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**Economic Development Partnership Board**

20 June 2006

Report of the Director of City Strategy

**Science City York: Future Direction**

**Summary**

1. The report provides the Board with information on current and future plans for the development of Science City York (SCY) which has been a key part of the city's economic strategy for the last 8 years. The Board is invited to provide their input and comments, particularly the wider economic perspective in taking forward this work through the Science City York Strategy Board. This reports covers the following areas:-
  - The current SCY 4 year business plan which has been agreed and supported through the Sub Regional Investment Plan (SRIP). This delivers intervention within clusters of: bioscience and health, IT & digital and creative technologies.
  - The outputs from joint work on the National Science Cities agenda, working with the other five Science Cities – Newcastle, Manchester, Nottingham, Birmingham and Bristol.
  - The latest stakeholder discussions between the City of York Council, the University of York and Yorkshire Forward on the development of Science City York and its future partnership structure.
  - Details on the British Association for the Advancement of Science (BA) Conference in September 2007.
  - SCY's wider input into the economic agenda in areas which cover skills and workforce development, schools and education synergies, public engagement in science and links to tourism investment projects.

**Background**

The background for each of the five theme areas within this report are detailed below:

**SCY SRIP Business Plan**

2. The current, agreed, Sub-Regional Investment Plan runs to March 2009, and SCY has been identified as one the major priorities for investment in York as well as rolling out activities across North Yorkshire. Over £2.85m has been secured for the delivery of this integrated business plan which has been developed to build on the success of the initiative to date in stimulating 2,600 employment opportunities and 70 new businesses. Annex A sets out the current 3 year budget profile, the

detailed profile year 4 will be agreed with Yorkshire Forward later this year following a 2 year review of the contract and performance.

3. This follows 18 months of liaison with partners and Yorkshire Forward, to take forward Science City York activity within creative, science and technology sectors through in-depth cluster work, business partnering, and supply chain and skills development activity. The overall objective of this proposal is to continue and accelerate the rate of business growth within York and to cascade benefits across the local community and identify synergies within the wider North Yorkshire sub region. This will include activity across the supply chain, fostering business start-ups and spin-offs, workforce development and increasing learning opportunities.
4. The Business Plan aims to build capacity and expand Science City York (SCY) activities within York and into North Yorkshire including:
  - Providing mentoring to York's growing high technology community and helping to generate new businesses in key parts of North Yorkshire.
  - Creating new employment opportunities in knowledge based sectors.
  - Guiding education, training and skills needs to ensure the ongoing development of local workforce science and technology skill base.
  - Raising awareness of science and technology opportunities and fostering international links and synergies.
5. Further details of the Action Plan and targets are set out in Annex B.
6. Science City York, as a partnership between the City of York Council, University of York, private sector and Yorkshire Forward draws together all stakeholders within a Strategy Board which meets every quarter. Science City York secures senior high-level engagement in this Strategy Board as well as the supporting Committees which advise on the direction of priorities and policies for cluster specific activities. Each Committee draws together business, research and public inputs, with Chairs rotated on an annual basis. This structure has just been reviewed, to reflect the new Business Plan priorities. Annex C sets out the structure of the Science City York Board and Committees.
7. As part of the new SRIP bid, a review of resources was required to undertake the 4-year programme. A report to Urgency Committee on 9 March 2006 set out the new team structure for the delivery of the programme. Following Council HR policy, a number of positions within the structure were filled through the 'at risk process', the remaining 5 vacant positions have been advertised, with interviews scheduled for late June 2006. Annex D sets out the current organisational chart.
8. Key issues that the Board might focus on include:
  - *The Action Plan priorities, and future objectives for the development of the Science City York.*
  - *Science City York's role in the sub-region (and with the Leeds City Region and wider region)*

**The Board's views on these are invited – to be fed into the development and planning of Science City York's future priorities and delivery of outputs as detailed in Annex B.**

## National Science Cities Agenda

9. Following from the previous updates, Board Members will be aware that in the budget report issued in March 2005, the Chancellor confirmed the Government's continued investment in science and technology to drive forward the UK's position in the global economy. As well as York, Manchester and Newcastle being promoted by the Regional Development Agencies as 'Science Cities', other cities including Bristol, Birmingham and Nottingham have also been confirmed as important drivers for this initiative.
10. The budget report emphasised the importance of collaboration between the six Science Cities in boosting regional centres of world-class scientific excellence and creating closer regional links between industry and the public research base are key to the Government's long-term ambitions for science and innovation. Within the budget statement it states:

*"The Government will continue work with the science cities to explore how local, regional, and national policies can best support the development of science cities, in areas such as business-university collaboration, support for enterprise, infrastructure development, skills and public engagement with science."*
11. The first national Science Cities workshop, held in York in September 2005, brought together the six science cities to present their initial plans and formulate a vision for the future development of science cities. These plans have been developed in more detail in recent months, and a further national meeting was held in Manchester in May 2006 to discuss further.
12. Consultants SQW have been commissioned by the six Science Cities to develop proposals for policies which could be encouraged to further support Science Cities in the promotion of knowledge-based economic development. SQW have worked up draft policy proposals in discussion with the six cities and relevant parts of Government. Each Science City is at different stages of partnership development, with York as the most established partnership. Overall common themes have emerged which address public awareness, planning, knowledge-transfer, support to early stage businesses and skills development.
13. The next stage in the process will be to scope more detailed priorities so that this can influence central Government thinking. SQW will be producing a discussion paper which will be reviewed by a new inter-departmental Government group which is being drawn together by HM Treasury following the Manchester Summit. This will ensure that Science City proposals can be fed into the Comprehensive Spending Review process later this year.
14. Key issues that the Board might focus on include:
  - *The national role of Science City York in influencing Government priorities and collaboration with the other Science Cities (each a core city).*
  - *What should the role be of Science City York as the regional Science City? How might this relationship be extended beyond the sub-region and Leeds City Region agenda?*

**The Board's views and comments are invited on this increasing regional and national role for Science City York in influencing Government priorities for knowledge-based growth.**

### **Science City York Stakeholder Discussions**

15. As highlighted in Annex A, Science City York has been operating as a partnership body over the last 8 years – with high levels of engagement and appropriate consultation mechanisms, as set out in Annex B. This has ensured involvement and ownership from the business community in the development and formation of policy priorities. Given the increased status of York as a National Science City, the University of York has taken the initiative to convene a high-level stakeholder group comprising senior leaders within each main stakeholder, to review the development of the future of the initiative.
16. A series of discussions have taken place over the last 12 months, and a consultancy report commissioned by the University of York was produced. This report advocated that Science City York should review and potentially formalise its partnership status and 'step-up' activity in the face of increased competition from other areas now pursuing a Science City agenda. This work has prompted the senior stakeholders (Vice Chancellor, University of York; Chief Executive, City of York Council; Director, Business Directorate, Yorkshire Forward; Chair, Science City York and an independent Chair of the group) to review the appropriate partnership structure to move forward this work.
17. The stakeholders have formed a Stakeholder Board in the last few weeks, to review this issue and determine the priorities and future management capability required. This should hopefully have regard to the organisational assessment which has already been undertaken by the Stakeholder Board as highlighted in paragraph 7. The relationship with the current Strategy Board has yet to be formalised but close integration obviously will be required.
18. Some additional consultancy work is to be commissioned which will examine the appropriate model for Science City York potentially setting up the partnership as a Company Limited by Guarantee (CLG) and reviewing whether the position of a high-level 'Chief Executive' is required to assist in the aspirations for SCY to 'step up a gear' to influence activity on a national stage. A focus on local delivery should be still part of this role function. The parameters for this work are currently being defined, and discussions are due to take place with the SCY Strategy Board to ensure they are on board with the process. Clearly additional consultation would be required with members of the Economic Development Board Partnership during the process of the work.
19. Key issues that the Board might focus on include:
  - *The input that the Economic Development Board Partnership would like to have as part of this review of the partnership structure of SCY and its future priorities?*

**The Board's views on this are sought on the process and development of the Science City York partnership model.**

## **British Association Festival 10-14 September 2007**

20. The British Association for the Advancement of Science (the BA) is national foundation which promotes the public engagement and understanding in a broad spectrum of science disciplines. It is the national coordinating body for National Science Week and was originally founded in York (linked to the Yorkshire Philosophical Society) in the 1870's.
21. Every year it organises an Annual Festival of Science, which is a 4 day event to draw together world experts in science to assist in the communication of science through a series of events aimed at schools, public and media. It has a scientific programme aimed at researchers. The BA Festival is regarded as a major international platform for the promotion of science and all of the key national and scientific media attend. The BA is planning their 2007 event to take place in York between 10-14 September, with the academic programme content taking place at the University of York campus and a whole series of schools and community activities taking place across the City. A substantial amount of sponsorship will need to be generated nationally and locally.
22. It is a major opportunity to help promote York globally as a Science City, the research excellence of the University of York and as a City of Festivals. A local Advisory Committee has been set up to represent local stakeholders involved in the coordination and organisation of the York activities. This is being chaired by Sir Ron Cooke and will involve representation from across the Council, SCY, University, the BA and Yorkshire Forward.
23. Amy Parkinson, Skills Coordinator for Science City York and SETPOINT North Yorkshire is supporting the local coordination of activities in the city and within schools. This will feature as a key skills development activity within the new SRIP business plan, and the development of programmes can be built into the delivery of learning opportunity outcomes.
24. Currently a list of local organisations and groups that can be involved in delivering content for the event is being drawn together, with a view to invite them to an initial awareness session. This is due to take place on 26 June at the University of York.
25. Key issues that the Board might focus on include:
  - *The key messages to promote about York as part of this BA Festival, together with themes/topics and possible support opportunities,*
  - *Business and community content ideas to feed into the early stage planning of the city and schools based activities.*

**The Board's views on this Festival are sought to support the development of the initial programme.**

### **Science City York and the wider agenda**

26. Science City York is an integral part of the Economic Development Strategy and wider city strategy priorities. The concept of Science City York has always been holistic to view all aspects of engagement and 'embedding' within the local economy. Key to the success of SCY has been the ability to link with other

Economic Development Programmes and this is part of the current SRIP business plan including -

- Work with Future Prospects and York Training Centre – to review workforce development programmes such as bespoke leadership and management training courses, bite-size taster courses as part of outreach activities and graduate retention programmes within local SCY businesses.
- Programme delivery with the Learning & Skills Council and North Yorkshire Business Education Partnership – to help raise the aspiration levels in the community of interest in science, assist the take-up of science and technology related subjects across all York schools and delivery of bespoke training support to SCY cluster businesses.
- Synergies with the First Stop York – through the promotion of Science City York and working to secure additional science based events in York, helping to transform the tourism infrastructure and product development in the City through links with SCY businesses for content ideas and concepts.
- Business support delivery – in conjunction with partners including Business Link North Yorkshire, Connect Yorkshire and the University of York – to ensure effective customer orientated delivery of services to assist knowledge transfer, employment and business opportunities.

27. Key issues that the Board might focus on include:

- *The importance of embedding Science City York within City Strategy to maximise synergies in other programme areas.*
- *Other opportunities for Science City York to exploit in the wider economy and community.*

**The Board's views on the integration of SCY activities are sought to shape the ongoing development of City Strategy priorities.**

## **Consultation**

28. The Board's discussion of these issues forms part of the consideration of options for development of ongoing priorities for Science City York across all these areas. Consultation within Science City York is built into the way the project is run through the Strategy Board, its Committee structure, and the cluster groups and networking activity. In this way, the action is geared to need.

## **Options and Analysis**

29. SCY programme of activity across all these areas is ongoing and is all part of the process of engaging with key stakeholders and partners through the SCY Strategy Board process. At this stage the Board is asked to provide input to this process and suggest options, where appropriate, that can be referred to the SCY Strategy Board for further examination.

## York Corporate and LSP Objectives

29. Science City York as a major part of York's economic priorities are firmly embedded within the Council's corporate objectives and the Without Walls initiative.
- \* The "Thriving City" theme of the WOW Community Plan has the following strategic objective:  
  
"To support the progress and success of York's existing businesses and to encourage new enterprises in order to maintain a prosperous and flourishing economy that will sustain high employment rates."
  - \* The Council's corporate objective 3 – "strengthening York's economy", sets out the following strategic objectives:
    - Generate business growth and start-ups in science, creative tourism and other key business sectors to protect existing jobs and provide higher quality, sustainable and higher paid jobs.
    - Attract investment to strengthen the city's high growth sectors and generate quality jobs.
    - Ensure that the University and other higher education providers contribute to business growth and generate quality jobs and underpin skills-training opportunities for local people.
    - Support residents into learning and work, and improve skill levels in key areas of the economy.
30. This highly focused approach – identifying key priorities that have generated real economic change in the city has been key to the success of Science City York since its formation in 1998. Key to the heart of SCY moving forward must be ensure that the needs of the business and community remain the central priority, to ensure that real action is delivered effectively and efficiently on the ground. The current SCY Strategy Board and Committee structure can ensure that this can happen. The Board can reflect these priorities in responding and making an input.

## Implications

31. Implications and risk for SCY have been fully assessed through the SRIP approval process and are also a main part of the Committee structure. There are substantial processes in place to review all aspects of SCY activity on performance, monitoring and delivery:
- **Financial:** Financial implications have been considered as part of the overall SRIP allocation and normal Council budget forward planning process. There is no additional commitment to Council resources.
  - **Human Resources:** All related HR issues have been considered and reviewed as part of the Urgency Committee report in March 06.
  - **Equalities:** There are no equalities implications

- **Crime & Disorder:** There are no crime and disorder implications.
- **Information Technology:** There are no IT implications.

### **Risk Management**

32. In compliance with the Councils risk management strategy the main risks that have been identified in this report are those which could lead to the inability to meet business objectives (Strategic) and to deliver targets, services (Operational), leading to financial loss (Financial), damage to the Council's image and reputation and failure to meet stakeholders' expectations (Governance).
33. Measured in terms of impact and likelihood, the risk score all risks has been assessed at less than 16, this means that at this point the risks need only to be monitored as they do not provide a real threat to the achievement of the objectives of this report.
34. The SCY Audit & Finance Committee meets regularly every 2-3 months to review activity against business plan objectives and targets. A full risk register is in place and is reviewed regularly by the SCY Strategy Board. Progress reports will be brought to future meetings of the Board.

### **Recommendations**

35. a) The Board's views and advice on the issues covered are requested, in relation to maximising the potential impact of Science City York; and
- b) The Board is asked to support and endorse the actions being taken.

Reason: To ensure that SCY delivers and meets both Council and LSP objectives.

### **Contact Details**

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**Report Approved**



**Date** 5/6/06

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

**All**



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

**Background Papers: None**

- Annexes:** Annex A – Science City York Budget  
 Annex B – Science City York SRIP Action Plan  
 Annex C – Science City York Board & Organisational Structure  
 Annex D – Science City York Organisational Structure



## Annex A: Science City York Budget

Activity	2005/2006				2006/2007				2007/2008				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>1) Expenditure (£000s)</b>													
1a) Revenue Costs (£000s)													
Management, Finance		30,000	13,000	10,000	8000	8000	8000	8000	8000	8000	7000	7000	115,000
Evaluation, mapping, financial appraisal		0	0	20,000	15000	25000	30000	30000	30000	35000	35000	30000	250,000
Cluster, supply chain		40,000	40,000	20,000	20,000	30000	50000	55,000	60,000	60000	55,000	50000	480,000
Business promoter		40,000	35,000	30,000	50000	60000	60000	60000	60000	60000	60000	60000	575,000
Micro fund		0	0	80,000	30000	30000	35000	35000	30000	20000	20000	20000	300,000
Skills, enterprise, workforce development		0	0	5,000	20000	30,000	30000	30000	40000	30,000	30,000	30000	245,000
YPI Action Plan				10,000	5000	5000	6000	7000	10000	8000	8000	6000	65,000
Marketing, web, PR		25,000	15,000	10,000	25,000	30,000	25,000	25000	25,000	25,000	25,000	25,000	255,000
Revenue Costs SUBTOTAL		135,000	103,000	185,000	173000	218000	244000	250000	263000	246000	240000	228000	2,285,000
<b>1b) Capital Costs (£000s)</b>													
Office Space and new business accommodation								40,000	30,000	20,000	10,000	0	100,000
Capital costs - SUBTOTAL							0	40,000	30,000	20,000	10,000	0	100,000
<b>TOTAL COSTS (revenue+capital)</b>		135,000	103,000	185,000	173,000	218,000	244,000	290,000	293,000	266,000	250,000	228000	2,385,000
<b>2) Income by Funding Source</b>													
Project Sponsor's Own Funds		15,000	27,000	65,000	50,000	55,000	50,000	50,000	50,000	55,000	50,000	48,000	515,000
Yorkshire Forward Single Pot		122,000	76,000	70,000	80,000	120,000	150,000	180,000	180,000	150,000	135,000	132,000	1,395,000
Private Sector				45,000	30,000	30,000	30,000	30,000	35,000	35,000	35,000	40,000	310,000
Income from project activities													
Other (please specify) <sup>1</sup>													
University of York		0	0	5,000	13,000	10,000	10,000	20,000	18,000	14,000	15,000	5,000	110,000
DA/ Business Link						3,000	4,000	10,000	10,000	12,000	15,000	3,000	57,000
Total (Gross) Income		135,000	103,000	185,000	173,000	218,000	244,000	290,000	293,000	266,000	250,000	228,000	2,385,000

Note: Year 4 project will be determined later in 2006/7 following review of activity and outputs by YF.

## **Science City York: SRIP Action Plan**

### **Overview**

This project aims to continue and build on the success of the Science City York initiative in fostering the development of knowledge-based clusters in order to stimulate the creation and retention of employment, business growth and workforce development opportunities in York and North Yorkshire. Science City York nurtures growth through the development of key sectors in bioscience and health, IT & digital and creative technologies, as a leading partnership between the University of York, City of York Council and industry established in 1998.

Science City York's vision is to create value at a city, region and national level by stimulating  
*Prosperity from knowledge.*

Science City York seeks to extend activity in York and North Yorkshire through the following areas of activity:

1. ***Build and strengthen existing sectors supported by Science City York*** developing virtual, spatial and inter-cluster connectivity in York and North Yorkshire. This includes the creation of a dedicated specialist development technician officer, working alongside the Chair and stakeholder committee(s) to drive knowledge sharing and network building activities, as well as signpost business development referrals. Specifically within each sector, this will include: -
  - Develop medical and healthcare core competencies within bioscience.
  - Build and expand IT & Digital cluster strengths
  - Re-shape and expand creative technologies, to include additional heritage and arts technology strengths.
  
2. ***Enhance and expand activities to stimulate an entrepreneurial business environment to support the development of ideas and growth of new start-ups***
  - Develop and expand SCY business support activities to accelerate rate of growth and creation of new start-ups through specialist technology and business development provision through extending capacity with Business Promoter services and business surgery sessions.
  - Extend and develop the Micro Fund for pre-start-up ventures to provide essential proof of concept funding to assist the viability and creation of technology start-ups.
  - Facilitate the creation of flexible business space to support creative and digital businesses in major development areas within York and across key parts of the sub region.
  
3. ***Develop a supportive framework for creating a culture, which embeds enterprise, training and skills actions across SCY and supporting sectors***
  - Implementation of activities creative, science and technology workforce development needs, identified in the Impact Research feasibility assessment in 2003.

- As part of the workforce development plan, deliver continued professional development support, targeted local community and education skills development 'taster' sessions, supporting the continuation of management and providing support to early stage employer networks.
- Expand the inter-connectivity and synergies between SCY businesses and the supporting professional sectors through joint work within York Professional Initiative.

The key activities delivered in York and North Yorkshire would be reviewed by the SCY Board, which is led by industry with key representatives from the University of York and City of York Council. Regular reports on progress and consultation on proposals will be reported to EMAP and EDB.

Flexibility will remain at the heart of the partnership, enabling new priorities to be developed following regular review of performance and priorities

### Targets & Outputs

The implementation of this Business Plan will continue to generate significant employment and business outputs to benefit the local economy, namely: -

- Establish 10-15 new businesses per annum
- Create 300-400 jobs per annum
- Generate 80 Learning Opportunities per year for local people
- Assist 30-50 businesses per annum
- Leverage over £100k per annum from private sector to invest in SCY activities

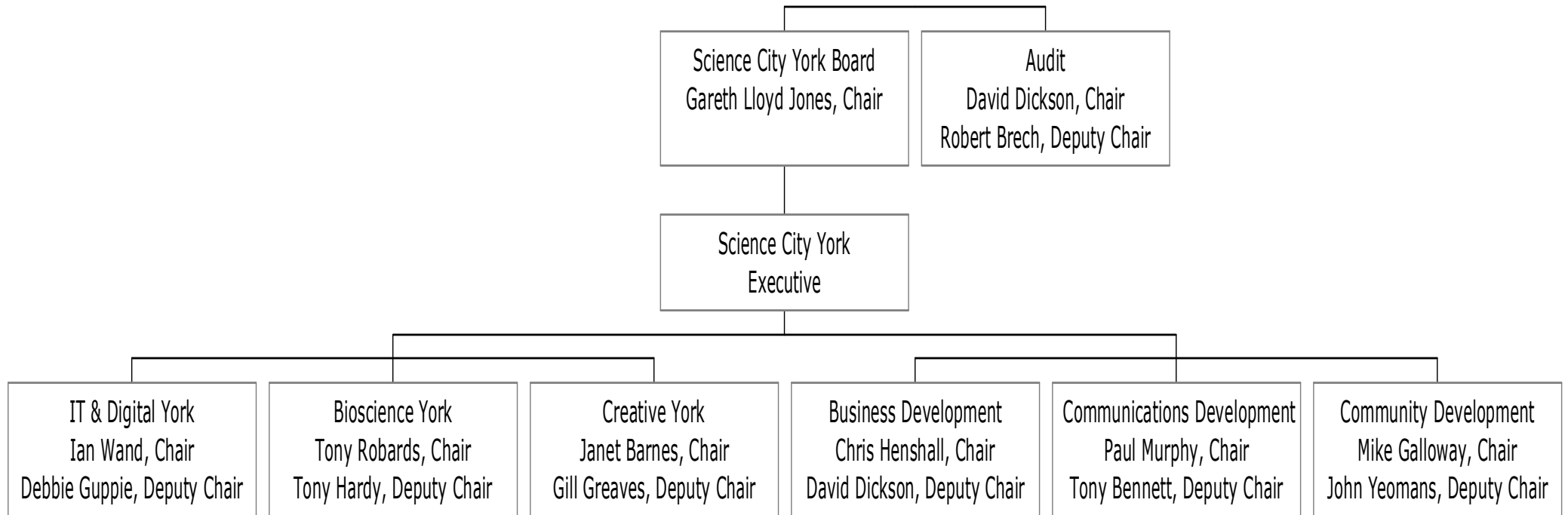
This will complement and contribute to the overall targets and vision of SCY, in stimulating direct growth of average of 5% employment growth per annum.

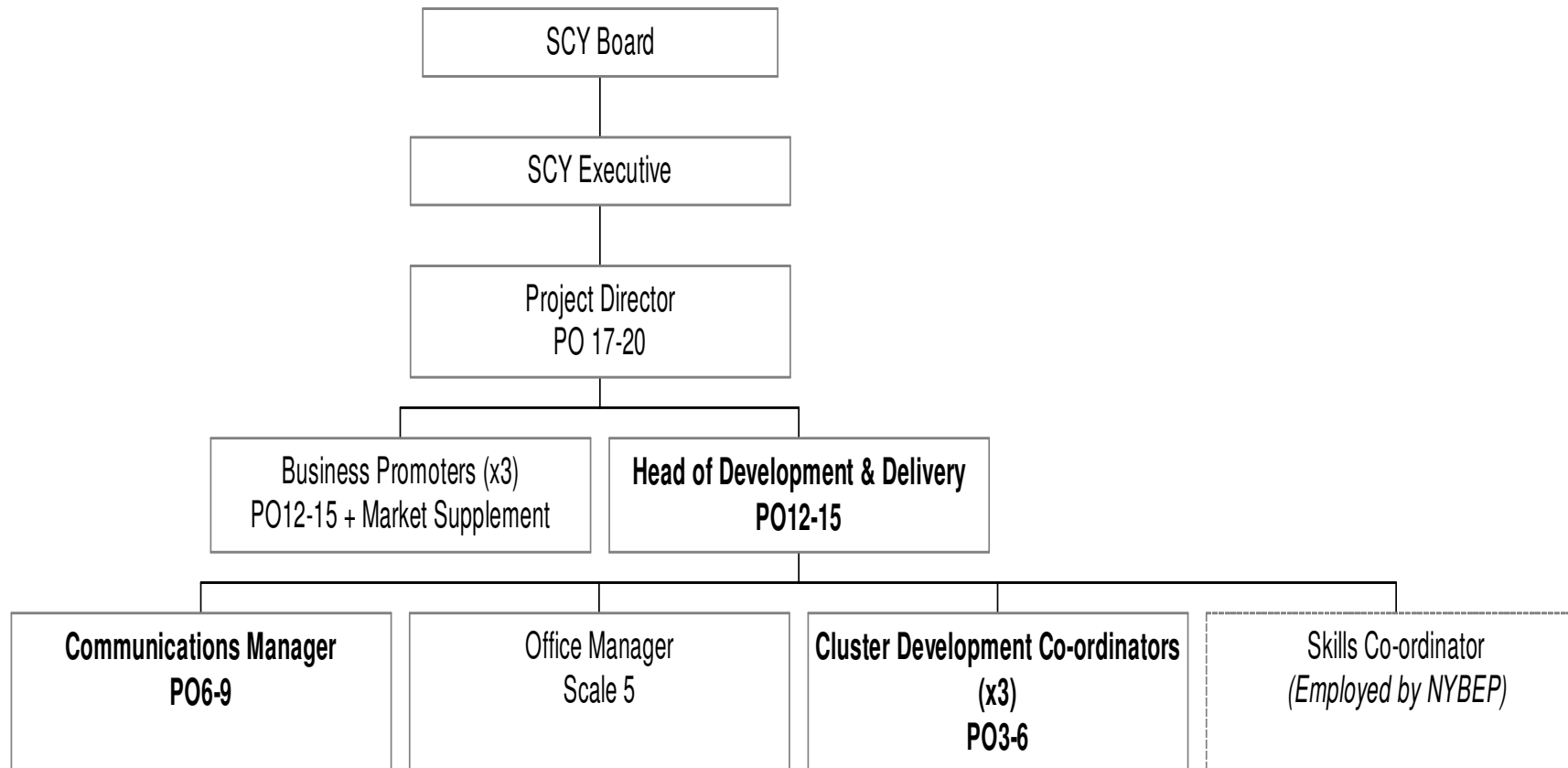
### Local Workforce

A major part of SCY strategy since inception, has to ensure that business and employment growth can benefit the local community. The work undertaken by Impact Research in 2003, demonstrated that over 50% of employees with SCY clusters are from the local workforce. The next phase Business Plan for SCY is to maximise opportunities for the local community in developing skills and training initiatives to address perception issues and entry barriers.

The views of residents were evaluated as part of the Impact Research project through the *Talk About* panel. A high proportion of residents (33%) would consider a job in SCY clusters (an encouraging figure considering that at present the clusters account for around 10% of total employment in York), but more than half of respondents would never consider a job in the clusters due to perception issues on entry levels, qualifications and the possible career paths.

A key component of SCY activity under SRIP proposals therefore is to promote greater awareness of the range and diversity of careers that are available locally and skills development opportunities. The target for generating new Learning Opportunities is specifically geared to this objective.





**Positions highlighted in bold are being recruited.**