development opportunities through major property conferences, networking opportunities and other events

SEEK EXTERNAL FUNDING TO:

YORK CENTRAL ENTERPRISE ZONE - Fully deliver on the opportunity presented by York Central Enterprise Zone, sharing the risk and reward of borrowing against retained business rates as appropriate and ensuring enabling infrastructure, necessary land clearance and acquisition is in place.

YORK STATION HIGH SPEED HUB - Make the improvements necessary for York Station to be ready for HS2/HS3, maximise the impact of this opportunity, and be an multi-modal sustainable transport hub for the region

NATIONAL RAILWAY MUSEUM TRANSFORMATION – Upgrade/renovate the National Railway Museum to become a high tech science museum attracting a greater range of visitors and a key landmark driving footfall to York Central

EARLY TEST CASE OFFICE DEVELOPMENT ON YORK CENTRAL TO PROVE DEMAND - Invest in an advanced smaller test case office development on York Central with public/private financing to release latent office space demand and demonstrate viability of key sites

2. DELIVER A LOCAL PLAN THAT SUPPORTS A HIGH VALUE ECONOMY

York has been without a Local Plan for too long, leading to under-development and lack of strategic framework for long-term planning decisions. The first priority is to produce one. The second is to get it right, which, from an economic perspective, means enough business space of sufficient quality in locations the market is demanding to encourage high value jobs. It also means providing for the housing need to support this so that people who work in the City can also afford to own a home here, while balancing the need to protect the natural environment and character of the City. To deliver this in practice, we must ensure a robust evidence base, utilising our insight into the City's economy, market aspirations and failures, and future development opportunities to produce a sustainable plan for York.

We will…

AS THE PUBLIC SECTOR:

A LOCAL PLAN SUPPORTING A HIGH VALUE ECONOMY - Deliver an ambitious Local Plan which allocates appropriate land enabling a high value economy (with the balance of new jobs created 20% higher than baseline projections in high value sectors), and the housing to support this

IN PARTNERSHIP:

PRIVATE SECTOR INPUT INTO LOCAL PLAN – Deliver a unified private sector voice to articulate business space requirements in the City and work with the Council to evidence commercial demand.

3. TAKE PRACTICAL STEPS TO DEVELOP AND RETAIN TALENT IN THE CITY

Any successful economy requires skilled people to replace those leaving the labour market. With many young people in York going on to study and make a life elsewhere, York's pipeline of graduate and apprenticeship talent is essential to its economic vibrancy. London will always be a draw for many completing their studies, yet significant numbers of York students want to stay in the City.

Indeed, many take lower value jobs than they have the potential to do in order to keep living in York. On the other hand, with a smaller labour market than many urban centres, York SMEs, particularly within high value sectors, can struggle to find the talent and skills they need and do not have the recruitment budgets to promote jobs far and wide. There is more we can do to address these issues simultaneously and help the City to be a place where talented people can build a career and make a significant contribution with the skills they have.

We will…

IN PARTNERSHIP:

GRADUATE PROGRAMME FOR SMEs - Coordinate a shared graduate programme for SMEs which would otherwise be unable to do on their own, utilising students whilst they are here and keeping talented people in York and equipping businesses

APPRENTICESHIP PROGRAMME FOR SMEs – Coordinate a brokerage service for SME apprenticeships, including higher level and degree apprenticeships, stimulating the marketplace as required.

PROMOTION OF YORK CAREER OPPORTUNITIES TO YORK STUDENTS - Universities to proactively market York career options alongside paid-for national business promotion, including a complimentary stand at Careers Fairs for groups of York-based SMEs to promote opportunities across the York sector

4. DRIVE REAL UNIVERSITY & RESEARCH-LED BUSINESS GROWTH IN KEY SECTORS

York Science Park has already proved the impact university and research-led growth can have on a city. Yet while the likes of Cambridge, Bath and Manchester science and R&D base have continued to rapidly expand and impact the industrial makeup of the city, in York there still feels much untapped potential – particularly where the City has distinct comparative advantages. Part of this is simply due to limited suitable space, especially for larger businesses.

Through the University of York, Fera Science and others, York is already at the leading edge of many disciplines of bioeconomy and agri-tech research such as process innovation involving organic materials, crop protection, plant science and creating valuable products from waste. There is notable industry engagement through tailored facilities such as the Biorenewables Development Centre and recently announced agri-tech Centres for Excellence at Sand Hutton.

The next step on this journey of establishing the City as a major hub for these rapidly expanding global industries is to build on these foundations and realise the resulting indigenous SME growth and relocation of businesses. Similarly, at an earlier stage of the journey, now is the time for York's applied research excellence in film and digital creativity to be harnessed and affect tangible business growth. This means delivering the support and accommodation which the market demands and nurturing strong private sector-led networks to continue this work on a sustainable footing.

We will…

AS THE UNIVERSITY OF YORK:

UNIVERSITY CAMPUS AS A HIGH VALUE INNOVATION-LED BUSINESS LOCATION - Market a business accommodation offer for Campus East/University expansion for developers to invest in and businesses to relocate

MAXIMISE LOCAL BUSINESS IMPACT OF DIGITAL CREATIVITY HUB - Maximise the support for local and regional SMEs through new Digital Creativity Hub as there is market demand.

AS DEFRA:

SAND HUTTON AS HIGH VALUE INNOVATION-LED BUSINESS LOCATION – Tailor and promote business accommodation on the Sand Hutton site according to commercial market demand, with a focus on agri-food businesses

IN PARTNERSHIP:

TARGETED INWARD INVESTMENT THROUGH SENIOR ADVOCATES (see also #1) - Equip senior advocates to proactively sell the city to inward investing businesses in high value sectors, with a rolling top 100 list of prioritised business targets

BIO-ECONOMY + AGRI-FOOD PRIVATE SECTOR LED NETWORK & INITIATIVES - Build on BioVale initiative and work by York, North Yorkshire and East Riding LEP to deliver a vibrant private sector-led agri-food and bioeconomy network with shared capacity to support initiatives going forward

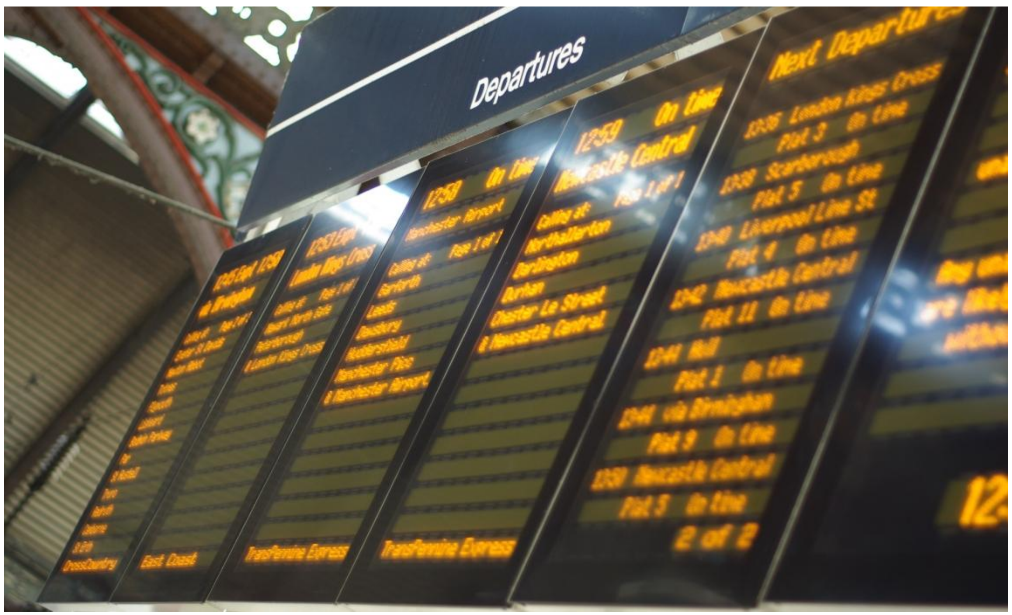
BIOECONOMY / AGRI-FOOD ENTERPRISE ZONE - Deliver a bioeconomy and agri-food enterprise zone providing incentives around key sites which are tailored to attracting new businesses in these sectors, borrowing against future business rates to fund this.

SEEK EXTERNAL FUNDING TO:

BIO-ECONOMY / AGRI-FOOD HUB(S) WITH SHARED ACCOMODATION & KIT (BIOHUB, CATAPULT CENTRE OR SIMILAR) - Where market failure or commercial opportunities identified, invest in accommodation, shared kit or for bioeconomy / agri-food businesses

5. LOBBY FOR INVESTMENT IN KEY TRANSPORT NETWORKS

York's excellent rail connectivity in particular is vital to the City's economy and making it an attractive place for businesses, residents and visitors. With significant national rail investment planned for the next 15 years at least, York must position itself to make the most of these opportunities. There are also a number of congestion pinch points which undermine otherwise viable and attractive commercial sites. Again, many of these fall outside of local control, but funding is available, so having clear propositions and influencing the decision makers will be key. The city has taken a strong approach to sustainable transport solutions, and we must continue our focus on deriving economic, social and environmental outcomes.



We will...

IN PARTNERSHIP:

COORDINATED LOBBYING AROUND RAIL CONNECTIVITY - Coordinate a joined-up, strategic and proactive approach to lobbying Government for continuing to improve rail connectivity to the City, including high speed improvements, electrification and integrated ticketing and pricing across North and West Yorkshire.

SEEK EXTERNAL FUNDING TO:

YORK STATION HIGH SPEED HUB (see also #1) - Make the improvements necessary to prepare York Station for HS2/HS3, maximise the impact of this opportunity, and be an multi-modal sustainable transport hub for the region

OUTER RING ROAD IMPROVEMENTS - Invest in improving A1237 outer ring road to ease congestion

A64 DUALLING TO SAND HUTTON - Invest in A64 dualling to Sand Hutton to enable benefits from high value business growth at Agri-food campus

SUSTAINABLE TRANSPORT INITAITVES – Invest in initiatives which build on the city's strengths in sustainable transport around electric vehicles, Park and Ride and cycling

6. USE LOCAL BUSINESS RATE FREEDOMS TO DRIVE HIGH VALUE GROWTH

The Chancellor's recent announcement that local areas will retain 100% of business rates raised and will be the means for providing local services, brings both opportunities and threats. These new powers and flexibilities must be used wisely and focus on priority outcomes if they are both to help achieve the economic ambitions in this strategy and provide a sustainable income stream for providing the frontline services residents need. Nevertheless, especially for a place like York, projecting steady increases in business rates base, coupled with Enterprise Zone status for York Central, such a policy provides the prospect of a previously unavailable major tool to impact the City, its economy and businesses.

We will…

AS THE COUNCIL:

BUSINESS RATES BORROWING FOR UPFRONT INFRASTRUCTURE COSTS - Once new national business rates policy is clear, explore the use of business rates retention to fund upfront infrastructure costs on key sites

BUSINESS RATE INCENTIVES FOR HIGH VALUE GROWTH - Once the national business rates policy is clear, explore and provide business rate incentives which encourage high value job creation (especially where they can be effectively fiscally neutral)

7. MAKE A FRESH LOUD STATEMENT OF CULTURAL + VISUAL IDENTITY

From an external perspective, few would argue that York wasn't 'nice' or 'pretty' – and these are part of our appeal. The challenge is to stay 'nice' and 'pretty', but also aim to be exciting', 'inventive', 'ahead of the curve' - the City characteristics which drive a vibrant economy .

Culture and visual identity play an important role in defining perceptions of a city. For York, perhaps the Minster, City Walls or the Vikings spring to mind.

With its recent status as a UNESCO City of Media Arts, new developments in the pipeline, many creative SMEs working with major international brands, and the opportunity of a Business Improvement District for the City Centre, York has a good a chance as ever to make new statements of intent that ensure people sit up and take notice; to rethink the perception of York as simply a place for a pleasant day out.

Promotional materials and communications will go some way, but in a noisy marketplace of cities as brands, an holistic and ambitious approach which affects the fundamentals as well as the narrative is required.

This won't work if we rely on local public sector subsidy or initiative – such an approach in fact narrows possibilities and dampens the scale of thinking we should be aiming at. Instead, commercial creativity and engaging major investors is the name of the game if York is to continue to make its mark and sustain and diversify its cultural vibrancy.

We will...

IN PARTNERSHIP:

CREATIVE MARKETING + PR TO CHANGE PERCEPTION OF CITY - Take forward a initiative together to promote and talk up a positive image of the city, delivering a sustained marketing/PR campaign and regularly communicate stories of business success in York to deliver business and investor confidence

AMBASSADORS PROGRAMME - Initiate and equip a group of senior advocates with significant national/international influence with a small number of key messages to support the promotion of the city to a range of audiences

COORDINATED MARKETING TEAM ACROSS ORGANISATIONS - Set up a virtual shared marketing team of marketing officers from key organisations and businesses in the city to spot opportunities to cross-promote York and key messages nationally and internationally.

TOURISM PRODUCT DEVELOPMENT AND MARKETING – Continue to creatively develop York’s tourism and culture offer, and to raise the city’s profile as a quality visitor destination through targeted campaigns

WEB + DIGITAL MARKETING OF THE CITY TO A RANGE OF AUDIENCES - Develop an improved digital toolkit including web presence for promoting the city

MAJOR ARCHITECTURAL DESIGN COMPETITIONS AROUND KEY DEVELOPMENTS - Run and promote national/international architectural design competitions for each major new development in the city over the next few years to help York become known for progressive contemporary urban design with sensitivity to its heritage

SEEK EXTERNAL FUNDING TO:

PUBLIC REALM ENHANCEMENT PROGRAMME - Invest in a programme of maintenance and enhancement of public realm in York city centre to improve its attractiveness as the 'shop window' of the city

YEAR ROUND CREATIVE LIGHTING SETUP FOR THE CITY CENTRE - Plan and deliver comprehensive all-year-round lighting setup for the city centre which can used dynamically, be adapted seasonally and used to tell stories - to be an attraction in itself encouraging evening economy

EYE OF YORK ICONIC DEVELOPMENT - Develop a new iconic public open space around Eye of York, with architecture that is an attraction in itself and reason to re-visit/re-think York, and where things happen

DIGITAL SIGNPOSTING & WHAT'S ON - Roll out a comprehensive creative approach to digital signposting / communicating what's on and things to do in the city, which is accessible both virtually (e.g. through apps) and physically at key points in the city

DIGITAL+CREATIVE SHARED ACCOMODATION & KIT (GUILDHALL OR OTHER) - Where market failure or commercial opportunities identified, invest in shared accommodation & kit for IT, digital and media arts businesses, for example, in an iconic building like the Guildhall as a hub

MEDIA ARTS FESTIVALS – Deliver high profile festivals which play into UNESCO branding, whether new opportunities such or growing existing international festivals in the city such as ASFF or Great Yorkshire Fringe.

8. BRING PEOPLE + BUSINESSES TOGETHER IN CREATIVE LOW-COST WAYS

While some of the most important interventions for York's economy for the next five years can be planned, experience tells us that many of the keys to unlocking will happen 'along the way' will come through relationships and conversations between all manner of businesses, organisations and individuals. The success of 'Bishy Road', generating the Hiscox inward investment lead, the development of a major international film festival, the creation of the BioVale innovation cluster and UNESCO designation are just a few things that didn't feature in the last Strategy, nor were initiated primarily by statutory partners or the biggest employers in the City.

Yet all of them came about through connected relationships and working together across different people, businesses and organisations in the city. By this, we don't mean through bureaucratic board meetings or stale old boys clubs, simply good mutual relationships between enterprising individuals. Such connectedness is, of course, excellent for effective communication, coordination and sharing of information but in a world built more on networks than control and command hierarchies, we should absolutely expect this is where some of the best ideas and initiatives will emerge.

In some ways, we have little control over these things, but we *can* help to nurture this sort of environment and culture. This doesn't have to cost lots of money, and in fact if it is only the public sector willing to stump up or coordinate, we're probably doing it wrong. This isn't about expensive conferences or networking events without purpose, but about bringing together diverse and enterprising people in interesting and stimulating contexts.

And who knows, the resultant impact in five years may be greater than many an elaborate programme?

We will...

IN PARTNERSHIP:

DIVERSE & INTERESTING INFORMAL NETWORKING OPPORTUNITIES (CREATIVE CONVERSATIONS OR OTHER) - Provide informal enjoyable opportunities for creative and energised people (particularly not just the usual suspects) to come together to network, develop ideas which will benefit the city + enable serendipity to happen

DIRECTORS FORUMS AND/OR PRIVATE SECTOR LED NETWORKS FOR HIGH VALUE SECTORS - Facilitate regular private sector-led forums to bring together key sectors in York for mutual support, promotion of the sector and to harness the key opportunities which arise from working together. An example of this would be the Guild of Media Arts or York Professionals.

DELIVER A GREEN JOBS TASKFORCE: Promoting the growth of employment opportunities in high value Green Jobs in York.

NEXT STEPS

Key actions for the year 2016/17

In the next year, you should see:

1. Partnership agreements including financials confirmed for York Central, with funding fully in place, including a mechanism for borrowing against future business rates. There should also be agreement on business and housing allocations through the Local Plan and progress towards taking the site to market.

2. An agreed Local Plan submitted which supports making a shift towards a higher value economy.

3. Progress towards a graduate scheme for SMEs, as well as a continuation of apprenticeship brokerage which has successfully adapted to changes in national policy. York SMEs being represented at University careers fairs through collaborative agreements.

4. A clear list of priority transport asks, with feasibility work undertaken and outline business cases developed for major transport investments where they don't currently exist. This should form part of a clear lobbying strategy for influencing key individuals around relevant decisions.

5. A City of York Council response to the Government consultation on business rate retention within the required timescales. On a national level, we'd expect updates on government guidance and the parameters we will be able to set local business rates policy within.

6. An improved web presence for promoting the City to businesses considering locating in the city, an ambassadors programme launched and initial meetings of a coordinated marketing team across organisations, led by Make it York. You should also see feasibility work undertaken and outline business cases developed for identified major initiatives focussed on changing the perception/visual appearance of York.

MAKING IT HAPPEN
Conclusion

Regardless of what is written in a document, our 'economic strategy' will be the things we do over the next 5 years.

No more. No less.

At the outset we have a choice about what those things will be.

Sounds simple. The challenge is of course to follow through and make what we say needs to happen to happen in practice for the benefit of our residents, our businesses and our city.

Making it happen means we avoid the temptation to try to do everything and spread ourselves thinly with numerous other ideas and sub-strategies, being clear about opportunity costs in our decision making.

It also means proper alignment of operational resources, activities and approaches of key stakeholders such as the Council, Make it York, Universities and Local Enterprise Partnerships to the things that we know will make the biggest difference.

We must ensure strong delivery structures and accountability of the actions detailed here (which are outlined in an annex), while taking a supportive approach in problem-solving collaboratively where issues arise.

And where actions aren't just about a single organisation, it means genuine partnership working, not just at a board level, but allocating shared resources to deliver key programmes across private and public sectors, like was demonstrated so ably in the BID development process. Make it York could provide a good vehicle for this sort of approach.

Nevertheless, collectively, we now have a choice.

Today, we choose a better story.

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Annex 2: Refreshing the York Economy Strategy for 2016-2020: The Processes

From the Policy and Strategy Team (Economy and Place)

Background

1. An Economic Strategy for York helps businesses, City of York Council, Make it York, higher and further education, skills providers and other interested parties identify key challenges and opportunities for the future. It also sets in place a robust framework for a prioritised, action-based approach for the City to address high level economic issues, as well as to encourage growth.

2. There is also a need to rationalise the overall number of strategies that have an impact on the economy of York, including, for example, the Skills Strategy and Digital Strategy. Doing this will provide more clarity and structure for the City in terms of our combined vision of what needs to be done to improve York's economy, as well as less complexity for partners.

Process undertaken

Step 1:

Evaluation of 2011/15 Economic Strategy

3. This assessment is the fundamental place to begin. It looks at our performance during the lifetime of the preceding Strategy and is an essential step to ensure that we learn from previous work.

4. We have looked honestly at our successes and failures, methodology and vision, and have subsequently taken a pared down approach to the formulation of the refreshed Strategy.

5. We have also considered, and then built in, allowances for diminishing resources available to the Council and the requirement for essential local business support.

6. A copy of the review is posted on the York *Without Walls* website in the 'Business' section, and is available to view at this link:

http://www.yorkwow.org.uk/business-wow/

Step 2:

Gaining business and key stakeholder involvement, and identifying key policy levers available to make an impact

The levers available at a local level

7. The 'levers' are tangible ideas and concepts that might have an impact on the economy of York in the future. Some we can influence, some we can not. Some can be anticipated, and might include business rate policy, minimum wage issues, some regulatory legislation, our lack of Local Plan, the development of York Central and the establishment of the Business Enterprise Zone.

8. Other things are harder to define and, therefore to estimate what impact there may be on the success of the City's economy. For example, we are not able to change lack of demand or promotion of women to the boardroom.

9. These ideas vary in importance from one individual or organisation to another, and a one-size-fits-all approach will not be sufficient to determine how we deal with them.

Gaining business involvement

10. Economic Development has always been led by business, and it is the remit of the Council and partners to create the right environment for growth to happen. In the current climate of dwindling resources, the Council can no longer take on the role of setting the priorities for the City, but nor can businesses be expected to carry the responsibility alone. A joint working approach, where everyone sits at the table to input into the future of York, needs to be established.

11. York Economic Partnership (YEP) has been working for the City for several years, and comprises of major businesses and business associations in York, key skills providers and City of York Council, with the focus of ensuring a thriving economy and quality jobs in the City. They initiated, and have been wholly supportive of the drive to refresh the Economic Strategy, using a City-wide led approach. They have also been fundamental to the success of the workshops and debate sessions.

12. Further examples of the work the group can be found at the York *Without Walls* weblink above.

Stakeholder groups

13. Individual and varied stakeholder groups were chosen to work with YEP on the Strategy and its priorities in order to preserve and maintain focus on key individual components. The groups gathered were more likely to have interest in specific topics and we needed to engage them for that expertise, rather than focus on every element of the Strategy. This was especially important when discussing priorities at the single theme workshops.

14. As well as using local insight, we also used regional and national data sources for context and benchmarking purposes. A good example of this was the use of the findings and analysis from the recent Leeds City Region Business Survey which provided valuable intelligence with which we could benchmark our performance.

Step 3: Understanding the local economy

15. Knowing our businesses and what our business needs are is at the very heart of the Strategy. An *'Overview of York's Economy'* is published online and provides an extensive and detailed understanding of the varying characteristics of the York economy, and how they might shape and impact our future work.

16. This piece of work included carrying out a complete econometric analysis of wage levels and gross value added (GVA), the employment picture for residents, key employment sectors, local business, the impact of tourism, and the predicted economic growth for the City over the next 15 years.

17. A SWOT analysis has also been conducted to explore the strengths and weaknesses of York's economy, threats to continued development, potential opportunities to be exploited and a look at external policy factors and pressures. The findings from this have been taken into account whilst compiling the final Strategy to ensure that as much as is feasible has been built into our actions.

Step 4:

Prioritising the most important things:
Agreeing on ‘major aspirations’ and ‘things to fix’

Collating existing priorities

18. Analysis across our economic remits and responsibilities has been collated into the ‘Overview of York’s Economy’, as outlined in Step 3.

19. The city has been grappling with various issues relating to growing the economy for a number of years, so we are not beginning anew. This gave us a dependable tool with which to investigate key facts, strengths, weaknesses and sectoral analysis to develop a strong evidence base in which to ground decisions about priorities and actions.

20. In addition, we took a list of the top level economic priorities from recent decisions, documents and analysis. This includes recent work of the YEP as well as individual work by the council, businesses and other partners. There were 26 such priorities assembled.

Bringing in ‘the experts’

21. It was essential that we brought in the right people to support and inform the review, and that meant getting specific and specialist groups of people with a vested interest in the success of the Strategy refresh around a table for their input.

22. In March 2015, over 50 key organisations and people in the City, including Councillors from all main political parties, businesses of different sizes from across all major sectors, skills providers, innovation came together to consider the following:

    ‘Of all the priorities and actions we’re trying to achieve for the City, which are the most important?’

23. Attendees were fully engaged by the workshop, and conclusions on shortlists were reached after much in depth debate and negotiation.

24. Subsequent feedback from businesses and organisations in the City has been very positive around the focused priorities, and overall the session was very helpful in concentrating a number of broad issues into the essence of what was needed in the refreshed Strategy.

What were the results and decisions by partners from the workshop?

25. The table below outlines how each priority area was ranked at the strategy event. The intention is for the strategy to focus on the top 3 ranking ‘obsessions’ and top 3 ‘things to be famous for’.

	YORK ECONOMIC STRATEGY OBSESSIONS	NUMBER OF GROUPS PRIORITISING
Things to pursue intensively and relentlessly, and shift further resources and energy towards?	MAKING A TANGIBLE INDUSTRIAL SHIFT TOWARDS HIGHER VALUE SECTORS	6
	UNLOCKING THE COMMERCIAL + RESIDENTIAL SITES REQUIRED FOR GROWTH, WITH A FOCUS ON BUSINESS ACCOMMODATION (or related)	6
	STIMULATING A CULTURE OF ENTERPRISE AND ENTREPRENEURSHIP AT EVERY AGE	4
	EASING CONGESTION TO MAJOR EMPLOYMENT LOCATIONS	4
Things to actively keep an ear to the ground and to be ready to take relevant opportunities where external funding and resources become available?	ENSURING YORK BUSINESSES CAN RECRUIT TALENTED PEOPLE WHERE THERE ARE SKILLS SHORTAGES AND HARD-TO-FILL POSTS (or related)	3
	RAISING PRODUCTIVITY IN OUR MAJOR TOURISM AND RETAIL SECTORS	2.5
	INCREASING YORK’S PROFILE IN AND BENEFIT FROM INTERNATIONAL MARKETS	2.5
	MAKING SURE EVERY WORKING HOUSEHOLD IN YORK EARNS ENOUGH TO LIVE	2
	ENABLING AN ENTIRELY CO-ORDINATED AND COHERENT PRIVATE SECTOR LED OFFER OF BUSINESS SUPPORT	2
Things which don't necessarily have cross-sector consensus, so may be harder to fully deliver and generate momentum, or are deemed to be secondary issues?	DELIVERING A DIVERSE AND THRIVING EVENING ECONOMY	1.5
	ENSURING WE ARE A CITY THAT SOURCES AND INVESTS LOCALLY, AND IS FAIR ON PROCUREMENT & PAYMENT	1
	HAVING SUITABLE ACCOMMODATION IN THE CITY LINED UP FOR ALL GROWING BUSINESSES AND INDUSTRIES	1
	DELIVERING A NEW SUSTAINABLE LOW CARBON ECONOMY	1
	ENSURING A BUSINESS FRIENDLY COUNCIL	1
	RAISING UP A NEW THINKING, DIVERSE, AMBITIOUS CULTURAL SECTOR BENEFITING RESIDENTS & VISITORS	1
	ENABLING EVERYBODY WHO WANTS TO WORK IN THE CITY TO OVERCOME THE BARRIERS STANDING IN THE WAY AND GET A JOB	0

	YORK ECONOMIC STRATEGY: THINGS YORK SHOULD ASPIRE TO BE FAMOUS FOR	NUMBER OF GROUPS PRIORITISING
Things to pursue intensively and relentlessly, and shift further resources and energy towards?	AN INTERNATIONALLY RENOWNED LOCATION FOR INDUSTRIAL BIOTECH AND AGRI-TECH: AT THE LEADING EDGE OF BUILDING THE GLOBAL BIOECONOMY	7
	A CITY WHERE HERITAGE IS CREATIVELY AND DISTINCTIVELY USED TO CRAFT A UNIQUE CONTEMPORARY CITY AND ECONOMY	6
	A LEADING CREATIVE CITY ON THE WORLD STAGE: HOME TO THE FASTING GROWING AND MOST EXCITING DIGITAL MEDIA ARTS SECTOR IN THE UK	5
	THE BEST PLACE IN EUROPE FOR PEOPLE TO LIVE, WORK AND VISIT	4.5
Things to actively keep an ear to the ground and to be ready to take relevant opportunities where external funding and resources become available?	A LEADING RAIL HUB IN EVERY WAY	3
	PIONEERING A PROGRESSIVE ECONOMY WHICH WORKS FOR EVERYBODY, NOT JUST THE WEALTHIEST	2
	THE #1 NORTHERN HOTSPOT FOR DEVELOPING, ATTRACTING AND RETAINING TALENT AND SKILLS	2
	A CITY WHICH INNOVATES AROUND FOOD: SUSTAINING, CREATING, APPRECIATING	2
	A '5* PLUS', QUALITY VISITOR OFFER WHICH CAN BE FULLY ENJOYED BY TOURISTS AND RESIDENTS ALIKE	2
	THE MOST DIGITALLY CONNECTED CITY IN THE UK: CONSISTENTLY AHEAD OF THE CURVE WITH DIGITAL INFRASTRUCTURE AND PIONEERING THE CREATIVE EXPLOITATION OF THIS	2
	A FAMILY-FRIENDLY CITY	1.5
Things to not overly-focus on aspiring to be famous for?	THE MOST DYNAMIC, COMPETITIVE & FORWARD-LOOKING CITY CENTRE IN THE UK	1
	A CITY THAT IS A TEST BED FOR NEW IDEAS & DEVELOPS A PROGRESSIVE BUSINESS ENVRIONMENT	1

Refining further

Are those our final priorities, or do we need to interpret in more detail?

26. Since the session last year, we have been looking at how we take forward the priorities under the following criteria:

    a. Does it pass the 'find and replace' test?
    Is it so generic that you could simply replace <York> with Wolverhampton or Barnsley or Brighton and put it in another city's Economic Strategy? If not, is it possible to be clearer, even if in the further explanation, or sharpen our focus?

    b. Do we have a clear articulation of what success would be and how we'd measure it?

    c. Is there evidence of interventions that work to achieve those aims?

    d. Is it possible to achieve it without unsustainable levels of local public funding?

Do these give a vision and sense of direction?

27. It is worth considering what York's economy may look like in ten years time if we are to be successful in achieving our main priorities. Is the result what we're hoping for?

28. As an example of how difficult it was to develop relatively simple ideas into meaningful and deliverable prospects, we had an ambition that was to be the *'Best place in Europe to live, work and visit'*. This was an adaptation of a priority originally put forward *as 'Family friendly City'*, but several groups wanted this to be more broadly about *'Quality of life for all'*.

29. This was too vague, and did not help us to focus our action. There is such a wide scope of categories and services that would 'fit' underneath this heading, everything from public realm investment, street cleaning, investment in schools, unlocking new housing developments, improving housing standards, broadband infrastructure, community development, tourism marketing, internationalisation, transport infrastructure, mass participation events, local shop parade development, arts and cultural development, economic inclusion initiatives, sustainable transport and investment in museums and parks.

30. Similarly, this is something almost every place tries to claim and York willl be able to justify this anyway through the by-products of the other interventions that we intend to deliver, for example '*Using our heritage in modern ways'* and '*A creative city on the world stage'* which are covered in other priorities, and not least having good, well paid job.

31. So, for the time being, unless sharp definition can be applied to this, it has been replaced with the next highest priority, *'A leading rail hub in every way'.*

32. In a similar way, the priorities of '*A city where heritage is creatively and distinctively used to craft a unique contemporary city'* and *'A creative city on the world stage'*, while distinct in focus, in practice begin to lead to heavily overlapping actions and interventions in practice.

Our suggestion is that these are merged for tighter focus and to maximise the synergies between these two areas as the truly distinctive offer which differentiates York.

Step 5:

Generating and shortlisting projects and actions to achieve priorities

33. As made clear from the outset, the Economic Strategy has to be about real actions arising from the different priorities.

34. To understand how we could work toward these ambitions, the next step was to hold workshops with partners. One was held for each priority, all in slightly different formats to allow delegates to discuss them in depth, and to identify what could be done by using various different scenarios.

35. These priorities had previously been whittled down from a long list by the delegates at a previous meeting, and a new, shortened version offering suggesting around 50 actions under each category was used to create and explore avenues for the Strategy.

36. To stimulate debate, a number of hypothetical situations were given, such as

If £1m of funding was available that could be used without cost to the taxpayer, how would you use this to generate a £50m benefit to the City?

37. The sessions were chaired by businesses partners as well as members of the YEP Board. Over 100 people attended, with at least half of the attendees coming from the private sector.

38. The outcomes of the debate are attached in Annex 1 for information, and will be linked together where possible to create a programmed approach to the work we plan.

Step 6:

Getting views on draft strategy

39. A draft version of the draft Strategy was be completed in January 2016, and reviewed with various stakeholders including businesses and skills providers on the York Economic Partnership, Executive and Economic Development & Transport Policy and Scrutiny Committee.

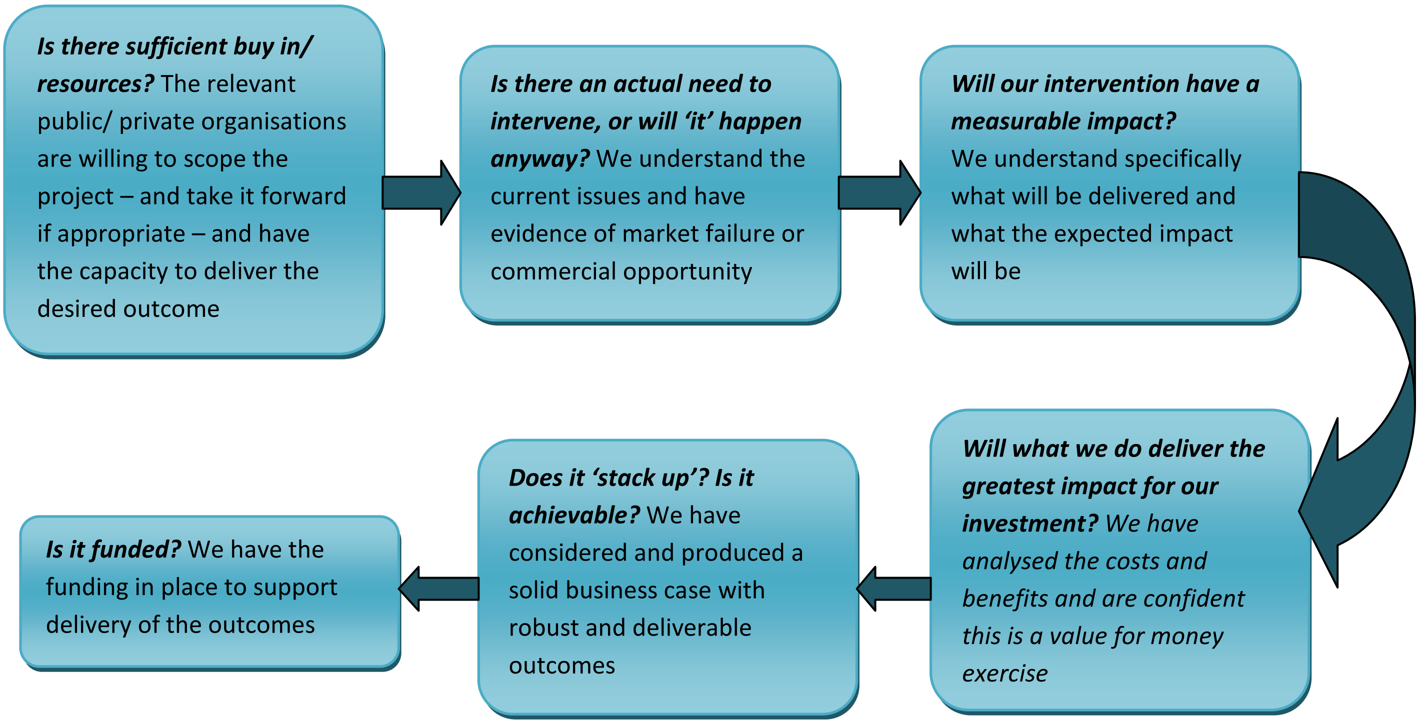
Step 7:

Developing actions and approach to implementation

Criteria for assessing projects

40. Each action must to approached methodically to give the best chance of achieving the right outcome, but it should also be ensured that the right resources are in place to deliver a suitable end result at a reasonable cost.

41. The following cost benefit analysis model and principles will be put into place to assess the feasibility of an action before work begins:



Step 8: Monitoring and evaluation

General outcomes to track

42. It is important to monitor the overall health of the York economy, as well as individual priorities and projects. This will shift naturally anyway, but we also need to look out for any 'policy on' effects from the work we are doing. In other words:

- What is it that we are doing that has caused a change to happen?
- Is it a positive change, and is it sustainable?
- What happens if we stop doing it?

43. Several performance measures have also been suggested in the table below to keep track of the overall health of our City's economy.

Indicators and targets for specific priorities and projects

44. An evaluation stage will be built into each discrete project to allow for scrutiny of outcome, frequent monitoring of progress, and to identify and learn from best practice when it becomes evident. Similarly, each project will need to produce indicators and measures specifically tailored to monitor progress.

Monitoring progress of projects and implementation

45. The arrangements in place for monitoring our progress on the previous Economic Strategy were not as formal or regular as they might have been, and also the actions within in it were very difficult to monitor. As the new Strategy focuses on specific target areas and will have individual actions plans, this will make it much easier to draw out what our clear indicators of success should be.

Evaluation of impact

46. We will ensure that key output measures are identified for each of the priorities, projects and actions, and that these are reported on and analysed to assess how much impact is being made.

47. The findings from this evaluation will be central to what we learn from the Strategy during its lifetime, and will be some of the component parts of the next Economic Strategy in 2020.

Indicators and targets for specific priorities and projects

48. The Council already has various sets of performance indicators available that could be useful in monitoring the general health and effectiveness of the work that we are proposing. There are a number of measures available in existing 'scorecards', some of which we can benchmark regionally and nationally, as well areas which could be expanded to suit the Strategy content. These include:

Ref	Performance indicator
CJGE01	Total number in employment
CJGE06	Numbers claiming Job Seekers Allowance
CJGE14	Median earnings of residents (gross weekly pay)
CJGE29	Business deaths
CJGE30	GVA per head
CFC17	Employment rate

Overall Strategy Management

49. The body which will monitor progress is yet to be decided, but initial suggestions are that it will be the York Economic Partnership, or other cross-sector independent group. They will take responsibility for reviewing actions, addressing weaknesses, ensuring that discernible changes are happening, and steering the work required to achieve the Strategy vision and priorities.

50. It is also expected that the Council's Corporate Management Teams and Portfolio holders will be involved in the monitoring process.

51. All resultant performance reports will be published online to ensure complete transparency and accountability to the public, and work is currently underway to set up a dedicated webpage to this effect.

52. For further information on this work or associated economic issues, please contact Mark Alty, Principal Strategy and Economy Officer on (55)4421, or email at mark.alty@york.gov.uk

Annex 1

Workshop outputs: Creative City

Suggested Action
Plan and deliver comprehensive all-year-round lighting for the city centre which can used dynamically, be adapted seasonally and used to tell stories - to be an attraction in itself encouraging evening economy
Develop a new iconic public open space around Eye of York, with architecture that is an attraction in itself and reason to re-visit/re-think York, and where things happen
In addition to simply unlocking the York Central development, invest extra in creative contemporary architecture and space planning on the site with the unique opportunity of a 'blank space' to produce something truly distinct and memorable and with an iconic building as a focus point (e.g. conference centre/business space/other) and attraction in itself
Commission a comprehensive, creative and accessible means for the digital presentation and exploration of the city, including virtual archiving and broadcasting of cultural heritage to be realised
Undertake a development to open up the riverbanks
Create a creative bubble to explore and discover, possibly around Micklegate
Provide funding for start-ups to make York a centre for students starting businesses
Set up a fund for pump priming business/3rd sector ideas for economic and cultural development where a sustainable income can be developed (0% loan), with a panel of businesses assessing submissions
Develop the Guildhall into a vibrant hub for businesses, particular around digital and creative sectors
Roll out a comprehensive creative approach to digital signposting / communicating what's on and things to do in the city, which is accessible both virtually (e.g. through apps) and physically at key points in the city
Develop an improved digital toolkit including web presence for promoting the city
Deliver a new major large scale annual creative festival of Media Arts: Mediale
Invest small amounts to incentive/subsidise events organisers to spread festivals across the city to areas which may not yet be fully commercially viable to stimulate the market
Continue investment in maintaining the public realm and attractiveness of city centre

Deliver a sustained collaborative marketing/PR campaign promoting and contributing to delivering the changes of perception needed for our articulated vision for York (see below)
Deliver a collaborative marketing approach for York as a family friendly city
Make creative use of Stonebow House, subsidising market rates to enable creative activities to happen there
Leaders of the city (to be defined) to come up with a shared articulation of what we want York to be like economically, culturally and visually in 30 - 50 years time (vision) and what its distinctive and unique characteristics will be which mark it out from other cities. This vision should be something which all key parties (again, to be defined) can sign up to but which provides strong, ambitious leadership for the City, makes clear judgment calls, takes into account future national and global trends, and informs future decisions about development and focus
Put on a big party or equivalent event which people *want to come to(!)* to engender familiarisation and trust between diverse partners in the city who would not usually mix but are key to York's success
Key events and festival organisers in the city come together each year to jointly plan and coordinate annual festival/events programming, starting from 2017 (doing this now)
Initiate and equip a group of senior advocates with significant national/international influence with a small number of key messages to support lobbying, the promotion of the city, and attracting potential inward investors in high value sectors - some investment could be made into this particularly around inward investment
When up for renewal, re-commission Park and Ride contract for greater evening use/overnight capacity supporting
Set up a virtual shared marketing team of marketing officers from key organisations and businesses in the city to spot opportunities to cross-promote York and key messages
Run and promote widely architectural design competitions for each major new development in the city over the next few years

Workshop outputs: Unlocking Brownfield sites

Suggested Action
Set up a consultative group of local property agents, developers and business leaders with City of York Council to better quantify/qualify the evidence of demand on an ongoing basis
Compile and maintain a set of data of deals and availability of property, enquiries, occupancy of key business parks
Compile and maintain documented demand for new premises from existing businesses with desire to expand
Independent market analysis of York Central office proposition drawing on national demand studies
Deliver an advanced smaller test case office development on York Central with public/private financing to release latent demand and demonstrate viability
Market sites to developers/end users/government departments, including through high profile York people, local and national property agents and with a key sector focus
Create, promote and keep up to date a clear pipeline of worked-up projects for LEP funding streams and/or private investment
Use business rates retention to fund upfront infrastructure costs
Where there is a viable business case, short term interim uses - generate revenue on site as an initial return
Set up a local development company
Explore district heating network to which new businesses could connect (to be laid at the same time as drainage and other utilities thus keeping costs down but providing low energy costs for future occupiers
Explore local bonds as a means for financing site development or infrastructure required to unlock
Deliver an advanced smaller test case office development on York Central with public/private financing to release latent demand and demonstrate viability
Private sector and CYC work together to feed in 'on the ground' market and economic evidence for local plan
Deliver a realistic and flexible local plan which forces the point that there has to be change - housing development in greenbelt with social housing policy that really bites
Communicate stronger PR message on Local Plan to sell it to public, including engaging more of business community in working group meetings not just 'objectors'

Workshop outputs: Enterprise and entrepreneurship at every age

Suggested Action
NO COST ACTIONS
Clear vision and leadership that everyone talks about
Support structure - start / SME / large, including peer to peer
Key points of contact for employers at Council
Break down geographical boundaries
Market as business destination
Good news stories
Ambassadors
Consistency of message
Worry less about ownership - more about collective action
Sector champions appointed identifying what exists and join it up
Communication, connection and facilitation
Clarity and accessibility
Ecosystem of SMEs, people and city
THINGS TO DO WITH UNLIMITED RESOURCES
Digital connectivity around York and from Leeds on trains
Advertising campaign
Harness + plan new injection of development capital
Transport and housing
Venturefest
York investment fund
Paid for marketing
Dotforge-esque startup acceleration support
Curriculum more focussed on entrepreneurship
Programmes in schools linked to SMEs
Job placements in SMEs through Universities / Colleges
Private sector 'champions' placed across the UK
Fasttrack York Central

Workshop outputs: Higher value jobs

Suggested Action
Deliver York Central Enterprise Zone / investment to unlock site
Provide business rate incentives for high value job creation (esp. where can be net neutral cost against baseline)
Invest in A64 dualling to Sand Hutton to enable high value business growth at Agri-food campus
Invest in dualling A1237 to enable high value business growth on employment sites reliant on this road
Invest in business incubator, grow on space, accelerators + demonstrator facilities around high value sectors (especially where return can be generated)
Attract private investment funds linked to university IP / particular sectors (e.g. BioVale + others?)
Subsidise affordable housing to enable skilled people & recent graduates to live in the city
Set up a fund for pump priming private sector ideas for economic development where a sustainable income can be developed (0% loan), with a panel of businesses assessing submissions
Invest in bespoke skills training targeted towards upskilling existing workforce
Resource senior advocates to sell the city to inward investors in high value sectors
Investment fund to improve existing office spaces (esp where a return can be generated)
Produce a better finance app for enabling small businesses to access available finance/funding
Provide a bank of shared kit outside the reach of individual SMEs, where there is the business case for shared ownership + membership model
Coordinate a shared graduate programme for high value SMEs which would otherwise be unable to do on their own
Create white label toolkit (can be rebranded/tailored by individual networks) for signposting to and promoting support available for small and startup businesses, particularly around interventions aimed at key sectors or productivity growth
Shape and promote UKTI, Chamber International & Enterprise Europe's offering around trade and investment in a way that connects with local businesses and sectors

Deliver an ambitious local plan which allocates appropriate land enabling at least 20% higher than baseline growth in high value sectors
Coordinate a joined-up, strategic and proactive approach to lobbying Government for continuing to improve rail connectivity to the city (electrification + high speed hub)
Universities / Colleges to provide free stand at Careers Fairs for promote opportunities with York-based SMEs
Explore reconfiguring arrangements to take forward economic planning at a regional not city level reflecting the wider economic geography and ambition we need to have
Large employers look at supply chain and procurement, where they may be able to support high value local businesses, or we are able to stimulate the market
Student and startup membership of business networks offered for greater integration of new and existing entrepreneurs (e.g. could it link to entrepreneurs society?)
Continue to connect small businesses together through business networks and relevant networking events
Facilitate the evidencing of demand from businesses for major new employment sites including enabling signing pre-lets where appropriate
Build and regularly communicate narrative +stories of business success in York through a whole range of channels to deliver business and investor confidence [how will we know we've done this?]

Session outcomes: A Leading Rail Hub in Every Way

This session had fewer delegates, however the actions and commitments arising were:

- Make it York to continue to work with the industry to develop a rail cluster for York (and that the rail cluster should consider working closely with neighbouring areas including Doncaster). There was a willingness to get the rail sector and to promote to other interested parties. Members of the group were willing to look at where they could help with this (e.g. an event in Virgin First Class Lounge).
- Engagement between the industry and education and skills providers in order to promote the rail sector to young people. There was strong willingness from Virgin, Omnicom and Arup to be involved in this work.
- Consumer facing rail businesses to work with Make it York to market the city, where possible, as an excellent destination for visitors, businesses and inward investment.

AN OVERVIEW OF YORK'S ECONOMY

“What are the headline facts for York?”

6,675 businesses

[breakdown of businesses by size]

106,000 Residents employed

[breakdown by full time / part time / gender / self employed]

1,005 working age residents claiming Job Seekers Allowance

[Further breakdown of those not in work]

£11.40 average (median) hourly wage for York residents

[salary breakdown by full time / part time / gender]

£4.8bn worth of goods + services produced in York

(Gross Value Added; GVA; the size of York’s economy)

[compare to others]

2.5% economic growth projected on average each year for the next 15 years

[compare to others]

21,000 York residents work outside of York

26,000 non-York residents work in York

[Further info on commuting patterns]

7 million visitors each year

[Further info about York’s visitors]

"What are the strengths of York's economy?"

A highly educated workforce (over 40% with a degree or equivalent) with continual new talent from the city's universities and colleges

A key hub on the UK's rail network, less than 2 hours from London and with direct connections to every major city economy in England + Scotland

York is regularly recognised as **one of the most desirable cities to live in in the UK**, making it an attractive place for talent (and therefore business)

7 million visitors a year support a large tourism sector, a more resilient city centre and strong brand recognition internationally

Consistently one of the lowest unemployment rates in the UK: this is good for residents + also for businesses recruiting people with good record of work

World-leading industrial biotech + agri-food research, major centres of excellence + 'pipeline' of graduates from top bioscience departments

Larger than average insurance and rail sectors with key employers located in the city & growing Media Arts sector with **UNESCO designation**

Ahead of the curve on digital infrastructure with widespread 1gbit/sec fibre connections possible from 2015

"What are its weaknesses and challenges?"

Lack of available land and good quality city-centre office space means it is harder to attract new companies or retain growing businesses, especially ones providing the best jobs

A skew towards low productivity sectors means there are more people on lower wages with poorer chances of progressing to better paid jobs, and there is less money flowing in York's economy

Congestion, especially around Northern outer ring road, provides a problem for businesses located or travelling in this part of the city; and a lack of demand for business premises there

A mismatch between skills and jobs means many residents are doing lower-skilled jobs than they potentially could; talented people leave the city for jobs elsewhere + businesses can't find fill certain vacancies

A lot of (esp. female) part time workers want more hours, especially given they are paid less per hour. This is likely to be particularly acute in York, where a high proportion of people work part time

Lots of competition nationally and globally, with larger cities / urban areas preferable locations for most higher value industries, and better placed for future economic growth (+ career prospects)

"What are York's key business sectors?"

…That depends what you mean(!); whether the sectors that employ the most people, the sectors which contribute the most to York's economy, where we have particular specialisms, where there will be most job gaps in the future or where we've got the best chance of attracting new businesses to the city.

The answer to each of those questions is different and probably covers almost every business sectors.

Clearly we can't focus our attention on everything, but there are ways we can prioritise. In order to have the biggest impact:

- Business growth initiatives should be focussed on high value sectors with good potential for growth
- Good employer initiatives or programmes designed to raise wages should be focussed on the biggest employment sectors
- Education, skills and recruitment intervention should be focussed where there are largest job requirements in the next 10 years
- Initiatives to attract new businesses to the city should be focussed on sectors where York has a distinctive advantage to differentiate from the competition
- Key relationships should be with the businesses which have the biggest impact on the city regardless of sector, although which sector they are part of may influence their impact

Biggest employment sectors

Sectors which contribute the most to the overall value of York's economy

High value sectors which have good potential for growth

Sectors with largest job requirements in the next 10 years

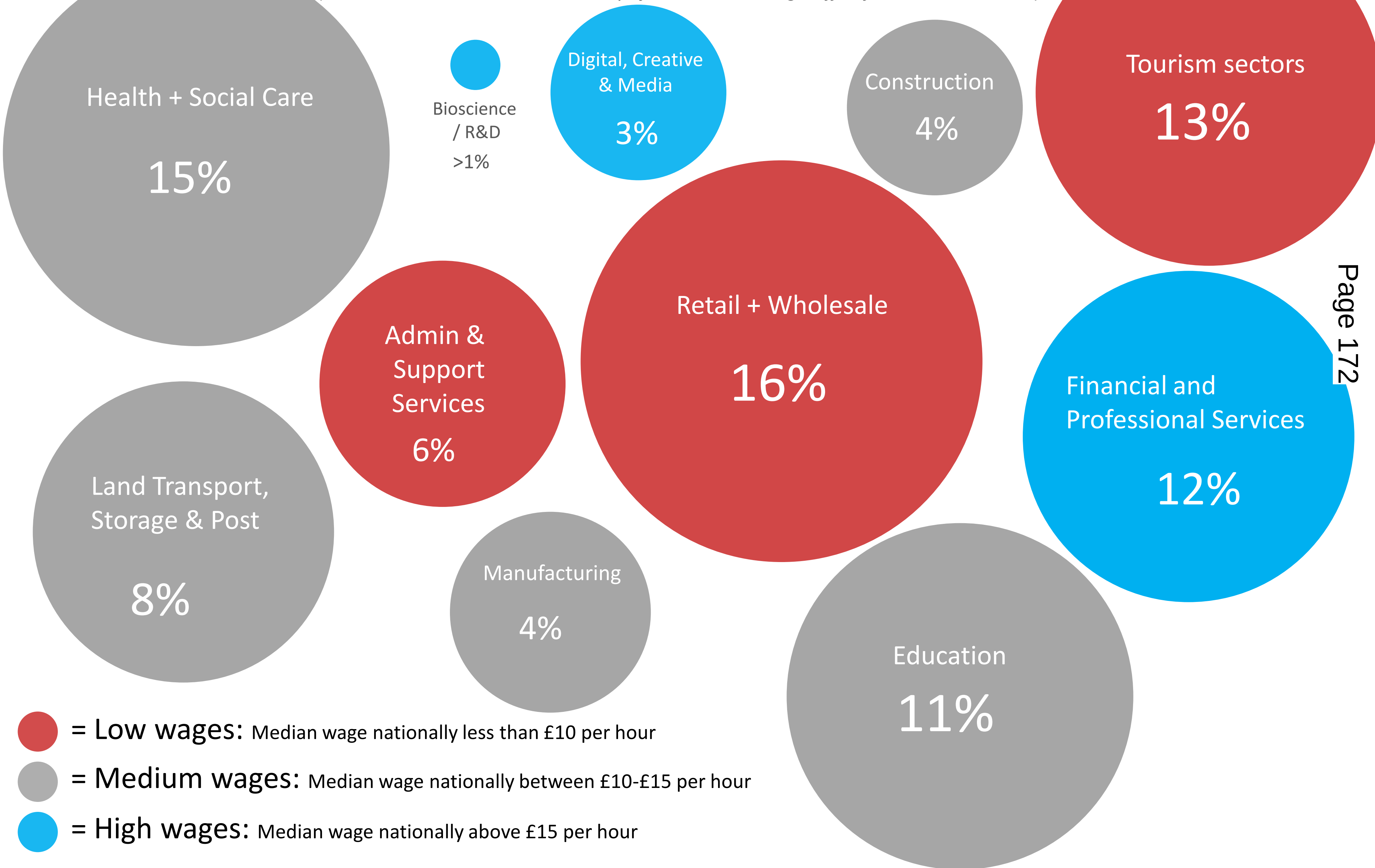
Sectors where York has a distinctive competitive advantage for attracting new businesses

Detailed analysis of sectors

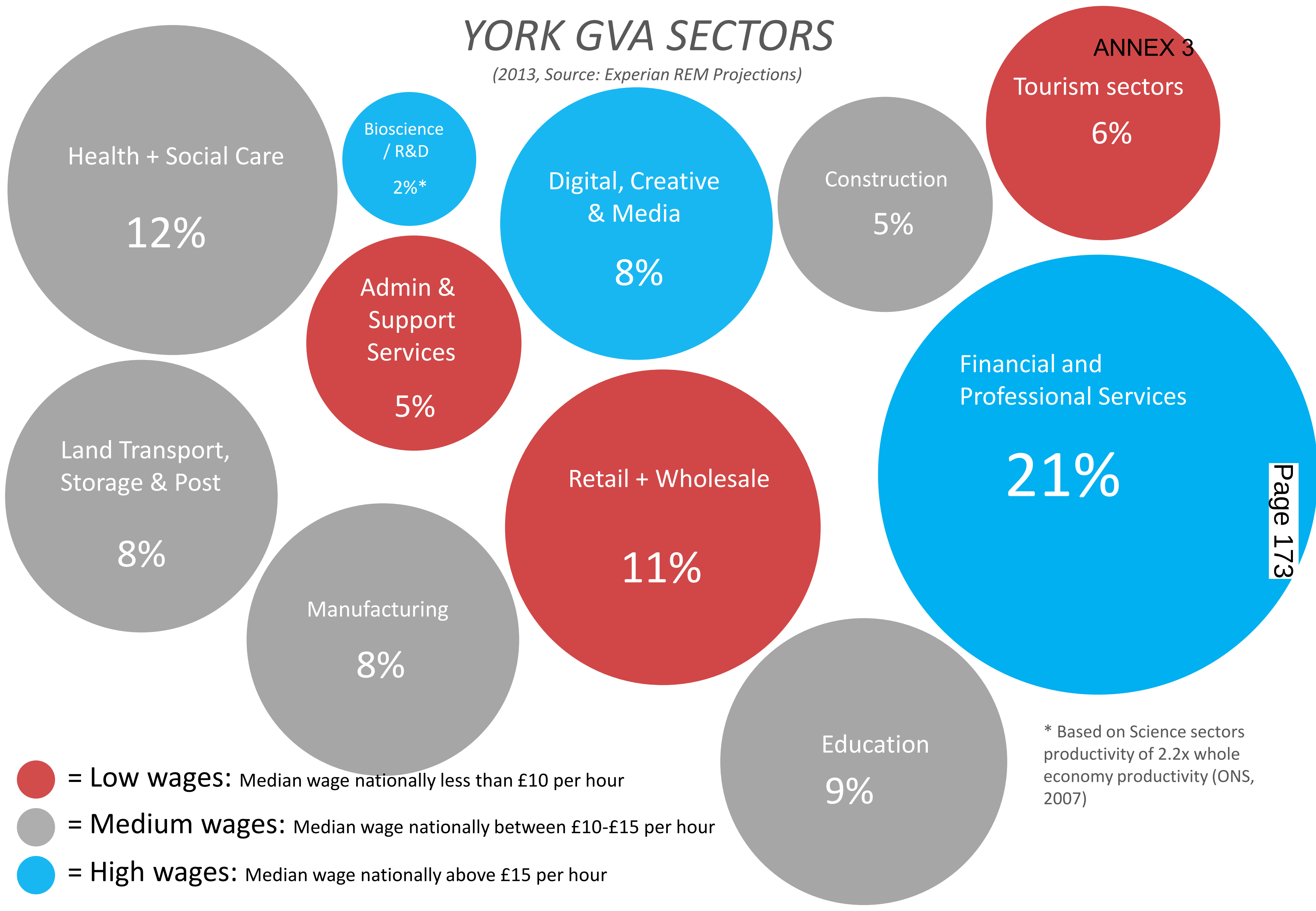
(N.B. using Experian REM 2013 projections)

YORK EMPLOYMENT SECTORS

(2014, Source: BRES and Annual Survey of Hours and Earnings, Office for National Statistics)



ANNEX 3


YORK GVA SECTORS
(2013, Source: Experian REM Projections)
Health + Social Care
12%
Bioscience / R&D
2%*
Digital, Creative & Media
8%
Construction
5%
Tourism sectors
6%
Admin & Support Services
5%
Financial and Professional Services
21%
Land Transport, Storage & Post
8%
Retail + Wholesale
11%
Manufacturing
8%
Education
9%
= Low wages: Median wage nationally less than £10 per hour
= Medium wages: Median wage nationally between £10-£15 per hour
= High wages: Median wage nationally above £15 per hour
* Based on Science sectors productivity of 2.2x whole economy productivity (ONS, 2007)

High value sectors which have good potential for growth

Different econometric models predict different proportionate growth across sectors (and at different times depending on current trends). As an example, the Oxford Economics projections from February 2014 show strong growth in a number of sectors; but there would be variances of the exact % growth with other models or different dates projections were made. However, there are a number of sectors which are consistently high value in terms of productivity, pay high wages and have high potential for growth in York. These are as below:

It is worth noting that most economic growth comes from growth from businesses already in the region, so this should be the focus for these high growth sectors. Proactive activity to attract new businesses to York (inward investment) should be based on where there is distinctive advantage so often requires greater specificity.

Sectors where York has a distinctive competitive advantage for attracting new businesses

It is also worth noting that there are elements about York's economy which will appeal to every sector; and as a city we should welcome and respond to all interest. However, if there are particular sectors, from the private-sector led analysis through the York Economic Partnership, the below sectors were identified as providing particular opportunity for attracting new businesses. Click the sector links below for more details.

BEST OPPORTUNITIES FOR PROACTIVE TARGETING

Sectors where we believe proactive interventions will make the greatest impact in targeting businesses outside the city because there are unique distinctives which differentiate York, which are both important to businesses in where they locate and which other cities cannot compete with.

GOOD MATCHES

- F+PS auxiliary functions
- Enterprise software
- Health science + bioanalytics
- Media arts
- Quality tourism + leisure
- Back office functions

Sectors where York is a good match for businesses, but where there are perhaps other cities with just as strong an offer in some regards, so it is more difficult to stand out in a competitive market, or where interventions are likely to have less impact. These are the sort of sectors we should be ready to respond strongly too, and may see high growth from businesses already in the city, e.g. Media Arts.

PROJECTED FUTURE JOB REQUIREMENTS TO 2022 BY INDUSTRY

	Current employment (BRES, 2014)	Expansion demand (UKCES, 2013)	Retirements (UKCES, 2013)	Net requirement (UKCES, 2013)	Median UK wage (ASHE, 2014)
Health and Social Care	**16200**	**1132**	**5209**	**6341**	**£13.00**
Retail & Wholesale	**16700**	**388**	**5047**	**5435**	**£10.42**
Food and Accommodation	11000	588	3135	3722	£7.97
Education	12000	-245	3918	3673	£16.28
Transport and Storage	8800	800	2667	3467	£12.60
Professional Services	6900	768	2305	3074	£16.43
Support Services	6600	204	1832	2036	£10.22
Construction	4000	530	1061	1591	£13.16
Finance and Insurance	4500	307	1536	1536	£19.37
Information and communication	3200	306	918	1376	£18.10
Public Admin and Defence	5100	-190	1707	1328	£15.60
Arts and Entertainment	2400	193	964	964	£10.75
Manufacturing	4000	-293	1171	878	£12.98
Other Services	2400	133	667	800	£11.83
Real Estate	1700	0	760	760	£13.59
Water and Sewerage	300	0	200	200	£12.66
Agriculture	100	0	38	38	£9.00

KEY POINTS?

Demand for future jobs is influenced significantly more by retirements than new job creation, therefore it will always largely follow what the largest sectors are (unless they have particularly young employees); and not radically changed by growth sectors or differing projections.

Health, social care and retail are where there will be most demand.

Professional services (which covers a huge range of occupations), is the best paid sector with large future job requirements; along with certain occupations within education, health and rail.

SO WHAT?

Our skills and recruitment support interventions should be focussed on these sectors to maximise impact, especially where we know there is market failure.

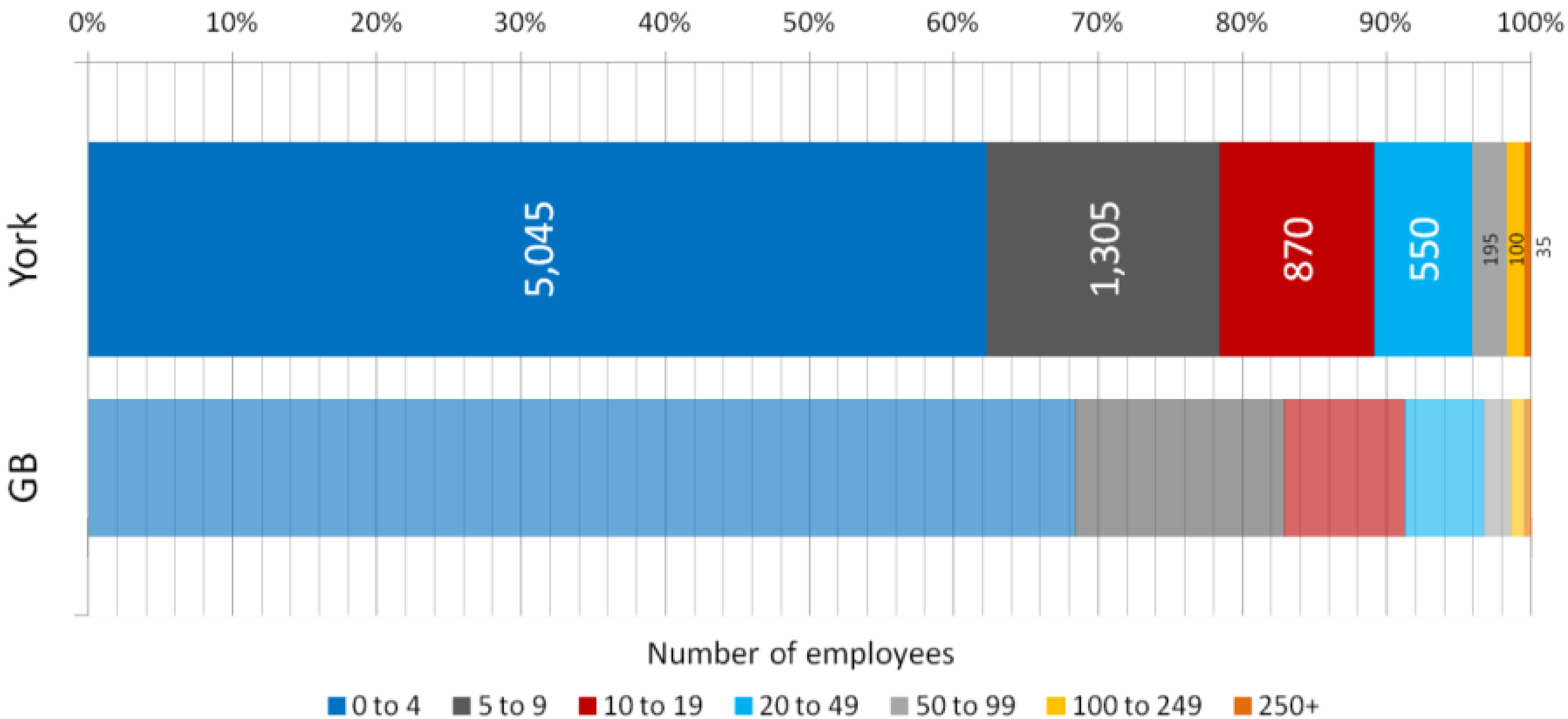
MORE DETAILED ANALYSIS

BREAKDOWN OF NUMBER OF YORK BUSINESSES BY SIZE

ANNEX 3
(NOMIS, 2014)

KEY POINT? Most businesses in York employ less than 10 people, although there is a higher proportion than the GB average of York businesses which employ between 10 and 99 people.

SO WHAT? We need to ensure the business environment and any initiatives are appropriate for all sizes of business, especially smaller (micro) businesses (e.g. recognising capacity / time constraints; working through representative bodies).



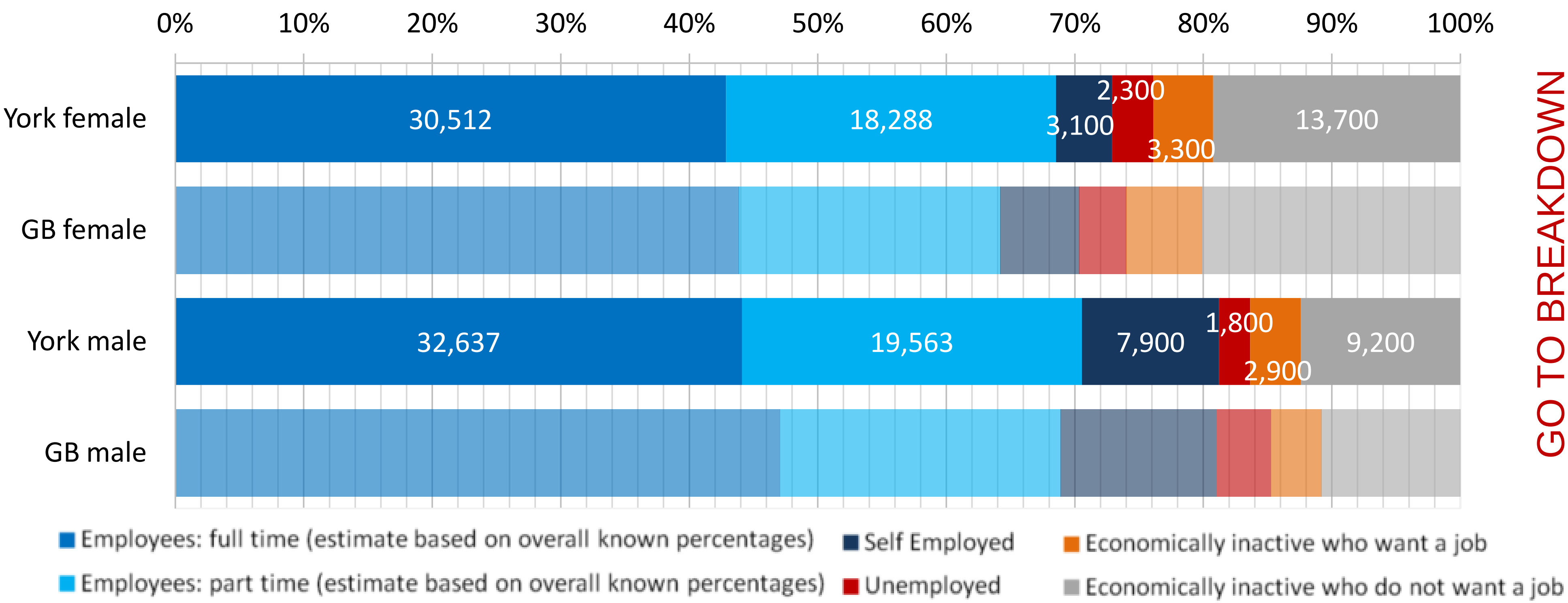
The data is produced from a snapshot of the Inter Departmental Business Register (IDBR) taken in March of selected year.
Businesses in the above data is taken as number of local units (registered units of an Enterprise) e.g. multiple Tesco stores.

YORK WORKING AGE POPULATION (September 2015, Annual population survey)

ANNEX 3

KEY POINTS?

- York has high levels of part-time working especially amongst it's female population.
- Further analysis suggests this is largely due to students, and some women, likely mothers, working part-time who would otherwise be economically inactive / unemployed.
- Both unemployment (especially among women) and self-employment are low compared with national averages.
- The higher male economic inactivity rate for York is due to higher levels of male students in this category (female students in York are more likely to work part time).



GO TO BREAKDOWN BY TYPE OF JOB

SO WHAT? Despite headline figures, without investment in independent research, given the explanations above it is difficult to conclude that part-time working per se is a specific problem in itself.

That said, we know part-time workers are lower paid and more likely to want more hours, so understanding that many jobs in York are part time should impact how we about consider policy regarding income, e.g. ensuring PT workers have opportunities to increase their hours; focussing on increasing overall household income; focussing on enabling progression and raising wages for those working part time and paid poorly.

MEDIAN HOURLY WAGES FOR YORK RESIDENTS VS UK (ASHE Dec 2015)

Key points:

York residents, particularly women working full time are paid slightly less than the national average.

Women are paid less per hour than men; with a greater number working in roles and sectors the market values lowly (care / admin / sales).

People who work part time are paid less per hour on average; again, with a greater number working in sectors the market values lowly (care / admin / sales).

So what?

Overall, this is a more fundamental issue about the sector makeup of York: unless this is addressed wages are likely to remain below the national average.

Similarly, market intervention is required if women, and especially those working part time, are to be given fair opportunities in higher paid sectors and occupations.

Male full time

£12.96 YORK

£13.97 UK

£1,943 per year LESS in York if working 37 hours

Female full time

£11.39 YORK

£12.56 UK

£2,251 per year LESS in York if working 37 hours

Male part time

£8.12 YORK

£8.11 UK

£8 per year MORE if working 16 hours

Female part time

£8.74 YORK

£8.59 UK

£125 per year MORE if working 16 hours

UNDEREMPLOYMENT OF YORK RESIDENTS
(EMPLOYEES WHO WANT MORE HOURS) (ONS, 2014)

	ALL PEOPLE	MALES	FEMALES
TOTAL WORKFORCE X REGIONAL UNDEREMPLOYMENT RATE	**10,910** (11%)	**4,524** (8.9%)	**5,319** (11%)
PART-TIME WORKERS X NATIONAL UNDEREMPLOYMENT RATE	**7,197** (22.1%)		
FULL-TIME WORKERS X NATIONAL UNDEREMPLOYMENT RATE	**3,597** (5.4%)		

TOP 3 OCCUPATIONS FOR UNDEREMPLOYMENT	NUMBER OF PEOPLE UNDEREMPLOYED (% underemployed nationally)	% OF ENTIRE WORKFORCE
Elementary Occupations	**2456** (21.10%)	**2.48%**
Sales And Customer Service Occupations	**1921** (18.72%)	**1.94%**
Caring, Leisure And Other Service Occupations	**1251** (13.87%)	**1.26%**

KEY POINTS?:
A large number of those working part time nationally want more hours. If this trend was applied to York's figures, that would mean approximately 7,200 York residents currently working part time wanted more hours. The occupations which these apply to also compound the issue; they are the same as the low pay sectors highly prevalent in part time working.

It is also more of an issue as there are more part time employees comparatively in York.

[N.B Full time employees can also want more hours; however the national proportion is much lower as you'd expect].

SO WHAT?: This is a key issue to seek to address holistically given that we know that residents that work part time, especially women, earn less per hour, and York has a greater proportion of part time workers, and those working in low paid professions. It is this multi-faceted issue of residents who are:

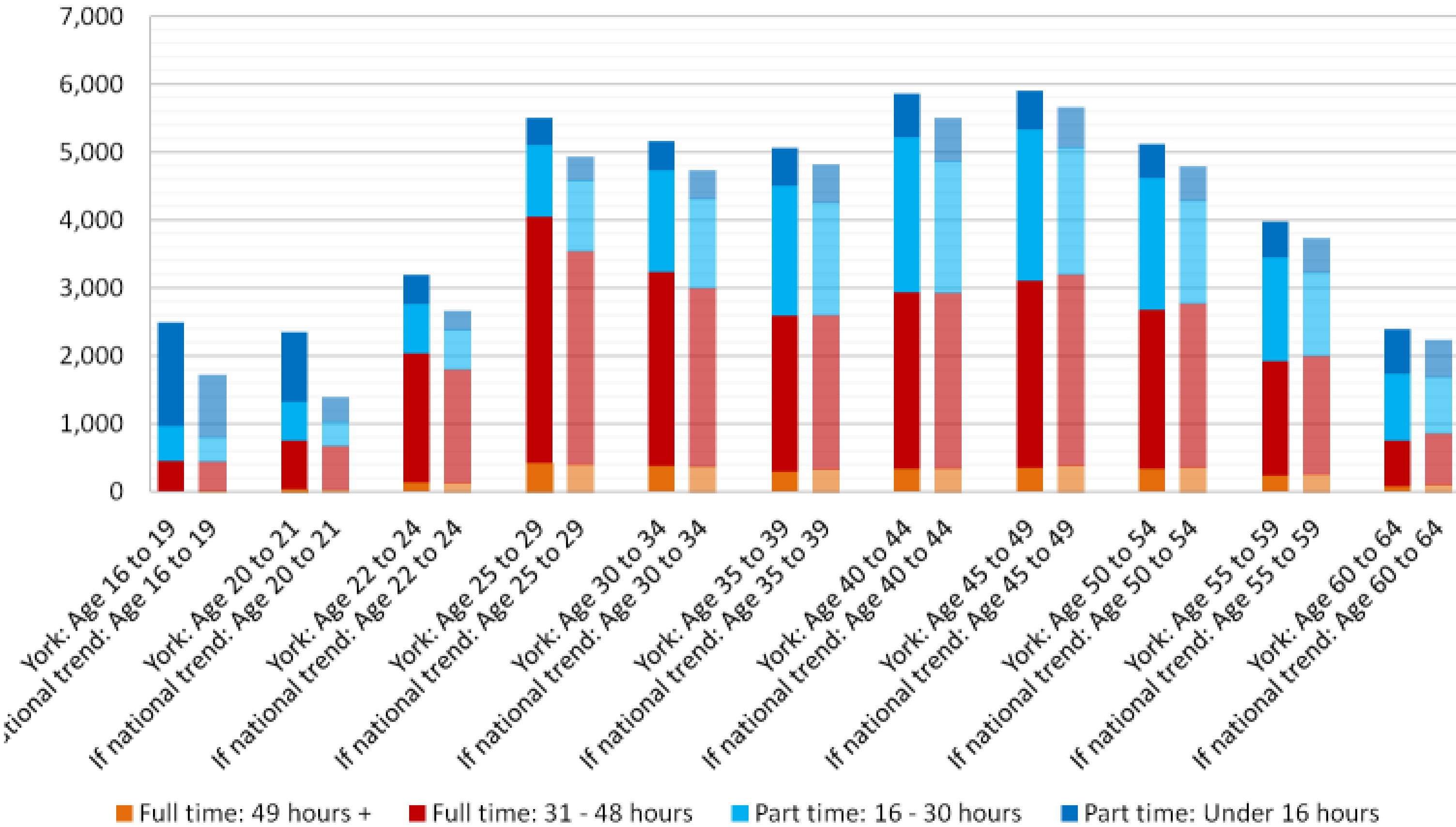
- Being paid a poor wage per hour, often below the living wage (£7.85 per hour)
- Working in low paid occupations where there is less scope for progression
- Working part time so reducing their overall income by the virtue of working less hours
- Wanting more hours than they currently have

The number who face all those issues in York is estimated to be 4,000 – 7,000, and the vast majority women.

KEY POINTS?

- York has high levels of part-time working amongst it's female population.
- However, as the graph suggests, this is largely due to students, and some women, likely mothers, working part-time who would otherwise be economically inactive or unemployed.
- Figures about York's economically inactive population confirm this trend.

RESIDENT FEMALE FULL TIME / PART TIME EMPLOYMENT BY AGE (Census 2011)



SO WHAT? Despite headline figures, without investment in independent research, given the explanations above it is difficult to conclude that part-time working per se is a specific problem in itself.

That said, we know part-time workers are lower paid and more likely to want more hours, so understanding that many jobs in York are part time should impact how we about consider policy regarding income, e.g. ensuring PT workers have opportunities to increase their hours; focussing on increasing overall household income; focussing on enabling progression and raising wages for those working part time and paid poorly.

Census 2011 + ASHE 2015

TOP 3 OCCUPATIONS – MEDIAN PAY

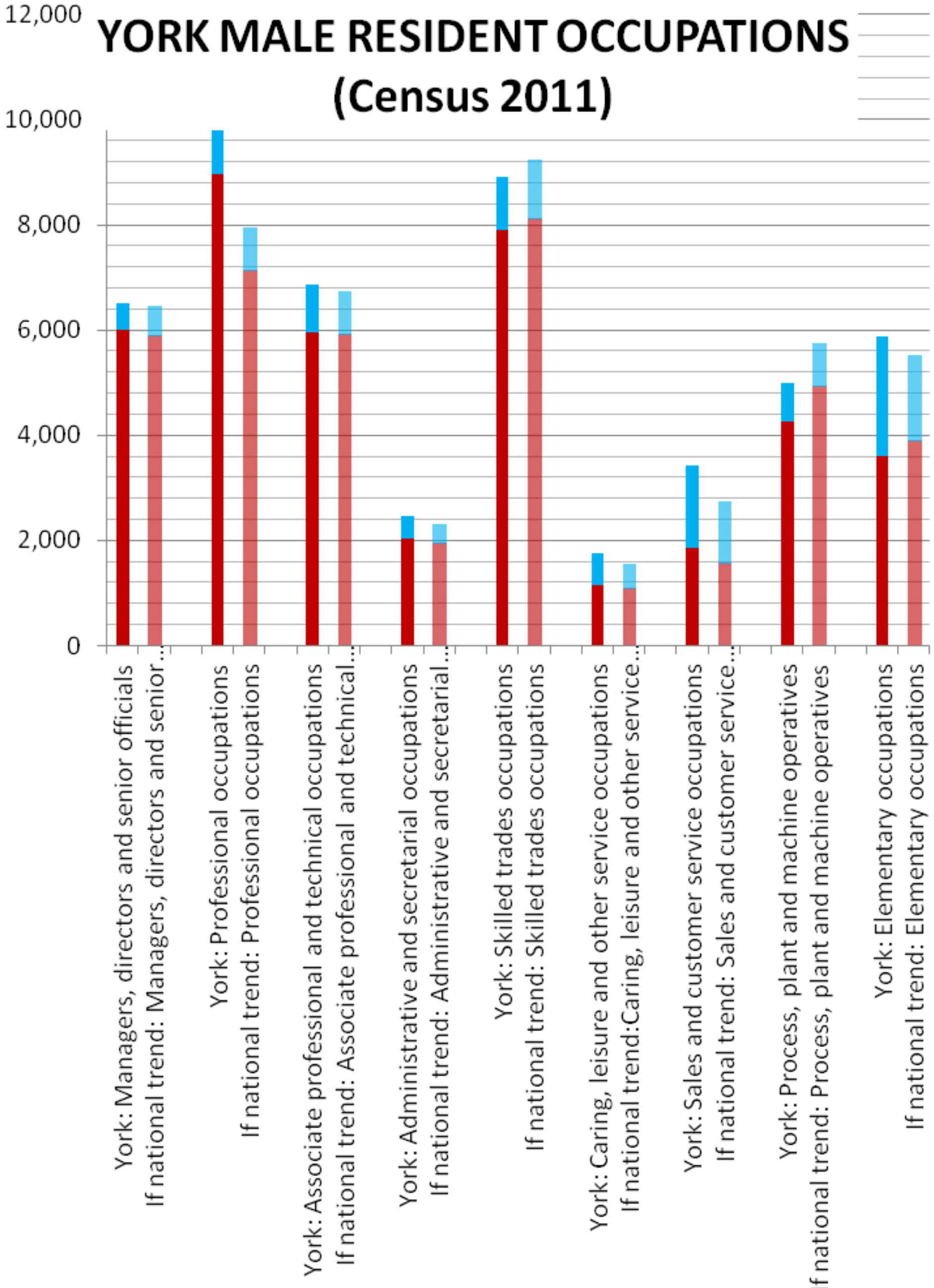
KEY POINTS? The top 3 occupations across the 3 categories show low median hourly wages. This is particularly the case for where York has more than the national average number of people working in certain occupations. In this category, the top two most popular occupations are below the Living Wage. Two of the three most popular occupations for women also show two of the median hourly wages below and only just above the Living Wage.

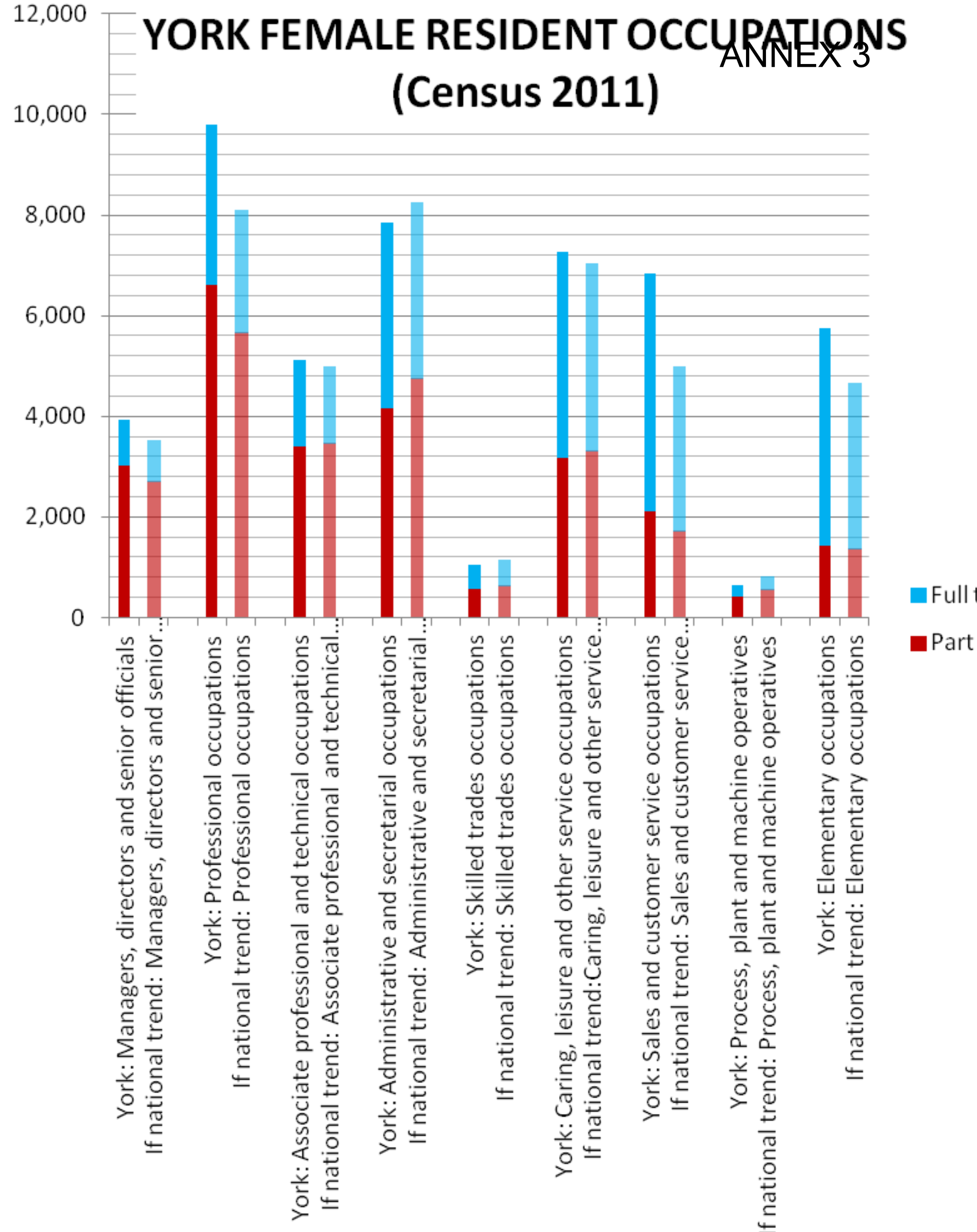
TOP 3 OCCUPATIONS MOST SKEWED TOWARDS MALE > FEMALE	MEDIAN HOURLY WAGE (UK)
1. Skilled trades occupations	£11.38
2. Process + plant operatives	£9.94
3. Managers, directors and senior officials	£19.44

TOP 3 OCCUPATIONS MOST SKEWED TOWARDS FEMALE > MALE	MEDIAN HOURLY WAGE (UK)
1. Caring, leisure and other service occupations	£8.49
2. Administrative and secretarial occupations	£10.30
3. Sales and customer service occupations	£7.64

TOP 3 OCCUPATIONS WHERE YORK HAS MORE RESIDENTS WORKING IN THAN THE NATIONAL AVERAGE	MEDIAN HOURLY WAGE (UK)
1. Sales and customer service occupations (specifically sales assistants and retail cashiers)	£7.64
2. Elementary occupations (specifically cleaners, waitors/waitresses, bar staff and kitchen assistants)	£7.49
3. Professional occupations (specifically education professionals)	£19.50

SO WHAT? The Living Wage, a level of income based on the cost of living, is currently set at £7.85. Two of the top three occupations where York has more than the national average have a median hourly wage set below this rate. One of the top three most skewed to female workers is also below this rate, and one only just above it. This reflects that some of York's top occupations are poorly paid, and this particularly affects women: something which should sought to be addressed.


YORK MALE RESIDENT OCCUPATIONS
(Census 2011)
12,000
10,000
8,000
6,000
4,000
2,000
0
York: Managers, directors and senior officials
If national trend: Managers, directors and senior…
York: Professional occupations
If national trend: Professional occupations
York: Associate professional and technical occupations
If national trend: Associate professional and technical…
York: Administrative and secretarial occupations
If national trend: Administrative and secretarial…
York: Skilled trades occupations
If national trend: Skilled trades occupations
York: Caring, leisure and other service occupations
If national trend:Caring, leisure and other service…
York: Sales and customer service occupations
If national trend: Sales and customer service…
York: Process, plant and machine operatives
If national trend: Process, plant and machine operatives
York: Elementary occupations
If national trend: Elementary occupations


YORK FEMALE RESIDENT OCCUPATIONS
(Census 2011)
12,000
10,000
8,000
6,000
4,000
2,000
0
York: Managers, directors and senior officials
If national trend: Managers, directors and senior…
York: Professional occupations
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If national trend: Administrative and secretarial…
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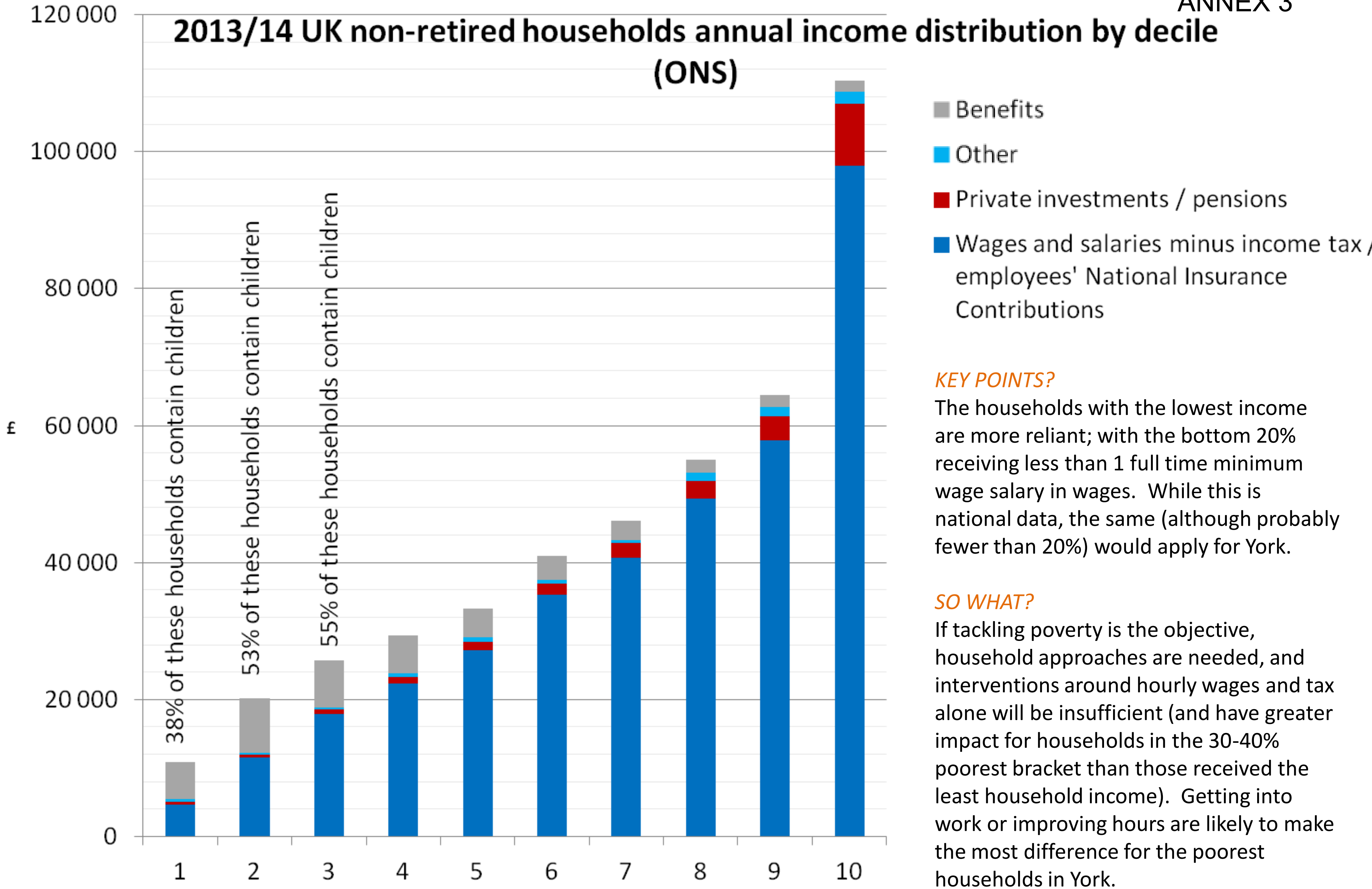
York: Caring, leisure and other service occupations
If national trend:Caring, leisure and other service…
York: Sales and customer service occupations
If national trend: Sales and customer service…
York: Process, plant and machine operatives
If national trend: Process, plant and machine operatives
York: Elementary occupations
If national trend: Elementary occupations
Full t
Part t

2013/14 UK non-retired households annual income distribution by decile (ONS)



KEY POINTS?

The households with the lowest income are more reliant; with the bottom 20% receiving less than 1 full time minimum wage salary in wages. While this is national data, the same (although probably fewer than 20%) would apply for York.

SO WHAT?

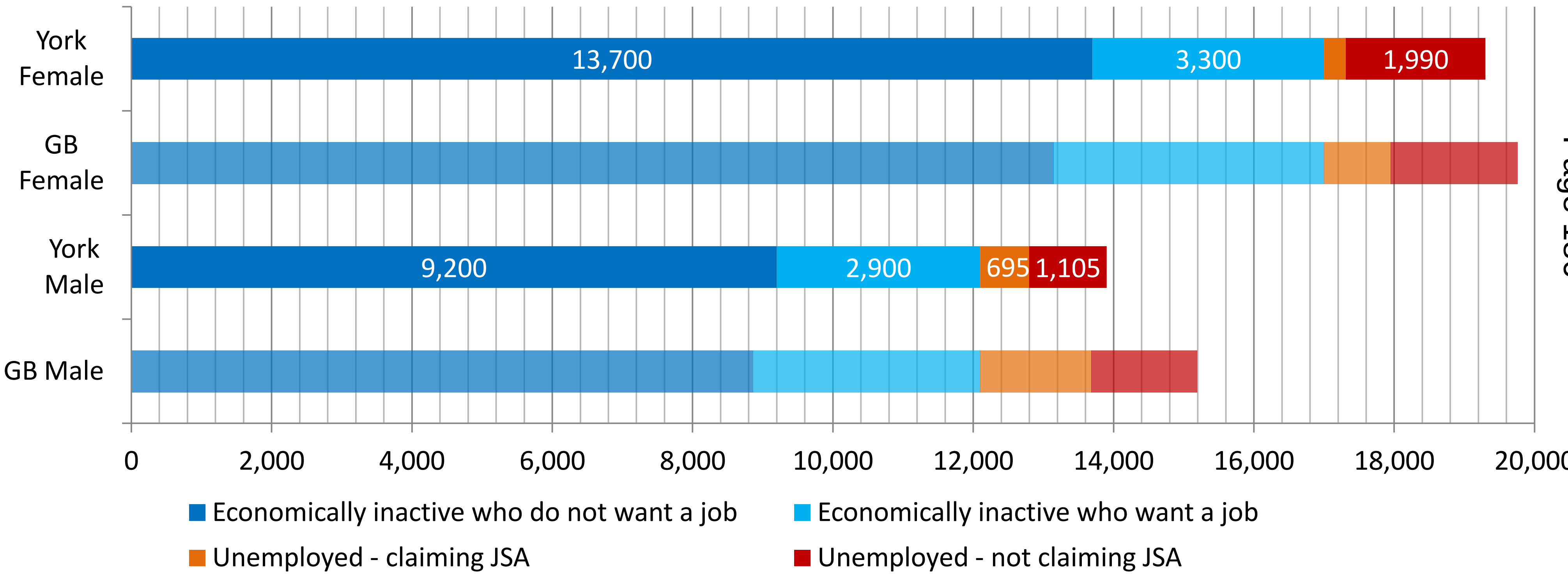
If tackling poverty is the objective, household approaches are needed, and interventions around hourly wages and tax alone will be insufficient (and have greater impact for households in the 30-40% poorest bracket than those received the least household income). Getting into work or improving hours are likely to make the most difference for the poorest households in York.

RESIDENTS NOT IN WORK

Source: Annual Population Survey (September 2015), JSA Claimant Count (Feb 2016)

KEY POINTS? York has very low level of unemployment, especially those claiming Job Seekers Allowance (JSA) . This has decreased further since June 2014 and March 2013 too.

However, the headline figures can mask a large number people who; around 2/3rds of those who are unemployed do not seek JSA (albeit this is from different data sets and time series) ; and a further 6,300 who are classed as economically inactive would like to work.



SO WHAT? In total, the annual population survey suggest there are up to 10,000 York residents not in work but who want work yet only a small proportion receive job-seekers allowance. Therefore interventions around employment readiness need to look beyond simply those receiving JSA (who are likely to receive some level of support anyway as a result of receiving this benefit).

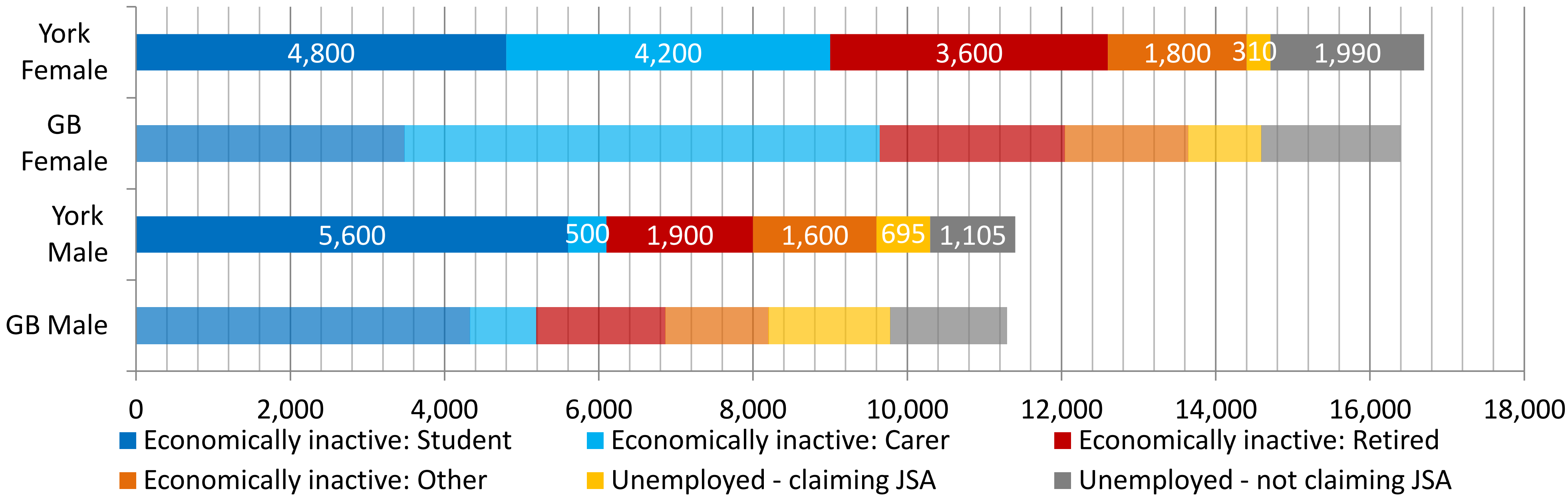
RESIDENTS NOT IN WORK

Source: Annual Population Survey (September 2015),
JSA Claimant Count (Feb 2016)

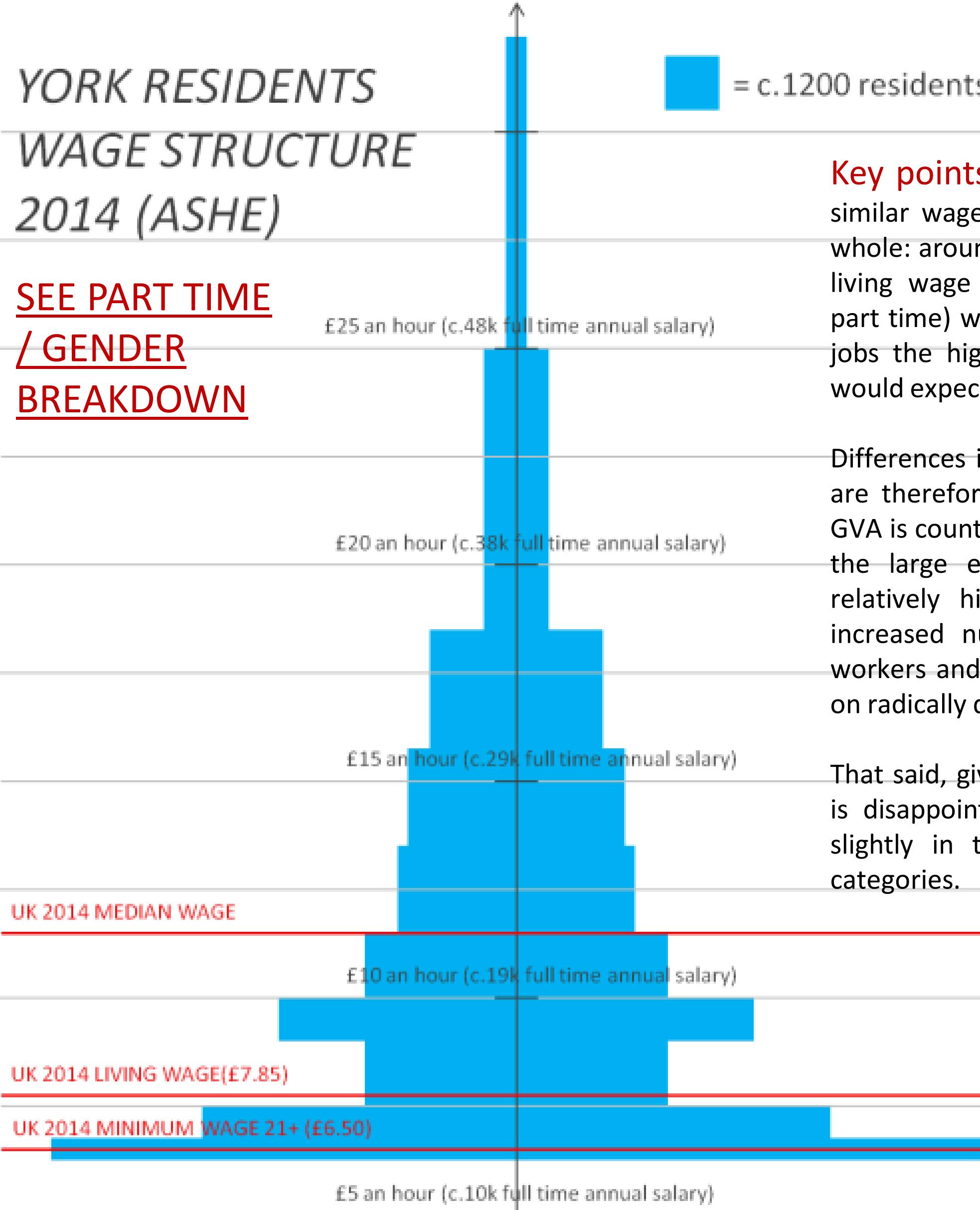
KEY POINTS? York has very low level of unemployment, especially those claiming Job Seekers Allowance (JSA) . This has decreased further since June 2014 and March 2013 too.

A large number of those economically active are students; but there are lower numbers of female carers who are economically inactive in York

More female students work (quite starkly, given there are more female students in York overall) than male students and these are likely to captured in York's high female part time employee figures.



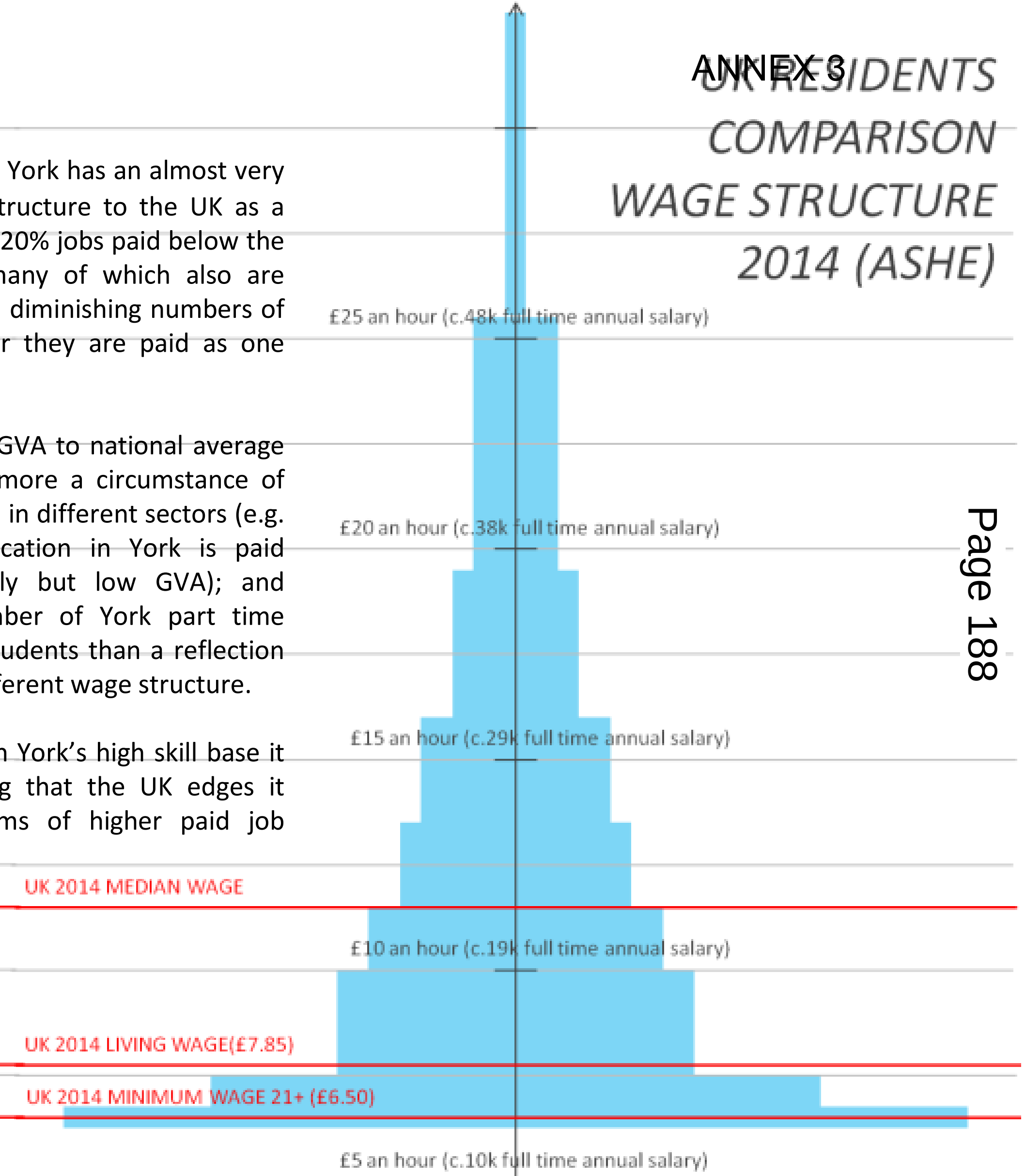
SO WHAT? One of the reasons why York has lower unemployment figures or economically inactive figures is because female students or carers in York work part time. This is likely to distort the high level of part-time working in York; and given those who work part-time earn considerably less; the average pay figures, especially when taken as annual or weekly figures. For these people, working part time is a much better outcome than not working – which should be acknowledged when pondering challenges around productivity, part-time working and wages.



Key points? York has an almost very similar wage structure to the UK as a whole: around 20% jobs paid below the living wage (many of which also are part time) with diminishing numbers of jobs the higher they are paid as one would expect.

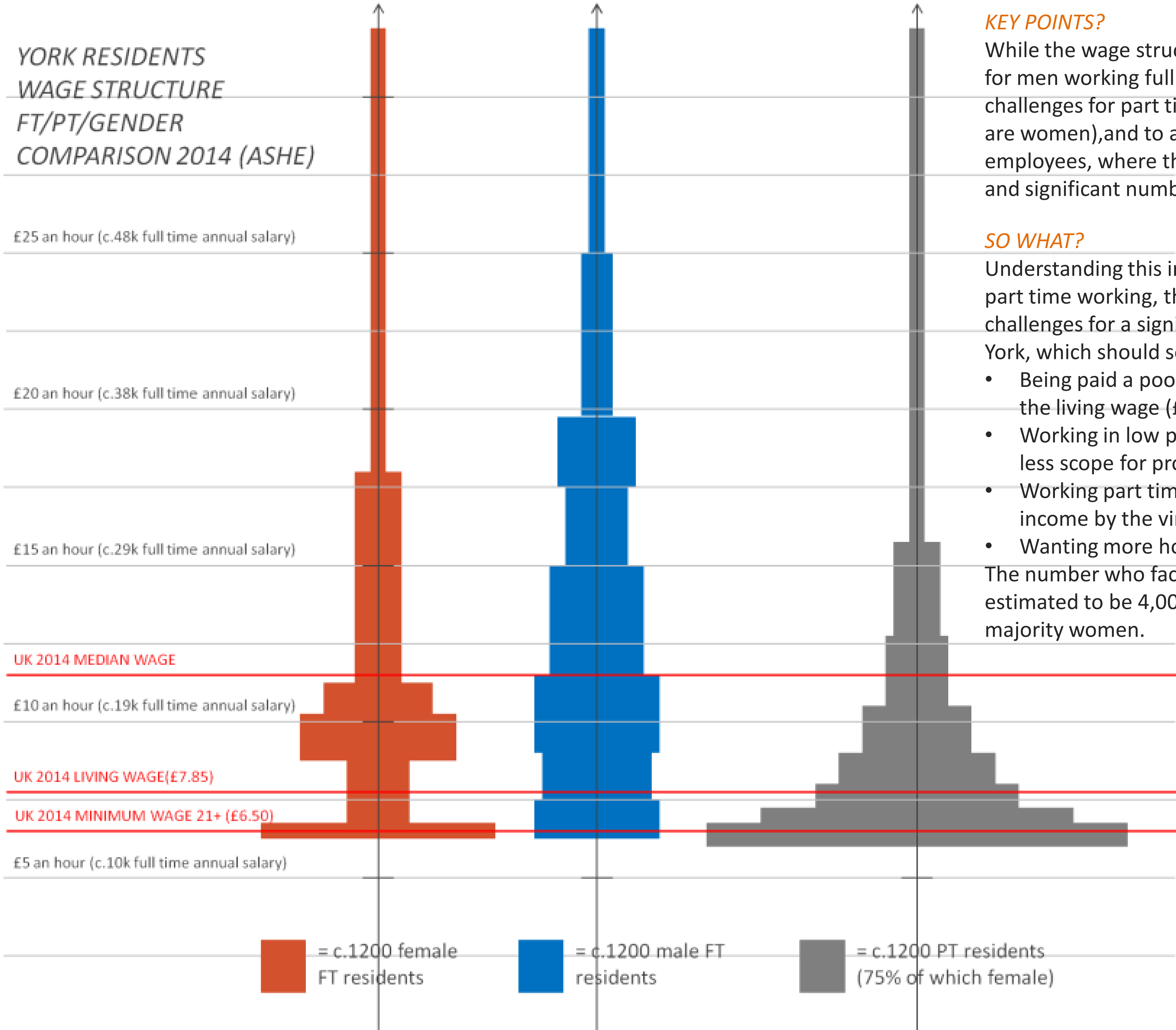
Differences in GVA to national average are therefore more a circumstance of GVA is counted in different sectors (e.g. the large education in York is paid relatively highly but low GVA); and increased number of York part time workers and students than a reflection on radically different wage structure.

That said, given York's high skill base it is disappointing that the UK edges it slightly in terms of higher paid job categories.



So what? Factors which fundamentally affect the wage structure are likely to be largely down national policy and external macro-economic factors. Local interventions are likely to have marginal effects: the biggest impact is likely to be sector makeup.

Employers implementing the living wage would impact a large number of jobs both in York (over 16,000) and nationally; although challenging for business, especially in large York sectors like accommodation and food where the whole sector competes on the basis of 70% jobs nationally being paid below the living wage.



KEY POINTS?

While the wage structure is balanced and positive for men working full time, but there are significant challenges for part time employees (of which 75% are women),and to a lesser degree FT female employees, where the majority of jobs are low paid and significant numbers below the Living Wage.

SO WHAT?

Understanding this in light of other issues around part time working, there are multi-faceted challenges for a significant number of employees in York, which should sought to be addressed:

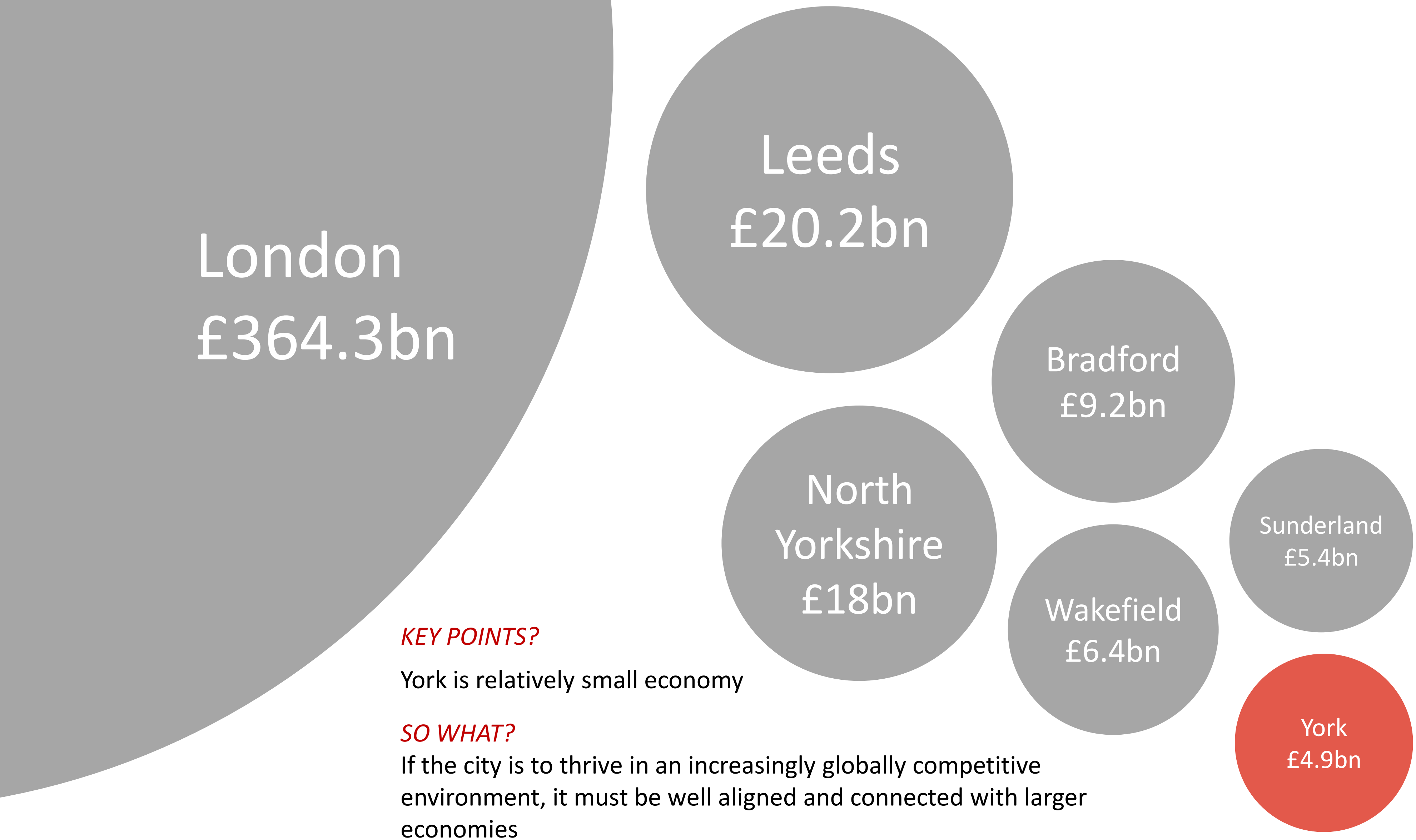
- Being paid a poor wage per hour, often below the living wage (£7.85 per hour)
- Working in low paid occupations where there is less scope for progression
- Working part time so reducing their overall income by the virtue of working less hours
- Wanting more hours than they currently have

The number who face all those issues in York is estimated to be 4,000 – 7,000, and the vast majority women.

SIZE OF ECONOMY

Gross Value Added

ONS Workplace based GVA for 2014 at current basic prices (Dec 2015)



KEY POINTS?

York is relatively small economy

SO WHAT?

If the city is to thrive in an increasingly globally competitive environment, it must be well aligned and connected with larger economies

ECONOMIC GROWTH PROJECTIONS (Oxford Economics, May 2015)

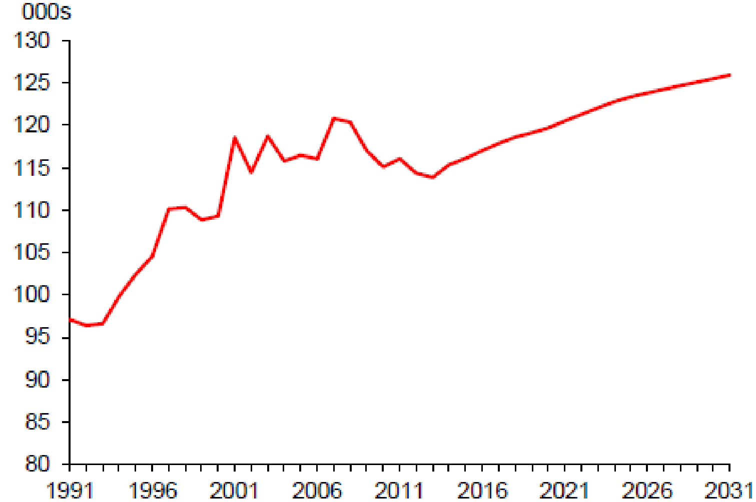
KEY POINTS?

- Employment in York in 2031 is forecast to be 125,900, more than 10,000 higher than in 2014. This is equivalent to a change of 11,220 jobs between 2013/14 to 2030/31.
- York GVA is forecast to grow on average by 2.5% per year between 2013 and 2030.
- It is important to understand this by sector for a more intelligent view on how growth may affect York.

SO WHAT?

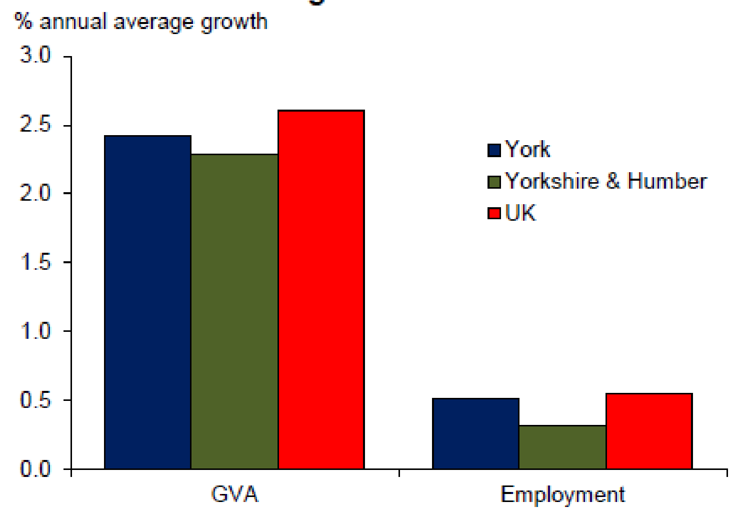
- We should apportion suitable employment land for the overall projected growth through York's local plan.
- Where growth is forecast in a way which reinforces low pay e.g. admin / retail, we should seek to make policy interventions to affect what would happen if we do nothing.

York total employment



Source: ONS, Oxford Economics

Headline economic growth 2014-31



Source : Oxford Economics

ECONOMIC GROWTH PROJECTIONS BY SECTOR (Oxford Economics, March 2014)

KEY POINTS?

These are just sector projections; and heavily subject to many factors and assumptions. Different models forecast things differently, therefore lead to different conclusions. Hence any conclusions around sector growth should be taken only as indicative rather than definitive.

The largest employment growth to 2030 is projected to come from professional, scientific and technical services, creating about 3,000 jobs; with significant growth of over 1,000 jobs in each of tourism sectors; retail; transport and storage; retail; admin & support services; human health & social work; and construction.

Manufacturing is the major sector projected to lose jobs: over 1,000 to 2030.

Oxford Economics project high GVA growth largely in a number of the retail, finance & insurance; professional services, real estate (although this is in part due to how the sector is valued, so this won't translate as fully into wages).

York's digital, creative and media sector (Information & communication) is forecast to grow by over 20% in the 50 year period, the fastest of any sector aside from Admin. However in actual employment and GVA terms the value is proportionally less than the national average as the sector in York digital, is smaller proportionately (about 40% smaller per size of economy) than in most other cities.

York's transportation sector is forecast to grow about twice as much proportionally in value than the national average. This is likely to be because the large rail sector in York which is about three times as large proportionate to other cities.

SO WHAT?

We should take into account growth projections in looking to work 'with the grain' of what is likely to happen. For example, we should use the indicative employment growth figures to take a broad view of likely sectors and jobs for future skills and education interventions to make sure we have an appropriately skilled workforce.

However, given sector econometric projections are based largely on historic size of sectors, not particularly nuanced with local intelligence (e.g. knowledge of distinctive subsectors; transport projects; development constraints; university research capabilities) and 'policy-off', we should not allow them to wholly dictate if this jars with our vision for what sort of city we want to become.

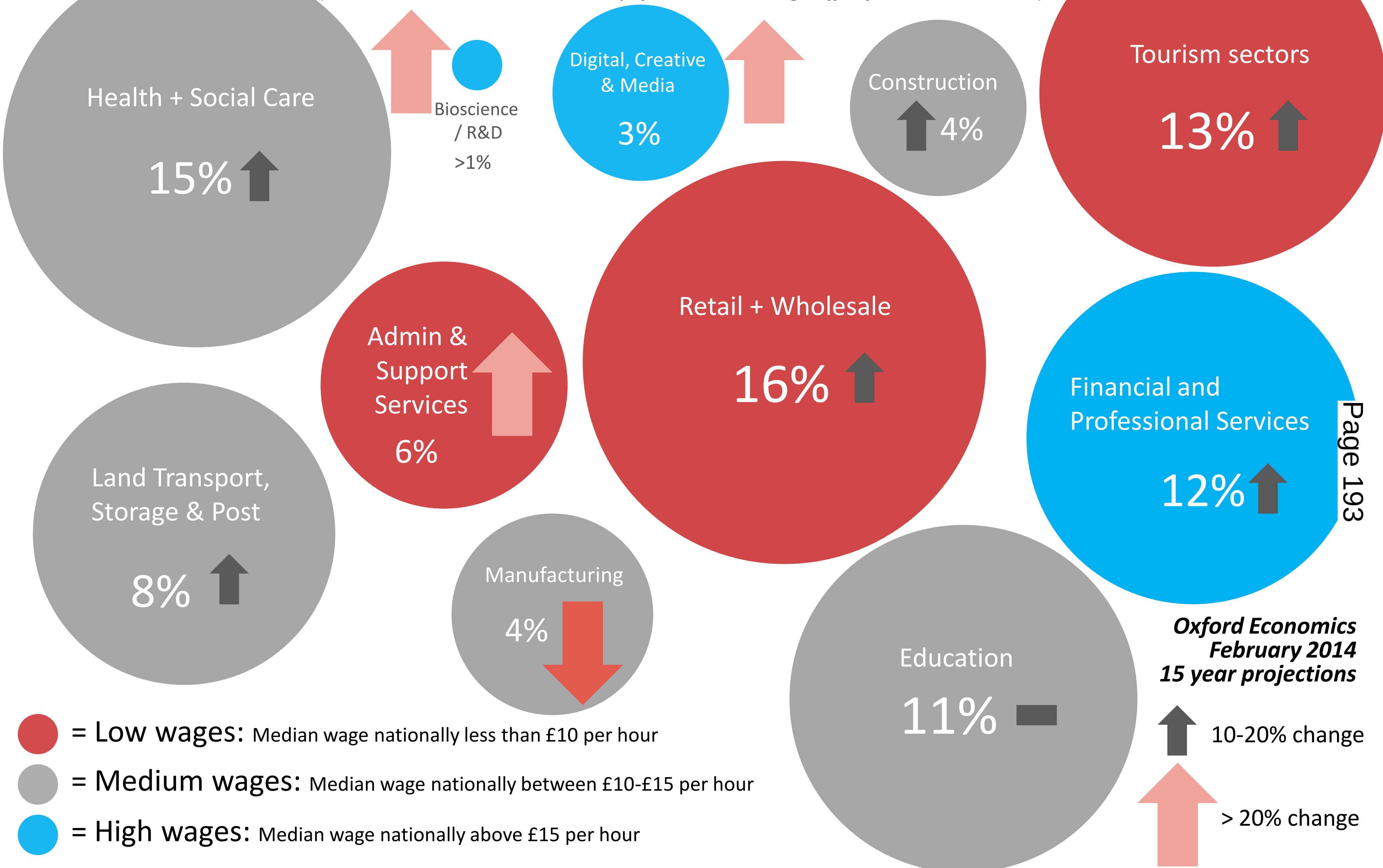
Where growth is forecast in a way which we want as a city, we should seek to maximise such growth further.

Where growth is forecast in a way which e.g. reinforces low pay e.g. admin / retail, we should seek to make policy interventions to affect what would happen if we do nothing.

Nevertheless, in all this acknowledging there is only so much within our gift to affect.

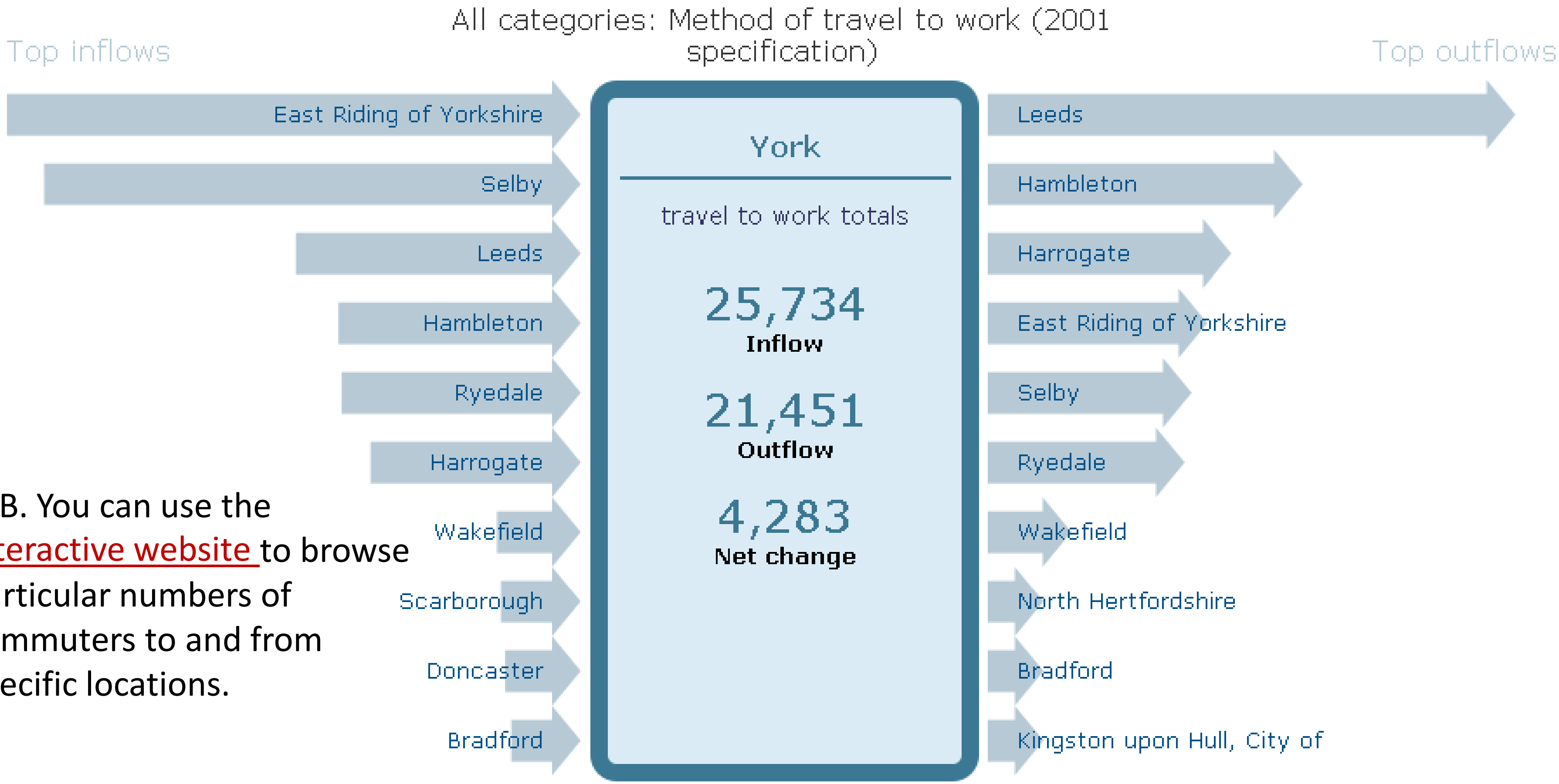
YORK KEY EMPLOYMENT SECTORS

(2014, Source: BRES and Annual Survey of Hours and Earnings, Office for National Statistics)



ANNEX 3

DAILY TRAVEL TO WORK PATTERNS TO AND FROM YORK (Census 2011)



N.B. You can use the interactive website to browse particular numbers of commuters to and from specific locations.

GO TO BREAKDOWN BY MODE OF TRANSPORT

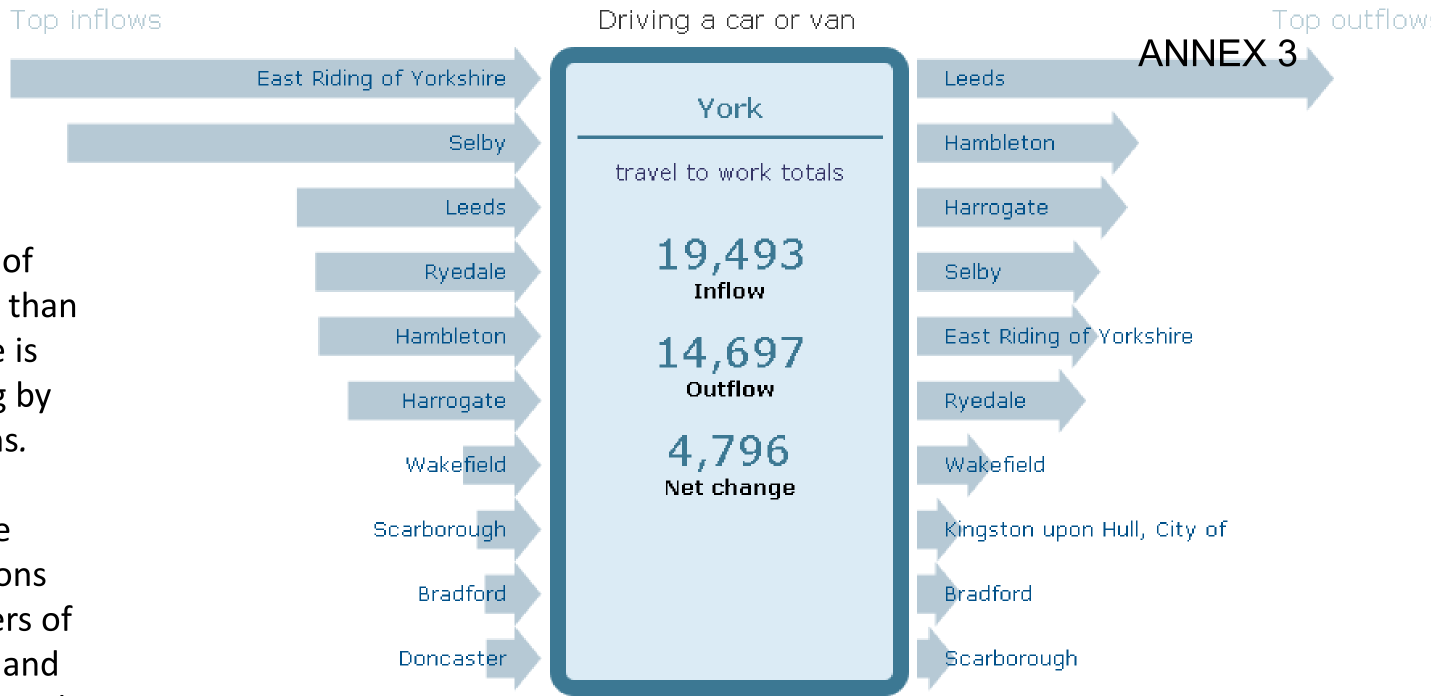
KEY POINT? Large numbers of people travel in to and out of York for work. It is important to note the locations people are coming from and also where they are going to. The highest proportion of inflows come from the East and the South of York. Whereas the biggest outflows are to the West of the city.

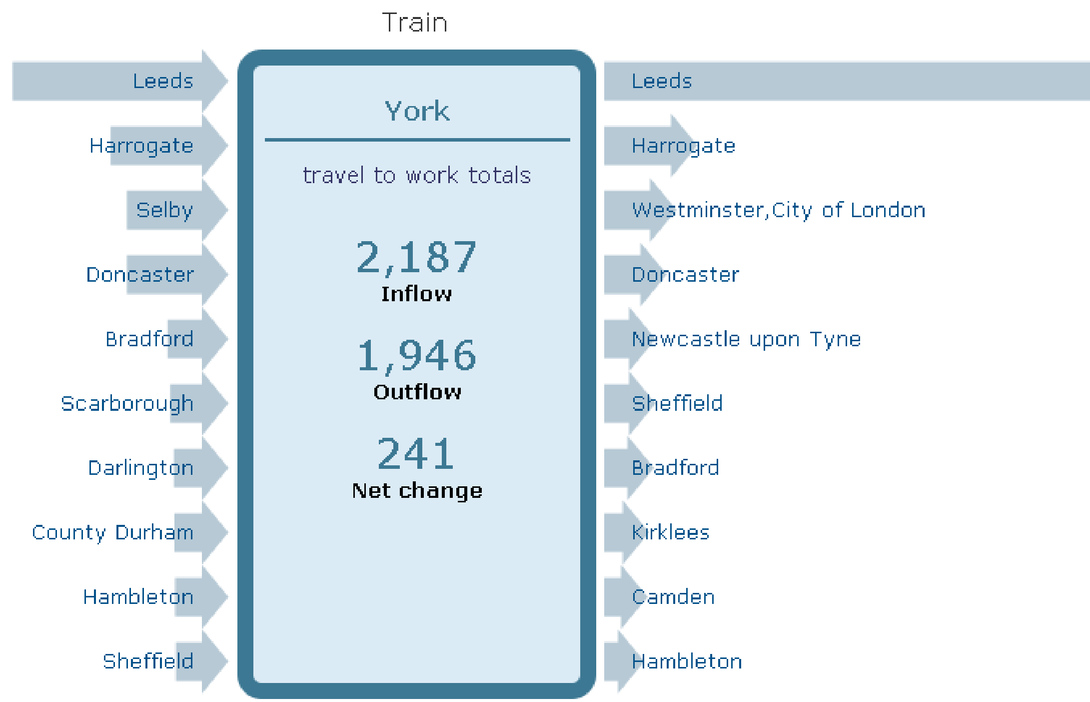
SO WHAT? It is important to know where people who live in York travel to work and also where people who work in York live. This is because it is important to maximise the ease and also reduce cost of getting to work.

KEY POINT? A larger proportion of people travel to work by car or van than by train. Aside from Leeds, there is significantly less people travelling by train to and from all destinations.

SO WHAT? With so few people travelling by train to all destinations apart from Leeds, but large numbers of people on the whole travelling to and from Selby, Harrogate, Hambleton and Ryedale, it could be concluded that the rail links do not provide a desirable alternative.

If looking to improve accessibility to the city, perhaps with the aim of reducing journey times or reducing congestion in and around the city, trying to shift the focus on the rail transport could be an option. A closer look at peoples motives to use certain methods of transport would be required to ensure any policy support demand.

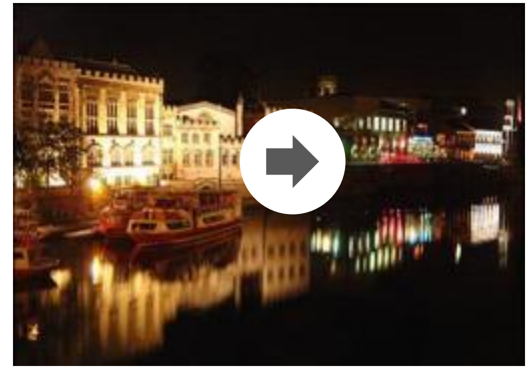




TOURISM

Headline figures

Tourism product:
accommodation
Attractions
retail + restaurants



Tourism product:
events
evening economy
infrastructure

Reasons for visiting & visitor behaviour

Value of tourism and visitor spend

Visitor profile

TOURISM HEADLINE FIGURES

7 million visitors each year	Visitor satisfaction score = **4.55/5**	**£606m** to the local economy and support **20,000 jobs**	**77%** likely to return **99%** likely to recommend

TOURISM PRODUCT

ACCOMMODATION

14,262 bedspaces in York

Hotel room occupancy is high (2013: 80%)
National average for hotels 72%

BEDSPACES	
TOTAL	14,262
HOTELS	6,000
CAMPSITES / HOLIDAY PARKS	2,700
B&Bs / GUEST HOUSES	2,500
SEFL-CATERING	1,400
THIS SUPPLIES ALMOST 5M BED SPACES PER YEAR	

ATTRACTIONS

2013: **2.9m visits** to the 9 big attractions and **237,000 visits** to 12 small attractions

Satisfaction with the variety of things to do in York is high - 80% describing it as very good

86% of visitors to York visit an attraction whilst here

RETAIL + RESTAURANTS

Eating and drinking is the most popular activity among leisure visitors **(96%)**

Shopping is the 4th most popular activity **(72%)**

Shoppers believe York's strengths as a shopping destination is: **variety of shops** (especially independent shops); **compact size of the city**

SO WHAT? There needs to be continued investment in a high quality tourism product (across all of the sectors: accommodation, attractions, retail and restaurants) to encourage visitors to spend more time and money in York.

No sectors should be left to stagnate, a continually evolving product is needed to drive repeat visits and positive word of mouth.

Quality and variety of tourism product will encourage a two-way exchange of visitors, incoming from a holiday base beyond York and outgoing from a York base, keeping visitors in the region for longer.

TOURISM PRODUCT

EVENING ECONOMY

The evening economy appears to be a weakness in terms of participation for visitors - **only 4% of visitors attended a cultural performance** in the evenings. (average spend about 90p per evening)

Research required here into the reasons why participation isn't happening – awareness and/or product problem?

EVENTS AND FESTIVALS

13% of visitors attended a **festival/event** whilst here (main reason for the trip for 8%) . This is significantly lower than for other attractions.

INFRASTRUCTURE

Main method of transport used to travel to York: **Car (just over 60%).** Train is an increasingly popular **(27%, up from 18% 3 years ago**)

89% of visitors walk around York, **13% using public buses/park and ride**. Only **12% of visitors drive** around the city

Where visitors commented on areas for improvement: cheaper and more **car parking**, **better signage**, more **toilets** and **improved public transport**

SO WHAT?

An improved evening economy could be used to promote longer stays (extension of a day trip by a few hours, or turning a day trip into an overnight stay) which would in turn grow visitor spend. It would also improve the atmosphere of the city and feeling of welcome in the evenings and so grow overall visitor satisfaction

Events and festivals give a reason to come back to York to experience something different from the last visit, or a reason to come to York in the first place. A well planned programme of festivals and events encourages growth in the shoulder seasons, taking advantage of spare capacity rather than creating issues of crowding

Variety of activities and events allows us to promote York to wider groups of potential visitors

REASONS FOR VISITING & VISITOR BEHAVIOURS

Main Reasons Given For Visiting York

1. Ambience **(46%)**
2. Visiting Cultural attractions and historic houses **(22%)**
3. Visiting friends and relatives **(10%)** [slow upward trend]
4. Attending a festival or event **(8%)**

Visitor Behaviour - Popular activities

1. Eating and drinking **(96%)**
2. Visiting attractions **(86%)**
3. Strolling around and enjoying the ambience of the city **(85%)**
4. Shopping **(72%)**

SO WHAT?

There is a conflict between the things that inspire people to come to York and the things that they experience while they are here (e.g. eating and drinking is not a main reason to come here, yet York's food offering is experienced by the vast majority of the visitors and accounts for a reasonable proportion of their spend, whereas strolling around and enjoying the ambience is unlikely to generate much spend)

Having attracted visitors using York's USPs, we can then tactically use marketing and information (such as the York Pass, or shopping or food trails) to create additional opportunities to spend

Market Intelligence gathered underpins the work to market the city, inform the visitors and identify areas in need of product development

VALUE OF TOURISM AND VISITOR SPEND

£145

Average trip spend of a business visitor

Tourism brings £606m to the local economy, and supports 20,000 jobs.

£78

Average trip spend of a leisure visitor

Business tourism contributes **25%** to the total value of tourism **(£152m spend)**

SO WHAT?

Volume and value are not always directly linked and the high value segments should be targeted to generate growth in the value of the tourism.

The high value segments are known to be business visitors (as demonstrated by their high trip spend, left), overseas visitors and specific segments of high value leisure visitors.

VISITOR PROFILE

7m visitors per annum:
5.9m for leisure and **1m for business**

¼ of leisure visitors are from within Yorkshire

LEISURE	
DAY VISITORS (80%):	**STAYING VISITORS (20%):**
TOP 10 OVERSEAS MARKETS FOR LEISURE	**TOP 5 OVERSEAS MARKETS FOR BUSINESS**
The US (18%) Australia (13%) Germany (8%) The Netherlands (8%) France (7%) Canada (6%) Spain (4%) Italy (3%) Norway (3%) China (2.5%)	US Ireland Poland Germany Sweden

These percentages are 'of all overseas visits' 83% of visitors are from the UK

SO WHAT?

Make progress to grow the proportion of staying visitors by 1%, which equates to 70,000 visitors, by attracting first time, overnight visitors and converting day visitors to staying visitors

Focus on the greatest volume overseas markets to capitalise on the Northern Futures Tourism Investment Fund for 2015/16, which has identified it's key markets to be the four that are also at the top of York's list (US, Australia, Germany and the Netherlands)

Watch China and other potential growth markets and prepare product and marketing in order to benefit from their rapid growth

STRENGTHS FURTHER ANALYSIS

Highly educated workforce

One of the top 10 UK cities for percentage of high qualification levels	Each year over 7000 new graduates and postgraduates completing qualifications in York	Lower wage costs than any of the other top 10 cities for skills levels

Details

What is distinctive about York?

York is among the top cities (6th best) in the UK for % residents with a level 4 qualification. This does not necessarily mean residents are qualified in technical professions but rather indicates they have a very high broad standard of education. This is likely only to increase with 7000 new graduates from York each year, and the expansion of the University of York; and 46% finding work in Yorkshire & the Humber.

For businesses, this highly educated 'human resource' is available at lower salary levels than any of the other top 10 UK cities with high qualifications levels and lower than the major population centres of Leeds, Manchester and Birmingham.

See breakdown of York graduates by course

See wage comparisons

Who cares?

(Which businesses/functions does this have a particular strong impact on, e.g. in deciding where to locate)

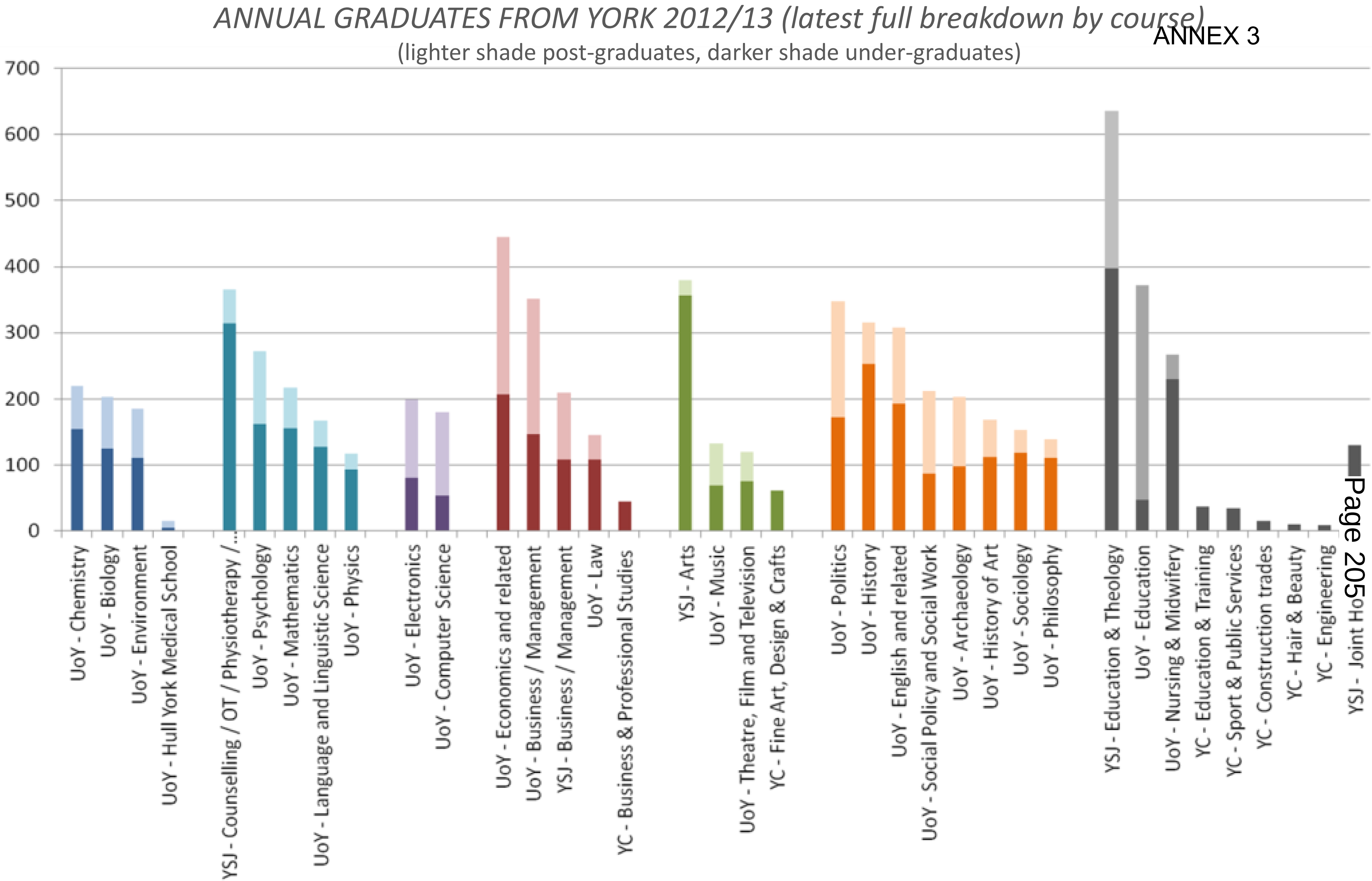
Financial & professional services

Back office functions and shared service centres

Marketing and sales

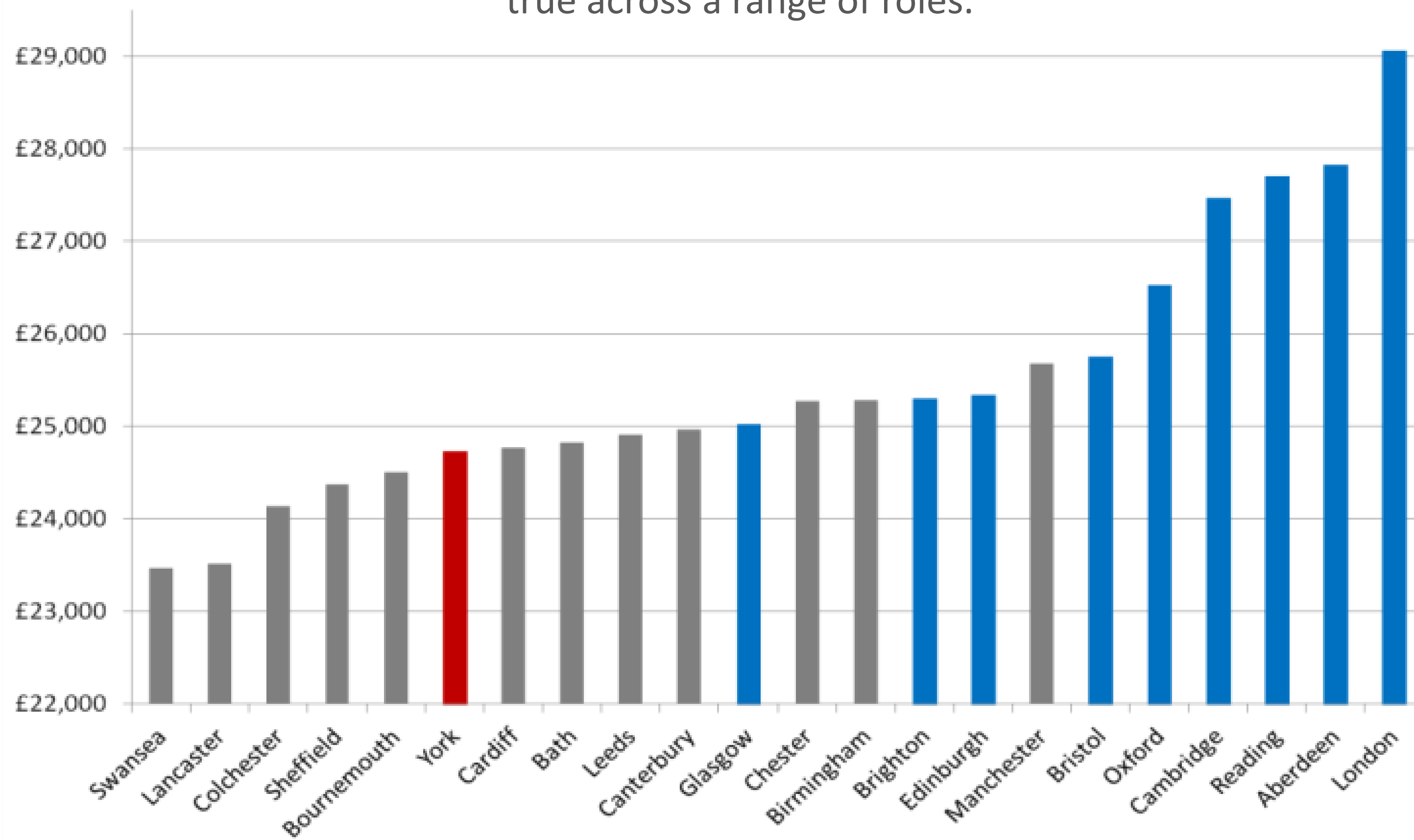
Market research/business intelligence

Businesses with a business model of graduate recruitment / interns


ANNUAL GRADUATES FROM YORK 2012/13 (latest full breakdown by course)
(lighter shade post-graduates, darker shade under-graduates)
700
600
500
400
300
200
100
0
UoY - Chemistry
UoY - Biology
UoY - Environment
UoY - Hull York Medical School
YSJ - Counselling / OT / Physiotherapy / ...
UoY - Psychology
UoY - Mathematics
UoY - Language and Linguistic Science
UoY - Physics
UoY - Electronics
UoY - Computer Science
UoY - Economics and related
UoY - Business / Management
YSJ - Business / Management
UoY - Law
YC - Business & Professional Studies
YSJ - Arts
UoY - Music
UoY - Theatre, Film and Television
YC - Fine Art, Design & Crafts
UoY - Politics
UoY - History
UoY - English and related
UoY - Social Policy and Social Work
UoY - Archaeology
UoY - History of Art
UoY - Sociology
UoY - Philosophy
YSJ - Education & Theology
UoY - Education
UoY - Nursing & Midwifery
YC - Education & Training
YC - Sport & Public Services
YC - Construction trades
YC - Hair & Beauty
YC - Engineering
YSJ - Joint Ho

Example salary costs for an International Sales Representative*

The same pattern of York being cheaper than other cities for a highly educated workforce is true across a range of roles.



= other top 10 cities with highest qualification levels

* Source: Payscale.com York v rest of the top 10 cities for highly educated workforce + cities with a similar business structure (August 2013)

Rail connectivity

Less than 2 hours from London by direct train, with 35 services a day

Frequent direct train connections to every major city in England and Scotland

Details

What is distinctive about York?

York is exceptionally well connected by Rail with journey times to London better than those of most competitor cities in the north including Manchester, Leeds and Sheffield. There are also direct rail connections to all major cities in England and Scotland (including Edinburgh, Leeds, Manchester, Sheffield, Birmingham, Newcastle, Bristol and Glasgow) and direct services to Manchester Airport providing access to international markets in over 200 different destinations worldwide in just 1 hour and 45 minutes.

Speedy access to St Pancras / Kings Cross also provides swift onwards rail connectivity to Europe.

Investment in the ECML and HS2 over the coming years are expected to reduce times to London still further.

Who cares?

(Which businesses/functions does this have a particular strong impact on, e.g. in deciding where to locate)

Financial & professional services

Rail industry

IT, digital, creative and media companies

UK relationship managers or back office functions for CBD branch-based companies
(e.g. retailers, restaurant chains, business hotels, entertainment venue chains)

Corporate training and development

YORK NATIONAL + INTERNATIONAL TRANSPORT LINKS

Located on the East Coast Mainline, York Station has around 83 daily services to Leeds (23 minutes), 74 daily services to Newcastle (53 minutes) and 35 daily services to London (1hr50).

York also has integrated international connections with direct trains to Manchester Airport, an hour and a half away, flying to over 200 destinations worldwide, and Leeds Bradford International Airport around an hour away, offering flights to 75 destinations.

The major port of hull, an hour to the East of York, offers further opportunities for international trade.

Furthermore, from London, Eurostar's St Pancras service brings Paris and the rest of Europe within easy reach.

Destination	Door to door time	Mode
Leeds	23 mins	Direct Train
Port of Hull	1hr	Drive
Manchester Airport	1hr 30 mins	Direct Train
London	1hr 50mins	Direct Train
Edinburgh	2hrs 22mins	Direct Train
Paris	2hrs 16mins	Flight (including travel to airport)
Berlin	2hrs 46mins	Flight (including travel to airport)
New York	9hrs 22mins	Flight (including travel to airport)

By road, the A64 dual carriageway leads to the A1 (M1), the UK's main North-South artery, providing easy access to a range of business hubs and centres across the UK. From many parts of the region, it is possible to be in Leeds in less than 30 minutes or at Manchester Airport in 1 hour 30 mins.

Quality of life

High quality of life in relation to a beautiful place, low levels of crime, good schools, cultural vibrancy and access to the natural environment; and multiple awards.

Details

What is distinctive about York?

York has frequently received accolades such as 'the place Britons most want to live'. Evidently, this is not the same as the draw to somewhere like London, but in part due to the beauty and heritage of the city itself. In addition, low levels of crime and anti-social behaviour make York a very safe place to live.

There are good education, health and public services. For the size of the city, York is also very culturally vibrant, with a range of festivals throughout the year alongside regular events such as York races.

While high for the North of England, living costs are good value for the 'Southern' quality of life York affords, which is likely to especially appeal for those moving from owning property in the South of England.

Who cares?

(Which businesses/functions does this have a particular strong impact on, e.g. in deciding where to locate)

Evidently, the main beneficiaries of this are residents of the city. It is also of benefit to most industries, perhaps most so to those with higher paid employees, e.g.

Financial & Professional Services

IT Businesses

Real estate

Visitor economy with strong brand recognition

Significant market of 7m visitors each year	A large base of hotels, restaurants, visitor attractions etc. in York	Brand recognition of York in relation to heritage and tourism

Details

What is distinctive about York?

York is recognised as a tourism destination of choice. Most significantly for businesses this provides a large potential customer base of 7m visitors, and the city footfall for passing trade related to this.

Added to this is strong brand recognition, with the particular association around heritage, culture, quality and traditional Englishness, alongside a large base of businesses already within the sector driving ever-increasing visitor numbers, albeit also generating increasing competition.

Further details about visitor economy.

Who cares?

(Which businesses/functions does this have a particular strong impact on, e.g. in deciding where to locate)

Visitor attractions / city centre leisure facilities

City centre retailers and those on the outskirts

Accommodation, restaurants, cafes, bars and pubs

Auxiliary services to the tourism sector

Conference venues

Event organisers

Tourism product and businesses based beyond York

Transport providers

Low unemployment

Some of the lowest rates of people claiming Job Seekers Allowance in the UK

Details

What is distinctive about York?

Only 1% (ONS, 2014) of York's working age population is claiming Job Seekers Allowance, placing York as the 4th best city in the UK for unemployment. This is consistently low and significantly lower than the national and regional averages.

This provides York with the opportunity to build on established solid base, and be a test-bed for new interventions

Who cares?

(Which businesses/functions does this have a particular strong impact on, e.g. in deciding where to locate)

Self-evidenctly, this has the biggest positive impact on residents.

For business, there are both benefits and challenges: It means that companies are able to recruit people with good record of work, and therefore with greater experience; however it also result in a tight labour market and some firms may find it harder to recruit because of this.

Industrial biotech and Agri-food strengths

Internationally leading research base in industrial biotech + agri-food	600+ new graduates / postgraduates each year from leading biology / chemistry / environment departments	High quality accommodation located next to research base
Close proximity to agricultural feedstock and industry	Significant and diverse regional supply chain utilising bio-based raw materials, e.g. Drax, Croda, Nestle, McCains etc.	Several centres of excellence and open innovation facilities with over 600 scientists in field for collaboration

Details

What is distinctive about York?

The R&D base in York competes on the international stage in these scientific areas. It is home to two internationally recognised research groupings at the University of York, the Centre for Novel Agricultural Products (CNAP) and the Green Chemistry Centre of Excellence (GCCE). The Biorenewables Development Centre is leading the way in business collaboration, bridging the gap between scientific discovery and commercial exploitation. Complementing these academic resources is the Food and Environment Research Agency (Fera), located at Sand Hutton outside York, which has over 600 scientists at the leading edge of research into food analysis and testing, crop protection, plant health, food labelling and other related areas.

The wider York area is also home to thousands of small and medium sized enterprises (SMEs) with footholds in the bioeconomy. These are the companies that are likely to create growth and jobs in the future.

These assets have begun to attract new businesses from elsewhere in country and internationally to move to York.

Who cares?

(Which businesses/functions does this have a particular strong impact on, e.g. in deciding where to locate)

R&D intensive Bio Process Innovation enterprises

Innovative chemical industries

Commercial food or crop analysis and testing companies

Biofuel and bioenergy suppliers

Forward-looking agricultural enterprises

Manufacturers of agricultural chemicals, especially R&D functions

Food and Drink Manufacturers

Key sector strengths

10% of national employment in the rail industry based in York	Services auxiliary to insurance are four times the size of the national average	Internationally recognised Media Arts sector through UNESCO designation

Details

What is distinctive about York?

There are a number of sectors where York has over four times the national average number of employees: namely rail and insurance.

10% of national employment in the rail industry and 67% regionally is based in York. The city has major offices for key businesses such as Network Rail and Virgin Trains East Coast as well as strengths in auxiliary industries such as rail engineering (Tata Steel, Siemens Rail) and transportation software (Omnicom, Funkwerk).

Emerging insurance hub including Aviva & Hiscox employing over 1000 in the city.

York's growing Media Arts sector has also received international recognition through designation as a UNESCO Media Arts city.

Further details about York's location quotients

Who cares?

(Which businesses/functions does this have a particular strong impact on, e.g. in deciding where to locate)

Rail and related companies

Insurance firms, and services auxiliary to the industry

Digital and Media Arts businesses

LOCATION QUOTIENTS

Industry Subsector	York	Median Hourly Pay
522 : Support activities for transportation	6.79	£12.53
662 : Activities auxiliary to insurance and pension funding	3.97	£16.69
854 : Higher education	3.39	£13.61
103 : Processing and preserving of fruit and vegetables	2.70	9.46
910 : Libraries, archives, museums and other cultural activities	2.42	11.46
251 : Manufacture of structural metal products	2.38	11.70
750 : Veterinary activities	2.35	11.48
431 : Demolition and site preparation	1.81	£12.22
551 : Hotels and similar accommodation	1.64	7.09
477 : Retail sale of other goods in specialised stores	1.54	7.52
949 : Activities of other membership organisations	1.52	11.79
421 : Construction of roads and railways	1.48	£12.75

KEY POINTS:

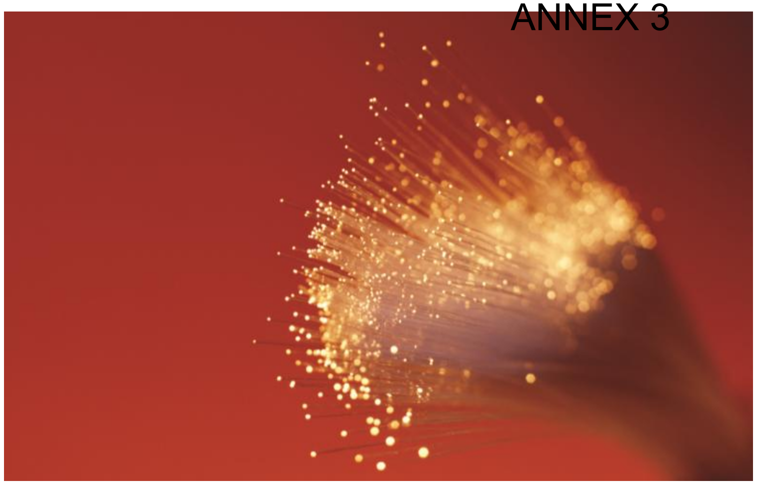
Looking closer at the location quotients of the sub sectors, there is a broad range of hourly pays across the top 12 subsectors and the number of times bigger than the national average they are comparatively. All these sectors and significantly larger than the national average, especially transportation support activities and auxiliary activities to insurance.

SO WHAT?

These disproportionately large sectors are a reflection on where York may specialise; and especially of interest where they are high value.

Digital infrastructure

A Gigabit City, one of four in the UK	A number of leading digital businesses	Free Wifi in the City Centre and on all park and ride routes



Details

What is distinctive about York?

1 Gigabit dark fibre infrastructure rollout underway, placing York ahead of the curve in terms of ultrafast digital connectivity. York is one of currently 4 Gigabit Cities in the UK.

Free WiFi in the city centre and all park and ride routes

Leading innovative digital businesses located in the city

Existing private-sector led digital strategy group with emerging plans for greater exploitation of this infrastructure

Who cares?

(Which businesses/functions does this have a particular strong impact on, e.g. in deciding where to locate)

Business reliant on high connect speeds who would otherwise not be able to afford an installed line, particularly:

Digital and creative businesses

IT / data businesses

Companies from a range of other industries who are leading in new digital approaches

Businesses developing smart city solutions

CHALLENGES FURTHER ANALYSIS

Lack of available land and good quality city-centre office space

THE CHALLENGE

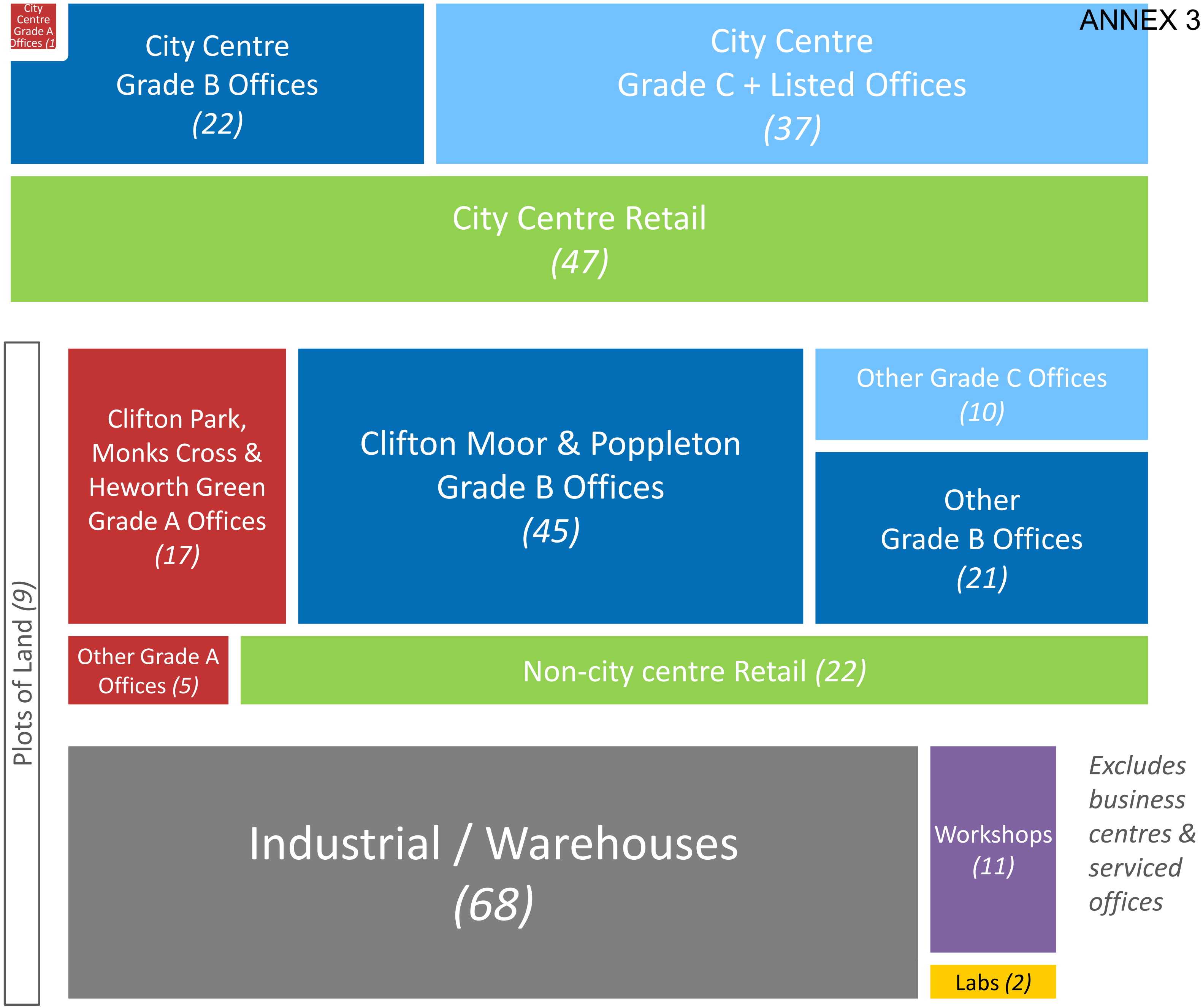
- York's size, available commercial property and infrastructure means that there are not always the sites to accommodate growing business
- Insufficient Grade A office accommodation in the City Centre to meet high demand from growth sectors, e.g. professional services
- Minimal available laboratory space, with the BioCentre at York Science Park full to capacity
- Specific challenges for businesses transitioning out of subsidised incubation accommodation into property at market rates
- Insufficient demonstrable demand to spec build or to upgrade lower grade properties

WHAT WOULD IT TAKE TO MAKE A CHANGE?

- York Central and Heslington East delivered through full viable investable propositions and sufficient private sector investment
- Considerable evidenced demand to provide market confidence, and anchor tenants / pre-lets lined up for key sites
- Investor / developer interest and engagement
- Renovation of substandard existing buildings in the interim period; with incentivised business models / support on pre-lets to make commercially viable
- Adoption of a suitable planning framework

Available Accommodation in York

(Size of rectangle proportionate to number of units)
(CYC Office Accommodation analysis 2013)



A skew towards low wage / productivity sectors and occupations

THE CHALLENGE

• Despite high qualification levels and a strong economy, York's wage levels are below the national average (£25,674 gross annual wages for full time employees compared to £27,645 for the UK)

• York has a higher proportion of jobs in lower paid sectors than the national average , in particular within the accommodation and food sector with a median national wage of £7.97 per hour.

• Similarly, due the sectoral makeup, the occupations where York has the greatest number more than the national average is within poorly paid jobs: sales assistants, retail cashiers, cleaners, waiters/waitresses, bar staff and kitchen assistants.

• The majority of higher value jobs in sectors such as Accommodation and Food are still paid below the overall national median wage; therefore increasing productivity within sectors is unlikely to fully address the issue.

WHAT WOULD IT TAKE TO MAKE A CHANGE?

• The pace of growth in high value sectors to significantly outstrip growth which occurs in lower value sectors (e.g. tourism, retail, care).

• Existing businesses within these high value sectors growing rapidly

• New high value businesses moving to the City with the distinctive offer and suitable space for them to relocate

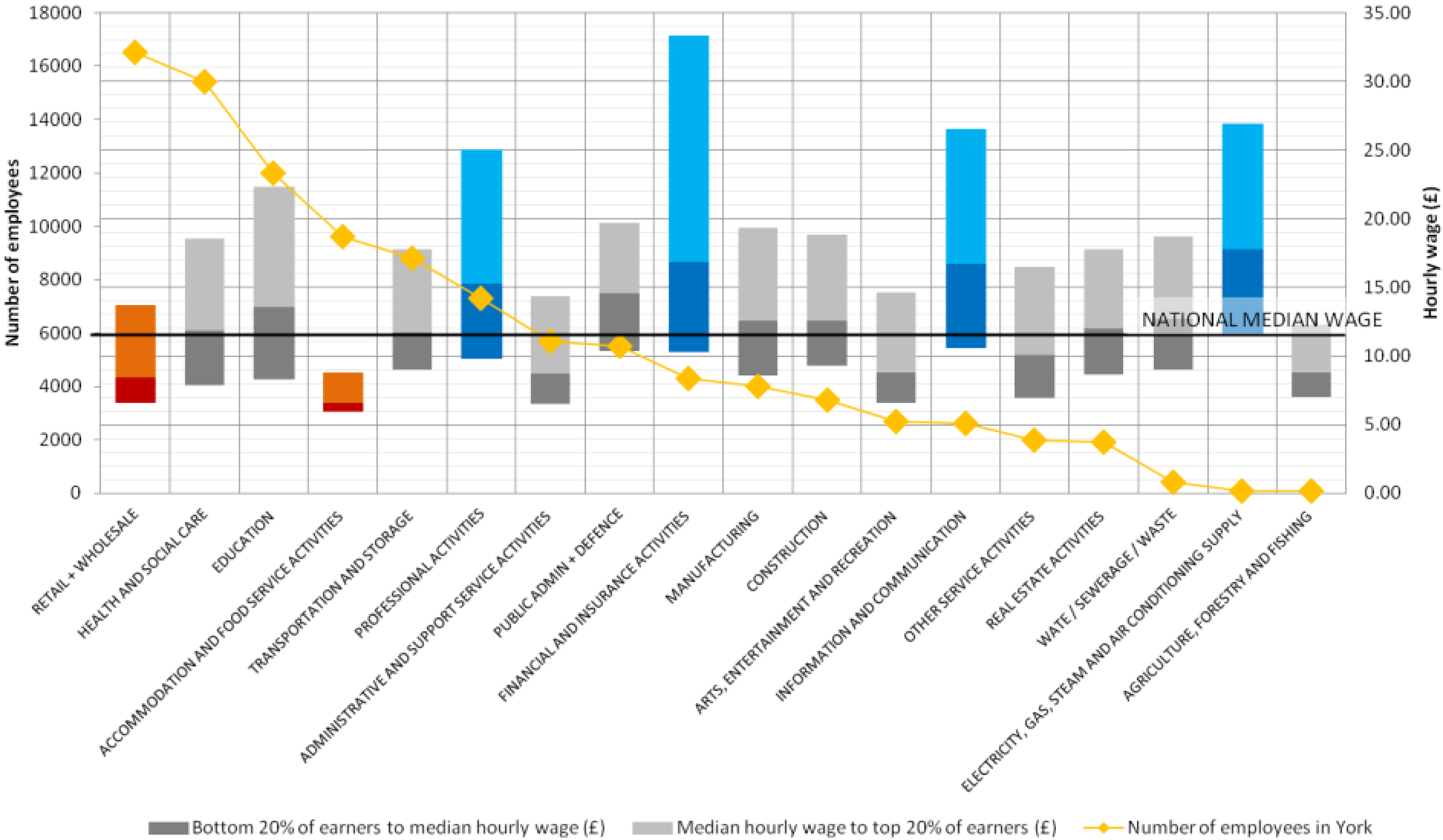
• The appropriate infrastructure, accommodation including accommodation to facilitate these sort of businesses staying, growing and moving to the city (e.g. city centre grade A office, lab space)

A skew towards low wage / productivity sectors and occupations

Description	# employees more or less than the national average trend in York	Median Hourly Pay
Transportation And Storage	4310	£12.60
Accommodation And Food Service Activities	2541	£7.97
Education	2400	£16.28
Health And Social Care	1772	£13.00
Public Admin + Defence	589	£15.60
Financial And Insurance Activities	528	£19.37
Retail + Wholesale	481	£10.42
Real Estate Activities	204	£13.59
Arts, Entertainment And Recreation	153	£10.75
Other Service Activities	-41	£11.83
Water / Sewerage / Waste	-278	£12.66
Electricity, Gas, Steam And Air Conditioning Supply	-317	£18.47
Agriculture, Forestry And Fishing	-614	£9.00
Professional Activities	-722	£16.43
Construction	-930	£13.16
Information And Communication	-1463	£18.10
Administrative And Support Service Activities	-2807	£10.22
Manufacturing	-4511	£12.98

TOP 3 OCCUPATIONS WHERE YORK HAS MORE RESIDENTS WORKING IN THAN THE NATIONAL AVERAGE	MEDIAN HOURLY WAGE (UK)
1. Sales and customer service occupations (specifically sales assistants and retail cashiers)	£8.78
2. Elementary occupations (specifically cleaners, waiters/waitresses, bar staff and kitchen assistants)	£8.20
3. Professional occupations (specifically education professionals)	£19.53

HOW MUCH SECTORS PAY + HOW MANY PEOPLE DO THEY EMPLOY IN YORK
Largest York employment sectors from the left



(2013, Source: BRES and Annual Survey of Hours and Earnings, Office for National Statistics)

Congestion

THE CHALLENGE

- York is constrained by its historic geography and consequently its road infrastructure

- High volumes of business, visitor and resident journeys into the City by car

- There are a small number of key routes in and out of the City, many of which lack sufficient capacity to support high volumes of traffic (i.e. Outer Ring Road, A1237)

- This poses a challenge for businesses reliant on frequent travel in and out of the City, or within it, and has resulted in lower demand for particular employment sites (e.g. Clifton Moor).

- Access around the City is sometimes inhibited

- There is a need to improve journey times on key routes, e.g. Outer Ring Road, as well as improving air quality and lower carbon emissions

WHAT WOULD IT TAKE TO MAKE A CHANGE?

- Improvements to infrastructure, with considerable investment through public and private investment

- An improved offer of timely, affordable and sustainable public transport

- Widespread adoption of sustainable transport approaches (e.g. Sustainable Transport Plans) by local businesses and residents

- Cross sector agreement and commitment from all stakeholders to work to a shared vision and take systematic and sustained action to combat congestion over the long term

- Business accommodation with good transport access is common across all employment location around the City

- Modal shift towards public transport or journey sharing, reducing congestion

Mismatch between skills and jobs

THE CHALLENGE

- The number of companies reporting difficulties recruiting to jobs remains high (52% service, 61% manufacturing) in the latest Chamber of Commerce survey (Q4 14)
- Low levels of unemployment means a tight labour market, heightening the issue.
- Despite high qualification levels, there is a mismatch between specialist skills required and the local talent pool; with skills shortages often job specific.
- Specific challenges around certain sectors, such as social care, construction and the rail industry
- Growing sectors requiring new skill sets e.g. Software developers

WHAT WOULD IT TAKE TO MAKE A CHANGE?

- Education, training and skills provision tailored to meet business needs and specific skills demands, with collective interventions for sectors with particular people or skills challenges
- Business led skills provision and investment in learning and development
- Clear mechanisms , especially around graduates, to match talent and fill vacancies
- People in the wider region to be able to access jobs in York with affordable, fit-for-purpose transport infrastructure
- People to perceive York as a quality place for talented ambitious people to work, with sufficient critical mass of companies within the region to develop a successful career

PROJECTED FUTURE JOB REQUIREMENTS TO 2022 BY INDUSTRY

	Current employment (BRES, 2013)	Expansion demand (YNYER projection, UKCES, 2013)	Retirements (UKCES, 2013)	Net requirement (UKCES, 2013)	Median UK wage (ASHE, 2014)
Health and Social Care	**15400**	**1132**	**5209**	**6341**	**£11.83**
Retail & Wholesale	**16500**	**388**	**5047**	**5435**	**£8.50**
Food and Accommodation	9600	588	3135	3722	£6.63
Education	12000	-245	3918	3673	£13.61
Transport and Storage	8800	800	2667	3467	£11.71
Professional Services	7300	768	2305	3074	£15.33
Support Services	5700	204	1832	2036	£8.75
Construction	3500	530	1061	1591	£12.58
Finance and Insurance	4300	307	1536	1536	£16.92
Information and communication	2600	306	918	1376	£16.78
Public Admin and Defence	5500	-190	1707	1328	£14.53
Arts and Entertainment	2700	193	964	964	£8.81
Manufacturing	4000	-293	1171	878	£12.58
Other Services	2000	133	667	800	£10.08
Real Estate	1900	0	760	760	£12.02
Water and Sewerage	400	0	200	200	£12.69
Agriculture	100	0	38	38	£8.81

KEY POINTS?

Demand for future jobs is influenced significantly more by retirements than new job creation, therefore it will always largely follow what the largest sectors are (unless they have particularly young employees); and not radically changed by growth sectors or differing projections.

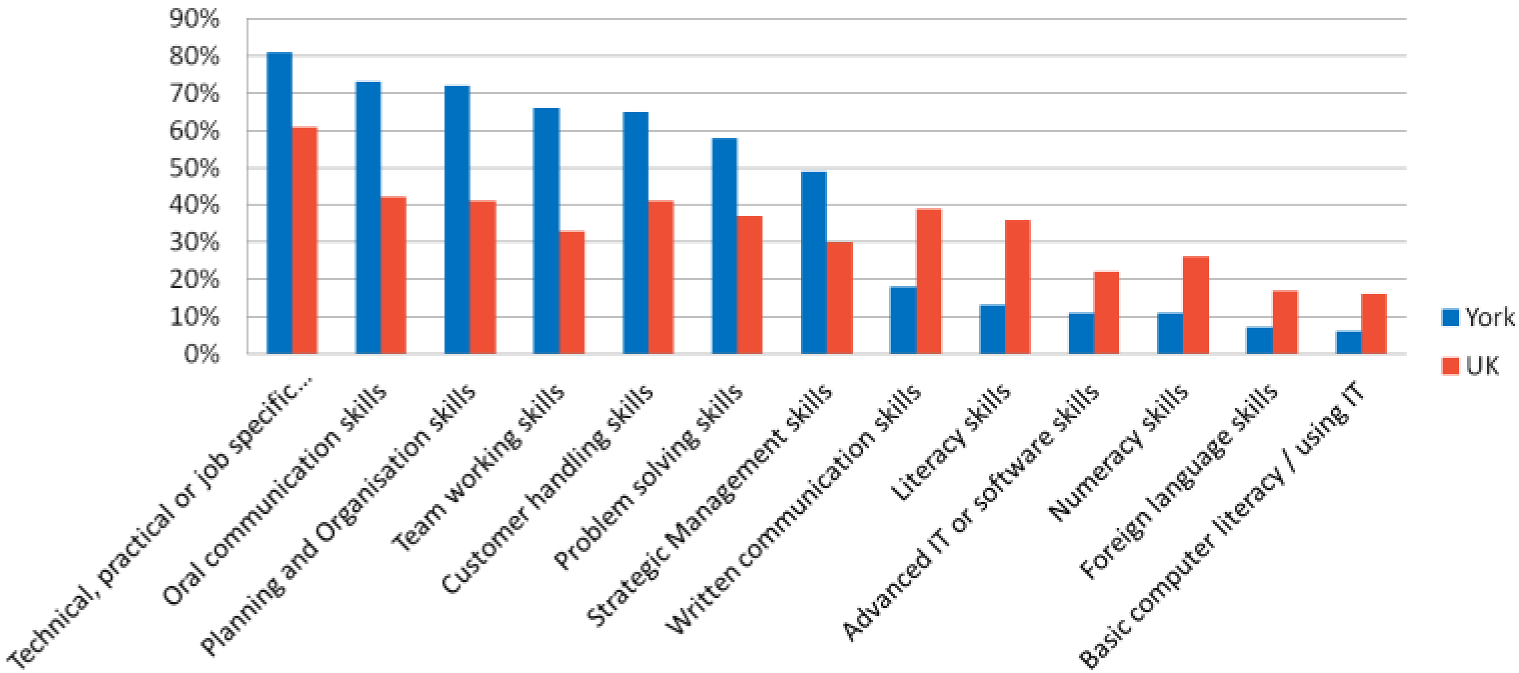
Health, social care and retail are where there will be most demand.

Professional services (which covers a huge range of occupations), is the best paid sector with large future job requirements; along with certain occupations within education, health and rail.

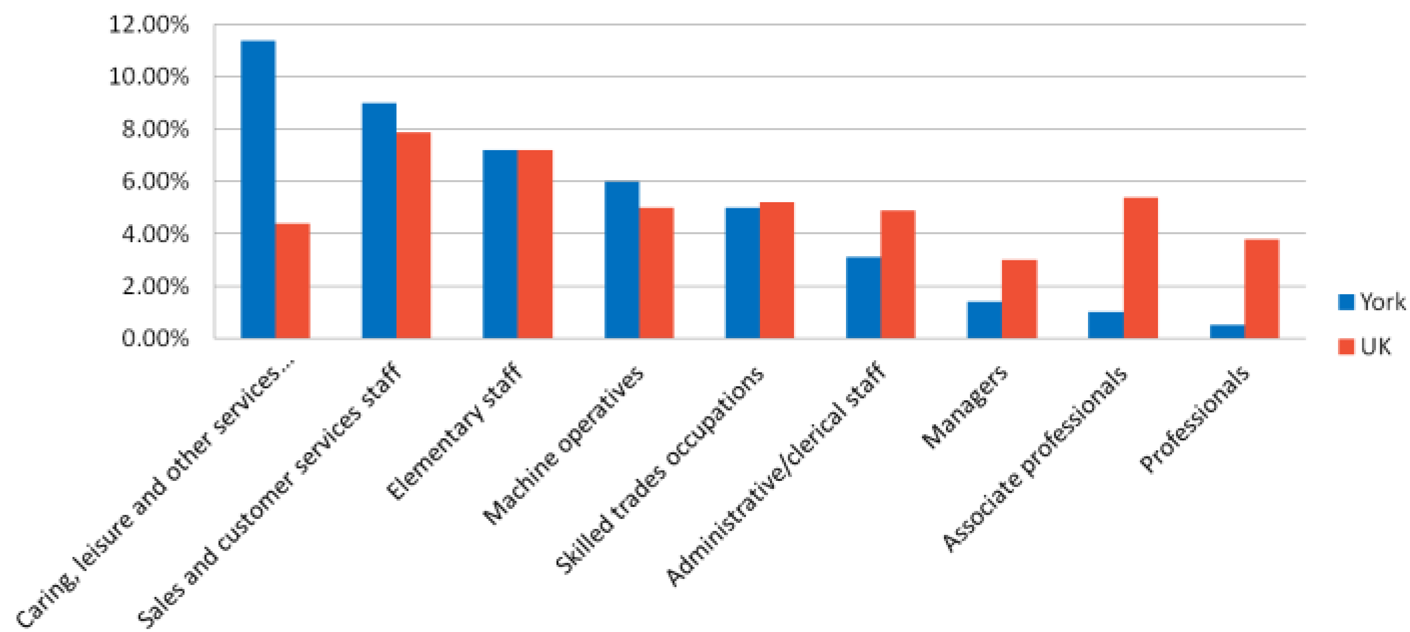
SO WHAT?

Our skills and recruitment support interventions should be focussed on these sectors to maximise impact, especially where we know there is market failure.

Skills found difficult to obtain from applicants (UKCES, 2013)



Density of skills gaps by occupation (UKCES, 2013)



KEY POINTS?

There are some general skills shortages such as oral communication, planning and organisation, customer service and team working skills prevalent across a large number of employers. The highest skills gaps however often technical, practical or job specific though.

Skills gaps were most prevalent within care, leisure, sales and customer services occupations: often some of the lowest paid jobs.

SO WHAT?

Our skills and recruitment support interventions should be focussed on these sectors of care, tourism and retail to maximise impact, especially where we know there is market failure; as well as supporting talent matching for job specific skills shortages.

Underemployment, part time hours and low pay

THE CHALLENGE

• Some working households in York earn below levels estimated to be the minimum to live due to not enough hours; hourly pay; or both.

• There is a particular issue for those who are:

- Being paid a poor wage per hour, often below the living wage (£7.85 per hour)
- Working in low paid occupations where there is less scope for progression
- Working part time (therefore earning less) and wanting more hours but unable to

• The number who face all those issues in York is estimated to be 4,000 – 7,000; the vast majority are likely to be women

• Those in this group without higher earning partners are likely to struggle.

WHAT WOULD IT TAKE TO MAKE A CHANGE?

• Business model changes and increased productivity for sectors heavily reliant on low paid part time workers

• Affordable childcare options for working parents, especially single parents, with further household level support for those families

•Increased training and progression opportunities with low paid sectors, particularly targeted at female employees and those who are working part time, so that they can fulfil untapped potential

• A change in national employment legislation combined with further incentives for businesses to make it financially viable to pay above market rate

Lots of competition nationally and globally

THE CHALLENGE

• An increasingly global economy means there is increased competition for cities nationally and globally. Businesses have more options on where to locate or which markets to pursue.

• Larger cities / urban areas are often more preferable locations for most higher value industries due to agglomeration benefits meaning they are closer to markets and supply chains.

• This is also true for staff, that larger places provide a greater number of jobs within particular industries therefore can often be better for, or perceived as better, for career prospects. This means that talented, ambitious people often move to larger cities, e.g. London.

• It is difficult to differentiate strengths and for marketing to cut through in such a crowded global market.

• This trend will only increase in the coming decades.

WHAT WOULD IT TAKE TO MAKE A CHANGE?

• A realistic understanding of our distinct strengths and assets on a national and global scale; with place marketing and economic policies focussed around these things.

• Ensuring strong transport connections to other major cities and towns in the region for inbound and outbound labour supply, and customer and supply chain opportunities for businesses.

• Businesses increasingly connecting into national networks or supply chains of larger cities, expanding York's natural economic geography through these connections.

SECTORS FURTHER ANALYSIS

"What are York's key business sectors?"

...That depends what you mean(!); whether the sectors that employ the most people, the sectors which contribute the most to York's economy, where we have particular specialisms, where there will be most job gaps in the future or where we've got the best chance of attracting new businesses to the city.

The answer to each of those questions is different and probably covers almost every business sectors.

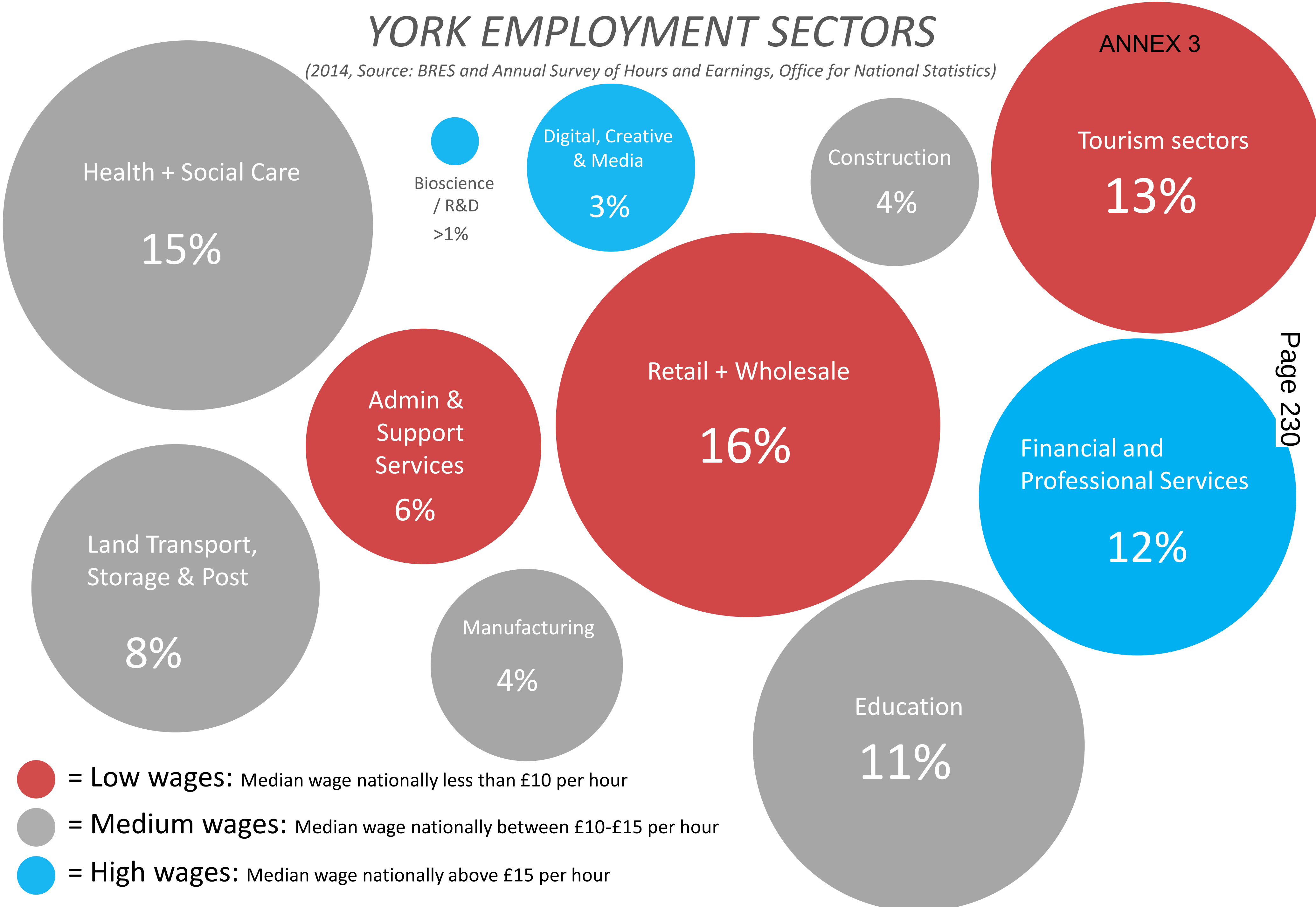
Clearly we can't focus our attention on everything, but there are ways we can prioritise. In order to have the biggest impact:

- Business growth initiatives should be focussed on high value sectors with good potential for growth
- Good employer initiatives or programmes designed to raise wages should be focussed on the biggest employment sectors
- Education, skills and recruitment intervention should be focussed where there are largest job requirements in the next 10 years
- Initiatives to attract new businesses to the city should be focussed on sectors where York has a distinctive advantage to differentiate from the competition
- Key relationships should be with the businesses which have the biggest impact on the city regardless of sector, although which sector they are part of may influence their impact

Biggest employment sectors	*Sectors which contribute the most to the overall value of York's economy*	*High value sectors which have good potential for growth*	*Sectors with largest job requirements in the next 10 years*	*Sectors where York has a distinctive competitive advantage for attracting new businesses*	*Detailed analysis of sectors* *(N.B. using Experian REM 2013 projections)*

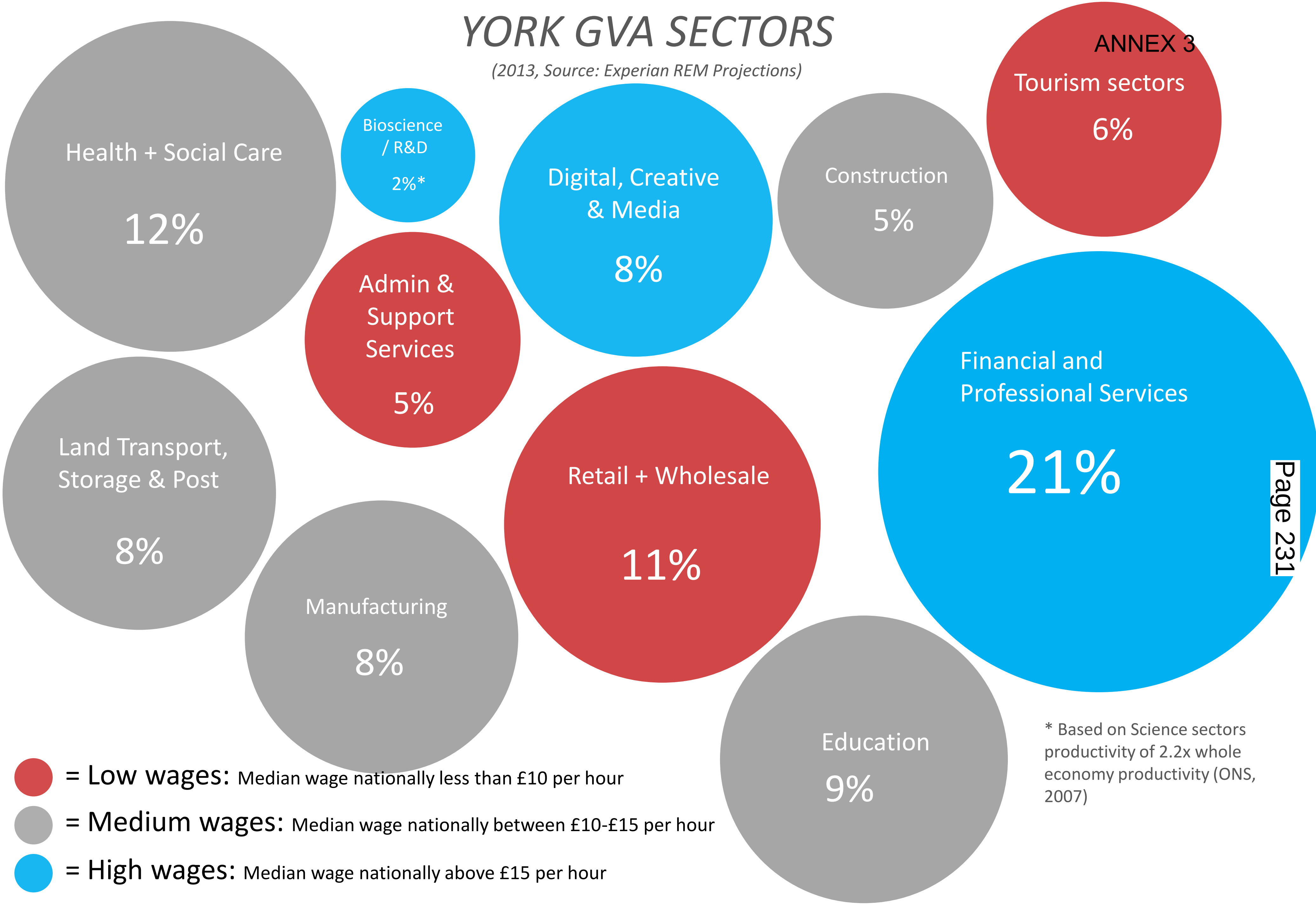
YORK EMPLOYMENT SECTORS

(2014, Source: BRES and Annual Survey of Hours and Earnings, Office for National Statistics)



YORK GVA SECTORS

(2013, Source: Experian REM Projections)



* Based on Science sectors productivity of 2.2x whole economy productivity (ONS, 2007)

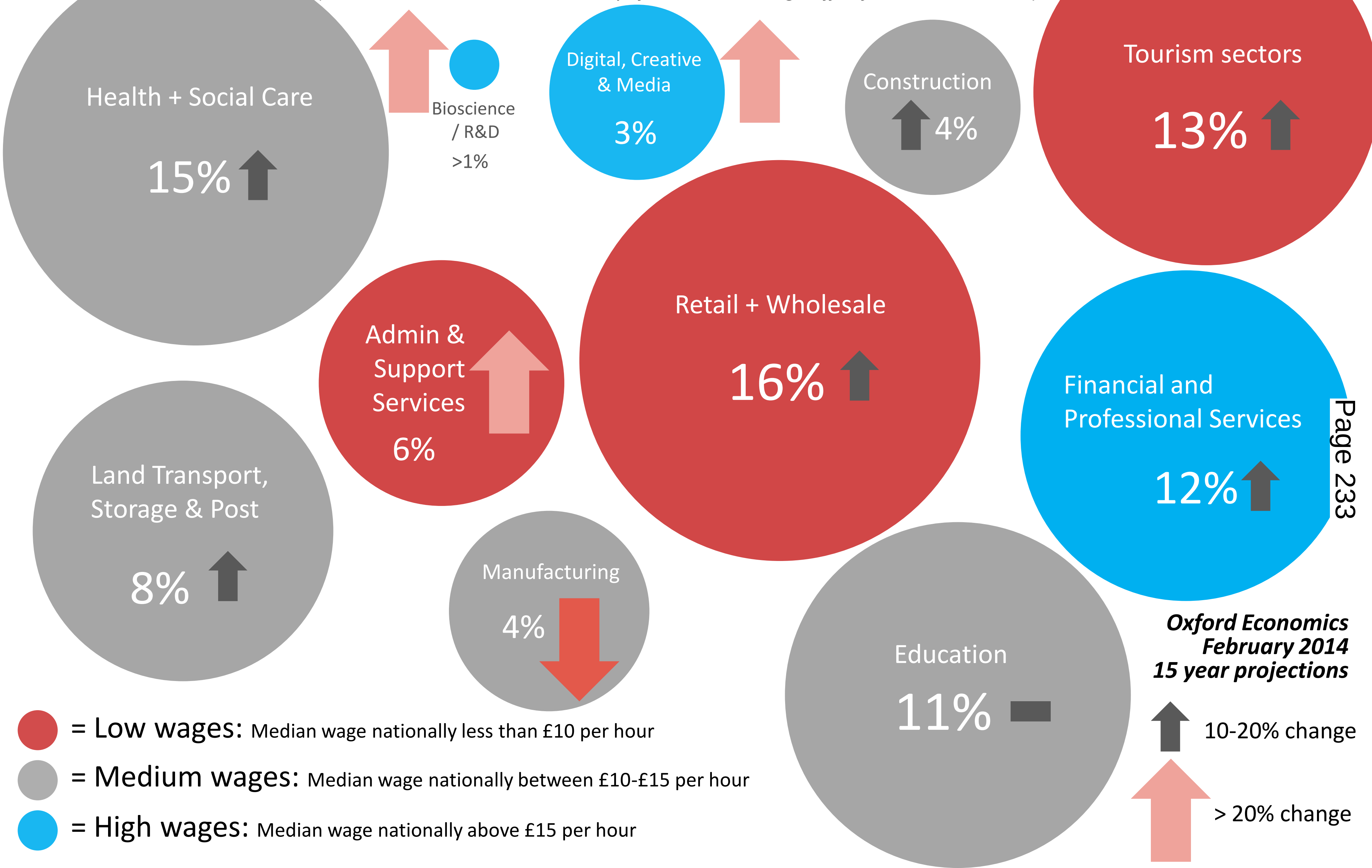
High value sectors which have good potential for growth

Different econometric models predict different proportionate growth across sectors (and at different times depending on current trends). As an example, the Oxford Economics projections from February 2014 show strong growth in a number of sectors; but there would be variances of the exact % growth with other models or different dates projections were made. However, there are a number of sectors which are consistently high value in terms of productivity, pay high wages and have high potential for growth in York. These are as below:

It is worth noting that most economic growth comes from growth from businesses already in the region, so this should be the focus for these high growth sectors. Proactive activity to attract new businesses to York (inward investment) should be based on where there is distinctive advantage so often requires greater specificity.

YORK KEY EMPLOYMENT SECTORS

(2014, Source: BRES and Annual Survey of Hours and Earnings, Office for National Statistics)



PROJECTED FUTURE JOB REQUIREMENTS TO 2022 BY INDUSTRY

	Current employment (BRES, 2014)	Expansion demand (UKCES, 2013)	Retirements (UKCES, 2013)	Net requirement (UKCES, 2013)	Median UK wage (ASHE, 2014)
Health and Social Care	**16200**	**1132**	**5209**	**6341**	**£13.00**
Retail & Wholesale	**16700**	**388**	**5047**	**5435**	**£10.42**
Food and Accommodation	11000	588	3135	3722	£7.97
Education	12000	-245	3918	3673	£16.28
Transport and Storage	8800	800	2667	3467	£12.60
Professional Services	6900	768	2305	3074	£16.43
Support Services	6600	204	1832	2036	£10.22
Construction	4000	530	1061	1591	£13.16
Finance and Insurance	4500	307	1536	1536	£19.37
Information and communication	3200	306	918	1376	£18.10
Public Admin and Defence	5100	-190	1707	1328	£15.60
Arts and Entertainment	2400	193	964	964	£10.75
Manufacturing	4000	-293	1171	878	£12.98
Other Services	2400	133	667	800	£11.83
Real Estate	1700	0	760	760	£13.59
Water and Sewerage	300	0	200	200	£12.66
Agriculture	100	0	38	38	£9.00

KEY POINTS?

Demand for future jobs is influenced significantly more by retirements than new job creation, therefore it will always largely follow what the largest sectors are (unless they have particularly young employees); and not radically changed by growth sectors or differing projections.

Health, social care and retail are where there will be most demand.

Professional services (which covers a huge range of occupations), is the best paid sector with large future job requirements; along with certain occupations within education, health and rail.

SO WHAT?

Our skills and recruitment support interventions should be focussed on these sectors to maximise impact, especially where we know there is market failure.

Sectors where York has a distinctive competitive advantage for attracting new businesses

It is also worth noting that there are elements about York's economy which will appeal to every sector; and as a city we should welcome and respond to all interest. However, if there are particular sectors, from the private-sector led analysis through the York Economic Partnership, the below sectors were identified as providing particular opportunity for attracting new businesses. Click the sector links below for more details.

BEST OPPORTUNITIES FOR PROACTIVE TARGETING

Sectors where we believe proactive interventions will make the greatest impact in targeting businesses outside the city because there are unique distinctives which differentiate York, which are both important to businesses in where they locate and which other cities cannot compete with.

GOOD MATCHES

- F+PS auxiliary functions
- Enterprise software
- Health science + bioanalytics
- Media arts
- Quality tourism + leisure
- Back office functions

Sectors where York is a good match for businesses, but where there are perhaps other cities with just as strong an offer in some regards, so it is more difficult to stand out in a competitive market, or where interventions are likely to have less impact. These are the sort of sectors we should be ready to respond strongly too, and may see high growth from businesses already in the city, e.g. Media Arts.

INDUSTRIAL BIOTECH

Who do we mean by this?

How can we describe who we are targeting as specifically as possible?

- Scientific R&D companies specialising in processing of agricultural feedstock or waste, which could be for a range of uses in industry (e.g. chemicals / food / energy)
- Manufacturing companies using bio-based feedstock or waste to produce useful products, requiring further process innovation (e.g. within chemicals industry, within food and drink industry)
- Bio-energy companies
- Consultancy services around a bio-based economy.

Why is this a proactive priority?

- Companies can benefit from world-leading applied research and development and services from Biorenewables Development Centre, FERA, the Green Chemistry Centre for Excellence and the Centre for Novel Agricultural Products. This research around bio and waste process innovation can provide efficiency saving, open up new products opportunities and
- Companies can access to bespoke Biorenewables Development Centre equipment for commercialisation.
- Wider expertise and workforce available through University of York, including 600 graduating from top 5 UK bioscience departments in York each year. These are also available at low salaries in comparison to other UK centres of excellence.
- Close location to high volumes of agricultural feedstock in North Yorkshire.
- Upward supply chain opportunities from a vast array of regional related industry within food and drink, chemicals and bio-energy sector, with companies such as Nestle, Croda and Drax.
- Excellent lab and office facilities available in and around the University of York.
- The emergence of a 'BioVale' cluster across Yorkshire & Humber, attracting greater investment and a growing cluster effect.

RAIL + RELATED BUSINESSES

Who do we mean by this?

How can we describe who we are targeting as specifically as possible?

- Passenger rail transport services and back office functions
- Railway infrastructure operations e.g. signalling, safety systems
- Transport software systems companies
- Transport and rail consultancies
- Rail engineering companies
- Manufacturers of specialist products for the rail industry.

Why is this a proactive priority?

- 10% of national employment in the rail industry and 67% regionally based in York, providing a cluster of businesses, and a pool of talent for the industry.
- York has major offices from main operators including Northern Rail, Virgin Trains East Coast & Network Rail, providing collaboration and customer opportunities.
- There are existing strengths in auxiliary industries such as rail engineering (Tata Steel, Siemens Rail) and transportation software (Omnicom, Funkwerk).
- Graduate and research expertise around complex systems analysis and computer science are very beneficial to auxiliary functions to the rail industry.
- York has exceptional rail connectivity, for excellent transport links with UK markets and other rail hubs.
- Increasing opportunities for the rail industry around the development of HS2, and East Coast Mainline improvements, as well as growing export opportunities.
- Rail engineering is part of the largest sector for FDI for UK regions outside of London.
- York Central will provide significant amounts of business accommodation directly next to the railway station.
- There is historic significance of York as a rail hub, providing a basis for brand awareness and a convincing narrative.

INSURANCE

Who do we mean by this?

How can we describe who we are targeting as specifically as possible?

- Insurance providers and brokers.
- Functions auxiliary to the insurance industry such as risk and damage evaluation.
- Actuarial companies or functions.

Why is this a proactive priority?

- Emerging hub including Aviva & Hiscox employing over 1000 in the city.
- Over 2000 new graduates in York alone each year in economics or business related degrees provides a rich pool of talent. This in addition to a highly qualified resident population with over 40% with a degree level qualification or higher.
- Less than 2 hours from the City of London, with 35 services a day. Also, just over 2 from Edinburgh as another Insurance hub.
- The wider York region is the largest centre for financial and professional services in the UK outside London, providing a strong market, a range of support functions and a vibrant business environment.
- Salary costs are lower than any other of the top 10 most qualified cities in the UK, and accommodation costs lower than competitor cities which offer similar level of skills, connectivity and quality of life.
- Same 'London/South East' quality of business and life, but at huge savings to businesses.
- Future grade A office developments next to the train station providing ideal accommodation for the industry.

AGRI-TECH

Who do we mean by this?

How can we describe who we are targeting as specifically as possible?

- Plant science Research & Development, e.g. genetics and genomics for crops, process innovation.
- Fertilizer/ agri-chemical companies
- Bio-analytical testing and quality assurance around plants, crops, food and drink and other agri-products.
- Consultancy around crop management and agri-technology.

Why is this a proactive priority?

- Companies can benefit from cutting-edge applied research and development from FERA, with over 600 world-leading scientists in crop protection, plant health and food chain management; as well as the Green Chemistry Centre for Excellence, the Centre for Novel Agricultural Products and Biorenewable Development Centre in Heslington.
- Opportunity to locate on the uniquely tailored Sand Hutton Applied Innovation Campus, as well as other locations around York close to University research labs.
- Wider expertise and workforce available through University of York, including 600 graduating from top 5 UK bioscience departments in York each year. These are also available at low salaries in comparison to other UK centres of excellence.
- Access to a strong and diverse supply chain / customers / collaborators in Yorkshire food and drink sector.
- Good transport links in comparison to other UK agri-tech hubs which often tend to be more rurally focussed.
- UK investment in agri-tech growth (£160m) presents an opportunity for York to attract investment and develop further as a potential centre of excellence.

ANNEX 3

F+PS AUXILIARY FUNCTIONS

Who do we mean by this?

How can we describe who we are targeting as specifically as possible?

- Financial transaction processing and settlement companies or functions.
- Economic and business intelligence companies or functions.
- Risk assessment and evaluation companies or functions.
- Actuarial companies or functions.
- Brokerage services

Why is this a good match?

- Over 2000 new graduates in York alone each year in economics or business related degrees provides a rich pool of talent. This in addition to a highly qualified resident population with over 40% with a degree level qualification or higher.
- Less than 2 hours from the City of London, with 35 services a day. Also, direct connections to other key UK hubs of Manchester, Leeds, Edinburgh and Glasgow.
- The wider York region is the largest centre for financial and professional services in the UK outside London, providing a strong market and a vibrant business environment.
- Salary costs are lower than any other of the top 10 most qualified cities in the UK, and accommodation costs lower than competitor cities which offer similar level of skills, connectivity and quality of life.
- Same 'London/South East' quality of business and life, but at huge savings to businesses.
- Key successful businesses in the city, including Aviva, Hiscox and Total Systems Services, with F&PS accounting for over 9% of York's employment and 15% of its GVA.
- Future grade A office developments next to the train station providing ideal accommodation for the industry.
- Insufficient differentiation from other cities for it to be a proactive target.

ENTERPRISE SOFTWARE

Who do we mean by this?

How can we describe who we are targeting as specifically as possible?

- Software developers focussing on software for businesses e.g. performance management / business efficiency
- Sales or distribution of software solutions for businesses
- IT consultancies

Why is this a good match?

- Home to a number of leading business efficiency and enterprise software solutions companies (e.g. Trustmarque Solutions, Mood International, Mitrefinch, Sawfish Software)
- Highly ranked computer science research department, with a specialism in enterprise software
- C.200 graduates and postgraduates each year from a highly rated Computer Science department
- Access to wider IT services and Computer Science graduate talent pool in Leeds
- York's rail connectivity and quality of life make an attractive place to locate.
- Salary costs are lower than any other of the top 10 most qualified cities in the UK, and accommodation costs lower than competitor cities which offer similar level of skills, connectivity and quality of life.
- Insufficient differentiation from other cities for it to be a proactive target.

HEALTH SCIENCE + BIOANALYTICS

Who do we mean by this?

How can we describe who we are targeting as specifically as possible?

- Therapeutical & diagnostic medicine companies
- Regenerative medical companies (e.g. wound / tissue)
- Bio-analytical testing companies
- Healthcare and dementia research
- Medical devices companies
- Pharmaceutical companies

Why is this a good match?

- York was the first Science City in the UK and can boast a host of top performing research institutions and national centres of excellence, a number of which are genuinely world class, for business collaboration and recruitment.
- York also has high specification serviced laboratory / office facilities located within close proximity to the university research assets at York Science park and can provide access to the secure science campus just outside of the local authority area at Sand Hutton for companies requiring this kind of science environment.
- Centres of excellence such as the Biorenewables Development Centre are leading the way in business collaboration.
- Wider expertise and workforce available through University of York, including 600 graduating from top 5 UK bioscience departments in York each year. These are also available at low salaries in comparison to other UK centres of excellence.
- Insufficient differentiation from other cities for it to be a proactive target.

MEDIA ARTS

Who do we mean by this?

How can we describe who we are targeting as specifically as possible?

- Theatre, film and television content production companies.
- Sound and lighting companies
- Electronic and digital artists
- Web and mobile creative content production companies

Why is this a good match?

- UNESCO City of Media Arts.
- Leading facilities for film production at University of York, with over 100 graduates and postgraduates each year from leading course.
- 700 graduating each year from York in creative disciplines creating a growing local network.
- Easy connections to London (1 hour 50 mins), Manchester, Liverpool, Leeds, Edinburgh etc.
- Significant amounts of available cheap office space, albeit of low spec
- Home to ASFF, an internationally leading short film festival
- Plans for city centre digital media arts centre to bring sector together in heart of city.
- Opportunities from York's 7m visitor base.
- Insufficient differentiation from other cities for it to be a proactive target (almost every other city in the UK is promoting itself as a hub for creative and digital businesses and the majority have larger proportional employment in the sector in comparison with York)

QUALITY TOURISM + LEISURE

ANNEX 3

Who do we mean by this?

How can we describe who we are targeting as specifically as possible?

- 4 and 5* hotels
- Conferencing facilities
- Tourist attractions
- Awarded restaurants
- Luxury goods retail
- Festivals / arts / entertainment organisers / programmers

Why is this a good match?

- A large potential customer base of 7m visitors, and the city footfall for passing trade related to this.
- Strong brand recognition of York as a tourism and leisure destination, with the particular association around heritage, culture, quality and traditional Englishness, alongside a large base of businesses already within the sector driving ever-increasing visitor numbers, albeit also generating increasing competition.
- Over 18,000 people already work within tourism, leisure and retail sectors in York, providing a large talent pool.
- Cost of business accommodation and sites are lower than many other UK tourist destinations.
- Less than 2 hours from the City of London, with 35 services a day. Also, just over 2 from Edinburgh as another key tourism hub.
- Not a proactive target as inward investment in this area is likely to be possible without too much intervention. It is also more likely than other sectors to deliver lower paid jobs and displace jobs already in the city, so may have limited impact on desired productivity and GVA increases.

BACK OFFICE FUNCTIONS

ANNEX 3

Who do we mean by this?

How can we describe who we are targeting as specifically as possible?

- Administration functions
- IT Functions
- HR Functions
- Finance teams
- Business intelligence functions

Why is this a good match?

- York has one of the highest percentages of residents with a degree qualification or higher, and one of the lowest percentages of people unemployed in the UK. There are also over 7,000 additional graduates completing qualifications in the city from top UK institutions each year, continually providing a rich pool of talent for businesses to recruit from.
- Less than 2 hours from the City of London, with 35 services a day. Also, direct connections to other key UK business hubs of Manchester, Leeds, Edinburgh and Glasgow.
- Salary costs are lower than any other of the top 10 most qualified cities in the UK, and accommodation costs lower than competitor cities which offer similar level of skills, connectivity and quality of life.
- Insufficient differentiation from other cities for it to be a proactive target.

LOCATION QUOTIENTS

Industry Subsector	York	Median Hourly Pay
522 : Support activities for transportation	6.79	£12.53
662 : Activities auxiliary to insurance and pension funding	3.97	£16.69
854 : Higher education	3.39	£13.61
103 : Processing and preserving of fruit and vegetables	2.70	9.46
910 : Libraries, archives, museums and other cultural activities	2.42	11.46
251 : Manufacture of structural metal products	2.38	11.70
750 : Veterinary activities	2.35	11.48
431 : Demolition and site preparation	1.81	£12.22
551 : Hotels and similar accommodation	1.64	7.09
477 : Retail sale of other goods in specialised stores	1.54	7.52
949 : Activities of other membership organisations	1.52	11.79
421 : Construction of roads and railways	1.48	£12.75

KEY POINTS:

Looking closer at the location quotients of the sub sectors, there is a broad range of hourly pays across the top 12 subsectors and the number of times bigger than the national average they are comparatively. All these sectors and significantly larger than the national average, especially transportation support activities and auxiliary activities to insurance.

SO WHAT?

These disproportionately large sectors are a reflection on where York may specialise; and especially of interest where they are high value.

CREATIVE, DIGITAL + MEDIA

Employment: There is no clear definition for the creative, digital and media sector, or reliable data for a precise definition, so for the purposes of this analysis the SIC code for 'information and communication' which includes IT software and services, media and telecommunications, has been used. Within this collection of sectors, 2,470 people are employed in York (3% of total). This is lower than the national average, with a location quotient of 0.6. As a whole sector this is a projected to some growth (4%) in the next 10 years, however within this grouping, there is stronger growth projected within computer and information services and media, of around 8% (totalling 150 jobs), which is masked by projections of reduction in telecoms jobs.

GVA + Productivity: The creative, digital and media sector is overall very productive (£120k), and significantly more so than the national average (78k). So despite relatively low employment, the sector contributes 8% to total GVA, which is higher than the contribution of the sector nationally. Although all areas perform highly in productivity, Telecoms is by far the most productive at £192k. GVA is projected to grow by 24% in the next 10 years, which is slower than the national average of 39%. Note that this is just one growth model though.

Business base and specialisms: The largest employer within this sector is BT, but there are noteworthy employers with between 20 – 200 staff within 'computer consultancy activities'. In total, this sub-sector is still smaller in terms of employment comparative than in other UK cities, with a location quotient of 0.62. However, there are some notable trends within this subsector in digital video software (Kit Digital and PGi), transport systems software (Distinctive Systems, Trapeze Group and Omnicom) and business efficiency software solutions (Trustmarque Solutions, Mood International, Mitrefinch and Sawfish Software). Within the whole creative, digital and media sector there are also over 150 companies with less than 5 staff. Other major employers within the creative and digital sector include York Mailing and Access Intelligence.

Conclusions: As a highly productive existing sector projected to grow, business mentoring, funding initiatives and start up support would be well targeted at the digital / IT element of the sector. Especially There could be opportunities to further grow specialisms in one or more of digital video software (especially through UNESCO designation), business efficiency software solutions and transport systems software through a combination of investment in existing businesses, assets, skills, and inward investment, but these are not of the level yet to provide a significant cluster effect unassisted.

N.B Data is from Experian REM projections 2013.
Other econometric models or dates for the data may have different growth projects or use different definitions, hence differences within this document.

BIOSCIENCE AND R&D

Employment: The bioscience and research and development sector employs around 600 employees (just less than 1% York employees). This is slightly lower than the national average, with a location quotient of 0.88. There is not local data, but regionally the bioscience sector is projected to have among the fastest growth of any sector.

GVA + Productivity: There is not accurate data in relation to this sector and GVA. A broad estimate is that these businesses contribute around 2% (75m) to the total economy.

Business base and specialisms: The bioscience sector in York is diverse in terms of its focus, but there are emerging clusters around biorenewables and agri-food. The largest employer by far is the Nestle Product Development Centre, with other significant businesses including Smith & Nephew, Unilabs, Phoenix Healthcare Distribution, Tissue Regenix, Animalcare, Biorenewables Development Centre, the National Non-food Crop Centre, Thomson Reuters Zoological Ltd, Yorktest Laboratories and the Food Safety Agency. Just outside of York is the Food and Enviroment Research Agency (FERA). There are some but not lots of very small businesses. On the social research side (not included in employment/GVA figures), the Joseph Rowntree Foundation provides a world leading centre for dementia and poverty research.

Conclusions: As a high growth, high productivity sector, biosicence and R&D presents significant opportunity for opportunity – however in order to realise this, specialisms will need to be consciously grown and invested in to provide comparative advantage. The two areas where there is most scope for this are biorenewables and food-tech. If the broad sector is something York wishes to maintain and grow to be more of a specialism, close business support relationships and expansions space for the major employers listed above will be key, which could lead to supply chain follow up activities.

N.B Data is from Experian REM projections 2013.
Other econometric models or dates for the data may have different growth projects or use different definitions, hence differences within this document.

TRANSPORT, STORAGE + POST

Employment: The transport, storage and post sector in York employs over 7,000 people in York, which is 9% of total employment (although this may be a slight over-estimates due to the location of Head Offices in York). Nevertheless, this is above the average compared with the national picture. The transport, storage and post sector is forecast to decline by 2%, or around 100 jobs over the next 10 years.

GVA + Productivity: The transport, storage and post sector is more productive in York than nationally, and contributes 9% to York GVA. This to York's economy is projected growth of 8% over the next 10 years, a much slower rate than the 30% predicted nationally.

Business base and specialisms: York's specialism is within rail transportation, with Virgin Trains East Coast, Northern Rail, Network Rail all having head or major offices in York, alongside many other smaller businesses. Land transport is 3x bigger and support services for rail 8 times bigger than the national average, signifying a significant comparative advantage. Captured under other sectors, there are also major businesses closely linked with the rail industry such as Tata Steel Rail and the software developer Trapeze Group. The other major employers within the broader sector are the Post Offices and First Buses York.

Conclusions: As can be seen from supportive services in software and engineering, York's rail specialism appears to generate a some advantage for this wider sector. Therefore, strong links for the Council with the three major train operators would be beneficial; and there are opportunities to explore where this could create a driver for further inward investment.

N.B Data is from Experian REM projections 2013.
Other econometric models or dates for the data may have different growth projects or use different definitions, hence differences within this document.

MANUFACTURING

Employment: This category includes all manufacturing from food and drink and structural fabrication, to pharmaceuticals and transport equipment. Manufacturing in York is less significant than manufacturing nationally, providing 3,860 jobs (4% of total). This puts York's location quotient against the UK average at 0.52. As nationally, this is forecast to fall by 15% over the next 10 years, which would mean the reduction of around 600 jobs in York.

GVA + Productivity: Manufacturing in York is more productive (productivity of £72k) than manufacturing nationally so despite smaller employment, it contributes 7% (£277m) to York GVA, which is more than tourism and leisure. GVA is forecast to grow, albeit slowly, by 11% over 10 years, which is broadly in line with UK growth projections. The sub-sectors where there is the largest growth predicted are structural fabrication (£15m) and electronic products (£12m), with negative growth projected for pharmaceuticals, wood and paper.

Business base and specialisms: York's manufacturing specialisms are essentially individual companies rather than clusters, so the areas which York shows a high location quotient can easily be attributed to particular businesses: for confectionary, Nestle & Tangerine Confectionary; and for structural fabrications, Portakabin. There are a greater number of major companies within electronic products - Apta Optical Networking, BSC filters, Cyclops Electronics, MDL Lasers and Nanometrics – however there is little synergy between the particular focus of any of these.

Conclusions: The greatest opportunity for the manufacturing sector in York is through growth in individual companies. This would suggest the best interventions would be to ensure strong local authority support and relationship with the businesses mentioned above, with the potential for working with them to attract supply chains or collaborators to the city. The one area where a broad (so not easily proactive) inward investment focus could be taken would be the manufacture of specialist electronic products.

N.B Data is from Experian REM projections 2013.
Other econometric models or dates for the data may have different growth projects or use different definitions, hence differences within this document.

FINANCIAL + PROFESSIONAL SERVICES

Employment: Financial & professional services provide 7,630 jobs in York (9% of the total), excluding real estate in this definition. With a location quotient of 0.7, this is a lower proportion than the national average , although within this, there are a particularly high number of insurance & pensions jobs (location quotient of 1.91), and a very low number of finance jobs (location quotient of 0.2). Across financial & professional services, almost 700 jobs are forecast to be created in the next 10 years, largely in professional services.

GVA + Productivity: Financial & professional services make up the largest proportion to GVA of any sector, and by some way, contributing £562m to York's economy. This is forecast to grow by a further 25% over the next 10 years. The sector is a productive, with a productivity of 74k (more productive than average nationally), with extremely high productivity with insurance and finance (both of 200k).

Business base and specialisms: Data shows that York has a specialism in insurance, primarily attributed to Aviva, with over 1000 employees in York, but also strengthened by the recent move of Hiscox to York, as well as being the location for a significant branch of NFU Mutual Insurance . There are about 25 other small insurance firms primarily delivering 'activities auxiliary to insurance'. These auxiliary services to finance & insurance services are strong in York in general with a location quotient of 2.87, with CPP and Total Systems Service Processing as major employers, although aside from these, businesses are small (under 10 employees). Within professional services, York has a specialism in legal services (location quotient of 1.38) with a large number of solicitors, although this may be challenging to grow significantly due to the relocation of the College of Law to Leeds and the competition of Leeds in general. York also has an above average presence of infrastructure engineering, with Amey , Tata Steel and Jacobs Engineering as noteworthy businesses located in the city.

Conclusions: Given the sector provides high employment, GVA and productivity, the financial + professional services sector should be prioritised for investment, business support and inward investment, although acknowledging that it will be competing with most other cities, many of whom will have stronger specialism. Maintaining a strong presence of insurance brand names could provide York with a good basis for attracting further insurers or services auxiliary to insurance. In addition to this, there appears to be opportunities around attracting services which are auxiliary to the financial and insurance sector in general, as well as infrastructure engineering.

N.B Data is from Experian REM projections 2013.
Other econometric models or dates for the data may have different growth projects or use different definitions, hence differences within this document.

TOURISM + LEISURE

Employment: Businesses within what is here defined as the tourism and leisure sector include hotels, restaurants, pubs, museums, libraries, visitor attractions, sports activities and arts organisations. These businesses provide 8,860 jobs in York (10% of the total). This is higher than the national average for the tourism and leisure sectors, with a location quotient of 1.21. The number of tourism jobs in York is projected to grow by around 400 (4%) in the next 10 years.

GVA + Productivity: The tourism and leisure sector in York contributes £238m GVA. York's accommodation and food services form the major contribution to GVA from tourism and leisure, making up 5% of York's total GVA, and a much higher proportion than tourism and leisure within the national economy. This part of the sector is actually slightly more productive than nationally too. However, surprisingly for a touristicity like York, arts, entertainment and recreation services are both a smaller comparative contributor to the overall economy and less productive than nationally. GVA from the tourism and leisure sector is projected to grow by 27% over the next 10 years, in line with UK projections.

Specialisms and business base: York has a specialism in museums and cultural visitor attractions, as well as to a lesser extent in hotels, pubs and restaurants. The tourism sector as a whole is made up of a large number of businesses, many of which are small in size. There are good number of larger businesses too including Betty's, hotels such as Royal York, The Grand and Marriott; major attractions such as the National Railway Museum and York Dungeons and leisure facilities like Next Generation gyms.

Conclusions: York has an abundance of arts and leisure options for its visitors, however the analysis outlined above displays the potential to expand on what is on offer to those planning their York stay, both in terms of size and productivity. With the support of businesses and targeted inward investment, there is a possibility to extend the leisure offer, giving York's tourists the ultimate visitor experience.

With a vamped-up tourism offering, the city will be able to boost its luxury services. From boutique hotels and award-winning restaurants through to first-class visitor attractions, there will be the opportunity to broaden what is available for high spending domestic tourists, as well as visitors from across the world.

Finally, through focusing on business development, innovation and start-up activities aimed at leisure and visitor attractions, there is likely to be an increase in productivity. Should these be part of a city centre package, there is an even higher chance that this will be the case.

N.B Data is from Experian REM projections 2013.
Other econometric models or dates for the data may have different growth projects or use different definitions, hence differences within this document.

RETAIL

Employment: The retail sector is among the largest sectors for employment in York, providing 9,520 jobs (11% of the York total). This is higher than the national average for retail, with a location quotient of 1.31. The number of retail jobs in York is projected to grow by around 200 (2%) in the next 10 years.

GVA + Productivity: While still significant, retail contributes much less comparatively to York GVA at 8% of the total, £297m. This means York's retail sector has low productivity (£31k) which is also lower than the national average for retail at (£35k). However, GVA from the retail sector is projected to grow by £76m (26%) over the next 10 years, which represents a growth in productivity of 23% to £39k. This is in line with UK wide productivity growth projections.

Specialisms and business base: York's comparative strength within retail is its 'high street' stores (whether located in the city centre or at out-of-town centres). The sector is made up a diverse range of businesses, including 14 businesses with over 100 employees, to over 200 which employ less than 5 people. The major businesses in this sector such as the major supermarkets, Marks & Spencer and B&Q are not distinct to York, and would be common to most UK cities.

Conclusions: The main conclusion this analysis highlights is a large potential for increased productivity within the sector, which could be assisted by businesses engagement activities or through targeting more highly productive retailers for inward investment. New businesses attracted to the city are likely mainly to replace / displace jobs, however these may be of higher value than what is currently provided. Sustaining a strong presence of shops also benefits the wider tourism sector, and the businesses and jobs associated with this, though it is worth noting that a shift towards more productive retailers *may* not necessarily sustain / grow this attraction to the city itself e.g. online retailers.

N.B Data is from Experian REM projections 2013.
Other econometric models or dates for the data may have different growth projects or use different definitions, hence differences within this document.

CONSTRUCTION

Employment: The construction industry provides 6% of all York employment, 5,300. This is a lower proportion than the national average (location quotient of 0.81).

GVA + Productivity: York's construction sector has a productivity lower than the national average for the sector, 37k compared to 43k nationally. The sector makes up 5% of York's GVA, £197m.

Business base and specialisms: York stands out from the national picture in terms of having a greater proportion of people employed within construction of railways; and site preparation. The major employers within construction include Shepherd Group, Simpson York, May Gurney, Siemens Rail Automation Holdings Limited, Persimmon and William Anelay; many of which are growing strongly.

Conclusions: As a sector which is key to delivering growth aspiration, even if it is not especially large in size, business engagement with major employers would seem worthwhile in supporting their growth and ensuring there is sufficient supply of skills as they navigate variable economic conditions.

N.B Data is from Experian REM projections 2013.
Other econometric models or dates for the data may have different growth projects or use different definitions, hence differences within this document.

HEALTH & SOCIAL CARE

Employment: The health and social care sector employs 15,400 people, which is 15% of the York's total jobs. This is split fairly similarly between health, with around 7,000 employees and social care, with 8,000 employees.

GVA + Productivity: The health sector has fair productivity of 46k in line with the national trend, and contributes £313m (8%) to York's total GVA. This is forecast to grow by 29% over then next 10 years. Social care on the other hand is very low productivity, and contributes only an additional £106m (3%) to York's GVA.

Business base and specialisms: The vast majority of the health sector in York is NHS services, hospitals and GP surgeries. Aside from this the major employers are Benenden Healthcare, specialist mental health care providers The Retreat and Partnerships in Care, and 2 chains of national private hospitals: Ramsey Healthcare and Nuffield Health.

Conclusions: Due to the health sector in York primary being constituted of public sector organisations, there is limited opportunity for indigenous business growth and inward investment.

N.B Data is from Experian REM projections 2013.
Other econometric models or dates for the data may have different growth projects or use different definitions, hence differences within this document.

EDUCATION

Employment: The retail sector provides 9,070 jobs in York, (10% of the York total). This is higher than the national average, with a location quotient of 1.37, largely because of an above average amount of higher education. The number of education jobs in York is projected to grow by 800 (9%) in the next 10 years.

GVA + Productivity: The education sector contributes £335m (9%) to York's total GVA, and has an adequate productivity of £37k. Due to the growth in jobs, the education sector's GVA is forecast to grow by 5% in the next 10 years 's despite a small projected fall in productivity to 36k.

Business base and specialisms: The sector is made up primary of schools and universities. York has a major specialism is within higher education, with a location quotient of 3.39. This is due to the presence of the University of York, York St John and York College which each employ over 500 people.

Conclusions: York's education sector is less volatile than other sector that are more footloose and reliant on private investment, so minimal intervention is required aside from supportive relationships with the University of York, York St John University, York College and Askham Bryan College.

N.B Data is from Experian REM projections 2013.
Other econometric models or dates for the data may have different growth projects or use different definitions, hence differences within this document.

KEY ORGANISATIONS AND BUSINESSES

"Who are the key people and organisations?"

It is important to note that the health of York's economy and the indicators in this document are not solely, or even primarily, down to the Council.

First and foremost, economic prosperity is driven by businesses. While the majority of businesses in York (which account for the largest proportion of its economy) employ less than 10 people; it is helpful to be aware of who the largest businesses are, as their decisions, competitiveness and growth evidently have a particularly strong impact on York's economy and jobs in the city.

Local, regional and national public sector bodies have an important role in providing the right environment for growth. Again, the vast majority of investment and support is provided by organisations other than the Council. The below tabs outline some of these key organisations and contacts we need to work closely with to ensure a thriving and sustainable economy for York.

Major businesses

Key representative bodies / local organisations / regional / national bodies

Council departments

BIGGEST EMPLOYERS IN YORK

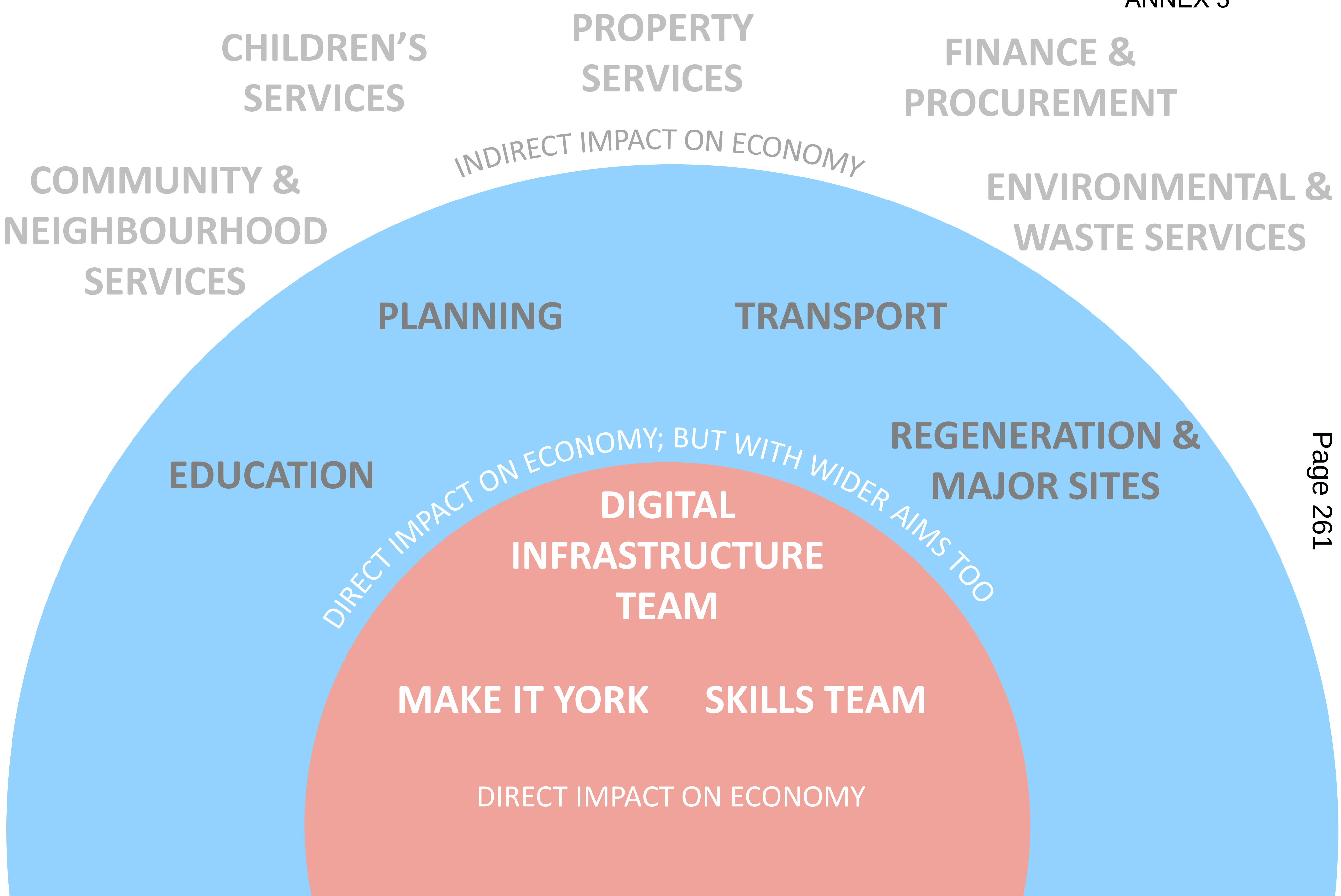
Biggest employers in York (Private sector)
Aviva PLC
Network Rail Infrastructure LTD
Nestle UK LTD
Tesco Stores LTD
Future Cleaning Services LTD (Head Office)
Sainsbury's Supermarkets LTD
Asda Stores LTD
Portakabin LTD (Head Office)
Marks and Spencer PLC
Royal Mail Group LTD
CPP Group PLC (Head Office)
WM Morrisons Supermarkets PLC
British Telecommunications PLC
Minster Law Limited (Head Office)
East Coast Mainline Company LTD (Head Office)
Total System Services Processing (Head Office)
McDonald's Restaurants LTD
York Conferences LTD
Arcadia Group LTD

Biggest employers in York (Private sector)
Siemens PLC
Northern Rail LTD
Shepherd Engineering Services LTD
Boots UK LTD
First York LTD
Partnerships in Care LTD
Costcutter Supermarkets Group LTD
Cooperative Group LTD
Britsafe Security LTD

Biggest employers in York (Public, education or third sector)
City of York Council
York Teaching Hospital NHS
University of York
York College
Leeds and York Partnership NHS
Police and Crime Commissioner
York St. John University
Joseph Rowntree Foundation
Ministry of Defence
St. Peter's School

This list is non-comprehensive but includes some of the main organisations which impact or support businesses in the city

Organisation	Website
Make it York	www.makeityork.com
Visit York	www.visityork.org
Science City York	www.yorksciencepark.co.uk
Chamber of Commerce	www.yourchamber.org.uk
Federation of Small Businesses	www.fsb.org.uk/northyorkshire/branches/york
York Professionals	www.york-professionals.co.uk
York Science Park	www.yorksciencepark.co.uk
Proudly York	www.proudlyinyork.com
Leeds City Region Local Enterprise Partnership	www.the-lep.com
York, North Yorkshire & East Riding Local Enterprise Partnership	www.businessinspiredgrowth.com
Business Support York & North Yorkshire	www.bsyny.co.uk
Institute of Directors	www.iod.com/Connecting/Local-networks/Yorkshire
The Yorkshire Mafia	www.theyorkshiremafia.com
UK Trade & Investment	www.greatbusiness.gov.uk/ukti
Manufacturing Advisory Service	www.mas.businessgrowthservice.greatbusiness.gov.uk
Innovate UK	https://www.gov.uk/government/organisations/innovate-uk
Skills Funding Agency	www.gov.uk/government/organisations/skills-funding-agency
Department for Business, Innovation & Skills	www.gov.uk/government/organisations/department-for-business-innovation-skills
Welcome to Yorkshire	www.yorkshire.com
Visit England	www.visitengland.com
Visit Britain	www.visitbritain.com
Screen Yorkshire	www.screenyorkshire.co.uk
Finance Yorkshire	www.finance-yorkshire.com


CHILDREN'S SERVICES
PROPERTY SERVICES
FINANCE & PROCUREMENT
INDIRECT IMPACT ON ECONOMY
COMMUNITY & NEIGHBOURHOOD SERVICES
ENVIRONMENTAL & WASTE SERVICES
PLANNING
TRANSPORT
EDUCATION
REGENERATION & MAJOR SITES
DIRECT IMPACT ON ECONOMY; BUT WITH WIDER AIMS TOO
DIGITAL INFRASTRUCTURE TEAM
MAKE IT YORK
SKILLS TEAM
DIRECT IMPACT ON ECONOMY

Annex 4 - Review of the City of York Council Economic Strategy 2011/15

Introduction

This document provides a review of the York Economic Strategy 2011-15. This report analyses what can be learnt from the previous strategy and actions taken.

The purpose of York's Economic Strategy is to help business, higher and further education and skills providers, the Council and other partners identify the key economic challenges and opportunities for the future and set out a prioritised action-based approach for the city to work together to address this.

As the Economic Strategy 2011-15 draws to a close and a revised version is developed, it is important to reflect honestly on the progress made against the ambitions, targets and actions set.

- What did we set out to achieve when the Strategy was written in 2011?
- What has happened during that the life of the Strategy?
- What could we have done better? And
- What we have learned from the process what happens next?

From the outset, it is worth noting that fully evaluating particular projects in the 2011-15 strategy is challenging given the nature of objectives set and the lack of clear success measures or monitoring arrangements.

Likewise, with at least 19 priority objectives, it is difficult to identify what action was intended as part of a strategic approach, what happened completely outside of the priorities written down in the strategy, and what in reality partners spent most time and resource on? This report touches on a variety of these questions, but again the approach and alignment of what is written down and what happens is practice is something which should be improved in the refreshed strategy.

Background

Having weathered one of the longest recessions of recent times, the national economy is recovering and forecasts are suggesting ongoing growth for the remainder of the decade. York is well placed to take advantage of this recovery, and we have countless areas of strength upon which we can build. Many of these have been consistent over a number of years, and were the same in 2011 as today:

Larger than average insurance and rail sectors		A historic City that is recognised the world over with 7 million visitors per year
	A well-qualified workforce	
An highly attractive quality of life		A strong education sector, with two top class Universities, two leading colleges and high educational attainment
	High employment and low numbers of Job Seekers Allowance claimants	
Emerging high value sectors, of innovation, including biosciences and agritech, IT, digital and media		A well connected City, and a nationally important rail hub

Of course, there are also challenges, barriers and areas that need to be developed and invested in order for York to be steered to its full potential. Some of these are recognised as:

Lack of a Local Plan and affordable housing		Congestion and highway infrastructure issues, sustainable transport
	Low salaries, low value sector jobs, women in part time work	
Lack of Grade A office space to attract high value sector businesses		A mismatch of jobs to the high level skills and qualifications of residents in the city

Overview and economic priorities 2011-15

Bearing all the factors above in mind, the 2011-15 Strategy set out to address many of these opportunities and challenges in York's economy as possible, as well as others not listed. The city set out to:

"...become an international and enterprising city, and in time, the most competitive city of its size, not only in the UK but globally, leading to increased sustainable and inclusive growth in the overall economy and jobs"

It also aimed, as part of this vision, to become a top five UK city economy and a top ten European City in comparison with those of a similar size.

Our focus was on the following five ambitions:

1. A flexible and relevant workforce for the future
2. A growing and dynamic business base competing on a global scale
3. A globally connected, locally integrated knowledge base
4. A world class place for business, communities, students and visitors
5. A co-ordinated and efficient approach to attracting and retaining investment in the city

Many of the ambitions as set out were vague and not necessarily specific to York, therefore it is difficult to identify whether they have been achieved or not.

These ambitions were underpinned by four themes:

International – The City will link with international markets

Enterprising – Achieving the ambitions will require an enterprising approach, being as industrious and efficient as possible

Inclusive – The Strategy will be delivered with the aim of ensuring that York residents have to opportunity to contribute and benefit from its success

Sustainable – The growth we achieve will be environmentally, economically and socially sustainable

Under these ambitions and themes, there were 19 priority objectives:

1. Provide skills to match employers needs
2. Better connect people to jobs and opportunity
3. Expand/ enhance apprenticeships, workplace training and continuous professional development
4. Attract and better leverage the talents of graduates and post-graduates
5. Stimulate a culture of enterprise
6. Enable a co-ordinated, private sector led approach to business support
7. Ensure a business-friendly Council
8. Facilitate the strengthening of supply chains
9. Strengthen links between the business and knowledge bases in York
10. Build on and integrate the offer of York's Universities within the wider economy
11. Continue to expand the science City York offer and growth of key sector networks
12. Promote open innovation and utilise creativity across the economy

13. Provide the right environment and suitable accommodation for businesses and individuals to reach their potential
14. Enhance the city centre and its opportunities as a business location, as a City Centre of the future

15. Deliver the transport, housing and next generation broadband infrastructure to support York's economic priorities, integrating economic priorities with the physical and infrastructure development
16. Develop a co-ordinated approach to attracting investment and promoting the City on an international stage
17. Retain, embed and encourage indigenous investment through improved key account management delivery
18. Explore innovative financing mechanisms to maximise investment in the City
19. Promote the City to, and follow up leads to attract inward investment through a targeted and strategy approach to inward investment

Again it is difficult to identify if these priorities were achieved as the objectives were generally not SMART (specific, measurable, achievable, realistic and time-bound).

In addition to these, there were also a series of sub-strategies on areas such as Digital York and Tourism for example, all of which led onto further lists of priorities and objectives.

Conclusions about priorities

A re-think about how we truly prioritise is needed in future strategies. From the previous strategy, it is very unclear what was most important things were as the 'priorities' covered almost anything which could be considered in an economic strategy, and on the whole are not specific to York's particular challenges and opportunities.

The above priorities should be borne in mind, but the more important thing is deciding what the fundamental core things ought to be, whether we call them priorities, objectives, obsessions or something completely different.

As a City, on what do we need to spend the most time and resource in order to make the biggest impact?

Analysis of progress against targets

In seeking to analyse progress against targets, as above – this is problematic given the nature of the objectives were not necessary measurable. Broadly speaking, looking back at the ambitions and objectives set out in the ambitions and themes, there has been activity in most areas, so the majority of these have been partly met, but could not be considered 'fully achieved'. Irrespective, it is important for us to understand how we performed against the targets and objectives set.

In looking at overall performance, indicators around being a top 5 comparator city are one way of assessing progress. Although the specific measures were not specified in the Strategy, headline measures have been detailed below. It is clear from these results that the work we have undertaken has had a positive impact in some areas, but not in others.

High level performance figures of note for the Strategy period are below, with colours indicating whether this performance is high or low amongst peers:

Measure	Previous outturn	Most recent outturn	Polarity
Gross Value Added (GVA) increased	£4.43bn in 2011	£4.75bn in 2013 (43/64)	Lower rank
There has been a positive increase in GVA, although the shift upwards has been slower than in some areas because of the relatively small size of York as a City, and the type of business sectors we have.			
GVA per worker	£41,800 in 2011	£45,500 in 2013 (38/63)	Lower rank
Although GVA per worker has increased, the proliferation of low value jobs put York in a third quartile position when compared with peers.			
Average weekly earnings	£454 in 2012	£446.50 in 2014 (44/64)	Lower rank
Many of our main employment sectors fall into the category of low value sector jobs, such as retail and tourism, hence average weekly earnings are lower than in many places, and have actually fallen since the Strategy was developed.			

Employment rate	74.6% in 2011	74.4% in 2014 (12/64)	Lower rank
This rate has remains stable and in the top quartile since 2011, which is commendable given the extremely difficult economic climate of the period.			
JSA Claimant count	2.7% in March 2011	0.18% in June 2015 (64/64)	Higher rank
Placing us with the lowest rates of all our peers underlines the buoyant employment market in the City, although we are aware that more people than ever in part time employment, especially female workers.			
Business start ups per 10,000 population	33.11 in 2011	46.69 in 2013 (26/64)	Lower rank
This rise in new start ups indicates a high level of business confidence in the City, and is extremely encouraging that York is seen as a good place to start a new business.			
Business closures per 10,000 population	30.59 in 2011	29.64 in 2013 (36/64)	Lower rank
Although this rate has fallen fractionally since 2011, this reflects the instability of the new business market, and is a third quartile result amongst peers.			

Quartile key

Top (Best 25%)	Second	Third	Bottom (Bottom 25%)

***Figures in brackets are the** *Centre for Cities* ranking for the stated time period. There are 64 cities rated in total. The most recent figures have been provided in all cases.

Achievements against the priorities

We have briefly touched upon the 19 priorities that were set in the 2011/15 Strategy, and the following table provides snapshots of progress made in each area. It is clear that there has been more success in some areas than others:

Priority	Progress
1. Provide skills to match employers needs	**Construction Sector (CYC Skills Team)** Working closely with CITB, CYC has been awarded National Skills Academy Status for Construction for embedding Employment and Skills Plans into procurement processes. ESPs ensure that contractors work closely with CYC and partners to deliver locally targeted employment, training and education opportunities. **Business Education Links (CYC Skills Team)** CYC Economic Inclusion Funding has supported a Business Engagement Officer role within the skills team to manage the Creative Employment Programme to support business growth within the Creative and Cultural Sector by matching young people (16-24) to new paid internships and Apprenticeships in Sector. The post holder is also working closely with the UNESCO team and supporting the development of sector specific activity with schools. **Enterprise Governors in Schools (CYC Skills Team)** To encourage schools to better support and prepare young people for their future, Leeds City Region funding has been used to develop a network of volunteer Enterprise Governors to influence the CEIAG, Enterprise and Employability agenda in schools. A key focus is ensuring that local Labour Market Information is accessible and embedded into curriculum and programmes, as well as encouraging more business education links.

	ESF Skills Support for the Workforce York College has accessed European Funding to support free sector specific training for SMEs in key growth areas for the city.
2. Better connect people to jobs and opportunity	816 learners gained work related qualifications in a classroom setting through York Learning, and 300 gained apprenticeships/ workplace qualifications. This includes employability qualifications to support people to find paid work opportunities. Connecting people with opportunities to improve wellbeing and economic potential; our counselling and language qualifications sit in this area and a total of 5,336 learners came through this provision last year. Our ESF funded employment related projects: ESF/NOMS Step Change programme supported 397 offenders to achieve 1,806 soft outcomes (ID set up, disclosure, job applications, careers advice, job interviews etc.), 26 into accredited vocational training, and 115 paid job outcomes ESF/DWP Supporting Families with Multiple Problems project worked with 510 individuals, achieving 770 progress measures (courses and supportive interventions to enable residents to upskill), leading to 114 paid job outcomes ESF/SFA Skills Support for the Unemployed supported 214 individuals to achieve 210 accredited qualification and achieve 74 paid jobs ESF/SFA Skills Support for Redundancy Supported 30 residents to achieve, 24 ICT or accounting qualification and achieve 16 jobs

	Leeds City Region funded Headstart Youth programme supported and mentored 64 unemployed young people aged 18-24 through a bespoke project to build skills and confidence. This led to 29 job outcomes, 5 volunteering and 5 into courses, and a further 7 into work placements Foundation Learning programmes supported 68 young people to achieve qualifications. All of these learners have social, emotional and mental health needs, with half experiencing such complex learning needs that they have benefited from a personalised learning package. This focuses on supporting young people to move toward, or into, a paid work environment and prevents them from becoming NEET. Around 50% of our learners move into paid work and other learning or work opportunities, a good rate of conversion given the complexity of their needs. CYC Economic Inclusion Funding (managed by CYC Skills Team) has supported the following targeted activity: • Two York Jobs Fairs each year – co-ordinated by York Learning, attracting circa 50 employers / training providers and 1500-2000 people seeking jobs, career progression and / or career changes Experience Works 50+ - delivered by York College to provide support to 218 unemployed over 50s with progress towards or into jobs, volunteering or further learning

3. Expand/ enhance apprenticeships, workplace training and continuous professional development	York Apprenticeship Hub activity (led by the CYC Skills Team and supported by funding from Leeds City Region) has worked closely with employers, training providers and young people to increase the take-up of apprenticeships with a focus on 16-24 year olds and SMEs. From a previous position three years ago of below national and regional take-up of Apprenticeships, latest Government figures (July 2015) put York in the top 5% of English local authorities for apprenticeship take-up and set the city in the top 10% of local authorities for keeping young people in education or training after Year 11. In York the focus has been on developing the market for specific key sectors with high quality training for apprentices. The well-established network of training providers delivers collaborative activity to raise apprenticeship awareness in schools and the Council-led Apprenticeship Brokerage Service for SMEs has supported around 100 SMEs new to apprenticeships to take on apprentices, with the city's first Paralegal apprentices now appointed in local law firms. Four city-wide Apprenticeship Recruitment Events have taken place at West Offices, attracting between 3-500 young people and parents to meet with recruiting employers.
4. Attract and better leverage the talents of graduates and post-graduates	York University Enterprise work Start up spaces, for example at The University of York (TUoY) and York Science Park, *The Catalyst,* also at TUoY, a building designed to support the growth and development of early stage companies in the creative, IT, digital and media sectors. Phoenix Centre at York St. John, business start up support.
5. Stimulate a culture of enterprise	This is very difficult to define, but might include the Business conferences that have been run, pop up cafes for business support, the Enterprise Society at the University of York, *Key Spaces* business

	support for York and North Yorkshire and East Riding, and also provided through various organisations and events with the Federation of Small Businesses and The Chamber of Commerce.
6.Enable a co-ordinated, private sector led approach to business support	This is closely linked to item 6 above, and is being taken forward by LEP Growth hubs. A Business Engagement Group has been established, as well as Make it York in April 2015. Some activities have been carried out, but there is much more to be done.
7. Ensure a business-friendly Council	Customer Service Excellence, simplified procurement, simplified planning.
8. Facilitate the strengthening of supply chains	This was not taken forward due to insufficient interest from businesses
9.Strengthen links between the business and knowledge bases in York	Some work has been done within particular sectors via Science City York and the Universities, but on the whole there has not been much interaction. This is partly due to lack of relevance/ cross-over.
10. Build on and integrate the offer of York's Universities within the wider economy	See bullet point nine.
11. Continue to expand the Science City York offer and growth of key sector networks	This has been an initial area of success, with key networks maintained and now within the remit of Make it York. Unfortunately, due to lack of resources and the withdrawal of the University of York, growth of these networks as we had hoped has slowed.
12. Promote open innovation and utilise creativity across the economy	A range of work has been done in this area including the Genius project, with URBACT - a European exchange and learning programme promoting sustainable urban development - and other work across Europe. There has also been a number of 'hackathon' style events for specific sectors, such as the rail and digital industries which have produced new prototype production

	partnerships. The specific outcomes in relation to business are unclear and very difficult to measure.
13. Provide the right environment and suitable accommodation for businesses and individuals to reach their potential	Limited progress with an ongoing need for Grade A Office space, particularly within the City Walls. Several reports carried out in this area, and in the instance of Hiscox, this came out in support of creating bespoke office premises.
14. Enhance the city centre and its opportunities as a business location, as a City Centre of the future	City Team York has been established, and a potential Business Improvement District is in development with local businesses. There have been pilots for free parking and on making Lendal Bridge traffic free, Reinvigorate York to showcase the City Centre, an increased festivals and events calendar, such as the recent Comedy Fringe Festival. The City Centre continues to thrive, although it is difficult to attribute this success to any particular interventions.
15. Deliver the transport, housing and next generation broadband infrastructure to support York's economic priorities, integrating economic priorities with the physical and infrastructure development	Much has been invested in broadband, but aside from this, progress has fallen behind: • Our vision for ultrafast broadband infrastructure has been delivered, and we are working toward becoming the first Gigabit City in the country. • Park and Ride now operates from six sites across the City, serving over 4 million passengers (2014). • Many priority infrastructures have not been fully delivered, but are ongoing, including York Central, the Outer Ring Road and British Sugar. • Between 2012/13 and 2014/15 there were 1,350 net new homes built in the City (CES09 indicator)
16. Develop a co-ordinated approach to attracting investment and promoting the City on an international stage	We have worked with UK Trade and Investment to promote important sectors, and MIPIM to promote development opportunities. Inward investment materials have been developed for key sectors. A targeted approach has been taken to tourism in

	growing markets with exploratory work carried out with internal partnerships in Nanjing, China and some US Cities. A promotional campaign in Leeds-Bradford Airport was also carried out. Going forward, Make it York will take the work of promoting the city in an integrated way across the range of propositions York offers.
17. Retain, embed and encourage indigenous investment through improved key account management delivery	There has not necessarily been a strategic approach to this implemented. Make it York has been tasked with holding key accounts with major high value businesses.
18. Explore innovative financing mechanisms to maximise investment in the City	Initial concepts for this were explored but not progressed.
19. Promote the City to, and follow up leads to attract inward investment through a targeted and strategy approach to inward investment	See item 16

The specific programmes on the whole weren't set up in a way which could be evaluated against defined outcomes, as neither specific success measures nor monitoring arrangements were set up from the outset for these.

Beyond the priorities in the strategy, there were many other activities not necessarily driven by the strategy specifically, the success of which should be noted, including around growth and inward investment:

- Tourism contributed £606 million to York's economy in 2014 alone, supporting 20,000 jobs an industry which catered for 7 million visitors
- Continued growth of the emerging Bioscience and agri-tech industries,

- Insurance underwriters Hiscox came to York, constructing their own Grade A office space in the City Centre, and creating 500 jobs in the process
- The Living Wage has been introduced by 11 major companies in the City ensuring that they pay their employees a fair and equitable salary,
- Work continues to attract international visitors and investors to the City, particularly from the lucrative markets in the Far East. Trade and investment visit from the Taiwanese Ambassador in April to forge stronger business links in the Region. Visit York is now one of 250 + UK businesses to be awarded the GREAT China Welcome Charter from VisitBritain
- York is now established as part of the Tour de Yorkshire route on the back of the 2014 Tour de France which generated £8.3 million for the City.
- York's £37 million Community Stadium and leisure complex has been approved
- Wi-fi and high speed broadband available across the City, providing an ideal environment in which to do business
- Growth of Aesthetica Short Film Festival. A key date in the national and international film festival circuit with BAFTA status
- Vangarde out of town shopping centre is thriving and has brought big name John Lewis, synonymous with quality, to York
- York was awarded UNESCO City of Media Arts status in 2014. This is a lifetime honour and the first in the UK, providing us with a platform to develop our profile and support the growth of high sector business in this area
- Investment in City Centre bricks and mortar is thriving. Recent projects include:
    - The Judge's Lodging – newly refurbished 4 star, 23 bedroom City Centre hotel
    - £3.5 million investment in York Art Gallery, re-opened in August 2015
    - £1 million investment in *Cosmo* – 248 seat restaurant
    - A £4 million investment and refurbishment programme at York Theatre Royal

    - Major redevelopment and multi-million pound investment in St. Leonard's Place by developers Rushbond
- York jobless figures just before the election are the lowest since 1992 http://www.yorkpress.co.uk/business/news/12898505.York_jobless_figures_lowest_since_1992/?ref=mac
- The best GCSEs of any city in the country, qualification levels amongst the highest in the country, regularly voted the best city for quality of life.
- Several small local businesses have been recognised with awards for enterprise, innovation http://www.yorkpress.co.uk/business/news/12905617.PureNet_scoops_European_IT_award/?ref=mac http://www.yorkpress.co.uk/business/news/12905385.Four_local_businesses_win_royal_seal_of_approval/?ref=mac

Complementing these achievements, there is also significant and important work in the pipeline to benefit the economy of York:

- Development of a Business Improvement District, fully supported by the Council, to allow local companies to make a greater impact on the local environment through co-operative decision making. Subject to a ballot of businesses in October, the Business Improvement District could raise over £800,000 to be invested in the City Centre. Decisions on allocation of this investment will be taken autonomously by the business-led BID Board and will focus on areas such as improving the cleanliness of the City Centre, tackling anti-social behaviour and providing business and procurement support for City Centre businesses.

- European Structural Investment Funds – Teams from within the Council are working hard to win finance from this pot for a number of local initiatives. Although the majority of these need match-funding, £338 million is available across the Leeds City Region, and just over £93 million in York, North Yorkshire an East Riding, and officers are working in partnership with regional colleagues through a series of complex processes and procedures to ensure optimum benefit.

- Work is ongoing to develop the Guildhall, and a number of options have been suggested such as the development of the venue as a leading virtual digital media hub, offices or homes.

- York's only five star hotel, The Grand Hotel and Spa has won planning permission for a proposed £15m project to expand their venture, regenerating a large, long abandoned space within the City Centre.

- The York Central site development is still under negotiation with Network Rail, but is likely to accommodate over 1,000 new homes and a 100,000 square metre commercial quarter which will be built over a period of approximately 15 years

- *Make it York* officially launched on 1st April 2015, and was brought into being to market, promote and develop the economic wellbeing of the City. Although still very much in it's infancy, the MiY remit includes seeking out funding opportunities for new development projects, business support, promoting festivals, events and the City Centre offer, and working with universities and colleges on recruitment

- A number of major developments and regeneration projects across the City are in the early stages, but will add homes, academic and research facilities, and commercial buildings which can only strengthen the economy and add to York's burgeoning business reputation. These include major sites at:
    - Former Terry's factory
    - Former British Sugar and Manor School sites
    - Castle Piccadilly
    - Heslington East Campus at the University of York
    - Nestle South

Conclusions and learning

While it is not possible to evaluate particular interventions and their relevant impact given the way the previous strategy was set up, there are a number of ways which learning can be gleaned from the previous strategy.

Ambition
The City should remain ambitious and determined, and the ambitions the previous Strategy set out were beneficial in raising aspirations for the City. These things are still ambitions for York, the essence of the original vision remains, but the city needs to concentrate on a series of priorities and tangible actions that, when implemented, will ensure that our original aspiration is delivered as a consequence.

Evidence based
The challenge in every city is different. However, any future economic strategy should make use of the available evidence base on what works in other cities. Future strategies should aim to develop proposals using all evidence available.

Focus and prioritisation
The city needs to refocus and reprioritise what is truly important to its future. In consultation with partners, it needs to agree upon what we can *actually* deliver, not what it would like to deliver. Although, as noted there were some achievements, the last Strategy did not progress the city enough in terms of addressing major weaknesses and opportunities. These issues and opportunities remain largely the same. Over the period of the Strategy as much time, effort and resource were invested in areas not identified in the Strategy as well as key areas within it. With limited resources, the city must focus on what will make the biggest impact.

Specific, measurable and achievable
It is important to be able to evaluate a Strategy properly and fully. The way in which this Strategy was set out makes it almost impossible to provide a full and reflective evaluation as the content is so broad, with

many indeterminate factors which, in retrospect, cannot be effectively reviewed.

Any refreshed Strategy needs to clearly set out, in a structured fashion supported by metrics, what it is the city wants to achieve, how, and what benefit any outcomes will bring to York, along with timescales for delivery.

Accountability

The city must focus on actions that lead to tangible outcomes, and not set out about producing more strategies. It must be able to demonstrate the difference that the actions of partners have made, so robust benchmarking and performance data needs to be put in place, regularly monitored and reported back to those accountable.

Building on local partnerships and the actions of the private sector

The contribution and expertise of local business is vital for delivering a strong economy. Whilst the Strategy acknowledges the City's wish to work in partnership with others, many of the actions laid out focussed on the Council. The close working relationships with partners across sectors cannot be valued enough and are crucial given the lack of resources within local authorities, a position which is set to deteriorate over the coming years.

Realistic and achievable

The City should learn to look at what is possible in a more grounded way, learning to be more restrained when setting out what we say can be achieved. This clarity of read through from action to ambition and vice versa is not clear in the Economic Strategy 2011-15 and needs to be set out unambiguously in the refreshed Strategy.

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Annex 5: Delivery of the Economic Strategy

	How will we monitor progress?	What we should see after 1 year?
OVERALL STRATEGY AND EVALUATION	A new annual event to jointly take stock of how we're doing against the things we said we wanted to do with a wider invitation to a range of businesses and organisations (similar to the initial Economic Strategy event). This will outline progress against the key targets in the Economic Strategy, provide an opportunity to evaluate successes and failures and change the direction of the Strategy if necessary. The Council will facilitate this, but with businesses taking a lead in the presentation. We propose to have the first event as the launch of the strategy in July 2016.	See below
1. DELIVER YORK CENTRAL ENTERPRISE ZONE + HIGH SPEED HUB	Ensure that the Strategy and delivery fully reflects existing Network Rail, National Railway Museum and City of York Council collaborative arrangements, Board to monitor progress. There will be opportunities for wider engagement, bringing in other partners as required and through site consultation.	Partnership agreements including financials confirmed for York Central Full funding in place, including mechanism for borrowing against future business rates Agreement on allocations through Local Plan Progress towards taking the site to market
2. DELIVER A LOCAL PLAN THAT SUPPORTS A HIGH VALUE ECONOMY	City of York Council led activity, with consultation with businesses and other stakeholders an intrinsic part of the process. Chamber of Commerce to take the lead on coordinating businesses to provide input and a coherent private sector voice into the Plan.	An agreed Local Plan submitted which supports high value growth

3. TAKE PRACTICAL STEPS TO RETAIN TALENT IN THE CITY	Higher York, or collaboration of universities and colleges, will lead on delivery and progress monitoring. Clearly, success will rely on private sector and business network engagement. The education sector however, will take an overarching view on the delivery of the projects within this programme of work. Higher York may wish to seek a business champion to take a lead in coordinating input from a business/SME perspective, the Federation of Small Business have already expressed an interest in this work.	Progress towards a graduate scheme for SMEs. Continuation of apprenticeship brokerage, adapting to changes in national policy York SMEs being represented at University careers fairs
4. DRIVE REAL BUSINESS GROWTH AT HESLINGTON EAST + SAND HUTTON	The University of York to lead and set up regular meetings between YNYER LEP, University of York, Fera/Defra, City of York Council, Ryedale District Council, Make it York, and York Science Park with the focus on developing and marketing business space on these campuses. Wider Bioeconomy work led by BioVale partnership.	A clear pitch for businesses around options for locating their on Heslington East or Sand Hutton which has been shared with property agents and key intermediaries Vision and plans for future developments scoped and agreed by relevant parties, with next steps identified Continued progress and business involvement within the BioVale and DC Hub initiatives
5. LOBBY FOR INVESTMENT IN KEY TRANSPORT NETWORKS	Council and LEP led work through existing channels, bringing in relevant businesses as necessary where they can helpfully shape or implement lobbying efforts	A clear list of priority asks Feasibility work undertaken and outline business cases developed for major transport investments where they don’t currently exist A lobbying strategy for influencing key individuals around relevant decisions

6. USE LOCAL BUSINESS RATE FREEDOMS TO DRIVE HIGH VALUE GROWTH	Council to take a lead on work, engaging with others to help bring ideas to the table and shape options as greater detail becomes available (longer term priority).	Council response to the Government consultation on business rate retention, expected in Summer 2016. Updates on national Government guidance and the parameters we will be able to set policy locally within
7. MAKE A FRESH LOUD STATEMENT OF CULTURAL + VISUAL IDENTITY	Make it York tasked with taking a lead and monitoring progress. This will rely on a partnership approach and drive from others, but Make it York will take an overarching view on the delivery of the projects within this programme of work. As part of this, set up a delivery group to implement sharing stories of business success in York to deliver business and investor confidence, equipping stakeholders with key messages, and in due course to consider other ways of presenting a positive and forward-looking image of the city. A creative conversation/ meeting of 'ambassadors' could be used periodically to engage a wider group. As much of this requires a partnership approach, Make it York may well set up smaller operational groups to take ideas forward (e.g. lighting setup for the City Centre; digital signposting)	Initial meetings of a coordinated marketing team across organisations, led by Make it York. An improved web presence for promoting the City to businesses considering locating in the City. An Ambassadors programme launched Feasibility work undertaken and outline business cases developed for identified major initiatives focussed on changing the perception/visual appearance of York
8. BRING PEOPLE + BUSINESSES TOGETHER IN CREATIVE LOW-COST WAYS	Make it York will be tasked with delivery and monitoring progress. This is not to say that it is their sole responsibility (it will rely on businesses networks and other organisations themselves too), rather that they will take an overarching view on the	Several creative networking events delivered Sector networks in existence within all key sectors and moving towards a self-sustaining position

	collaborative business - and beyond - landscape of York. There may be new groups set up as part of this as necessary, e.g. a rail network, but as per the priority, this should not be onerous on resources or public sector financing. As part of this, the Council will set up quarterly business breakfast /evening events to make sure it is engaging and communicating with businesses and other partners about matters which are of shared interest within the strategy or that arise. The invitation list and format will be flexible to the subject area and aims, but could just be a handful of people to problem solve a particular challenge, or a larger audience for broader communication. There will also be a quarterly newsletter to update on any key issues in the city that the YEP Board meetings would have been used for previously.	

ANNEX 6

CITY OF YORK COUNCIL

Economic Development & Transport Policy & Scrutiny Committee **16 March 2016**

Final Report of the Economic Development Task Groups
(Updated after EDAT meeting on 16 March)

Development of York's Economic Strategy

Summary

1. This report is to inform Members of the Economic Development & Transport Policy and Scrutiny Committee of the work of the two Task Groups established to help develop York's Economic Strategy.

Background

2. At a meeting of the Economic Development & Transport Policy and Scrutiny Committee (EDAT) in July 2015 Members were provided with a report on the development of the new Economic Strategy for York along with proposals on how the Committee could contribute in a cross-party policy development role.

3. The report noted that an economic strategy for York should help York businesses, Higher & Further Education and skills providers, City of York Council, Make it York, and any other relevant parties, identify (a) the key challenges and opportunities for the future and (b) a prioritised action-based approach for the city to address this.

4. It was also noted that the strategy is owned by the city as a whole, rather than it being a Council strategy. Many of the ambitions for the city can only be delivered with all sectors fully on board, so it is important that the assessment of challenges, opportunities and priorities is led by the business community, working in partnership with the Council and other bodies.

5. In March 2015, more than 50 key organisations and people in the city came together to consider which were the most important elements of any new economic strategy for the city and seven priorities were identified:

ANNEX 6

- A tangible shift to higher value sectors and jobs
- Unlocking brownfield sites for jobs and housing
- Enterprising skills at every age
- Tackling congestion to employment sites
- A world leader in bio-renewables and agri-tech
- A creative city uniquely utilising its distinctive heritage
- A leading rail hub in every way.

6. The Committee agreed to select two of these priorities for review; unlocking brownfield sites and a creative city and appointed four Members to serve on each of the two Task Groups:

   Creative city

   Councillor Cullwick
   Councillor Cuthbertson
   Councillor Myers
   Councillor Rawlings

   Unlocking brownfield sites

   Councillor D'Agorne
   Councillor Barnes
   Councillor Gates
   Councillor Warters

7. The Committee agreed the remit for both Task Groups should be:

   Aim:
   To actively engage with and contribute to the Economic Strategy development process.

   Objectives:

   i. To enable the Committee to fulfil its policy development role in a tangible way, contributing to the key decisions and actions to be taken around York's economy for the next five years.

   ii. To attend and contribute to cross-sector workshops arranged to develop proposals for the seven priorities listed above and to understand the views of experts and partners.

iii. To meet relevant officers to consider further evidence of what works and best practice and become involved in broader consultation with other interested parties.

Background to Creative City Review

8. York has a rich history and is one of the premier heritage cities in the UK representing impressive architecture and attractions drawing from a number of historic periods.

9. The challenge, however, is to use its past and present in unique and dynamic ways for the benefit of York's economy and those who live in and visit the city.

10. There are many strong examples of creative use of marrying the old and the new, from Aesthetica Short Film Festival and Blood and Chocolate to the design of the city council's West Offices headquarters and tourism apps.

11. York's creativity is internationally recognised through designation as a UNESCO Media Arts City and there are many world-class creative organisations based in York and operating globally, particularly in distinctive sub-sections of museum and stage interpretation; live streaming; digital archiving and arts media.

12. York is one of the few cities to have all these ingredients together (many of them unable to be replicated by others as they have been hundreds of years in the making) presenting an opportunity for the city to truly shine out among the competition on a global scale if these strengths are harnessed effectively in shaping a prosperous and productive city.

Information gathered

13. On 16th November 2015 Members attended a Creative City workshop chaired by Jane Lady Gibson and including representatives from businesses and academic organisations in the city. It was stressed that York Economic Strategy was not simply a City of York Council initiative but a strategy for everyone and that effective partnership working was a key to success.

14. The workshop included roundtable and group discussions after which priorities were suggested in three categories: those which could be achieved at no cost; projects costing £1 million and projects costing £50 million.

15. The guiding concepts behind the suggestions were:

    - Foster civic and community pride, and empower residents
    - Connect both commercial and creative decisions where there are synergies and can complement (e.g. new developments)
    - Innovative management of capacity and communication
    - A business, community and cultural call to action
    - Education of residents
    - Stop the ‘own goals’
    - Lower our tolerance to issues such as goods vehicles parking on double yellow lines.

16. The key priorities proposed at the Creative City workshop are detailed in Annex 1.

Background to Brownfield Sites Review

17. York’s growth is constrained by its historic geography and nature. The city does not have a confirmed Local Plan in place to indicate sites where development will be supported and areas to be protected from development.

18. This can mean desirable planned development can be harder and has led to pent up demand for high grade commercial and residential development.

19. Completions of new houses have also been below projected requirements for a number of years, with high affordability ratios in comparison with wages for large parts of the local population, Similarly, there is a lack of available quality business accommodation to support inward investment and high value indigenous growth.

20. The goal is for key housing and employment sites to be delivered to support the city’s economic growth and York has a clear planning framework in place which strategically directs where developments should and should not take place.

Information gathered

21. On 27 November 2015 Members attended an Unlocking Brownfield Sites workshop including representatives from businesses, developers, property agents and academic organisations in the city. The workshop included roundtable and group discussions after which priorities were suggested.

22. These discussions centred around six key sites in the city: York Central; British Sugar; Nestle Cocoa Works; Hungate; Southern Gateway and Terry's Chocolate Works, a total of 135 hectares of brownfield land with the potential for more than 5,500 new homes; space to accommodate more than 10,000 jobs with Gross Value Added (GVA) in excess of £900 million in sustainable development locations with high levels of public transport accessibility.

23. The challenges are:

- Lack of quality office space in the right locations for businesses to grow and new higher value businesses to locate
- Constrained historic nature of land/sites/buildings in York
- Upfront infrastructure challenges around York Central as a key site
- Constrained evidence of demand for commercial accommodation because of historic undersupply
- High demand for housing, and affordability challenges
- Lack of a local plan

24. Key priorities from the Developing Brownfield sites workshop are detailed in Annex 1:

Evolution of Economic Strategy

25. Members also attended and contributed to other workshops outside their specific focus to gain a rounded view of the overall strategy. A priority action list from all the workshops is included in Annex 1.

26. While Task Group members agreed that the workshops were valuable, they felt that the key actions in the Economic Strategy are interlinked and cannot be considered in isolation.

27. And since the formation of the Task Groups and the subsequent workshops, the draft Economic Strategy (Annex 2), into which the Task Groups have had input, has evolved into eight essential programmes and actions:

- Deliver York Central Enterprise Zone and high-speed rail hub;
- Deliver a Local Plan that supports a high value economy;
- Take practical steps to retain graduate talent in the city;
- Drive real business growth at Heslington East and Sand Hutton;

- Lobby for investment in key transport networks;
- Use local business rate freedoms to drive high-value growth;
- Make a fresh and loud statement of cultural and visual identity;
- Bring businesses together in creative low-cost ways.

28. At a joint meeting of the two Task Groups in late January 2016 it was agreed that rather than focus on two individual elements of the strategy it would be better if EDAT took a holistic approach and focused on the priorities and actions where the Council can play a role.

29. Key priorities proposed by members of the Task Groups to develop the Economic Strategy were:

    - Develop an integrated transport strategy which looks at the bigger picture to try and facilitate a more sustainable form of transport;
    - Build on the successes of the past, such as park and ride, when developing sustainable transport solutions;
    - Attract key employers to the city to enable higher paid jobs;
    - Attract higher value jobs to the city so people will stay here rather than moving away;
    - Examine how the actions measure against the Local Plan. What will be the figures for housing? There is also a need for more urgency with the Local Plan;
    - Develop opportunities to retrain as part of a high wage economy so as to make more use of existing skills and enable people to upskill;
    - To understand the demand for Grade A office space and if that means a feasibility study then the sooner the better;
    - Need to turn the growing Agri-tech business into a major selling point;
    - Develop the riverside as a leisure and tourism attraction;
    - Redevelop existing sites in addition to large scale developments such as York Central.

Analysis

30. Task Group members were aware of the need to attract high-value employers to the city. Without these employers it is unlikely the evolving Economic Strategy will take off. The Enterprise Zone is the key and the city needs to play to its strengths to attract the right sort of employers.

31. The city has a highly educated workforce (over 40% with a degree or equivalent) with continual new talent from the city's universities and colleges. However, a skew towards low productivity sectors means there are more people on lower wages with poorer chances of progressing to better paid jobs, and there is less money flowing in York's economy

32. A mismatch between skills and jobs means many residents are doing lower-skilled jobs than they potentially could; talented people leave the city for jobs elsewhere and businesses cannot find staff to fill certain vacancies. However, York consistently has one of the lowest unemployment rates in the UK, which is good for residents and also for businesses recruiting people with a good record of work

33. York is seen as an attractive and desirable place to live and established businesses want to move to somewhere nice to live with good transport links. The city is a key hub on the UK's rail network, less than 2 hours from London and with connections to every major city economy in England and Scotland.

34. The Task Groups realised a weakness in the strategy is strengthening the value of jobs. This should be a headline point. In addition to York Central there needs to be a secondary strategy for relocating existing jobs and retaining existing employees. These jobs need to be relocated to the most logical places to keep them in the city.

35. A lack of available land and good quality city-centre office space means it is harder to attract new companies or retain growing businesses, especially ones providing the best jobs.

36. One of the main objectives of the strategy should be that people do not have to leave York. It is a beautiful city but there is a need to provide employment that increases wages so it retains employees. Students want to stay in the city but there are not the employment opportunities or housing they can afford in relation to those employment opportunities.

37. The Task Groups noted that York should be an exemplar of a sustainable culture and in developing brownfield sites there should be measures, including high-quality public transport, to prevent the need for

car usage. Indeed, congestion, especially around Northern outer ring road, is a problem for businesses located or travelling in this part of the city; and there is a lack of demand for business premises in these locations.

38. The draft Economic Strategy shows more focus on key areas and has fewer targets than previous strategies for the city and is considered by the Task Groups to be more achievable.

39. The city also needs to demonstrate its resilience in the face of climate change and how it has learned lessons from the Christmas 2015 floods.

40. Finally the full Committee agreed that in formulating an Economic Strategy, it was recognised that residents want to protect the special character and setting of the city, including protecting – for the most part – the surrounding countryside or informal Green Belt.

Further Information gathered

41. To complete the review in the most efficient and effective manner the Task Groups agreed a working party comprising Cllrs Cuthbertson, Rawlings and Barnes to progress the work.

42. The working party met for the first time on 3 March 2015 to consider the draft Economic Strategy and officers gave an update on the progress of the strategy and the consultation that had taken place with the business community.

43. The working party agreed that a collaborative approach was vital to the delivery of the strategy and that the Local Plan would have a key impact on its delivery. They also emphasised the key role the development of York Central would have on the successful delivery of the strategy.

44. They accepted that the tourism sector did not require direct intervention although tourism could impact on some elements of the strategy.

45. They noted that the previous strategy had too many priorities and the point of the refresh is to concentrate on what can be achieved and delivered along with partners.

46. Members had further input into the presentation of the draft Economic Strategy and suggested amendments to ensure clarity in its layout, with a greater focus on the positive choice that was being recommended, ahead of the final report being presented to the York Economic Partnership.

47. When considering the mechanism by which the strategy would be formally approved it was agreed that it would be useful for the Executive to recommend the strategy to the city.

48. At an EDAT meeting on 16 March 2016, Member considered an interim report on the scrutiny review of the Economic Strategy and Members agreed it would be good to develop from the strategy a set of key performance Indicators (KPI) which the committee could measure against to ensure the strategy is being developed successfully.

49. It was also agreed that an environmental capacity study should be considered to indicate how much additional development the city can take without losing its special character, and this could be added as a recommended action within the strategy as it develops over time.

50. The Committee agreed to conclude the review and make recommendations to the Executive.

Conclusions

51. Whilst the Economic Strategy is a shared strategy for all partners in the city, there is a need to ensure cross-party political buy-in at all levels, as well as a clear line of accountability and measurement of outcomes. There is also a need for politicians in the city to stand by the strategy and undertake positive decisions that aid progress against the strategy.

52. York has the highest skills level of any city in the North but the city’s wages fall below the national average in comparison due to a disproportionate skew towards low value sectors such as tourism and retail and there is a need to create the right environment to address this imbalance.

53. Enterprise Zone status for York Central presents the city with a unique opportunity to promote economic growth and the delivery of the new Central Business District element of York Central and the potential to provide around 7,000 higher-value jobs. At present the lack of available land and good quality central office space means it is harder to attract new companies or retain growing businesses.

54. There is an appetite within the business community for a collaborative approach for an economic strategy for the city, focusing on developments that can be achieved and delivered.

55. Officers and the wider business community have welcomed the involvement of the scrutiny committee and it had been involved in policy formation and priority setting from the outset.

56. The cross-sector workshops arranged to develop proposals, which EDAT Members attended and made contributions, helped form the basis for the delivery of the draft Economic Strategy.

57. Key priorities identified by EDAT members, such as the focus on high-value jobs, a need to understand the demand for high-quality office space in the city, to turn the growing Agri-tech business into a major selling point, steps to retain talent within the city and making sure transport policies include sustainability as well as major roads and improvements, have all been incorporated into the draft strategy. EDAT Member revisions to the draft Economic Strategy presentation papers were also accepted.

58. There has been real business buy-in to the strategy which indicates a clear path forward and this joint working arrangement with the business community is one which needs to be maintained to allow the development of an economic strategy everyone is happy with.

59. The strategy's more focused approach means it is more achievable and its delivery against specific actions and KPIs will be monitored on a regular basis.

60. An environmental capacity study could be considered to help ensure the long-term economic sustainability of York as a further action in the strategy document, but this should only be recommended on the proviso that it does not affect the adoption of the economic strategy and its overall approach.

61. A cross-party Council scrutiny committee working in cooperation with business partners in the city has helped formulate an effective and achievable Economic Strategy for York for the next five years.

Council Plan

62. The proposals for a new Economic Strategy relate closely to the Prosperous City for All and a Council That Listens to Residents elements of the Council Plan.

Implications

63. The following implications arising from the recommendations in this report have been identified. Implications arising from the draft economic strategy itself will be identified and addressed in a separate report.

- **Financial** – The scope of the environmental study will need to be understood along with its likely costs. This will almost certainly have financial implications as it is unlikely that there is budget for such work.
- **Human Resources (HR) –** There are no implications for HR contained in the report as it is a general report to develop the Economic Strategy across the City. Once the strategy is further developed and the Council has identified what specific actions it needs to take to contribute to it, any Human Resource implications will need to be considered at that time.
- **Equalities** – There are no equalities implications
- **Legal** – There are no legal implications
- **Crime and Disorder** – There are no crime and disorder implications.
- **Information Technology (IT)** – There are no IT implications.
- **Property** – There are no property implications.
- **Other** – There are no other known implications associated with the recommendations arising from this review.

Risk Management

64. Whilst it is not essential for any city to have an economic strategy, there are many risks associated with not having such a document. Without an economic strategy, there is a risk that there is inadequate co-ordination with partners across the city to deliver robust economic development. For example, as outlined in the document above, the shortage of available high quality business space runs the risk of leading to a continuation in the long run decline in local wage levels. Without a coherent economic strategy, there is also a risk that key policy decisions such as commercial requirements in the local plan will not reflect the economic needs of the city.

ANNEX 6

Recommendations

65. The Committee are asked to agree the following recommendations:

    i. That the Executive endorse the draft Economic Strategy included at Annex 2;

    ii. That consideration is given to including an additional action in the Economic Strategy document to undertake an environmental capacity study for York to support the economic sustainability of the city in the long-term;

    iii. That if the Executive makes significant changes to the draft Economic Strategy it should return to scrutiny for further consideration.

Reason: To enable the development of an Economic Strategy for the city.

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Report Approved ✓ **Date** 7/03/2016

Wards Affected: **All** ✓

For further information please contact the author of the report

Annexes

Annex 1 – Key priorities from Creative City and Brownfield Sites economic strategy workshops and priorities action list.

Annex 2 – Draft York Economic Strategy 2015-20 (see Annex 2 of 19 May Executive - Development of York's Economic Strategy Report)

Annex 6a

Key suggestions from Economic Development Strategy workshops

Creative City

Category	Suggested Action	Potential next steps
Facilitation costs only	Leaders of the city (to be defined) to come up with a shared articulation of what we want York to be like economically, culturally and visually in 30 - 50 years time (vision) and what its distinctive and unique characteristics will be which mark it out from other cities. This vision should be something which all key parties (again, to be defined) can sign up to but which provides strong, ambitious leadership for the City, makes clear judgment calls, takes into account future national and global trends, and informs future decisions about development and focus.	Need to understand whether there is appetite for parties to undertake such an activity and commit to following through over a number of years (decades?) on making it something which affects what happens in practice.
Facilitation costs only	Put on a big party or equivalent event which people *want to come to* so as to engender familiarisation and trust between diverse partners in the city who would not usually mix but are key to York's success.	If appetite for this, group of businesses/ others to initiate (should not be public sector led for branding purposes).
Facilitation costs only	Key events and festival organisers in the city come together each year to jointly plan and coordinate annual festival/events programming, starting from 2017.	A volunteer to gather the relevant people together to begin to plan.
Facilitation costs only	Initiate and equip a group of senior advocates with significant	Make it York to take forward within

	national/international influence with a small number of key messages to support lobbying, the promotion of the city, and attracting potential inward investors in high value sectors - some investment could be made into this particularly around inward investment.	existing remit (with support from Council on lobbying angles)?
Facilitation costs only	When up for renewal, re-commission Park and Ride contract for greater evening use/overnight capacity.	City of York Council to explore the business case for this
Facilitation costs only	Set up a virtual shared marketing team of marketing officers from key organisations and businesses in the city to spot opportunities to cross-promote York and key messages.	Make it York to initiate with key members and partners in the city?
Facilitation costs only	Run and promote widely architectural design competitions for each major new development in the city over the next few years.	CYC and landowners for key developments to understand how this would work / when / how for each major upcoming development
Category	**Suggested Action**	**Potential next steps**
Some cost (£1-5m)	Set up a fund for pump priming business/3rd sector ideas for economic and cultural development where a sustainable income can be developed (0% loan), with a panel of businesses assessing submissions.	Small group work up proposition for LEP / Council to consider.
Some cost (£1-5m)	Develop the Guildhall into a vibrant hub for businesses, particular around digital and creative sectors.	Continue work to develop business plan and seek external investment.

Some cost (£1-5m)	Roll out a comprehensive creative approach to digital signposting / communicating what's on and things to do in the city, which is accessible both virtually (e.g. through apps) and physically at key points in the city.	A group of people work up idea, business case, gap funding required and potential sources for funding.
Some cost (£1-5m)	Develop an improved digital toolkit including web presence for promoting the city.	Identify where this sits alongside other priorities, as potential to be delivered through Make it York.
Some cost (£1-5m)	Deliver a new major large scale annual creative festival of Media Arts: Mediale.	Continue to seek external funding for concept.
Some cost (£1-5m)	Invest small amounts to incentive/subsidise events organisers to spread festivals across the city to areas which may not yet be fully commercially viable to stimulate the market.	Small group work up proposition for Make it York / Council to consider.
Some cost (£1-5m)	Continue investment in maintaining the public realm and attractiveness of city centre.	Identify where this sits alongside other priorities, as potential through York BID and City of York Council capital maintenance programme.
Some cost (£1-5m)	Deliver a sustained collaborative marketing/PR campaign promoting and contributing to delivering the changes of perception needed for our articulated vision for York (see below).	Get a clear sense of joint vision, messages and audiences - is there sufficient alignment or is segmentation required? Possibly through vision/marketing actions below first?

Some cost (£1-5m)	Deliver a collaborative marketing approach for York as a family friendly city.	This branding could hinder the attractiveness of York for young single people working within creative, digital, enterprising industries, and reinforce existing 'uncool' brand. It would be better for marketing to flow out of vision exercise perhaps?
	Make creative use of Stonebow house, subsidising market rates to enable creative activities to happen there	A group of people work up idea, business case, gap funding required and potential sources for funding
Category	**Suggested Action**	**Potential next steps**
Big Ideas (£50-100m)	Plan and deliver comprehensive all-year-round lighting for the city centre which can used dynamically, be adapted seasonally and used to tell stories - to be an attraction in itself encouraging evening economy	A group of people work up idea and business case, gap funding required and potential sources for funding
Big Ideas (£50-100m)	Develop a new iconic public open space around Eye of York, with architecture that is an attraction in itself and reason to re-visit/re-think York, and where things happen	A group of people, including those who own the land or leading on the development, work up idea and business case, gap funding required and potential sources for funding

Big Ideas (£50-100m)	In addition to simply unlocking the York Central development, invest extra in creative contemporary architecture and space planning on the site with the unique opportunity of a 'blank space' to produce something truly distinct and memorable and with an iconic building as a focus point (e.g. conference centre/business space/other) and attraction in itself.	A group of people work up idea and business case including how it would affect viability of site delivery, in discussion with existing partnership, including additional sources of funding this could open up.
Big Ideas (£50-100m)	Commission a comprehensive, creative and accessible means for the digital presentation and exploration of the city, including virtual achieving and broadcasting of cultural heritage to be realised.	A group of people work up idea and business case, gap funding required and potential sources for funding.
Big Ideas (£50-100m)	Undertake a development to open up the riverbanks	A group of people work up idea, business case, gap funding required and potential sources for funding.
Big Ideas (£50-100m)	Create a creative bubble to explore and discover, possibly around Micklegate.	Too costly to justify
Big Ideas (£50-100m)	Provide funding for start-ups to make York a centre for students starting businesses	Not sure there is a market failure, there is a wide range of access to finance for start-ups already available

Brownfield Sites

Evidencing Demand

i	Set up a consultative group of local property agents, developers and business leaders with City of York Council to better quantify/qualify the evidence of demand on an ongoing basis	Partnership initiative	Can be initiated with a group of people from those which met for the workshop
ii	Compile and maintain a set of data of deals and availability of property, enquiries, occupancy of key business parks	Partnership initiative	Could be a product delivered by the above group
iii	Compile and maintain documented demand for new premises from existing businesses with desire to expand	Make it York-led initiative	Make it York take forward within existing set of responsibilities
iv	Independent market analysis of York Central office proposition drawing on national demand studies	Partnership initiative	CYC to explore
v	Deliver an advanced smaller test case office development on York Central with public/private financing to release latent demand and demonstrate viability	Proposal for external investment	A small group work up business case
vi	Market sites to developers/end users/government departments, including through high profile York people, local and national property agents and with a key sector focus	Make it York-led initiative	Make it York take forward within existing set of responsibilities

Taking Forward Complex Brownfield Sites

vii	Create, promote and keep up to date a clear pipeline of worked-up projects for LEP funding streams and/or private investment	Council-led initiative	Council facilitate developing clear business cases for gap funding with landowners
viii	Use business rates retention to fund upfront infrastructure costs	Council-led initiative	Explore once national business rates policy clearer
ix	Where there is a viable business case, short term interim uses - generate revenue on site as an initial return	Partnership initiative	If there are particular proposals, these can be considered
x	Set up a local development company	Council-led initiative	Assess cost/benefits/requirements/best structures
xi	Explore district heating network to which new businesses could connect (to be laid at the same time as drainage and other utilities thus keeping costs down but providing low energy costs for future occupiers	Proposal for external investment	Understand outline business case and whether there is evidence this would provide a driver for accelerated development / business location
xii	Explore local bonds as a means for financing site development or infrastructure required to unlock	Council-led initiative	Understand where this has worked and whether the conditions in York / with key sites are likely to match this type of financing
	Deliver an advanced smaller test case office development on York Central with public/private financing	Proposal for external investment	A small group work up business case

	to release latent demand and demonstrate viability		

Local Plan

xiii	Private sector and CYC work together to feed in 'on the ground' market and economic evidence for local plan	Partnership initiative	Initial meeting between CYC and a few property agents to support commercial space assessment
xiv	Deliver a realistic and flexible local plan which forces the point that there has to be change - housing development in greenbelt with social housing policy that really bites	Council initiative	Highly political, so likely to be down to influence and debate. Private sector to provide clear voice within Local Plan forums
xv	Communicate stronger PR message on Local Plan to sell it to public, including engaging more of business community in working group meetings not just 'objectors'	Council initiative	Communicate out details and dates of working group meetings to list of potentially interested businesses/stakeholders