

APPENDIX 1: Projects for consideration by Sept Cabinet

1. Reinvigorate York – Programme

EIF Business Case Template

Proposal summary

Background

In July, Cabinet approved the first tranche of the Reinvigorate programme of activity – the public realm element of a wider programme of activity designed to “up the game” of York’s city centre, creating a world class offer capable of not only maintaining current levels of visitors and business investment, but in fact, enhancing the competitiveness of the offer of the centre.

The initiative is a key step in creating an invest-able city centre in which

- businesses currently located in the centre will be confident in remaining and potentially expanding;
- new businesses in our traditional city centre industries are attracted to locate – particularly target retail brands and independent retailers/fashion outlets – as well as a more diverse range of businesses in service industries – particularly creative, digital and professional services; and
- new independent retailers, leisure and service businesses are encouraged and supported to start and thrive

The ambition will be articulated more fully in the city centre vision to be generated through local plan activity this Autumn, and this vision will be used to help shape the detail of the programme of projects that follows.

Specifically, this programme will benefit from the input of and strategic direction of the City Team – a diverse public-private partnership of city centre stakeholders and investors with strategic oversight for the development of the city centre as a distinctive asset in the city’s overall ambitions to be a top 5 UK city and a top 10 European mid-sized city.

Strategic Need

The Reinvigorate York initiative is a key element of a wider programme of work being developed to create a world class, diverse and dynamic city centre. A city centre investment and action plan is being developed to support this work, and the role of Reinvigorate York will be to ensure that the city centre environment is of the quality required to attract visitors and business investment to the city.

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

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

Strategic impacts

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

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

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

This is backed up by the research for *Heritage Counts*. 91% of

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

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

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

Strategic Fit

The project supports delivery of the following Council Plan priorities

- **Create jobs and grow the economy** – whilst the individual schemes set out in this report are modest, it is considered that the wider aims to improve the quality of York City Centre will contribute to the economic attractiveness of the city and boost investor confidence.
- **Get York Moving** – improvements to streets and spaces will improve safety for pedestrian and cyclists, and help to create a better environment for people to consider using alternative modes of transport.
- **Protect vulnerable people** – better paving, seating and lighting in the city centre will, even in a modest way, help to improve access to services and facilities for all.
- **Protect the Environment** – proposals will be delivered in accordance with the Council's sustainable objectives, and will enhance the public realm, heritage and townscape of the city centre which will support the sustainable growth of the city and coordinate with the vision and objectives of the Reinvigorate York initiative.

It also supports delivery of the following York Economic Strategy

priorities:

- **Competitive business base** – through creating a positive business environment, the project is part of a wider initiative to support competitiveness of the city centre economy
- **World class place** – the project creates a public realm commensurate with the city's economic ambitions to be a top 5 UK city and top 10 mid-sized European city

Proposal

Six specific city centre projects are proposed to go forward over the next 3 years, together with four other area improvements which will have a positive impact right across the city centre. They have been short-listed from a much longer list of 'opportunity areas' which were highlighted in the City Centre Area Action Plan (Issues & Options, 2008) as well as a number of ideas for improvement set out in the York Economic Vision (New City Beautiful), 2010.

The projects are discrete but have individual but also have strong linkages with each other. Movement and accessibility issues are addressed throughout the city centre, and an overall vision to improve the quality and use of public spaces underpins each project. Plans showing the improvement areas are set out in Annex 1 (Plans 01-03), and a brief summary and cost estimate for each is set out in paragraphs 21 – 39 below. A draft work programme is illustrated in Annex 1 (Plans 05 - 07), a programme for delivery is set out in Annex 2 of this report, and a spend profile for each project over the 3 year period to 2015 is set out in Annex The projects are:

- 1) Parliament Street (including Piccadilly/ Coppergate junction)
- 2) King's Square
- 3) Exhibition Square/ St. Leonard's Place/ Bootham Bar
- 4) Fossgate/ Pavement
- 5) Duncombe Place/ Blake Street
- 6) Micklegate

In addition to these specific area-based projects it is also proposed to allocate £100k for access control improvements at the entrance to footstreet areas such as Spurriergate and High Ousegate

(Project 7), £200k for improved new lighting across the city centre (Project 8), and £100k for new wayfinding initiatives (Project 9).

Financial Projection

Investment sought	3,300,000
Additional investments/income/funding	Additional investment from private sector and potential other pots
Recycled return on investment if any	

The potential for the project is to generate private sector investment in private sector-owned property in the city. Additionally, the project will enable CYC to bid for further funding as the EIF is used as match. Options currently being explored include Townscape Heritage Initiative, Heritage Lottery Funding and European funding routes.

There is also Portas Town Team Partner funding which the city will be bidding to receive as part of a national programme of town and city centres investing in improvements to their centres.

Outcomes

- An increase in visitor numbers – most likely from repeat visits
- An increase in business investment and diversity of that investment – either through growth of existing city centre businesses and/or the attraction of more new investment
- An increase in GVA – the estimate provided by English Heritage is that public realm investments of this type contribute up to £1.6 for every £1 expenditure

Contribution to economic targets

Direct Economic Growth	Potential investment from private business/property owners
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Indirect Economic Growth	Up to £5.28m
Direct jobs created	
Indirect jobs created	Indirect impact from the additional investment and footfall created
<i>Contribution to social targets</i>	
The project will enable a more inclusive city centre environment through greater accessibility and a public realm that a greater range of residents and visitors alike can enjoy.	
<i>Contribution to environmental targets</i>	
<p>The project will contribute directly to attracting greater economic activity and investment in the city centre – which by its very nature enables lower CO2 emissions through agglomeration effects (i.e. greater concentration in a smaller area of activity, thereby minimising the need for CO2-hungry transport modes and contributing to greater density of development).</p> <p>Through encouraging greater investment in the city centre, the city will take pressure off otherwise less sustainable development outside the centre.</p>	

2. Promoting York Project.

Proposal summary
<p>Background</p> <p>As part of the city's York Economic Strategy 2011-15, the Council and partners have set out an ambition of becoming a top 5 UK city and a top 10 European mid-sized city – and to achieve these aims, to become a more international and enterprising city.</p> <p>In becoming a more international city, York already has strong international links and partners that are well-connected into developed and developing markets; the strategy will be to build on, coordinate and identify new markets in which there is a clear economic benefit for the city, its businesses and its residents.</p> <p>The project builds on the rationale of the previous Promoting York budget – which itself recognised the importance of a confident</p>

programme of activity to promote the city in order to enable the city to punch at its weight and beyond in markets within the UK and beyond.

Strategic Need

At a time when growth in the UK is stagnating and unlikely to regain its previous trajectory over the near term, there is an imperative to build links – commercial and otherwise – into markets beyond our borders.

Beyond the cyclical impact of the current recession from which the developed countries are attempting to emerge, there is a fundamental structural shift in the global economy that is seeing the balance of economic power shifting to the East and South, with the more established BRIC economies (Brazil, Russian, India and China) leading the way and real opportunities coming forth from a wider set of now emerging economies – particularly in South America, Africa and Southeast Asia.

Research by the Department for Business Innovation and Skills (BIS) suggests the benefits of exporting and foreign direct investment – both key aims of the project at hand – suggesting that:

- Exporting firms tend to perform more strongly financially, have higher productivity and generate higher demand for skilled workers – thus more likely to grow and create new jobs (of the kind that York has the seventh highest proportion of of all cities in the UK)
- Foreign direct investment tends to have a positive impact on employment, even accounting for potential displacement – these benefits tend to derive from the higher skills demand associated with the average inward investor and the impact of that investment on supply chains

The same research by BIS identified the impact of UKTI impact to date of trade and investment services – showing an impact of up to £15 for every £1 invested.¹ Similar research by Scottish Development International found that similar services delivered provided £9 for every £1 invested.² Even the more conservative estimate of impact, there is a high potential return from investment

¹ Data taken from National Audit Office (2009) *UK Trade and Investment – Trade Support*.

² Scottish Development International and Scottish Enterprise (2010) *Exporting and economic growth*.

made in enabling businesses within the city and abroad to making the links between the York and international markets.

The current coalition Government, both from Departments for Business Innovation and Skills and Communities and Local Government, are encouraging cities to take the lead in promoting their cities and their business offers abroad, and with the removal of regional development agencies, the clear mandate has been passed to local authorities to take control of the agenda for promoting and encouraging international connectivity. The *Trade and Investment for Growth White Paper* sets out a clear policy priority for the coalition Government for supporting links into Europe (as the UK's largest export market currently and for the short term at least), BRIC and other emerging markets.

Increasingly this work is being driven through UK Trade and Investment (UKTI) but these services are not designed to promoting a particular area's business base or sectoral strengths in markets abroad – and this marketing making on behalf of the city's key sectors is where the project proposed is seeking to add real value. UKTI will be a key partner in supporting this work, but require the input and commitment of the city in doing so.

Thus, whilst some support for promotion of national sector strengths and provision of support to individual and groups of firms is funded nationally, particularly through UK Trade and Investment, there is currently no provision for the **promotion of locally specific strengths** – which is where Yorkshire Forward and Regional Development Agencies were funded to undertake such local promotion and support in previous years.

Strategic Fit

The project delivers very specifically and clearly against the **internationalisation aim of the York Economic Strategy**, and the Positioning York on a global stage objective of the **Creating Jobs, Growing the Economy** priority for the Council Plan. The project is vital to the Council playing its part in achieving the international links that will prove critical to the city's future growth and prosperity at a time when growth in the UK is relatively stagnant and is likely to remain so for the near term.

Proposal

The project will provide revenue funding to enable the city's outreach to new markets and the city's effective reception of inward market links. The fund would be created with the condition that its use would leverage further funding and investment by other partners in the development of these links. There is the further potential to work through the York Economic Partnership to match CYC funding with the contributions of York businesses looking to promote their businesses as part of the York economy and market.

Specifically, the project will support the city in promoting York's offer (including the products, services of local companies; the expertise in our Universities and colleges; potentially the services of CYC; and the city as a destination for inward investors and new companies to potentially relocate to the city), which complements but moves beyond the current offer of general and sector specific trade and investment advice and support from UKTI.

The budget would be used for three purposes: (a) proactively building links to emerging markets where there is a clear economic benefit to the city; (b) providing a positive open door to inward delegations (responsive to opportunities as and when they arise); and (c) more effectively marketing the city's offer to both incoming delegations and to markets abroad.

The project will see CYC taking an active part in coordinating and providing leadership to the city's international agenda.

The budget would enable the city to fund visits and liaison with market leads, and to match/leverage funding from other partners in the city – including SCY, Universities, and businesses/business networks. In addition, UKTI will be a key partner in working with the city to promote the city's offer in markets into which UKTI already have established links.

Outcomes

- Increased opportunity for exporting for local businesses
- Increased profile for the York economy as a destination for business and visitors to a wider range of markets, especially those with growth potential

<ul style="list-style-type: none"> • Medium term job creation through expansion of business connecting to international markets 	
<i>Contribution to economic targets</i>	
Direct Economic Growth	
Indirect Economic Growth	£2.25m ³
Direct jobs created	
Indirect jobs created	Indirect jobs impact from the higher growth rate of exporting firms and potential inward investment
<i>Contribution to social targets</i>	
<p>The project will enable the city to connect with a wider range of communities globally, creating the opportunity for introducing greater diversity in the city and better understanding the cultures implicit in that diversity.</p> <p>Further, the project will raise the potential of the city to grow in future, thus creating greater opportunity for all residents to tap into that greater prosperity.</p>	
<i>Contribution to environmental targets</i>	
<p>The project will enable specific market links to be developed in the city's growing biosciences and Biorenewables business base.</p> <p>In particular, the project will provide the necessary support for achieving low/zero emission ambitions (eg potential R&D and commercial links with expertise and capacity around the world).</p>	

Timetable
The project would begin with immediate effect and run for five

³ Based on the more conservative multiplier developed by Scottish Development International in assessing the impact of their work to support export and investment links to international markets – Scottish Development International and Scottish Enterprises (2010) Exporting and Economic Growth.

years, with regular updates reported back to Cabinet.

Financial Projection

Investment sought	£250K
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Additional investments/income/funding	250K
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Recycled return on investment if any	
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It is expected that project funding will be matched at least at a rate of £1 to £1 through partner contribution and involvement – both cash and in kind.

3. Economic Growth Analysis

Proposal summary

Background

The Council has recently taken a decision to withdraw its Core Strategy submitted to Government earlier in the year, and work is now underway to develop a Local Plan for the city. Critical to this new Local Plan will be alignment of the city's spatial strategy with the Council and city's economic ambitions. With a target for creating an additional 1,000 jobs per year and ensuring the city is a top 5 UK city and top 10 mid-sized European city in terms of competitiveness, the city has significant ambition for growth – and yet the space constraints of a historic and tightly bound city present challenges as to how to accommodate this growth effectively without impinging on the unique selling point of the city's historic and distinctive cityscape.

To enable the city to unlock the infrastructure to enable the economic growth to which the Council and city aspires, the Council is seeking to take a more strategic approach to joining up activity to promote economic and jobs growth, and the Council has created an Economic Infrastructure Fund of £28.5m over five years to unlock critical infrastructure and the environment for economic growth. The Council is also undertaking an asset review to ensure maximum value from the Council's assets.

In addition, the city is working with Leeds City Region partners to develop a city region investment plan and to develop a joined up approach to transport funding through the recently announced Leeds City Deal – offering significant further opportunities for greater local prioritisation of infrastructure priorities.

However, the economic strategy, the local plan and the investment that is being made going forward to deliver these plans needs to be informed by clear and robust evidence of growth trends, particularly in key sectors and in the needs for housing and infrastructure the result from this growth.

Strategic Need

As the city develops a new Local Plan for York, there is a critical need to align the ambitions of the York Economic Strategy and the Council Plan Priority for Creating Jobs and Growing the Economy with the spatial strategy developed – ensuring the space for the city and its businesses and residents to maximise their full potential.

In order for the city to be able to plan to adequately meet business needs it is essential that the study objectively assesses business needs and opportunities within the city, assesses the opportunities for measures to support growth including provision for local and inward investment and provides flexibility for changing circumstances and new or emerging sectors/clusters.

The project will provide a critical and currently lacking a critical evidence base that identifies the likely future growth trajectory of the city's economy and particular sectors within the economy – and the impact of that growth on demands for land use and the likely location of that growth over time.

This project will ensure that CYC use its resources, other expenditure (e.g. under promoting York proposal for EIF) and planning policies in a well targeted and smart way that basically maximises our return on public investment – contributing to and informing directly Leeds City Region investment and transport planning, and CYC asset review.

The work will also provide a fundamentally more robust forecasting basis for much of the work that is now going to development of a Employment Learning and Skills Strategy for the city, and more robust economic growth analysis will enable us to work with

partners to shape & influence education & skills provision, as well as resident ambition regarding labour market opportunities.

Strategic Fit

The project supports delivery of the **York Economic Strategy, Ambition 4: World Class Base**, and indirectly **Ambition 2: Competitive Business Base**, and is fundamental to delivering the Council Plan Priorities of **Creating Jobs, Growing the Economy, Get York Moving** and **Protect the Environment**.

Proposal

The project will provide the evidence base required to develop an economic vision and understanding to underpin the new Local Plan for the City, and within this, a vision for the role of the city centre in the York economy of the future. As such, it is a critical evidence base for future decisions for EIF funding and other strategic investment made by CYC and partners more widely.

The work will produce a robust set of economic forecasting which will provide a picture of growth trends resulting from the city's economic strategy. It will establish an understanding of growth in key sectors, and particularly what the likely impact on spatial needs this growth will produce.

This forecasting will be tested against commercial property market analysis to provide a realistic view of deliverability of this growth.

As part of the work, the project will also deliver an understanding of the future potential growth of the city centre and its role in the York economy moving forward. This research will assess projected economic growth in York as a whole over the plan period with a specific focus on the role York City Centre could play in this accommodating this growth and will include tailored specific forecasts for commercial, leisure and retail growth within the overall assessment.

In terms of office, retail and leisure growth, the Local Plan will need to be able to promote a competitive city centre and to set policies for the management and growth of the centre over the plan period. The Study will assist in this aim by providing an assessment of realistic forecast sector growth over the next 15 to 20 years, look at options to promote both (a) a competitive retail and leisure offer in the city centre that will maximise the experience and overall time

that people spend in the city centre, providing visitors with a range of experiences over an extended period of time which will be a key factor in maintaining and enhancing a diverse, sustainable city centre; and a diverse commercial/business base which reflects the individuality of York as a city and look at options for accommodating growth over the plan period.

This project will feed directly into the work CYC is doing with Leeds City Region to develop a coordinated investment plan for the city region and a coordinated approach to transport funding. In addition, CYC will use this work to inform its asset management review.

Outcomes	
Outcomes	
<ul style="list-style-type: none"> • Economic, Commercial and Retail forecasts: Forecasts and analysis for the City of York as a whole and the city centre specifically • City centre audit and recommendations on city centre vision: An evidence base, including key indicators for the city centre, and benchmarking against comparator cities; analysis of market trends nationally and locally; and a set of recommendations for the future sustainability of the city centre economy and vision. • Engagement – three workshops: Presentation to CYC senior officers and relevant member groups at various points throughout the project, and facilitation of discussion/debate within these workshops. 	
<i>Contribution to economic targets</i>	
Direct Economic Growth	
Indirect Economic Growth	Indirect contribution to enabling the city to maximise GVA growth over the medium- to long-term
Direct jobs created	

Indirect jobs created	Indirect contribution to enabling the city to reach its target of 1000 jobs per year
<i>Contribution to social targets</i>	
The analysis will enable the city to better attract and support jobs that will provide greater opportunity for utilisation of high skills that the city has in high proportion, thereby freeing up the lower skilled jobs currently held by graduates and other highly skilled workforce underused due to a lack of high value employment.	
<i>Contribution to environmental targets</i>	
The analysis will enable the city and Council to more effectively plan for growth in a way that will be sustainable but allows sufficient growth potential.	

Timetable
The work will be commissioned as soon as possible with the intention of engaging with key stakeholder groups, including members and the recently formed City Team over the course of October and November.

Financial Projection	
Investment sought	£30K
Additional investments/income/funding	£20K
Recycled return on investment if any	
The additional £20K will come from existing CYC core budget.	