



Notice of meeting of

Executive

To:	Councillors Waller (Chair), Steve Galloway, Sue Galloway, Jamieson-Ball, Reid, Runciman and Vassie
Date:	Tuesday, 15 July 2008
Time:	2.00 pm
Venue:	The Guildhall, York

AGENDA

Notice to Members - Calling In:

Members are reminded that, should they wish to call in any item on this agenda, notice must be given to Democracy Support Group by:

10:00 am on Monday 14 July 2008, if an item is called in *before* a decision is taken, *or*

4:00 pm on Thursday 17 July 2008, if an item is called in *after* a decision has been taken.

Items called in will be considered by the Scrutiny Management Committee.

1. **Declarations of Interest**

At this point, Members are asked to declare any personal or prejudicial interest they may have in the business on this agenda.

2. Exclusion of Press and Public

To consider the exclusion of the press and public from the meeting during consideration of parts of the report relating to Agenda Item 9 (Community Stadium), on the grounds that the report contains information relating to the financial or business affairs of a particular person. This information is classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

3. Minutes (Pages 3 - 10)

To approve and sign the minutes of the meeting of the Executive held on 30 June 2008.

4. Public Participation

At this point in the meeting, members of the public who registered their wish to speak regarding an item on the agenda or an issue within the Executive's remit can do so. The deadline for registering is **5:00 pm on Monday 14 July 2008**.

5. Executive Forward Plan (Pages 11 - 14)

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

6. Review of Sub-National Economic Development and Regeneration (Pages 15 - 102)

This report seeks approval for a response to the Government's consultation on the Sub-National Review of economic development and regeneration (SNR) and for a Multi-Area Agreement submitted by the Leeds City Region.

7. Future of York as a 'Thriving City': Part B, Local measures to retain York as a 'Thriving City' (Pages 103 - 110)

This report asks Members to consider actions to help ensure that negative impacts are minimised, and that York remains a Thriving and Inclusive city, through a difficult economic period.

8. Approval of the Homeless Strategy 2008 to 2013 (Pages 111 - 136)

This report asks the Executive to note the review of the Council's homeless strategy and approve the contents of the strategy that will cover the period between 2008 and 2013, for submission to Communities and Local Government by the end of July 2008.

9. Community Stadium (Pages 137 - 160)

This report provides an update on progress made following the meeting of the Staffing and Urgency Committee on the 21 May 2008, when the issue of the 'Community Stadium' was discussed, and seeks approval for a proposed loan to the York City Football Club.

Note: The above report has not been made publicly available because it contains exempt information, as set out under Item 2 above. A redacted version of the report, excluding the exempt information, was published with this agenda on Tuesday, 8 July.

10. Urgent Business

Any other business which the Chair considers urgent under the Local Government Act 1972

Democracy Officer:

Name: Fiona Young

Contact details:

- Telephone – (01904) 551027
- E-mail – fiona.young@york.gov.uk

For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details are set out above.

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Further information about what's being discussed at this meeting

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The majority of councillors are not appointed to the Executive (38 out of 47). Any 3 non-Executive councillors can 'call-in' an item of business from a published Executive (or Executive Member Advisory Panel (EMAP)) agenda. The Executive will still discuss the 'called in' business on the published date and will set out its views for consideration by a specially convened Scrutiny Management Committee (SMC). That SMC meeting will then make its recommendations to the next scheduled Executive meeting in the following week, where a final decision on the 'called-in' business will be made.

Scrutiny Committees

The purpose of all scrutiny and ad-hoc scrutiny committees appointed by the Council is to:

- Monitor the performance and effectiveness of services;
- Review existing policies and assist in the development of new ones, as necessary; and
- Monitor best value continuous service improvement plans

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City of York Council

Committee Minutes

MEETING	EXECUTIVE
DATE	30 JUNE 2008
PRESENT	COUNCILLORS WALLER (CHAIR), STEVE GALLOWAY, SUE GALLOWAY, JAMIESON- BALL, REID, RUNCIMAN AND VASSIE
IN ATTENDANCE	COUNCILLOR FRASER (FOR AGENDA ITEMS 1-7)

PART A - MATTERS CONSIDERED UNDER DELEGATED POWERS**17. DECLARATIONS OF INTEREST**

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda.

Councillor Runciman declared a personal non-prejudicial interest in agenda item 9 (General Fund – Provisional Revenue Out-turn 2007/08) as a patron of the Guildhall Orchestra.

Councillor Waller declared a personal non-prejudicial interest in agenda item 10 (Capital Programme Out-turn 2007/08 and Revisions to the 2008/09-2010/11 Programme) as a governor of York High School.

18. EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That the press and public be excluded from the meeting during consideration of Annexes 2 and 3 to agenda item 7 (York Racecourse) (minute 23 refers) and Annex 3 to agenda item 10 (Capital Programme Outturn) (minute 26 refers), on the grounds that they contained information relating to the financial or business affairs of particular persons (including the authority holding that information), which was classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

19. MINUTES

RESOLVED: That the minutes of the Executive meeting held on 17 June 2008 be approved and signed by the Chair as a correct record.

20. PUBLIC PARTICIPATION

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

Councillor Sandy Fraser addressed the meeting in relation to agenda item 7 (York Racecourse) (minute 23 refers), on behalf of residents of Micklegate Ward. He expressed disappointment at the Race Committee's response to suggestions to mitigate the problems caused by race days for local residents and proposed that the costs of additional policing and off site toilet provision should be met from the additional income the new lease would provide. He also highlighted parking problems in the South Bank area and that the main pedestrian route to the Racecourse ran through a built up residential area, and suggested that the southern access to the site, used during Royal Ascot, be reinstated. He noted that residents had not been consulted about the proposals in the report and that they did not enjoy specific benefits from being near to the Racecourse, such as those available to residents near to Aintree. He concluded by raising concerns about the possible loss of other events at the Racecourse, in particular the annual Cycle Rally, if the number of race days was increased.

21. EXECUTIVE FORWARD PLAN

Members received and noted details of those items that were listed on the Executive Forward Plan for the next two meetings.

22. CPA CORPORATE RESPONSE

Members received a report which presented the results of the Council's CPA Corporate Assessment, conducted in January, and considered the Council's response to the CPA recommendations and their impact on corporate improvement planning.

Overall, York's CPA score remained 3 stars out of 4 and improving well. The Corporate Assessment report confirmed that there had been good progress and it contained much that was positive. Recent improvements were recognised, as was the dedication of staff and the quality of the services they provided. It also commented that the Council had a strong awareness of the city's needs, worked well in partnership and represented good value for money.

The Corporate Assessment argued that improvements needed embedding and to be made consistent across the organisation, and it was for that reason that the subsequent improvement planning was being led by Corporate Management Team who were committed to ensuring that it was sustained, shared and properly implemented. It was for this issue of 'embeddedness' that the Corporate Assessment judged the Council's systems and processes as 'adequate' rather than 'good'. The Corporate Assessment report emphasised the need for stronger internal collaboration and corporacy and for progress in this area to be sustained.

Members highlighted that whilst the items in the Single Improvement Plan were comprehensive, and were all areas that needed attention, there did need to be a focus of officer time on particular areas. They were particularly keen to ensure that there were tangible outcomes to service delivery which would benefit the public. Therefore whilst supporting the Single Improvement Plan, they expected more immediate attention on councillor training, budget monitoring arrangements, and engagement with the public.

The Executive Member for Children & Young People's Services recorded her thanks to officers for their work on improving the life chances of the most disadvantaged and disaffected children and young people.

- RESOLVED: (i) That the result and judgements of the CPA Corporate Assessment be noted;
- (ii) That the areas for improvement set out in the proposed single improvement plan and the associated project plans outlined in the report be noted and approved;¹
- (iii) That it be agreed to receive further updates on the development of the plan.²

REASON: To initiate a clear set of improvement priorities based on the Council's Business Model.

Action Required

- | | |
|---------------------------------|----|
| 1 - To implement the plan; | SC |
| 2 - To receive further updates. | SC |

23. YORK RACECOURSE – APPLICATION FOR LEASE EXTENSION AND AMENDMENTS – REPORT BACK ON THE RESULTS OF FURTHER NEGOTIATIONS

Members received a report which presented the results of further negotiations between Officers and York Racecourse with regard to the granting of a new lease, as requested at the Executive (Calling In) meeting on 27 November 2007, and recommended that the new lease now be granted.

The following options were presented for consideration:

- To agree to the new 99 year lease incorporating the changes summarised in paragraphs 2 & 3 of the report;
- To decline to extend the lease;
- To agree a new lease but subject to different conditions.

Officers reported that a six day trial providing 12 off-site toilets, plus 2 disabled toilets, would cost approximately £5600.

Two written representations had been circulated to Members from local residents, outlining concerns regarding the impact of race days on their locality.

Members noted that following a court case between Wigan FC and Greater Manchester Police, it had not been possible for police forces to recoup the cost of policing off sports grounds and that this ruling applied to the Racecourse. The Police now accepted this position, and had put extra resources into the area. As a result, there was little that could be done to enforce payment contributions from the Racecourse, and there was no precedent found elsewhere to suggest that doing so would be normal practice.

Residents had reported anti social behaviour problems in nearby streets. As the Racecourse had indicated that they were not willing to provide toilets off site, any provision would have to be funded by the Council. All the current budget for the rent sat in the Learning, Culture and Children's Services Directorate, and as such any decision to allocate additional funding would have to be made as part of the budget setting process for that department.

Members expressed the view that, from a property and financial perspective, it made no sense to refuse the lease extension as it would provide financial and other benefits to the Council and the local economy.

- RESOLVED: (i) That Option a) be approved and the existing lease for the Racecourse be surrendered in favour of a new 99 year lease from the end of the current season based on the changes summarised in paragraphs 2 & 3 of the report;¹
- (ii) That a growth bid be submitted by the Director of Learning, Culture & Children's Services for the provision of temporary toilets on Race Days on an experimental basis starting from 2009, in the 2009-10 budget round;²
- (iii) That officers be instructed to negotiate with the Race Committee to ensure that the Cycle Rally is not compromised by extra race days.³

- REASON: (i) To ensure that York Racecourse and facilities connected therewith retain and enhance their position both nationally and for the benefit of the local economy, whilst at the same time making some provision to mitigate the effects of high visitor numbers on local residents;
- (ii) So that Members can consider allocating funding for this purpose balanced against other spending priorities in next year's budget;

- (iii) To ensure that extra race days do not prevent the annual Cycle Rally from taking place at the Racecourse.

Action Required

- | | |
|---|----|
| 1 - To issue the new lease; | SA |
| 2 - To submit a growth bid; | ST |
| 3 - To negotiate with the Race Committee. | ST |

24. YEAR END REVIEW OF PERFORMANCE 2007/8

Members received a report which provided an overview of how the Council had performed during the financial year 2007-2008.

Overall there had been widespread improvement across the Council's services, particularly in the area of community safety, with crime levels in York dropping 37% over the past 3 years. Other areas of good improvement included housing, waste recycling & landfill, missed bin collection and sickness absence. Education provision and attainment also continued to perform highly, with notable improvements in adult education provision and the number of school children taking regular exercise.

There were also a few areas for concern. Overall satisfaction with Council services was still fairly low at 51%, but this reflected a 7 percentile jump on 2006/07 and now placed York above the unitary average. This increase was also bucking a national downturn trend on overall satisfaction with local authorities. Other areas for attention included teenage pregnancies, waiting times for new older clients in adult services for assessment and road traffic accidents.

Members highlighted areas of performance improvement within their portfolios and recorded their thanks to officers for their work.

RESOLVED: That the performance issues identified in the report be noted.

REASON: To ensure Members have a full understanding of how the Council is performing and what areas need to be improved.

25. GENERAL FUND - PROVISIONAL REVENUE OUT-TURN 2007/08

Members received a report which presented the projected 2007/08 out-turn position on the Council's General Fund Revenue Account, Housing Revenue Account (HRA), Collection Fund and Public Sector Agreements (PSAs) for 2007/08, and asked them to consider requests for under-spent project budgets to be carried forward and resultant transfers to reserves.

All General Fund portfolio areas except Children's Services, Leisure and Culture and Chief Executives Department had managed to out-turn within their budget level of funding. Overall these areas had combined to provide an underspend of £2.56m. In addition corporate budget areas had also

contributed a £3.76m underspend providing an overall underspend of £6.32m.

Additional information on the shortfall of income at Newgate Market and the IT Development Plan bids had been circulated to Members.

Members noted that the Council's finances were in a strong position thanks to careful budgeting, and strenuous attempts by officers to ensure that spending was brought back into line with the set budgets. There was a need to improve the monitoring of expenditure and income through the year and the need to move to monthly reporting in the long term had been discussed. It was reported that there would not be an officer capacity issue preventing the restoration of the Third Quarter monitoring reports to Executive Member and Advisory Panels (EMAPs) and ultimately to the Executive, along with more frequent exception reporting for material differences to budget income and expenditure, which would assist Executive Members in the planning processes.

- RESOLVED: (i) That the provisional out-turn position be noted;
- (ii) That a report be requested for the next meeting of the Executive justifying why, in the light of the 2007/08 underspend on the Housing & Adult Social Services budget, any carry forward provision for unexpected social care costs (£275k), which was provided for within contingency but remained unresolved, as set out in paragraph 50 of the report, should be released;¹
- (iii) That the requests to carry forward funds into 2008/09, totalling £1,513k for general fund services, as detailed in Annex 4 and summarised in paragraph 51 of the report, be approved;²
- (iv) That the request to carry forward £8.4k for the housing revenue account, as detailed in Annex 4 and summarised in paragraph 54 of the report, be approved;
- (v) That consideration of the requests for additional funding of £28k for the Guildhall Orchestra and of £38k for IT development bids, as highlighted in paragraph 68 of the report, be deferred until a July meeting of the Executive, together with any other urgent supplementary estimates or calls on contingency provision, and officers be requested to ensure that comprehensive financial information is provided to support any proposals;³
- (vi) That the maintenance of the Neighbourhoods Trading Account at £300k by releasing £144k from the General Fund, as set out in paragraph 62 of the report, be agreed;

- (vii) That the release of £20k from contingency provision to support the Newgate Market budget be agreed;
- (viii) That the transfer of the remaining underspend to revenue reserves be approved;
- (ix) That the enhanced priority placed by the Director of Resources on the need to address the issues identified as part of future monitoring rounds be noted;
- (x) That it be agreed that Third Quarter monitoring reports be presented to the Executive in future and that these be restored to the forward programme.⁴

REASON: To enable the Executive to set a revised budget in 2007/08 and monitor it effectively.

Action Required

- | | |
|---|----|
| 1 - To write report; | SA |
| 2 - To update the ledger and inform relevant officers to progress activities; | SA |
| 3 - To write report; | SA |
| 4 - To reinstate the Third Quarter monitoring report. | SA |

26. CAPITAL PROGRAMME OUT-TURN 2007/08 AND REVISIONS TO THE 2008/09-2010/11 PROGRAMME

Members received a report which presented the final outturn position of the Council's capital programme for 2007/08, together with the statutory declaration on the funding of the programme, sought approval for any necessary changes resulting from underspends, overspends and slippage, and provided an update on the future capital programme and a change to accounting policy relating to the statutory minimum revenue provision.

The 2007/08 capital outturn of £42.026m represented an underspend of £4.813m against the restated budget of £46.839m, a variance of 10.2%, higher than last year's variance of 7.7%. There were requests for budgets to be carried forward into future years totalling £6.689m, and updates to the spend profile of future years' schemes to improve the budgetary control of the capital programme.

Members congratulated officers on their work progressing significant projects on behalf of the city.

- RESOLVED: (i) That the 2007/08 capital outturn position be noted and the request for slippage to and from the 2008/09 capital programme be approved;¹
- (ii) That the restated 2008/09 to 2010/11 programme, as summarised in Table 4 and detailed in Annex 2 of the report, be approved;

- (iii) That the statutory declaration of the 2007/08 capital expenditure, as required by the Local Government Act 2003 Part 1, be approved.

REASON: To allow the continued effective management of the capital programme in 208/09 and beyond, and to fulfil statutory functions.

Action Required

1 - To update the ledger and inform relevant officers to progress activities. SA

PART B - MATTERS REFERRED TO COUNCIL

27. STATEMENT OF ACCOUNTS 2007/08

Members received a report which invited them to review and comment upon the Council's financial accounts for the financial year 2007/08 before submitting them for approval by Full Council on the 30th June.

Audit & Governance Committee had already considered and commented on the accounts. A revised copy of the accounts, with supplementary sheets, setting out the proposed changes had been circulated following Audit & Governance Committee.

Members expressed the view that the Annual Governance Statement should be a separate document from the Statement of Accounts in future.

RECOMMENDED: That the Statement of Accounts be approved by Full Council.¹

REASON: Under the current constitution Full Council must approve the Statement of Accounts. It is a statutory requirement that this approval must be made no later than 30th June.

Action Required

1 - To refer to Full Council. SA

A Waller, Chair

[The meeting started at 2.00 pm and finished at 3.20 pm].

EXECUTIVE FORWARD PLAN

Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 29 July 2008		
Title & Description	Author	Portfolio Holder
<p>Tang Hall Area Asset Management Plan</p> <p><i>The purpose of this report is to ask Members to approve the Area Asset Management Plan for Tang Hall which combines the strategic direction and priorities set by the Corporate AMP (which is in turn driven by the Corporate Strategy) with the priorities and requirements identified in the individual service plans and by the community at a local, location-specific level, setting out options for the way forward and timescales for delivery.</i></p>	Philip Callow	Executive Member for Corporate Services
<p>Use of Council Owned Land in Tang Hall Area</p> <p><i>Purpose of report: To present the Final Report of the Tang Hall Area Asset Management Ad-hoc Scrutiny Committee.</i></p> <p><i>Members are asked to: Consider and approve the recommendations within the report.</i></p>	Melanie Carr	Executive Member for Corporate Services
<p>Refresh of the Corporate Strategy</p> <p><i>Purpose of report: This paper formally presents the Corporate Strategy following its most recent refresh.</i></p> <p><i>Members are asked to: Consider the refreshed version of the Corporate Strategy.</i></p>	Janna Eastment	Executive Leader
<p>Appropriation of Property</p> <p><i>Purpose of report: To appropriate and transfer properties between the Housing Revenue Account and General Fund to ensure good governance and provide a corporate flexibility in the use of capital resources. The appropriations need to be approved for the financial year of 2008/09.</i></p>	John Urwin	Executive Member for Corporate Services

<p><i>Members are asked to: Approve the appropriations.</i></p>		
<p>Former Family Centre, Sixth Avenue, Heworth</p> <p><i>Purpose of report: The report presents Members with options to either dispose of the property, to realise a capital receipt, or retain it to fulfil identified service needs.</i></p> <p><i>Members are asked to: Decide which option they prefer.</i></p>	<p>Tim Bradley</p>	<p>Executive Member for Corporate Services</p>
<p>Key Considerations in the Approach to the Medium Term Financial Strategy</p> <p><i>Purpose of report: To receive details of the Council's projected financial position for 2009/10 to 2011/12. This report provides the context in which the 2009/10 budget will be set and the medium term financial position until 2012.</i></p> <p><i>Members are asked to: Consider the approach to key issues feeding into future years' financial strategy (and thus budgets), taking into account updated financial information and a review of processes.</i></p>	<p>Sian Hansom</p>	<p>Executive Member for Corporate Services</p>
<p>Access York Phase 1 Park & Ride Development – Programme and Consultation Plan</p> <p><i>Purpose of report: To outline the proposed programme and consultation plan.</i></p> <p><i>Members are asked to: Approve the way forward for delivery arrangements and consultation proposals.</i></p>	<p>Paul Thackray</p>	<p>Executive Member for City Strategy</p>
<p>Museum Gardens Public Toilets</p> <p><i>Members are asked to approve a leasehold disposal of the public toilet block and Lendal Tower store building to a Helmsley Group company to build a restaurant on the site. The scheme has been granted planning permission.</i></p>	<p>John Urwin</p>	<p>Executive Member for Corporate Services</p>

Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 9 September 2008		
Title & Description	Author	Portfolio Holder
<p>Income Policy Framework</p> <p><i>Members are asked to: Approve the income policy framework. The income policy framework covers all aspects of income collection by the City of York Council.</i></p>	Sian Hansom	Executive Member for Corporate Services
<p>A Big Screen for York</p> <p><i>Purpose of report: To ask Members' views on the siting and funding of a Big Screen in the city centre at some point during the period 2009-11.</i></p> <p><i>Members are asked to: Agree where a Big Screen may be sited and agree funding for the installation costs.</i></p>	Charlie Croft	Executive Member for Leisure, Culture & Social Inclusion

Table 3: Items slipped on the Forward Plan with the agreement of the Group Leaders					
Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
None					

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Executive

15 July 2008

Report of the Director of City Strategy

REVIEW OF SUB-NATIONAL ECONOMIC DEVELOPMENT AND REGENERATION**Summary**

1. The report seeks approval for a response to the Government's consultation Sub-National Review of economic development and regeneration (SNR) and for a Multi-Area Agreement submitted by the Leeds City Region.

Background

2. A report was presented to the Executive in February 2008, outlining the main findings from the SNR. This has identified a number of structural reforms, namely:
 - to strengthen the local authority role in economic development, including a new statutory economic assessment duty;
 - to support the effective collaboration by local authorities across functioning economic areas, for example by establishing Multi Area Agreements;
 - to introduce single regional strategies, with Regional Development Agencies designated as regional planning bodies;
 - to give regions a greater say in the distribution of funding in each region;
 - to sharpen the focus of central government on sub-national devolution, including the appointment of regional Ministers acting as regional champions.
3. Since then, the Government have issued a consultation paper on how to take forward the SNR. The consultation covers developing stronger partnerships for regional growth, integrating regional strategies to promote growth and the role of local authorities in strengthening sub-regional economies. Full details of the consultation are available at www.communities.gov.uk/publications/citiesandregions/prosperousplaces. There are 15 specific questions to be covered in responses to this consultation. The deadline for responses was 20th June and a response was sent by the Chief Executive following the circulation of this to all elected members for comment. This is attached to this report as Annex A.
4. The SNR envisages a stronger role for City Regions and sub-regional working in order to enhance economic growth and competitiveness. The engagement of York in the Leeds City Region was a major focus of the report to the

Executive in February. Approval was given to a series of actions to support the priorities of the City of York within this city region context. This included endorsement of officer support for the preparation of a Multi-Area Agreement focussed on skills, labour market mobility and transport. A draft of this was considered at the Leeds City Region Leaders meeting held on 12th June and it was agreed to delegate responsibility for finalising this to the Chair and Chief Officer of the Leeds City Region in order for submission to take place by the end of June. The latest version of the Multi-Area Agreement for the Leeds City Region is appended to this report as Annex B.

Consultation

5. Consultation has been undertaken by the Government regarding the SNR and it is likely that specific elements of the proposals set out within the SNR will be the subject of further consultation as proposals are developed. The Leeds City Region Development Programme was subject to consultation within the city region and was agreed by all 11 local authorities. The implications for York of the developing "City region agenda" has been included in the consultation exercises undertaken with respect to the Future York Group report, the Sustainable Community Strategy and the Local Development Framework. Any agreed actions following consideration of this report may need to be subject to further consultation following consideration at this meeting.

Options

6. Most of the proposals set out in the SNR will be the subject of legislation following this round of consultation with the local authority and an assessment of the options open to the Council will need to be undertaken at the appropriate time. At this stage, the options are to endorse the response to the consultation or not and similarly, to support the Leeds City Region Multi-Area Agreement or not.

Analysis

7. The analysis of issues arising from the SNR consultation is set out in the response attached at Annex A. The response has been written to set out how the SNR can deliver maximum benefit to the City within the Government's proposals and also takes account of the outstanding concerns of the Local Government Association, particularly concerning joint agreement of a draft Integrated Regional Strategy by the Regional Development Agency and local authorities before this is submitted to Government and planning responsibilities needs to be anchored in democratic political processes, with political responsibility taken at the appropriate level for different orders of planning decisions. A copy of a joint statement issued by the Local Government Association and the Regional Development Agencies is attached at Annex C. Additionally, a joint position paper has been issued by Local Government and Humber and Yorkshire Forward and this is attached at Annex D.
8. In terms of Corporate Priorities, involvement with the Leeds City Region can help to increase the skills and employment prospects of residents, improve

economic prosperity/minimise income differentials and reinforce the sustainable transport agenda. These are central features in the proposed Multi-Area Agreement (MAA). The MAA includes a series of “asks” from Government as part of a dialogue about devolution of responsibilities in line with the SNR. Work has concentrated on making these “asks” more focussed although it is recognised that some are likely to form the basis of longer term working between the Leeds City Region and Government. At the current stage, the requirement on the City of York Council is to engage in mutual co-operation to help achieve these “asks” from Government; there is no direct funding commitment required from the Council to achieve the MAA. Members will be aware that the MAA can assist in ensuring that an appropriately skilled workforce is available to meet the needs of employers in the City and across the LCR. York, a centre for learning with its two universities and two colleges with a new Financial Services Academy (York College) and Business School (St John's) is well placed to feed into the skills base required in the future and underpin the burgeoning Financial and Business Services Sector that needs to spill out of Leeds. York is currently at near full employment but the opportunity is here to address both higher added value employment as well as under employment and low skills issues.

Corporate Priorities

9. Current corporate priorities that link with the report's focus on improving economic prosperity through the SNR and the Leeds City Region are:
 - Increase peoples skills and knowledge to improve future employment prospects.
 - Improve the economic prosperity of the people of York with a focus on minimising income differentials.
 - Increase the use of public and other environmentally friendly modes of transport.

Implications

10. Financial: As a member of Leeds City Region. City of York Council will be playing its part in the formulations of future policy and subsequent action. At this stage, it is not possible to determine what action may be agreed. However, it is likely that there will be a financial consequence which will need to be considered at the appropriate time.
11. Human resources: None directly from this report.
12. Equalities: None
13. Legal: None
14. Crime and Disorder: None
15. Information Technology: None
16. Property: None

Risk Management

- 17. In compliance with the council's risk management strategy. There are potential risks to York and the Council of not engaging in the Leeds City Region through a potential loss of funding opportunities and influence. The actions set out in paragraph 9 of this report are intended to mitigate against potential risks.

Recommendation

- 18. That the Executive:
 - 1. endorses the response to Government regarding the consultation on the Sub-National of Economic Development and Regeneration as set out in Annex A to this report;
 - 2. supports the Multi-Area Agreement for the Leeds City Region as set out in Annex B to this report.

Reason: To help shape the effectiveness of future action, in line with the Council's Corporate Priorities and the objectives of the Sustainable Community Strategy.

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**Report
Approved**

Date

Specialist Implications Officer(s)

Financial – Patrick Looker
Others – Report Author

Wards Affected:

All

For further information please contact the author of the report

Background Papers:

None

Annexes:

ANNEX A: RESPONSE TO THE SNR CONSULTATION

ANNEX B: LEEDS CITY REGION MULTI-AREA AGREEMENT

ANNEX C: JOINT STATEMENT ISSUED BY LGA AND RDAs

ANNEX D: LOCAL GOVERNMENT YORKSHIRE AND HUMBER – YORKSHIRE FORWARD POSITION STATEMENT

ANNEX A

SUB – NATIONAL REVIEW: CONSULTATION

A YORK RESPONSE

1. This paper sets out a proposed response to the consultation for consideration at the Leaders group meeting to be held on 6th June 2008. Leaders may wish to consider whether they wish to share this with their groups. It is understood that formal responses may also be made by the Leeds City Region and the York and North Yorkshire Partnership.

2. The main text is a summary of the consultation. A suggested response to a series of 15 questions, in bold, posed by the Government is set out, in italics.

The Consultation

3. In July 2007 the Government published its Review of Sub-National and Economic Development and Regeneration (known as the SNR), which aims to strengthen economic performance through a range of measures including:

- Streamlining the regional tier, introducing integrated strategies and giving RDAs' lead responsibility for regional planning.
- Strengthening the Local Authority role in economic development including a new statutory duty to assess local economic conditions and
- Supporting collaboration by Local Authorities across economic areas.

4. The consultation identifies 15 questions which relate to the three main chapters namely:

- Stronger partnerships for regional growth
- Integrating regional strategies to promote regional growth
- Strengthening sub-regional economies – the role of Local Authorities

5. The SNR recognises that economic activity takes place at different spatial levels; national, regional, sub-regional and local. (Sub-Regional in this context means a wide variety of collaborative activities and includes City Region Partnerships). The SNR seeks to reform public institutions to facilitate economic regeneration at all levels and places a strong emphasis on devolved decision making to the most appropriate level.

6. This is in the context of a wider programme of reform and changes in the performance framework for Local Authorities, and changes in reforms in the funding for Education at 14-19 levels. The latter is set out in another consultation paper "Raising expectations: enabling the system to deliver" produced by the department for Children, Schools and Families and the Department for Innovation, Universities and Skills. It proposes to give greater responsibilities to Local Authorities in respect of funding for 16-18 year group and establishes a key role for them in commissioning Further and 6th Form Education.

Stronger Partnerships for Regional Growth

7. This chapter concentrates on the decision that the RDA's would lead on the development of the Regional Strategy (which will lead to the end of the Regional Assembly). The RDA will then be responsible for economic and social and environmental issues that are balanced through the planning system. This new regional strategy will replace the Regional Economic Strategy and the Regional Spatial Strategy.

8. It is proposed that RDAs should become increasingly strategic and will want to move forward to commissioning partners to deliver outcomes agreed in the strategy. It is expected that RDAs will delegate their single pot funding where appropriate on a programme rather than on a project basis. Local Authorities will play an increasing role in delivery, take forward their proposed legal duty to assess their economies and work with neighbouring Local Authorities to tackle problem problems. Local Authorities will also be closely involved in the preparation of the Regional Strategy through a regional forum of Local Authority Leaders.

9. The RDA will need to ensure that capacity exists at Local Authority or sub-regional level to undertake delegated activities. In Yorkshire and Humber the moves towards Geographic Programmes are a step in that direction. Full delegation would require legislation and there will remain complex issues about accountability for these government resources.

Q1. How should the RDA satisfy themselves so that sufficient capacity exists for programme management and delivery at local or sub-regional level.

There should be clear evidence that there is a decision-making process that establishes priorities based on the evidence and engages partners, stakeholders and other funders around those priorities developing an outcome based approach. Decisions made at a local level should firmly relate to the Sustainable Community Strategy for that area, and any underlying economic development strategy based on the duty to undertake an economic assessment.

Clearly, competence in financial management and accounting is critical and experience in managing EU schemes, SRB and the single pot will be important considerations. There has to be a proper mechanism for evaluation.

There needs to be a clear relationship between the Regional Development Agency and higher tier local authorities which provide the opportunity to ensure local capacity is addressed for programme management and delivery.

10. The SNR consultation then goes on to look at the issues about strengthening the role of Local Government at regional level. The consultation suggests that Local Authorities should develop new arrangements for exercising their scrutiny panels at regional level through the Leader's forum. It asked two questions, namely:

Q2. Do you agree that Local Authorities should determine how they set up a Local Authority Leader's forum for their region, and the Government

should only intervene if the required criteria are not met or if it failed to operate effectively? If not, what would you propose instead?

Q3. Are proposed regional accountability scrutiny proposals proportionate and workable?

Any decision regarding the establishment of a Local Authority Leaders Forum should be taken jointly by leaders within the region. In determining representation, consideration needs to be given to local authorities such as the City of York Council which are part of the Leeds City region but also work in partnership across a more rural hinterland within North Yorkshire.

The key issue regarding regional accountability scrutiny is for local authorities to be involved in meaningful dialogue in its formation, treating us as partners and not just consultees.

Integrating Regional Strategies to Promote Growth

11. The previous chapter set out proposals how the RDAs and Local Authorities could best organise themselves to fill their new functions. The Regional tier will be strengthened by integrating existing regional strategies into a single regional strategy, setting out a high level vision over the next 15-20 years. It would ensure closer alignment between economic and spatial planning to support sustainable economic growth. Other strategies such as culture, housing and transport will be integrated into the new strategies. The Government proposes that every regional strategy should cover:

- An overview of the key regional challenges over the planned period
- How economic growth can best be delivered having regard to employment and the key drivers of productivity as well as regeneration.
- A distribution of housing supply figures as well as targets for affordable housing and achieving quality homes for all, including vulnerable and socially excluded people.
- How the region will manage the risk of opportunities of unavoidable climate change, achieving development in a way which is consistent with national targets for cutting carbon emissions.
- Those areas within the region identified as priorities for regeneration, investment, investment and intervention and;
- Strategic requirements and provision for transport, waste, water, minerals, energy and environmental infrastructure in so far as these are not already specified in national policy.

12. The consultation goes on to consider in further depth the level of detail expected in the Regional Strategy. The principles of developing the Regional Strategy include that all Local Authorities must be involved collectively through the Leader's Forum and when necessary, individually in the full life-cycle of the strategy. The process of developing the single Regional Strategies will need to be clear, open and transparent.

13. It is expected that a full Regional Strategy Review could potentially be achieved within 24 months. The strategy would be independently tested by an independent panel which would be appointed early in the process. It is

suggested the strategy should be signed off by Local Authorities and Ministers. If there is a failure to agree, then the RDA will submit the draft strategy to Ministers noting the points of disagreement.

Q4. Do you agree that the Regional Strategy needs to cover the elements listed? Are there other matters which will be included in the Regional Strategy to help in the delivery of key outcomes?

Q5. Do you agree with the way we propose to simplify the preparation of Regional Strategies illustrating the figure to allow the flexibility for regions to determine detailed processes? If not, what other steps might be taken?

Q6. Do you think that the streamlined processes will lead to any significant change in the cost and benefits to the Community and other impacts?

Any revisions through a Regional Strategy need to reflect on the emerging Regional Spatial Strategy. It may be preferable to take a longer time over the preparation of a Regional Strategy if it is to play a role in critical planning decisions so that the current RSS and LDF processes have the chance to be embedded and implemented. The Regional Strategy could then set the context for future reviews of LDFs at a local level; in doing so, the importance of local determination of the LDF, subject to tests of soundness, needs to be recognised. We would also support the view of the LGA that planning, which affects property rights and the character of communities, needs to be anchored in democratic political processes, with political responsibility taken at the appropriate level for different orders of planning decisions.

Similarly, the Regional Strategy also needs to reflect differences within the region and take account of local factors (such as, in the case of York, its special environment, the role of Science City York in supporting local and regional innovation, and its ability to act as a gateway into the region for visitors). The role of a Sustainability Appraisal will be crucial in the development of a Regional Strategy as a key means of balancing economic, social and environmental considerations.

We would support the view of the LGA that there should be a joint agreement of the draft Regional Strategy by the RDA and local authorities before it is submitted to Government. Therefore, strategies should only be submitted to Ministers when they are agreed, and local authorities and RDAs should endeavour to agree regional strategies, seeking Ministerial intervention only as a last resort.

There will be some additional costs placed on local authorities through the duty to prepare an economic assessment of their area and potentially through increased co-operation between local authorities at sub-regional, city regional and regional level. It will be important to streamline existing arrangements so that this does not become excessively bureaucratic.

Strengthening Sub-Regional Economies – The Role of Local Authorities

14. This chapter sets out the details around the Local Authority Economic Assessment duty and states that such a duty would:

- Require upper tier and unitary Local Authorities (“Lead Authorities”) – in consultation with other key partners, including District Authorities and RDAs, to carry out an assessment of the economic conditions of the local area; and
- Result in assessment that would contribute to the analytical underpinning of strategies and targets at local, sub-regional and regional level.

15. The assessment may be produced jointly by two or more legal authorities in a single functional economic area or sub-region, for example by all Authorities participating in an MAA. The consultation paper sets out three options for consideration namely:

Option 1 - Primary legislation will be introduced to place a duty on local Authorities for the assessment along with a duty to consult certain named partners, such as district authorities who will also be under a duty to respond to consultation within a specific period of time. Government guidance will be issued which will set out the purpose of assessments, how they might be undertaken, who could undertake them on behalf of local authorities, the questions that should be looked at and the data sets that can support successful completion. The purpose of any guidance would be to support effective assessments whilst remaining light touch. The paper suggests this option is similar in approach to the Joint Strategic Needs Assessment for Health and Social Care.

Option 2 - This option is the same as 1, but there will be no requirements on Authorities with regards to guidance. However, the legislation will set out some priority areas that would need to be covered such as the level of employment in the area, transport, procurement of goods and services and land and property market. Non-statutory guidance will be issued.

Option 3 - This option looks at the possibility of no duty being introduced but the Government believes this option fails to enhance economic development and regeneration interventions.

Q7. Which of these options (or any other proposals) is most appropriate?

Option 2 is considered to be the most appropriate as it offers some guidance but also gives flexibility and would reflect the place shaping role for local authorities.

Q8. What additional information and support do Local Authorities consider valuable for the purpose of preparing assessments?

There should be a general presumption that data collected at Government level both through from national statistics but also from service delivery should be available at an appropriate spatial level, to facilitate the preparation of assessments by local authority authorities. This includes information from the LSC, Jobcentre Plus, RDAs and Business Link. In many instances it will be helpful to have this information at a level below that of the Local Authority boundary, but where it is not practical to provide this as an SOA level Government or RDA’s should establish a standard by which service delivery agencies

will report on a consistent spatial basis. This should also apply to ONS data.

Similarly, information on service delivery using European Union funded projects should also be made available on a similar basis.

Consideration needs to be given as to appropriate data sets for more local assessments of economic performance. In that respect the availability of GVA per employee, in addition to per resident, in local spatial areas would be especially helpful.

Better quality data on self employment is important for many rural areas as well as certain urban locations particularly those relying on tourism, agriculture and cultural industries.

Given the preference for Option 2 above, then there needs to be scope for local authorities to design their own database requirements to relate to the prevailing economic situation in their area.

Finally, regional research organisations or research arms of RDA's should seek to set out analysis and economic forecasts for key economic drivers in the region in a manner that facilitates local spatial analysis.

16. The SNR goes on to discuss who is responsible for carrying out the assessment. This is a particular issue in two-tier areas where it notes that functional economic areas are likely to be sub-regional and therefore this makes greater sense to place the duty on the upper tier Authority. It recognises that expertise and capacity exist at a district level and it is important that the lower tier is fully involved. The SNR also sets out a number of Government agencies who will be consulted in the preparation of the assessment.

Q9. How should Local Authorities engage partners, including district councils in the preparation of assessment?

Partner engagement should be through the Local Strategic Partnership, the Sustainable Community Strategy and any underlying economic development strategy in the first instance. There should be rigorous consultation and stakeholder engagement as part of the process in preparing these strategies. The SNR needs to recognise more strongly the importance of the Local Strategic Partnership and the Sustainable Community Strategy at a local level as the central means of engaging with partners.

Q10. Which partner body should be consulted in the preparation of the assessment?

The list presented in the consultation of the major Government agencies would be appropriate. Again, the SNR needs to recognise more strongly the importance of the Local Strategic Partnership and the Sustainable Community Strategy at a local level as the central means of engaging with partners.

17. The next section and **Q11** dealt with issues in London.

18. The consultation paper goes on to discuss collaboration particularly around multi-area agreements and proposals for integrated transport authorities which is addressed in the local transport bill.

19. The SNR recognised that some sub-regions may wish to go beyond MAA's and develop a statutory basis for sub-regional collaboration where there is demand from Local Authorities and it is appropriate to do so. The Government would need to know what projects could be facilitated by giving sub-regional partnerships such powers. These might include delivering parts of the regional strategy, to prepare a joint local development framework, assume the responsibilities of an integrated transport authority, co-operating on economic growth projects supported by business rate supplements and making decisions in its relation to higher education, skills, investment for housing, growth and renewal. There would be a requirement for legislation to provide some of these powers to any new statutory partnership. The consultation also brings to the attention of Councils that actually 'mergers' may be a possible route as well as more statutory collaborations. The consultation sets out four questions in respect of this:

Q12. Do you agree that there is value in creating statutory arrangements for sub-regional collaboration and economic development issues beyond MAA's? What form might any new arrangements take?

Q13. What activities would you like a sub-regional partnership to be able to carry out? And what are the constraints on them doing this undercurrent legislation?

Q14. How would a sub-regional economic development Authority fit into the Local Authority performance framework?

Q15. Should there be a duty to co-operate as sub-regional level where a statutory partnership exists? And to whom should this apply?

The duty to co-operate between local authorities can only work on the basis of a willing coming together with shared interest to achieve a common aim; i.e. through the strength of a "membership model". Sub-regional and City-regional collaboration should not be rushed through the SNR. For York, an important first step is to ensure a meaningful and direct working relationship between Yorkshire Forward and the City of York Council. We are committed to the Leeds City Region Development programme and the ongoing work to create a Multi Area Agreement focussed on skills, labour market mobility and transport. Similarly, we remain part of the York and North Yorkshire Partnership and recognise the importance of collaboration with surrounding local authorities, particularly regarding employment and housing growth linked to sustainable transport. It is important to give develop these initiatives further first, before considering further collaboration.

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Multi-Area Agreement for Leeds City Region 2008-2016

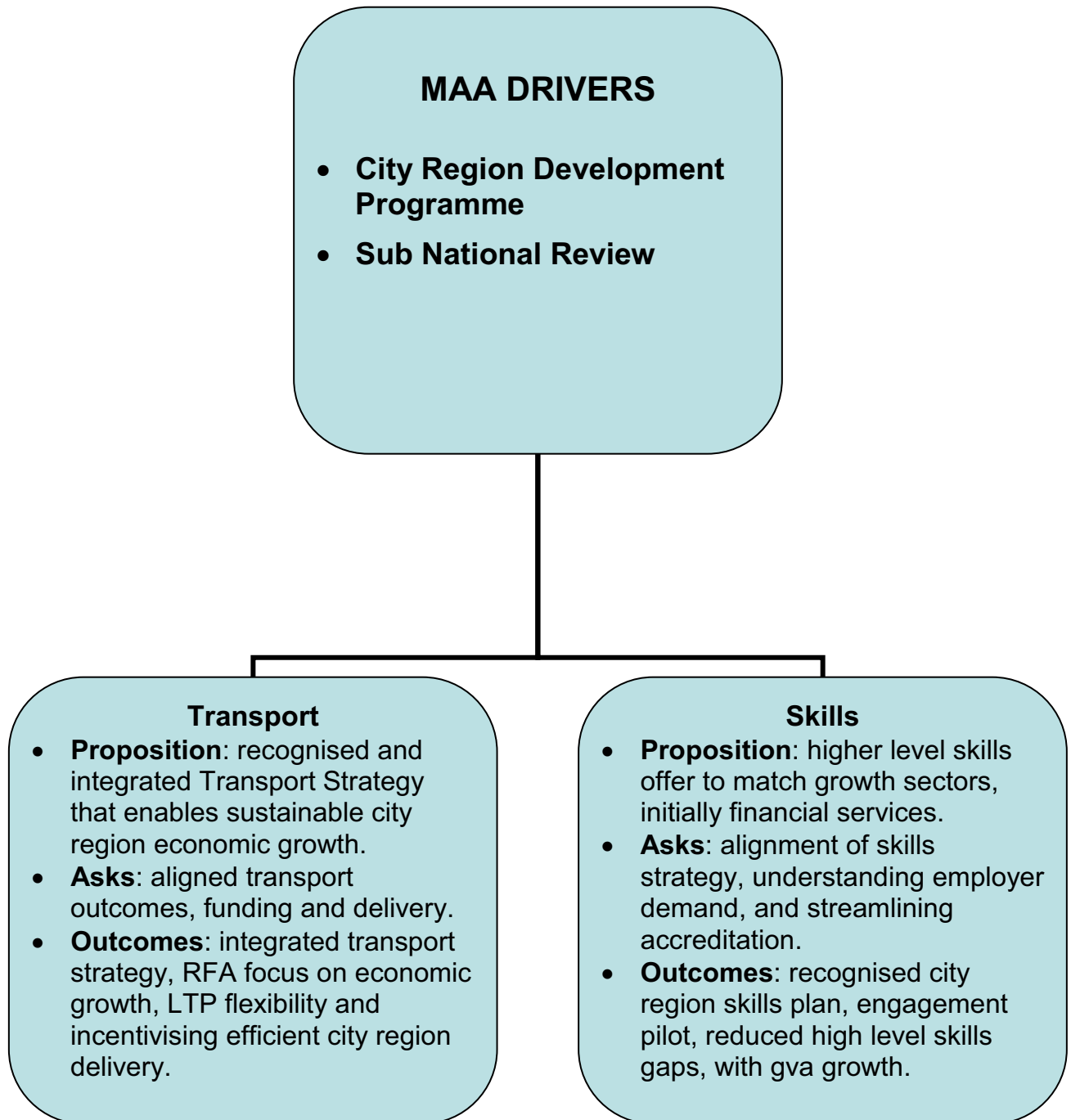
Draft 3.1

June 2008



Executive Summary

In line with the aspiration of the Sub National Review (SNR), and to drive forward delivery of the Development Programme for the Leeds city region (CRDP), we are seeking an Agreement with Government on those specific areas of delegation that will enhance the capacity of our democratically accountable leadership to make decisions that will accelerate the sustainable economic growth of our city region. Our Multi-Area Agreement (MAA) has been developed to create a new, mature dynamic with Government and its national agencies.



Our CRDP provides ‘horizontal’ policy alignment (between our eleven Local Authorities); our MAA provides the ‘vertical’ alignment needed, including devolution, between the local and national levels.

Eleven local authorities one vision

Our *CRDP*, agreed in 2006 by our eleven Local Authorities, focuses on addressing the specific city region drivers and inhibitors of economic competitiveness such as: transport infrastructure; skills and the labour market; housing market; business sectors; and innovation. Seizing the opportunity to unlock prosperity within our communities is central to our CRDP’s driving vision for the sustainable growth of our city region:

To develop an internationally recognised city region; to raise our economic performance; to spread prosperity across the whole of our city region, and to promote a better quality of life for all of those who live and work here.

Our *MAA* shines the spotlight on specific barriers and solutions to growth which have been identified within our CRDP evidence base and by subsequent analysis:

- Addressing growing **transport** congestion (as identified in our long term Transport Vision), to ensure our people can get to and from work, and that our communities are not physically excluded from new growth and employment opportunities¹;
- Closing the persistent gap in **higher level skills** (NVQ level 3/4+), including those identified within our growth sectors and drivers, with an initial focus on Financial and Business Services, to ensure that our businesses have a pool of skilled knowledge workers to drive business competitiveness.² *Our MAA will not initially focus on worklessness and issues around lower level skills.*

Our MAA has been developed as a positive and pragmatic response to addressing these challenges and as a response to the opportunity set out in the SNR for more locally determined economic growth.

¹ **Hilary Russell**, *MAA Literature Review*, EIU, Liverpool John Moores University, March 2008, has found that improved transport infrastructure plays a key role in economic growth: by improving spillover effects by widening the services supply chain and increasing the supply of suitable staff,.

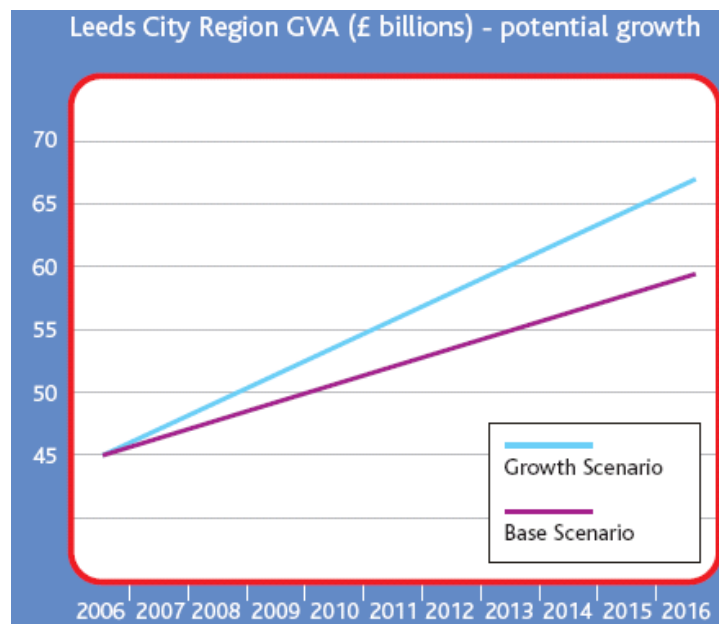
² **John Denham** ([The Guardian, Monday 19th May 2008](#)) stated that Britain needs to act urgently to prevent an acute shortage of skills in strategic sectors of the economy, including in the financial services sector: "We are making a lot of progress, but the fact is too much of our skills training is based on a hope that employers will train people in the skills the economy will need in the medium term...If we are to be certain our economy is equipped to face future challenges, we will need in the future to do more than to continue to rely on hope."

By focusing on the above two key themes of transport and skills, we wish to enable the city region labour market as a driver for competitive advantage and growth, therefore delivering the complementary aspirations of our CRDP and government's Public Service Agreement to improve regional economic performance and narrow the gap between city regions.

Competitiveness: the challenge to be addressed

Our CRDP has identified that, without concerted intervention, economic growth in our city region will be held back. The chart below illustrates the projected divergence in the economic fortunes of our city region based on two possible scenarios³:

- Base scenario illustrates 'natural' economic growth, without CRDP intervention and investment to stimulate growth and correct market failure. Although the city region has recently experienced rapid growth, the base ("policy off") scenario will not enable the city region to help the government in the delivery of their agreement to close the productivity gap between city regions.
- Our growth scenario focuses on securing rapid growth and includes the effects of proposed major schemes that regional and local partners have prioritised within the CRDP, such as maximising our growth drivers (key business sectors) and addressing underlying growth inhibitors (such as transport connectivity, skills, housing and critical utility infrastructure). It recognises that growth can be choked off, including by labour supply shortages and congested transport infrastructure.



³ 2006, Yorkshire Forward, Experian Business Strategies

Delivering our CRDP: the opportunities and threats

The CRDP growth (“policy on”) scenario illustrated above suggests that by 2016 the city region could generate around 150,000 net additional jobs and increase GVA by £21bn from the 2006 figure of £45.5bn to around £66.9bn, representing a 4% per annum growth in GVA per capita.

We recognise that although economic growth is a clear *opportunity* to raise relative and absolute city region prosperity, it is also potentially a *threat*:

- increasing peak hour pressure on the capacity of the transport system from more people commuting across the city region is increasingly unsustainable; and
- Excess demand for highly skilled employees affects business competitiveness by exerting an upward pressure on labour costs or persistent gaps opening up in the supply of skills.

Critical to delivery of the city region growth (policy on) scenario is delegation from government to enable decision making and delivery at the appropriate spatial level, to address the symptoms and barriers to growth, such as chronic congestion and labour market failure, such as key skills gaps.

By addressing these key growth inhibitors of higher level skills and transport, we envisage that our MAA will add real value to delivery of our CRDP growth ambitions, and as a key Northern growth driver, accelerate our contribution to delivering government’s ambition to close the productivity gap between the city regions.

Local Linkages

In addition, we have been mindful to ensure that our MAA complements, and does not duplicate, the individual Local Area Agreements (LAAs) and local area interventions which are being agreed in individual districts across the city region.

- *Worklessness*, for example, is a recognised key local economic and social issue within specific pockets of deprivation within our city region (see [Worklessness in Leeds City Region](#), 2007) and further investigation is needed to identify the particular role the city region/MAA can occupy, given that there is at present insufficient experience of shared working in this area on which to build.
- We will similarly be working closely to support and network the nascent *Employment and Skills Boards* emerging across the city region and will seek to build on shared priorities and good practice as these are developed, potentially to fit within the scope of subsequent MAA refresh activity, as appropriate.

Our governance arrangements and delivery capacity

It is recognised that, on their own, strong governance structures are not able to drive economic growth. However they are considered a pre-condition for the devolution of local leadership, policy development and delivery.

The focus of our partners has therefore been to seek the alignment of governance arrangements with the functional city region economy, creating a robust and democratically accountable mechanism for identifying the key economic challenges and producing effective policy solutions.

Our city region governance arrangements, including a legally constituted Joint Committee of eleven Local Authority Leaders (established in April 2007), have been designed to create a policy making environment which enables public and private partners to respond quickly and proportionately to changes in the economic environment, such as the impact of periodic economic shocks.

As recently announced, all of the city region's upper tier/unitary authorities are either rated 3 or 4 star, and we have developed this MAA in partnership with high performing local partners such as our Regional Development Agency Yorkshire Forward, the private sector/employers, the LSC, Metro (the West Yorkshire Passenger Transport Authority/Passenger Transport Executive) and Government office for Yorkshire and the Humber.

Our individual and collective city region governance arrangements therefore provide the strongest possible platform for the delivery of our MAA.

Future Development

Our MAA has been developed as a response to the issues which are acting as a hurdle to sustainable economic growth within the city region. The political, economic, social and technological context is subject to constant change and correction; our MAA will need to evolve as the CRDP is delivered and regularly refreshed, and should be flexible enough to respond to opportunities to include new themes as appropriate, such as:

- Worklessness
- Housing
- Critical infrastructure

Where there is the evidence base and capacity for intervention on these agendas, eg implementation of a potential housing new growth point, specific asks will be developed in conjunction with GOYH and the relevant government departments to refresh the content of our MAA accordingly.

Asks and measures of success

Our MAA seeks to establish a dialogue about devolution in line with SNR, where delivery of our CRDP would be enabled by additional specific government support.

The vital few MAA transport and skills related ‘asks’, summarised in the tables below, have been identified as a basis for establishing how relevant government departments would be able to support the delivery of agreed city region priorities, and at the same time align with relevant national government agreements and objectives.

Agreement on our initial asks will build on the capacity of our established governance arrangements, and provide a platform for a constructive and permissive dialogue with government to ensure that decision making and policy formation takes place at the most appropriate spatial level.

Our Higher Level Skills Asks	What we require of Government	What we will deliver
Ask 1: Strategic Alignment	<p>1.1 Recognition by DIUS of city region priority to address higher level skills.</p> <p>1.2 Duty, eg for LSC, to co-operate/participate in preparation of a high level skills plan for the city region.</p> <p>1.3 Leeds city region named consultee on LSC, HEFCE, Integrated Regional Strategy and national skills policy/legislation.</p>	<ul style="list-style-type: none"> • Skills Plan for higher level skills by June 2008, with funding aligned around city region outcomes; • city region influence on regional and national policy/legislation; and • policy alignment that supports the DIUS economic competitiveness objective.
Ask 2: Employer engagement	<p>With DIUS, test innovative engagement approaches, using a representative cohort of city region of SMEs.</p> <p>This work will require additional flexibility from DIUS/LSC and the QCA on the courses eligible for public funding.</p>	<ul style="list-style-type: none"> • established and representative cohort of (circa 200) SMEs by 2008; • feed learning into city region/national policy; and • cohort become sector champions, and disseminate best practice to our other SMEs.
Ask 3: Streamlined approach to accreditation	<p>Pilot flexibilities in the accreditation of in-house training and credit accumulation within Leeds city region SMEs of level 3 / 4+ courses which directly relate to our key economic drivers/sectors.</p>	<ul style="list-style-type: none"> • streamlined accreditation increases uptake of skills; • reduction in reported high level skills gaps; • increase in higher level qualifications gained; and • wider benefits, such as engaging hard to reach employers.

Our Transport Asks	What we require of Government	What we will deliver
Ask 1: Co-develop a Transport Strategy that delivers aligned outcomes and priorities	1.1 Dft to participate in the development of the Leeds city region 10-15 year Transport Strategy. 1.2 Network Rail to be encouraged to participate/co-operate in the development of our Transport Strategy. 1.3 Recognition of Leeds city region as a named consultee.	Nationally recognised Transport Strategy in place by June 2009 that aligns and influences national priorities, investment plans and outcomes, including DfT economic growth and access to jobs DSOs.
Ask 2: Delegation to improve the allocative efficiency of agreed transport funding	2.1 DfT will work with the city region to develop a pilot programme to accelerate the delivery of major schemes 2.2 Freedom to use LTP on revenue activities, such as Smarter Choices. 2.3 LTP funding to be made available as cash grant to all city region partners.	Collectively, these proposed financial freedoms will: <ul style="list-style-type: none"> • sharpened focus of transport investment on delivering faster economic growth, in line with our CRDP forecasts; • unlock LTP block funding potential to deliver aligned city region outcomes, eg through pooling and spend on strategic revenue items; and • through retaining cashable savings, incentivise local partners to support national and regional scheme delivery.
Ask 3: Enable the city region to remove operational barriers to the delivery of an integrated transport system	3.1 Responsibility for the management of the Northern rail franchise within the city region on behalf of the DfT. 3.2 Ability to implement bus/rail ticketing schemes beyond the	<ul style="list-style-type: none"> • efficiencies and opportunities in the city region rail network • Ticketing scheme across Leeds city region to improve the functioning of the labour market. • Increased influence on

	West Yorkshire boundary (Metrocard).	Northern / Network Rail to meet the needs of the city region e.g. performance and quality of services.
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What our MAA will Mean in practice

A mature dynamic between government and the city region, which fosters economic policy making at the most appropriate spatial level.

Through improved collaboration, conditions created for accelerated economic growth and the creation high value employment opportunities.

More people in the city region with the skills they need to compete in a global economy.

A transport system that supports investment and the free movement of workers and goods within the functional city region economy and beyond.

Interventions designed to maximise inclusion of all areas within the city region and minimise the long term impact on the environment.

1. Introduction - Our City Region and Vision

- 1.1 Comprising the densely networked, interconnected cities, boroughs, districts and places within West, South and North Yorkshire, Leeds city region represents a naturally functioning economic space. With its self-contained labour and housing markets, the city region provides an ecosystem for our business sectors and institutions to create the new ideas and innovative products and services which are the drivers of competitive advantage and economic growth.
- 1.2 The Leeds city region covers an area of 5,716 km², around 80 km across from north-south and east-west. With close to 3m people, a resident workforce of 1.5m, an employment rate of 74.3%, over 70,000 businesses and an economy worth £46bn per year, our city region has diversity and it also has scale.
- 1.3 The city region is home to 56% of the Yorkshire and Humber region's population, yet occupies less than 37% of the land area, suggesting that the agglomeration benefits of the city region are substantial. And the following table reinforces just why our city region is the recognised economic output driver of the region.

Key Indicators	Yorkshire and Humber	LCR Share of Y&H Total	LCR % Share
Population	5.1m	2.8m	56%
GVA	£78.1bn	£45.8bn	59%
VAT Stock	130.3k	75.3k	58%
Jobs	2.453m	1.479m	60.3%

Key Leeds city region economic indicators

- 1.4 Our city region economy appears to be performing relatively strongly because it comprises those interdependent places (See Annex A) where the strengths of one place are assets for others to draw upon. The following sectors, which are the key drivers of competitive advantage and economic growth, occur across the city region in different intensities and concentrations although they draw upon wider pools of labour markets, sources of knowledge, suppliers and investment, business to business networks and they serve markets on an increasingly global basis.

- Financial and business services
- Electrical and optical equipment

- Bioscience, health and medical research
- Digital and creative industries

- 1.5 And yet, despite its many strengths, the productivity of our city region is not growing quickly enough; GVA of £37,500 per full time employee lags the national figure of £41,700⁴. In order to seek to close the 10% gap, a step change in business competitiveness is needed, accompanied by concentration of the focus of public policy on the spatial level of the city region.
- 1.6 All the places and communities in our city region have therefore moved to become equal partners of a strategic economic alliance brought together under the democratic auspices of a joint committee of the city region’s eleven local authority Leaders with delegated powers to promote economic development (see Section 6).
- 1.7 Our legally constituted, democratically accountable partnership has committed to realising a vision to fully recognise the strengths of our city region and also to seek to seize future growth opportunities. Its pursuit respects the different starting points of its individual places, directions of travel, and the common linkages between strategic choices on shared priorities. Our collective vision is to develop:

an internationally recognised city region; to raise our economic performance; to spread prosperity across the whole of our city region, and to promote a better quality of life for all of those who live and work here.

⁴ Experian Business Strategies for Yorkshire Futures, 2007

2. Why a Multi-Area Agreement (MAA) is needed

- 2.1 To drive our vision for the city region, our partnership has made clear choices about what to do in order to accelerate sustainable economic growth. These agreed areas for action are set out in the [Leeds City Region Development Programme \(CRDP\)](#) . Our aspirations for the city region are closely aligned with those contained in the [Regional Economic Strategy](#) (RES), in particular RES Objective 3 (Skilled People - Benefiting Business) and RES Objective 4 (Transport, Infrastructure and Environment).
- 2.2 Our CRDP sums up the key statistics, provides the analysis, and spotlights the economic drivers of growth as well as the factors which hold us back. These are the structural things where specific actions at the city region level will be required to fulfil our considerable economic potential. In order to achieve this level of aspiration we recognise that, collectively, we need first to dismantle some of the key obstacles to achieving a faster rate of growth, such as transport congestion and specific persistent gaps in higher level skills.
- 2.3 Our CRDP also summarises the dynamics of the market forces operating within our city region and which overlay the geography of places, are creators of value from the ebbs, flows and interactions of housing and labour markets, consumer expenditure patterns, transport of goods and people, spill-overs of tacit knowledge between businesses through often less tangible relationships and networks. As a consequence of our economic success, it is recognised that the city region has become increasingly busier, and, without co-ordinated and targeted investment in its transportation connectivity, an appropriately skilled workforce, scarce investment resources will potentially be misdirected, and the growth of the city region put at risk.
- 2.4 Because our shared economic priorities, such as tackling high level skills gaps and reducing transport congestion, are city region-wide and intertwined, the corresponding solutions are best delivered collectively, cutting across traditional administrative, partnership and functional boundaries. We cannot however work-up and then action viable solutions in isolation. A flexible, long-term delivery framework is needed which clarifies the respective roles and responsibilities of local, regional and national partners, and which also identifies and then provides a route map that addresses any capacity bottlenecks.
- 2.5 Some of the practical support measures required from regional and national agencies and from government in order to fully realise our ambitious growth scenario are summarised in our CRDP. The city region economy is set to grow. Base case scenario based on economic trends and past performance indicates the city region will create 62,200 net additional jobs and increase GVA by £14bn by 2016. Our Growth (“policy on”) scenario proposes that the city region will create around 150,000 net additional jobs, and increase GVA

by £21bn from the 2006 figure of £45.5bn to around £66.9bn by 2016. The growth scenario recognises that there are a number of factors that, if not addressed, will serve to inhibit the growth and competitiveness of the city region, including transport connectivity, and skills and labour markets.

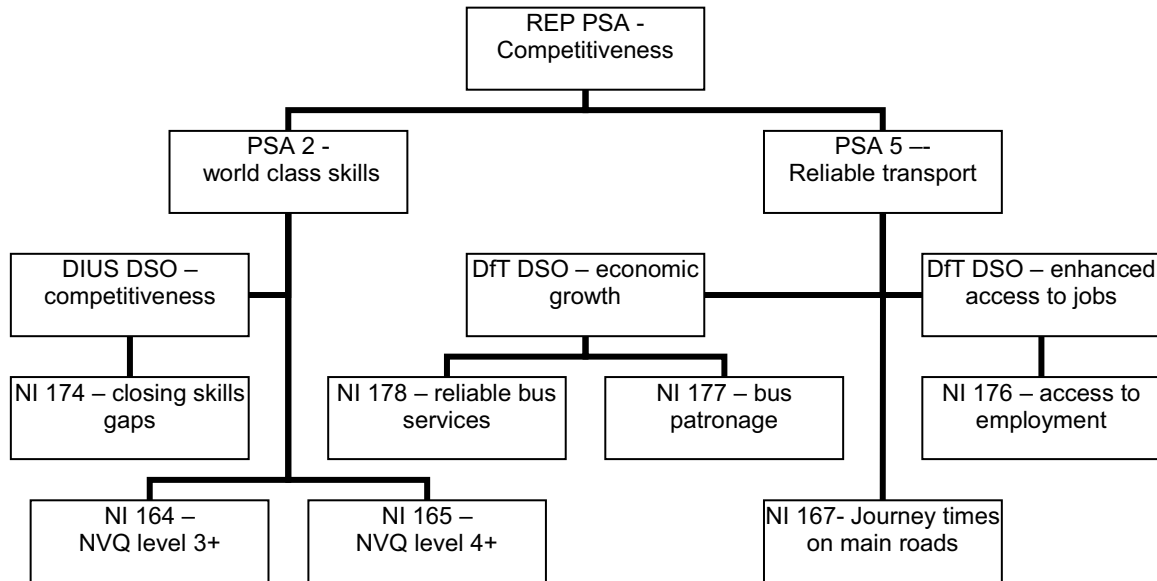
- 2.6 In the development of our Multi-Area Agreement (MAA) proposition we have refreshed our thinking about how government and their national agencies in particular can work with us to help deliver the aspiration of our CRDP and remove the barriers to growth. A focused approach to development of our MAA has been undertaken which has been driven through our established governance structures (Section 6 refers), and which has engaged a full range of local, regional and national partners, including the eleven Leeds City Region Local Authorities, the private sector, Yorkshire Forward, the Learning and Skills Council (LSC) and Government Office for Yorkshire and the Humber (GOYH). We have also had a number of discussions with Government departments including the Department for Communities and Local Government (CLG), the Department for Transport (DfT), and the Department for Innovation, Universities and Skills (DIUS) and have been active in relevant MAA networking activity, such as those networks convened by CLG/OPM and the New Local Government Network (NLGN). A summary of development activity undertaken since October 2007 is shown at Annex B.
- 2.7 Our proposed MAA is thus envisaged as: *a Concordat between the Leeds city region partnership and government, creating a framework for progressive and managed delegation, in line with the proposed 'place shaping' role for Local Government as set out in the [Lyons Inquiry into Local Government](#) ambition of the [Sub National Review of Economic Development](#) and more recently as set out in [REP PSA](#), to engage the ongoing support from Government to ensure that policy design and delivery is responsive to city region need and opportunity, enabling us to work smarter and to accelerate the pace at which our CRDP, and consequently economic growth, is delivered.*
- 2.8 The Multi-Area Agreement (MAA) proposition is a long term cross-boundary partnership based approach to the dismantling of the key barriers to the sustainable growth of the Leeds city region. Our proposed MAA initially will seek to address the following evidence-driven and interlinked priorities of:
- Closing persistent higher level skills gaps, with a focus on SMEs within our city region growth sectors; and
 - Transport connectivity inside and outside the city region.

2.9 Our detailed proposals have been developed to address the following:

- high level drivers, including CRDP and relevant Public Service Agreement/Departmental Strategic Objective (PSA/DSO) delivery;
- nature of the specific problem that needs to be resolved, eg market failure;
- the proposed partnership based solution by which we would seek to resolve the identified problems (including our 'asks' of Government); and
- consideration of the specific outcomes/impact which will be achieved as a result.

3. Outcomes Framework

- 3.1 Our MAA proposal has updated the understanding within our CRDP of the key barriers to city region competitiveness and the specific areas of delegation that we consider would be helpful in order to promote faster economic growth. This section provides an overview of some of the relevant considerations in establishing a robust high level outcomes framework.
- 3.2 Our CRDP provides the horizontal agreement between partners to growth the economy of the city region. Our MAA provides the necessary vertical alignment with regional and national agencies and government. The establishment of our MAA would therefore help enable the necessary ‘policy on’ conditions to deliver our CRDP “growth scenario” which is to secure a total of £21bn additional GVA p.a. by 2016, 150k additional jobs, and 4% growth p.a., with this in turn driving the REP PSA agreement to making sustainable improvements in the economic performance of all English city regions, and over this period, reducing the persistent gap in growth rates between the city regions. Delivery of our MAA will also support PSA 2 (world class skills) and PSA 5 (reliable transport), along with associated DSOs.
- 3.3 In addition, significant Strategic Added Value (SAV) deriving from implementation of our MAA with respect to embedding our governance structures, including the following:
- *co-ordination* - alignment of national and regional strategies with CRDP, joint planning and delivery, and partnership working);
 - *strategic catalyst* – Leeds city region influence over funding/resources, shared vision and leadership, including private sector input via Business Leadership Group; and
 - *innovator/advocator* – Providing city region intelligence and contextual understanding (via CRDP/economic assessment), highlighting city region spatial priorities, and enabling specific project successes.
- 3.4 The following diagram provides an overview of government’s performance framework as these relate to our MAA ambitions and the themes of high level skills and transport. As part of agreement with CLG we would propose to agree delivery of elements of this overall framework within our city region through our MAA.



National skills and transport performance framework

3.5 Although the above diagram illustrates the overall framework for the delivery of our MAA transport and skills themes, the specific added value/outcomes in respect of the individual skills and transport strands of the MAA are considered further in Sections 4 and 5 below. The outcomes outlined provide the basis for assessing the success and value added of implementing the individual MAA “asks” of government which relate to skills and transport, and their specific contribution to national PSA and DSO delivery. MAA delivery will dovetail with individual NIs, as discussed in Section 7.

4. Skills

Policy and evidence base

- 4.1 Our analysis of the key skills issues has drawn on a range of policy and independent evidence and is set out in the table below:

Key skills evidence/policy	Relevant conclusions/findings
Leeds City Region CRDP	<p>Articulates the need for interventions in the city region labour market which delivers the following key aims:</p> <ul style="list-style-type: none"> • A highly skilled workforce, in particular equipped with the skills required by our key economic sectors; • An efficiently functioning labour market, matching supply to demand and supported by enhanced transport connectivity; and • An inclusive labour market, maximising the economic contribution of all, including that of individuals in our hardest to reach communities.
CRDP Evidence Base - Financial and Business Services Study, Henderson, 2006	Independent research which identifies the Financial and Business Services (FBS) sector as critical to the success of the Leeds city region economy and articulates the skills shortages which are acting as a constraint to growth.
A Vision for Skills 2008-2010	Y&H Regional Skills Partnership proposals for a sectoral focus on the development of high level skills through partnership with city regions.
Regional Economic Strategy	Identifies higher level skills as a key deliverable for period 2006-2015.

Key skills evidence/policy	Relevant conclusions/findings
Yorkshire Forward Corporate Plan 2008-2011	<p>Highlights that some 20% of the UK's productivity (GVA) gap with countries such as France and Germany is the result of gaps in specific skills needed to drive business growth.</p> <p>Acknowledges the city region labour market as the appropriate level for delivering high level skills, including the funding of niche programmes for key sectors, such as FBS in Leeds city region.</p>
Regional Skills Commissioning Plan 2007/08	<p>Learning and Skills Council Y&H sets out actions needed to achieve the vision for the Region, with potential gaps in the articulation of implications for city regions and their target sectors.</p>
Leitch Review of Skills	<p>Examines long term skills needs, recommending a transformation in skills attainment by 2020, including higher level skills, this based on a firmly demand-led approach.</p>

The problem to be addressed

- 4.2 In 2006/07 £1.07bn was spent by LSC in Y&H, £327m of which on adult learning/skills and learner support and development. Nationally £3.3bn was spent on adult learning, helping 3.5m adults to improve their skills, 348,160 of which were in the Y&H region.
- 4.3 The Skills Partnership (2007) for our region has concluded the following:
- Skills and employment outcomes are pursued by a range of public organisations, with a diversity in terms of priority focus (eg skills level and sector) and spatial impact (although generally not functional economy/city region).
 - an increasing focus of interventions on tackling disadvantage (lower level skills) and local interventions to address economic development objectives, missing city region focus and higher level skills.

- partners seemed to suggest on the whole that national policy was actually having the affect of restricting or reducing flexibilities, or at very least driving the use of funding down very specific routes; and
- At one level this was seen as a good thing as partners subscribe to the idea that tackling a small number of key issues with significant resource is better than tackling many issues with thin resources. However, the counter-claim, is that there are probably ‘winners and losers’ because of this approach and that if anything flexibilities previously enjoyed - for supporting innovative, sectoral, or spatially-specific programmes that are responsive and genuinely adaptive to change and opportunity – are likely to be less apparent in future.

Sector focus

4.4 Building on the policy and evidence base summarised in the above table, our MAA would focus initially on resolving particular issues around higher level skills attainment, with *an initial focus on the financial and business services (FBS) sector*. We propose pilot work within the FBS sector for the following reasons (see also Henderson report, 2006 above):

- nationally second in size only to London, our FBS sector is a significant productivity driver employing some 273,000 employees in the city region (112,000 of which are in Leeds), comprising some 63% of the regional total employed in the sector, and forecast to comprise 25.1% of Leeds city region output and 19.1% all jobs in the period to 2016;
- there is a persistent under-supply of individuals in the sector with the requisite high level skills which is choking off the growth of the sector;
- some 94% of workplaces have between 1 and 199 employees, indicating a sector comprised of small firms, although for many years rationalisation and merger of firms has been stimulated by intensifying competition; and
- the accelerated expansion of the FBS sector would maximise benefit to all geographic areas of the city region, capitalising on local economic strengths and opportunities through the development of a “hub and spoke” approach.

4.5 Our approach seeks to road test what might be termed the “market making” assumptions underpinning our proposed focus, prior to including the other city region target growth sectors of electronic and optical, bioscience, health and medical research, and our digital and creative industries. We would for example seek to explore further why market signals reflecting the shortage of supply of highly skilled workers are not working as would be predicted under conditions of perfect competition, ie that wages should go up and more people would be willing to pay for the training, and then growth in pay falls back as supply matches demand. Our hypothesis is that, because of barriers to take

up of skills, such as the protracted process for achieving in-house accreditation, and the existence of supply side rigidities, too many of our SME employers adopt satisficing⁵ behaviours, and therefore 'make do' with access to a second best mix of skills even though opportunities for business development may be lost as a result, providing that as a result the underlying viability of the business is not threatened.

4.6 In terms of the empirical evidence base for the above assumptions, employers interviewed for city region research into the sector concluded there are more high level FBS vacancies in the city region than suitably qualified people to fill them. Certainly however the city region labour market appears more capable of filling these high value added vacancies than elsewhere outside of London, for following reasons:

- The Leeds city region attracts and retains a critical mass of graduates, who provide a valuable labour pool for FBS recruits;
- There is also a critical mass of variety and volume of FBS opportunities across the city region (overcoming "second job syndrome") and the generally higher perceived quality of life and lower cost of living ratio means that staff in the south east are more readily relocating to help fill vacant posts; and
- This critical mass has created a fluid and dynamic labour pool with a diverse skills base which contributes to a more attractive and competitive offer, e.g. FBS firms in the Leeds city region are now able to attract and retain clients from London alongside their existing local client list.

4.7 And yet, despite the obvious strengths of the sector, such as the dynamism of the labour market, high level skills issues that employers identified as needing to be addressed at Leeds city region level include the following⁶:

- Alongside general higher level skills issues, the city region has further gaps in specialist technical activities such as *venture capital, merchant banking, and specialised aspects of corporate law, and IT*.
- There also remains a persistent gap in well developed softer skills in the sector (including recent graduates), with respect to communication, networking, customer care, which are essential for delivering business development (in other words, there is a scarcity of technical experts that also have well developed business development skills).
- There is a wider issue with harnessing the entrepreneurial nature of large sections of the Leeds city region population, reflected in a lower business density than nationally.

⁵ Concept of 'bounded rationality' as applied to the theory of the firm and coined by the economist Herbert Simon.

⁶ See also Mark Rudd, *Leeds Financial and Related Services Sector: Strengths of the Labour Market*, Leeds Metropolitan University, Policy Research Institute, 2006.

Skill level focus

- 4.8 The wider requirement to more generally increase higher level skills in the city region is also recognised, beyond the FBS sector. Yorkshire Forward has estimated that currently around 28.1% of the city region’s economically active adults are qualified to level four or above. This is greater than for the region but lower than England which has a rate of 31.5%. Yorkshire Forward⁷ has estimated that by increasing the attainment of skills in the region to the Leitch targets to 2020 employment will grow by 0.81% p.a. compared with base forecast of 0.46% p.a. and GVA by 3.3% p.a. compared with baseline of 2.4% p.a.
- 4.9 To close the productivity gap, efforts need to be directed consistently at hitting the targets laid down by Leitch to have 40% of the working population in the city region qualified to this standard or above by 2020, equating to an additional 630,000 people requiring higher level skills.
- 4.10 We see this clear focus on higher level skills as a particular strength of our MAA because it embodies the principle of subsidiarity. While there is a need to ensure clear progression pathways that lead between basic skills, the worklessness agenda and higher level skills, it is only higher level skills that are best addressed at the scale of the functional (city region) economy and that the district and below forms a better scale for tackling basic skills and worklessness. Through links to emergent district Employer Skills Boards (ESB) and Local Strategic Partnerships (LSP), city region partners will ensure pathways to opportunity and across delivery are managed effectively without risking “mission creep”.

Stakeholder engagement

- 4.11 The development of the MAA has prioritised an active and early input from employers. A series of employer led sector specific ‘round table’ discussions were convened in April 2008 as part of our MAA development process (see box below) and further “triangulated” against the private sector views of our Business Leadership Group in April.

⁷ *Changing skills profiles in Yorkshire and Humber*, Experian, April 2008

Leeds city region financial and business services (FBS) - employer led round table discussion on higher level skills, April 2008

One of a series of employer led round table discussion focussing on key skills barriers within city region growth sectors as a crucial step in our programme of constructive employer engagement.

Key Private Sector issues and challenges raised have informed the development of our MAA skills proposition and asks:

- Clear sign up to the fundamental importance of progression routes and ensuring employees had access to appropriate training and development throughout their careers. However, capacity issue noted around employers (of all organisational size) engaging in the system without the driver of specific actions or outcomes to achieve, and agreement that any engagement has to be meaningful.
- In a similar vein to the Creative and Digital round table discussions, agreement that managing supply and demand will be important and require partnerships with employers/funders and providers to ensure an effective pipeline and supply of people with relevant skills.
- Noted that organisations are involved in education through engagement with schools or with higher level education through involvement in FE/HE. However there was insufficient involvement around the creation of courses, content or delivery.
- Several of the large employers gave information on current in-house training provision and noted that for technically qualified jobs (such as accountancy) on-going professional development was vital. Employers noted that most of the training offered was in-house and currently focused on customer services and sales.
- When discussing a *demand led* system participants noted that there is a demand for employability skills to be embedded within provision across the board. It was also noted that the existing division (and the pathways) between academic and vocational training needs to be addressed. Specific examples of good practice in engaging business with the skills system, in this case the University of Huddersfield used the West Yorkshire Employer Coalition's Contact Centre employer group as a sounding board for the development of a Foundation Degree in Contact Centres. First Direct, Chair of WYEC's Contact Centre group, piloted the Foundation Degree, which was subsequently launched in Sept 07.
- Part of the asks of the MAA involve seeking dialogue with Government around easements on the accreditation process for in-house training. Participants were keen to move this forward, if it meant appropriate sources of funding could then be accessed. There was general agreement that this process could ensure courses were appropriate (in terms of length and delivery options) and relevant (in terms of content). It was agreed that methods of accrediting work based learning should be investigated especially (e.g. a scout badge system). The current Qualification Credit Framework was briefly discussed and partners felt this could be a useful way for staff to develop a portfolio of skills.

- 4.12 Within the city region, an ongoing prioritisation of employer engagement will be at the heart of the local end of the delivery of our MAA. Rather than setting up new processes that cut across existing arrangements, we will tap into existing mechanisms for constructive business engagement by:
- continuing to draw on the strategic input of the Business Leadership Group to ensure connection through to a wider set of business based interests and concerns; and
 - developing and maintaining connections to the existing and developing Employment and Skills Boards that offer employer engagement into broad skills and employment issues at a smaller geographical scale.
- 4.13 In terms of achieving a demand-led business based approach within the specifics of our sectoral focus on financial and business services, we will prioritise engagement in further ways:
- we will develop a cohort of SMEs, actively engaged in the delivery of our asks (see below for further detail); and
 - We will draw upon proposals to expand the Leeds Financial Services Initiative [Leeds Financial Services Initiative](#) (LFSI) to develop a sectoral network across the city region, building on existing networks in Leeds, Bradford and York.
- 4.14 At this stage it is not our intention to add to this effective utilisation of existing mechanisms for employer engagement by creating a city region statutory Employment and Skills Board. We believe that such a step would not add to our demand led approach, and would risk creating an unhelpful administrative burden on businesses not commensurate to the benefits it could offer. We will however keep the option of establishing a city region wide ESB under review to progress this should there be a clear rationale and net benefit in the future.
- 4.15 With our focus on higher level skills, there is a clear need and opportunity within our city region to draw on the substantial higher education infrastructure and capacity present within the city region’s colleges and universities. To that end we have actively engaged with West Yorkshire Universities, who are members of the city region Skills and Labour Market Panel. We will seek ensure that all key stakeholders are involved in the delivery of the MAA and further stakeholder engagement work will be prioritised as part of the delivery of the MAA:
- Higher Education Funding Council for England (HEFCE)
 - Qualifications and Curriculum Authority (QCA)
 - Sector Skills Council for Financial Services
 - Yorkshire Universities network

- National Financial Services Academy

What government can do to help and why

- 4.16 Our proposals for our sectors are pragmatic and grounded in realism. We recognise that it is challenging to plan for and deliver the right 'value adding' specialist skills provision to the FBS sector, particularly in the current climate of turbulence within global financial markets. However that perceived vulnerability serves to crystallise the importance of ensuring that the sector in the Leeds City Region are made resilient and, more positively, to capitalise on any new commercial opportunities. It has therefore become critical that the provision of high level skills meets the requirements articulated by employers and is delivered via a demonstrably flexible, capable and adaptive supply side.
- 4.17 The following asks of the Department for Innovation Universities and Skills (DIUS) which are detailed below are sought as a basis for discussion with government and partners to seek to address the above issues and challenges. The specific outcomes which will be delivered are also articulated below, which sit within the outcomes framework set out in Section 3.

Skills Ask 1	Strategic Alignment
What and why	<ul style="list-style-type: none"> • The scale of public sector funding available to fund skills within the city region is massive (the Y&H Regional Skills Partnership has estimated circa £2.4bn for Y&H in 2007/08, including RDA, LSC, JCP, HEFCE and GOYH, and excluding most LA and all employer contributions), and yet, as described above, there are persistent higher level skills gaps reported within our key economic drivers. If left unresolved this issue could limit the full economic potential of the city region. • Strategic alignment is necessary to ensure that the focus of national, regional and local skills policies and plans becomes more closely attuned to Leeds city region priorities as this is the spatial level at which the labour market functions, in terms of the demand for and supply of higher level skills (levels 3/4+) within specific CRDP growth sectors, eg Financial and Business Services. • It is considered that the Leeds city region partnership’s pursuit of alignment to date has been made more difficult by the trajectory of skills system

	<p>which is to increasingly focus on lower level skills (eg level 2), accompanied by reductions around the flexibility of funds (e.g. ESF rules) and the availability of discretionary funding (e.g. it is understood that the LID fund £9-10m in Y&H finished in April 2008).</p> <ul style="list-style-type: none"> • Moreover, the current planning arrangements of our key agencies have made alignment problematic. The current Y&H LSC focus on regional and sub regional planning has become less relevant as a tool because it does not map onto the functional economy of the city region. For example, within its 2008/09 statement of need, the LSC WY has prioritised links with the Leeds city region 'skills theme' for 2008/09. • This position is welcomed; however, due to the mismatch between the LSC and its current spatial focus and the functional economy of the city region this intent cannot deliver a practical mechanism for securing better alignment around Leeds city region priorities. For example, while the Leeds city region spatial area covers a significant area of North Yorkshire, there is no equivalent prioritisation of Leeds city region links within the LSC NY 2008/09 statement of need, these current arrangements limit the development of actions that address city region-wide skills issues.
<p>How to be delivered (the help needed from government)</p>	<p>We therefore wish to request the following from government:</p> <p>Skills Ask 1.1 Recognition from DIUS of the city region approach in tackling higher level skills issues and an ongoing dialogue with DIUS to identify current and potential opportunities for Leeds city region and any local and national constraints to delivery against Leeds city region priorities.</p> <p>Skills Ask 1.2 To build on commitment from Local Authorities, LSC, HEFCE, Yorkshire Forward, Employers, UK Commission for Employment and Skills and Higher and Further Education providers, to commission provision in a framework informed by the Leeds city region partnership which aligns priorities, relevant funding streams and outcomes around the CRDP priority of closing persistent higher level skills gaps in the Leeds city region target sectors. That</p>

	<p>commitment will be backed up by a requirement/duty for the key players to participate/cooperate in the delivery of this Ask.</p> <p>Skills Ask 1.3 The Leeds City Region has been identified as a key partner in aligning skills planning and tackling higher level skills issues. Formalising this status by ensuring the Leeds city region is a named consultee for all key local and regional partners involved with the planning, commissioning and delivery of skills will help produce a demand led approach to addressing gaps in higher level skills and provide a mechanism for the Leeds city region partnership to influence targeting of scarce resources.</p> <p>Therefore we ask that the Leeds city region is formally consulted on the preparations of the LSC annual regional commissioning plan and local statements of need, relevant HEFCE Strategic Development Fund, Business Support programmes, any future Integrated Regional Strategy skills proposals and relevant national skills policy and legislation.</p> <p>Building on such closer strategic alignment, will provide a framework for the delivery of Skills Asks 2 and 3 outlined below.</p>
<p>Measures of success/outcomes</p>	<ul style="list-style-type: none"> • Leeds city region skills plan developed signed off by June 2009, aligning funding streams and outcomes around delivering CRDP higher level skills priorities. • Leeds city region response to consultations from July 2008, eg relevant LSC Annual Statements of Need (for NY, WY, and SY sub regions) • Contribute to DIUS DSO to: improve the skills of the population throughout their working lives to create a workforce capable of sustaining economic competitiveness, and enable individuals to thrive in the global economy.

Skills Ask 2	Understand and enable the Leeds city region skills system to be more responsive to employer need and demand
What and why	<ul style="list-style-type: none"> • There is a recognised problem of engaging the private sector in the skills and training agenda and around showing / demonstrating the long term benefits of investing in training and development. • In light of the findings of the Leitch Review and current government policy direction, it has become clear that any viable skills system must- be demand-led and made relevant to employers. To achieve this requires the full support and commitment of employers who are fully engaged and 'own' the process.
How to be delivered (help needed from government)	<p>Leeds city region Partnership to pilot a business engagement model to test innovative approaches (potentially delivered via vehicles such as LFSI/FSA and/or Science City York/York Professional Networks), within a statistically representative cohort of Leeds city region FBS sector SMEs (who make up the bulk of the employers). This cohort will become better engaged in the skills agenda across Leeds city region through support in articulating their latent and existing needs, as well as being involved in product design to achieve a more tailored high level skills offer.</p> <p>In order to secure meaningful engagement from SMEs we will develop a model which allows the accreditation process to occur alongside the programme development, speeding up the process of accreditation and framework development.</p> <p>This will require additionally flexibility from DIUS/LSC and the QCA on the type and nature of courses, training and CPD opportunities which are eligible for public funding. Specific support around the development and implementation of 'credit accumulation' schemes for the employees of SMEs will also be required.</p> <p>We will engage with the existing and developing Employment and Skills Boards within the Leeds City Region to provide further strategic support and guidance in delivering this ask.</p>

Measures of success/outcomes	<ul style="list-style-type: none"> representative cohort (circa 200) Leeds city region FBS SMEs selected by October 2008, interviewed and used as city region benchmark/baseline, to re-survey every 2 years, building up data set and engagement; feed learning into Leeds city region plan/national policy as appropriate; and benefits in terms of cohort SMEs acting as champions and disseminating the best practice/learning to the sector.
Skills Ask 3	A streamlined approach to accreditation and ‘credit accumulation’
What and why	<ul style="list-style-type: none"> It is recognised that, in general, the publicly funded skills system does not support people once they are past their first stage 2 / 3 accredited qualifications. We recognise that focusing on level 2 qualifications bring social and economic benefits. However, it is clear that level 3 and above has a larger impact on economic growth and competitiveness. Increased attainment at level 3 and above is crucial for the continued growth of the Leeds city region and as such we seek ways in which the accreditation of in-house training, which is considered by employers in or city region to be protracted and difficult, for our key economic drivers can be streamlined and improved. The ask is that DIUS relax the rules for employer accreditation of qualifications to cover a collaborative approach for SMEs in our financial and business services sector.
How to be delivered (help needed from government)	<p>Pilot with DIUS and relevant agencies (eg UK Commission and Qualifications and Curriculum Authority) flexibilities in the accreditation of in-house training within Leeds city region SMEs of level 3 / 4+ training and relevant CPD opportunities which directly relate to our key economic drivers/sectors.</p> <p>We would propose building on the model outlined in Unlocking Britain’s Talent, and using the expanding Train to Gain (T2G) programme as a delivery mechanism for piloting higher level skills accreditation and credit accumulation frameworks, through locally</p>

	<p>relevant and innovative industry led accreditation bodies. This approach would require flexing the current focus of T2G, however is considered sensible to avoid cluttering the marketplace with new initiatives and branded programmes, and causing unnecessary confusion to employers (we would also seek to review and build upon current thinking underway in the NE/NW around using T2G for level 3).</p> <p>Delivery would be in two phases:</p> <p>The first phase (July 2009 to January 2009):</p> <ul style="list-style-type: none"> • the work to establish the collaborative and ensure business engagement. Collaborative to include: <ul style="list-style-type: none"> ○ FBS SMEs; ○ the Financial Services Academy (based in Leeds); ○ the Financial Services Skills Council (the Sector Skills Council for the industry); ○ Qualifications and Curriculum Authority (QCA); and ○ West Yorkshire/YH Universities/ HEFCE, jointly facilitated by Leeds city region and YH LSC. • engaging employers, bringing together key partners and developing relationships with the aim of engaging more employers in designing training courses / provision. <p>This work would define phase two (January to June 2009):</p> <ul style="list-style-type: none"> • facilitate employers working together to design appropriate qualifications at level 3 and above using a credit framework approach. Part of the ask will be to seek fast track accreditation for units towards a full qualification with the overall aim being full qualifications at levels 3 / 4+ and a route way to foundation degrees onwards. • Awarding body status given to groups of employers / Financial Services Academy, as appropriate.
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Measures of success/outcomes	<p>Benefits would be measured (against control group, as necessary) in terms of:</p> <ul style="list-style-type: none"> • Streamlined qualification accreditation, by making it easier for employees in our SMEs (initially in the FBS sector) to acquire specific accredited higher level skills, would help speed up and increase the take up of skills and boost productivity, contribute to more efficient use of public funds, potentially avoid duplication of provision and give an increased opportunity to involve employers in shaping the content and delivery of skills. • perceived benefits to employers in terms of improved business competitiveness. • Measurement of additional higher level skills attained/skills gaps reduced through relaxed accreditation, with an annual 10% improvement on baseline in representative cohort of circa 200 SMEs (proposed as a holding measure and subject to review). • Methodology established to measure the additional impact on GVA and employment of more higher level skills gained through our MAA, eg via Yorkshire Forward / Experian econometric model. • Roll out of the successful model to other city region growth sectors of: electrical and optical equipment; bioscience, health and medical research; and digital and creative industries. • Wider benefits to be captured, such as: <ul style="list-style-type: none"> ○ testing the extent to which employers that qualify staff as opposed to just training them will increase the overall propensity for to undertake additional learning activity; and ○ embedding of the perceived value of vocational learning as a valuable part of the 'learning mix', and therefore encouraging more hard to reach employers to engage with the wider skills system.
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Summary value added

- 4.18 Delivery of the above key skills asks would provide a powerful platform for achieving the following:
- Recognition by the above partners of the city region as a functioning economy, both in terms of the labour market and key sectors.
 - Strategic Added Value (SAV): Alignment of regional skills strategy/planning and delivery around CRDP skills priorities.
 - Unlocking increased GVA and employment growth to 2016 and beyond through re-focusing partners and employers around investment in skills in the city region, and piloting measures to correct the balance of supply and demand for highly skilled employees within our growth sectors, initially focussing on the FBS sector.
 - Contribution towards targets set in the Leitch Review of Skills, including
 - More employers engaged in training.
 - More qualifications gained;
 - Positive progression pathways;
 - Higher skilled workforce and
 - Fewer skills gaps reported by employers.

5. Transport

Policy and evidence base

- 5.1 Recent national and regional transport policy has shifted emphasis to recognise economic development outcomes as a key driver for investment decision making. This shift has informed recent transport policy development, and the main relevant policy setting and independent evidence which has informed the development of our transport proposition is outlined in the table below:

Key transport evidence/ policy	Relevant conclusions/ findings
CRDP: Long Term Vision for Transport in the Leeds City Region, 2006	The Transport Vision highlights that rising congestion is inevitable, and without radical action to prevent it, will crowd out economic growth.
The case for better transport investment: Agglomeration and growth in the Leeds City Region, Centre for Cities, 2007	Finds that Transport investment targeted specifically at city region priorities to be capable of securing significant additional economic returns from bringing people and businesses closer together, averaging 18% net additional benefits, currently unaccounted for in standard transport appraisal techniques.
Yorkshire Futures study in the future of Y&H to 2030, Henley Centre HeadlightVision, 2008	Recognition that Y&H as one of the worst hit regions for urban area traffic problems with Leeds city region the most acutely affected, eventually bringing about recognition of the issue and need for major co-ordinated investment.
Y&H Regional Transport Strategy	Sets out, as part of the Regional Spatial Strategy (RSS) the regional priorities and possible outcomes for transport investment and demand management, in order to achieve wider objectives including lower-impact transport, facilitating sustainable housing, and economic development (having regard to CRDPs). Key priority (A7) is to improve capacity and quality of public transport links within and between the main urban areas in the Leeds city

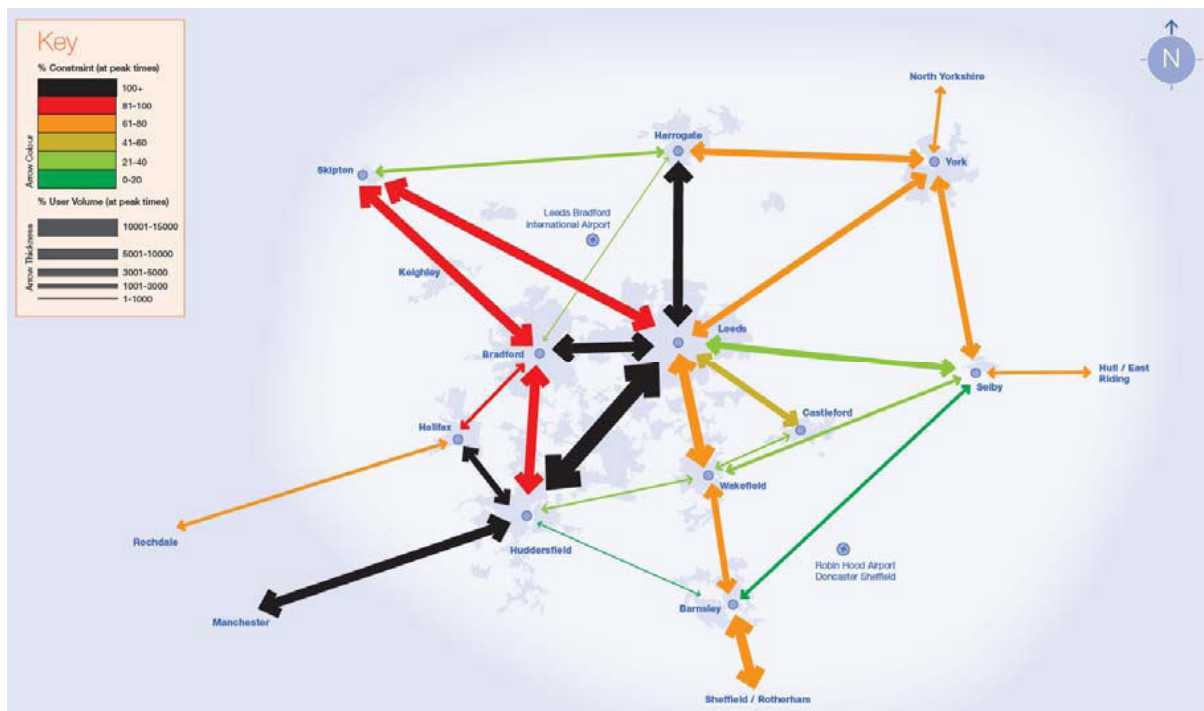
	region.
Yorkshire Forward Corporate Plan 2008-2011	Transport identified as a key “Policy Product” with objective of tackling transport related issues at a strategic level, in order to pursue economic development objectives. Specific priorities include seeking to influence partners to increase rail capacity in/to Leeds to improve access to the city region key labour market. Recognises the impact of RDA focus on Transport in terms of delivering Strategic Added Value (SAV), such as through better partnership.
Northern Way: Short, Medium and Long Term Transport Priorities	Outlines proposals to benefit movements between the North’s city regions, between Regions and to/from international gateways.
The Eddington Transport Study and the Government’s response: Towards a Sustainable Transport System	Consideration of how to strengthen the long-term links between Transport, the UK’s economic productivity, and sustainable growth.

The challenges to be addressed

- 5.2 Road traffic congestion and crowding on public transport is preventing a reliable, free flow of workers and goods and is “crowding out” the level of investment and economic growth in the city region⁸ that might otherwise be possible. Our CRDP growth scenario anticipates that 150,000 new jobs could be created in the city region by 2016. Together with spatial relocation of existing employment into regeneration areas and cities there will be significant and increasing pressure placed on the transport system. Our CRDP recognises that ‘smarter’ transport investment could realise even greater jobs growth. Our Transport Vision sets out that without long term 25 year targeted investment in our transport infrastructure, complemented by measures to manage the level of demand at peak travel times, the competitiveness of the city region, and therefore its potential contribution to productivity in the North and the UK as a whole, will be compromised.
- 5.3 As described in the in the Sections above, the city region operates as a functional labour market. Key to its effective functioning is the capability of the transport network to cope with demonstrably growing levels of demand, in particular on road and rail commuting routes within our city region and

⁸ [See Duranton and Puga \(2003\)](#) which considers in detail the theoretical micro-foundations of urban agglomeration economies including the trade-off between city growth and transport congestion.

between the other city regions. The central “*accessibility through connectivity*” theme within the city region Transport Vision (see Section 5.1 above) relates both to these internal connectivity priorities within the city region, and also to stepwise improvements needed in external connectivity linkages to London and Heathrow, Trans-Pennine links to Manchester and Manchester Airport, enhanced access to Sheffield and the Humber Ports.



2021 Main Peak time Highway and Rail Movement Patterns and Constraints

- 5.4 Based on a “do minimum” future scenario, as illustrated in the diagram of peak time transport flows above, the Transport Vision forecasts significant growth of the current transport road and rail networks. Analysis shows that most of the strategic links within the city region and beyond are predicted to be at or close to capacity by 2021, with the black arrows showing capacity at over 100%, representing severe road congestion and rail overcrowding.
- 5.5 Key Transport Vision proposed interventions include a flexible integrated package of investment measures in respect of bus, rail, highway, integration and air transport infrastructure, which aim to resolve key strategic congestion bottlenecks⁹. At the spatial level, these investment proposals have been developed to assist those areas in the city region which most need significant

⁹ See pp 23-25, [Long Term Vision for Transport in the Leeds City Region, 2006](#) for a detailed list of the proposed costed transport projects and interventions with the accompanying rationale for investment, and an outline Social and Environmental Assessment based on the Regional Spatial Strategy.

regeneration, employment and housing, and include some of our most excluded communities.

5.6 Our initial cost estimate of delivering the Transport Vision in full is £4.5bn (at 2006 prices). Our scenario forecasting suggests that without joint planning and shared priorities, the problems of congestion and overcrowding constraining economic growth will only be addressed by accident, not design. Moreover, the economic return on this proposed investment is an additional estimated £11bn of GVA, which factors in significant agglomeration economies (averaging 18% of additional benefit). The Transport Vision proposes the following categories of schemes for the city region:

- *Bus* – improved reliability, journey time, accessibility, quality
- *Rail* – electrification, capacity, better frequency, journey time, tram train
- *Road* – capacity improvements to improve strategic bottlenecks
- *Integration* – P&R, interchanges, ticketing and info to tie the whole strategy together
- *Air* – airports strategy for LBIA, Manchester and Robin Hood Airport Doncaster and Sheffield.

5.7 The Transport Vision is not a ‘shopping list’ of unrelated projects, nor a bidding document. The Transport Vision is necessarily very long term (25 years) in nature and has informed our view on the minimum scale of the overall transport funding envelope required to support the economic development of the city region. In order to support the creation of a city region *transport system*, where the component parts work together and are self-re-enforcing the Transport Vision is to be refreshed with a 10-15 year Transport Strategy in 2008.

Transport Strategy

5.8 The Transport Strategy will specifically seek to deliver the following:

- Facilitate co-development of a Transport Strategy with the active involvement of local, regional and national partners, including key agencies, to identify major programmes, and the levels and timing of investment required to deliver the agreed city region outcomes, including:
 - Support for individual LTPs and RFA/TIF schemes across the city region;
 - provision of sufficient transport infrastructure to support the sustainable delivery of more homes via any agreed New Growth Point and RSS modifications;
 - regeneration of our most deprived communities, including East Leeds, Wakefield District’s Five Towns, and central Bradford,

which will need to be supported by strong sustainable transport links to enable people to access the employment opportunities created, thereby maximising labour market catchments and agglomeration benefits;

- transport constraints along motorway networks, ring roads and overcrowding on trains to and from Leeds need to be addressed;
 - potential of Bus services are not being fully utilised; overall patronage is declining yet buses can be the primary mode of transport for certain journeys; and
 - to ensure balanced, joined-up, investment priorities linked to an appropriate outcomes framework, factoring in and aligning outcomes.
- Factor in the changing national policy emphases and the economic global picture, such as financial instability and long term rising fuel prices. Well connected cities with fast, high capacity, integrated public transport links to them will be well positioned for investment and growth, therefore a 10-15 year Transport Strategy presents an opportunity to review the appropriate demand management/smarter choices and major investment priorities to manage growth in Leeds city region.
 - Review the funding and that will be required deliver the Vision outcomes and priorities, and any gaps compared with forecast resources.
 - Evaluate progress made under the Transport Vision, including identifying outcomes achieved to date (eg GVA) and what remains to be delivered.

Investment planning

5.9 There are currently several transport investment streams available to the Region, set within individual delivery plans, these specific to mode, geographical location, revenue and capital finance, or the agency responsibility for funding allocation and include the following potential sources:

- Local Transport Plan (LTP) block investment
- Local Authority funding
- Regional Funding Allocation (RFA)
- Highways Agency spending
- Network Rail enhancements and renewals

5.10 We recently commissioned independent supplementary analysis of the funding streams available to the region and Leeds city region which can be seen in detail at Annex B. This assessment indicated an apparent headline position that the city region has a significant proportion of the

region's total planned transport investment, however this headline position is fragile and subject to the following key caveats:

- approximately 74% of the identified funding allocated to schemes in the Leeds city region originates from the Highways Agency, although this will be dependent on the outcome of the ongoing Agency cost review. Changes in the funding of Highways Agency schemes could have a significant impact on our calculations.
- for example, costs for the M1 and M62 widening prepared by the Highways Agency, have been included, and a spend profile has been estimated. However, the proposed costs for the £1.29bn widening scheme are still being reviewed, and the project scope could be revised. The Highways Agency investment accounts for around two-thirds of committed investment for the Leeds city region. If this cost review meant the project scope was reduced, leading to plans for motorway widening being superseded by smaller scale measures, this will significantly reduce the overall proportion of total investment available for our city region.
- there is currently only limited data publicly available for Network Rail enhancements with published data only to up to 2008. The current lack of information on Network Rail investment beyond 2008 is considered a barrier to aligning plans and funding.

5.11 There is a risk that insufficient alignment of the above key transport funding streams, with no clear strategic focus on the opportunities of the city region, will create a source of partnership uncertainty and potential allocative inefficiency. Because resources are relatively scarce, there is a risk of second best and delayed delivery against our shared city region transport priorities.

5.12 The funding in different packages is aimed at achieving different objectives, and the sum of the parts is not being fully realised to achieve a common set of objectives. At worst, some different streams of investment may be acting against shared-objectives. This dilutes the effectiveness of the overall transport spend in the city region.

Transport Governance

5.13 Existing local transport governance arrangements across the city region are currently relatively fragmented, creating a further challenge to a coherent approach to the delivery of the Transport Vision/Strategy. Complementary governance arrangements, building on the Local Transport Bill, to move towards an Integrated Transport Authority (ITA), are being investigated by Atkins on behalf of the city region partnership, this in tandem with our MAA development process. Addressing the above challenges would enable any new agreed ITA arrangements to hit the

ground running with maximum scope for early improvement of delivery of transport improvements, and we will seek government support for our emergent transport governance proposals in due course.

- 5.14 The ITA review process has also provided an independent challenge to MAA development and positively supported the development of our delivery related asks, outlined below.

Sustainable growth

- 5.15 The Tyndall Centre for Climate Change has identified transport as one of the largest sources of greenhouse gas emissions in the UK coming behind only the energy supply and business sectors¹⁰. Whereas emissions from the energy and business sectors have stabilised and are decreasing at present, emissions from the transport sector are growing at an alarming rate. Road transport was responsible for 22.8% of England's CO2 emissions in 2003, 7.5% higher than in 1990. Without attention, it is recognised that the transport sector will undermine efforts made elsewhere to mitigate climate change.
- 5.16 Reduction in Leeds city region CO2 emissions per commuter, and limiting overall growth of emissions through demand management, Smarter Choices aimed at moving more people out of cars and onto public transport, supported by integrated demand management (more trains, buses when needed), are central to our city region proposals for sustainable economic growth.

What government can do to help and why

- 5.17 We consider closer integration and joining-up of transportation planning and delivery at the level of the city region to be fundamental to developing solutions that help deliver the objectives of Government and deliver city region aspirations. This proposed approach is echoed the [State of the Nation report on capacity and skills](#)¹¹ which has found that uncoordinated planning of infrastructure projects discourages industry investment, and prevents schemes from progressing with minimal delay.
- 5.16 The following asks of the Department of Transport which are detailed in the tables below are sought as a basis for discussion with government and partners to seek to address the above issues and challenges. The specific outcomes which will be delivered are also articulated below, which sit within the outcomes framework set out in Section 3.

¹⁰ F. Ruth Wood et al, *Opportunities for Air Pollutant and Greenhouse Gas Emission Reduction through Local Transport Planning*, Local Economy, Vol. 22, No. 1, February 2007.

¹¹ *Institution of Civil Engineers, 2008*

Transport Ask 1	DfT and its Agencies to participate in the development of a Leeds City Region cross model Transport Strategy that delivers aligned City Region and Government outcomes and priorities
What and why	<p>We have identified the following as specific barriers to achieving aligned outcomes:</p> <ul style="list-style-type: none"> • City region partners have agreed to refresh their long term 25 year Transport Vision in autumn 2008 and to prepare a 10-15 year Transport Strategy. It is recognised that, to embrace the wider “place shaping” agenda, stronger overall strategic alignment is needed between government, national agencies and city region partners. Strengthened two-way dialogue is required between the city region and delivery partners including the Highways Agency and Network Rail in order to: <ul style="list-style-type: none"> ○ enable national agencies to contribute to our Transport Strategy development process; ○ assist the effective deployment of wider transport investment to meet locally agreed outcomes, in addition to regional and national objectives; and ○ provide the city region partnership with consultee status on draft national transport policy. • Whilst closer alignment is considered a constructive direction of travel, there is however currently very limited data publicly available with respect to the following: <ul style="list-style-type: none"> ○ Network Rail, a key player in supporting the delivery of DfT DSOs, has indicated that, beyond 2008, it does not have the capacity to provide information on national and regional rail investment plans which directly affect our city region. This is acting as a barrier to the alignment of plans and funding/outcomes for integrated transport across the city region, which is frustrating our efforts to support DfT in the delivery of its DSOs, particularly as rail capability and capacity has such a

	<p>significant impact on productivity in the city region.</p> <ul style="list-style-type: none"> ○ In contrast, national and non-national Highways Agency investment proposals are published, and these contribute to our Transport Strategy. However, these investments are currently brought forward on a scheme by scheme basis, without reference to the city region's desired strategic transport outcomes, and this is a barrier to the free flow of up to date investment information, which frustrates the integrated delivery of transport investment in the city region to support achieving agreed outcomes. <p>Outcome alignment</p> <p><i>Priorities are not currently sufficiently aligned, making transport integration problematic. Some of the most significant transport issues that impact on achieving the wider city region outcomes are those most impacted by the current misalignment of investment priorities:</i></p> <ul style="list-style-type: none"> • <i>park and ride is not currently a specific Highways Agency priority, creating a barrier to measures that would support these schemes and the wider benefits they deliver;</i> • <i>there is no current mechanism for rail capacity to respond to burgeoning demand, e.g. with additional rolling stock and associated scheduling/signalling/station platform changes, to accommodate additional passengers; and</i> • <i>simple 'add-ons' or minor reprogramming of planned investment could help significantly in achieving wider outcomes, but these opportunities are being missed.</i>
<p>How to be delivered (the help needed from government)</p>	<p>Transport Ask 1.1 DfT and its Agencies to participate in the development of a cross model Leeds city region Transport Strategy, on the basis of shared outcomes and priorities.</p> <p>Transport Ask 1.2 DfT to broker arrangements with Network Rail to encourage their participation by October 2008. In the context of the voluntary nature of MAAs and the private ownership of Network Rail, we would like to agree a workable mechanism with DfT.</p> <p>As part of this duty, we would wish to reach agreement with DfT about establishing capacity within national</p>

	<p>agencies, including Network Rail and the Highways Agency, to ensure provision of appropriate, regularly updated scheme level investment plan information over the medium term (5-8 years) in order to ensure better coordination and integration with city region transport investment/delivery.</p> <p><i>The value of open-book working</i></p> <p><i>York City Council has piloted regular meetings with the Highways Agency aimed at developing collaborative working, including information sharing on the A64 Hopgrove Roundabout Improvements both on the development of the scheme and also with shared funding and the management of the construction phase.</i></p> <p>Transport Ask 1.3 Dft will include LCR as a <i>named consultee</i> (in addition to individual Local Authorities), in order to influence national consultations undertaken by DfT, Highways Agency and Network Rail, on those proposals having a major impact beyond individual administrative boundaries on the wider city region, such as motorway and major rail proposals.</p>
Measures of success/outcomes	<ul style="list-style-type: none"> • A Transport Strategy to be developed by June 2009 which secures the participation and buy-in of key players, including Network Rail, and provides a platform for securing coordinated transport investment to secure the delivery of shared strategic outcomes, including the following: <ul style="list-style-type: none"> ○ local outcome of improved access to Yorkshire Forward and Local Authority priority urban and rural renaissance areas; ○ city region outcomes to support sustainable economic, employment and housing growth; ○ national TASTS outcomes of reliability, access to jobs, economic growth, and environmental sustainability (Sections 5.15 and 5.16 refer) ; and ○ Key time series attitudinal data collected at city region level eg to monitor changing perceptions about congestion impact on business performance, as a proxy for efficacy of Transport Strategy delivery. • Provision of key information by delivery agencies and bodies will enable better co-ordination and integration of transport interventions (such as park and ride),

	<p>making more efficient use of the available resources, and which is more likely to achieve agreed shared outcomes. Where any of this information is deemed commercial, we would like to discuss with DfT protocols for accessing this relevant information, with a view to be resolving by October 2008.</p> <ul style="list-style-type: none"> • City region influence over national priorities, investment plans and outcomes, including DfT economic growth and access to jobs DSOs. • Opportunities for capacity building, such as <ul style="list-style-type: none"> ○ recent HOV on M62 J25 where express bus routes could have been incorporated ○ strategic park & ride for motorways ○ promoting public transport alternatives on HA roadwork’s publicity or congestion signs
Transport Ask 2:	Delegation to improve the allocative efficiency of agreed transport funding
What and why	<p>Enhanced financial flexibility at city region level is needed to improve the efficient use of the range of resources available for transport investment, including RFA, LTP block funding and national agency funds, to accelerate the delivery of shared city region and national outcomes.</p> <p>This flexibility is needed to assist in the better alignment of existing funding to achieve ‘bigger hits’ through improved co-ordination. The true potential of the total transport investment being made by several bodies from several funding streams is not being realised because of misalignment of priorities and lack of flexibility.</p>
How to be delivered (the help needed from government)	<p>DfT and HM Treasury are requested to create the following financial flexibility.</p> <p>Transport Ask 2.1 Dft will work with LCR to develop a pilot programme to accelerate the delivery of major schemes in the city region such as a more robust performance management framework, a light touch appraisal process (between £5m and £25m) and financial incentives for more efficient delivery (retention of savings within LCR) by October 2008.</p> <p>Transport Ask 2.2 financial freedoms to use LTP resources on revenue activities that support agreed city region priorities, such as ‘Smarter Choices’:</p> <ul style="list-style-type: none"> • Job Seekers Travel Permit for Return to Work

	<p>(currently revenue funded by YF, we are unable to spend revenue).</p> <ul style="list-style-type: none"> • Community based engagement to deliver accessibility (one of DfT mandatory shared priorities) • Pump priming new bus services (currently we have to bid for DfT kick-start revenue findings or use developers S106 money from developers) • Effective area-wide marketing campaigns for sustainable travel/smarter choices across Leeds city region <p>Transport Ask 2.3 is for all LTP funding to be made available by DfT in cash grant to individual city region partners from 2011, to provide additional opportunities, by individual local authority agreement, to deploy resources collectively to deliver agreed Transport Vision outcomes, and without incurring debt charges, cross boundary initiatives / schemes into NYCC such as:</p> <ul style="list-style-type: none"> • bus/rail interchange at Skipton / Selby • Park and Ride at North Yorkshire rail stations • Quality Bus Corridors beyond West Yorkshire
<p>Measures of success/outcomes</p>	<ul style="list-style-type: none"> • Through proportionate city region access and prioritisation, a <i>sharper focus on the delivery of sustainable economic growth</i> through the RFA process, assisting delivery of the DfT economic growth DSO. • Unlocking potential in LTP funding to deliver strategic city region capital and revenue schemes which also contribute to DfT DSOs. • Retaining an agreed percentage of efficiency savings will <i>incentivise local partners to prioritise the efficient use of resources</i>, and reduce overall individual scheme costs, eg via speeded up delivery. <p>Accelerated delivery of investment will improve transport capacity faster than otherwise and unlock faster economic growth of, in line with the CRDP ‘policy on’ estimates (see Section 3.2) of of 4% GVA growth p.a.</p>

Transport Ask 3	Enable the city region to remove operational barriers to the delivery of an integrated transport system
What and Why	<p>The above asks are focused on setting the right policy and funding context for delivering agreed outcomes, including accelerated economic growth. Further to our current transport governance review (being undertaken by Atkins) the following delivery related Asks have been crystallised following extensive local consultation and which are considered appropriate for further discussion with DfT.</p> <p>The following Asks seek to ensure delivery is better coordinated, in particular to address the current differences between delivery in West Yorkshire and the remainder of the city region. The Asks also seek to ensure a better means of influencing rail services, with provision specification better aligned with agreed local priorities.</p> <p>Achieving these asks will help to ensure the integration of transport delivery across the functional city region in a consistent way, necessary to realise labour market benefits in particular.</p>
How to be delivered (the help needed from government)	<p>Transport Ask 3.1 Greater responsibility for the management of the Northern rail franchise beyond West Yorkshire to cover the wider on behalf of the DfT. This will help to ensure that provision of local rail services contributes as much as possible to local priorities in the city region.</p> <p>Transport Ask 3.2 Ability to implement integrated bus / rail ticketing schemes beyond the West Yorkshire boundary (extending the existing Metrocard scheme) to improve integration, this subject to exploring relevant legal issues further. This will ensure more efficient use of existing bus and rail networks by commuters (travelling to work and learn) by promoting the freer and more efficient movement of labour across the city region, and will support the benefits of a well-connected polycentric network of centres in the city region.</p>
Measures of success/outcomes	<ul style="list-style-type: none"> • Specific operational arrangements are currently a barrier to the delivery of city region economic growth outcomes - this 'ask' will enable Leeds city region partners to improve the alignment of policy (Transport Strategy) with delivery. • efficiencies and opportunities in the rail network beyond West Yorkshire and capture savings for other

	<p>transport schemes in the city region e.g. platform lengthening in North Yorkshire.</p> <ul style="list-style-type: none"> • A Transport Act 2000 ticketing scheme across Leeds city region to improve city region labour market functioning (commuting). • More influence on Northern / Network Rail to meet the needs of the city region e.g. performance and quality of services.
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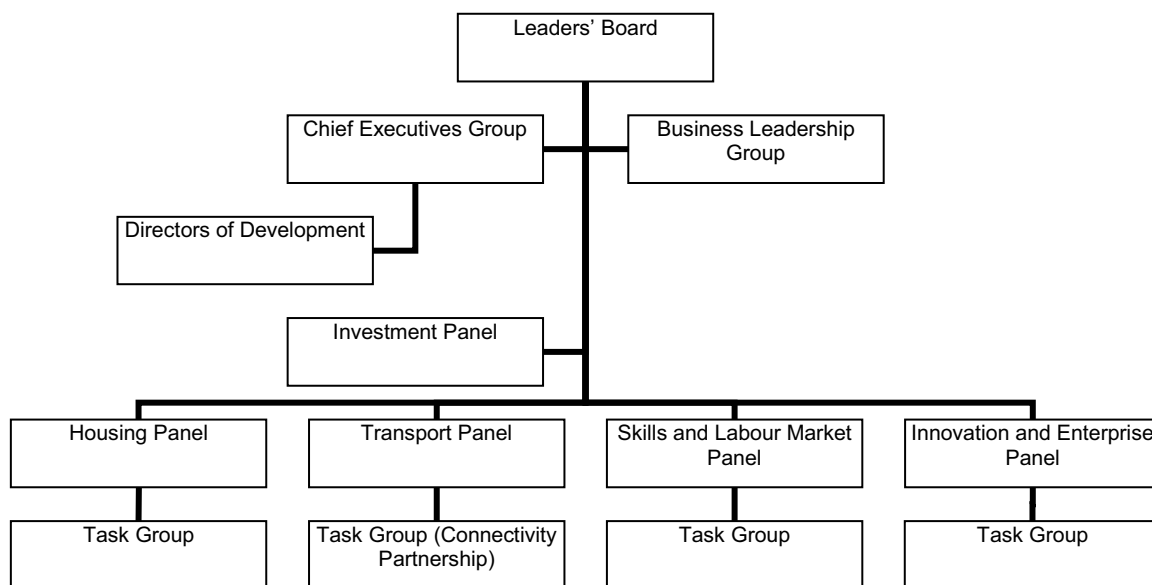
Summary value added

5.17 Delivery of the above key asks would provide a platform for the delivery of the following:

- Co-design with DfT and national agencies of a 10-15 year Transport Strategy for our city region that develop a robust integrated transport system capable of tackling congestion thereby unlocking economic growth.
- Addressing the causes of congestion which would otherwise only worsen. Without significant intervention Leeds will become the most overcrowded railway hub outside London by 2014.
- The continuing growth of congestion would otherwise act as a growing barrier to efficient matching of workers and employment opportunities, and therefore affect competitiveness of the city region, deterring new business formation and investment which are the stimulus to economic growth.
- More joined-up, and flexible long term transport planning and funding streams at the level of the city region.

6. MAA governance arrangements and delivery capacity

6.1 Movement on our “Asks” outlined above would further build the demonstrable capacity and performance of local government in the city region. As recently announced, all of the city region’s upper tier/unitary authorities are either rated 3 or 4 star. Delivery of our city region ambitions will be further underpinned by the following established and democratically accountable governance arrangements.



Leeds city region Governance Structures

6.2 As illustrated in the diagram above, the overall strategic direction of and democratic accountability for the city region (including for our proposed MAA) is provided by the Leeds city region Leaders’ Board. The Board has been legally constituted by the city region’s eleven Councils as a Joint Committee since April 2007. Under these legally constituted [governance arrangements](#), the Board is empowered to discharge, on behalf of the member Councils: *the promotion and improvement of the economic well being and competitiveness of the city region, this function discharged under Section 2 the Local Government Act 2000.*

- 6.3 Key agreed activities that the Leaders’ Board is engaged in include the following:
- Formulating and agreeing the shared city region economic development priorities contained within the CRDP;
 - Formulating and signing off an MAA with government, and ensuring oversight of delivery.
 - Responding to consultations on plans, strategies and programmes affecting the city region, achieving alignment with the CRDP
 - Commissioning of a transport governance review as part of the Local Transport Bill.
- 6.4 A Business Leadership Group has been established to provide a strong and coherent *private sector* and business input on key issues affecting the economic growth of the city region and to champion the priorities of the city region. The Business Leadership Group has played a strong role in testing the MAA propositions, including skills the proposals detailed in section 3 above, and, going forward, will seek to further support its development and delivery.
- 6.5 The Leaders’ Board is supported by the Chief Executives’ Group, Directors of Development Group, and two theme-based advisory Panels covering Transport, which aims to promote sustainable transport within the city region, and the Skills and Labour Market Panel, which seeks to promote more efficient working of the city region’s labour market. Both Panels are responsible for the following key tasks:
- promoting the alignment of strategy and delivery at a national, regional and local level to the aims and objectives of the City Region Development Programme;
 - preparing responses to consultations by Government and other bodies with a potential impact on the Leeds city region;
 - responsible for the progress of the transport governance review; and
 - providing advice and comment on Regional Funding Allocations, regional strategies and programmes, and the work of the Regional Boards, in relation to alignment with the City Region Development Programme.
- 6.6 Both Panels include senior member representation and wider partner representation (see Annex C). These Panels, and their supporting task groups, have been instrumental in shaping our detailed MAA propositions and, under the auspices of the democratically accountable Leaders’ Board, will provide the capacity for progressing the delivery of our “Asks” as set out in Sections 4 and 5 above. It is envisaged that delivery of our individual “Asks” will serve to further enhance the capacity and role of our partners.

- 6.7 Panels for Enterprise and Innovation, Housing and City Region Investment Planning are in the process of being established, with the Housing Panel to meet in April and the Investment Panel to be established following detailed discussions with Yorkshire Forward.
- 6.8 The work of the above Governance arrangements has been facilitated by the Leeds city region secretariat, specifically by providing the capacity for co-ordinating the development of the MAA proposal and acting as the key day to day contact with GOYH and CLG. It is envisaged that the secretariat will retain a role in supporting the above accountable structures with the delivery of the MAA, including with respect to the annual refresh (see below), and periodic evaluation.

7. Linkages

7.1 The individual MAA themes of skills and transport do not stand in isolation from each other. They are closely linked together and are considered to be mutually reinforcing. A key benefit of our proposed joined-up MAA model is to recognise the following added value:

- Securing specific areas of devolution to help unlock overall **productivity** by tackling the principal city region barriers to GVA growth.
- Dovetailing of city region focus within the MAA with local area interventions proposed within individual **LAAs**, respecting the principles of subsidiarity. They are demonstrably complementary, but not in a hierarchical way.
- Links with **Employer Skills Boards**. ESBs have been established in Leeds and Barnsley, and a board is in the process of being implemented in Bradford. With a focus on employer engagement and broad responsibilities across the range of workforce skills and employment issues within the districts, they provide a useful input into the skills element of the MAA, upon which the more focused (sectorally and on higher level skills) city region work can draw.
- Locally co-ordinated **spatial planning**, such that for example New Growth Points are delivered in tandem with the necessary transport infrastructure to connect residents to employment and learning opportunities within the city region.
- Tackling **exclusion** through accessibility to major city region employment sites, and to appropriate learning opportunities.
- Promoting **sustainable prosperity**, as envisaged by Stern, and a key driver for the Transport Vision such as by reducing congestion and emissions, including by encouraging more commuters to travel by public transport.

8. Milestones and risk mitigation

Milestones

8.1 The MAA would be subject to the following key milestones:

- 3 year delivery period, within 8 year horizon, securing the above economic growth outcomes by 2016 (see table below showing individual milestones);
- Annual MAA refresh in order to assess delivery performance (progress against asks and the related impacts), and opportunities for MAA development (themes and asks); and
- Evaluation every 3 years to consider lessons learnt, and factor in new policy eg the Regional Integrated Strategy and City Region Development Programme refresh.

8.2 It is proposed to prepare and maintain of a 'Risk Register' in order to ensure that MAA/CRDP delivery risks are mitigated. An outline risk register is shown in the table below.

LCR Risks	Likelihood	Impact	Mitigation
MAA proposal submitted in June 08 and not approved	Low- based on good comms with GOYH/CLG	Reputational	Iterative process, flexible timescale, to enable submission when ready
Capacity to oversee implementation/review of asks	Medium/low – LCR secretariat in place	Non delivery of asks	Ensure sufficient capacity in LCR secretariat to deliver
LCR partnership changes before 2016	Low risk in short term – partners have entered legal agreement	No basis for delivery of MAA	June sign off and early delivery of MAA will consolidate partner support for LCR governance arrangements.

MAA delivery Milestones	2008	2009	2010	2011	2012	2013	2014	2015	2016
High Level Skills:									
Agreement in place with government and key partners to agree shared Leeds city region skills priorities and for Leeds city region to become named consultee on national, regional and local skills policy/programmes									
Development and implementation of Leeds city region Skills Plan, with refresh every three years, based on alignment of mainstream funding and agreed city region outcome framework, in order eg to close high level skills gaps in key Leeds city region growth sectors									
Review undertaken with DIUS and others, eg QCA, SSC of the opportunity for Leeds city region SME employer engagement, establishing cohort of 200 sector SMEs as a representative sample.									
Pilot SME in-house accreditation/credit accumulation model in the key Leeds city region growth sectors – with evaluation and roll out/mainstreaming as appropriate.									
Transport:									
Dedicated capacity established by DfT within HA and NR to identify and review key existing Leeds city region investment plans and priorities									
Preparation and implementation of integrated Leeds city region Transport Strategy (road, rail, bus, integration) linking places within the city region and beyond, in order to maximise agglomeration benefits, based on an agreed city region funding and outcomes framework									
Funding flexibilities put in place (RFA reform, LTP discretion over revenue/capital split; all LTP funds to be allocated as grant, not borrowing approval to enable pooling; and formula for retaining efficiency savings)									

MAA delivery Milestones	2008	2009	2010	2011	2012	2013	2014	2015	2016
City region delivery flexibilities, including responsibility for Northern rail franchise, formal rail powers for increments/decrements, and lifting barriers to city region cross ticketing (Metrocard)									
Outcomes Framework:									
'Policy on' CRDP growth scenario, enabled through delivery of "asks": <ul style="list-style-type: none"> • 150,000 net additional jobs by 2016 • Increase of GVA by £21bn by 2016 • 4% growth p.a. • PSA and DSO delivery 									

9. Next steps

- 9.1 Subject to progress, the following outline next steps in MAA development have been identified in the table below:

Timescale	Proposed action
May 08	Negotiations with Whitehall departments (brokered by GOYH/CLG as appropriate)
End May 08	Formal submission to GOYH Regional Director
June 08	Final negotiations/mods to asks and outcomes Sign off by Leeds city region Leaders' Board and Secretary of State
July 08	MAA delivery begins, with next steps agreed with CLG on any pending 'asks'

- 9.2 We recognise that it may not be possible to finalise the agreement in relation to all of our 'asks' within the MAA within the timescale outlined above, given the need for alterations to be made to the operational practices of a number of Government Departments.

Annex A - Leeds City Region – a city region of places



A.1 We are bound by the shared success of the City of Leeds which has been the engine of growth as the core city in Yorkshire. This growth has been great for Leeds, a city transformed by investment, commerce and development, especially in financial and business services.

- A.2 Of our other 3 main cities (Bradford, York and Wakefield), York is the most internationally recognisable as a magnificent historic city and, increasingly, as a centre of excellence for science and innovation. Bradford is our most cosmopolitan city with a fast growing working age population and an industrial heritage in wool textiles that has the global traditions of ‘Made in Sheffield or Birmingham’. The City of Wakefield and its District is a major administrative and logistics location, advantageously served by its transportation networks.
- A.3 Each of our 4 main cities has major capital investments in commercial, retail, leisure, cultural and residential developments. Stimulated by Yorkshire Forward’s renaissance programme, leading developers and built environment professionals are backing new schemes and restorations of fine Victorian buildings, opening-up waterfronts and creating new townscapes.
- A.4 The Leeds city region’s individually distinctive medium sized towns:
- Barnsley is being repositioned as a 21st Century Market Town, remaking a new economic role as a location in the 2 city regions of Leeds and of Sheffield.
 - Halifax rediscovered its Victorian heritage as an asset in the 1980s in its Calderdale Inheritance decade with the Civic Trust. It is now pursuing urban renaissance and building on its strength in financial and business services.
 - Harrogate is a residential area of choice for professional and managerial workers in Leeds. The Harrogate International Conference Centre with its exhibition space is the UK’s 2nd largest while the Yorkshire Showground hosts the annual Great Yorkshire Show, one of the region’s major events.
 - Huddersfield is the largest of the city region’s towns and exemplifies the transition from a traditional manufacturing economy to one drawing on knowledge, creativity, innovation and media. The University of Huddersfield’s ‘Towns Like Us’ programme has exported the impact of HE experienced in Huddersfield to University Centres in Barnsley and in Oldham.
 - Across the city region, including in the Metropolitan Districts, are over a dozen smaller towns including historic places like Ripon City and Selby with their Cathedrals and Abbey, Skipton as the gateway to the Dales and the headquarters of the Skipton Building Society Group, urban centres like Keighley, Dewsbury and the 5 towns in Wakefield representing a ‘constellation of market towns’ and other centres like Ilkley, Otley, Wetherby.
 - Within our rural areas, amongst hills, dales and countryside are distinctive and vibrant places such as Settle, Hebden Bridge, Haworth, Holmfirth, and Penistone.

Annex B – Leeds City Region MAA Project Development Oct 2007/July 2008

Date	Task/Meeting	Outcome/Milestone
Oct-07		
8th	Leaders Board	Agreement to seek to develop LCR MAA
15th	Transport Workshop	Identify headline MAA priorities, outcomes and issues
18th	Engine Room (Project Team)	Agree outline timescales and development process including roles and responsibilities
24th	Connectivity Partnership	Update report
31st	MAA proposition	Headline skills and transport (and possibly housing) propositions worked up
Nov-07		
2nd	Engine Room	Agree headline propositions (benefits, scope, evidence, priorities, partners)
6th	Transport Panel	Update Panel on progress
8th	PAG	Update group on progress and seek support as appropriate
9th	Skills bilaterals and skills workshop scheduled	Schedule bilaterals (Nov/Dec) and Workshop (Dec)
12th	CX CR Group Paper	Paper drafted updating on progress
15th	MAA event, London	Engine Room/PAG representation?
16th	Directors of Dev	Update on progress for info and views/guidance
16th	Regional LAA Road show	Ensure alignment with LAA process - initial discussions with PAG and LAA Officers
16th	Skills and LM Panel Paper	Paper drafted seeking endorsement for outline skills proposition
19th	CXs Meeting	Confirm comfort with process
23rd	Skills and LM Panel	Approval for outline skills and LM proposition
23rd	NLGN MAA Event	National best practice/networking event and dialogue opportunity with DCLG
29th	Engine Room	Agree next steps re negotiation, filling gaps etc to include Nick Allan (CLG)
Dec-07		
3rd	Leaders Board	Progress to note
4th	Skills MAA Development Meeting	Development of Skills proposition
13th	LCR Business Leadership Group	Private sector input
17th	LAA Strategy Group	Alignment with LAA process
20th	Engine Room	Draft GOYH Status report for review
21st	GOYH Status Report	Submit to GOYH, including proposition, outline ask and linkages eg with LAAs
tbc	Consultation paper on Single Strategy	Identify any implications for MAA development
Jan-08		
8th	Interview with CLG (Hilary Russell)	To inform CLG MAA Network development
9th	Connectivity Partnership	Consultation on draft Transport proposition
10th	Policy Advisors Group	Status Report
10th	GOYH k.i.t.	Progress and next steps
11th	GOYH Transport k.i.t.	Focus on Transport Theme
10th	Connectivity Partnership	Consultation on draft Transport proposition
16th	GOYH k.i.t.	Progress and next steps
17th	Skills and LM Panel	Update group and seek guidance
18th	Directors of Development	Update group and seek guidance
21st	CXs Meeting	Seek endorsement of CXs for current proposals
22nd	GOYH Skills k.i.t.	Focus on Skills Theme
22nd	GOYH Transport k.i.t.	Focus on transport Theme

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24th	Transport Panel	Update group and seek guidance/endorsement as appropriate
29th	LAA Network meeting	Alignment with LAA process - Phase 2
30th	Engine Room (12.00-13.00)	LAA follow up, themes next steps
Feb-08		
5th	National CLG Networking event	Benchmarking/learning opportunity
7th	2nd Draft MAA	Circulate to ER and partners for comments
7th	Business Leadership Group	Private Sector consultation on skills proposition and transport governance
11th	Meetings with HA and DfT	Discussion of proposition with GOYH Transport, DfT and HA colleagues
12th	Municipal Journal MAA event, London	Round table with John Healey
15th	Skills Officer Group	Support MAA lead work of Skills and Labour Market Panel
19th	GOYH Transport k.i.t.	Focus on Transport Asks and DfT/GOYH Feedback to draft
21st	Leaders' Board	Endorsement of direction of travel
28th	GOYH Skills k.i.t	Focus on Skills Asks
Mar-08		
LA/Partner Consultation		
3rd	Session with Tees Valley	To discuss approaches on Transport
4th	GOYH Transport k.i.t.	
6th	Policy Advisors Group	To note progress
10th	Session with LCR Highways Officers	Workshop of senior officers to test asks and assumptions
13th	Engine Room (10.00-11.30)	Progress update and next steps
14h	Directors of Development	To look at revised draft MAA
17th	CXs Meeting	To endorse revised proposal
18th	Submission to GOYH/CLG	Whitehall consultation
17th	Connectivity Partnership	Asks review
19th	NLGN National Forum Launch	National benchmarking forum
28th	CLG/OPM Network event	National forum/update from CLG
Apr-08		
1st	Transport Panel	Review MAA progress and asks
2nd	Creative Skills Round Table	Develop potential skills proposals for the sector
7th	Leaders' Board	Options and proposals for endorsement
9th	Skills and LM Panel	Review of asks and further development
11th	FBS Skills Round Table	Test and refine skills proposals for the sector
16th	Transport k.i.t.	
22nd	Business Leadership Group	Test and refine skills proposals
25th	Engine Room (10.00-11.30)	Take stock and next steps re key issues arising
May-08		
1st	Transport 'mini-summit' Detailed draft asks and outcomes to GOYH/CLG	Partner workshop to refine detailed transport asks
2nd		Revised draft MAA for review/turnaround by relevant government depts
9th	Deadline for Directors of Dev papers	
12th	Deadline for CX papers	
14th	Transport k.i.t.	Follow up on summit
15th	Engine Room (10.00-11.30)	Final draft sign off
16th	Directors of Development	Briefing Directors of Development
19th	CXs Meeting, CLOG in attendance	Final draft for review
28th	Submission of final draft t to GOYH	Submission, subject to Leaders' Board approval on 12 th June
29th	Deadline for Leaders' Board paper	
Jun-08		
12th	Leaders' Board	Sign off and formal submission
end June	CLG Minister/Secretary of State	Government formal sign off

Annex C – LCR Transport Funding

The Transport Innovation Fund is a new funding source for schemes that include demand management. At this stage, there is no funding committed for schemes in the city region.

As part of the development of the city region Transport Vision, the availability of potential sources to fund the Vision have been reviewed. This highlighted the apparent disparity between the funding specifically allocated to schemes in the city region from the Regional Funding Allocation, compared with the proportion of residents, jobs and GDP. Prior to the announcement of the funding support for the Leeds New Generation Transport, this comparison highlighted only 20% of the RFA investment has been allocated to schemes in the Leeds city region, yet the city region attracts around 60% of the population and jobs, and generates a similar proportion of GDP per capita. If alternative funding sources are included, plus the funding allocated for Leeds NGT, this imbalance for the Leeds city region is less pronounced.

Table C-1 presents the committed funding sources for the region. The detailed funding profile is presented to 2015/16, although some funding sources have yet to be confirmed beyond 2010/11, and private sector funding, eg for new buses and Leeds Bradford Airport has not been factored in. Funding sources beyond 2016 are aggregated to a single total. Table C-2 presents a similar analysis for the city region only. There is relatively limited data available for Network Rail enhancements. The maintenance and renewals elements have been excluded from this analysis, and Network Rail has only published data to the end of Control Period 3 (up to 2008). Overall, the funding position for the Leeds city region, relatively to the overall Yorkshire and Humber Region is relatively positive, with around 76% of funding allocated to the city region. This overall conclusion masks a number of important trends:

- Authorities in the Leeds city region secure around 54% of LTP funding, which is not fully in line with the scale of the contribution made to the city region economy (See Section 1.3);
- The confirmation of £150m to fund the first phase of the NGT network in Leeds means a higher proportion of the Regional Funding Allocation will now be allocated to schemes in the city region, with around 75% allocated. A further £93m of headroom funding has been identified for the region, although the spend profile has been estimated. The proportion of the £93m allocated to the Leeds city region is unknown;
- About 74% of the identified funding allocated to schemes in the Leeds city region originates from the Highways Agency, although this will be dependent on the outcome of the ongoing cost review;
- Although 100% of Network Rail's enhancement funds are allocated to the Leeds city region, this outcome is a function of the limited information

available, and the current lack of information on investment in CP 4 is a barrier to aligning plans and funding.

Source	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016 +	Total (£m)
LTP	72.79	76.06	79.48	83.07	0.00	0.00	0.00	0.00	0.00	0.00	311.40
RFA	67.36	61.59	49.36	67.94	55.90	87.56	55.30	28.03	0.00	0.00	473.04
Network Rail	10.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.58
Highways Agency	46.20	39.20	41.37	107.93	133.80	207.30	257.50	257.50	183.20	334.00	1608.00
Others (TIF)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	196.93	176.85	170.22	258.95	189.70	294.86	312.80	285.53	183.20	334.00	2403.02

Table C-1 - Summary of Potential Funding Sources – Y&H Region (Source: Estimated by Arup)

Source	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016 +	Total (£m)
LTP	38.48	40.81	43.29	45.92	0.00	0.00	0.00	0.00	0.00	0.00	168.51
RFA	34.96	46.16	39.15	13.77	11.64	55.30	55.30	27.65	0.00	0.00	145.68
Network Rail	10.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.58
Highways Agency	38.70	38.70	38.70	103.20	129.00	193.50	193.50	193.50	103.20	258.00	1290.00
Others (TIF)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	122.72	125.68	121.14	162.89	140.64	248.80	248.80	221.15	103.20	258.00	1753.02

Table C-2 - Summary of Potential Funding Sources – Leeds City Region (Source: Estimated by Arup)

Source	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016 +	Total (£m)
LTP	53%	54%	54%	55%	0%	0%	0%	0%	0%	0%	54%
RFA	52%	75%	79%	20%	21%	63%	100%	99%	0%	0%	60%
Network Rail	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Highways Agency	84%	99%	94%	96%	96%	93%	75%	75%	56%	77%	80%
Others (TIF)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	62%	71%	71%	63%	74%	84%	80%	77%	56%	77%	73%

Table B-3 - Summary of Potential Funding Sources – % Allocated to Leeds City Region

The total proportion of funds allocated to schemes in the Leeds city region, as a proportion of the total for Yorkshire and Humber is shown in Table B-3 to be relatively high. However, this outcome is dependent on a number of factors. For example, costs for the M1 and M62 widening prepared by the Highways Agency has been included, and a spend profile has been estimated. However, the proposed costs for the £1.29bn widening scheme are still being reviewed, and the project scope could be revised. The Highways Agency investment accounts for around two-thirds of committed investment for the Leeds city region. If this cost review meant the project scope was reduced, leading to plans for motorway widening being superseded by smaller scale measures, this will significantly reduce the overall proportion of total investment available for our city region.

The additional £93m headroom funding available for Yorkshire and Humber under RFA represents another opportunity. Scheme promoters are currently developing proposals, and a proportion of this investment could be allocated to schemes in the Leeds city region. If authorities in the city region were successful securing a share of this RFA funding, this would further increase the proportion of revenue allocated.

Annex C – Leeds City Region governance arrangements

Transport Panel - Membership	
Chair	Member of the Leaders' Board
Deputy Chair	Member of the Leaders' Board
Council representatives	Member representatives of four constituent councils (councils not represented by the Chair or Deputy Chair)
Yorkshire Forward	Board Member/Executive Director
YH Assembly	Executive Board Member
Government Office	Director level officer
Business Representative	Business Leadership Group
WYPTEs' representative	Chair / Chief Executive
SYPTE representative	Chair / Chief Executive
Highways Agency	Director
Network Rail	Director

Skills and Labour Market Panel Membership	
Chair	Member of the Leaders' Board
Deputy Chair	Member of the Leaders' Board
Council representatives	Member representatives of four constituent councils (councils not represented by the Chair or Deputy Chair)
Yorkshire Forward	Board Member/Executive Director
Government Office	Director level officer
Business Representative	Business Leadership Group
YH Reg. Skills Partnership Board	Chair / Director
Universities	Knowledge Transfer Director
LSC	Regional Director
WY Employers Coalition	Director
Job Centre Plus	Director

SNR Consultation Document: Joint RDA* and LGA Statement

- Local government and RDAs are jointly committed to helping the Government successfully implement the SNR to achieve increased sustainable economic growth.
- We welcome the strengthened role for local government in economic development.
- A whole system and integrated approach is vitally important to ensure real economic growth, including areas such as skills and housing, as well as innovation and enterprise and the culture agenda.
- We agree that planning, which affects property rights and the character of communities, needs to be anchored in democratic political processes, with political responsibility taken at the appropriate level for different orders of planning decisions.

Regional Strategies

- We welcome the introduction of a single Regional Strategy which integrates spatial and economic strategies and sets out a clear vision for the next 15-20 years of how and where sustainable economic growth should be delivered.
- We support the principle of a minimal legislative framework set by Parliament, allowing partners in each region to develop their own approaches to implementation.
- We support the need for a robust and rigorous shared evidence base within each region, which should be based on the existing regional evidence base and the new economic assessments prepared by Las, often working together as sub-regions.
- We endorse the approach that the strategy will result in a strategic alignment between national, regional and local spending plans and the expectation that it will influence the policies and investment decisions of central government departments, public agencies and private investment.
- We agree that RDAs will have executive responsibility for developing the strategy and that local authorities will be fully involved in its preparation from the outset; that there will be effective engagement with stakeholders; and that councils will bring to the process their elective mandate to help ensure that it commands support across the region.
- We agree that there will be a joint agreement of the draft strategy by the RDA Board and Leaders' Forum before it is submitted to Government, that strategies should only be submitted to Ministers when they are agreed; and that local authorities and RDAs should endeavour to agree regional strategies in their regions, seeking ministerial intervention only as a last resort.
- We are keen to ensure that there can be a smooth transition to the new arrangements set out in the SNR; we also want to ensure that capacity is not lost from the system as the result of uncertainty; we would therefore support making provision in the current Planning Bill to allow consensual transfers of staff and activity from Regional Assemblies to RDAs, where partners in each region agree that is what they wish to do.

Scrutiny

LAs will develop new arrangements for exercising scrutiny powers at a regional level which will be based on the principles of being complementary to national arrangements and set in the context of parliamentary regional committees. Local authorities in each region will scrutinise a wide range of partners (not just RDAs) on the delivery of the Regional Strategy.

Regional Funding Allocations

- We welcome the second round of the RFA exercise as a means of regional partners influencing the shape of government spending, particularly inclusion of the Housing and Communities Agency resource, and wish to see the RFA begin in 2009-10.

Skills

- We believe adult skills are a crucial element of economic development and that decision-making on adult skills and training priorities should be devolved to partnerships involving both RDAs and councils at the level of real economic geography.

Joint Working & Delegation

- We support the principle that RDAs should be business-led and that they will continue to manage the single pot to fund economic priorities.
- Within this context we welcome the move to a more programme-based approach to budget management and more clarity on the level of investment activities and policy interventions best delivered sub regionally or locally.
- In line with an effective investment planning process between RDAs and local government, we recognise that a 'spectrum' of delegation will be appropriate, with activities, subject to capacity, occurring primarily at three levels:
 - Regional delivery by the RDA e.g. responding to economic shocks, inward investment, innovation
 - Regional or sub regional delivery through others e.g. Business Support, MAS; and
 - Sub-regional level with delegation to local authorities and other organisations, including through developments such as Multi-Area Agreements (MAAs).
- We will jointly explore in each Region how, within current legislative constraints, greater flexibility in terms of delegation can be given to LAs to meet agreed outcomes and yet retain appropriate accountability.
- We support the principle that LAs will continue to promote economic development in a way that increases sub-regional collaboration where appropriate and in line with the regional strategy.

* London's unique governance arrangements mean that the London Development Agency is not a signatory to this statement



Local Government Yorkshire and Humber– Yorkshire Forward Joint Position Paper

The co-ownership of the development and delivery of an Integrated Regional Strategy for Yorkshire and the Humber

1. Introduction

1.1. This position paper describes the proposals for a joint approach between local government and Yorkshire Forward to the development and delivery of a single, integrated regional strategy (IRS) for the Yorkshire and Humber region to ensure co-ownership from the outset. The report builds on earlier discussion between local authority Leaders and Yorkshire Forward's Board which agreed to the adoption of a joint approach to SNR implementation and the Integrated Regional Strategy (IRS). The position paper was agreed in principle by local authority Leaders and Yorkshire Forward's Board at a meeting on 9th June 2008.

1.2. The relationship between local government and Yorkshire Forward is pivotal to the delivery of the aspirations of the SNR, namely 'unleashing the economic potential' of local authorities and the regions within which they sit. The SNR consultation document refers to co-ownership of the IRS between local government and the RDA. This paper outlines proposals for co-ownership in the Yorkshire and Humber region: it sets out a suggested process for developing and agreeing the IRS, starting with, and building upon, the new economic assessment responsibilities to be placed upon upper tier local authorities; it describes the key role to be performed by functional sub regions; it sets down proposals for a Strategic Leaders Board to work closely alongside representatives of Yorkshire Forward's Board; and, finally, it details proposals for regional thematic boards.

1.3. There are a number of elements to the proposed partnership between local government and the RDA:

- a) A 'strategic relationship' – primarily to develop and deliver the IRS, but also to influence national policy and investment (through a revised Regional Funding Allocations (RFA), for example);
- b) Scrutiny – a new role of scrutinising RDA performance for local government; and
- c) Delivery and delegation – ongoing delivery relationships and increasing the delegation of appropriate elements of Yorkshire Forward's funding via geographic programmes and investment planning.

1.4. The proposals set out in this paper focus on the first element, the strategic relationship, and recommendations are made in the paper with respect to the complex partnership arrangements that will be called for to enable local authorities and the RDA to work effectively together, in a collegiate fashion, at a strategic level. No extensive comment is offered at this stage about the style

and approach of such collective working but, if the proposed architecture is to enjoy the confidence of partners, it is recognised that a rigorous and persuasive use of data and analysis (to understand need and priority) will need to lie at the heart of the arrangements, and that the arrangements will also need to build in opportunities for all local authority Leaders, and the full Yorkshire Forward Board, to comment upon, and influence, drafts of the IRS as the strategy's development proceeds.

1.5. In adopting the above approach, it is recognised that questions will remain about the other two elements (identified in 1.3 b) and c) above), and therefore it is important to be clear about how these will be addressed going forward:

a) The role of scrutiny within any new arrangements will be important, both in holding decision-makers to account and helping guide future developments. Within future scrutiny arrangements there is a clear role for other stakeholders (i.e. SEE partners). However, there is still much work to be done in terms of reconciling local-regional arrangements together with the proposed parliamentary scrutiny outlined in SNR and the Governance of Britain Green Paper. For instance, the Select Committee on Modernisation is due to report shortly on possible parliamentary scrutiny.

b) The arrangements for delegation of funding are also part of current considerations by government departments. Plainly such matters are complex (i.e. to who and when will delegation take place) and much work is already underway via the ongoing development of geographic programmes and investment planning. There is also the matter of determining capacity.

1.6. This paper sets out some key proposals for local government and Yorkshire Forward. In agreeing this joint position paper, partners recognise that further work must be undertaken on the other issues outlined in 1.4 and 1.5 above. Similarly, agreement on the arrangements proposed in this report will allow further discussion on the transition arrangements to facilitate the changes of organisational responsibility set out in the SNR, including the future role of Local Government Yorkshire and Humber (LGYH).

2. Purpose of single, integrated regional strategy

2.1. The SNR seeks to bring together a number of regional strategies into a single, integrated regional strategy. This is intended to provide the region with a vision of 'how and where sustainable economic growth would be delivered'¹. Whilst the focus is on bringing together on the economic (i.e. RES) and spatial (RSS), the IRS will incorporate a range of other regional strategies and frameworks – i.e. housing, transport, culture and sustainable development.

2.2. In regard to the scope of the IRS and the arrangements proposed in this position paper, it is important to emphasise that these focus primarily on those economic issues to be contained within the IRS. The proposals are not intended to reflect all the business of local government currently undertaken at a regional level nor all the business of the RDA. Further consideration will need to be given as to how issues outside of the scope are addressed at a regional level: for example, the extent to which the work of LGYH falls within the scope.

¹ SNR, 2008, p7

2.3. The preparation of the IRS will be further clarified in time and more guidance is expected on the details following the SNR consultation process. However, the SNR consultation document stresses the need for its development to be 'robust, transparent, open and efficient'².

3. Building from the Local upwards

3.1. At the core of SNR is the principle of subsidiarity - that things should be built up from the local level and that there is an onus on 'doing things at the right level' to achieve the objective of sustainable economic growth.

3.2. This is reflected in the RDAs having a more strategic role in guiding sustainable economic growth and seeking to delegate delivery to the most appropriate level. The SNR details those areas where RDAs will retain a regional role, but over time the expectation is that they will focus on the strategic elements for the region and will delegate an increasing amount of funding to those best placed to deliver economic improvements.

3.3. Local authorities' role in economic development has been reinforced and the SNR contains a number of proposals to improve economic performance and regeneration at the local level, such as the preparation of local economic assessments to guide priorities and interventions. For many activities, the focus will be on local delivery (and corresponding delegation). However, in discharging these responsibilities, authorities will have to have increasing regard to what is happening beyond their administrative boundaries.

3.4. Plainly issues will need to be addressed at the level most appropriate to do so, starting from the local level, and there will be a mixture of priorities that are local, sub regional and regional. National government has also indicated that it will outline its priorities for regions. For many issues that the IRS will address, it makes sense that authorities, where they choose to do so, come together to work at the level of the functional economy.

4. Functional sub regions

PROPOSAL 1: Each functional sub region:

- Will undertake the appropriate level of economic analysis to inform IRS development, building on individual local authority's local economic assessment;
- Building on the economic analysis, determine the priorities for investment at the functional sub region level; and
- Input into land use proposals for the IRS

This work will be agreed by the relevant Leaders group in the functional sub region with input from the representatives of Yorkshire Forward's Board.

4.1. As part of the SNR implementation process, it is important that as a region we are clear on what arrangements we want at which level. As the rationale for SNR and delivering the IRS is primarily an economic one, then it is both sensible and appropriate that local authorities organise themselves to develop policy and

² SNR, 2008, p32-33

deliver on relevant, strategic economic issues on this basis – i.e. as **functional sub regions**.

4.2. The economic geography of the region is complex, with a large number of interconnected towns and cities, together with a significant rural area, largely to the North of the region. Work undertaken to date, largely in response to the Northern Way, has identified three functional sub regions where there is a large degree of inter-relationships and interdependency, i.e. -

- a) The Hull & Humber Ports City Region:
- b) Leeds City Region
- c) Sheffield City Region

4.3. In addition to these three functional sub regions, which are focused around the major settlements, arguments have been advanced in support of a fourth area characterised by a largely rural economy, focused on North Yorkshire (and including for these purposes, York). It is proposed that the North Yorkshire area is included as a fourth functional sub region.

4.4. The boundaries of these functional sub regions are overlapping: the Leeds and Sheffield City Regions both influence to a significant extent Barnsley; and the Leeds City Region similarly influences the North Yorkshire rural economy, as identified above. The rationale for working across functioning economies means that some flexibility is required around boundaries. This will be an added complexity but should not preclude moving forwards on this basis.

4.5. Good progress has been made in the region in developing arrangements at the functional sub regional level. The existing city region partnerships are at different stages of development. They have all been building their capacity to collaborate on economic issues, investment and strategy alignment. Formal governance arrangements are in place or are being developed. At an operational level there has also been some joint work between the Leeds City Region and North Yorkshire Partnership around investment planning and capacity.

4.6. Strong and effective input from the functional economic sub regions is a core component of the IRS. Under the new arrangements, each functional sub regional level:

- a) Will undertake (or would determine how to present) the appropriate level of economic analysis to inform IRS development, building on individual local authority's local economic assessment;
- b) Building on the economic analysis, determine the priorities for investment at the functional sub region level; and
- c) Input into spatial planning proposals for the IRS.

4.7. It will be important that there is a good working relationship between the functional sub regional governance arrangements and Yorkshire Forward's Board. This will help strengthen joint working and help towards resolving issues on the IRS before they are discussed at a regional level. Consideration needs to be given about how best to nurture a more direct relationship between the two partners at this level.

5. A 'Strategic Relationship': Between the Strategic Leaders Forum and Yorkshire Forward's Board

PROPOSAL 2: A strategic relationship between the Strategic Leaders Board and Yorkshire Forward's Board will be at the heart of the joint working arrangements. The purpose of the strategic relationship will be to work towards agreement on the IRS, by adopting a joint approach to the development, agreement and delivery, and regional decisions on investment (such as RFA), policy and influencing with national government.

- 5.1. Proposals for the make-up of the strategic relationship are set out below:
- a) Strategic Leaders Board (SLB) – The SNR is clear that at a regional level local government need to come together in streamlined, strategic, representative and accountable way. The proposal is that the functional sub regions nominate representatives onto the SLB - 2 per functional sub region. The SLB will provide key input to the direction and development of the IRS; and sign off the IRS prior to its submission from government.
 - b) Yorkshire Forward's Board (YFB) – Under the new arrangements, it is proposed that the RDA nominate a group of members from their main Board to work with the SLB (so arrangements mirror one another). This group will provide key input to the direction and development of the IRS; and sign off the IRS prior to its submission from government.
- 5.2. It is proposed that the local authority representatives on Yorkshire Forward's Board are not included as part of the SLB. This is to avoid confusion of roles.
- 5.3. The main aim of the strategic relationship is to seek to agree IRS jointly; work on and agree regional investment decisions (such as RFA); and work for the region on strategic, economic matters. The strategic relationship would have a key role in making recommendations back to Ministers, for example.
- 5.4. In the development of the IRS and the implementation of the SNR, there are a number of decisions that need to be taken jointly. These are:
- a) Joint commissioning of regional boards (see below);
 - b) Sign-off of project plan for preparing the IRS;
 - c) Sign-off of IRS evidence base (a formal sign-off of the underpinning analysis which will inform the development of the IRS);
 - d) Joint commissioning of Environmental Impact Assessment to inform IRS development
 - e) Sign-off of the IRS prior to submission to Government;
 - f) Sign-off of the Regional Funding Allocations prior to submission to Government;
 - g) Sign-off of the IRS delivery plan (the delivery plan will identify roles and responsibilities in IRS delivery).

Annex D

5.5. Both sides of the strategic relationship will come together to reach agreement on the content of IRS and RFA. Issues will either be agreed by both parties or not agreed. It is not proposed to have joint voting on issues and therefore decision-making is not dependent on the numbers on either side of the relationship. Both sides of the strategic relationship will have responsibility for reporting back via their respective 'constituencies' – i.e. the region's 22 LAs or the YFB, and final ratification of the IRS would be held by these groups.

5.6. The SNR consultation indicates that where agreement cannot be reached, the matter is referred to Ministers by the RDA (the IRS needs to be jointly signed off by both Secretaries of State (DBERR & DCLG)). The proposal from the Yorkshire and Humber region is that where SLB and YFB are unable to reach agreement, an appropriate regional board (see below) will be tasked to provide a way forward, if agreement still cannot be reached after this the submission to Ministers would set out both sets of arguments with supporting evidence.

6. Regional Boards

PROPOSAL 3: Strategy integration is a core principle of the SNR. The IRS will encompass economic development, planning, housing and transport in its pursuit of sustainable economic growth. In developing, agreeing and delivering the strategy it will be important to ensure strong ownership and expertise across these themes whilst at the same time working towards alignment and integration. It is proposed that a small number of thematic regional boards are commissioned by SLB/YFB to input into the development of the IRS and ensure effective delivery by monitoring and reviewing the IRS.

6.1. Four thematic regional boards are proposed

- a) **Spatial Planning** - Chaired by Local Government, deputy Chair nominated by YFB;
- b) **Regeneration and Housing** - Chaired by Local Government, deputy Chair nominated by YFB, this Board will also have a direct role in advising the Homes and Communities Agency;
- c) **Work and Skills** - Chair nominated by YFB, deputy chair Local Government. This Board will replace the current Regional Skills Board and have a direct role in advising the LSC (and its successor agencies);
- d) **Transport** - Chair nominated by YFB, deputy chair Local Government.

6.2. The Strategic Leaders Board and Yorkshire Forward's Board via the strategic relationship will agree the membership of each Board; but membership will include representation from the functional sub regions, expert observers, key agencies and stakeholders.

6.3. The thematic regional boards will be commissioned to support the strategic relationship in the development and delivery of the IRS. It is the partners, through the strategic relationship, that will agree and sign-off the IRS.

Annex D

6.4. The regional boards are intended to support the SLB/YFB in their strategic relationship and their terms of references will be focused primarily on that role.

6.5. In addition to the four thematic regional boards, we propose an Independent Board to ensure that the principles of sustainable development and economic opportunity for all are fully ingrained in the development and delivery of the IRS. This Board will be chaired by an independent/expert chair to work with SLB/YFB and the thematic advisory boards and provide expert input and to test IRS development and delivery against the principles of sustainable development, diversity and leadership and ambition.

7. Regional Conference

7.1. Proposals Two and Three focus deliberately on the core YFB/SLB partnership: however in ensuring wider buy-in, commitment and understanding it will be important to engage with a broader set of stakeholders.

PROPOSAL 4: We propose the establishment of an annual Yorkshire and Humber Conference which will invite key regional and national stakeholders to consider, in the first instance, the vision and ambition the region has for the IRS, and subsequently consider progress

8. Review Process

8.1. As the arrangements set out within this paper are new and reflect the emerging thinking of government, it will be sensible to establish a regular review process to keep abreast of developments and allow each side to keep in touch with their 'constituency'. It is therefore proposed that an annual report is jointly prepared by YFB/SLB which is reported back into their respective 'constituencies'.

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Executive

15 July 2008

Report of the Director of City Strategy

Future of York as a “Thriving City”

Part B: Local measures to retain York as a “Thriving City”

Summary

1. The country is facing increasingly difficult economic circumstances. However, because of decisions taken in the past, York is in a position to capitalise on a relatively robust economy. Now is the time to take further actions to ensure that the benefit is spread amongst all – businesses and individuals. There is no room for complacency in an economic downturn and this paper suggests actions, which will help ensure that negative impacts are minimised, and, relatively speaking, York remains a Thriving and Inclusive city through a difficult economic period.

Background

2. The UK economy, in common with most globally is facing an economic turndown, which will be characterised by a sustained period of below trend growth, higher inflation and rising unemployment.
3. A number of economic forecasts gives confirmation to this thinking: -

Forecasts	<i>2008</i>	<i>2009</i>
<i>GDP Growth</i>	1.6%	1.3%
<i>CPI (Consumer Price Index)</i>	3.3%	2.2%
<i>Unemployment Claimants</i>	0.89m	1.0m

4. However, York’s economy in recent times has out-performed those regionally and nationally and this was clearly demonstrated in the Future York Group (FYG) report. The report set out the comparative strengths of York in terms of:
 - Gross Value Added (GVA)
 - Employment growth
 - Level of Qualifications and Skills
 - Wage Rates

- Business Investment
 - Employment Levels
5. The Future York Group Report went on to conclude that York's previous growth trend is likely to continue subject to a number of constraints being addressed and a programme for dealing with these has already been the subject of a previous report on the future of the York economy.
 6. The latest indicators available continue to support the FYG's conclusions that York's strong performance is ongoing and is robust and has the capability of continuing to be so: -

Economically active (Oct 2006-Sep 2007)

	York (numbers)	York (%)	Yorkshire and The Humber (%)	Great Britain (%)
Economically active [†]	106,500	81.0	77.7	78.6
In employment [†]	102,000	77.5	73.3	74.3
Employees [†]	90,900	69.8	65.0	64.6
Self employed [†]	10,500	7.3	7.9	9.3
Model-based unemployed [§]	4,100	3.9	5.5	5.3

Source: ONS annual population survey

Working age population (2006) – York has a high percentage of residents of a working age

	York (numbers)	York (%)	Yorkshire and The Humber (%)	Great Britain (%)
All people - working age	124,600	64.9	62.2	62.2
Males - working age	64,600	69.1	66.2	66.1
Females - working age	60,000	61.0	58.4	58.6

Source: ONS mid-year population estimates

Earnings by residence (2007) – York's wages are relatively high

	York (pounds)	Yorkshire and The Humber (pounds)	Great Britain (pounds)
Full-time workers	451.3	425.0	459.0
Male full-time workers	478.8	470.0	500.7
Female full-time workers	404.2	355.5	394.8

Source: ONS annual survey of hours and earnings - resident analysis
Gross weekly pay

Total JSA claimants (May 2008) – York has a lower figure of people seeking Job Seekers Allowance

	York (numbers)	York (%)	Yorkshire and The Humber (%)	Great Britain (%)
All people	1,811	1.5	2.5	2.2
Males	1,279	2.0	3.6	3.1
Females	532	0.9	1.3	1.2

ONS claimant count with rates and proportions

Jobs density (2005) – There are more jobs available in York per head of population than is the case regionally and nationally

	York (jobs)	York (density)	Yorkshire and The Humber (density)	Great Britain (density)
Jobs density	111,000	0.91	0.81	0.84

Source: ONS jobs density

7. This relatively positive position should not encourage complacency and this is already recognised in two significant drivers for Council action: -
- Business and consumer confidence are key measures and now need to be strengthened if growth is to be achieved and the impact of a downturn minimised. City of York Council's lead in taking early action will demonstrate civic commitment and give a sound rationale for maintaining local business confidence.
 - During a downturn, the tendency is for the most disadvantaged to be the most affected. This is because they tend to have the lowest amounts of savings, if any, which might tide them over temporary economic difficulties. They also often have the least secure employment.

Proposals

8. This report therefore proposes a package of measures designed to reinforce York's ambition to be a thriving and inclusive city by mitigating the impact in York of the downturn. However, firstly there is a need to consider what is already in place and should be built upon:-
- i) What the City of York Council has already done for businesses: -
- commissioned the Future York Group Report and acted upon it
 - developed with partners a fit for purpose company limited by guarantee to deliver the Science City York initiative
 - developed with partners a fit for purpose company limited by guarantee to deliver tourism services – "Visit York"

- built a state of the art small business facility at Clifton – the Eco Business Centre
 - approved major planning applications with significant employment potential with others to follow subject to negotiations
 - with partners put the new Business Link Yorkshire services in place
 - With partners generated and approved a new sustainable Community Strategy with its dedicated “Thriving and Inclusive City” component
- ii) What the City of York Council has already done for individuals: -
- Agreed on the Westfield Pilot Project in response to the new Index of Multiple Deprivation findings. Lessons learned from this are to be rolled out to other areas of need.
 - Produced national award winning information advice and guidance services through Future Prospects whose impact will be even more important in a downturn
 - York Training Centre with its services focussed on dealing with marginalised and excluded youngsters
9. Confirmation has recently been received regarding the receipt of £690K of Local Authority Business Growth Initiative (LABGI) grant. This together with tight financial management in “times of plenty” means that City of York Council now has the opportunity to make strategic “one-off” investments. However, in order to make such expenditure fully effective, consultation will be required with the city and particularly its business community. A new Economic Development Partnership Board is in the process of being established under a new chair and in support of this it is anticipated that a Business Forum (run by local business interests) will have its inaugural meeting in September.
10. We propose therefore to undertake a process of consultation with business, voluntary sector, key partnerships such as the City Centre Partnership and other Leaders in the city to identify a package of measures which will have the greatest impact on:
- a) Enhancing consumer confidence
 - b) Supporting local business
 - c) Helping the hardest hit
11. Among the options we shall discuss are:
- Enhancing consumer confidence
- i) Closer business engagement through “Visit York” including working with businesses to identify and resolve skills and training needs
 - ii) Develop innovative measures through membership of the Golden Triangle Partnership to help those in mortgage arrears

Supporting local business

- iii) Closer working with york-england.com to promote inward investment and undertake stepped up key account management activity
- iv) The City of York Council's City Strategy Directorate will give priority to advising business interests on their proposed planning applications, whether for new business or expansion
- v) The City of York Council will seek ways in which a £50k investment from Norwich Union to establish a fund to support new business start up in York could be matched. Initial discussions on this are already taking place with the Chief Executive of York Business Advisory Centre who will manage the new Eco Business Centre

Helping the hardest hit

- vi) Maximising the effect of new European funding targeting those out of work
- vii) Working with the Citizens Advice Bureau to help deliver debt counselling services
- viii) Working with York Credit Union on ways that it can offer financial management training to individuals and to strengthen the Union balance sheet for the next twelve months
- ix) Speeding up the process involved with the take-up of City of York Council benefits
- x) Undertake actions within the Westfield Pilot project to: -
 - Form a residents group with appropriate Development Training
 - Develop and deliver at least one activity targeted at each of the 7 Index of Multiple Deprivation domains
 - Produce and deliver regular newsletters

All of the above to provide best practice guidance for roll out in other areas in the city suffering multiple deprivation.
- xi) Undertake, in partnership with the Citizens Advice Bureau and the Primary Care Trust, the publishing of accessible advice on "money saving" covering; -
 - Energy bills
 - Cheaper travel options
 - Health and good value food shopping
 - Leisure options

- xii) We will encourage through our procurement strategy. local, small and medium size businesses to successfully bid for our contracts

Options

12. The Executive could choose to investigate the whole package above or could select a number of initiatives for further consideration, or decide to do nothing at all. However, in the economic downturn it is incumbent on the City of York Council as a civic leader to set a climate for economic success, simultaneously delivering on the social inclusion agenda.
13. It is proposed that consultation will take place over the summer and will involve initially our partners on the Local Strategic Partnership and then other key stakeholders across the City including :
- The Chamber of Commerce
 - Major employers
 - Voluntary Sector
- It is expected that a costed set of proposals will be brought back to the Executive at the end of September.

Strategic Alignment

14. This approach would support the City of York Council's commitment to making York both a Thriving City and an Inclusive City as encapsulated in the newly approved Sustainable Community Strategy.

Financial Implications

13. None at present

Equalities

14. The proposals set out in paragraph 8 support the Inclusive City theme of the Sustainable Community Strategy.

Recommendations

15. Members are asked to approve for consultation the package of actions contained in paragraph 8, together with any others which may be agreed in discussion.

Contact Details

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Director of City strategy
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Bill Woolley
Director of City Strategy

Report Approved



Date 3.7.08

For further information please contact the author of the report

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Executive**15 July 2008****Report of the Director of Housing and Adult Social Services****Approval of the Homeless Strategy 2008 to 2013****Summary**

1. This report asks the Executive to note the review of the homeless strategy and approve the contents of the strategy that will cover the period between 2008 and 2013. The strategy is required to be submitted to Communities and Local Government by the end of July 2008. It has already been endorsed by the Executive Member for Housing and Adult Social Services.

Background

2. The City of York Council has a duty under s.1 (4) of the Homelessness Act (2002) to publish a homeless strategy every five years. The first strategy was published in 2003.
3. Key targets in the 2003/08 strategy were to;
 - Minimise Rough Sleeping the average is around 4. At the last street count there were 2 Rough Sleepers
 - Halve the use of temporary accommodation by 2010 to 121. At the end of March 2008 there were 209 households in temporary accommodation.
 - End the use of Bed and Breakfast accommodation for families. At the end of March 2008 there were 4 families in B&B - none for more than six weeks
 - End the use of Bed and Breakfast for 16-17 year olds by 2010. At the end of March 2008 there were two 16/17 olds in B&B.
4. Beyond these targets there have been some significant achievements in the last five years.

Partnerships – Re-establishment of the landlord forum, protocols with children's services and offender management, establishment of a registered social landlord forum and resettlement multi-agency training.

Advice and prevention – New allocations policy with the choice based lettings element and priority given to resettlement and potentially homeless, Training sessions for new tenants and increasing resources going into prevention work.

Accommodation – Refurbishment of Howe Hill and the travellers site, the opening of the new women's aid centre, increasing the section 106 quotas to 50% and the development of the new Arclight and Peasholme resettlement centres.

Consultation

5. The development of the strategy and ultimately the monitoring of the action plan have been overseen by a Homeless Strategy Steering group. The membership of this group reflects the fact that the issues of homelessness are far reaching and effect a wide range of services. Membership includes The Primary Care Trust (PCT), The Probation service, resettlement services, Supporting People, Learning, Culture and Children Services, Registered Social Landlords, the voluntary advice agencies (HARP) and Housing Services. The Homeless Strategy Steering Group signed off the final draft on 21st May 2008.
6. A significant part of the review has been to consult with stakeholders and customers. Between June 2007 and February 2008 City of York Council led a number of reviews aimed at increasing understanding and knowledge of homelessness and homelessness services in York. The reviews took many different forms including external inspection, peer review; staff self-assessment and extensive service user consultation. The user consultation included individual users completing a user survey and running group discussions on what the services are like now and how they could be improved
7. The key findings of the consultation with customers/stakeholders are available on request.
8. Following the completion of the review of the strategy the draft documents have been shared with stakeholders and customers at events held in April 2008. The feedback from these sessions was that the strategy was well received, it had captured the main issues in a form that was concise and easy to read and the action plan was challenging.

Options

Option one

9. To endorse the review of the homeless strategy.(See appendix A)

Option Two

10. To ask for amendments to the homeless strategy (Appendix A)

Analysis

11. The overarching aspiration of the strategy is to eradicate the use of emergency accommodation and move away from a reactive approach to homelessness. Taking a planned route toward rehousing and independent living is key to reducing the need for temporary accommodation.
12. Within the strategy there are four key strands
 - **Partnershipworking** – Only through the development of partnerships and development of the shared objectives within this strategy will the city successfully achieve its targets. Critical to this has been to align the strategy with other relevant strategies. A full list of these are available on request. The National Indicator 156 to halve the number of households in temporary accommodation is now a key priority within the Local Area Agreement.
 - **Advice and information and prevention** – Prevention advice is key to planned housing and significant emphasis has been put in this area. A wide range of services contribute directly and indirectly to the prevention of homelessness, from those improving people's education and skills and identifying and supporting those at risk at an early stage, through to those ensuring an adequate supply of affordable housing.
 - **Accommodation** – Improving the quality and redesigning the use of temporary accommodation to support a planned move on approach will be critical to the strategy over the next five years. Equally important is the need to satisfy the demand for accommodation. National Indicator 155 - Number of affordable Housing delivered - is also a key indicator within the local area agreement. The supply of accommodation is critical to achieving the target of halving the number in temporary accommodation. The annual level of casual vacancies in the council's own stock has reduced by 20% in the last twelve months. 2007/8 the level of new affordable housing generated is expected to be approximately 50 homes and over the next two year the target is 425 affordable homes.
 - **Support Services** – These will need to develop towards providing support that either sustains customers in their existing accommodation or provides them with the tools that will ensure they are able to sustain independent living.
13. Details of what is required over the next five years are contained within the action plan which is available on request.
14. To achieve the aims set out in the action plan there is a need for both members and stakeholder agencies to adopt new working practices, develop

forward thinking and dynamic policies and pro-actively address the future challenges

Corporate Priorities

15. The Homeless strategy is closely linked to various strategies and priorities. In terms of the corporate priorities it is critical to the following priorities.
 - Increase peoples skills and knowledge and improve future employment prospects
 - Improve the economic prosperity of the people of York with a focus on minimizing income differentials
 - Improve the health and lifestyles of the people of York, particularly amongst groups whose levels of health are the poorest
 - Improve the life chances of the most disadvantaged and disaffected children, young people and families in the City
 - Improve the quality and availability of decent affordable homes in the City
 - The Council will provide strong leadership for the city using partnerships to shape and deliver the Sustainable Community Strategy for the city

Financial Implications

15. There are no direct financial implications arising from this report. However, it may not be possible to deliver all the actions contained in the strategy within the existing resources allocated to homelessness services. The financial implications of delivering the strategy will therefore need to be kept under review and will be reported to the Executive Member for Housing and Adult Social Services.

Equalities Implications

16. As part of the process of reviewing the homeless strategy an equalities impact assessment has been completed.

Legal Implications

17. The Review and Strategy are legal requirements under the Homelessness Act 2002.

Risk Management

18. The risk is that the council doesn't achieve its targets to reduce the number of households in temporary accommodation. These target are set out in the action plan and are in the council's Local Area Agreement. Within the strategy and the action plan there are measures to ensure that the risks are mitigated.

19. The risk/s associated with the recommendation of this report are assessed at a net level below 16. The risks have been assessed as moderate at 14, the strategy will be regularly monitored at the Homeless Strategy Steering Group.

Recommendations

20. The Executive are asked to approve the strategy (Option 1) and its submission to Communities and Local Government Department by 31/7/2008

Reason : It is a legal requirement that the council has a Homeless Strategy

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Report Approved **Date** 19th May 2008

Bill Hodson
Director of Housing and Adult Social Services

Report Approved **Date** 19th May 2008

Specialist Implications Officer(s)

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Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers:

2003/08 homeless strategy

Action plan for Homeless Strategy 2008/2013

List of links to other strategies

Outcomes form consultation

Annexes

Annex A - Draft Homeless strategy

Appendix A

York Homelessness Strategy 2008-2013

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2. The York context

3. Homelessness services

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Homelessness in York – key facts

Wider review of homelessness services

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6. Keeping the strategy relevant

Appendices:

A. Homelessness Strategy Action Plan

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Foreword

This strategy outlines our vision for homelessness services in York.

It sets out the evidence on which our strategic aims and future priorities have been based. It demonstrates our plans for reducing the number of people who experience homelessness and how we will provide best possible services for those people whose homelessness we are unable to prevent.

The strategy seeks to build upon the key achievements delivered since publication of the first homelessness strategy in 2003. Since then improvements have been made in terms of our knowledge of how people can become homeless and how we can prevent it.

The effects of homelessness are felt not only by individuals and their families but also impact on the wider community. It is important therefore that our efforts to tackle homelessness are seen as part of a bigger picture, which includes tackling the causes of social exclusion while improving access to health and social care services.

The strategy sets out how we will build on multi-agency working to prevent homelessness and continue to make the best possible use of all partners' expertise and resources in this area. We look forward to regularly reviewing progress in the years to come to ensure that the strategic aims set out in this strategy are achieved.

I am grateful to all those who have helped to put this document together. Working as a team, I believe the City can eradicate the heartache that the threat of homelessness presents to many of our citizens.

Cllr Susan Galloway
Executive Member for Housing and Adult Social Services

July 2008

Executive summary

- Homelessness is the most extreme form of housing need. It can affect anyone, including families, childless couples and single people. Homelessness has many causes, some relating to the wider economy and the housing market and some more personal to the individual or household.
- This strategy sets out what needs to be done to address homelessness in York over the next five years. It builds on key achievements delivered through the last homelessness strategy published in 2003. The strategy aims to reflect national policy objectives and tie them into priorities identified at the local level.
- Whilst York is a relatively prosperous city, pockets of deprivation do exist. Demand for housing far exceeds supply, pushing up prices and creating barriers to the market. Ongoing population and household growth looks set to increase competition further, making it more difficult for younger people, vulnerable households and those deemed to be homeless to access housing.
- In recent years homelessness services in York have increasingly focussed on tackling the causes of homelessness. As a result there has been a steady decline in the number of people presenting as homeless, and an increase in the number of successful homelessness preventions. However, there are still too many younger people coming through the homeless route, and too many vulnerable households whose housing needs could have been planned for much earlier.
- There are a wide range of services seeking to meet the needs of homeless people and those at risk of homelessness. These include housing advice and information services, the provision of temporary or permanent accommodation and services that support people to live independently and sustain their accommodation.
- In 2007 service providers from across the statutory and voluntary sectors came together to undertake a review of homelessness and homelessness services York. The review began with an assessment of homelessness in York and went on to consider the views of customers and those involved in

delivering homelessness services. Findings from the review were used to inform the strategic aims and objectives of this homelessness strategy.

Strategic aims:

- 1. Ensure people who are at risk of homelessness are aware of, and have access to, the services they need to help prevent it.
- 2. Ensure the provision of, and fair access to, accommodation sufficient to meet identified housing needs.
- 3. Ensure people with housing related support needs have these needs fully assessed and have access to the support services required to sustain independent living and prevent homelessness.
- 4. Ensure the effective co-ordination of all service providers, across all sectors, whose activities contribute to preventing or addressing homelessness.

1. Why have a homelessness strategy?

Homelessness can destroy lives and damage communities. It can breed despair, anger and desperation and lead to mental and physical illness. It can stand in the way of tackling health inequalities, raising education standards and getting more people into work. It can undermine independence, freedom, choice and self reliance. It is an affront to social justice and to us all¹.

This strategy sets out what needs to be done to address homelessness in York. It builds on key achievements delivered through the last homelessness strategy published in 2003. The strategy is framed by a wide range of Government legislation, policy and good practice including the Housing Act 1996, the Homeless Persons Act 1997, the Homelessness Act 2002 and the Homelessness Code of Guidance 2006.

The main homelessness duties:

- It is the responsibility of the Local Authorities to provide free housing advice and information to people that are homeless or at risk of homelessness. Particular emphasis is placed on prevention and assisting people to find suitable alternative accommodation, including supported housing, private rented accommodation or accessing social rented housing through a planned route . Additional responsibilities are placed on Local Authorities to assess homeless cases and to secure permanent accommodation for people who have a priority need, are not intentionally homeless and have a connection with the local area. Priority need groups include households with children and people who are vulnerable as a result of age, disability, violence or leaving institutionalised care. Customers may spend time in temporary accommodation until more permanent accommodation can be found.

National policy places a high priority on the prevention of homelessness. Key to this is understanding the main causes of homelessness so that agencies can work together to address these at an early stage. Addressing the needs of all homeless people, those at risk of homelessness and the needs of different groups, including Gypsies and Travellers, is also emphasised.

This strategy aims to reflect national policy objectives and tie them into more localised priorities identified through the homelessness service review (see Chapter 4).

- The Government expects strategic housing authorities such as York to work closely with local partners to achieve the following targets:
- Keep rough sleeping as close to zero as possible
 - Reduce the number of households in temporary accommodation by 2010 to half the figure it was in 2004
 - End the use of bed and breakfast accommodation for homeless families with children, except in short term emergencies
 - End the use of bed and breakfast for 16-17 year olds, except in an emergency, by 2010.

¹ Homelessness Link 2007

A list of relevant legislation, policy and good practice used to inform the development of this strategy is available at www.york.gov.uk/housing/ or by contacting the Homeless Services Manager at the address shown in Chapter 6.

The local policy context and strategic links:

Homelessness is not just a housing problem, it can disrupt other parts of a person's life, including their health, education, training, work and relationship with the wider community. If not addressed swiftly it can turn what should be temporary crisis into a life damaging event.

- Homelessness can be caused by;
- lack of affordable housing,
 - loss of income, unemployment
 - getting into debt, especially mortgage or rent arrears
 - relationship breakdown, death of a spouse or partner
 - domestic abuse,
 - problems with landlord,
 - family disputes or friends or relatives no longer being able to provide accommodation,
 - Leaving institutions
 - mental health issues
 - substance misuse
 - lack of skills to maintain independent living
 - insufficient suitable Gypsy and Traveller sites

In York there are a wide range of local strategies and plans that contribute directly or indirectly to preventing homelessness and addressing the needs of those who are homeless. This strategy aims to build on this work and link to it.

The overall supply of, and access to, decent affordable housing is a key structural factor influencing levels of homelessness in York and a number of existing plans are already in place seeking to address this as a priority. These include the Regional Housing Strategy, York Sustainable Community Strategy, York Housing Strategy and the Council's Corporate Strategy.

Strategies and plans aiming to address the personal and individual causes and affects of homelessness include those tackling poverty, those aiming to improve the life chances of young people and families, those aiming to address the housing and support needs of vulnerable adults and those aiming to reduce health inequalities. The York Local Area Agreement (LAA) provides an important focus for the delivery of many of these objectives.

York Local Area Agreement Indicators relevant to this strategy:

- Number of affordable homes delivered (gross)
- Number of households living in temporary accommodation
- Number of vulnerable people achieving independent living
- Under 18 conception rate
- Young people not in education, employment or training
- Substance misuse by young people
- Alcohol-harm related hospital admission rates
- Inequality gap in the achievement of a level 3 qualification by the age of 19
- Reducing health inequalities within the local area
- Number of people re-offending

A full list of local strategies that link to the homelessness strategy and the achievement of its aims can be found at www.york.gov.uk/housing/ or by contacting the Homeless Services Manager using the contact details in Chapter 6.

2. The York context

York has a population of almost 187,000 and rising. The estimated growth rate to 2021 is almost twice that of the region. This, alongside a reduction in average household size and an increasing number of older people, will bring a significant increase in the overall number of households.

The black and minority ethnic population has grown in recent years from 4.9 per cent in 2001 to an estimated 6.1 per cent in 2003². There are around 350 Gypsy and Traveller households in the city.³

York is more economically prosperous than surrounding areas and classed as a sub-regional centre. There are high levels of economic activity and skills with strong representation in higher end occupations. However, one in four people aged 16-74 have no formal qualification, which, though better than the national average, remains high. Agencies in the city are focussed on improving the skills of this group to increase access to the changing jobs market.

Whilst York is seen as a relatively affluent city, pockets of deprivation do exist. Of the 22 council wards, 8 contain areas that are amongst the 20 per cent most deprived in England⁴. Whilst the average household income is £30,000, 43 per cent of households earn less than £20,000 per annum⁵.

A recent study of housing in York found a requirement for 425 affordable homes each year up to 2012⁶. This is against an average net supply of around 130 affordable homes a year⁷. House prices in York are almost 30 per cent above the regional average and there is a significant gulf between average house prices and average earnings⁸. The study concluded that housing need in York was higher than almost any other level of need found in the North of England⁹.

² Annual Population Survey 2003

³ Gypsy and Traveller Accommodation Assessment – North Yorkshire 2007/08

⁴ Indices of Deprivation 2007

⁵ York Strategic Housing Market Assessment 2007

⁶ Ditto

⁷ Between 2004/05 - 2007/08

⁸ Ditto

⁹ Ditto

Projected population growth and economic prosperity mean residents are likely to experience greater levels of competition for housing. Those not able to access owner occupation must look to other sectors to meet their housing needs, but even then competition can be tough.

York has a relatively low proportion of social rented housing at just 15 per cent of all housing stock, yet around 2,500 households are on the Housing Register. The proportion of private rented accommodation is in line with the national average at 10 per cent but entry level weekly rents are more than twice as high as rents in the social sector.

The private rented sector is expected to grow over future years as immigration, students and households excluded from home ownership fuel the market. In turn, other households such as younger people, vulnerable groups or those deemed to be homeless may find access to the sector more difficult.

The proportion of owner occupied homes is higher than the regional and national average at 73 per cent of total stock. One in three households in this sector are under occupying their home, many of which are older households.¹⁰

Recent evidence suggests a growing number of households facing housing related debt problems. One advice agency in York has reported a significant increase in the number of enquiries concerning housing possession proceedings.¹¹

The well-being of children and young people is a key priority. York performs well by comparison to other areas but there is a continuing need to tackle variations between different groups of young people and between different parts of the city. The teenage conception rate for under 18 year olds has dropped over recent years to 39.2 per 1000, broadly in line with the national average¹². Less than 1 in 5 teenage parents are in education, employment or training.

¹⁰ Assessed against the Bedroom Standard

¹¹ Housing Advice Resource Project (HARP)

¹² 2006

Overall the health of the city's population is very good, with life expectancy significantly higher than the national average. However, there is a disparity in health outcomes between the more affluent and more deprived area and closing this gap is a priority for the city.

3. Homelessness services

Homelessness services in York fall within three broad service areas;

- those aiming to prevent homelessness happening in the first place, including housing **advice and information**
- those addressing the **accommodation** needs of homeless people
- those addressing the **support needs** of homeless people and those at risk of being homeless.

Within these there are also more specialised services tailored around the needs of particular groups with emphasis at present on resettlement and floating support, domestic abuse services, rough sleepers, offenders, people with mental health, drug and alcohol problems and young people.

Delivering these services is often done through agencies working together. The local authority plays a key strategic role in ensuring local agencies fully engage in tackling homelessness and coordinates a number of forums and steering groups to facilitate this.

The estimated cost of homelessness advice and supported housing services in York was around £4.4 million in 2007/08, with 50 per cent of this funded through the Supporting People programme. Total Supporting People funding for York is due to reduce by around £1 million over the next 5 years, yet the proportion spent on homelessness services is, at present, set to increase. The main area of Supporting People expenditure is directed towards the rough sleeper client group closely followed by support for homeless families.

Measuring the wider costs of homelessness, for example on health, education, probation and prison services remains a challenge for the future and one that we will begin to address within the lifetime of this strategy.

Homelessness prevention, advice and information services

A wide range of services contribute directly and indirectly to the prevention of homelessness, from those improving people's education and skills and identifying and supporting those at risk at an early stage, through to those ensuring an adequate supply of affordable housing.

Early advice, information and support is a key prevention tool to ensure the moves people make in their lives are planned. City of York Council's Customer Advice Centre is a one stop shop providing general housing advice, specialist interviews, home visits and support to remain in the existing home. It also offers limited debt advice, some private landlord services, advice about court and re-possession and signposting to more specialist services.

Good practice:

- The 2003/08 Homelessness Strategy identified the need for a central advice centre for young people. In 2007 'Castelgate' was opened – bringing together a range of advice and information for young people including homeless prevention services and young persons mental health and counselling services.
- In 2005 HARP set up a duty court advice scheme at York County Court for those facing possession proceedings. This was supplemented by accessible debt advice provided by Citizens Advice Bureau through a 'triage' Housing and Debt Project.
- In 2006 City of York Council introduced a new Allocations and Lettings policy with an element of choice based letting, prioritising people who access early advice and supported housing services.

Accommodation

A range of options are available for those seeking accommodation in York. These include home ownership, shared ownership, private and social rented housing, supported housing and emergency temporary accommodation as well as pitches for gypsies and travellers. The types of accommodation people can access will depend largely on their personal circumstances and the type of assistance they are entitled to and need.

A significant proportion of those coming through the homeless route are at risk of losing their accommodation because parents or relatives are no longer able or willing to accommodate or there has been some form of

relationship breakdown. In such situations it may be possible to provide advice and support to help them remain in their existing home.

Where this is not possible other options must be considered. Rent deposit and bond schemes are available to assist people to access the private rented sector. City of York Council seeks to provide permanent accommodation to households owed a statutory duty. A range of temporary accommodation and supported housing is often used until such time as suitable permanent housing can be found or where this best meets the needs of the household concerned. Permanent accommodation is generally local authority or Registered Social Landlord stock.

In emergency situations bed and breakfast (B&B) accommodation is used, but no families of young people remain in B&B for longer than six weeks.

The York Resettlement Service is a multi-agency partnership providing a range of accommodation enabling rough sleepers to move through a planned housing route into independent accommodation. Floating support is offered in permanent accommodation through Salvation Army, Peasholme Charity, York Association for the Care and Resettlement of Offenders (YACRO) and Foundation Housing.

There are a number of specialist projects for young people, although direct access accommodation is limited to short term supported housing.¹³ Longer term (up to two years) supported accommodation is provided by Scarcroft Project and Foundation Housing offering a total of 14 units and up to 12 supported lodging placements through Safe and Sound Homes (SASH). Foundation Housing and Scarcroft Project also provide a small number of move-on flats. These services are utilised by care leavers in preparation for independent living.

City of York Council owns and manages three traveller sites, providing 55 permanent pitches across the city.

Case study:

- Mr K was referred by Compass Drug Intervention Programme to a private rented housing scheme run by Foundation Housing. Homelessness was part of his cycle of re offending. Pre tenancy work encouraged him to look at why his previous tenancies failed and encouraged him to gain qualifications and employment. Accommodation was secured through the scheme and he has since had his prolific offender status removed.

Good practice:

- In February 2006 a newly built women's refuge opened as a result of joint work between York Women's Aid and Yorkshire Housing Association.
- In 2007 City of York Council's temporary accommodation hostel at Howe Hill was expanded and re-furbished, providing improved disabled access and an increased number of units from 13 to 27.
- Provision of state of the art 'Places for Change' accommodation for rough sleepers in a joint initiative between Arc Light, York Housing Association and City of York Council.
- York Action for Youth Homelessness (YAYH) developed a bond guarantee scheme to ensure young people 16 and 17 are able to access rented accommodation despite not having a suitable family member or friend to act as guarantor.
- YAYH and Castlegate produce an annual Survival Guide for young people at risk of facing homelessness

Support services

Support services are available to a number of customer groups, offering a wide range of support at different levels. These services are delivered by a wide range of agencies, primarily funded through the Supporting People programme.

Housing support services include an independent living scheme (Foundation Housing), a Youth Offending Team accommodation worker, an early intervention and prevention team (Salvation Army) and a homelessness prevention support worker (York Housing Association). There are also intensive Connexions Personal Advisors, Connexions universal support and specialist drug / alcohol and mental health support services.

Drugs and alcohol: Specialist support is provided in York for people with alcohol issues through York Alcohol Advisory Service offering a range of services including advice, information and support, structured counselling, day programmes and access to patient detoxification.

Case study:

- Mr. M was referred to the Intensive Support Scheme run by York Housing Association as his mental health appeared to be deteriorating due to alcohol abuse. Neighbours complained on a daily basis and the property deteriorated. Mr. M was supported to access appropriate help following which his drinking stopped and the property improved.

The Primary Medical Service provides support to drug and alcohol users who are homeless and are not registered with a General Practitioner.

The Crime Reduction Initiative (CRI) is contracted by the Drug and Alcohol Action Teams to provide structured day programme to drug users in York. They are also contracted to provide Drug Rehabilitation Requirements (DRRs) by Probation. Both services provide group work and key working support.

In addition a joint Foundation Housing / CRI project called First Base provides drug support for young people and Foundation Housing provides a drugs floating support and bond scheme for adults.

Compass One provide a needle exchange for drug users and provide support to substance users and their families. They provide an advice and counselling service. There is an appointment service, drop-in and telephone service. They also provide support to drug users involved in the criminal justice system via the Drug Interventions Programme.

Compass also provide specialist prescribing via the Drug Dependency Clinic and General Practitioner prescribing in primary care for drug users requiring prescribing support. The service is provided via an initial assessment and there is a waiting list for treatment.

Mental health: A number of support services, some of which are self help organisations are available in York, including York **MIND**, Our Celebration, City of York Council Mental Health Day Centres and Mainstay providing

counseling, advocacy, therapeutic groups and support plus a range of accommodation based services providing specialist supported housing or floating support. Access to specialist supported housing is via referral from mental health services including Community Psychiatric Nurses or psychiatrists. There are 42 bed spaces within 8 schemes with 8 more schemes in development. All accommodation is fully furnished with most of these being permanent. Through the Supporting People partnership there are floating support places for 35 customers provided by voluntary sector agencies and 24 customers provided by the Council.

Offenders: Support is available for offenders through Foundation Housing, York Association for the Care and Resettlement of Offenders (YACRO) floating support and programme interventions through North Yorkshire Probation Area (including 'Think First' a enhanced thinking skills programme and Integrated Domestic Abuse Programme. Offender Managers are responsible for looking at housing issues with each offender assessing their need and risk using the Offender Assessment System.

Good practice;

- Changes to the Supporting People contract enabled support workers to provide housing support for travellers on the roadside and in bricks and mortar accommodation, rather than just of the three council sites. This recognised the changing needs of travellers within York.
- Provision of independent living skills training provided by the Peasholme Resettlement Centre. These accredited courses have expanded into other services including the council's temporary accommodation hostels, Safe and Sound Homes and Foundation

Partnerships and the strategic housing role

City of York Council, as the local strategic housing authority, co-ordinates a range of homelessness forums and user groups. The forums promote a shared understanding of homelessness issues and enable an exchange of information, joint training and the development of new services.

The council also takes a lead role in commissioning housing needs surveys and other related research to provide the city with a robust evidence base.

Good practice:

- The York Homelessness Strategy Steering group was established in 2007 and comprises a range of statutory and voluntary agencies responsible for delivering the strategic aims and priorities set out in this strategy document
- Successful development and implementation of a multi agency Rough Sleepers Strategy. The strategy is underpinned by joint training events, joint protocols and procedures.
- The development of the York Offender Housing Protocol in order to reduce the re-offending rates through the planned provision of stable accommodation.
- Youth homeless officers jointly managed between Foundation Housing and the council's Pathway Team ensure that 16 and 17 year olds in danger of homelessness are assessed and linked into specialist support.

An A-Z guide detailing the remit and contact details of all service providers involved in preventing and addressing homelessness in York is available at www.york.gov.uk/housing/ or by contacting the Homeless Services Manager using the contact details in Chapter 6.

4. Homelessness review

In 2007 the Homelessness Strategy Steering Group was set up to review homelessness and homelessness services in York and to develop a new strategy based on the findings of this review. The Steering Group includes a range of service providers from the statutory and voluntary sectors.¹⁴

The review began with an assessment of homelessness in York, its key causes and the needs of particular groups. It went on to consider the views of customers and service providers about how services might need to change or adapt both now and in the future to effectively address homelessness. The review included external inspection,¹⁵ peer review, staff self-assessment and extensive service user consultation¹⁵.

Key findings from the review were used to inform the strategic aims and objectives identified in this strategy.

Homelessness in York – key facts

Homeless prevention and the main causes of homelessness:

- The shift in focus and investment over recent years towards preventing homelessness and away from crisis management seems to be working. In 2007/08 there were 278 successful homelessness preventions, almost three times more than in 2003/04.
- As preventions rise the number of homeless decisions taken by the local authority as a result of a household presenting as homeless has fallen steadily over the past three years from 656 in 2004/05 to 406 in 2007/08.
BAR CHART?
- The three main causes of homelessness in York over the past three years have been:
 - Parents, relatives or friends no longer able or willing to provide accommodation (52 per cent in 2007/08)
 - Relationship breakdown (19 per cent in 2007/08)

¹⁴ See Chapter 6 for a list of Steering Group members.

¹⁵ A full list of service review activities can be found at www.york.gov.uk/housing/

- End of assured short hold tenancy (14 per cent in 2007/08)

PIE CHART?

- Homelessness arising as a result of parental or family licence terminations in York predominantly involves young people. Levels of exclusion by parents in York is significantly above the all England rate.
- The incidence of homelessness due to mortgage arrears has risen sharply to 11 per cent of all homeless acceptances in 2007/08, up from 2 per cent in 2006/07. When asked the main reasons why people do not seek early advice, 70 per cent of respondents said people did not know who to go to.¹⁶

Homeless decisions:

- In 2007/08, 258 households were accepted as being homeless and in priority need. Over half of these households were between 16 and 24 years of age. Almost 19 per cent were young person households, over twice the rate for England as a whole.¹⁷
- Almost half of all households accepted as homeless and in priority need were lone parent female households and 20 per cent couples with dependent children, largely consistent with the all England rates.
- Of those accepted as homeless and in priority need 97 per cent described their ethnic origin as either white or unknown.

Accommodation:

- Recently there has been a reduction in the number of local authority properties available for let each year, resulting in increased pressure on accommodation for households to which the authority owes a statutory duty (see table below). Despite this the proportion let to homeless households has remained fairly constant at 23 per cent..

¹⁶ City of York Council 'Talkabout' survey March 2008

¹⁷ Includes 16-17 years olds and 18-20 year olds formerly in care

Year	Total lets	Let to homeless	Percentage
2004/05	602	178	30%
2005/06	597	163	27%
2006/07	645	141	22%
2007/08	554	128	23%

- There are around 3,900 Registered Social Landlord (RSL) properties across York and until recently relatively few were allocated to homeless households. Increased partnership working and a growing commitment by RSL's to tackle homelessness has sustained lettings to homeless households at 12% of all RSL lets but there is scope for further improvement.

Year	Total RSL lets	RSL lets to homeless households	Percentage
2006/07	196	23	12 %
2007/08	293	34	12 %

Temporary accommodation:

- The target is to reduce the number of households in temporary accommodation to 121 or lower by 2010 and an action plan is in place to meet this. However, recent statistics show that the Council still relies heavily on this type of accommodation. At the end of 2007/08 there were 209 households in temporary accommodation.
- BAR CHART – TARGET AND ACTUAL 2004/05 - 2007/08**
- Of the 16-17 year olds placed in temporary accommodation, 65 per cent failed their tenancies, resulting in eviction or abandonment of the property. This compares with 25% failing when placed in supported accommodation. In the three years since the adoption of Introductory Tenancies¹⁸ 70 households either abandoned their accommodation or were evicted and a significant proportion of these were under the age of 20.

¹⁸ Introductory tenancies are 'probationary tenancies' which gives new tenants less rights than a secure tenancy, but if the tenancy is conducted in a satisfactory way during this trial period will automatically become a secure tenancy after 12 months.

- The percentage of households placed in bed and breakfast accommodation has declined steadily over recent years to just under 5 per cent.

Year	Bed and Breakfast	B&B as percentage of all temporary accommodation
2004/05	33	13 %
2005/06	14	6 %
2006/07	11	5.3 %
2007/08	10	4.7 %

- The local authority has a duty to ensure no family with children or a pregnant woman to whom the authority has a duty is placed in bed and breakfast accommodation other than in emergencies, and then only for a maximum of 6 weeks. In 2007/08 the average time spent in B&B was 3.3 weeks.
- The local authority also has a target to end the use of bed and breakfast accommodation for 16-17 year olds, except in an emergency by 2010. The target is in track to be met.

Rough sleepers and resettlement:

- The local authority has a target to keep rough sleeping as close to zero as possible and at least two thirds below the 1998 average (12) . A strategy for rough sleeping was developed in 2002 and this has led to a significant improvement in outcomes, with the number of people found to be rough sleeping at April 2008 being 2.
- A high proportion of people seeking resettlement have multiple or complex needs. People in these groups can have difficulty maintaining a tenancy without appropriate support. It is estimated there are currently around 50 people in the city with complex needs. In 2007/08 14 customers coming through the homeless route had mental illness and/or complex needs. The introduction of the Move On Planned Protocol has seen an increase in successful planned re-settlement moves in recent years with 69 people moved into secure tenancies and a failure rate of just 2 per cent.

Young people:

- Between April and November 2007 Children's Services dealt with 130 young people aged 16-17 with a housing issue. There is a close connection between homelessness and educational achievement. Over 60 per cent of these young people had no qualifications and less than 10 per cent had gained 5 GCSEs at grades A-C. Eleven were noted as having at least 1 permanent exclusion.
- In the last two years only one care leaver has had to access homelessness services due to the success of the planned move on support provided by the Pathway Accommodation Officer.
- Evidence shows that a significant proportion of young people presenting as homeless are from areas of known relative deprivation.

Black and minority ethnic (BME) groups:

- The limited data available suggests BME households in York access homelessness services broadly in line with their representation in the population as a whole. However, it is recognised that more detailed information is required before a full analysis can be undertaken.
- There is a relatively large Gypsy and Traveller community in York and a relatively high level of local authority site provision. However, a recent survey found that York requires an additional 36 pitches to meet current and projected need up to 2015. Over 90 per cent of those on unofficial encampments regarded themselves as homeless as they did not have a permanent or winter base.

Ex offenders:

- Data from the Probation service shows that of the 28 offenders returning to York on release 30 per cent had no qualifications, around 40 per cent felt they had a problem with drugs and around 50 per cent expected a problem finding accommodation on release¹⁹. Around 20 per cent of men from

Yorkshire and Humberside admitted to local prisons were in temporary accommodation or no fixed abode on admission.

What did the wider review of homelessness and homelessness services tell us?

Homelessness prevention, advice and information:

- The focus on prevention over recent years has succeeded in significantly reducing the number of people being made homeless. There needs to be an ongoing shift towards more planned moves for people going through transition, with particular emphasis on the three main causes of homelessness.
- Tackling youth homelessness should be a high priority. More holistic assessments and interventions are needed to help identify young people most at risk, including more use of mediation and early prevention work with families. There should be increased educational attainment and access to employment and training for this group, as well as improved family support and a reduction in teenage pregnancies. The disparity of youth homelessness between different areas of the city should be addressed.
- There needs to be improved awareness of housing advice and information services. Advice and information services should be redesigned so that a better, broader offer is available to those that seek assistance, with clear linkages to other forms of support. There is particular scope for improvement in our knowledge of, and services offered to, non priority customers.
- Household debt and a rise in the number of households seeking facing mortgage repossession may require additional focus on debt advice services in the coming years.

Accommodation:

- Increasing the supply of, and access to, housing across all sectors and promoting better use of the existing stock are, and should continue to be, key priorities. There should be a particular focus on

¹⁹ Information Related to Resettlement Issues report – Heidi Scott, Senior Psychologist 2004

tackling barriers to the private rented sector for homeless and potentially homeless households.

- There have been many improvements in the provision of accommodation for homeless households in recent years. A new women's refuge has been built, additional units at Howe Hill Hostel, use of Holgate Road Hostel have all contributed to achieving the targets to end the use of bed and breakfast for families or pregnant households and those aged 16-17. However, there needs to be ongoing focus on reducing the use of temporary accommodation, particularly for the young and the more vulnerable, and the standard of some accommodation still gives cause for concern.
- All 16-17 year olds should be accommodated through specialist planned housing provision. Consideration should be given to the provision of a dedicated young persons direct access hostel or foyer project with a review or restructure of second tier young persons accommodation and support programmes
- Consideration should be given to enable families with children who have become homeless intentionally (or are ineligible for housing assistance) to secure accommodation.
- Whilst there is a rich network of multi agency working in York to meet people's needs and support tenancies, there is no model for providing suitable and sustainable accommodation for this group. There should be increased numbers of planned moves out of hospital for people with mental illness, personality disorders, complex needs and multiple excluded customers through the provision of specialist accommodation.
- The management and future provision of Gypsy and Traveller sites should be reviewed based on recommendations arising from the Sub Regional Gypsy and Traveller Accommodation Assessment (July 2008).

Support services:

- Key successes include extending support to people in transition from temporary to permanent housing, introducing a range of training sessions in hostels and offering structured support to rough sleepers or those at risk of rough sleeping.

- There should be ongoing focus on reducing the incidence of failed tenancies, particularly amongst younger people, and a mainstreaming of the successful Move On Planned Protocol to include a wider client group. There should be further support to help people access and sustain work.
- Further measures should be taken to reduce the number of families or family members losing their accommodation due to anti social behaviour through a Family Intervention Scheme and parenting support.
- Support for vulnerable customers should be further developed and embedded with an increased number of joint assessments and joint care plans.
- There is a particular need to identify and access additional services for entrenched customers and those with complex needs and improved pathways through services for them.

Particular groups:

- The black and minority ethnic population in York is growing rapidly but our knowledge of these groups in relation to homelessness is limited. Additional monitoring should be considered to increase understanding of the needs of these groups.
- Develop a Gypsy and Traveller service plan that sets out a more coordinated approach to meeting the needs of this customer group, including improved liaison with City of York Council Street Environment Service and the Gypsy and Traveller education project. There is a need to improve consultation and liaison with this customer group.
- There is a need to develop a mental health protocol, provide specialist support in some hostels and assess whether there is a need to develop more specialist accommodation for homeless people with mental health problems.

- There is a need to embed the prison discharge protocol and improve planned housing options for people being released from prison.
- There needs to be increased support for teenage parents
- Clause 270 of the Housing and Regeneration Bill is looking at amending Section 199 of the Housing Act 1996, to give person in the armed forces a local connection with a district through residence of choice or employment there, in the same way as a civilian. The possible implications of this for homelessness services should be assessed.

- There needs to be a much better understanding about the low representation of BME households accessing homelessness services in York
- Whilst there is a clear understanding about the cost of individual services contributing to the homelessness agenda, such as those funded through the Supporting People programme, there needs to be a much better understanding of how investment and disinvestment in one service can impact on outcomes and service demands in another.

Partnership and the strategic housing role:

- Whilst there are many examples of good partnership working there is scope for improving the way agencies work together to tackle homelessness. The local authority strategic housing role should be further strengthened to better co-ordinate the activities of agencies across all sectors. There should be joint service specifications in place that are signed off by the provider, City of York Council Housing Services and Supporting People.
- There needs to be improved promotion and understanding of homelessness prevention, particularly to Registered Social Landlords and other partners, including health and probation services. This should include improved and expanded multi-agency training.
- There is scope for developing more joint assessments and protocols between partners to ensure early identification of those at risk, particularly for those customers with more complex needs
- There is particular scope for effective joint working between Children's Services and Housing teams to address the high levels of young people coming through the homeless route
- There needs to be better understanding and sharing of information regarding the size and needs of the homeless client group, including the needs of non priority homeless.

5. What are our strategic aims and objectives for the future?

The following strategic aims and objectives have been agreed based on the review of homelessness services and an assessment of the needs of homeless people and those at risk of homelessness:

1. Ensure that people who are at risk of homelessness are aware of, and have access to, the services they may need to help them prevent homelessness.

Objectives:

- Reduce the number of people accepted as statutory homeless by providing comprehensive advice and information about homelessness and the prevention of homelessness at an early stage. Focus particularly on addressing the main causes of homelessness
- Improve services addressing the needs of all customers, including the non priority homeless through provision of a wider 'housing options' approach
- Reduce the number of young people (including teenage parents) presenting / accepted as homeless
- Improve levels of customer satisfaction with homelessness advice and information services

2. Ensure the provision of, and fair access to, accommodation sufficient to meet identified housing needs.

Objectives:

- Increase the supply of affordable housing and maximise use of existing stock
- Increase access to and quality of the private rented and RSL sectors for homeless or potentially homeless households
- Reduce the use of temporary accommodation and improve the standard of temporary provision where it exists
- End the use of bed and breakfast accommodation for all homeless applicants, except in short term emergencies
- Increased provision of specialist accommodation for young people and improved pathways through services for them
- Reduce the number of people with mental illness and complex needs coming through the homeless route through the provision of more specialist accommodation

- Ensure accommodation needs of Gypsies and Travellers are addressed, based on findings of the Gypsy and Traveller Accommodation Assessment (July 2008)
- Consider provision of specialist supported accommodation for young parents and babies
- Reduce rough sleeping

3. Ensure people with housing related support needs have these needs fully assessed and have access to the support services required to sustain independent living and prevent homelessness.

Objectives:

- Improve joint assessment and joint care planning for vulnerable customers
- Increase tenancy sustainment through provision of appropriate support
- Increase the number of people with mental illness and complex needs achieving independent living through the provision of more specialist support
- Ensure support services meet the needs of all groups including those from the black and minority ethnic communities

4. Ensure the effective co-ordination of all service providers, across all sectors, whose activities contribute to preventing homelessness and/or meeting the accommodation and support needs of people who are homeless or at risk of homelessness.

Objectives:

- Strong local authority leadership on the homelessness agenda
- A greater role for a wider set of agencies in tackling homelessness, and a greater use of shared protocols and agreed principles for joint working
- Increased sharing of information between agencies and more joint training to promote wider understanding of homelessness and its prevention
- Increased and ongoing user consultation to inform the development of future services and increased understanding of the needs of the growing BME community
- Ensure the services provided are value for money

Homelessness Strategy Action Plan

An action plan action plan showing how progress towards the strategic aims and priorities will be measured is attached at Appendix A.

6. Keeping the strategy relevant

This strategy will be monitored against actions and targets set out in the action plan and updated on an annual basis by the Homelessness Strategy Steering Group . A full review will take place in 2010/11.

Members of the Homelessness Strategy Steering Group include:

- City of York Council - Housing Services
- City of York Council – Learning, Culture and Children's Services
- Supporting People Team
- York and North Yorkshire Primary Care Trust
- Registered Social Landlords Provider Group
- Resettlement Services
- Housing Advice Resource Project (HARP)
- North Yorkshire Probation Area

A bi-annual newsletter outlining progress to date delivering the strategy action plan will be circulated to all contributors to this strategy and published on the council's website at www.york.gov.uk/housing/. Notes from the Steering Group meetings will also be available at this location.

Equality and diversity:

The contents of this strategy have been tested²⁰ to ensure they do not discriminate either directly or indirectly on the grounds of gender, ethnic origin, disability or sexual orientation.

Contact details:

Copies of this document are available to download from City of York Council website www.york.gov.uk/housing/.

Hard copies and further information about this strategy are available from the Housing Services Manager, 10-12 George Hudson Street, York, YO1 6ZE, Telephone 01904 554040

Signatories to the Strategy

The following organisations are represented on the Homelessness Strategy Steering Group and have pledged their commitment to delivering the actions and targets set out in the action plan and through them the aims and priorities of this strategy:

For and on behalf of City of York Council

For and on behalf of Supporting People Partnership

For and on behalf of York and North Yorkshire Primary Care Trust

For and on behalf of Registered Social Landlords Provider Group

For and on behalf of Resettlement Services

For and on behalf of Housing Advice Resource Project

For and on behalf of North Yorkshire Probation Area

²⁰ City of York Council Equality Impact Assessment July 2008

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Executive

15th July 2008

Report of the Director of City Strategy

Community Stadium

Summary

1. The purpose of the report is to update Members on the progress made following the meeting of the Staffing and Urgency Committee on the 21st May 2008 where a report titled 'Community Stadium' was discussed. Is it also seeking Member approval for the council to make a loan to York City Football Club (YCFC) to enable it to pay off the loan made to it by the Football Foundation (FF).
2. The proposals to make this loan are integral to achieving the overall objective of a new community stadium which is a short term imperative identified in the Corporate Strategy 2007-2011. In the proposals the new stadium would be delivered as a partnership between the council, YCFC and York Knights Rugby League Club, the former two parties putting equity into the project and the latter a non-equity partner. The proposed stadium would therefore be under a joint management board arrangement with detailed terms yet to be agreed.

Background

3. At its meeting on the 21st May 2008 the Staffing and Urgency Committee considered a report from the Director of Resources and Deputy Chief Executive titled 'Community Stadium'. This set out a proposed way forward towards delivering a new community stadium for York and suggested further steps that the Council could take in order to help bring about a community stadium and to support York City Football Club in the period of transition from their current stadium to the new one. The resolution of the committee was as follows:
 - i. To agree in principle the commitment of the majority of the proceeds from the sale of Huntington Stadium (along with those generated from the sale of Bootham Crescent) to fund a community stadium subject to consultation with the residents and users of Huntington Stadium;
 - ii. That it be agreed that the first £1m of the sale value of Huntington Stadium be utilised to relocate the athletics facilities at the stadium to

another site with suitable viewing facilities;

- iii. That it be agreed that £200k of the Council's LABGI reward money be allocated to fund programme management to support the development of, and generation of funds for, a new Community Stadium;
 - iv. That officers be instructed to discuss with the external funders the proposal that dedicated council planning and development officer time to the value of £100-£150k be committed to work in support of the sales of the existing stadia, the provision of the new community stadium and the new athletics facility;
 - v. That it be agreed that the Council takes over the £2.1m FF loan from YCFC and repays it securing it against Bootham Crescent, subject to approval from YCFC and the guaranteeing of a Football Stadia Improvement Fund (FSIF) grant of £2m which will be paid during the construction of the new community stadium, pending an independent financial appraisal being undertaken of risks to the taxpayers' interests and the short and medium term revenue viability of YCFC and the York Knights Rugby League Club being satisfactorily demonstrated.
3. Following the above, and with particular reference to paragraph 2(v) above, a report was subsequently commissioned from Deloitte to comment on key aspects of YCFC's annual financial projections for the period up to 30th June 2012, summarise key issues and risks associated with the project, and provide a high level illustration of how other local authorities have been involved in new stadium development in the UK during the past 10 years.

Key Findings of the Deloitte report

4. The key findings are set out in the executive summary to the report. These may be further summarised as:
- The majority of football clubs in the top five tiers of English football do not generate net profits. [REDACTED]
 - [REDACTED]
 - The period projected forward is 2008/09 – 2011/12 [REDACTED] This is the period during which a new community stadium would be delivered
 - [REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- The projections assume that YCFC remain in the Conference throughout the period projected which is consistent with their recent on-pitch performance
- Deloitte considers that there are potential revenue upsides over and above the assumptions included in the projections for example in respect of cup runs in any of the three cup competitions
- [REDACTED]
- Deloitte considers the projections and the assumptions upon which they are based to be consistent with recent actual financial results and management plans for the future as disclosed to them
- Deloitte did not investigate issues around the value of Bootham Crescent or the number and value of current calls/loans secured against the asset

[REDACTED]

[REDACTED]

Discussion

5. The council has determined that the delivery of a community stadium is one of its "Corporate Imperatives" within the Corporate Strategy 2007-2011. Active York's 'Sport and Active Leisure Strategy' also recognises a need for a community stadium (this is expanded further under the 'Corporate Priorities' heading, paragraph 12).
6. In order for CYC to deliver a community stadium it would need to work in partnership with YCFC who would offer equity in the form of [REDACTED] [REDACTED] (Although YCFC does not own the freehold to the Bootham Crescent ground, [REDACTED] [REDACTED] Additionally YCFC would also bring the necessary revenue into the community stadium once it was built. Consequently a partnership between CYC and the football club is paramount for delivering a community stadium and that YCFC continues to be a viable and going concern over the period of delivery.
7. However in order for YCFC to receive the FSIF grant they must achieve specific milestones towards identifying and delivering a new stadium. [REDACTED] [REDACTED]
8. The 21st May 2008 report gave an option for supporting YCFC over the next four years by removing the immediate need to pay interest on the FF loan and instead replacing this with an equivalent loan from the council which would be secured against the value of Bootham Crescent. [REDACTED] [REDACTED]
9. If agreed, such a loan would be subject to a number of conditions (below) and would be certified by the Monitoring Officer and the Section 151 Officer before the advancement of the loan monies:
 - Further financial investigation into JMP financial accounts, the relationship between JMP and YCFC and Bootham Crescent Holdings and the number and value of calls on the capital receipt
 - In order to ensure any loan made by CYC is repaid it will need to be secured as a charge against Bootham Crescent and such a charge would need to take precedence over all other calls on the asset in the same way that the FF loan does at present. If officers are unable to fully secure the loan against the freehold of Bootham Crescent then it is recommended that a loan would not be advanced on these terms.
 - If Option 1 is chosen, the YCFC would repay the loan and rolled up interest at [REDACTED]

- If Option 2 is chosen, the total sum loaned would be charged [REDACTED] and the rolled up interest charged at [REDACTED]
 - Obtain written confirmation that that the FF guarantee that YCFC would receive a £2m FSIF grant to be applied to the development of a new community stadium
 - A legal agreement to be obtained from YCFC that they will work in partnership with CYC (and potentially other partners) to deliver a community stadium by contributing equity [REDACTED]
 - From the sale of Bootham Crescent a minimum of the £2m FSIF grant and any residual sale value, after repaying the CYC loan and the rolled up interest, must be put into the new community stadium.
10. The value of Bootham Crescent, if developed for housing, is currently estimated at [REDACTED] depending upon the percentage of affordable housing required. The highest estimate has been calculated on the basis that 25% of the housing stock would be affordable housing. [REDACTED]
11. Members must be aware that in the event of the community stadium project failing to deliver a new stadium within the four year timescale or indeed at all, the only way of the council loan plus interest being repaid, is through the sale of Bootham Crescent, provided that the proceeds of sale are sufficient, which would almost certainly mean the end of football at the ground.

Corporate Priorities

12. The provision of a new community stadium for the city is a 'Corporate Imperative' identified in the Corporate Strategy 2007-2011. It is also identified in Active York's 'Sport and Active Leisure Strategy' which was signed up to at the Leisure and Heritage EMAP in June 2005. The facilities section of this strategy was updated in May 2007 and makes the following statement about needing a new stadium:

'Professional Sports Stadium

Both York City and York Knights urgently need a modern professional stadium that meets league and safety standards and can attract investors, players and spectators. This facility must cater for the full sports development continuum. It must be accessible by the community as a training and participation venue and as the route to excellence. This venue must be viewed by the professional clubs and the community at large as a Citywide, multi sport facility.'

Options

13. Members have a number of options in considering this report.
14. **Option 1** is for CYC to proceed with a loan to the football club to replace the existing £2.1 million FF loan. YCFC will repay the loan and rolled up interest to CYC upon the sale of Bootham Crescent when a new community stadium is provided by 2012. The total amount owing to the council at the end of the four year period would be [REDACTED]. Whilst the loan would be secured against the existing football ground it can only realistically be repaid from the sale of the ground and repayment is therefore dependant on the success of the community stadium project or almost certainly on the ending of football at Bootham Crescent without a new stadium. [REDACTED]
15. **Option 2** is to service YCFC's existing FF loan. This would see the council paying the interest due on the FF loan of [REDACTED] per annum. This would mean that the total liability to the council, built up over the 4 year period, would be approximately [REDACTED] including rolled up interest. The Council would have its advance of interest payable repaid when Bootham Crescent is sold. The risk with this option is that the Council would not be able to secure first charge on the ground meaning that the first [REDACTED] of sale value would go toward the repayment of the FF loan before the Council could call on the receipt to settle its loan. Additionally it could negatively effect future partnership working as the Member decision made on 21st May 2008 has led to the expectation that CYC would take on the loan.
16. **Option 3** is to not provide a loan to YCFC which will mean that further investment in the club will be required to pay the ongoing interest to the FF. [REDACTED]. If the football club goes out of business or is run on a less successful basis in terms of its ongoing revenue then a community stadium may not be deliverable without significant council support in terms of both revenue and capital. Clearly without detailed knowledge of any future outcome for the football club under this option it is not possible to predict any likely required council investment to deliver and run a community stadium.
17. If Members decide not to provide a loan to YCFC then there may be other options regarding the provision of a community stadium in York. It is however outside the scope of this report to investigate these or to determine whether any other option is viable. For example officers could investigate whether it is a viable option for CYC to acquire the freehold of Bootham Crescent and rent it back to YCFC pending the completion of the new Community Stadium. At this stage no work has been carried out on the advantages or the disadvantages of such an option and any necessary work would put significant time delay into the decision making process. [REDACTED]

Without the participation of YCFC both in terms of capital investment and ongoing revenue, it is considered unlikely that the council would be in a position to provide a community stadium based on its current financial position.

Implications

18. Financial -

- Due to the complexity of the relationships between parties there are a number of questions that need answering before the loan can be advanced to YCFC. These questions centre primarily around the financial standing of JMP and the legal and financial relationship between JMP, YCFC and Bootham Crescent Holdings (BCH). At this stage no work has been undertaken to understand the financial and legal relationship that exist between JMP, YCFC and BCH nor has any work been conducted into the financial standings of JMP. External advice is currently being sought in order to fully understand the risks and implications involved, until such time as the results of such work are known and analysed officers are not in a position to advise on these specific issues.
- The advancement of the loan to the YCFC would be subject to it being securitised against Bootham Crescent. Under Option 1 the total monies owed to the Council at the end of the period would be [REDACTED]. The ground would therefore need to be of sufficient saleable value to cover the value of the loan. The current value of the ground at [REDACTED] is on the basis of 25% affordable housing based on the planning application submitted in 2002 which would be sufficient to cover the loan. However it should be noted that planning permission has not yet been awarded. [REDACTED]
[REDACTED]
- The 2007 Statement of Recommended Practice (SORP) required for Statement of Accounts, by section 21(2) of the Local Government Act 2003 makes specific reference to loans of the type being considered. It allows local authorities to make loans for policy reasons rather than as financial instruments. The legislation is however relatively clear that the council is not able to finance such a loan from long term borrowing. Any loan would therefore need to be from the council's cash balances and unless the council were prepared to subsidise the loan the level of interest charged would need to be set at the level that the council could expect to earn from investing the cash on the money markets.

19. Legal -

- Under Section 2 of the Local Government Act 2000 the council has the power to do anything which they consider likely to achieve the promotion or improvement of the economic, environmental or social well-being of its area. This power is wide ranging and can cover incurring expenditure, giving financial assistance to any person and providing staff, goods, services or accommodation to any person. In principle this would be wide enough to cover the making of the loan to YCFC. The Office of the Deputy Prime


Minister (ODPM) Guidance recognises the making of the loan as something which can be done under Section 2. However the council must be able to demonstrate that it has addressed the question of the benefit that this would bring. The council has addressed the provision of a new stadium as a corporate imperative and therefore this is likely to meet this criteria. The loan to YCFC is, in effect, a means to an end as officer advice is that the survival of YCFC is crucial to the delivery of the community stadium. In addition the council would, in exercising its powers under this section, be required to consider its Community Strategy and also take into account the ODPM Guidance.


- The power under Section 2 is limited to the extent that it does not enable a Local Authority to do anything which it is unable to do by virtue of any prohibition or restriction or limitation on its powers contained in the any enactment (whenever passed or made). It will be necessary in this context to look at the powers contained in the Local Authorities (Land) Act 1963.
- Section 3 of the Local Authorities (Land) Act 1963 gives power to an Authority for the benefit or improvement of their area to advance money to any person for the purpose of enabling him to acquire land; or to erect any building or carry out any work on land. Although the immediate purpose of the loan is to repay an existing loan, that original loan appears to have been for the acquisition of an interest in land. Further in the context of the wider project the objective would be the acquisition of the land and the erection of buildings on that land. However, the legislation imposes certain restrictions as follows:
 - a) It must be secured by a mortgage of the land in respect of which the advance is made
 - b) The advance shall not exceed nine tenths of the value of the land
 - c) Interest is to be paid at a rate not less than one quarter per cent greater than that fixed by the treasury in respect of loans to local authorities made on the relevant date
 - d) The mortgage deed securing the advance must provide for repayment within 30 years either in instalments of principal or by an annuity of principal and interest combined.
- It is recommended that the loan itself be structured in such a way as to make it conditional upon YCFC's participation in the community stadium project and that the loan shall be repayable in full including interest on the completion of the community stadium. This may be achieved through the loan agreement itself (please see paragraph 10 for a list of loan conditions).
- In any situation where a public authority provides financial support for a private body then this will potentially constitute unlawful state aid under Article 87 of the EC Treaty. However, there are exemptions, one of which is the 'de minimis' exemption which provides that aid below a certain figure (£158k at current exchange rates), over a three year rolling period, would not be considered to be state aid in this context. The actual amount of aid in this case will be the difference between the interest charged and that which YCFC would have paid for the same loan at commercial rates. It is thought

that this would fall within the 'de minimis' range but this will need to be confirmed.

20. **Human Resources** - There are no implications
21. **Equalities** - There are no implications
22. **Crime and Disorder** - There are no implications
23. **Property** - There are clearly property implications if the sale of Huntington Stadium is to go ahead although at this stage they are not significant beyond the resolutions of the report of the 21st May 2008.
24. **Other** - There are no other implications


Risk Management

25. There are a number of significant risks involved in the project and these were set out in the 21st May report. These are:
 - a) The land values of Bootham Crescent and Huntington Stadium may vary and these assets form the basis of the future capital to finance the new stadium. The value of Bootham Stadium may be insufficient to cover the repayment of the loan advance
 - b) 
 - c) Neither Bootham Crescent nor Huntington Stadium have planning permission for anything other than their existing use.
 - d) If Option 3 is chosen then the FF may, at any point, request for the loan to be paid back
 - e) To ensure that CYC get the full loan and the rolled up interest back, the Bootham Crescent site may have to be sold and this could therefore lead to the closure of the football club
 - f) If Option 2 is chosen CYC would not be the first call on the asset
 - g) No alternative site has yet been identified to build the new community stadium and any such site would require planning permission for a stadium
 - h) Because of the length of time to deliver a new stadium the associated build costs may vary

- i) Design issues may occur
- j) The stadium would be delivered in partnership with YCFC and York Knights Rugby League Club and difficulties may be encountered in working in partnership
- k) The scope, funding and workings of the future stadium management need to be agreed and formalised
- l) 

Recommendations

23 Members are asked to agree the following recommendations:

- a) The Council makes a loan of £2.1m to YCFC to replace the existing loan of £2.1m made by the Football Foundation in line with the conditions set out in paragraphs 9 and 10 and following the outcome of the work set out in paragraph 18 bullet point 1.
- b) The interest payable on the loan is set at  reflecting the likely return the council would achieve if invested on the money markets
- c) The interest is payable with the balance of the loan at the end of the period projected in June 2012. During this period the interest will be compounded
- d) The council loan is subject to a charge on the Bootham Crescent ground and such a charge taking precedent over all other calls on the asset.

Contact Details

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Chief Officer Responsible for the report:

Bill Woolley
Director of City Strategy

Report Approved

Date 8/7/08

Specialist Implications Officer(s) *List information for all*

Implication ie Financial

Implication ie Legal

Name

Name

Title

Title

Tel No.

Tel No.

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers:

- Community Stadium report to Staffing and Urgency Committee 21st May 2008
- Staff and Urgency Committee Meeting 21st May 2008 Minutes
- Deloitte report on Community Stadium for CYC 20th June 2008
- A letter received from Walker Morris Legal advisors entitled 'Issues in relation to a proposed loan by City of York Council to York City Football Club Limited ' dated 27 June 2008.
- Active York's 'Sport and Active Leisure Strategy'

Annexes

None

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