



**Notice of a public meeting of  
Economy & Place Scrutiny Committee**

- To:** Councillors Pavlovic (Chair), Steward (Vice-Chair),  
D'Agorne, Gates, Hunter, Mason and D Myers
- Date:** Wednesday, 16 January 2019
- Time:** 5.30 pm
- Venue:** The Thornton Room - Ground Floor, West Offices (G039)

**AGENDA**

**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 - 4)

To approve and sign the minutes of the Economy and Place Scrutiny Committee meeting held on 28 November 2018.

**3. Public Participation**

It is at this point in the meeting that members of the public who have registered their wish to speak can do so. The deadline for registering is by **5.00pm on Tuesday 15 January 2019**.

Members of the public may speak on an item on the agenda or an issue within the Committee's remit. To register, please contact the Democracy Officer responsible for the meeting (the contact details are available at the foot of the agenda).

## **Filming or Recording Meetings**

Please note that, subject to available resources, this meeting will be filmed and webcast, or recorded, including 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/download/downloads/id/11406/protocol\\_for\\_webcasting\\_filming\\_and\\_recording\\_of\\_council\\_meetings\\_20160809.pdf](http://www.york.gov.uk/download/downloads/id/11406/protocol_for_webcasting_filming_and_recording_of_council_meetings_20160809.pdf)

- 4. Finance & Performance Monitor 2** (Pages 5 - 12)  
This report provides details of the 2018/19 forecast outturn position for both finance and performance across services within the Economy and Place Directorate. The paper incorporates data to September 2018 as reported to Executive on 29 November 2018.
- 5. Economic Health of York City Centre Draft Final Report** (Pages 13 - 28)  
This report provides information on the work carried out as part of a full Committee review of the Economic Health of York City Centre.
- 6. Work Plan 2018/19** (Pages 29 - 30)  
Members are asked to consider the Committee's work plan for the remainder of the 2018/19 municipal year.
- 7. Urgent Business**  
Any other business which the Chair considers urgent under the Local Government Act 1972.

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)

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City of York Council

Committee Minutes

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Meeting	Economy & Place Scrutiny Committee
Date	28 November 2018
Present	Councillors Pavlovic (Chair), D'Agorne, Hunter, D Myers and Steward
Apologies	Councillors Richardson and Mason

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## **24. 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. None were declared.

## **25. Minutes**

Resolved: That the minutes of the previous meeting held on Tuesday 25 September 2018 be approved and signed by the Chair as a correct record.

## **26. Public Participation**

It was reported that there had been no registrations to speak under the Council's Public Participation Scheme.

## **27. Economic Health of York City Centre**

Members received presentations and held round table discussions with City of York Council's Economic Growth Team, Make It York (MIY), York Business Improvement District (BID), Cllr J Hayes as Chair of Indie York and the York Food Festival. The presentations were published on the website following the meeting.

Members discussed Indie York and in particular the support that was required from the Council to improve the organisation's reach. Cllr Hayes also answered questions on the criteria for businesses to be a part of Indie York.

Members and committee guests debated the following:

- What it was like to be a retailer in York and how the Council can work with businesses to support them.

- The contribution partner organisations such as MIY and BID were making to the city.
- The 'Cultural Passport' noted in the upcoming Cultural Strategy, aimed at encouraging primary school aged children to experience York's heritage and cultural attractions.
- The business rate system and Leeds City Region, potential upcoming national changes to the system and its effects on York
- The potential to use technology and qualitative information to better understand the movements of people visiting York's City Centre and the effect of the Economic Health of the City as a result.
- The current trends in the retail market in York, including opening hours of stores, the busiest times for shopping and incentives from the Council to improve this in future.

Members also discussed the importance of CYC continuing with trials that have been successful (e.g car parks open longer) and the barriers to this, with the bigger picture of York's Economic Health a potential beneficiary of such schemes.

The Chair asked each of the presenters to submit written contributions based on their presentations and experiences, to help inform the suggestions that this Committee will make to the Economy and Place Policy Development Committee.

## **28. Make It York Bi-annual Update**

Members received the bi-annual report from Make It York.

Members discussed the information that Make It York and the Council have on the attendance at major City attractions and events and noted how important it is to understand this data in relation to plans for the City Centre.

Members also asked for Make It York's opinion on the SLA and suggested that perhaps before the Chief Executive of Make It York left the organisation, he could pass on thoughts on the SLA and suggest ways in which it could be improved.

The committee gave special mention to Steve Brown, the departing Chief Executive of Make It York and thanked him for all the work he has done to contribute to the cultural and business development of the City during his tenure.

**29. Work Plan 2017/18**

Members discussed their work plan for the 2018/19 municipal year.

It was noted that January's meetings of the Economy and Place Scrutiny and Policy Committees would be re-arranged so that the Policy Committee could meet on the 16 January and the Scrutiny Committee on the 29 January.

The committee agreed to have a special meeting prior to January to formulate some recommendations in advance of the next full Committee meeting in relation to the Economic Health of the City Centre.

The committee also agreed to defer the report on the City's Flood Defences to March.

Cllr M Pavlovic, Chair

[The meeting started at 5.30 pm and finished at 8.00 pm].

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## Economy and Place Scrutiny Committee

16 January 2019

Report of the Corporate Director of Economy and Place

### 2018/19 Finance & Performance Monitor 2 Report

#### Summary

1. This report provides details of the 2018/19 forecast outturn position for both finance and performance across services within the Economy and Place Directorate. The paper incorporates data to September 2018 as reported to Executive on 29<sup>th</sup> November 2018.

#### Analysis

##### Finance

2. A summary of the services within Economy and Place is shown below:

	Budget £'000	Forecast Outturn £'000	Variance £'000
<b>Economy and Place</b>			
Transport	6,641	6,641	0
Fleet	-240	-70	+170
Highways	2,972	2,972	0
Parking Operations	1,235	1,235	0
Parking Income	-7,009	-7,259	-250
Waste	11,146	11,607	+461
Public Realm	2,539	2,539	0
Emergency Planning	110	110	0
Development Management	-289	-289	0
Forward Planning	579	579	0
Building Control & Land Charges	-416	-430	-14
Environmental Management	326	326	0
Environmental Health & Licensing	593	588	-5
Asset and Property Management	-3,096	-3,096	0
Economic Development	567	527	-40
Management and Support	809	809	0
<b>TOTAL</b>	<b>16,467</b>	<b>16,789</b>	<b>+322</b>

Note: '+' indicates an increase in expenditure or shortfall in income  
'-' indicates a reduction in expenditure or increase in income

3. A net overspend of £322k is forecast primarily due to cost pressures within waste services and fleet.
4. Income from Council Car Parks to August 2018 stands at 3.5% above latest projections. Income in April and May was below budget (-4.6%) however income in June, July and August has been significantly higher than budgeted (9%) primarily due to good weather and increased attractions within the City Centre. The impact of the Rose Theatre in Castle Car Park has been positive with much of the assumed lost revenue from losing spaces at the car park being offset by additional income at nearby car parks. Overall there is a forecast of £150k surplus at the council car parks. In addition income from Respark and Season Tickets are above forecast leading to additional income of £100k.
5. Within waste collection, additional recruitment over and above the establishment has taken place to minimise the impact sickness levels have on waste and recycling collections. This results in an overspend on salaries (10%) and is the primary reason for the waste collection forecast overspend of £365k. Commercial waste income, as in previous years, is predicted to be £96k short at year end.
6. An allocation of £125k from the waste reserve has also been agreed by the Executive to provide additional resilience within the waste service over the winter months by providing a budget so that staff can be retained over the period prior to the recommencement of garden waste collections in April.
7. A review of maintenance and safety arrangements, alongside the management and administration of fleet, has resulted in additional expenditure being incurred to ensure the continuing operation of a compliant service in line with the standards as directed by Operating Licence requirements, H&S (PUWER) and duty of care to transport users. More efficient fleet will, over time, bring costs down. A number of other minor variations make up the directorate position.
8. A range of actions are being undertaken within the directorate to try to bring expenditure within the approved budget and reduce the projected overspend as far as possible by the year end. Actions being progressed or considered include:

- Review of external funding streams to seek opportunities to maximise the impact on the revenue position
- Proactively managing sickness levels across front line services to reduce the need for agency staff
- Consideration of in year savings and revenue opportunities.
- Increasing the efficiency of the use of vehicles within Fleet.

## Performance Update

9. The 2018/19 scorecard for Economy and Place is attached at Annex 1. Other key performance information is included in the following paragraphs.
10. Allerton Waste Recovery Park has been operational since the beginning of March 2018 and is delivering a long term, sustainable alternative to landfill for the treatment of residual waste. Not only does this mean that we no longer need to bury our waste in the ground but energy from waste facilities generates electricity and heat. The electricity can be used locally or fed into the national grid network. By burning waste to create this sort of power, rather than coal or oil, we are helping to save the earth's precious stores of these finite resources. Energy from waste can also increase recycling as the bottom ash can be processed into building materials and metals can be extracted.
11. Figures from the Office for National Statistics contained some positive news for York with employment, in 2017, growing by 5,000 more jobs than in the previous year. This 5% increase was the best in the region which averaged a 2% increase. The majority of these jobs were in the professional, scientific, technical businesses sectors and the food and drink sectors and were distributed across the city with Guildhall, Clifton and Rural West seeing the largest increases. 82 Figures from the Office for National Statistics also showed that;
  - There were 185 JSA claimants in York in September 2018 which is a decrease of 20 from the previous month and a decrease of 225 from September 2017.
  - The claimant count for York represents 0.1% of the working population, which is lower than both the regional and national figures of 1.2% and 0.9% respectively in September 2018.
  - Recent figures also highlight a fall of 30 in the youth unemployment count since September 2017. The youth unemployment figure of 0% is lower than both the regional and national figures of 1.2% and 0.8% respectively.

12. Data released by the Department of Work and Pensions is published 6 months in arrears and the latest data relates to February 2018. The total number of claimants for either Income Support or Employment Support Allowance in York is 5,370, which is a decrease of 250 from November 2017. The claimant count represents 3.9% of the working population which is lower than both the regional and national figures of 7.9% and 7% respectively. Although these figures are the lowest in the region, due to the changes in the benefits system some of the data is transitional. The introduction of Universal Credit, for example, means that some people are still in the process of transitioning over.

### **Implications**

13. There are no financial, human resources, equalities, legal, crime & disorder, information technology, property or other implications associated with this report.

### **Risk Management**

14. The report provides Members with updates on finance and service performance and therefore there are no significant risks in the content of the report.

### **Recommendations**

15. As this report is for information only, there are no recommendations.

Reason: To update the scrutiny committee of the latest finance and performance position.

#### **Author:**

**Patrick Looker**  
**Finance Manager**  
Tel: 551633

#### **Chief Officers responsible for the report:**

Neil Ferris  
Corporate Director of Economy and Place

**Report  
Approved**



04/01/19

### **Annex**

Annex 1 – Scrutiny Performance Scorecard



# Economy & Place 2018/2019

No of Indicators = 30 | Direction of Travel (DoT) shows the trend of how an indicator is performing against its Polarity over time.  
Produced by the Business Intelligence Hub December 2018



Chan	Clim	Collection Frequency	Previous Years			2018/2019				Target	Polarity	DOT	
			2015/2016	2016/2017	2017/2018	Q1	Q2	Q3	Q4				
Economy	OPC00	One Planet Council - All Resources - Total Cost (£)	Annual	NC	-	-	-	-	-	-	-	Up is Bad Bad	Neutral
	GT01	Grant Thornton Vibrant Economy Index - Overall Rank (Rank out of 324)	Annual	-	48	50	-	-	-	-	-	Neutral	Neutral
	GT02	Grant Thornton Vibrant Economy Index - Prosperity (Rank out of 324)	Annual	-	107	172	-	-	-	-	-	Neutral	Neutral
	GT03	Grant Thornton Vibrant Economy Index - Dynamism & Opportunity (Rank out of 324)	Annual	-	23	22	-	-	-	-	-	Neutral	Neutral
	GT04	Grant Thornton Vibrant Economy Index - Inclusion & Equality (Rank out of 324)	Annual	-	123	116	-	-	-	-	-	Neutral	Neutral
	GT05	Grant Thornton Vibrant Economy Index - Health, Wellbeing & Happiness (Rank out of 324)	Annual	-	80	69	-	-	-	-	-	Neutral	Neutral
	GT06	Grant Thornton Vibrant Economy Index - Resilience & Sustainability (Rank out of 324)	Annual	-	54	34	-	-	-	-	-	Neutral	Neutral
	GT07	Grant Thornton Vibrant Economy Index - Community, Trust and Belonging (Rank out of 324)	Annual	-	97	77	-	-	-	-	-	Neutral	Neutral
Planning and Building Control	CES08	Number of Home Completions (performance against Local Plan)	Quarterly	N/A	N/A	N/A	-	-	-	-	-	Up is Good Good	Neutral
	CES13	New Homes Built on Previously Developed Land (%) - (YTD)	Quarterly	86.25%	82.33%	91.09%	NC	86.13%	-	-	-	Up is Good Good	Red
	CES905	% of major applications determined within 13 Weeks (NPI157a)	Quarterly	81.00%	87.00%	89.00%	100.00%	69.00%	-	-	-	Up is Good Good	Neutral
		Benchmark - National Data	Quarterly	81.00%	87.00%	86.00%	87.00%	88.00%	-	-	-		
	CES910	Benchmark - Regional Data	Quarterly	81.00%	92.00%	88.00%	89.00%	88.00%	-	-	-		
		% of minor applications determined within 8 Weeks (NPI157b)	Quarterly	73.00%	81.00%	76.00%	76.00%	71.00%	-	-	-	Up is Good Good	Red
		Benchmark - National Data	Quarterly	75.00%	85.00%	85.00%	84.00%	85.00%	-	-	-		
	CES911	Benchmark - Regional Data	Quarterly	77.00%	86.00%	85.00%	85.00%	84.00%	-	-	-		
		% of other applications determined within 8 Weeks (NPI157c)	Quarterly	81.00%	91.00%	92.00%	84.00%	77.00%	-	-	-	Up is Good Good	Red
		Benchmark - National Data	Quarterly	84.00%	90.00%	90.00%	90.00%	90.00%	-	-	-		
CJGE121a	Benchmark - Regional Data	Quarterly	88.00%	93.00%	93.00%	90.00%	90.00%	-	-	-			
	Average House Price	Monthly	£210,085	£241,042	£240,743	£247,644	£252,171	-	-	-	Neutral	Neutral	
	Benchmark - National Data	Monthly	£189,901	£227,449	£235,782	£239,921	£244,354	-	-	-			



# Economy & Place 2018/2019

No of Indicators = 30 | Direction of Travel (DoT) shows the trend of how an indicator is performing against its Polarity over time.  
Produced by the Business Intelligence Hub December 2018

			Previous Years			2018/2019						
			2015/2016	2016/2017	2017/2018	Q1	Q2	Q3	Q4	Target	Polarity	DOT
		Collection Frequency										
		Benchmark - Regional Data	Monthly	£121,841	£149,606	£155,251	£160,727	£162,009	-	-	-	
		Regional Rank (Rank out of 15)	Monthly	1	1	1	1	1	-	-	-	
	HM01	Gross Additional Homes Provided - (YTD)	Quarterly	1,171	996	1,336	NC	310	-	-	-	Up is Good Red
	HM03	Net Additional Homes Provided - (YTD)	Quarterly	1,121	977	1,296	NC	291	-	-	-	Up is Good Red
	HM07	Net Housing Consents - (YTD)	Quarterly	680	451	1,104	NC	1,447	-	-	-	Up is Good Green
Projects - Large	CORP10L	Large Project - Local Plan	Quarterly	Amber	Amber	Amber	Amber	Amber	-	-	-	Neutral Neutral
		Large Project - York Central	Quarterly	Amber	Amber	Amber	Amber	Amber	-	-	-	Neutral Neutral
		Large Project - Castle Gateway	Quarterly	Amber	Amber	Amber	Amber	Amber	-	-	-	Neutral Neutral
		Large Project - Guildhall	Quarterly	Green	Green	Red	Amber	Amber	-	-	-	Neutral Neutral
		Large Project - Outer Ring Road (A1237)	Quarterly	N/A	Amber	Amber	Amber	Amber	-	-	-	Neutral Neutral
		Large Project - Allerton Park (NYCC Managed)	Quarterly	-	Green	Green	Amber	Amber	-	-	-	Neutral Neutral
Public Protection	PP01	% of businesses reporting that contact with officers was helpful	Annual	98.00%	-	-	-	-	-	-	-	Up is Good Neutral
	PP02	% of businesses reporting that they were treated fairly	Annual	95.50%	-	-	-	-	-	-	-	Up is Good Neutral
	PP03	% of businesses reporting that the information provided was useful	Annual	98.10%	-	-	-	-	-	-	-	Up is Good Neutral
	PP04	% of customers who were satisfied with the action taken to resolve their complaint	Quarterly	79.10%	-	-	-	-	-	-	-	Up is Good Neutral
	PP06	% of food premises that are classified as broadly compliant	Quarterly	94.00%	94.25%	93.80%	93.00%	87.00%	-	-	-	Up is Good Neutral
	PP07	% of businesses that were compliant with legislation concerning the illegal use and sale of alcohol and tobacco	Annual	63.20%	-	-	-	-	-	-	-	Up is Good Neutral
Public	CSPEC1	Calls for Service - Flytipping - Rubbish	Monthly	1,711	2,276	2,151	496	545	-	-	-	Up is Bad Green
Real	TAP01	% of panel satisfied with their local area as a place to live	Quarterly	NC	89.84%	89.94%	88.09%	NC	NC	-	-	Up is Good Neutral
		Benchmark - Community Life Survey	Annual	80.00%	78.00%	77.00%	-	-	-	-	-	



# Economy & Place 2018/2019

No of Indicators = 30 | Direction of Travel (DoT) shows the trend of how an indicator is performing against its Polarity over time.  
Produced by the Business Intelligence Hub December 2018



		Previous Years				2018/2019							
		Collection Frequency	2015/2016	2016/2017	2017/2018	Q1	Q2	Q3	Q4	Target	Polarity	DOT	
Resident and Corporate Surveys	TAP30	Benchmark - LG Inform	Annual	82.57%	87.00%	88.70%	-	-	-	-	-		
		% of panel dissatisfied with their local area as a place to live	Quarterly	NC	6.18%	6.29%	7.80%	NC	-	-	-	Up is Bad	Neutral
	TAP30	% of panel who think that the council and partners are doing well at improving green spaces	Quarterly	NC	42.80%	37.09%	45.22%	NC	-	-	-	Up is Good	Neutral
		% of panel who think that the council and partners are not doing well at improving green spaces	Quarterly	NC	40.77%	45.12%	41.19%	NC	-	-	-	Up is Bad	Neutral
	TAP32	% of panel who think that the council and partners are doing well at improving the quality of streets/public spaces	Quarterly	NC	47.40%	38.26%	35.59%	NC	-	-	-	Up is Good	Neutral
		% of panel who think that the council and partners are not doing well at improving the quality of streets/public spaces	Quarterly	NC	44.00%	52.61%	57.84%	NC	-	-	-	Up is Bad	Neutral
Waste	CES36	Household waste recycled / composted - (YTD)	Quarterly	42.80%	44.00%	43.00%	57.00%	-	-	-	-	Up is Good	Neutral
		Benchmark - National Data	Annual	43.00%	43.70%	(Avail Dec 18)	-	-	-	-	-		
		Benchmark - Regional Data	Annual	42.20%	42.90%	(Avail Dec 18)	-	-	-	-	-		
		Regional Rank (Rank out of 15)	Annual	8	9	(Avail Dec 18)	-	-	-	-	-		
	CES48	Missed bins per 100,000 collections - (YTD) (COLI3)	Monthly	45.75	54.64	57.06	46.73	-	-	-	-	Up is Bad	Neutral

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**Economy and Place Scrutiny Committee****16 January 2019**

Report of the Head of Economic Growth

**Economic Health of York City Centre Draft Final Report****Summary**

1. This report provides information on the work carried out as part of a full Committee review of the Economic Health of York City Centre.

**Background**

2. In June 2018 the Committee welcomed the Executive Member for Economic Development and Community Engagement to its meeting and also received a presentation from CYC Head of Economic Growth which updated Members on the Economic Strategy 2016-23.
3. During the meeting Members expressed concerns at the number of empty shops in the city centre, particularly a cluster of empty shops on Coney Street, but accepted that addressing this problem was complicated. However, it was agreed that York was doing well against national trends and across the city only three Council-owned properties were currently vacant.
4. The Committee Chair subsequently had a meeting with the Head of Economic Growth and the Assistant Director for Transport, Highways and Environment and agreed it would be useful to undertake a full Committee review of the city centre economy, the immediate problems it is facing and what measures could be taken to resolve them.
5. In July 2018 the Committee considered a scoping report on the economy of York city centre and themes that can be investigated to influence the city centre economy.
6. Members considered that this was a topic worthy of further investigation and agreed to undertake a full Committee scrutiny review and further agreed the following remit:

## **Remit**

Aim:

To understand the economic health of York city centre and where the Council can influence the city centre economy.

Objectives:

- i. To examine all the available evidence about York city centre as a retail location and how this has changed in recent years;
  - ii. Consider the factors that influence the city centre economy and what role the Council has to play;
  - iii. Understand the global trends that underpin changes in retail and the city centre environments and how these might affect York;
  - iv. Identify the Council's priorities with regard to the city centre economy.
7. It was also agreed that while this is a full Committee review a minimum of three Committee Members would be available to attend additional sessions outside the Committee meetings to provide flexibility in progressing the review.

## **Information Gathered**

8. In September 2018 the Committee received a briefing from the Economic Growth Team to establish an evidence base for the scrutiny review.

### Employment in York city centre

9. In 2016, there were a total of 20,500 people employed in York city centre, around 18% of all jobs in the city. Over the past 15 years, a net 4,250 jobs have been lost from the city centre, although the overall total number of jobs in the city was static. Public administration was the biggest loser among sectors in that period, with over 1,700 jobs lost, 50% of the 2003 total. Retail was the second biggest loser, with a 20% reduction in employment and 1,100 jobs lost. In the same period, employment in the food and drink service sector increased by over 1,000, a 40% gain, while the cultural and creative sectors gained a total of 800 jobs, a remarkable 700% increase.

10. What we see is a pattern of retail space being converted to bars and restaurants, public sector employment declining significantly, in part through transferring employment to independent trusts in the creative and cultural sector, and a general reduction in office based jobs as premises undergo change of use to hotels and residential.

#### Visitor numbers and tourism

11. The latest Visit York figures show a total of 6.9m visitors to the city per annum, spending a combined £564m in York. Over the past 5 years, the total number of visitors has increased by nearly 500,000 and total spend is up by over £100m. The York Tourism Strategy, which is due to be reviewed by the new Head of Visit York, sets a target for the sector to become a £1bn contributor to the York economy.
12. In late October 2018 York was announced as the second most visited city in the UK according to research conducted by Snaptrip, a holiday marketplace company. The city surpasses larger cities such as Manchester, Birmingham, Edinburgh, Leeds and Newcastle with only London proving more popular.

#### Recent York retail studies

13. To prepare for the development of previous versions of the Local Plan, in-depth studies of York's retail sector were prepared by Deloitte (2014), WYG (2013), GVA (2008), Roger Tym & Partner (2004), and CB Hillier Parker (2001). These reports document a changing retail landscape over the past 17 years, with the predominant themes being the changing mix of food/comparison goods/leisure, the rise of Leeds as a regional retail hub and the decline of smaller centres as retail locations, York's tourism offer and its attraction to retail, and the growth of out-of-town centres.
14. In the 2008 study, which focussed on recommendations for the then plans for Castle Piccadilly, the main emphasis was on the role of department stores, the need for modern retail units to compete with other cities, and the extent to which York residents were shopping in other centres. There was no recognition of the imminent growth in online retailing and the impact that this would have on the high street. In the 2014 Deloitte study, the threat of online is touched on, with a forecast that 20% of all purchases would be online by 2028. The speed of change and the challenges in forecasting are clearly demonstrated here – 20% of purchases were online for the first time in November 2017.

15. While these reports provide useful accounts of the health of retailing across York, they have not proven to be as helpful in predicting what might be needed in terms of space and infrastructure to support the city centre as a retail environment.

#### Centre for Cities – Building Blocks report

16. The influential think tank Centre for Cities recently published a report on the role of commercial space in shaping city centre economies. The report used rates data to look at the mix of retail, office, food and leisure, industrial, warehouse and other uses in cities, drawing conclusions about the best mix to support a thriving retail offer. On the basis of cities such as Manchester, Leeds and Nottingham, the report suggests that “the strongest city centres have a large share of office space compared to other types of commercial property. This office space tends to be of higher quality, and these city centres tend to have a lower share of high street vacancies. This is because the office space leads to footfall on the high street.”
17. However, the report and its associated data set shows that the two cities with the lowest vacancy rates are Cambridge (6.92%) and York (7.03%), with city centre economies driven by tourism rather than office occupancy. In York, 50% of our city centre commercial space is retail (41%) or food and leisure (9%), supported by 28% office space which is higher quality than the national average.
18. This mix demonstrates the challenges that our city centre faces. As our Economic Strategy recognises, York has high levels of employment in low paid work such as retail, food and leisure, and tourism. To make housing in the city more affordable for residents, we need to grow more high paid jobs and support lower paid industries to be commercially successful so that they can increase pay. Our current strategy focuses entirely on growing more jobs in better paid industries, while our city centre economy is driven by tourism, retail, food and leisure.

#### Vacant premises in York City Centre

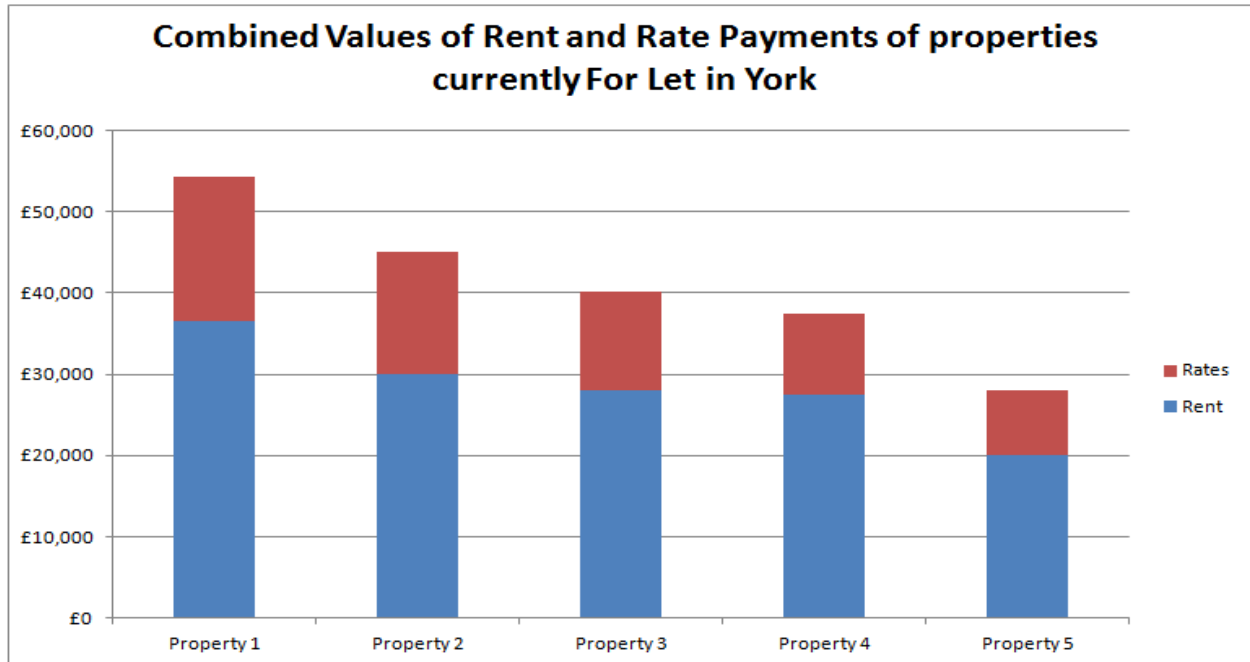
19. Despite recent headlines and the very noticeable cluster of vacancies in Coney Street, as noted above, York has the second lowest vacancy rate of all UK cities. Looking at the vacancy rate recorded by our Business Rates team over the past 7 years, the level of shop vacancies is currently lower than it has been for the last 3 years. There are, however, two “problem areas” – Coney Street and Goodramgate – where vacancies are clustered.

20. Coney Street is our classic high street with large big-name shops and the highest rents as demonstrated in the rent hot spot map from the Deloitte 2013 report. Much of the street is owned by pension funds and corporate landlords as part of large portfolio holdings, meaning that ownership is remote and unresponsive. The public realm is difficult, with a tall, narrow street which needs to accommodate delivery lorries and is thus hard to turn over to street cafes and other leisure uses. The rental market is currently adjusting to much-publicised Next CVA arrangement which is forcing down rents. Beyond working on the public realm, there are limited options for us to intervene on Coney Street.
21. In Goodramgate, rents are approximately 1/3 of the per sq ft rates in Coney Street, and the street is on the edge of the core retail area. There are also problems with public realm because of the need to provide car access for disabled parking, and there is a cluster of vacant shops. There is probably more scope for intervention here, and there are some encouraging signs, including the establishment of an independent traders group and some new occupiers.
22. In terms of our own retail portfolio, there are currently no city centre vacancies. The recent purchase of Back Swinegate is providing a good return, and there is clearly an option, funding permitting, to extend Council ownership to both generate further rental income and provide more options for regeneration.
23. Beyond these ongoing issues and challenges, there are several “problem occasions” when the city centre environment must accommodate competing interests. On race days, there is often an influx of race goers seeking to extend their day out. In the run up to Christmas, the city centre can be difficult to move through because of sheer weight of numbers. On weekend evenings, particularly Saturdays, the popularity of York as a venue for stag and hen nights can conflict with the needs of families. And as we saw over this summer, we are very reliant on rainfall to keep the streets clean, so when it doesn’t rain, the streets can get dirty. Much of the negative media coverage of the city centre is as a result of these factors.

### Business Rates

24. Much has been made of the cost of business rates for city centre retailers, and current campaigns by retailers and politicians are promoting a fundamental review of the rates system. This is currently based on the rental cost of premises, providing significant financial challenges for shopkeepers in the city centre. The way that rates are

calculated means that they can add nearly 50% to the cost of premises – the rates on a shop with rental costs of £50,000 would be around £22,000 to £24,000 depending on the tenant, equivalent to the costs of a member of staff.



25. In late November 2018 the Committee met with representatives from key stakeholders in the city including Make It York, York Business Improvement District, Indie York, York Retail Forum and York Food Festival.

#### CYC Economic Growth Team

26. To progress the review and gather information on the needs and aspirations of city centre businesses the Economic Growth Team sent out 125 questionnaires to businesses and held 17 feedback sessions. The aim was to discover the views of local businesses and develop an understanding of what it is like being a retailer in York, and find out how the Council can work further with businesses and adapt its approach to support retailers in the city.
27. Many of the businesses surveyed praised the work of Council partnerships, such as York BID, and the work of Indie York in promoting local businesses. However, there were concerns about a perceived lack of clarity and consistency around accessing information around Council policies, particularly planning and licensing, and a seeming lack of communications between Council departments. The key issues identified were:

- Business rates
- Lack of communication/consistency
- Stag and hen parties
- Change in retail day
- Markets
- Circular economy
- No clear City vision
- A boards
- Pedestrianisation

### Make It York

28. The Managing Director of Make It York told the Committee that there were many reasons to be optimistic about the future of York:

- 2018 YTD footfall figures up 2.7% on 2018 (v UK average decline of 2.5%)
- Retail occupancy is 91.8% compared to a national average of 89.9% and a northern average of 85.2% (LDC 2017)
- The city has developed Christmas really well : “Britain’s most festive city”
- Tourism numbers are positive across a range of measures
- Unprecedented calendar of events and festivals during 2018 (Bloom!, Shakespeare’s Rose theatre, Mediale, Hot Air Balloon fiesta etc.)
- BID making significant contribution to street cleanliness, safety, way-finding, Christmas lights etc.
- A significant ‘indy’ sector with an infrastructure for promotion and marketing
- Pipeline of retailers interested in York with around 30-40 a month expressing an interest.
- And some of them do land... Flying Tiger, Flight Centre, The Entertainer, Wild and Westbrooke
- It has the England’s best Visitor Information Centre (Visit England 2017/18)

29. But while there were reasons for optimism, there was no place for complacency and several challenges need to be faced:

- Respond to the Grimsey challenge (vision, leadership) – see paragraph 47.
- Be less tolerant to poor behaviour (gag mag sellers, public drug taking, illegal van parking, ASB etc.)
- Fulfil the commitment on way-finding
- Continue with proactive approach to new retailers
- Create a new plan for the development and future-proofing of the Shambles Market
- Resolve to address the car parking issues
- Complete and commit to a city events strategy... with clear guidance and free of politics
- Embed an ambitious city tourism strategy within the city's economic development plan... and see it as an asset not a burden
- Ensure there is an holistic view of where future events/festival space is going to be in the city, given all the new developments
- Ensure that the core city centre doesn't get subsumed by the new developments i.e. it needs attention and investment too

#### York Business Improvement District

30. The BID's long-term economic master plan for the city centre Includes:

- Infrastructure for business growth
- A great city centre for all ages to live, work and play
- A green city that rises to the challenge of technological change
- A city with agile decision-making bodies
- A focus on communities

31. And economic plan priorities from a BID perspective are:

- Plan for large vacant units and absent landlords
- Improved car parking technology / cycle lanes / public transport
- Care over the appearance of the city centre
- Preparing for how retail will look in 10-15 years



- Plans to improve footstreets (including clarity on enforcement)
- Help businesses to be found

### Indie York

32. Indie York, or York Independent Business Association, was set up after the Boxing Day floods of 2015 to get the message across that York was still open for business. It has grown to an organisation of around 200 independent businesses with a business address within York Ring Road.
33. The Association has an interactive website and city map on which every business is numbered in a red dot and highlights clusters of the city's independent strongholds, including Fossgate, Goodramgate, the Minster Quarter, Micklegate, The Shambles and Shambles Market, and the Fifth Quarter, as well as Fulford, Acomb, Fishergate and Bishy Road,
34. The Committee was told that in York in excess of 65% of businesses are independent and helped give the city its USP (Unique Selling Point). The aim is for independent businesses across the city to work together to market independents for residents and visitors, direct people to independent businesses and give members a collective voice.
35. However, the Committee was told that Indie York was financed through the £50 per member annual membership fee so was surviving on very little at the moment. The organisation would welcome any support it could get from the Council to help fund its activities, website and publication of its city map.

### York Food Festival

36. York Food Festival runs events throughout the year celebrating local and regional food and drink, with the main 10 day festival held at the end of September. It is a not-for-profit organisation and any money generated from ticket sales goes back in to the festival to improve it year after year.
37. Its aims are:
  - To promote local food producers, independent restaurants and retailers in York.
  - To provide educational and fun workshops and cookery demonstrations to encourage people to eat healthy, homemade and locally sourced food.

- To establish York as a culinary hotspot and a place to visit all year round (not just for the festival), building on: York's history as a chocolate city and historic market; the city's talented food specialists and the qualities of Yorkshire food.
- To transform the city streets throughout the days and in the evenings during the festival with a wealth of activities for all ages to enjoy.

38. Issues raised by York Food Festival at the meeting included the city centre infrastructure and problems faced, particularly in Parliament Street, around waste, electrical supplies and drainage. They suggested that the city would also benefit from a flexible structure that could stage events but does not block the space permanently.
39. As mentioned in paragraph 6 of this report, Members agreed that while this is a full Committee review, a minimum of three Committee Members would be available to attend additional sessions outside the Committee meetings to provide flexibility to progress the review. Such a meeting was held on 11 December 2018 and was attended by Cllrs Pavolvic, Steward, D Myers and Craghill (as substitute for Cllr D'Agorne).
40. The aim was to consider the information gathered and to agree some draft recommendations for further discussions by the full Committee.
41. The group also considered CYC's Discretionary Business Rate Discount Policy and considered that this was an issue that warranted more in-depth scrutiny.

### **Consultation**

42. To progress this review the Committee has been guided by CYC's Head of Economic Growth and has consulted with representatives from Make It York, York Business Improvement District, Indie York, York Retail Forum and York Food Festival.

### **Analysis**

43. A steady stream of high-profile retail failures is focussing national attention on "the future of the high street". Across the western world, the rise of online retailing and changing shopping habits are bringing change to town and city centres, local shopping parades and out-of-town shopping centres. In the USA, shopping malls now have an overall vacancy rate of 20%, with department stores closing and traditional retail

companies going bust. In the UK we have seen a wave of closures and business restructures from household names such as Woolworths, BHS and House of Fraser, and national high street vacancies are at an overall rate of around 12% and rising.

44. In York, there is a cluster of empty shops in Coney Street, the main shopping street in the city and the heart of the prime retail area, which provides a very visible reminder that York is not immune to these global factors. However, our vacancy rate is currently around 6%, half the national rate, and a recent report from Centre for Cities looking at the health of city centres identified York as second only to Cambridge in terms of overall city centre occupancy of commercial space.
45. In difficult times, York is faring well in comparison to other UK cities, and bucking a regional trend which sees Yorkshire and Humber as the only part of the UK with declining retail health (LDC 2018).
46. However York has one of the lowest vacancy rates in the UK, and a steadily growing tourism industry which is bringing increasing numbers of international visitors to the city. Employment in the city centre remains constant, but there are high numbers of jobs which are relatively low paid, bringing particular challenges to York due to our relatively high cost of living.
47. The Grimsey challenge, as mentioned in paragraph 29, follows an independent review of the UK's town and city centres by Bill Grimsey, a former chief executive of Wickes, Iceland and Booker. The review concludes that, amid an ongoing shift to online shopping, bricks-and-mortar retailing can no longer be the anchor for thriving high streets, which must become community hubs that include offices, housing and public open space as well as shops and that stronger local leadership is needed to give high streets a renewed sense of purpose and identity.
48. The information gathered during the round table discussions with city stakeholders led to several shared ambitions for the city:
49. Strategy

York needs a long term plan for the city centre to enable it to continue to thrive. This needs to take account of:

- Global/national trends on the high street e.g. if more department stores and banks close, what use could those empty premises be put to?

- Events/markets in the city centre – ensuring we have the right balance of events for visitors and locals, and that the opportunities to trade on those occasions are also available for York businesses
- Getting people to the city centre, and helping them find what's available – car parking, way-finding, public transport, park & ride.

#### 50. Attractiveness

It is important that we think about the city centre in the same way that we have been planning for York Central, Castle Gateway, etc. Issues which need urgent attention include:

- Parliament Street as an events space, given the condition of the paved surfaces, trees, etc
- “Poor behaviour” in the city centre must be challenged.
- Shambles Market – what is its long term future? Can we keep it lively and help it to animate the city centre?

#### 51. City Centre as a business location

The city centre is increasingly dominated by visitors, particularly at the weekends. It has a strong independent retail and tourism offer, and the success of these businesses, the employment they provide, and the opportunities the environment presents, are perhaps the most important contribution the city centre makes. We need to consider:

- Business rates and rates relief – implementation of our existing policies and consideration of new approaches to support the growth of local businesses through rates relief
- Better regulation – need to better align application processes for planning, environmental health, licensing, etc to make compliance easier for small businesses
- Supporting our independent offer – work with traders groups to help the indie sector to grow and become more sustainable.

## Options

52. Having considered the information above the Committee is asked to agree whether any additional information is needed to complete this scrutiny review, or not.

## Draft Review Recommendations

53. At the informal meeting on 11 December the sub-group of the Economy and Place Scrutiny Committee made the following recommendations for consideration by the full Committee:
- i. That the Committee receives a full report on business rates and rate relief to assess the effectiveness of the Council's existing policies and consider new approaches to supporting the growth of local businesses through rate relief;

And that the Council:

- ii. Fully supports the work and ambitions of Indie York in helping further develop and grow the independent business sector in the city and that the Council makes a grant of £10,000 to Indie York to help progress this work;
- iii. Makes a bid to the £675 million Future High Streets Fund to secure funding to help York to respond and adapt to changes facing city centres and enable the city to prepare a long-term strategy to make its high streets and the city centre fit for the future.
- iv. Develops an easy but comprehensive and consistent guide to help businesses access relevant information around Council policies affecting businesses, such as planning and licensing issues and alike. This could take the form of a booklet which could attract sponsorship.
- v. Examines ways of extending the city's traditional festivals venue in Parliament Street to open up other areas to visitors, particularly across the river into Micklegate, and reduce pedestrian congestion in parts of the city centre at peak hours.
- vi. Works with traders to develop a city-wide loyalty scheme to make it easier for businesses to reward customers with an attractive discount offer for shopping locally while encouraging business growth and customer retention across a city-wide customer engagement platform.

vii. Incentivises ways to further encourage more people to use Park and Ride and work with bus operators to extend the operating hours of Park and Ride to help reduce vehicle congestion in the city.

54. Further, the Committee reaffirms recommendations made by Economy and Place Policy Development Committee following a scrutiny review into the Impact of the Arts and Culture Sectors on the Economy of York which were agreed by Executive on 25 January 2018, namely:

- i. The Council should work with BID to explore all means available of achieving improvements to the public realm in the city, particularly Parliament Street;
- ii. The Council should seek ways of protecting and utilising the city's stock of historic buildings to attract more growing business, rather than increasing residential use, by encouraging imaginative approaches to redevelopment through the Local Plan and master-planning frameworks, and through its Asset Management Strategy and the future development of its commercial portfolio.
- iii. That Make It York concentrates its focus on higher quality events and festivals in the city centre to protect the York festival brand and maximise their GVA.
- iv. That Make It York works with BID and other interested parties e.g. York Civic Trust, to devise a comprehensive 21<sup>st</sup> century system of way-finding within the city using all available methods and technologies.

### **Council Plan**

55. This report is linked to the Prosperous City for All and A Council That Listens to Residents priorities of the Council Plan.

### **Risks and Implications**

56. Any risks and implications arising from this report will be identified once the full Committee has considered and agreed the review recommendations.

### **Conclusions**

57. How York responds to changes in retailing, and how we adapt our city centre to provide the best environment for businesses, customers,

residents and visitors, is one of the most important challenges that we face.

58. York's city centre is used by a wide range of people for many purposes. Underpinning its success, however, is the strength of our tourism industry and the money that visitors bring and spend in our shops. Despite the cluster of empty shops on Coney Street, our city centre is performing better than any other city with the exception of Cambridge. However, the pace of change in retail is accelerating, and the future success of York is not guaranteed. The areas where City of York Council can influence its development include:

- the public realm,
- our own premises,
- the rates system,
- promotion of the city centre
- transport and the highways
- the planning system

59. Many businesses recognised that stag and hen parties provide a high income for licensed premises in the city. However, they have a detrimental effect on retail at weekends, with Monday becoming the main shopping day for locals in York instead of Saturday.

### **Recommendations**

60. Having considered the information in this report, Members are asked to:
- i. Identify whether any additional work is required to conclude this review;
  - ii. Amend or make additional recommendations to the draft recommendations at paragraph 53, above.
  - iii. Agree the draft recommendations at paragraph 53
  - iv. Agree that recommendations (ii) to (vii) in paragraph 53 be referred to the Economy and Place Policy Development Committee for further consideration.

Reason: To complete the full Committee review in accordance with scrutiny protocols and procedures.

**Contact Details**

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**Report Approved**  **Date** 4/01/2019

**Specialist Implications Officer(s)**

**Wards Affected:**

All

**For further information please contact the author of the report**

**Abbreviations**

ASB – Anti Social Behaviour  
BID – Business Improvement District  
CVA – Company Voluntary Arrangement  
CYC – City of York Council  
YTD – Year to Date



### Economy & Place Scrutiny Committee - Workplan 2018-19

26 June 2018	<ol style="list-style-type: none"> <li>1. Attendance of Executive Mbr for Economic Development &amp; Comm Engagement – Priorities &amp; Challenges for 2018/19</li> <li>2. Presentation on Economic Strategy Implementation</li> <li>3. Update on Effectiveness of Green Waste Collections</li> <li>4. Work Plan 2017/18</li> </ol>
24 July 2018	<ol style="list-style-type: none"> <li>1. Attendance of Exec Mbr for Environment</li> <li>2. Attendance of Exec Mbr for Transport &amp; Planning</li> <li>3. Year End Finance &amp; Performance Monitoring Report</li> <li>4. Scoping Report on Economy of York city centre</li> <li>5. Work Plan 2017/18</li> </ol>
25 Sept 2018	<ol style="list-style-type: none"> <li>1. Finance &amp; Performance Monitor 1</li> <li>2. CYC Flood Defences Action Plan</li> <li>3. Update report on recycling and comingling</li> <li>4. Economic Health of York City Centre – establish evidence base</li> <li>5. Work Plan 2017/18</li> </ol>
28 Nov 2017	<ol style="list-style-type: none"> <li>1. Economic Health of York City Centre – evidence from MIY, BID and York Retail Forum and others</li> <li>2. Make It York Bi-annual Update</li> <li>3. Work Plan 2017/18</li> </ol>
16 Jan 2019	<ol style="list-style-type: none"> <li>1. Finance &amp; Performance Monitor 2</li> <li>2. Economic Health of York City Centre – recommendations for focus on supporting a thriving city centre</li>   <li>3. Work Plan 2017/18</li> </ol>

19 March 2019

1. Finance & Performance Monitor 3
2. Update Report from the Managing Director of BID
3. CYC Flood Defences Action Plan – Biannual Update
4. Update on implementation of recommendations from scrutiny review into Impact of the Arts and Culture Sectors on Economy of York (TBC)
  
5. Work Plan 2017/18