

Reaching further

YORK



 **York Economic Strategy**

2011–2015

BROUGHT TO YOU BY
CITY OF YORK



*Our **economic vision** is for the City of York to become an international and enterprising city, and the most competitive city of its size, not only in the UK but globally, leading to increased growth in the overall economy and jobs.*

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Foreword

Peter Kay, Chair of York Economic Partnership, and
Cllr James Alexander, Leader of the Council.



Peter Kay
Chair of York Economic
Partnership

I am pleased to present this final version of the York Economic Strategy. Having consulted for three months with the wider business base and community, we feel we have a vision that the city can get behind and drive forward.

The strategy will be regularly reviewed but is designed to guide the economic aspirations of the city for the next four years and beyond.

The current economic climate is one of the toughest we've seen for generations. The impact of the recent recession has had an effect on us all. Above all, it has sapped our confidence. In this state, it is too easy to overlook the enormous advantages that York has and upon which it can capitalise. Recession reminds us that our advantages can be lost. Our complacency has been shaken. It is time to shape our future fortunes.

Ambition is what this strategy is all about. It says where we want to be in comparison to other cities, both nationally and internationally, and it identifies how we get there. It is a challenge and a call to businesses and residents of the city for support through concerted action - an invitation to join the partnership. This strategy will enable us to work in new ways to unlock the potential of our residents, our workforce and our businesses, and in so doing, make this city fulfil its true potential for the benefit of all. We will be doing again what York has done so well in the past - reinventing itself, whilst bringing forward in a sustainable way, both its unspoiled heritage and knowledge capital.

I welcome your thoughts and input over the coming months, and I am committed to working closely with partners to realise this ambitious plan.



Cllr James Alexander,
Labour Leader of City of
York Council

York is a great city with significant potential. Over this past year alone, the city has collected a seemingly endless list of accolades including being the most resilient economy in the North of England (Ekosgen, 2011), Britain's most beautiful city (Bing, 2011), to one of the most skilled cities in the country (Centre for Cities, 2011).

However, we cannot become complacent; we must rise to the challenges presented by the most significant downturn for a generation. Indeed, I hope to work with partners across the city through this strategy to build on the assets we have to become a truly internationally competitive economy, whilst ensuring the benefits of that prosperity are shared with as many of our residents as possible.

I look forward to working with partners, residents and businesses to make this city the international and enterprising city that we have the potential to be.

Executive Summary

Context

With the recent global recession and associated credit crisis, the international economy has become increasingly competitive - for individuals, for business and for governments around the world. Economic growth has slowed and there is less public money available.

The result is an uncertain and volatile economic climate with increasing competition between cities around the UK and globally for investment, talent and jobs.

Challenge to the city

As the third fastest growing city in the country¹ and one of the most attractive places to live and visit², York has the potential to be both a nationally competitive and an internationally leading city economy.

Over a number of years York has successfully re-invented itself from a railway and confectionery manufacturing city into an international destination and hub for science and technology, and a national centre for financial and business services. Today, the city is home to internationally competitive industry and research expertise in the biosciences, healthcare and medicine, biorenewables, the environment, IT and digital, and creative technologies. The city now supports more than 110,000 jobs and contributes £3bn to the national economy.

York offers a quality of life and place that is distinctive and unique - with unprecedented heritage assets and cosmopolitan retail and leisure facilities that attract 7 million visitors a year.

However, current forecasts show the city growing at a much lower rate than pre-recession³, and it is clear that the city is "punching below its weight" both nationally and internationally.

According to the Huggins Competitiveness Index 2010, the city ranked 13th out of 64 UK cities on measures including productivity, employment rates, business stock, high level skills and CO2 emissions. The city's relatively poor performance on competitiveness is due to a number of factors:

- With a higher than average proportion of residents employed in the public sector (33% of total employment), the city could see unemployment rise as public budgets become increasingly constrained.
- The city has a lower than average rate of business start-ups, which means our business base is growing slower than other cities. Further, productivity of existing businesses is lower than average.
- Physical space for commercial activity remains at a premium, and sustainability in development is increasingly challenging.
- Whilst the city is aiming to reduce carbon emissions by 20% by 2020, in reality it is set to increase these emissions by 31% by 2050.
- Although the city is one of the most equitable in the country⁴, the city still has pockets of deprivation, with some residents unable to enjoy the benefits of its prosperity and success. Current economic conditions could make this problem grow.

These issues present a challenge to the city to "raise its game" - to solve the different problems and then to build on what we have to become an internationally leading, enterprising and competitive city.

¹ When measuring population growth, Centre for Cities (2012). Cities Outlook 2012.

² According to Lonely Planet ranking of top 200 places in the world to live

³ Statistic from Yorkshire Forward Chief Economist Unit, August 2011, based on Regional Econometric Model data.

⁴ Centre for Cities (2012). Cities Outlook 2012.

Introduction

Context

With the recent global recession and associated credit crisis, the international economy has become increasingly competitive – for individuals, for business and for governments around the world. Economic growth has slowed and there is less public money available.

The result is an uncertain and volatile economic climate with increasing competition between cities around the UK and globally for investment, talent and jobs.

With the winding down of Regional Development Agencies like Yorkshire Forward and the business support available freely through Business Link, there has been a major reduction in public budgets and grant monies available to businesses and start ups.

At the same time, the rise of Local Enterprise Partnerships has given a new opportunity for business communities and public sector to effectively work together in this more difficult climate.

Where we are

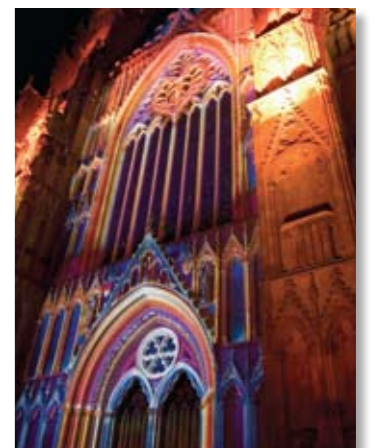
The city's economic assets and opportunities are first class: cutting edge universities, a leading Science City, world class science and technology, a highly skilled population, excellent transport links both to national and international markets, and pronounced strengths in a range of sectors.

In fact, the city is internationally competitive in biosciences, and

particularly environmental and biorenewables technologies, healthcare and medical industries, as well as internationally connected creative and digital technologies and financial and professional services industries. The city also has a world-class tourism, heritage, leisure and retail offer that in its own right is central to the city's profile and relative prosperity.

However, the most recent economic forecasts predict slow growth for a number of years, with an average of 0.75% GVA growth per annum in York between 2011 and 2015, the lowest in the York, North Yorkshire and East Riding LEP area. Growth predictions for York can be pessimistic and do not always fully take into account the city's economic resilience. Notwithstanding this, it is clear that economic conditions are likely to be challenging for a number of years.

Further, York is an economy of unrealised potential. The city's economy is in the top 40% in England. It has relatively good performance in some key areas. Yet its enterprise and productivity levels are lower than average, and its inward investment levels do not match ambitions. Closely linked to and partially a cause of these challenges, the commercial premises and housing supply available for businesses and residents respectively do not match with current demand.



An overview of the city's current strengths and weaknesses is presented below:

Strengths	Weaknesses
It is the most resilient economy in the North of England and sixth most resilient in the country ⁵	The city's overall productivity is only 85% of the national average ⁶
York is in the top 20% of local authority areas and of English cities for the proportion of people with high level skills ⁷	Forecasts predict slow growth, with an average of 0.75% GVA growth per annum in York between 2011 and 2015 ⁸
York is one of the most equal cities in the country – i.e. it has one of the lowest gaps between those on the highest and lowest incomes ⁹	The city has pockets of deprivation – 8 LSOAs fall within the 20% most deprived in England ¹⁰
Employment is just above national average	Incomes are just below the national average
York has enjoyed the fastest growth rate in the region for early stage start-ups over the last three years ¹¹	However, of these early starts, a smaller than average number make it to VAT registration level, with York ranking lower than average on VAT registrations
York attracts 7 million visitors a year	The proportion of firms exporting and accessing new markets in the city (7%) is much lower than the national average (around 25%)
The city is one of the greenest cities when compared with similar sized cities in Europe ¹²	Although the city is aiming to reduce carbon emissions by 20% by 2020, in reality it is set to increase these emissions by 31% by 2050
York is renowned for its quality of life and its historic environment, with one of the largest city conservation areas and highest concentrations of historic buildings in the country	Despite high demand, space for businesses to start and grow in this historic city is constrained and in low supply ¹³



⁵ Ekosgen (2011). Index of Economic Resilience.
⁶ Huggins Competitiveness Index (2010).
⁷ Centre for Cities (2011). Cities Outlook 2011.
⁸ Statistic from Yorkshire Forward Chief Economist Unit, August 2011, based on Regional Econometric Model data.
⁹ Centre for Cities (2011). Cities Outlook 2011.
¹⁰ Index of Multiple Deprivation 2010.
¹¹ According to UK Bank Search Database.
¹² Based on proportion of green space according to Centre for Cities (2011). European Comparator City Report: York. August.
¹³ Centre for Cities (2012). Making the grade: the impact of office development on employment and city economies.
¹⁴ Visit York data (2010).

In view of these strengths and weaknesses, the city faces the following opportunities and threats:

Opportunities	Threats
The city's high skill levels mean that the city is well placed to attract high value jobs to the city	Pockets of deprivation and low skills attainment mean that not all residents are able to take advantage of the opportunities brought by this investment
York's knowledge-based assets offer an opportunity to build competitive advantage in growth, high value added industries	Despite these opportunities and the city's strengths in research, it has become increasingly difficult to provide the right support for these businesses to thrive, and the proportion of knowledge based businesses at only around the national average.
With significant strengths and supply chain developments in growth industries, the city has an opportunity to clearly define and more effectively promote investment from a range of sources beyond just public funding in the city's economy	Increasing global competition for investment means that cities and local economies globally are competing more directly with one another for the same investment
Innovative finance mechanisms like tax increment financing (TIF), enterprise zones, and business rate relocalisation are being explored by Government, which could enable the city to leverage significant private finance where public funding is unavailable	Reductions in public budgets mean the opportunities for taking advantage of public funds that would previously have been available to enable and promote local growth are limited.
The city's historic environment already generates 7 million visitors a year, and there is further opportunity to strategically position and market the city globally to attract further leisure and business tourism ¹⁴	Public funding for attracting visitors previously provided from the public sector (previously through Yorkshire Forward) has been reduced
The increasing priority placed on lowering carbon emissions has created a demand for green technologies and identifying more sustainable ways of operating as a society and as businesses	Targets to reduce carbon emissions nationally and locally produce challenges for local public and private sectors at a time when growth is already dampened
There are new options for business support being developed by the private sector, universities and colleges	There is less publicly funded business support available with the winding down of Business Link



Whilst York has a reasonably healthy economy that would be the envy of most areas in the North of England, the city should aim to develop an economy that is not just nationally above average but which effectively promotes and builds on its strengths to become internationally competitive.

Overcoming challenges and capitalising on assets will be key to realising York's vision.

A new approach

The Strategy

This strategy has been developed by the York Economic Partnership (YEP) as a **new and different approach to unlocking the full economic potential of the city**. Unlike our previous economic development strategies, it is not for any one organisation alone to deliver but is about businesses, residents, partners and the City of York Council working together to a common vision and strategy. Everyone will need to play their part.

The strategy will work **across city boundaries where appropriate** – where action is best taken locally, it will be; where there are efficiencies or other reasons for working with neighbouring authorities, the city will work in partnership with the Leeds City Region Local Economic Partnership (LEP) and/or York, North Yorkshire and East Riding LEP. Where there are national and global opportunities, the city will seek to work with partners across the UK and abroad.

The strategy contributes to the Without Walls Partnership City Strategy (2008 - 25). It also contributes to the Leeds City Region LEP Plan as well as emerging York, North Yorkshire and East Riding LEP strategies. It sits alongside and works with the local planning policy framework and builds on the *New City Beautiful* vision developed by Professor Alan Simpson.

The Vision

Our **simple economic vision** is for the City of York 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.

On the way to achieving this vision, by 2015, the city will aim to become a **top 5 UK city economy that sustainably delivers both Gross Value Added (GVA) and jobs growth**, and a **top 10 European city**, as measured against comparator cities.¹⁵

In order to realise this vision, the city will achieve the following five ambitions:

1. A flexible and relevant workforce for the future, by unlocking the potential of our existing and future workforce, building on residents' skills to provide fairer opportunity for employment, whilst attracting new skilled individuals to meet the needs of businesses today and in future.

2. A growing and dynamic business base competing on a global stage, by encouraging entrepreneurship and the growth and internationalisation of existing business, as well as attracting new businesses.

3. A globally connected, locally integrated knowledge base, by strengthening the city's higher and further education base, its international connectivity and its connection to the wider city economy and business base.

4. A world class place for business, communities, students and visitors, by facilitating both better use of existing developments and infrastructure and the development of new spaces where necessary.

5. A coordinated and efficient approach to attracting and retaining investment in the city, by building on these pillars to attract and retain investment from local, regional, national and international markets.

Themes

Underlying themes to each of these ambitions are:

- **International** – Through the strategy's five ambitions, the city will build links with international markets.
- **Enterprising** – Achieving the strategy's ambitions will require an enterprising approach – where possible being as industrious and efficient as possible.

Overview of Ambitions and Objectives

1. A flexible and relevant workforce	2. A competitive business base	3. An integrated knowledge base	4. A world-class place
<ul style="list-style-type: none"> • Provide skills to match employers' needs • Connect people to jobs and opportunity • Expand apprenticeships and workplace training • Attract and better use the talents of graduates and postgraduates 	<ul style="list-style-type: none"> • Strengthen the city's culture of enterprise • Help new and existing businesses to grow and access new markets • Ensure a more business-friendly council • Strengthen supply chains in growth sectors 	<ul style="list-style-type: none"> • Develop and better connect higher and further education institutions into the city economy • Continue to expand the Science City York offer • Strengthen links between businesses and further/higher education • Promote innovation and creativity across sectors 	<ul style="list-style-type: none"> • Provide the right environment for businesses and individuals to reach their potential • Enhance the city centre and its opportunities for business and leisure • Integrate economic priorities with the physical and infrastructure development



5. A coordinated and efficient approach to attracting and retaining investment in the city

Investment

- Develop a coordinated approach to building the city's share of global GVA
 - Retain and encourage indigenous investment
- Promote the city to and follow up leads for inward investment



Top 5 UK city
Top 10 European city (against comparator cities)

Principles

Fundamental to achieving the economic growth to which we aspire are two principles that will underpin the delivery of this strategy, and which the city will champion in the process:

Inclusive: The strategy will be delivered with the aim of ensuring that all York residents have the opportunity to contribute and benefit from its success.

Sustainable: The strategy will be delivered with the aim of ensuring the growth we achieve is sustainable - environmentally, economically and socially.

¹⁵Top 5 UK ranking as measured by the Huggins Competitiveness Index, and top 10 European city by comparison against similar sized cities.

A flexible and relevant workforce

The current picture

York is one of the most skilled cities in the country¹⁶. The skills profile of York's workforce significantly outperforms both the national and City Region averages. In a ranking of 64 of the UK's cities, York is placed sixth and ninth for working age adults qualified at Levels 4 and 2 respectively. Further, with a relatively diverse economy, the city's workforce supports a wide range of industry, which contributes to the city's overall resilience.

York also consistently achieves high levels of attainment for children and young people aged to 19, well above national averages at every level.

However, York has a higher percentage of jobs in the public sector (33.9%) than both the region (28.6%) and nationally (27%). At a time of public sector cuts, York is vulnerable in this area. In addition, although a majority of residents have better than average skills levels, there is a proportion of residents without or with low levels of skills, particularly in areas of deprivation. The recent Fairness Commission for York has found that these deprived areas are home to 13,000 of our residents or about 7% of the total population of the city. These areas suffer from shorter life expectancy and higher crime.

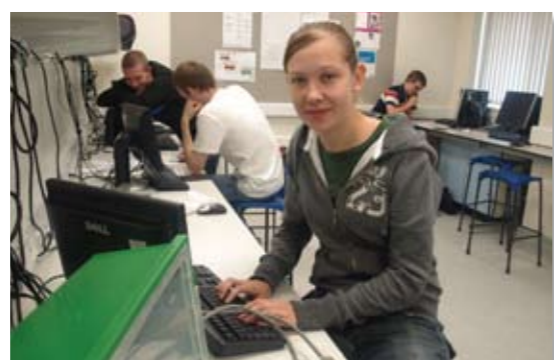
What we will do

The YEP will work with Learning City York and employers in the city to identify skills needed both now and in the future. This will enable us to ensure that skills provided and careers advice match available jobs. It

will also enable us to upskill residents and connect them to jobs.

At the same time, we will attempt to better utilise the highly skilled individuals from our colleges and universities. This will enable us to attract the higher skilled, higher value jobs to the city that will enhance overall economic growth and prosperity. The city will work with the Fairness Commission to address the issues raised by the Commission through the route of ensuring disadvantaged individuals and communities are able to access opportunity more effectively in future.

Learning City York and associated partnerships will be the predominant lead for this area of work, alongside the skills providers, careers advisors and recruitment agencies in the city.



¹⁶ High level skills defined as NVQ 4 and above.

Specifically we will aim to:

Objectives	Actions	Lead
a) Provide skills to match employers' needs	i) Identify and promote the skills needs of the current and future business base, working with employers and private sector recruitment agencies	YEP, Learning City York
	ii) Further enhance attainment in schools, with a focus on narrowing the gap for the most vulnerable and disadvantaged learners and embedding a lifelong learning culture from early years onwards	Learning City/Education Partnership
	iii) Support the development of high quality Science, Technology, Engineering and Mathematics (STEM) provision, promoting participation by young people in these subjects to meet future skills needs of the economy	Council and education and training providers
	iv) Raise awareness among young people and parents/carers of the options and opportunities available to children and young people, the changing nature of economic opportunities and the job market (including self-employment), employer skills needs and travel to work distances	Council and education and training providers
	v) Support the development of cultural awareness and language training amongst young people to meet the needs of an increasingly global and international economy.	Council and education and training providers
b) Better connect people to jobs and opportunity	i) Provide access to a range of training and skills programmes to support unemployed adults back into work..	Learning City York, other partners
	ii) Develop and target additional activity and support to address worklessness and financial inclusion barriers facing those excluded, most disadvantaged and/or vulnerable	Council, Job Centre Plus, Future Prospects (FP), Youth Support Services, third sector, etc
	iii) Facilitate provision of information, advice and guidance on current and future employment opportunities and programmes to support people back into work	'National Careers Service, Future Prospects, third sector, Castlegate, Youth Support Services, etc
	iv) Put in place mechanisms to respond to economic shocks (e.g. closures) and to help those made redundant get back into work – including switching from public to private sector jobs	Council / Learning City partners
	v) Work with the Fairness Commission to ensure that the city provides sufficient opportunity for disadvantaged individuals and communities to access training, advice and job opportunities	CYC
c) Expand/enhance apprenticeships, workplace training and Continuous Professional Development (CPD)	i) Strengthen access to flexible, high quality local training, workforce development and CPD programmes that address both the existing and emerging skills needs of employers working in York's growth sectors	Learning City York, Higher York
	ii) Improve the range of high quality apprenticeship and work placements available across all sectors and increase participation in this provision, particularly by 16-24 yr olds	Learning City / 14-19 Education Team
	iii) Embed the Higher York "City Skills" model to provide targeted recruitment and training opportunities for local residents that can be levered through capital and inward investment developments in York	Higher York, Council
d) Attract and better leverage the talents of graduates and postgraduates	i) Further develop the scale and quality of degree places at York's higher education institutions to meet with market demand	UY, YSJ, York College, Askham Bryan College
	ii) Implement measures to improve graduate retention	UY, YSJ, YC, ABC, Council
	iii) Attract and fully utilise postgraduates, including in innovation, R&D and knowledge transfer activity	UY, YSJ

A competitive business base

The current picture

The city is home to a diverse and dynamic business base, with strengths in a number of industries. When combined with the city's research expertise, businesses in the city are at the leading edge of biosciences, environmental science and creative and digital technologies. In addition, the city has a strong and growing presence in the financial and business services sector, and large number of businesses in tourism, retail and leisure industries. Whilst not as large an employer for the city, the specialist engineering sector in York remains a significant asset and competitive advantage for the city, with companies thriving in a range of sub-sectors from biotechnology to engineering.



Despite these strengths, York has lower than average business start-ups and productivity rates. Business survival rates to one and three years are lower than the national average. More importantly, at a time when the dominant source of global economic growth is beyond UK boundaries, a much lower proportion of York firms are exporting than the national average (only about 7% of York firms export).¹⁷

What we will do

The city will improve business starts through ensuring enterprise education is strengthened through schools, colleges and universities.

We will work with partners to coordinate the business support on offer following the winding up of Business Link. This will

include the development of a single virtual portal for business support information – a web portal for businesses.

The council will seek to improve the way it works with business – including a review of procurement practices and the experience of businesses in working with the council.

The YEP will also work with the business community, research communities and other key partners to strengthen supply chains and productivity in key growth sectors in the city, and specifically:

- biosciences
- IT/digital
- creative and media arts
- financial and professional services
- retail
- tourism and leisure
- specialist engineering.

¹⁷ York Business Survey 2010; National Business Survey 2011 – Leeds City Region.

We will seek to improve the way the council works with business – including a review of procurement practices.

Specifically we will aim to:

Objectives	Actions	Lead
a) Stimulate a culture of enterprise	i) Ensure that young people receive education which fosters ambitions and develops the skills and qualities needed in York's next generation of entrepreneurs, innovators and business leaders.	Learning City Board, UY, YSJ, York College, Askham Bryan, York schools
	ii) Better promote graduate enterprise, including encouragement of spin-outs	YSJ, UY
	iii) Promote a culture of enterprise across the wider community	York Business Week and others
b) Help new businesses to start and existing ones to grow through a coordinated, private sector-led approach to business support	i) Provide or signpost advice to new and growth businesses through a network of support services across the full spectrum of support needs – from start-up, to access to finance, to knowledge transfer, to export advice	YEP, Council, SCY, Chamber, FSB, York Professionals, MAS, private sector
	ii) Ensure delivery to local priorities of the Business Coaching for Growth Programme	SCY
	iii) Develop a coordinated programme of advice to businesses seeking to access new markets and coordinate support for those seeking to export	YEP, Council, private sector networks, UKTI
	iv) Facilitate suitable accommodation for business	Lead partner is CYC, private sector
c) Ensure a business-friendly council	i) Review and improve where possible the relationship between council services and businesses of all sizes and sectors	YEP, Council
d) Facilitate strengthening of supply chains	i) Map the city's supply chains, and develop the support/infrastructure required for the city's strengths in: <ul style="list-style-type: none"> • Biosciences (biorenewables and biotechnology) • Creative industries (building on the UNESCO Media Arts City project) • Financial and professional services (linking to Leeds City Region activity) • Tourism/retail/leisure (fostering innovation) 	YEP, Council, Chamber, FSB, MAS, SCY, UY YSJ, York Professionals, Visit York

An integrated knowledge base

The current picture

A leading city of education and knowledge, York is home to two universities - York St. John University (YSJ) and the University of York (UY) (which is in the top 100 world universities). Together, YSJ and UY cater for over 20,000 students per annum. The city also benefits from two excellent colleges – York College and Askham Bryan College.

Despite these knowledge assets, the city has a lower than average proportion of employment in knowledge businesses. Also, although many of our most skilled graduates do decide to stay in the city, they frequently find it difficult to find jobs that fully use their high skills. Further, although the city's businesses on average have relatively good links with the universities, there is much more that could be done to ensure that all businesses in the city are able to access and benefit from the available research expertise.

What we will do

The YEP will work with partners in the higher education (HE) and further education (FE) sectors and Science City York (SCY) to develop the city's strengths in the knowledge economy. It will also seek to encourage and find innovative ways to improve access for local businesses to working with further and higher education institutions.

The Universities will work with partners to continue their development and

expansion to meet future higher level skills needs. SCY will also continue to develop its offer to support networks and specialist business support in bioscience, IT and digital and creative industries.

Working together, the YEP will also encourage innovation and creativity across all sectors of the economy through networks and events, as well as through specific initiatives like the National Endowment for Science Technology and the Arts (NESTA) Creative Councils bid for which the City of York Council has been shortlisted.



Our market connections and international activity.

We will encourage innovation and creativity across all sectors of the economy.

Specifically we will aim to:

Objectives	Actions	Lead
a) Strengthen links between the business and knowledge bases	i) Improve access for local businesses to local colleges/Universities	YEP, UY, YSJ, York College, Askham Bryan College
	ii) Enhance and apply low carbon expertise to reduce emissions and aid competitiveness	SCY, Council, CO2 Sense
b) Build on and integrate the offer of York's Universities with the wider city economy	i) Facilitate the expansion of the University of York	UY
	ii) Facilitate expansion of York St. John University and the Phoenix Centre, including in the city centre	YSJ, SCY
	iii) Promote York's university strengths, including visible presence in the city centre	YEP, Council and UY, YSJ
c) Continue to expand the Science City York offer	i) Strengthen, implement and promote Science City York offer to local businesses, with focus on bioscience, IT and digital and creative and potentially environmental science sectors.	SCY
	ii) Enable SCY to coordinate high growth business support and knowledge transfer activities	SCY, Council
d) Promote open innovation and utilise creativity across the economy	i) Promote creativity and application of new ideas across all York businesses, building on skills strengths and the creative industries sector	SCY, YSJ
	ii) Develop innovative approaches to council service delivery, including delivery of the Creative Councils bid	SCY, Council



A world-class place

The current picture

Recently voted Britain's most beautiful city (Bing 2011) and one of the world's top 200 places to live (Lonely Planet 2011), the city is an attractive location to live, study and work.

The city centre is a distinctive space and a major attractor for visitors in its own right – seven million visitors a year to the city is testament to the offer of York as a destination. With over 2,000 listed buildings and a conservation sector that is at the top of its field, the city benefits from a unique competitive advantage in its heritage.

A range of premises is available throughout the city centre and beyond, and further major development sites within and around the city centre have already been identified to provide space for the city's growth in future.

However, as the third-fastest growing city in England with great ambition to grow further, the city faces increasing demands on its physical environment and infrastructure. This pressure creates potential challenges not only for accommodating this growth, but for the city's ambitions to lower carbon emissions. Indeed, the recent publication of the mini-Stern Review for York by the Centre for Low Carbon Futures has identified that York has a current energy bill of £312 million - a figure that is set to grow to £425 million by 2022.¹⁸

The city centre has its own constraints as a historic environment and new development sites are still to be brought

forward. The city centre and wider city are not adequately integrated and transport congestion presents challenges to business and residents alike.

What we will do

The YEP will work with the council and private sector to ensure that the environment for sustainable economic and business growth is provided in line with the city's aspirations.

The council will have a key role in ensuring that the local planning framework reflects the economic priorities of the city – creating an environment that enables business growth. The YEP will work to build on the unique historic environment of the city, unlocking the potential of existing sites while also bringing forward sites to accommodate this growth.

The YEP and Council will work with the Centre for Low Carbon Futures and partners across the city to address the issues raised by the Mini-Stern review and to identify ways in which the city can not only respond to climate change, but lead the green revolution of the future. This will require working with low carbon industries and the strong environmental sciences research base in the city to develop proposals for more sustainable development and infrastructure.

We will work with partners to ensure that the environment for sustainable economic and business growth is provided in line with the city's aspirations.

Specifically we will aim to:

Objectives	Actions	Lead
a) Provide the right environment for businesses and individuals to reach their potential	i) Facilitate development of key development sites including York Central, Terry's, Hungate and Nestlé South	Council
	ii) Capitalise on Heslington East as well as enhancing the connection to the City and community facilities	UY, SCY, Council
	iii) Identify and develop a range of employment sites to meet the needs of existing businesses and investors, from incubation and start up space to larger spaces, including advancing the Science City York Property Review	YEP, Council, SCY, UY, YSP
b) Enhance the city centre and its opportunities as a business location	i) Progress as a priority the city centre investment and action plan to strategically facilitate an ambitious vision of the city centre of the future	City Team, Reinvigorate York Board, Visit York, Retail Forum, Council, York @Large
	ii) Progress quality development opportunities, including in the Hungate/Coppergate/Piccadilly area	Council
c) Integrate economic priorities with the physical and infrastructure development.	i) Work towards an integrated economic and spatial strategy for the city	Council
	ii) Identify and facilitate sustainable physical infrastructure to connect the city with international and national markets and efficiently functioning local labour markets, whilst reducing congestion and carbon emissions	YEP, Council, LEPS
	iii) Ensure the quantity, range and affordability of the city's housing stock supports its economic needs and development	Council
	iv) Enhance next generation broadband connectivity	Council



¹⁸ Gouldson, A. et. al(2012). A mini-Stern review for York: the economics of low carbon development. Centre for Low Carbon Futures

The YEP and partners will work together to attract investment to and retain current investment in the city.

Coordinated and efficient approach to investment

The current picture

York has an excellent asset base from which to generate and / or attract investment – excellent skills, innovation and R&D assets, and a unique heritage and leisure offer. As an attractive place to live and visit, the city has a brand and profile that is known the world over.

However, despite the attractiveness of the city to visitors and residents, its record of attracting private and public sector investment is below its potential, despite some successes in recent years.

Further, with the potential of business rate relocalisation, tax increment financing and other flexibilities in financing being explored by central Government, the city has real opportunities to think “outside the box” to maximise investment in the city.

What we will do

The YEP and partners will work together to attract investment to and retain current investment in the city. Importantly, the Partnership will work to “internationalise” the city – improving the city’s access to global markets, working across both public and private sectors.

The YEP will identify clearly the city’s “offer” and will set out a plan for more effectively promoting this offer to businesses and individuals to attract more investment and visitors to the city.

The YEP will also work with existing local businesses to support their growth, and will work to attract new businesses to the city.

Specifically we will aim to:

Delivery Area	Actions	Lead
a) Develop a coordinated approach to attracting investment	i) Develop and implement an internationalisation framework to build access to national and international markets	YEP, Council and partners
	ii) Develop an ‘international’ brand and offer for York to build its profile that is understood and believed by local stakeholders	YEP, Council, Visit York, private sector leads
b) Retain, embed and encourage indigenous investment	i) Develop a more efficient and effective way of communicating with local business, including improved council Key Account Management and refreshed governance structures	Council, private sector leads
c) Explore innovative financing mechanisms	i) Explore the opportunities associated with innovative financing mechanisms like business rate relocalisation, tax increment financing and apply to investment in key city priorities	YEP, Council, LEPs
	ii) Work through LEPs and other means to maximise funding opportunities to the city	YEP, LEPs
d) Promote the city to and follow up leads to attract inward investors	i) Develop and deliver an inward investment strategy for the city	YEP, Council, UKTI, LCR LEP, private sector leads, Universities, Colleges and partners
	ii) Deliver seamless support and service to potential investors	YEP, Council, Learning City Board, private sector recruitment agencies
	iii) Maximise value from inward investment by connecting firms to local skills and supply chains, and local people to job opportunities	YEP, Council, Learning City Board, private sector recruitment agencies



Deliverables

The city will deliver the following:

What to expect...

- A coordinated offer of skills training for city residents
- A coordinated offer of business support, including a streamlined business portal and mentoring matching service
- Designation as a UNESCO City of Media Arts
- An annual business conference
- An International Trade Fair and Leeds City Region Summit in 2012
- Improvements to the council's relationship with business
- A strategic approach to coordinating marketing the city to national and international markets
- A refreshed York Economic Partnership and Business Forum to ensure effective engagement

By Nov 2015

The city will have achieved the following outcomes:

- be recognised as an international and enterprising city
- made positive progress toward our goal of ranking in the top 5 of UK city economies and top 10 of European cities of similar size
- 1000 new jobs a year
- 75 new businesses starting each year
- 70% of businesses surviving three years
- 15% of businesses in the city exporting

These objectives will be monitored on a bi-monthly basis and the objectives and strategy on a yearly basis by the YEP.

Monitoring success

We will measure success in achieving the strategy using:

- Statistical indicators to assess progress towards the Vision and Objectives.
- Tracking delivery of actions in a transparent manner against a published delivery plan that is updated quarterly.
- Regular engagement with partners and the wider community and business base on progress toward our ambitions, principally through the York Economic Partnership and York Business Forum, with a formal review of the Strategy on an annual basis.



The strategy will be overseen by the York Economic Partnership (YEP) – a private-public partnership of representatives from across sectors.

Headline indicators

Achievement of the ambition – to become **'a top 5 UK city economy that delivers for business, people and the environment'** will be measured by comparison within a group of 36 English cities with population of 100,000 or more through the Huggins Competitiveness Index¹⁹. York currently ranks 9th out of 36 UK cities. Performance will be measured on a combination of five elements:

- Per capita **GVA growth** – a measure of overall economic scale, output and activity (York is currently ranked 23rd of 36 UK cities)
- **Business Stock** per 1,000 people – a measure of enterprise and economic diversity (York is currently ranked 12th of 36 UK cities)
- % of workforce with **higher level skills** (NVQ4+) –

which relates to knowledge economy credentials and earnings and is a good predictor of future economic success (York is currently ranked 7th of 36 UK cities)

- **Economic activity rate** – a measure of jobs, labour market efficiency and inclusion (York is currently ranked 5th of 36 UK cities)
- Per capita **carbon emissions** – to monitor low carbon performance (York is currently ranked 12th of 36 UK cities)

To assess progress against the ambition to become **'a top 10 European city economy'** we will measure against similar data to the extent possible for European cities of similar size (with populations between 100,000 and 300,000). Metrics and progress against the Strategy's targets will be published in a separate regularly updated appendix.

Performance Indicators

The table below sets out more detailed indicators for each of the five ambitions.

1. A flexible and relevant workforce	2. A competitive business base	3. An integrated knowledge base	4. A world-class place	5. A coordinated and efficient approach to attracting and retaining investment
<ul style="list-style-type: none"> • 1000 new jobs • Increase in employment rate • Decrease % residents with no qualifications and low level literacy, numeracy and IT • Increase % residents with NVQ 4 	<ul style="list-style-type: none"> • Increase in business start ups – 75 per year by 2015 • Increase in proportion of firms exporting – 15% by 2015 • Increase in new businesses investing • Increase in business growth and survival rates 	<ul style="list-style-type: none"> • Increase in Knowledge intensive businesses • Increase % workforce employed in knowledge intensive businesses 	<ul style="list-style-type: none"> • Increase in available business/office and housing supply – quality and quantity • Increase visitor/resident/business satisfaction with city centre 	<ul style="list-style-type: none"> • Increase in inward investment leads • Increase in inward investment projects • Increase in funds attracted to support strategic projects • Perceptions of the city as a visitor/business destination

Who will deliver it

The strategy has been developed, and progress against its objectives will be monitored, by the YEP. However, partners from across the city – whether formally constituted or informal networks – will be crucial to delivery of the objectives and actions identified.

The City of York Council will manage the strategy on behalf of the YEP.

¹⁹Coverage is based on those cities included in the Huggins Competitiveness Index with City status, relevant data sets and populations of at least 100,000. The City of London (and Westminster) is excluded.

Measures will be compared against previous trend data in York and to comparators (other cities, and European/national/LEP benchmarks).

Your chance to have your say

We want to hear your views and ideas on how we can do more to achieve our ambitions.

You can have your say by contacting us in the following ways:

By email:

Please let us know your views at the following email address economic.strategy@york.gov.uk. If you do not have access to a computer or the internet, the following alternative methods of providing feedback are available:

By post:

York Economic Partnership, c/o Economic Development Unit.
9 St. Leonards Place, York YO1 7ET.

By attending the York Business Forum:

Register your interest in coming along to the next York Business Forum event by contacting York Professionals who manage the Forum on behalf of the city. You can register your interest at admin@york-professionals.co.uk.

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