



Notice of meeting of

Economic Development Partnership Board

To: Councillors Steve Galloway (Chair), Kirk (Vice-Chair), Holvey, Jamieson-Ball, Morley, Merrett, Blanchard and D'Agorne

Mr Andrew Scott (First Stop York Tourism Partnership), Mr Brian Anderson (Trades Unions), Mr Len Cruddas (Chamber of Commerce), Mr Mike Galloway (Education/Lifelong Learning Partnership), Mr Kevin Moss (Finance Sector), Prof Tony Robards (University of York), Mr Mark Sessions (Manufacturing Sector) and Don Stewart (Yorkshire Forward)

Date: Tuesday, 26 September 2006

Time: 6.00 pm

Venue: The Guildhall

AGENDA

1. Declarations of Interest

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

2. Minutes

(Pages 1 - 6)

To approve and sign the minutes of the meeting held on 20 June 2006.

3. Public Participation

At this point in the meeting members of the public who have registered their wish to speak regarding an item on the agenda or an issue within the Panel's remit can do so. Anyone who wishes to register or requires further information is requested to contact the Democracy Officer on the contact details listed at the foot of this agenda. The deadline for registering is Monday 25 September at 10.00am.

4. **York's Local Area Agreement - First Draft** (Pages 7 - 30)
To consider the first draft of York's Local Area Agreement and endorse both the Economic Development and Enterprise Block text and outcomes framework.
5. **Progress on Key Issues** (Pages 31 - 46)
Members will consider a report which identifies any matters arising from the last meeting of the Board and briefs Board members on issues/progress in other areas of economic development activity.
(Annex 3 of this report is to follow)
6. **Science City York: Future Governance** (Pages 47 - 52)
Representatives of the key stakeholders in Science City York (SCY), the City Council, the University of York, and Yorkshire Forward, have met to discuss the longer-term future of the partnership. A proposal has emerged from these discussions to expand the range of activities encompassed by the initiative; to establish it as a company limited by guarantee owned by the stakeholders; and to appoint a chief executive. The Executive Leader endorsed these proposals on behalf of the City Council on the 11th September. This report informs the EDPB of the proposals.
7. **Any other business which the Chair considers urgent under the Local Government Act 1972**

Democracy Officer:

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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.

City of York Council

Minutes

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|-----------|--|
| MEETING | ECONOMIC DEVELOPMENT PARTNERSHIP BOARD |
| DATE | 20 JUNE 2006 |
| PRESENT | COUNCILLORS STEVE GALLOWAY (CHAIR), KIRK (VICE-CHAIR), JAMIESON-BALL, MORLEY, MERRETT AND POTTER (IN PLACE OF BLANCHARD) MR MIKE GALLOWAY (EDUCATION/LIFELONG LEARNING PARTNERSHIP) AND JULIE HUTTON (YORKSHIRE FORWARD) (IN PLACE OF DON STEWART) |
| APOLOGIES | COUNCILLORS TOM HOLVEY, PAUL BLANCHARD AND ANDY D'AGORNE MR ANDREW SCOTT (FIRST STOP YORK TOURISM PARTNERSHIP), MR BRIAN ANDERSON (TRADES UNIONS), MR LEN CRUDDAS (CHAMBER OF COMMERCE), MR KEVIN MOSS (FINANCE SECTOR), PROF TONY ROBARDS (UNIVERSITY OF YORK) AND MR MARK SESSIONS (MANUFACTURING SECTOR) |

1. DECLARATIONS OF INTEREST

Members were invited by the Chair to declare any personal or prejudicial interests they may have in the business on this agenda. The following personal non prejudicial interests were declared:

Cllr Merrett is employed in the Rail Industry by Corus Rail Infrastructure Services.

Cllr Morley is a member of the York Tourism Bureau and represents City of York Council on the University Council.

Mike Galloway is a board member of Science City York.

2. MINUTES

Minute 19: It was confirmed that officers would report back to a future meeting on the questions raised.

RESOLVED: That the minutes of the meeting held on 14 March 2006 be agreed and signed by the Chair as a correct record.

3. PUBLIC PARTICIPATION

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

4. SUB-REGIONAL INVESTMENT PLAN

Members considered a report that outlined the current position in producing a revised Sub-Regional Investment Plan (SRIP) by December 2006, allowing the Board, representing the Local Strategic Partnership (LSP), to comment on key issues emerging from The Strategic Economic Assessment of the York & North Yorkshire Sub-Region, and The Strategic Framework for the Sub-Regional Investment Plan.

The report advised that work on producing a revised SRIP had focused on undertaking a Strategic Economic Assessment (SEA) – from which the priorities for investment should emerge – and, in parallel, producing an overall strategic framework/vision for the whole of the sub-region. This work was being coordinated through Jonathan French at the York & North Yorkshire Partnership Unit who had provided the papers in the two Annexes as prompts for discussion on these two issues.

Jonathan French attended the meeting to provide further information and answer Board members' questions.

The following points were made:

- York is a vital economic generator for the sub-region and this should be reflected in the SEA and SRIP.
- The link to the Regional Spatial Strategy and employment/housing land applications is important: York had one of the lowest average household incomes across the sub-region, but house prices are high and this could impact on labour supply.
- The emphasis on skills will be important in enabling local people to secure jobs and increase income levels.
- The transport infrastructure would also be affected if more workers commute into York.
- The semi skilled sector in the labour market was disappearing, emphasising the need to focus on a skills strategy for York.
- York's history and employment culture, along with difficulty obtaining capital and finding suitable premises, were the main reasons as to why firm formation was low. Potential exists to reverse this trend, supported through the SRIP.
- Any emerging plan needs to be flexible to be able to respond to new opportunities as they arise.
- The focus on generating well paid jobs and SCY activity is vital.
- Investment in providing support to existing businesses is important – including tourism and SCY.
- The SRIP needs to play to strengths, in the form of York, generating employment/economic success – some of which will be located elsewhere in the sub-region and Leeds City Region.

RESOLVED: That the report be noted and the Board's comments be incorporated into the sub-regional process.

REASON: To assist in meeting Council and LSP objectives.

5. SCIENCE CITY YORK: FUTURE DIRECTION

Members considered a report that provided information on current and future plans for the development of Science City York (SCY) which had been a key part of the city's economic strategy for the last 8 years. The Board was invited to provide their input and comments, particularly the wider economic perspective in taking forward this work through the Science City York Strategy Board.

A verbal summary was also given on the proposals being developed with Science City York for £2.63m funding made available to York from The Northern Way initiative (the same amount to Manchester and Newcastle also). Proposals involve advancing property options for SCY, including a SCY presence within 3 key developments, i.e. i) a SCY facility at the incubator facilities on the Science Park; ii) a SCY facility and new "grow on spec" at Vangarde; and iii) a SCY facility and Creative Industries Centre at Terry's. A further University scheme may also emerge. It was noted that this funding needs to be drawn down by March 2008.

The following points were made:

- The purpose of job growth was to develop the progression route for local people, so that workers could enhance careers and improve incomes.
- It is recognised that some of the outputs generated by SCY will be located in other parts of the sub-region and region – but it is important to maximise SCY potential in order to retain the competition advantage of the York economy and diversify the economy.
- Need to ensure that the outputs were in terms of diversification and relocation of skills in York's market.
- In addition to the Science Festival, there was a need to promote more awareness throughout the year of what careers were available in York, especially in primary and secondary schools and in colleges, including adult education.
- The proposals for the use of the £2.63m were supported.

RESOLVED: (i) That the Board's views and advice on the issues covered in relation to maximising the potential impact of Science City York, be noted; and

(ii) That the actions being taken be supported and endorsed, including the proposals for the £2.63m Northern Way capital resources.

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

6. PROGRESS ON KEY ISSUES

Members considered a report on matters arising from the last meeting of the Board and briefed Board members on issues/progress in other areas of economic development activity.

Matters Arising

York Christmas Lights - It was reported that the approach agreed at the March Board meeting had been fed back to the Christmas Lights Group. Council economic development staff were leading the work to explore options for innovative lighting installations, and retailers were enquiring about the potential to take on and fund the cross-street lighting.

Tourism

It was noted that York had seen better hotel occupancy performance in the first four months of 2006 compared with the same period last year with April (Easter) figures well up on 2005. Visitor numbers to attractions had also improved over Easter.

Future Prospects

It was reported that even though Future Prospects were seeing slightly fewer contacts, the number of people they were helping in detail was increasing, due to the nature of funding which was more outcome focussed.

Rail-related issues

It was reported that the issue of a high speed rail link to Scotland was being discussed again and that this should be investigated in order to assess the implications for York.

Science City York

It was noted that as part of the Northern Way Investment Funding, work was underway to secure a potential capital funding allocation of £2.63m for each Science City in the North (York, Manchester and Newcastle). Outline proposals needed to be drawn together by the end of June, with a view to projects starting in September 2006 and capital projects completed by March 2008.

City Centre Partnership (CCP)

It was reported that there was a need for investment in CCP, in particular for CCTV and a digital radio system.

RESOLVED: That the report be noted and endorsed.

REASON: To help shape the effectiveness of future action.

7. URGENT BUSINESS

It was reported that this was the last meeting that Tony Bennett, Assistant Director Economic Development, would be attending before his retirement. Members expressed their thanks and appreciation to Tony for all his hard work and the spectacular record of what had been achieved.

CLLR STEVE GALLOWAY
CHAIR

The meeting started at 6.00 pm and finished at 7.15 pm.

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Economic Development Partnership Board

26th September 2006

Report of the Director of City Strategy

YORK'S LOCAL AREA AGREEMENT – FIRST DRAFT

Summary

1. This report outlines York's progress to date in developing its FIRST Local Area Agreement (LAA) for the period 2007-2010 and asks the EDPB to:
 - a) Comment on the first draft of the Economic Development & Enterprise section of the LAA.
 - b) Endorse the first draft for submission to the LSP on 28 September and Government Office for Yorkshire & the Humber on 6 October.
 - c) Identify ways in which the LAA could be improved before submission of the final version to Government Office for Yorkshire and the Humber (GOYH) on 1st December 2006.

Background

What are Local Area Agreements (LAAs) and why has York produced one?

2. A Local Area Agreement (LAA) is a three year agreement that sets out priorities for a local area, as agreed between central government and a locality (represented by a local authority and local strategic partnership).
3. The Department for Communities & Local Government (DCLG) provides the following rationale for the introduction of LAAs: "Local Area Agreements simplify arrangements for pooled funding streams from central government to local authorities, and help join up public services more effectively, thus allowing greater flexibility for local solutions to local circumstances. LAAs are helping to devolve decision making, move away from a 'Whitehall knows best' philosophy and reduce bureaucracy associated with administering multiple funding streams".
4. LAAs form a key part of '*local:vision*' (the Government's 10-year strategy for local government), which seeks a more mature relationship between central and local tiers of governance. While central government will continue to set high level strategic priorities, the intention behind LAA policy is to explore the scope for Whitehall departments to devolve the day to day control of their programmes to local authorities and their partners. Over the longer term it is expected that LAAs will become one of the main mechanisms which join up central and local government activity.
5. The main aims of an LAA are to:

- Deliver national outcomes in a way that reflects local priorities, particularly those identified in the Community Strategy.
 - Enhance efficiency within central government and reduce bureaucracy locally (particularly in relation to funding arrangements and through simplified monitoring and auditing arrangements).
 - Bring together funding among partners for common outcomes and provide more flexibility on how funding is used to deliver local priorities.
 - Promote working together in real partnership and enhance the community leadership role of local authorities.
6. The LAA is a 3-year agreement (refreshed annually) made up of outcomes, indicators and targets, and is effectively a medium-term delivery plan for an area's community strategy. The outcomes framework is structured around four blocks:
- Children and Young People
 - Safer & Stronger Communities
 - Healthier Communities & Older People
 - Economic Development & Enterprise
7. LAA priorities need not be confined by these headings, as localities are also being encouraged to consider cross-cutting priorities. The blocks serve mainly as a means of structuring the process and most outcomes are expected to impact on more than one block.
8. A first round of 21 pilot LAAs were signed off on 22 March 2005, with a further 66 beginning implementation on 1 April 2006. It is expected that all top tier authorities should have an LAA in place by 1 April 2007. York is one of 63 areas currently developing an LAA which will begin implementation on 1 April 2007.

Development of the LAA

York's progress

9. The Government Office for Yorkshire & the Humber (GOYH) requires submission of a first draft LAA by 6 October, following approval by the Local Strategic Partnership (WOW Board) on 28 September. This first draft (of which the Economic Development & Enterprise Block's text and outcomes framework are attached at Annexes A and B), will form the basis for negotiation between central government and York. Following negotiation, a final LAA will be submitted to GOYH on 1 December 2006. Ministers are expected to formally sign off the document during March 2007.
10. The WOW Board approved a strategic project plan for York's first LAA in November 2005. The production of the LAA has followed this plan and taken York a city making history' (the York City Vision and Community Strategy 2004–2024) as its foundation. It was found that the seven themes of the Community Strategy could be cross referenced to the four 'blocks' of the LAA by including issues of inclusion, culture and environmental sustainability as cross cutting themes within the LAA. These elements are interwoven across the outcomes frameworks of all four blocks.

11. Four of the council's directors have taken on the role of 'block lead' to oversee the development of each of the LAA blocks. They have worked with partners to identify the key issues from the Community Strategy that need to be addressed in the LAA. In addition, an LAA Coordination Team has been responsible for the overall production of the LAA. This team has organised consultation events with partners designed to inform and shape the development of the LAA, formed an LAA Multi-Agency Steering Group of key partners (who have advised on and guided the development of the first draft LAA), liaised with the Voluntary and Community Sector, and devised and implemented a communications strategy to raise awareness of the LAA.
12. York's LAA (2007-2010) will effectively be a prioritised delivery plan for the Community Strategy. The enclosed first draft of the Economic Development & Enterprise Block includes mandatory outcomes and indicators which have been prescribed by Government and all relevant targets from York's second Local Public Service Agreement (which forms the 'reward element' of the LAA). Where possible the opportunity has been taken to ensure York's LAA adds value to the city, refocusing areas for improvement detailed within the Community Strategy where appropriate.

Using the LAA to add value to York

13. To date, the process of developing the LAA appears to have reinvigorated interest from partners in the Community Strategy, engaged the voluntary and community sector and identified a desire to improve the working of the LSP. Clearly these gains are important, but the real test of added value from the LAA will be whether city level partnership working and service delivery are improved once implementation commences in April 2007.
14. It is anticipated that LAAs will be a key component of the forthcoming Local Government White Paper with the potential for future CPA assessments to be focused on the performance of a whole area, rather than individual agencies and organisations. This fits with the intended future role of local authorities as 'place shapers' and 'convenors of services', as discussed by Sir Michael Lyons in the interim Lyons Review report, published in May of this year. The Department for Communities and Local Government has identified the following benefits to local authority areas which have already begun implementation of LAAs:
 - They improve delivery focus and make transparent the delivery chains from Whitehall to localities (via Government Offices).
 - They reduce bureaucracy (e.g. for grant claims).
 - Councils and partners are able to improve their working by focusing on shared outcomes which in turn helps stimulate re-design of services.
 - LSP 'Delivery Boards' provide a good mechanism for performance managing LAAs and facilitating challenge and accountability between partnerships.
15. The first draft of the Economic Development & Enterprise Block of York's LAA is enclosed at Annexes A and B.

- Annex A provides an overview of the key issues facing York in relation to economic development, transport and environmental sustainability. This chapter also indicates anticipated key impacts and added value from this block of the LAA.
- Annex B contains the outcomes framework for the Economic Development & Enterprise block. This matrix details outcomes to be achieved during the period 2007-2010, and associated performance indicators, targets, lead partners, and potential sources of funding. The full outcomes framework (covering all four LAA blocks) currently contains 52 outcomes with an average of 4 indicators per outcome (totalling 212 indicators). This meets Government Office's expectation that the full LAA will contain 40-60 outcomes.

Implementation of the LAA

Governance Arrangements

16. One of the requirements of the LAA is identification of the performance management arrangements for delivery of the outcomes and indicators for 2007-2010.
17. The LAA guidance from DCLG identifies that before the LAA is signed, local areas are expected to demonstrate they have the characteristics of strong performance management in place or have processes in place to develop them during the early phases of implementation. GOYH will review York's arrangements during the negotiation period (6 October–1 December) and progress will be reviewed at the first six-monthly performance meeting.
18. The characteristics of strong performance management are identified as:
 - Indicators and targets are complete, robust and measurable.
 - Performance monitoring and reporting is transparent and capable of being shared between partners.
 - Performance management and improvement clearly specifies who is responsible for each indicator/target, is capable of identifying when performance is not meeting a target, and is explicit about how underperformance is addressed.
 - Operational planning and delivery within constituent organisations and partnerships is consistent with the LAA and supported by processes for tracking progress.
19. The overall message is that under LAAs the emphasis is on the LSP actively managing its own performance. The future governance arrangements of the LSP are currently being consulted upon and are due to be discussed at the WOW Board 28 September.

Performance Monitoring and Management

20. The majority of the outcomes and indicators identified in the LAA Outcomes Framework use existing measures and do not require additional data collection systems to be put in place to measure them. This approach has been taken in recognition of the fact that neither the council or its partners will want an additional

layer of bureaucracy as a result of LAAs and that many high level strategies such as the Local Transport Plan and Children & Young People's Plan are already agreed with government departments and radical alterations to targets or measures cannot therefore be agreed at this stage.

21. There are, however, a small number of outcomes and indicators that are new (e.g. measures of CO₂ emissions and BREEAM ratings). Data capture and performance monitoring systems will need to be introduced during the early stages of the LAA's implementation for indicators such as these where baseline data is not currently available.
22. All of the 52 outcomes and 212 indicators will form the basis of the monitoring and management of the LAA. However it is recognised that once the final outcomes framework has been agreed amongst partners and with GOYH then a hierarchy of outcomes and indicators will need to be established. This will allow all information to be available to partners but also identify a limited number of high level measures that are used by WOW partnership to monitor and performance manage delivery of the LAA.

Consultation

23. The LAA has taken as the Community Strategy 2004-2024 as its start point. Each block lead has developed outcomes in conjunction with partners. Work on the outcomes framework began by blocks identifying key issues for their area, taking into account the impact of the cross cutting issues of culture, inclusion and environmental sustainability and compiling an initial long list of possible outcomes to be addressed by the LAA.
24. The long list of outcomes was presented at an LAA Stakeholder Conference on 10 July 2006. This was designed to raise awareness of the LAA and gather views from partners in the public, private, voluntary and community sectors on the long list of potential outcomes. Key stakeholders throughout the city, members of the Without Walls Executive and the entire membership of each of the constituent partnerships with responsibility for the City Vision and Community Strategy were invited.
25. The results of this conference were used by block leads to review, shape and prioritise the outcomes. Alongside this other sources of consultation were cross referenced to challenge and/or confirm the overall direction of travel of the emerging LAA. These included the original results of the Community Strategy and Festival of Ideas.
26. The outcomes included in the LAA are a selection from the full list of priorities, singled out for one or more of the following reasons:
 - a) They are already part of an agreed LPSA and there is a requirement for them to be included in the LAA.
 - b) They feature significantly in national or local policy frameworks and particular significance is attached to them.
 - c) Concerns have been identified about current performance.
 - d) There are problems associated with the level of resources available to make a significant difference to performance.

e) Performance may benefit from coordinated action by a range of agencies and organisations.

27. For these reasons, the priorities and targets identified in the LAA are likely to be those that present the biggest challenge to the local authority and its partners during the period covered by the agreement.
28. This whole process was overseen by a multi-agency steering group (MASG) that is comprised of representatives of each of the key Without Walls partnerships, the block leads and Chief Executive of City of York Council (who also acts as the LAA's corporate lead). The MASG is chaired by the Chief Executive of York Council for Voluntary Service (York CVS).

Options/ Analysis

29. This report does not include any specific options or analysis at this stage.

Corporate Priorities

30. The LAA outcomes will have both direct and indirect impacts upon the council's 13 corporate priorities.
31. Crucially, the Corporate Improvement Statement about City Leadership - 'Improve the way the Council and its partners work together to deliver better services for the people who live in York' relates directly to city leadership/ partnership working and development of the LAA. The approved organisational effectiveness programme identifies actions in respect of:
- Working with partners to develop a LAA.
 - Reviewing the structure of the Local Strategic Partnership.
 - Coordinating city-wide information and intelligence.
 - Reviewing the approach to pooling budgets with other organisations in support of the Community Strategy.
 - Developing an approach to strategic partnership working among senior members.
 - Delivering ward profiling and neighbourhood action plans.
32. In addition, many of the outcomes in the LAA are directly linked to or closely aligned with the corporate priorities. For example, an LAA outcome to 'support parents in helping their children to enjoy and achieve' links to the corporate improvement statement to 'Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city'. The LAA outcomes from the Healthier Communities & Older People's block will support the corporate improvement statement 'Improve the health and lifestyles of the people who live in York, in particular among groups whose levels of health are the poorest'.
33. Actions towards achieving the LAA outcomes will be integrated into the council's strategic and service planning processes for 2007 onwards. Wherever possible, the same outcomes and indicators will be used for monitoring and performance managing both the corporate priorities and LAA outcomes.

Implications

Financial

34. Local Area Agreements are intended to be used as a mechanism by partners within a local area to foster a new relationship between local and central government and find new ways of working. Implicit within this assumption is that new ways of managing finance and developing joint working will emerge as outcomes are agreed and plans to achieve them implemented.

35. The options available to areas to fund achievement of LAA outcomes are:

Alignment of funds

Under an aligned model the various partners retain their current mainstream funding but look to apply it towards a common goal. Such an approach is likely to cover the majority of the LAA's objectives.

Automatic/Mandatory Pooling of funds

When the city commits to an LAA the Government will amalgamate some separate funding streams which will, in future, be paid via the LAA. York does not currently receive many of the funding streams that would be automatically pooled, so this is unlikely to be a significant issue. However this approach does provide a degree of flexibility for the use of funding which would traditionally have been provided on a more targeted basis.

Voluntary Pooling

Where partners within an area are able to identify potential benefits, they may choose to pool funds on a voluntary basis. Funding streams eligible to be pooled are determined by central government in the LAA guidance. Requests to pool additional funding streams must be supported by a business case and negotiated through Government Office.

36. Whilst the pooling of funding may appear to have many advantages, the movement of funds may have a negative impact on other service areas. Therefore, care must be taken in both determining the extent of pooling and how future distribution will be agreed. It should also be noted that central government will not consider the pooling of certain funding streams, such as core police funding, Sport England funding, and funding provided to support improvements in school meals.
37. It is not anticipated that York will receive any new monies over and above existing funding streams received by the area as a result of having an LAA. The expectation is that as the LAA is implemented and partners review performance and consider new ways of working then existing funds will be aligned, the use of automatically pooled funds will be reviewed, and the potential for further pooling considered.
38. At present work is ongoing with partners to identify the level of funds received by the city that are automatically pooled within an LAA.
39. In response to the funding regime being introduced under LAAs, the council's position is as follows:
- All mandatory pooled funding will be mapped to support alignment of funds.
 - The total level of mandatory pooled funding received is minimal.

- There are no proposals to change the level or direction of funding streams in the first year of the LAA.
- Any arrangements to pool funding will be considered on a case by case basis if there is a proven business need for it and partners are engaged with the process.
- It should be noted that prior to the LAA a number of pooled funding arrangements are already in place.

Human Resources (HR)

40. There are no HR implications associated with this report.

Equalities

41. There are no equalities implications directly associated with this report but equalities and inclusion issues are integral to the LAA.

Legal

42. There are no legal implications associated with this report.

Crime and Disorder

43. Crime and disorder implications arise within the proposed outcomes and indicators for the LAA – particularly under the Safer & Stronger Communities block.

Information Technology (IT)

44. There are no IT implications directly associated with this report.

Property

45. There are no property implications associated with this report.

Risk Management

46. Nothing to note at this stage.

Recommendations

47. The full first draft of York's LAA will be agreed at the meeting of the LSP on 28 September and submitted to GOYH in early October. As outlined above, most of the specified outcomes and indicators have been drawn from plans which already exist either within the council or partner organisations across the city. These have been subject to robust consultation throughout the LAA's development. Comments received at consultation events, from Multi-Agency Steering Group members, and from the voluntary and community sector have all informed the prioritisation of outcomes and indicators included in the first draft of York's LAA.

It is recommended that the EDPB endorse the first draft of both the EDE Block text and outcomes framework.

Reason: To progress work on the first Local Area Agreement.

Contact Details

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*Bill Woolley
Director of City Strategy, City of York Council*

*Peter Johnson
Acting Assistant Director of Economic Development, City of York
Council*

Report Approved
*Chief Officer's name
Title*

Date 14/09/06

Report Approved

Date *Insert Date*

Specialist implications officers:

- Director of Learning, Culture and Children's Services
- Director of City Strategy
- Director of Housing and Adult Services
- Director of Neighbourhood Services
- Head of Finance
- Assistant Director Lifelong Learning and Leisure
- Sustainability Officer
- Senior Partnerships Support Officer

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

All **Yes**

Background Papers:

ODPM (March 2006), *Local Area Agreements Guidance for Round 3 and Refresh of Rounds 1 and 2.*

Annexes

- Annex A: *Economic Development & Enterprise Text (to be included as a chapter in the full LAA document).*
- Annex B: *LAA Outcomes Framework - Economic Development & Enterprise Block.*

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ANNEX A: Economic Development & Enterprise Text
(to be included as a chapter in the full LAA document)

Vision for the Block

York has been identified as one of five 'Key Cities' that act as important drivers for the regional economy as a whole. The *State of the English Cities* report (ODPM, 2006) cites York as one of three cities in the north of England featuring in the top quartile for economic performance nationally. Today, the city has a population of 183,128, with around 73% (134,500) of residents being of working age, and 51% (93,000) economically active. The employment rate was 79.4% in 2004/05,¹ one of the highest in the region and 5.5% above the national average. A vision of York as a leading business centre within a prosperous and thriving economy has been a consistent driving force for activity generated by City of York Council and its partners. In seeking to provide good quality jobs available to all, there has also been a growing recognition of the importance of developing a sustainable economy which enhances the overall quality of life for both residents and visitors.

York's Local Area Agreement is intended to move York towards being a Sustainable Community. The UK Government's definition of a sustainable community is one in which "people want to live and work, now and in the future" (*see p.? for DCLG's full definition*). In economic development and enterprise terms this means a community that is thriving and features:

- A wide range of jobs and training opportunities.
- Sufficient suitable land and buildings to support economic prosperity and change.
- Dynamic job and business creation, with benefits for the local community.
- A strong business community with links into the wider economy.
- Economically viable and attractive town/city centres.²

However, this vision will not create a sustainable community if it is pursued without regard to an area's environmental and social needs. The principles of sustainable development must be applied, so economic growth:

- Balances and integrates the social, economic and environmental components of the community.
- Meets the needs of existing and future generations.
- Respects the needs of other communities in the wider region or internationally to also make their communities sustainable.

¹ Source: *Local Area Labour Force Survey*.

² ODPM (2005) 'Annex A - Definition and Components of Sustainable Communities' In *Securing the Future - UK Government Sustainable Development Strategy*.

ECONOMIC DEVELOPMENT & ENTERPRISE

Significant progress has been made in modernising York's economy to address the external challenges of the global market-place. Traditional industries can no longer be expected to provide the job numbers they once did and although they must be given every assistance in developing their own future strategies, new ways of providing quality, lasting jobs must be found. York has the potential to capture significant new investment and employment, and to provide benefits to a large part of the sub-region. There are a number of policy implications which arise from the economic potential of the city. These are:

- Congestion and the quality of public transport will impact on both employers and those seeking to access employment opportunities.
- The special character and distinctiveness of York is protected and enhanced. This is a unique selling point for the city which makes it an attractive business location.
- There is need to ensure high quality sites of a significant scale are available over the medium and long term to capture potential investment.
- There are likely to be issues of housing affordability as the workforce expands.
- There are specific education, skills and deprivation issues which need to be addressed.

Some opportunities for the city are of regional significance. These include Science City, investment in business and professional services, and strengthening the tourism product.

Science City York

In York, many initiatives to develop the city's economy have been developed through partnership working. Key employers (both public and private), business organisations and the trade unions have all been involved. York's most successful transition from a reliance on traditional industries has been the development of Science City as a modern, sustainable alternative.

Science City York is a partnership between the City of York Council, the University and business. Support is also provided at a regional level through Yorkshire Forward. Science City York now accounts for 10% of jobs across the city and aims to stimulate 15,000 positions by 2021. Launched in November 1998, the project focuses on three fast-growing science clusters: Bioscience York (Bioscience & Healthcare); E-Science York (Information & Communication Technology); and Creative York (Heritage & Arts Technology). Science City York's success has been formally recognised by the Government, which has designated York national 'Science City' status (a distinction it shares with the major urban areas of Birmingham, Bristol, Manchester, Newcastle and Nottingham). With such designation comes the possibility of increased resourcing and the expectation that these city economies, through their innovation potential, will grow as economic generators for their localities and the nation. A major challenge for Science City York will be to maintain its position at the forefront of change in an environment which is increasingly competitive.

Tourism

The tourism industry has long been a cornerstone of York's economy. Through discussion with Yorkshire Forward, support for this sector is being enhanced to strengthen the role of York as a regional tourism gateway. In 2005, the Economic Impact Model showed that each year approximately 4 million visitor travel to York, spending £311.8 million in the city and generating over 9,500 jobs. As competition to attract visitors (from home and abroad) increases, new support mechanisms are vital. It has long been recognised that a high level of visitor numbers can pose challenges for the city, but sustainable and innovative management techniques are being devised and implemented by the First Stop York tourism partnership.

Business Development

The planning system has a vital role to play in ensuring that local business has the conditions it requires to prosper, and provides a framework to manage the impact of economic development on the social and environmental wellbeing of the city. To develop a sustainable economic future, it is essential that new employment sites come on-stream. Major regeneration opportunities currently include York Central, Hungate, Castle/Piccadilly, Terry's, Monks Cross and the proposed expansion of the University. The potential of the city centre is increasingly being recognised as an ingredient in York's economic well-being. As a result, a City Centre Partnership has been set up which has the remit to improve trading conditions and, over time, enhance the physical presence of the central area. Support and advice to new and emergent businesses is provided by Business Link.

Skills & Inclusion

If newly created employment opportunities are to be accessed by the city's residents, economic development initiatives must be underpinned by policies which address workforce skills and inclusion issues. Skills problems are cited more than any other factor as inhibiting growth in the region.³ Within York, 24.6% of people aged 16-74 have no formal qualifications. This figure is marginally higher than both the regional and sub-regional averages and equates to over 33,000 people.⁴ An area of particular concern is the number of people qualified to NVQ Level 2, which at 18.4% (2004/05) sits 3.1% below the national average.⁵ The number of people qualified to NVQ Level 4 and above stands at 33.2%, which is 7.3% above the national average.⁶ A key principle underpinning York's first Local Area Agreement is 'narrowing the gap' to reduce such polarisation.

As globalisation continues to change the face of Britain's economic base, all sectors of the community need to understand how to access the jobs of the future. Research undertaken by the council on local opinion demonstrates the high importance given to the well-being of the local economy by residents. This underlines the need to ensure that residents understand the nature of the economy, both now and in the future, and how they and up-coming generations can gain access to, and derive benefit from the new opportunities being created. Disseminating this message to the Future Prospects

³ Source: Yorkshire Futures – *Survey of Regional Economic Trends*, 2004.

⁴ Source: Census, 2001.

⁵ Source: DfES.

⁶ Source: DfES - figures for 2004/5.

partnership is pivotal. York's Lifelong Learning Partnership coordinates activity among all the major education and training providers across the city to address skills needs.

Income Levels

Low pay levels in the city means income deprivation is an issue. Although the average income in York is higher than the average for the region, it is below the national average. This difficulty is compounded by the fact that house prices in York are well above the regional average. The generation of quality jobs (rather than volume) is needed, to provide skilled, well-paid employment for local residents, and address social inclusion issues.

City Regions

The recent past has seen a dramatic increase in the importance of the regional and city-region agendas. This manifests itself in a number of key economic areas which include innovation, planning, tourism, business development and skills. The agenda continues to evolve, but Yorkshire Forward's role in overseeing the Regional Economic Strategy and the emerging Leeds City-Region can be expected to further develop and strengthen. York, with its own planning sub-area responsibilities will be well placed in these new circumstances. New governance arrangements are possible in central government's desire to capitalise on the economic potential of cities and address imbalances of wealth between regions and their constituent local communities.

Transport

Situated midway between Edinburgh and London, just 20 minutes from the M1/M62 motorway network, and with good rail links, York is within comfortable travelling times of most areas of the UK. There is a net inflow of people travelling to work in the city combined with a substantial number of visitors. York is surrounded by a largely rural hinterland where the principal travel option is the private car. Addressing traffic congestion, and its associated air quality and safety problems is one of the most important issues for York residents.

Over the last few years policies including Green Travel Plans, Safe Routes to School and improvements to the walking and cycling network have been developed to encourage greater use of alternative modes of travel. Combined with the key strategies of improved Park & Ride facilities and public transport services these policies have successfully stabilised traffic levels in the city centre over the last 5 years. However owing to the national trend of increasing car ownership, smaller households, an increasing and aging population, traffic levels within the city are forecast to increase by 14% to 2011 and 27% to 2021. Without significant action to tackle increasing car usage, the city faces a future with a heavily congested road network. This will affect the quality of life for residents of York and also has the potential to impact on the city's ability to attract new jobs, investment and tourism.

The Local Area Agreement includes targets which focus on developing a sustainable transport network with reduced congestion, improved accessibility for all, safer roads, and better air quality, whilst also supporting the local economy.

Key Impacts of the Theme

| Outcome | Impact |
|--|--|
| EDE1: To modernise the city's economy and increase its competitiveness. | The city economy is modernising and increasing its influence within the sub-region, City Region and nationally: Science City York is recognised as a key brand for the city; the number of knowledge-based and higher added-value enterprises is growing; and the creative, leisure and tourism, city centre retail and creative sectors are increasingly competitive. |
| EDE2: Major site development opportunities are maximised. | Key development opportunities are being taken forward successfully in partnership, including York Central, Terrys, Hungate, Castle Piccadilly, British Sugar, and Monks Cross. |
| EDE3: Sustainable design principles are applied to all new developments. | All new buildings and developments are well designed, and meet the needs of both the environment and local communities. |
| EDE4: To enhance economic links with the rest of the region. | The city has enhanced economic links with the rest of the region and is a key engine of growth for the sub-region. |
| EDE5: To develop a more integrated, sustainable and accessible transport network. | York's transport network is integrated, sustainable and uncongested, minimising environmental impact and providing good access for all to key services. |
| EDE6: To develop the contribution of cultural activities, events and festivals to York's economy. | Lively and creative cultural activities, events, and festivals contribute to a vibrant economy, and create employment and training opportunities for residents. |
| EDE7: To widen participation and raise attainment and skills levels throughout the workforce. | Attainment and skill levels throughout the workforce are raised, resulting in widening participation in the labour force, increased employment opportunities, and raised incomes for residents. |
| EDE8: To minimise the negative environmental impact of the city's economic activity. | York is a city in which all organisations accept responsibility for their impact on the environment, and in which developments and activities are sustainable with a stabilised Ecological Footprint. |
| EDE9: To conserve and enhance the existing environment and special character of the city. | The existing environment and special character of the city is conserved and enhanced within the context of economic growth. |

Added Value Anticipated from the LAA

It is anticipated that by bringing together players from across the city who have influence on its economic well-being, greater awareness can be generated of the mutual challenges (and opportunities) which currently present themselves in the private, public, voluntary and community sectors. Shared understanding could lead to shared solutions, where the sum may be greater than the component parts. Anticipated benefits for economic development and enterprise are as follows:

- Greater community involvement and understanding the real needs of local communities and marginalised/minority groups. Better 'ownership' of economic development issues resulting.
- Greater cooperation and awareness providing for "cross-cutting" solutions over issues which traverse professional boundaries. For example, skills development initiatives can lead to increased job take-up, which increases social inclusion and reduces incidences of anti-social behaviour and creates a safer city.
- The combined effort of all areas in the community is required to achieve the transport targets included within the LAA. It is anticipated that the Local Area Agreement will inspire various stakeholders to think more about the impact of their activities on the environment, economy and community.
- Greater emphasis on environmental issues in the context of development.
- Greater understanding of the workings and nature of the economy as it extends beyond the local authority's administrative boundary. This would encourage more effective and sustainable solutions to be generated.
- Better central government understanding of the economic issues facing York and its hinterland and increased "buy-in" for the locally generated solutions that are proposed.

The outcomes framework identified for the Economic Development and Enterprise block provides performance indicators and targets against each of its 9 outcomes. The indicators consist of a mixture of activities already located within strategic and service plans, and those which have emerged as priorities for the city during consultation with partners in the public, private, voluntary and community sectors. Stretch targets already agreed within York's second Local Public Service Agreement and mandatory targets set by Government for this block have been included. Outcomes and indicators which support the cross-cutting themes of culture, inclusion and sustainability are also fully integrated within the outcomes framework for this block. It is anticipated that inclusion in the Local Area Agreement will provide outcomes identified with a higher city-wide profile than would otherwise have been the case. It is also intended that a more holistic and integrated response from partners will be developed to respond to the targets which have been set. This will reduce both gaps and overlap in current service provision across the city.

ANNEX B: ECONOMIC DEVELOPMENT & ENTERPRISE - OUTCOMES FRAMEWORK

| Outcomes | Indicators | Baseline 2005/6 unless otherwise stated | Targets 2007/8 | Targets 2008/9 | Targets 2009/10 | Proposed Lead Partner |
|--|--|--|---------------------------------|-------------------|--------------------|--|
| EDE1 To modernise the city's economy and increase its competitiveness. | EDE1.1 Number of jobs created. | | | | | |
| | EDE1.2 Number of new businesses. | | | | | |
| | EDE1.3 Increase the average length of stay by 1% per annum. | 3.28 days | +1% | +1% | +1% | The York Area Tourism Partnership |
| | EDE1.4 Set a target of a 5% increase per annum in tourism earnings (in line with Yorkshire Forward's regional target). | £311.8m | +5% | +5% | +5% | The York Area Tourism Partnership |
| | EDE1.5 Proportion of new employment opportunities taken up by local people. | | | | | |
| | EDE1.6 Proportion of households in lowest quartile of income nationally. | | | | | |
| | EDE1.7 Percentage of the working age population receiving income support. | | | | | |
| | EDE1.8 Overall measure of York's economic performance: turnover performance and confidence measured through the York Business survey. | | | | | |
| | EDE1.9 City Centre Partnership PIs to be defined in the Business Plan. | | | | | City Centre Partnership and City of York Council |
| EDE2 Major site development opportunities are maximised. | EDE2.1 Key milestones for bringing forward the site (<i>indicators to be developed with reference to RSS, RES, RHS – could include: decisions on major planning applications; industrial and commercial floor space; housing allocation</i>). | | | | | City of York Council/York Central Board |
| EDE3 Sustainable design principles are applied to all new developments. | EDE3.1 Number of developments with BREEAM rating very good or above. | No data | Identify data for 2006 baseline | 5 developments | 10 developments | City of York Council |

ANNEX B: ECONOMIC DEVELOPMENT & ENTERPRISE - OUTCOMES FRAMEWORK

| Outcomes | Indicators | Baseline 2005/6 unless otherwise stated | Targets 2007/8 | Targets 2008/9 | Targets 2009/10 | Proposed Lead Partner |
|---|---|--|-------------------|-------------------|--------------------|--------------------------|
| EDE4 To enhance economic links with the rest of the region. | EDE4.1 Pls yet to emerge through Key Cities and Leeds City Region activity (<i>indicators are still being worked up, particularly as the City Region is still in the early stages of development. If it is not possible to pursue this as an outcome, more detailed reference will be incorporated within the text</i>). | | | | | |
| EDE5 To develop a more integrated, sustainable and accessible transport network. | EDE5.1 Percentage of customers arriving at the interchange at York station by sustainable means. | 62% | 63% | 65% | 66% | |
| | EDE5.2 Percentage of working age population living within 30 minutes of the city centre or major employment site by public transport. | City Centre 89% Clifton Moor 24% Monks Cross 46% | | | 91% 26% 48% | |
| | EDE5.3 Modal split of journeys to work: - Car driver - Car passenger <i>Note: Provisional targets, as awaiting baseline data</i> | 48.2% 5.50% | 45.73% 5.83% | 45.32% 5.89% | 44.91% 5.94% | |
| | EDE5.4 Change in area-wide traffic mileage (LTP2) | Baseline | | | < 5% Growth | |
| | EDE5.5 Levels of walking in and around the city centre (LTP8B): - Weekday & Sunday - Saturday | 40,146 83,853 | 42,554 88,884 | 43,759 91,400 | 44,963 93,915 | |
| | EDE5.6 City-wide Cycle usage (LTP8A) | Baseline | | | 2.5% Increase | |
| | EDE5.7 Use of local bus services. | 15.6 million | 16.7 million | 17 million | 17.3 million | |
| | EDE5.8 Percentage of people satisfied with the condition of roads and pavements in York. | 56% | >50% | >50% | >50% | |
| | EDE5.9 Air Quality: Mean annual NO2 concentration no greater than 30 µg/m3. | 32 µg/m3 | 31.2 µg/m3 | 30.8 µg/m3 | 30.4 µg/m3 | |

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| Outcomes | Indicators | Baseline 2005/6 unless otherwise stated | Targets 2007/8 | Targets 2008/9 | Targets 2009/10 | Proposed Lead Partner |
|---|--|--|---------------------------|--|----------------------------|----------------------------------|
| | EDE5.10 Ecological footprint of York (transport contribution). | 9.0% | 8.8% | 8.7% | 8.6% | |
| EDE6 To develop the contribution of cultural activities, events and festivals to York's economy. | EDE6.1 Number of events in the City supported by the Arts and Culture Service. | 212 | 269 | 270 | Not set | York@Large |
| | EDE6.2 Percentage of respondents (TalkAbout Survey) who see York as "cosmopolitan" and "vibrant". | Awaiting baseline | | | | York@Large |
| | EDE6.3 Number of visits to/usages of LA funded or part funded museums/galleries per 1000 population. | 3134 | 3291 | 3300 | | |
| EDE7 To widen participation and raise attainment and skills levels throughout the workforce. | EDE7.1 The number of adults achieving a Level 1 qualification as a part of the Skills for Life Strategy through Adult and Community Learning York. | Current performance (academic year ending 31 July 2005): 64 | | Performance expected with the LPSA (cumulative total for the 3 years ending 31 July 2008): 360 | | Lifelong Learning Partnership |
| | EDE7.2 The number of adults achieving a Level 2 qualification as part of the Skills for Life Strategy through Adult and Community Learning York. | Current performance (academic year ending 31 July 2005): 124 | | Performance expected with the LPSA (cumulative total for the 3 years ending 31 July 2008): 559 | | Lifelong Learning Partnership |
| | EDE7.3 The number of adults achieving an Entry Level 3 qualification as part of the Skills for Life Strategy through Adult and Community Learning York. | Current performance (academic year ending 31 July 2005): 27 | | Performance expected with the LPSA (cumulative total for the 3 years ending 31 July 2008): 113 | | Lifelong Learning Partnership |

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| Outcomes | Indicators | Baseline 2005/6 unless otherwise stated | Targets 2007/8 | Targets 2008/9 | Targets 2009/10 | Proposed Lead Partner |
|----------|---|--|--|-------------------|--------------------|--|
| | EDE7.4 Percentage of the working age population at NVQ Level 4. | | | | | City of York Council/Lifelong Learning Partnership |
| | EDE7.5 Number of learners achieving a qualification outcome contributing to the national target for Skills For Life. – <i>(To be replaced by indicator from the Lifelong Learning Partnership form the strategy they are currently developing. This will cover all provision across the city and not only Skills For Life. – Baseline to be set during year 1. – Speak to Julia Massey at Learning City York re: indicator).</i> | 200 | 250 | 270 | 280 | |
| | EDE7.6 The number of adults registering for and completing learning programmes offered by, or in, York's public libraries. | Current performance (year ending 31 March 2005): 763 | Performance expected with the LPSA (cumulative total for the 3 years ending 31 March 2008): 2519 | | | Lifelong Learning Partnership |
| | EDE7.7 Number of learners recruited to accredited Family Learning. | <i>Targets to be set once baseline established</i> | | | | |
| | EDE7.8 Number of learners recruited to programmes aiming to improve literacy and numeracy. | 359 | 400 | 410 | 420 | |
| | EDE7.9 Number of learning taster events at festivals. | 41 <i>(Learning City York has different information on this indicator)</i> | 45 | | | |

ANNEX B: ECONOMIC DEVELOPMENT & ENTERPRISE - OUTCOMES FRAMEWORK

| Outcomes | Indicators | Baseline 2005/6 unless otherwise stated | Targets 2007/8 | Targets 2008/9 | Targets 2009/10 | Proposed Lead Partner |
|--|---|--|-------------------|-------------------|--------------------|---------------------------------|
| | EDE7.10 Percentage of people obtaining work and entering learning after attending Future Prospects (<i>can this be broken down into groups to show e.g. how disadvantaged people are assisted in accessing employment opportunities? – Need to retain 'narrowing the gap focus on some indicators as most have been cut).</i> | 16% | 16% | 16% | 16% | Future Prospects |
| | EDE7.11 Develop new performance indicator supporting take-up of advice (<i>this may be located here or in SSC depending on its final nature and will link to York's Advice Service Partnership).</i> | To be developed | | | | York Advice Service Partnership |
| | EDE 7.12 Percentage of people of working age in employment (<i>break this down to cover different groups if possible – e.g. single parents, BME groups, 50+, disabled people).</i> | | | | | |
| | EDE 7.13 Credit Union membership (in line with YCU's business plan). | | | | | York Credit Union |
| EDE8 To minimise the negative environmental impact of the city's economic activity. | EDE8.1 Number of days when air pollution is moderate to high. | | | | | City of York Council |

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| Outcomes | Indicators | Baseline 2005/6 unless otherwise stated | Targets 2007/8 | Targets 2008/9 | Targets 2009/10 | Proposed Lead Partner |
|---|---|--|---|---|---|--------------------------|
| | EDE8.2 Percentage of the 10 largest organisations in York that have ISO14001 or EMAS or are working towards certification. | No data | 2 of the 10 largest organisations in York to have, or be working towards achieving, ISO14001 or EMAS. | 3 of the 10 largest organisations in York to have, or be working towards achieving, ISO14001 or EMAS. | 5 of the 10 largest organisations in York to have, or be working towards achieving, ISO14001 or EMAS. | |
| | EDE 8.3 Numbers of representative from SMEs attending York Green Business Club. | Get data from the Business Environment Forum | X small business in York to regularly attend York Green Business Club events. | X small business in York to regularly attend York Green Business Club events. | X small business in York to regularly attend York Green Business Club events. | |
| | EDE8.4 CO2 emissions in York from all sectors. | | | | | |
| | EDE8.5 Waste generated from business (<i>check with waste strategy for appropriate indicator</i>). | | | | | |
| EDE9 To conserve and enhance the existing environment and special character of the city. | EDE9.1 a) No. of listed buildings, grade 1,2* & 2. b) No. of listed buildings of Grade 1 & 2* listed as at risk. | | | | | |
| | EDE9.2 Square Km of green space in York. | | | | | |
| | EDE9.3 Square Km of public open space. | | | | | |
| | EDE9.4 Square Km designated as a site of importance for nature conservation (SSSI, LNR, SINC). | | | | | |

ANNEX B: ECONOMIC DEVELOPMENT & ENTERPRISE - OUTCOMES FRAMEWORK

| Funding Streams | Allocation | | |
|--------------------------|------------|-------|-------|
| | 07/08 | 08/09 | 09/10 |
| | | | |
| Agreed enabling measures | | | |
| | | | |

Key:

- Blue text indicates LPSA outcomes, indicators and targets
- Green text indicates mandatory outcomes, indicators and targets
- Red text indicates areas in need of further work

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Economic Development Partnership Board

26 September 2006

Report of the Director of City Strategy

Progress on Key Issues

Summary

1. The report picks up on any matters arising from the last meeting of the Board and briefs Board members on issues/progress in other areas of economic development activity.

Background

2. This is the progress on key issues report which is given at every Economic Development Partnership Board to update members on projects and to answer any matters arising from the previous meeting. The following 5 paragraphs relate to requirements from the new protocol for Council reports and the detail on progress starts from paragraph 8.

Consultation

3. The report is being provided for information and there are no recommendations with financial consequences. There is no consultation necessary for this report.

Options

4. This report is for information only and therefore does not present options for decisions by Board members. Where decisions are necessary specific reports on those issues and options will be presented. However, Board members are invited to comment on aspects of the information provided.

Analysis

5. As stated in the paragraph above, options have not been presented therefore there is no appraisal of options available.

Corporate Objectives

6. All the projects reported on in this report are firmly embedded within the Council's corporate objectives and the Without Walls initiatives.

- * 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.

Implications

7. As this is a general report on the progress of key issues there are no implications. Any significant implications to the economic programme will be brought to the Board through a separate issue-specific report, such as the Science City York report elsewhere on this agenda.

Matters Arising

8. York Christmas Lights. Following the Economic Development Board meeting on 14 March a proposal is being put to the Executive on 12 September for a Children’s Magic Christmas Tree. This is to be sited over the fountain in Parliament Street from Friday 17 November for the duration of the festive period. The costs are to be covered by public donations through an Evening Press appeal, and there is a collection box in the Finance Centre.

Tourism

- 9 Work is advancing on the tourism delivery structures in the Yorkshire region, with the development of Area Tourism Partnerships (ATPs) including one based on the First Stop York tourism partnership. A draft business plan for the ATP has been produced and £666K of resources has been secured from Yorkshire Forward for York as one of the three ATPs in North Yorkshire. The York component includes a combination of organisational enhancements to help work more closely with the tourism industry and allow the partnership to work more closely, and developments designed to improve and market the York offer.

- * The York ATP is required to develop an Area Tourism Plan, looking long term, strategically, at where York is headed and to identify key issues and priorities for investment from a full range of sources – not just from Yorkshire Forward but the private/commercial sector as well. In assembling the Area Tourism Plan there will be a market segmentation workshop, looking at the markets which York should be targeting, and there will be an examination of long-term future investment priorities, building on York’s great heritage strengths and reflecting them in a creative and innovative way. The Area

Tourism Plan needs to be finalised in the next few weeks, and the Plan will be brought to the Board in December.

- 10 The Station VIC has reopened following support from Yorkshire Forward and showed instant results with a 38% increase in merchandising sales, a 27% increase in ticket sales and a 39% increase in York Pass sales in the first seven months of reopening (Feb-August 2006) compared with the same seven months in 2005. In the five months of April-August 2006, visitor numbers totalled 184,000 people.
 - * Consultants are still working with the partners on a report on the future of city centre Visitor Information Centre services. A number of critical issues remain, particularly regarding the financial appraisal, and discussions are continuing within the Council and with key external partners. An Action Plan is being developed.
11. The main findings from the 2005 Economic Impact Model for tourism have been published. Although visitor numbers in 2005 were down by 2.7% to 3.84mn but expenditure rose by 10% (7.5% taking account of inflation) to £311.8mn and the length of stay of staying visitors rose by 7.5% to 3.28 days. Employment in tourism reached 9,561 jobs – up 700 on 2004.
12. The growth in expenditure is very striking when York is currently attracting relatively older and less affluent visitors. As long as they are able and willing to spend money in York then this visitor group is clearly valued, but York has ample potential to perform even more strongly if more higher income, younger visitors can be encouraged to come to York as well.
13. Though York has seen better hotel occupancy performance in the first four months of 2006 compared with the same period last year, occupancy levels have fallen back in the summer, though visits to attractions rose again in July.
14. The Mystery Plays brought a boost to York in July and was very well received. There was support through the First Stop York tourism partnership, including the latest in the established series of trails guides which featured the history of the Mystery Plays as performed in York.
15. The York Festival of Food and Drink takes place in York from 22 September to 1 October, celebrating regional food, with the Guildhall acting as centrepiece for cookery demonstrations, wine tasting, evening events etc. There are also a series of Festival markets in Parliament Street.
- 16 The First Stop York tourism partnership has been supporting the York Open Air Cinema events in St William's College Green, with two film shows (Singin' in the Rain on 7 September and Chocolat on 21 September) being held in the evenings to large audiences.
16. Brochures promoting the 2006 Christmas experience in York have already gone out to tour operators, local accommodation providers and visitor information centres. Last year over half a million visitors came to York over the six week period pre-Christmas. The detailed Yuletide York guide is already out – the earliest it has ever been published – following interest from travel operators and accommodation providers in having this information available as early as possible.

Future Prospects

17. The last report provided the end of year statistics and outcome trends. These are up-dated on a six monthly basis and will be provided at the next EDB.
18. Future Prospects has just been the subject of an organisational Review completed by Azure Consulting Ltd. The findings were presented to the Future Prospects Management Group on 26th August and discussed in detail at a meeting on 4th September.
19. Overall the findings were extremely positive, identifying that the organisation is achieving its key objectives, is client focused and that it has a unique and enviable culture and ethos in the world of learning and work advisory services.
20. A number of organisational issues were identified for potential improvement and these are the focus of discussion within the Management Group and the Future Prospects Management Team.

Rail-related issues

North-south high speed link.

21. Discussion on this topic took place at a previous Board meeting and an update was requested should there be any new developments.
22. To recap – investment in high speed rail has been an issue for many years now being given new impetus by the growing role of rail in the UK economy. Benefits are considered to be the relief of congestion and associated costs, the ability to shrink distances and travel times and the contribution made by rail to economic regeneration. Coupled with these, the West Coast route will be at capacity by 2016 and the East Coast soon after if present trends continue. Lately, the debate has been refueled by increased professional, industrial and political contribution.
23. At this stage, no decision has been taken as to whether the route of a link would take in the east or west sides of the country (or be some sort of hybrid). The Department for Transport has examined the feasibility of the principle and has stated that the concept is worthy of further consideration. Last March, the then Secretary of State for Transport, Alistair Darling, suggested that with the successes associated with the new Channel Tunnel Rail Link, came the responsibility to consider at least, its northern extension. Accordingly, the government has asked that Sir Rod Eddington (former British Airways chief executive) include the matter in his report on the country's entire Transport infrastructure (roads, airports and railways) which is due for submission to the government in November. Any proposal will need to be considered as a partnership between the public and private sectors. Preliminary costings based on the Channel Tunnel Rail Link experience suggest an amount between £12 and £19 billion. A Strategic Rail Authority study in 2001 actually estimated the cost at £33 billion.
24. Initially thought to be sympathetic to the idea of a high speed line, an article in The Times on August 29th, suggested that Sir Rod has concluded that such a scheme would, in fact, be too expensive and deliver too few benefits, believing that there are more cost effective ways of regenerating northern cities. These include using

limited budgets to improve existing line capacities and road tolls. In response to The Times article, a Department for Transport spokesperson has stated that Sir Rod's recommendations will be considered very carefully when his report has been finalised.

GNER

25. The company's problems have received much publicity over the summer months.
26. At the strategic level, its parent company Sea Containers is having difficulty in dealing with massive debt. Crucially Sea Containers provides GNER with financial guarantee and on the positive side, it has been reported recently that arrangements to safeguard GNER's interests in this respect have been made with its bankers should the worst case scenario be played out. The possibility of GNER's sale though, cannot be ruled out at this stage.
27. At the operational level, traffic receipts have not been meeting expectations and a number of cost saving/revenue increasing proposals are being considered to meet the onerous franchise repayments to government GNER is committed to.
28. In discussions, company representatives have been keen to emphasise that GNER remains committed to York and the staff they employ at headquarters. There have been changes to staff at the highest level however. Jonathan Metcalfe has been promoted from Chief Operating Officer to succeed Christopher Garnett as Chief Executive, reporting to Bob Mackenzie Chief Executive of Sea Containers who now becomes Executive Chairman of GNER.
29. As a backdrop to all of this GNER has still not ruled out continued legal challenge to the Office of the Rail Regulation's decision to grant open-access service provision facilities to Grand Central. GNER's concern is that Grand Central as an open access operator does not have the equivalent fixed costs but can abstract revenue from GNER at stations which provide significant revenue such as York. Discussions are also thought to be on-going with the Department for Transport on the nature of the franchise repayments.
30. It is apparent that GNER's destiny does not lie entirely in its own hands. The Company may make contact in the future with those whom it feels may be able to add weight to any lobbying it may wish to undertake.
31. Grand Central, meanwhile, is looking to recruit the 40 staff it will need to launch its services from the north-east to Kings Cross on December 10th.

British Sugar

32. Correspondence has been exchanged between the Leader of the Council and British Sugar's Chief Executive concerning the closure announcement. A high level meeting has also occurred. The Leader has urged that the company provide further information relating to the closure and put in place a comprehensive package to support those whose jobs are being lost.
33. At the local level the Factory Manager has stated that the closure decision had been based solely on a 40% drop in the UK sugar beet price and as East Anglian

sugar beet productivity outstrips that of North Yorkshire, the decision had been made to consolidate there.

34. Management is now in a 90 day consultation period with staff and suppliers. Further information on the nature of the local element of the latter has been promised. This winter's campaign is to go ahead with the majority of staff being retained until the end of "juice production" next summer.
35. Discussions are ongoing nationally in relation to growers and future pricing structures. Locally business advice to them is being co-ordinated through Business Link York and North Yorkshire.
36. The Factory Manager has confirmed a commitment to finding alternative employment for the staff involved. Redeployment with the company is also a possibility. The services offered through Future Prospects have been made known and these will be considered at the appropriate time.

Science City York

37. Science City York (SCY) activity has focused on the development of both strategic and operational priorities in line with the Sub Regional Investment Plan (SRIP) action plan and emerging new drivers at a regional and national level:

New Staffing Structure

38. SCY has completed the implementation of the new staffing structure, with additional funding secured from SRIP to support new resources in cluster development, communications and operations management. This follows approval at the City of York Council's Urgency Committee in March 2006.
39. Five staff members from the existing SCY team, following the City of York Council's 'at risk' process implementation, have been offered contracts until March 2009 in line with partner funding. The remaining five vacancies were advertised in June, and three new members have now joined the team including Fay Treloar as the new Head of Development & Delivery. Fay brings significant contract and operational experience to the team. The remaining two staff members will be on board by the end of September.
40. In addition following the relocation of Anna Rooke to Australia over the summer, the position of Project Director was subsequently advertised but on a one year Interim contract basis until the outcome of additional feasibility work on SCY has been concluded. The scope and recommendations of this work is detailed later in this report. The successful candidate, Paul Taylor will begin in October 06 and has extensive experience of managing multi-agency partnerships both nationally and internationally.

SCY Future Organisational Status

41. Science City York has been operating as a partnership body over the last 8 years – with high levels of engagement and appropriate consultation mechanisms. 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.

42. 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.
43. The stakeholders have formed a Stakeholder Board in the last few months, to review this issue and determine the priorities and future management capability required. The relationship with the current SCY Strategy Board has yet to be formalised but close integration obviously will be put in place.
44. Additional consultancy work commissioned by the Stakeholder Board has examined the appropriate model for Science City York in potentially setting up the partnership as a Company Limited by Guarantee and has recommended that a Chief Executive position is required to influence activity on a national stage. A report to City Strategy EMAP is to consider the recommendations in more detail at September's meeting.

Northern Way bid

45. As reported to members in June, plans to develop the Science City York (SCY) Business 'Hub & Spoke' are under development with Stage 2 proposals to be submitted to Yorkshire Forward over the next week. The SCY 'Hub & Spoke' will provide specialist mentoring, incubation and grow-on facilities at four key strategic business sites in order to support the realisation of SCY's vision of generating 15,000 new jobs by 2021. The allocation of £2.63m from Northern Way will ensure that capital requirements of this model can be allocated to support high specification infrastructure within and across each strategic location as well as wider links nationally.
46. The key components of the SCY Business 'Hub & Spoke' concept includes:
 - i) SCY 'Business Hub' –providing specialist business mentoring and support services to nurture early stage businesses - supported through this project that is underway.
 - ii) 'Spoke Centres' which include four strategic site locations:
 - Digital & Creative Technologies Centre c. 40,000 sq ft, at Terry's, the Chocolate Works
 - Knowledge Venture Centre (again, around 40,000 sq ft), at Vangarde
 - Innovation & BioCentre Central, (10,000 sq.ft.) at York Science Park
 - Technology Facility 'listening post', Department of Biology, University of York

47. Each SCY business 'spoke' will incorporate high quality specification facilities, linked virtually across the city, with scope for shared management infrastructure and also having the potential to link with other Northern Way Science City proposals

British Association Festival 2007

48. The British Association for the Advancement of Science (the BA) is national foundation that 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 1830's.
49. 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 and schools programme content taking place at the University of York campus. The City programme will run 8-15 September and will consist of activities taking place across the City. A substantial amount of sponsorship will need to be generated nationally and locally.
50. 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 involves representation from across the Council, SCY, University, the BA and Yorkshire Forward.
51. 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 by SCY to deliver the 'City based' programme. The terms of the contract with the BA are being presently reviewed and further updates can be provided in due course.

STEM Commissioning Framework 2006-2009

52. The Science, Technology, Engineering and Maths (STEM) Board in Yorkshire, which is part of Yorkshire Forward, has issued a call for projects/programmes of work in 2006-2009 to contribute to one or more of the STEM objectives in the region. Science City York has contributed to partnership application bid which is being led by SETPOINT North Yorkshire.
53. STEM Board has indicated that it will welcome consortia bids to develop innovative programmes that meet 1 or more of their 5 objectives. Bids need to be a minimum of £500k but no more than £1m. The SETPOINT North Yorkshire led bid covers activity across all the strands, with one of the five objectives being to encourage a:

Complementary programme of family and adult lifelong learning to encourage a wider circle of mentors and promote public enthusiasm for STEM.

54. This is the aspect of bid is where SCY will directly develop and deliver programmes through the jointly funded Skills Coordinator for SCY and SETPOINT North Yorkshire. The bid represents a significant opportunity for SCY to deliver and support enhanced school community and further education initiatives to accelerate understanding and progression routes in STEM based subjects. Income revenues will be allocated following feedback from the STEM Board on successful bids.
55. The bid has successfully passed through panel interview at stage 2, and the Consortia have been invited to two further meetings at Yorkshire Forward, prior to contract negotiations. Progression to contract negotiations is currently not guaranteed and the emphasis Yorkshire Forward will require to be placed on each of the 5 strands to be confirmed at the negotiation stage.

York Training Centre

60. York Training Centre (YTC) has now consolidated its activities into two main areas – Apprenticeship training for 16 – 24 year olds and Work Related Programmes for 14 – 16 year olds. In addition we continue to offer some programmes to improve adult qualifications as private candidates, Council employees or under Train to Gain funding.
61. Jobseeking programmes for adults, run under Jobcentre Plus (JCP) funding, finally came to an end in June 2006 due to re-structuring and re-tendering by JCP to a regional model.
62. As a result of JCP programmes ending and a management decision to end non-viable occupational areas, there were eight compulsory redundancies and seven unfilled posts up to June 2006.
63. Selby Training Centre, operated by YTC for many years, had to be closed in May 2006 as a result of the JCP programmes ending and because of financial restraints at YTC. Space occupied in 20 George Hudson Street was also reduced as part of a cost-cutting exercise. Hot-desking has been formally introduced and working from home encouraged.
64. The financial position for the new academic year is still unclear in some cases relating to uncertainties in recruitment of new learners from September 2006. A more detailed report will follow later in the term when referrals start.
65. YTC is being inspected by the Adult Learning Inspectorate in November 2006. This will be a one week joint inspection with Adult and Community Learning. YTC and ACL are funded under one contract by the Learning and Skills Council, who are looking for evidence of a quality service to learners, value for money, sharing of good practice and a CYC

City Centre Partnership Ltd

66. Groundwork for the BIDS project is now underway with research into the definition of a BIDS area, development of the business database, the potential value of a levy at varying levels, and the possibility of matched funding from non-levy sources.

Initiative groups, such as the Retailers Forum, York in Bloom and RACY, are meeting regularly to progress work within the Action Plan. The summer edition of "Outlook" has been published, the website is being amended to include a special section on "Shop of the Month" and currently hosts a poll to research preferred nights for late night shopping. YCCP has supported a new initiative to encourage late-night trading through monthly "Petergate Party Nights".

67. Jez Willard from the Japanese Shop has joined the Board as a private sector representative to replace Brian Littlejohn from Marks and Spencer who has moved on.

Risk Management

68. In compliance with the council's risk management strategy. There are no risks associated with the recommendations of this report.

Recommendations

69. The Board's input and endorsement is requested.

Reason: To help shape the effectiveness of future action.

Contact Details

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Chief Officer Responsible for the report:

Bill Woolley
Director of City Strategy

Report Approved

Date

14/09/06

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

All

For further information please contact the author of the report

Background Papers: Progress on key issues report 20 June 2006

Annexes - Annex 1 – York/National Tourism Trends: Results to July 2006
Annex 2 – Performance Indicator – Unemployment in York
Annex 3 - Future Jobs for York – Notes on the Future of the York Economy
(Annex 3 report to follow)

YORK/NATIONAL TOURISM TRENDS: RESULTS TO JULY 2006

a) York trends (figures from the Yorkshire Tourist Board, based on a sample of accommodation providers of different sizes)

In 2005 calendar year bed and room occupancy figures were down 2-3% on 2004. Trends so far in 2006 are mixed – better at the start of the year than in the summer.

| Bed occupancy | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------|
| January | 31.8% | 29.0% | 29.8% | 22% | 24.2% | 24.5% | 27.5% | 27.8% | 25.3% |
| February | 35.4% | 41.4% | 46.8% | 40.6% | 42.7% | 43.4% | 44.2% | 40.6% | 43.0% |
| March | 48.2% | 48.7% | 48.0% | 42.0% | 48.0% | 44.8% | 44.3% | 43.5% | 39.6% |
| April | 59.0% | 54.8% | 60.0% | 51.4% | 46.7% | 52.9% | 53.2% | 45.8% | 51.6% |
| May | 61.6% | 60.1% | 56.0% | 55% | 48.5% | 54.7% | 57.3% | 50.2% | 49.1% |
| June | 57.7% | 60.2% | 58.6% | 57.3% | 59.1% | 53.1% | 60.7% | 52.9% | 49.6% |
| July | 71.4% | 71.5% | 56.2% | 52.4% | 62.1% | 58.7% | 61.5% | 58.0% | 57.0% |
| August | 74.2% | 68.9% | 64.7% | 62.9% | 62.8% | 62.9% | 63.2% | 61.0% | |
| September | 67.8% | 67.2% | 61.9% | 56.2% | 54.2% | 55.9% | 53.8% | 52.7% | |
| October | 66.1% | 67.0% | 61.1% | 49.5% | 62.3% | 54.9% | 56.5% | 56.8% | |
| November | 46.9% | 48.9% | 30.2% | 49.4% | 50.5% | 43.9% | 46.5% | 45.1% | |
| December | 40.5% | 39.9% | 33.6% | 33.1% | 37.7% | 36.1% | 42.8% | 41.4% | |
| Annual average | 55.0% | 54.8% | 50.6% | 47.7% | 49.9% | 48.8% | 50.9% | 48.0% | |

| Room occupancy | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------|
| January | 44.8% | 39.1% | 41.3% | 31.9% | 38% | 37.2% | 39.8% | 40.3% | 38.8% |
| February | 52.0% | 53.9% | 59.4% | 51.3% | 58.2% | 57.4% | 56.0% | 53.9% | 59.0% |
| March | 60.9% | 62.2% | 67.1% | 55.9% | 64.7% | 60.2% | 59.7% | 54.4% | 57.2% |
| April | 70.2% | 68.0% | 71.1% | 61.9% | 62.2% | 65.3% | 63.8% | 61.6% | 65.1% |
| May | 73.4% | 70.7% | 70.6% | 70.3% | 64.8% | 66.7% | 70.5% | 63.3% | 62.5% |
| June | 76.7% | 76.3% | 69.1% | 73.2% | 73.1% | 65.9% | 75.2% | 70.3% | 59.3% |
| July | 82.8% | 84.1% | 67.6% | 66.6% | 75.4% | 73.0% | 76.0% | 74.5% | 70.9% |
| August | 81.1% | 75.0% | 73.7% | 77.6% | 74.8% | 74.9% | 76.1% | 72.5% | |
| September | 82.3% | 82.7% | 77.8% | 65.5% | 69.7% | 71.9% | 72.3% | 71.8% | |
| October | 78.4% | 80.4% | 73.5% | 60.2% | 77.3% | 68.5% | 72.5% | 74.1% | |
| November | 60.4% | 64.5% | 47.6% | 63.5% | 61.9% | 59.3% | 65.8% | 63.9% | |
| December | 50.0% | 51.2% | 41.4% | 41.5% | 51.4% | 44.6% | 53.8% | 54.5% | |
| Annual Average | 67.7% | 67.3% | 63.3% | 60.0% | 64.3% | 62.1% | 65.1% | 62.9% | |

The **Visitor Attractions Monitor** assesses the number of visitors to a sample of attractions in the city. Here's some comparisons with the same month a year earlier:

| | | | |
|--------------------|-------------------------|----------|------------------------|
| Jan 04 (cf Jan 03) | +4% | May 05 | -5.7% |
| Feb 04 | -5% | June 05 | -22.9% |
| Mar 04 | -3% | July 05 | -3% |
| Apr 04 | +5% | Aug 05 | +3% |
| May 04 | -5% | Sept 05 | +4% |
| June 04 | +12% | Oct 05 | +1.8% |
| July 04 | +7% | Nov 05 | +9.8% |
| Aug 04 | +4% | Dec 05 | -1.1% |
| Sept 04 | +1% | Jan 06 | +8% |
| Oct 04 | +1% | Feb 06 | +9.9% |
| Nov 04 | -4% | March 06 | -31.4% (Easter late) |
| Dec 04 | +6% | April 06 | +75.2% (Easter= April) |
| Jan 05 (cf Jan 04) | +1% | May 06 | -2.3% |
| Feb 05 | +1% | June 06 | -5.8% |
| Mar 05 | +36% (Easter was early) | July 06 | +2.7% |
| April 05 | -24% | | |

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Business performance Performance Indicator

VJ15d

Turnover (Sales) Balance

Looking over past Quarter

| Yr/Qtr | Surveyed | Balance | Quarterly Moving av. |
|---------|----------|---------|----------------------|
| 2001 Q3 | October | 21.5 | |
| 2001 Q4 | January | 22.7 | |
| 2002 Q1 | April | 33.3 | |
| 2002 Q2 | July | 27.9 | 26.4 |
| 2002 Q3 | October | 29.6 | 28.4 |
| 2002 Q4 | January | 30.3 | 30.3 |
| 2003 Q1 | April | 24.5 | 28.1 |
| 2003 Q2 | July | 24.0 | 27.1 |
| 2003 Q3 | October | 28.4 | 26.8 |
| 2003 Q4 | January | 19.9 | 24.2 |
| 2004 Q1 | April | 21.9 | 23.6 |
| 2004 Q2 | July | 30.9 | 25.3 |
| 2004 Q3 | October | 20.6 | 23.3 |
| 2004 Q4 | January | 13.2 | 21.7 |
| 2005 Q1 | April | 14.2 | 19.7 |
| 2005 Q2 | July | 18.4 | 16.6 |
| 2005 Q3 | October | 14.7 | 15.1 |
| 2005 Q4 | January | 5.1 | 13.1 |
| 2006 Q1 | April | 9.8 | 12.0 |
| 2006 Q2 | July | 31.1 | 15.2 |

PI VJ15d

'Maintain the York Business Survey moving average Turnover net Balance figure above 20% reflecting turnover or sales levels among York firms'

The balance figure for the indicator is provided by subtracting the respondents who said their sales were falling from those who said their sales were rising.

28.4 A Quarterly Moving Average figure is then calculated to smooth out some of the seasonal up and down movements in the indicator. A number of respondents will also remark that their position has not altered.

24.2 The most recent result is shown in bold text, with comparable quarters also highlighted

Business confidence Performance Indicator

Expected turnover levels

Looking to Quarter ahead

| Yr/Qtr | Surveyed | Balance | Quarterly Moving av. |
|---------|----------|---------|----------------------|
| 2001 Q4 | October | 19.6 | |
| 2002 Q1 | January | 41.5 | |
| 2002 Q2 | April | 47.7 | |
| 2002 Q3 | July | 45.0 | |
| 2002 Q4 | October | 25.4 | |
| 2003 Q1 | January | 36.2 | |
| 2003 Q2 | April | 44.1 | |
| 2003 Q3 | July | 40.0 | |
| 2003 Q4 | October | 21.3 | |
| 2004 Q1 | January | 34.6 | |
| 2004 Q2 | April | 39.7 | |
| 2004 Q3 | July | 45.4 | |
| 2004 Q4 | October | 26.0 | |
| 2005 Q1 | January | 34.9 | |
| 2005 Q2 | April | 40.8 | |
| 2005 Q3 | July | 22.3 | |
| 2005 Q4 | October | 8.4 | |
| 2006 Q1 | January | 24.4 | |
| 2006 Q2 | April | 9.8 | |
| 2006 Q3 | July | 32.0 | |

PI VJ15c
 'Maintain the York Business Survey moving average Expected Turnover net Balance figure above 20% reflecting confidence in future turnover or sales levels among York firms'

The balance figure for the indicator is provided by subtracting the respondents who said they expected their sales to fall from those who expected their sales to rise. A Quarterly Moving Average figure is then calculated to smooth out some of the seasonal up and down movements in the indicator. A proportion of respondents will also remark that their position has not altered.

The most recent result is shown in bold text, with comparable quarters also highlighted

Employment Balance Performance Indicator

Employment Balance

Looking over past Quarter

| Yr/Qtr | Surveyed | Balance | Quarterly Moving av. |
|---------|----------|---------|----------------------|
| 2001 Q3 | October | 6.5 | |
| 2001 Q4 | January | 2.8 | |
| 2002 Q1 | April | -5.3 | |
| 2002 Q2 | July | 9.0 | |
| 2002 Q3 | October | 5.9 | |
| 2002 Q4 | January | 14.8 | |
| 2003 Q1 | April | 3.8 | |
| 2003 Q2 | July | 12.0 | |
| 2003 Q3 | October | 8.4 | |
| 2003 Q4 | January | 1.9 | |
| 2004 Q1 | April | 7.2 | |
| 2004 Q2 | July | 11.0 | |
| 2004 Q3 | October | 14.6 | |
| 2004 Q4 | January | 12.5 | |
| 2005 Q1 | April | 12.5 | |
| 2005 Q2 | July | 14.6 | |
| 2005 Q3 | October | 10.5 | |
| 2005 Q4 | January | 9.7 | |
| 2006 Q1 | April | 5.3 | |
| 2006 Q2 | July | 8.4 | |

PI VJ15e
'Maintain a positive York Business Survey moving average Employment net Balance figure'

The balance figure for the indicator is provided by subtracting the respondents who said their employment levels were falling from those who said their employment levels were rising. A Quarterly Moving Average figure is then calculated to smooth out some of the seasonal up and down movements in the indicator. A number of respondents will also remark that their position has not altered.

The most recent result is shown in bold text, with comparable quarters also highlighted

Performance Indicator - Unemployment in York -VJ15a and VJ15b

ILO/OECD Count - those actively seeking work and available to start in York: 2,899 (2.6% workforce, 3.2% resident workforce)

Claimant Count and Unemployment Rates in York compared to Region and UK (workforce rate)

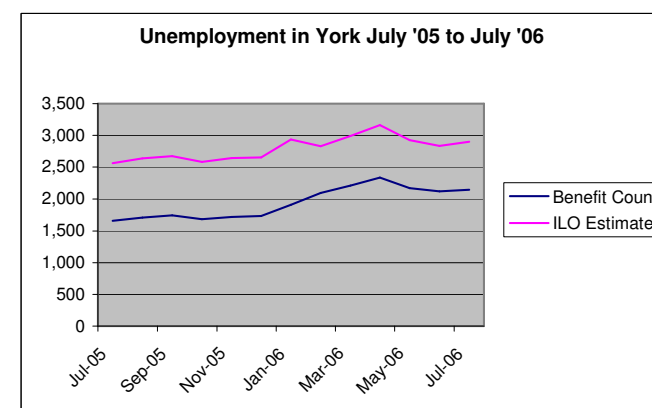
York below Region

York below UK

| Date | York | Rate | Region | Rate | UK | Rate | York MA | Regional MA | UK MA | York below Region by at least 1.5% | York below UK by at least 1.0% | |
|---|-------|------|--------|------|---------|------|---------|-------------|-------|---------------------------------------|-----------------------------------|------------|
| Jul-2005 | 1,656 | 1.5 | 76,375 | 3.0 | 870,982 | 2.8 | 1.5 | 2.9 | 2.7 | 1.4 | 1.3 | |
| Aug-2005 | 1,706 | 1.5 | 77,530 | 3.0 | 880,727 | 2.8 | 1.5 | 2.9 | 2.7 | 1.4 | 1.3 | |
| Sep-2005 | 1,742 | 1.5 | 77,517 | 3.0 | 871,532 | 2.8 | 1.5 | 2.9 | 2.8 | 1.5 | 1.3 | |
| Oct-2005 | 1,679 | 1.5 | 77,351 | 3.0 | 864,827 | 2.8 | 1.5 | 2.9 | 2.8 | 1.5 | 1.3 | |
| Nov-2005 | 1,716 | 1.5 | 79,266 | 3.1 | 875,335 | 2.8 | 1.5 | 3.0 | 2.8 | 1.5 | 1.3 | |
| Dec-2005 | 1,733 | 1.5 | 82,514 | 3.2 | 892,711 | 2.9 | 1.5 | 3.0 | 2.8 | 1.5 | 1.3 | |
| Jan-2006 | 1,910 | 1.7 | 88,882 | 3.4 | 955,335 | 3.0 | 1.5 | 3.1 | 2.8 | 1.5 | 1.3 | |
| Feb-2006 | 2,094 | 1.9 | 91,258 | 3.5 | 984,664 | 3.1 | 1.5 | 3.1 | 2.8 | 1.5 | 1.3 | |
| Mar-2006 | 2,214 | 2.0 | 92,070 | 3.5 | 989,136 | 3.1 | 1.6 | 3.1 | 2.9 | 1.5 | 1.3 | |
| Apr-2006 | 2,339 | 2.1 | 90,583 | 3.4 | 981,198 | 3.1 | 1.6 | 3.2 | 2.9 | 1.5 | 1.3 | |
| May-2006 | 2,168 | 1.9 | 87,730 | 3.4 | 965,744 | 3.1 | 1.7 | 3.2 | 2.9 | 1.5 | 1.2 | |
| Jun-2006 | 2,118 | 1.9 | 87,730 | 3.3 | 952,890 | 3.0 | 1.7 | 3.2 | 2.9 | 1.5 | 1.2 | |
| Jul-2006 | 2,142 | 1.9 | 88,636 | 3.4 | 960,840 | 3.0 | 1.7 | 3.3 | 3.0 | 1.5 | 1.2 | |
| Data sources: NOMIS (National On-line Manpower Information System) and Taylor Associates | | | | | | | | | | 12 mnth av | 1.5 | 1.4 |

Notes:

- Table: 'MA' denotes moving average: each monthly rate is an average figure of the previous twelve months. This smoothes out some of the monthly swings in unemployment, producing a clearer trend line. For information, raw percentage rates are shown in the '%' column after each area.
- Because official unemployment rates are now calculated on a residents basis for areas below regions, the York % rate is estimated for November 2002 onwards when workplace-based rates ceased to be available.
- Members should be aware that the measure of unemployment used here is the narrow, and largely unsatisfactory, Claimant Count, which measures only those people receiving benefits while they are unemployed. It is used here to ensure commonality across the three areas shown and should be seen as a proxy measure of economic activity rather than as a measure of the true extent of the problem of unemployment for local people.
- The shaded columns demonstrate the two unemployment performance indicators used by the Council,
- Graph: This shows the numbers of people seeking work in the city, the ILO measure, as the higher line. The lower, broken line, charts the narrower Claimant Count measure.
- Members should also be aware that official unemployment data is always subject to revision, rounding of figures to one decimal place in the table may appear to suggest arithmetical errors.
- York workforce estimated at 113,000 source: Jobs Density 2003 ONS
- Economically active used as the resident workforce denominator: 91,400 Source ONS

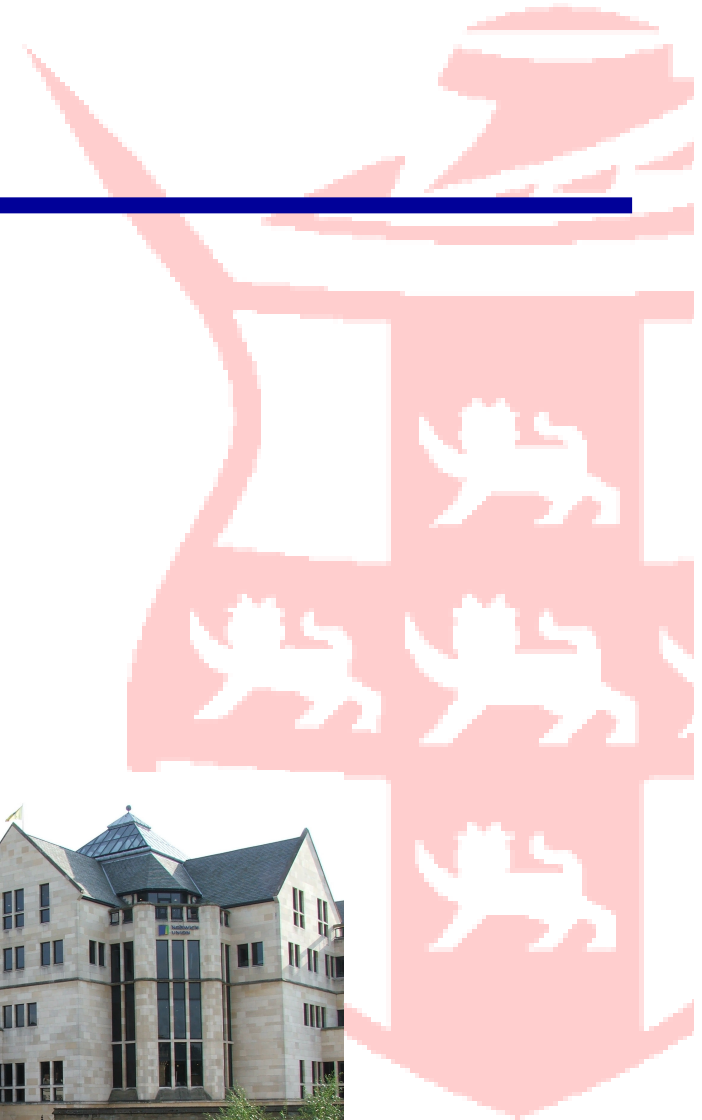


Economic Development Progress Report

26th September 2006

Annex Three

Norwich Union and Nestlé

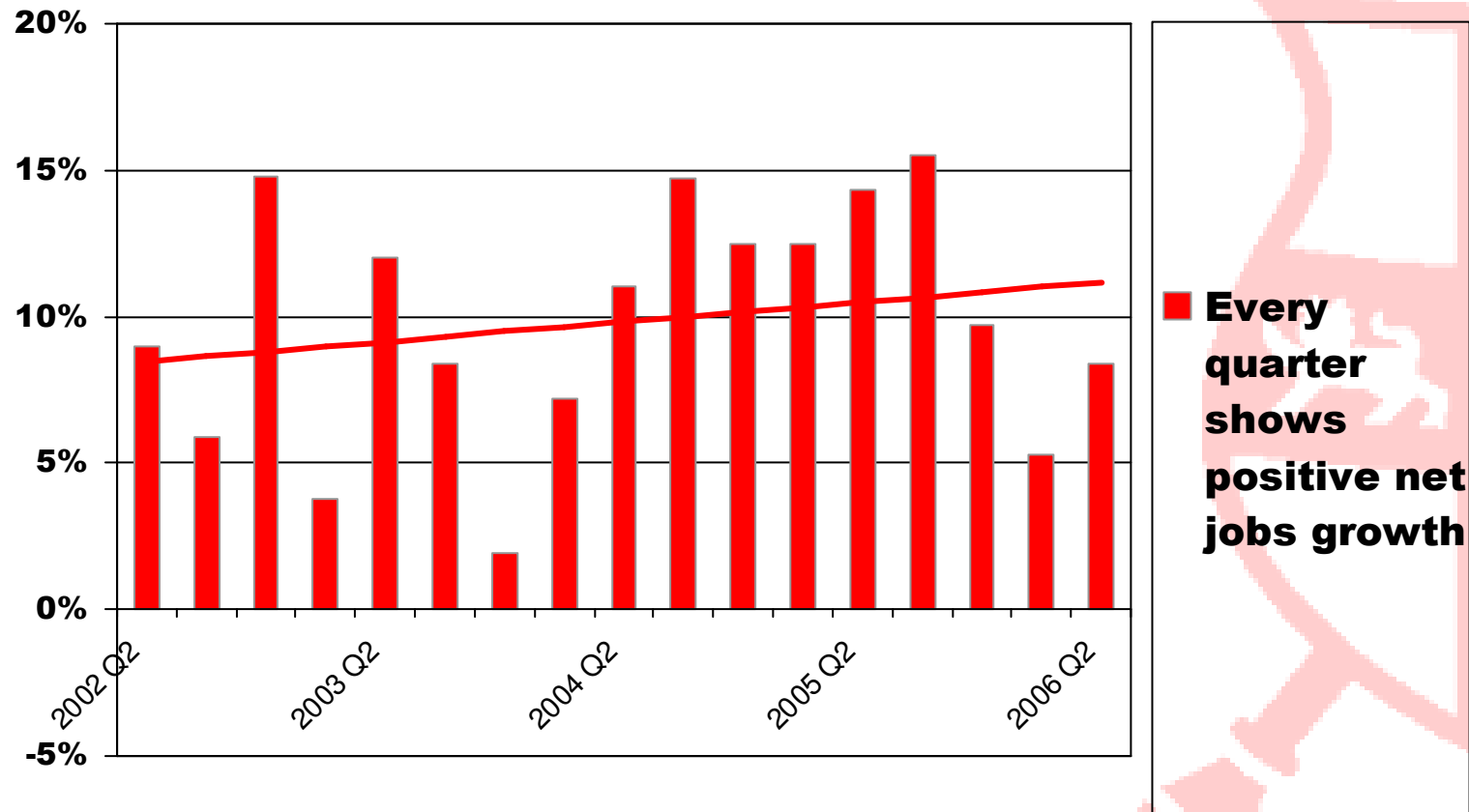


Future Prospects – York’s Information, Advice and Guidance Service

- Based at 24 Swinegate, local community venues and, where appropriate, the workplace.

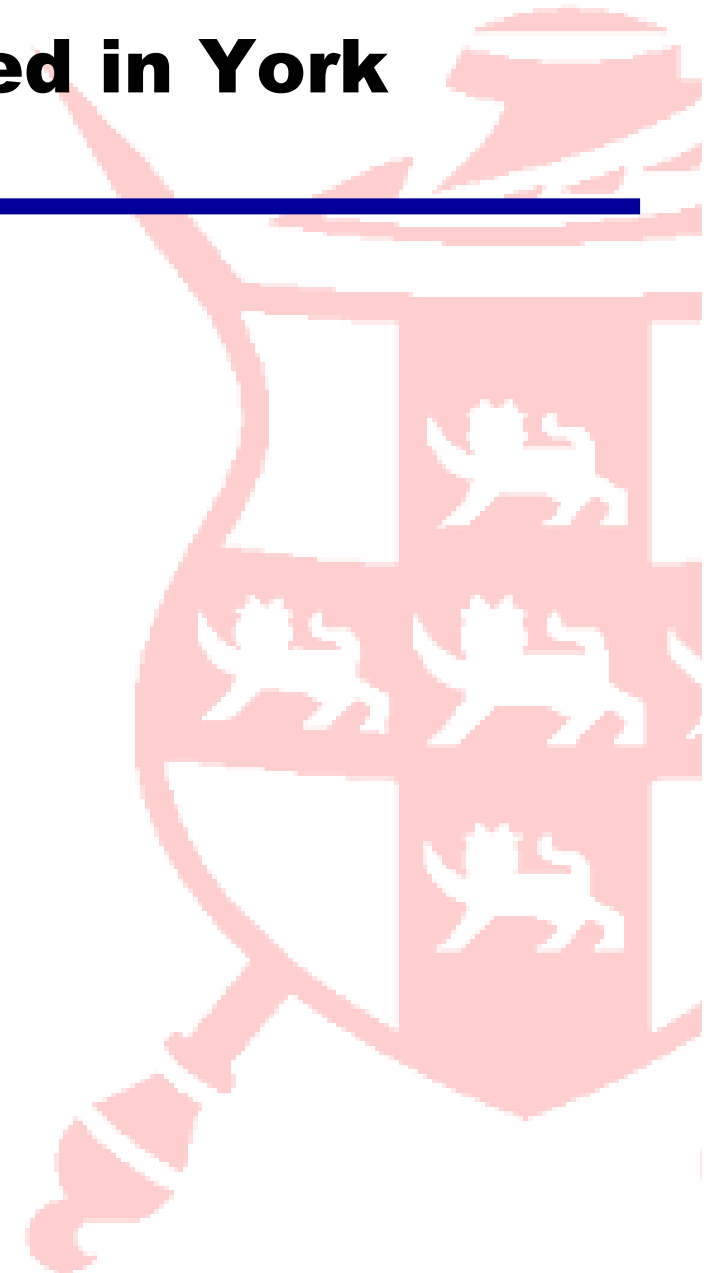


Business Survey shows employment growing as local firms report taking on staff Source: CYC



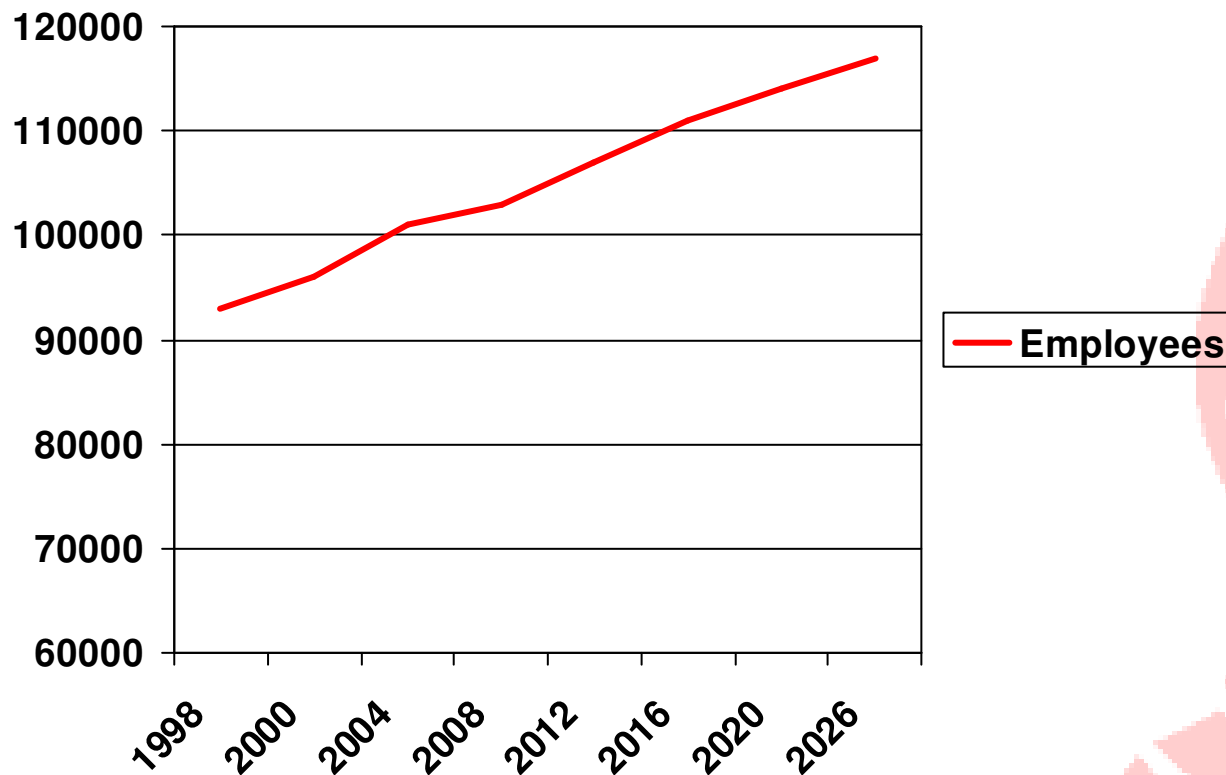
Companies who have invested in York include...

- MitreFinch
- Salamander
- Thompson's of York
- Smith & Nephew
- Quality Hotel
- FAS(DWP)
- GHD
- DEFRA
- Banks Sadler
- Yorkshire Bio Science



Overall, employment has grown in the city and is projected to continue...1998 – 2026

Source: ONS and YRC

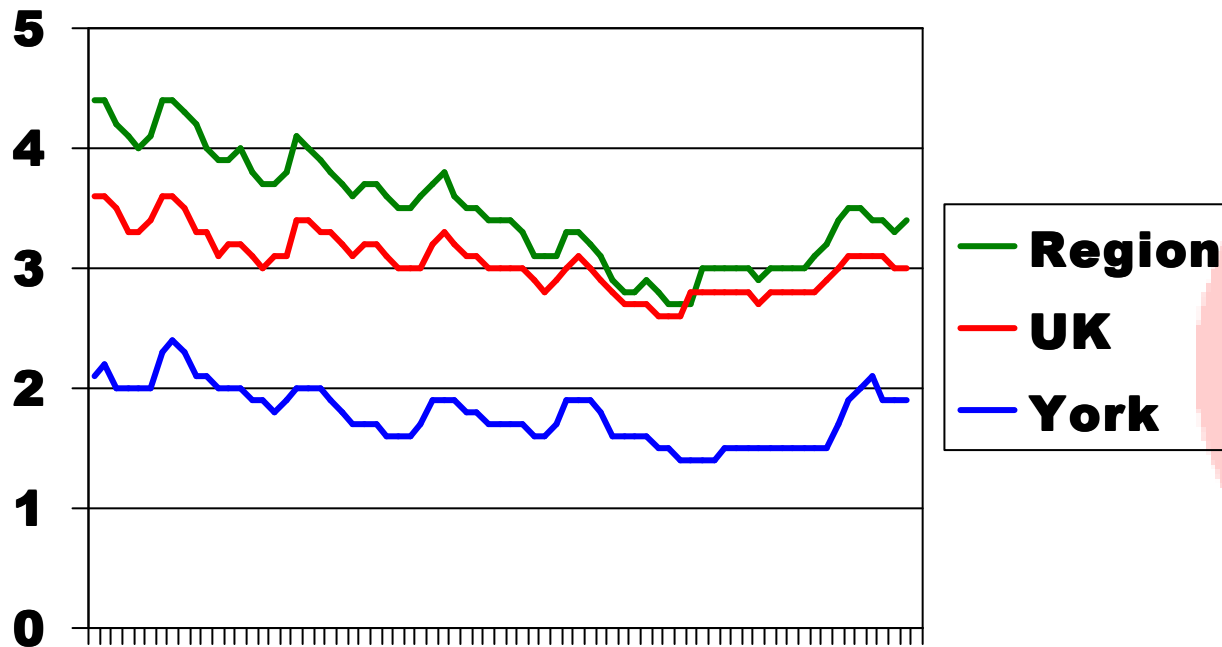


Science City York leads the drive for jobs in 2006

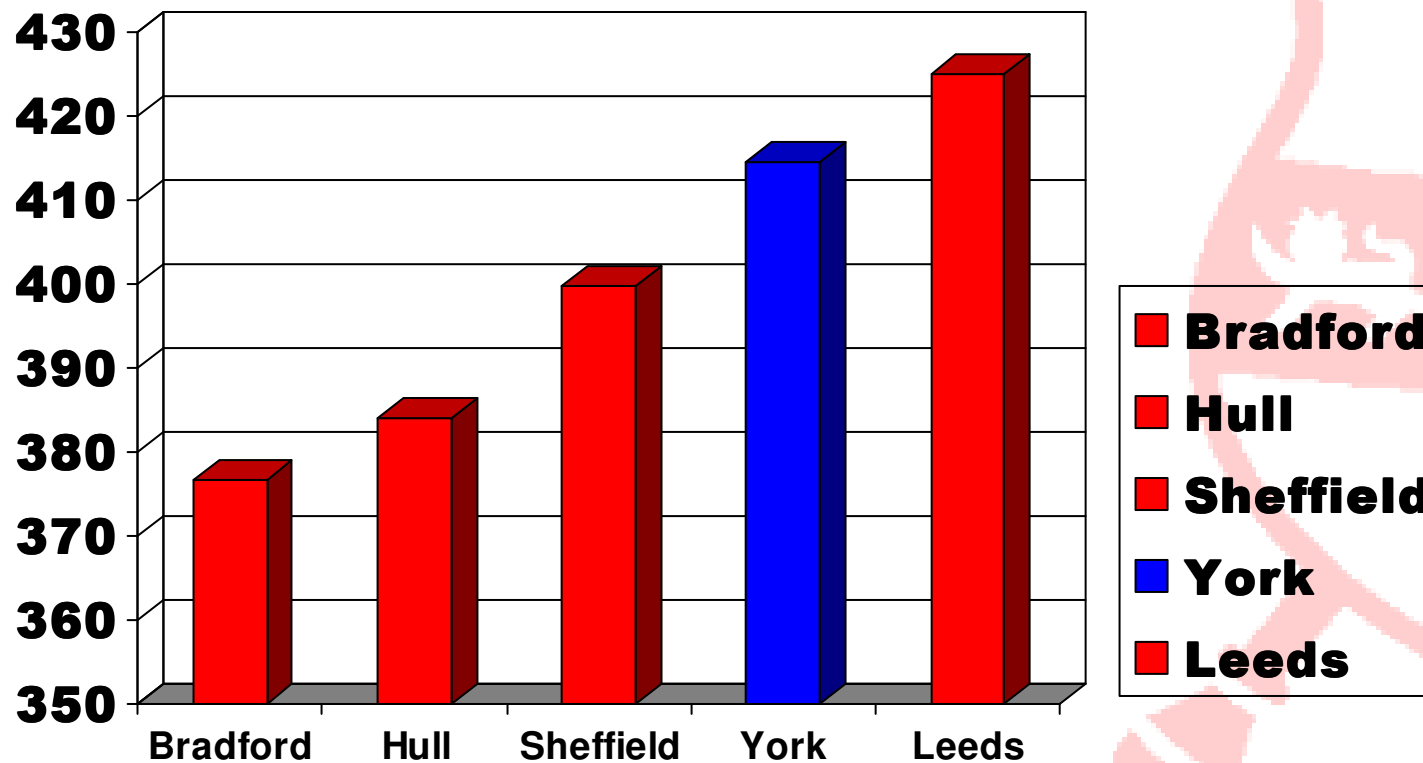
- 60 New technology companies created
- More than 2,600 jobs since 1998
- Over 9,000 people now in technology occupations
- Over 240 science and technology firms based in York
- Year-on-Year jobs growth across the three hi-tech sectors averages 6.5% per annum

York's unemployment percentage rate has been lower than the Region and the UK for more than 6 years

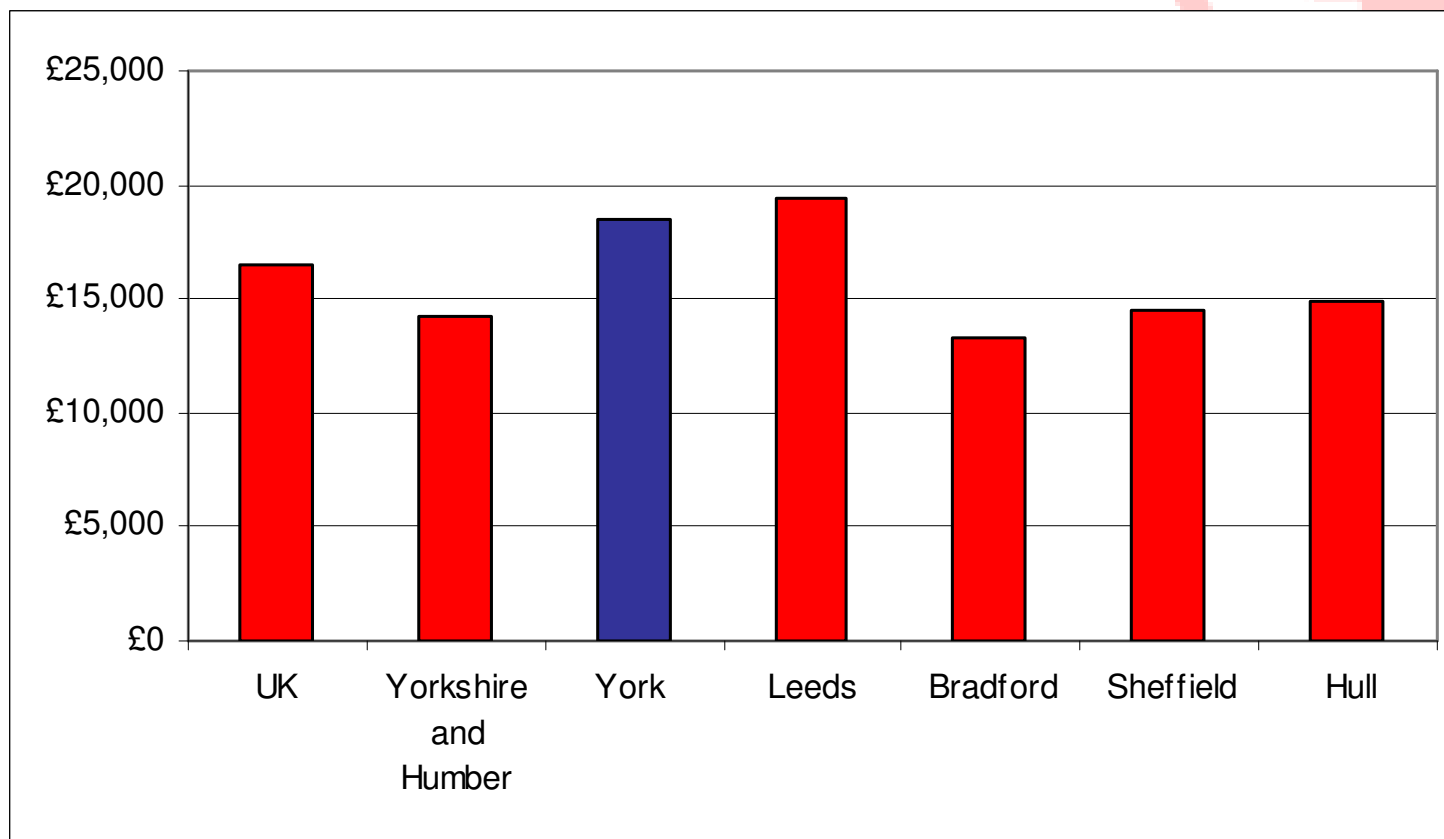
Source: ONS July 2006



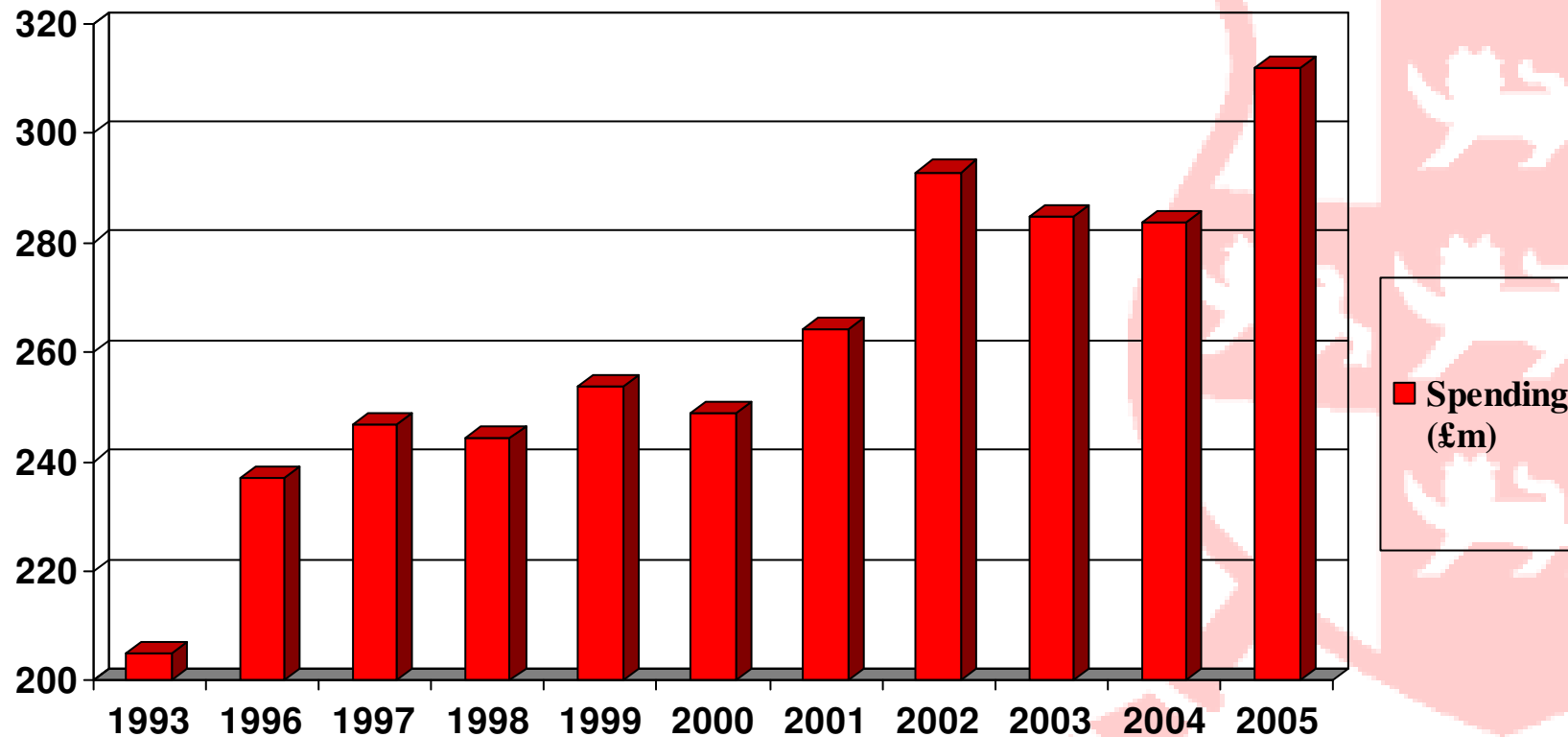
Overall wage levels (£/week) compare favourably with other cities. Source: ONS



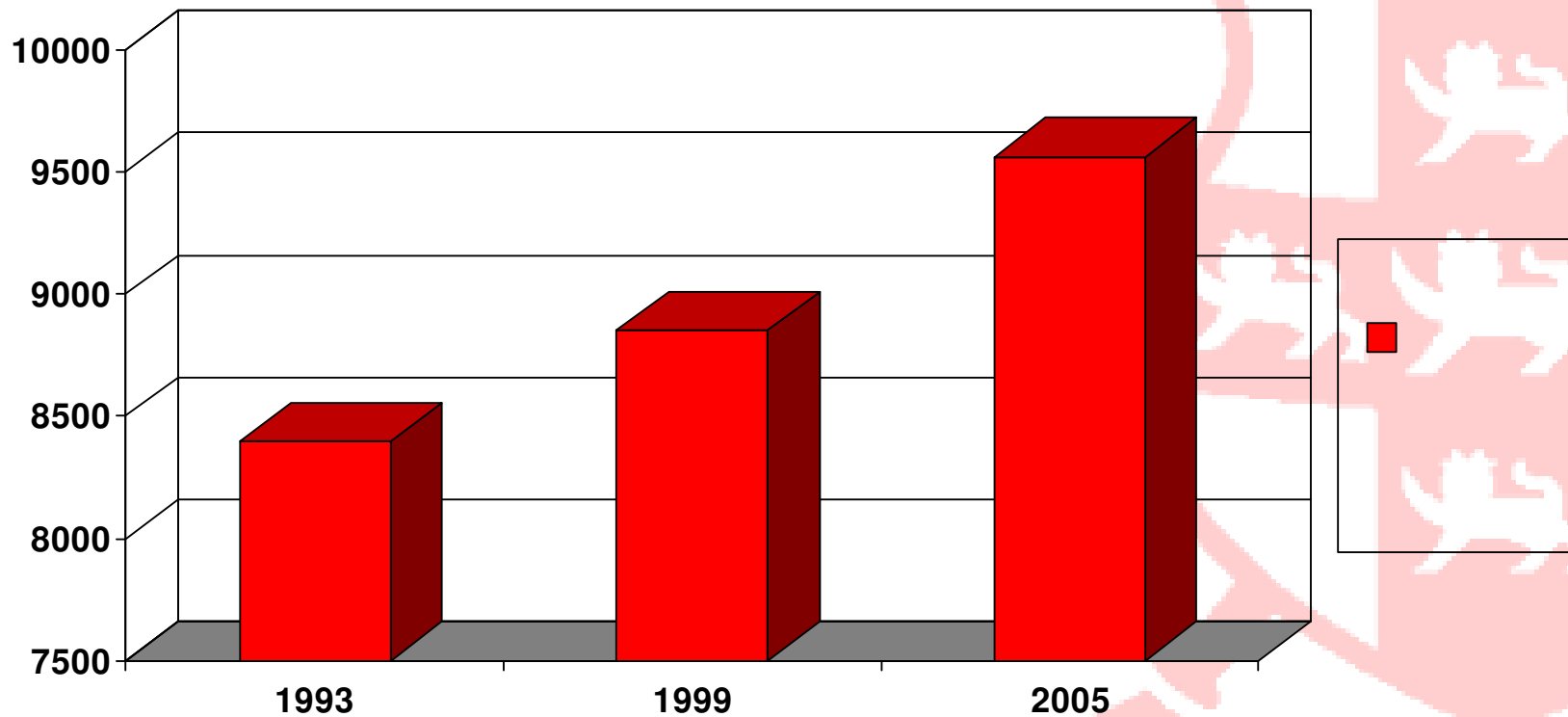
Worker productivity is higher in York than any other key city in the Region except Leeds – and is above the UK average



Income earned from Tourism is growing: 1993 – 2005 (£m)



...and creating more jobs for local people



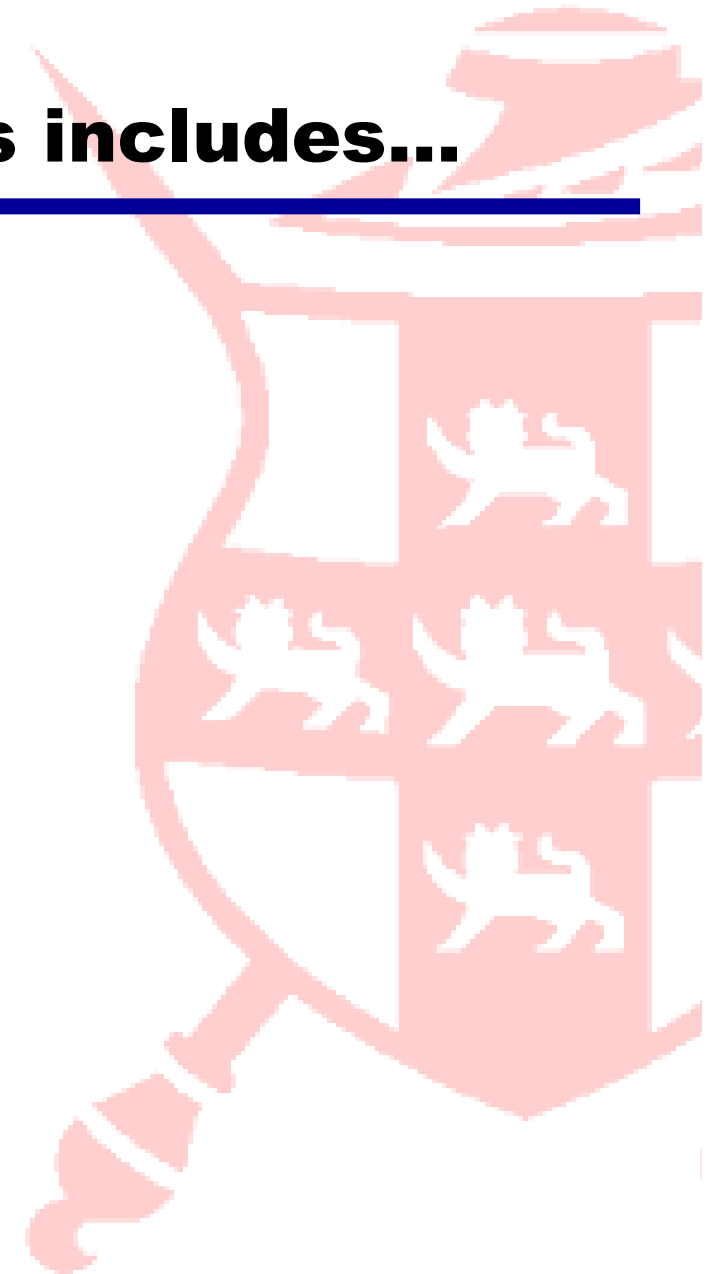
Retailing is investing too:

- Coast
- L'Occitane
- Molton Brown
- Levis
- H & M
- Zara
- Jaeger



Investment in recent years includes...

- Poppleton Business Park
- Spurriergate
- University Science Park
- Designer Outlet
- Vangarde

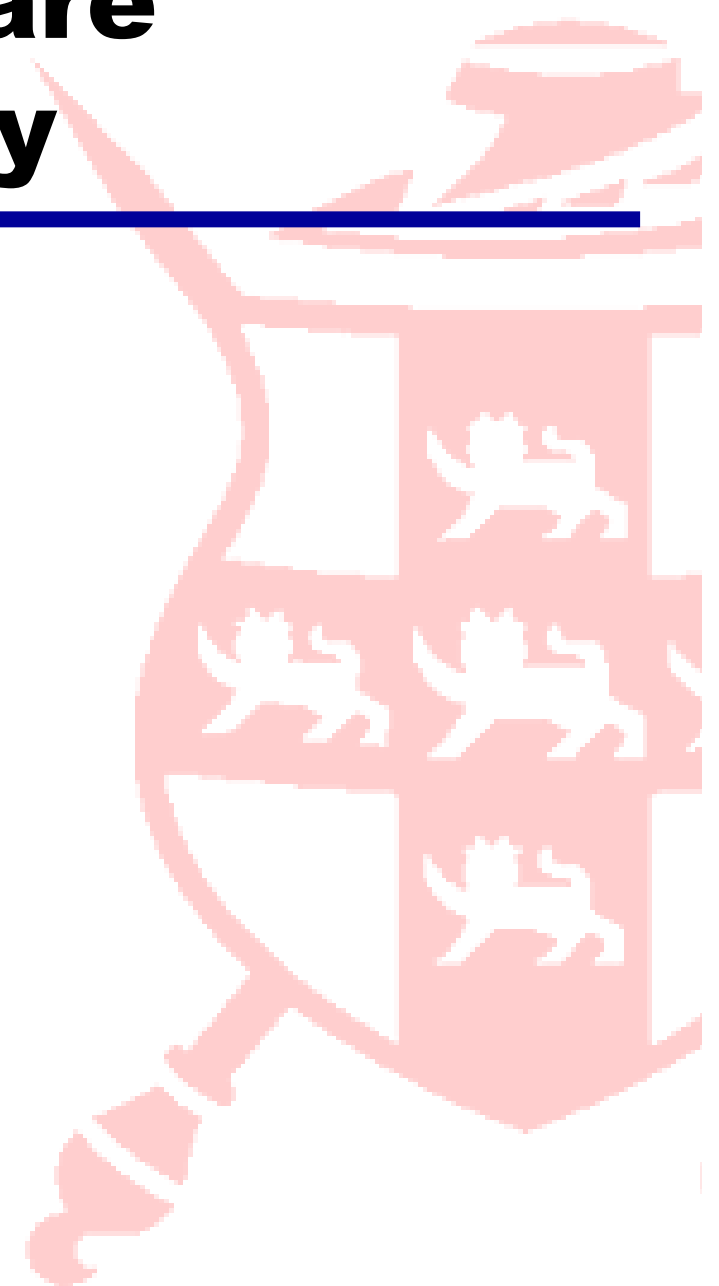


University of York – Innovation and Job creation

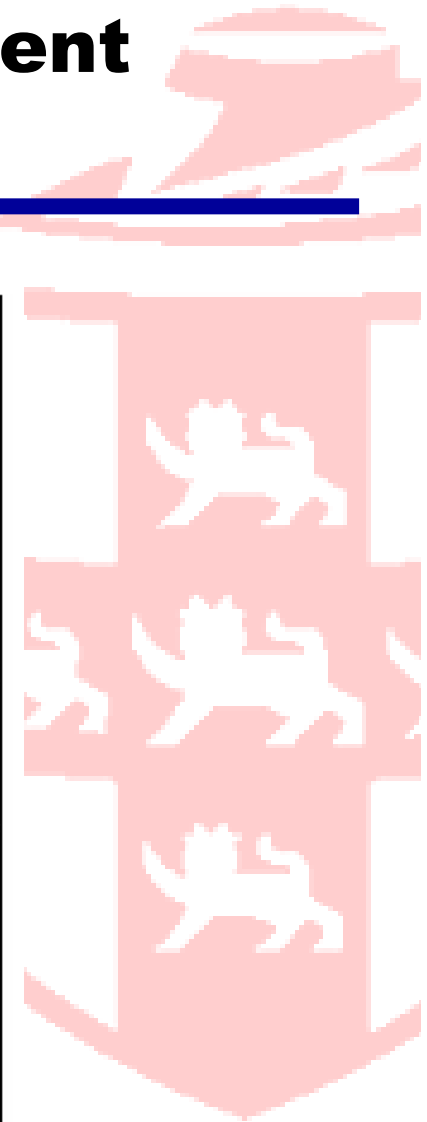
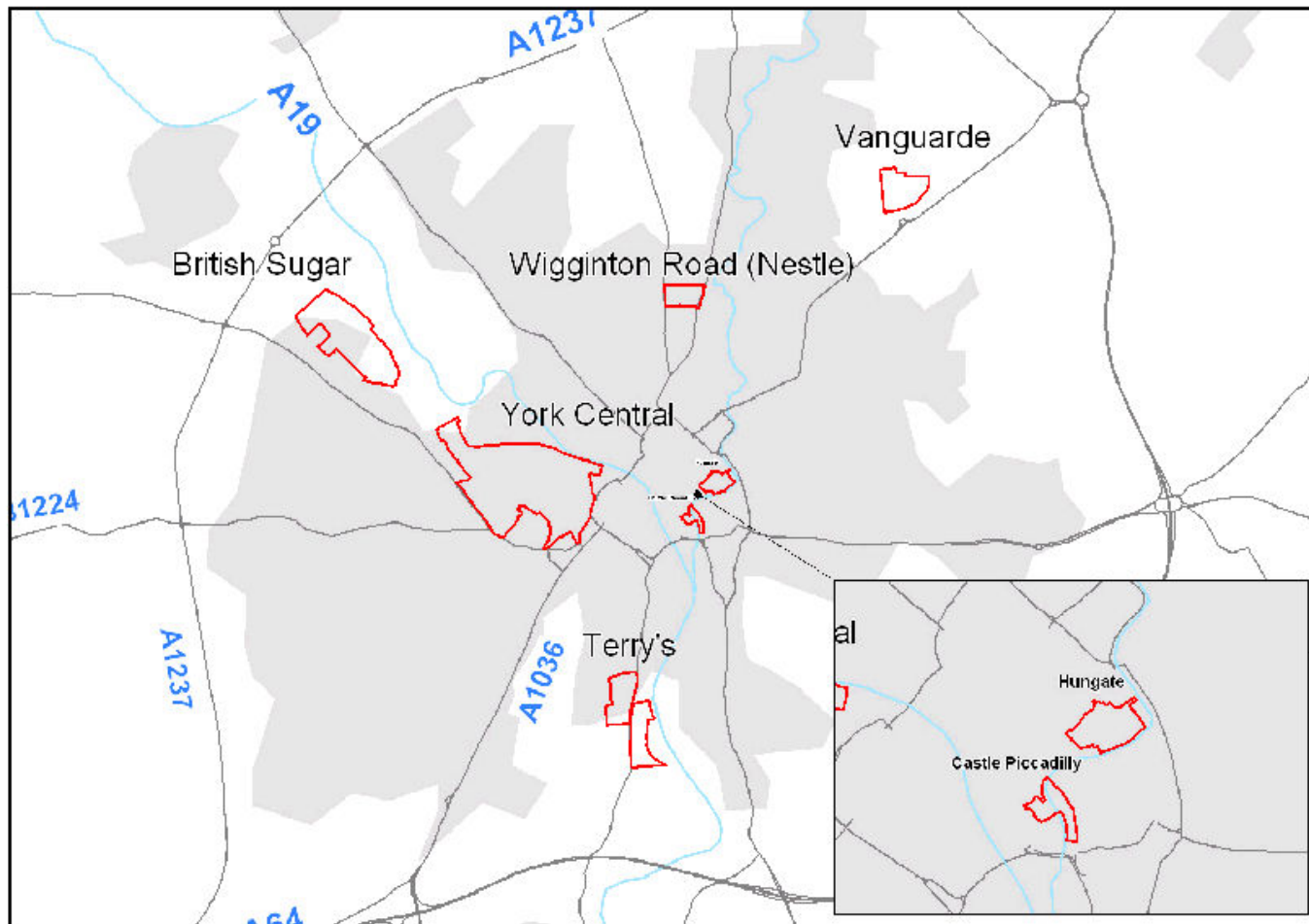


New investments are planned for the city

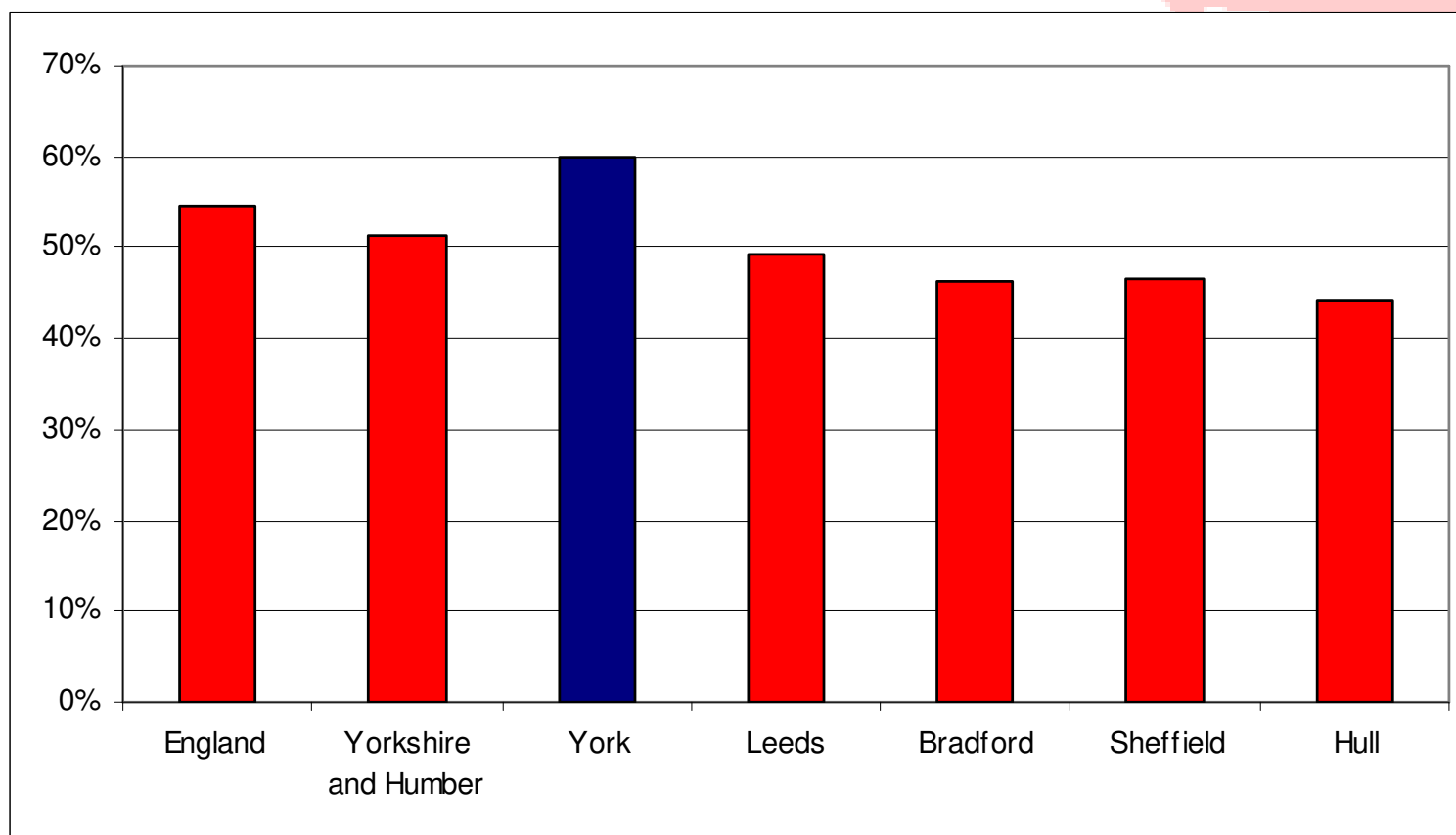
- GHD
- Civil Service
- Barbican
- Siemens
- Langleys



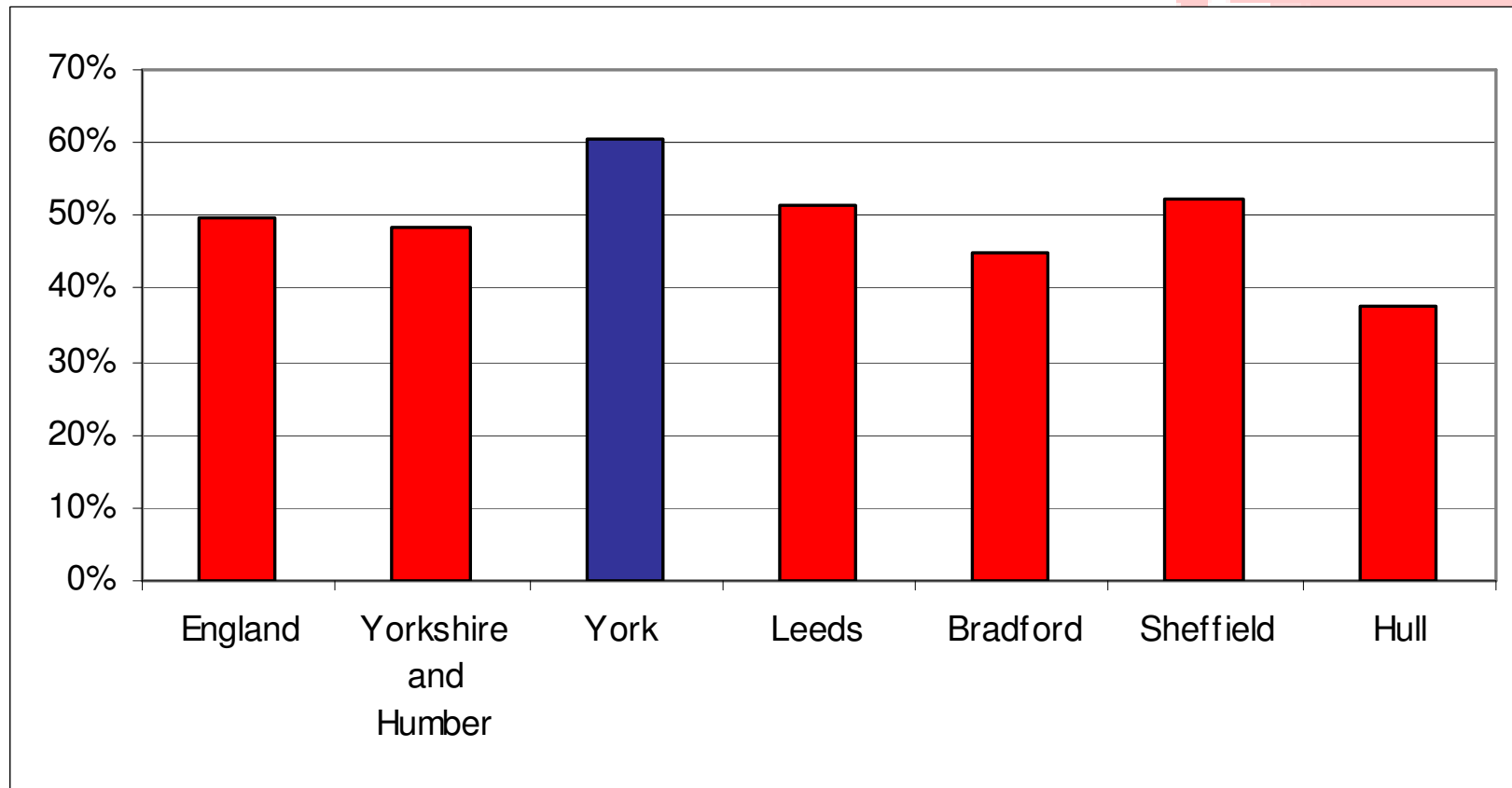
The Years ahead – Key Development Opportunities



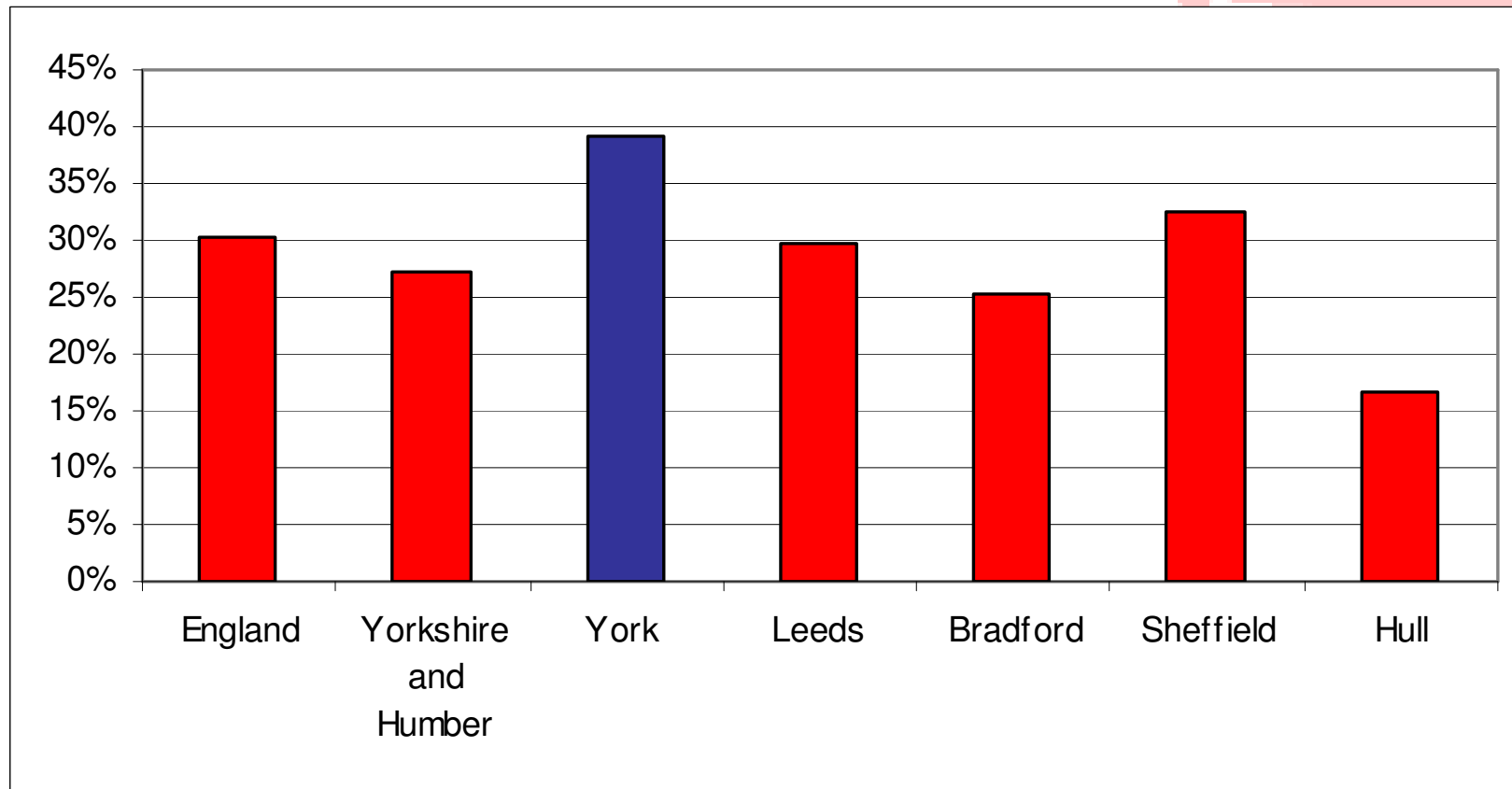
GCSE - % of pupils achieving 5 or more GCSEs at grades A*-C



Workforce Attainment NVQ 3 – Percentage of Economically-Active Adults Qualified to at least NVQ Level 3 (A level standard)



Workforce Attainment NVQ 4 - Percentage of Economically-Active Adults Qualified to at least NVQ Level 4 (diploma/degree standard)



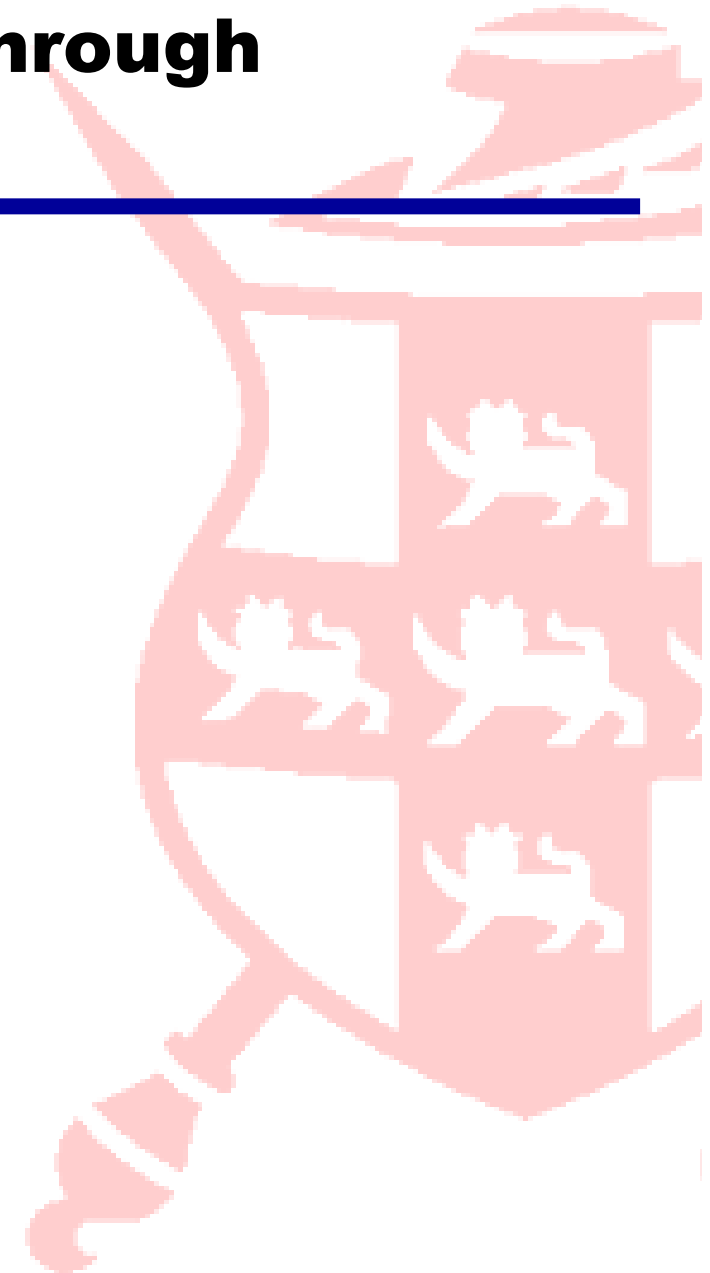
Education too is developing to meet people's needs

- The University of York
- York St John's University
- York College



Developing the economy through partnerships

- Science City York
- First Stop York
- york-england.com
- City Centre Partnership
- Future Prospects
- Business organisations
- Yorkshire Forward
- Economic Development Board





Economic Development Partnership Board26th September 2006

Report of the Director of City Strategy

Science City York: Future Governance**Summary**

1. Representatives of the key stakeholders in Science City York (SCY), the City Council, the University of York, and Yorkshire Forward, have met to discuss the longer-term future of the partnership. A proposal has emerged from these discussions to expand the range of activities encompassed by the initiative; to establish it as a company limited by guarantee owned by the stakeholders; and to appoint a chief executive. The Executive Leader endorsed these proposals on behalf of the City Council on the 11th September. This report informs the EDPB of the proposals.

Background

2. The last meeting of the Executive Member Advisory Panel for City Strategy on the 17th July 2006 considered a report on Science City York, which included a section on discussions between the key stakeholders about the future governance of the partnership. It was reported that consultations were taking place at a high level between the City Council, the University of York, and Yorkshire Forward to consider how best to manage and govern the initiative, to enable it to be more effective in a very competitive environment, and to deliver the benefits we seek for York and the surrounding areas.
3. The Stakeholder Board, with representatives of the three key partners, the Chair of the SCY Strategy Group, and an independent Chair, commissioned consultants SQW to report on the options for future governance and management of Science City York. SQW consulted each stakeholder and other interested parties involved with the initiative, and considered a range of possible alternative future governance arrangements for the initiative. The consultants recognised that SCY is operating in an increasingly competitive environment: government sponsored science cities have been established in all other regions; other parts of our region have increasing aspirations; and other universities and agencies are becoming increasingly experienced at converting intellectual capital into business opportunities. We need an active fit-for-purpose organisation if SCY is to remain in a leading position.
4. SQW conclude that “(the) informal structure of the partnership, based on trust between key individuals, has been a real strength, and in practice has enabled a considerable degree of devolved decision making on public funds. But as the people involved move on, resources - and expectations - increase, and

agendas become more complex and involve wider interests, the case for change becomes stronger. The implication is to move towards a more transparent – and inevitably more formal – structure, that can allow the partners to pursue an shared agenda to the benefit of the city, while also providing for clarity on decision taking and responsibility.”

5. The consultants considered a number of different more formal structures and concluded that a Company Limited by Guarantee, owned by the key stakeholders, is the most appropriate organisational arrangement for SCY. As well as creating formal ownership and management structures it would more readily enable SCY to enter into joint venture agreements with other parties.
6. The Stakeholders Board considered the report from SQW and accepted its conclusions. The members agreed to recommend to their respective organisations that:
 - i) “The work of Science City York going forward should where possible include the following, subject to detailed negotiations with the individual Stakeholders’ organisations and/or other relevant bodies:
 - * The budgets and functions currently managed by the City of York Council on behalf of Science City York, and possibly other related aspects of the Council’s work.
 - * Assets and functions currently associated with York Science Park Innovation Centre Ltd.
 - * Some functions currently undertaken within the University’s Enterprise and Innovation Office.
 - * The work that Science City York currently undertakes under contract to Yorkshire Forward.
 - * Other functions appropriate for an organisation with Science City York’s future remit and structure that might arise from Yorkshire Forward’s review of its support for innovation.
 - * Business support services appropriate to Science City York’s future remit and structure.
 - * Inward Investment functions appropriate to Science City York’s future remit and structure.
 - * Workforce learning and skills functions appropriate to Science City York’s future remit and structure.
 - * Relationships with private sector organisations specialising in
 - intellectual property exploitation
 - venture capital
 - property development

- * Relationships on behalf of the Stakeholders and Science City York itself with a range of other organisations with interests in business promotion and business development in and around York, North Yorkshire and Yorkshire.
- ii) The Stakeholders should form a Company Limited by Guarantee (CLG) to take forward the work of Science City York. A detailed statement of the aims and objectives of Science City York going forward – having regard to the need to ensure that the city and its residents continue to benefit from future Science City York activity – and a detailed case for the formation of a CLG to pursue these should be prepared and formal agreement sought from each Stakeholder’s governing body.
- iii) A Chief Executive should be recruited to run the CLG. Yorkshire Forward will meet the additional costs of this, including those associated with any period of overlap that might be necessary with the recently recruited Interim Project Director.
- iv) The CLG should be governed by a Board chaired by an independent non-executive Chairman, with Directors appointed by the City of York Council, the University of York and Yorkshire Forward to represent their interests and a number of non-executive Directors, at least one from the Strategy Board.
- v) It is essential to retain the skills, commitment and support of the present Strategy Board, to build upon the successes achieved to date, and to ensure a smooth transition to the new structure. The Strategy Board should be retained with a remit to advise the Board and Chief Executive of the CLG.
- vi) The current arrangements for the operation of Science City York will remain active until the CLG is formed and commences operations.”

These recommendations were reported to the Science City York Strategy Group, representing a wide range of partner organisations, which also supported and endorsed the proposals.

7. Formalising these arrangements will require detailed analysis and negotiation between partners and other organisations. At this stage stakeholder organisations are being requested to approve the proposals in principle. Detailed proposals will be included in future reports to members.

Consultation

8. The proposals have been subject to consultation within the wider SCY partnership, and have received support. The discussion at this meeting, involving the range of economic development partners will inform the detailed discussions to follow between stakeholders and other partners.

Options

9. At this stage members are asked to support the proposals in principle. If this is not supported by the City Council, or any other key Stakeholder, it will be necessary to return to negotiations between stakeholders.

Analysis

10. The Science City York initiative has been a great success for the City and our partners. It has positioned the city favourably nationally and regionally. However, other areas and organisations are becoming increasingly active and competitive. If York is to remain in the forefront, it is necessary to step up our activities and be even more innovative in our approach and our delivery. Existing governance structures will enable the current programmes to be competently delivered, but if SCY is to continue to innovate and grow, and expand the impact on the local economy, then it will be necessary to embrace the conclusions of the Stakeholders, and approve the proposed new governance arrangements.
11. The City Council is the accountable body for the current contract with Yorkshire Forward, and is, therefore, committed to delivery against agreed targets and timescales. Failure to achieve these may lead to financial loss to the council. It will, therefore, be necessary to ensure, during detailed negotiations over the implementation of these proposals, that the contractual obligations of the City Council are safeguarded.
12. Key to the current and future success of SCY is the close integration between its activities and the wider economic development activities of the City Council and its partners. This is recognised in the statement from the Stakeholder Board reproduced in paragraph 6ii above. It will be necessary to ensure that these linkages are protected and enhanced in any future negotiations.

Corporate Priorities

13. The importance of Science City York in achieving the Council's objectives for the modernising of the city's economy is included within the Thriving City theme; in Corporate Objective 3 "Strengthen York's Economy"; and in the approved 2006/07 Economic Development Programme.

Implications

14. At this stage a decision in principle is recommended. Any detailed implications for the council will be considered in any subsequent reports intended to take forward the proposal.
 - **Financial** Current activity is covered by existing approved budgets. The cost of a new Chief Executive post will be additional to these current budgets, but Yorkshire Forward have agreed that they will cover any additional costs for this post in full.
 - **Human Resources (HR)** The existing nine staff of SCY are employed by the City Council on Fixed Term contracts until 31st March 2009. No

changes are proposed to this arrangement for the duration of the existing contract with Yorkshire Forward which is due for completion in March 2009. After that date a review would be needed of the employment arrangements most appropriate for any future work. It is not suggested that the new Chief Executive will be employed by the City Council and it is currently proposed that he or she will be employed directly by Yorkshire Forward and transferred to the new Company Ltd by Guarantee when that is set up early next year.

- **Equalities** Any implications will be covered in any future report on implementation.
- **Legal** At this stage there are no implications. The City Council has previously supported and worked with companies limited by guarantee in other fields.
- **Crime and Disorder** There are no implications at this stage.
- **Information Technology (IT)** There are no implications at this stage.
- **Property** There are no implications at this stage.
- **Other**

Risk Management

15. As stated above the existing governance arrangements are adequate to deliver the currently approved programme. However, the other stakeholders are understood to be fully supportive of the new proposals, and a rejection of them may, therefore, make relationships with other stakeholders problematic, with a risk to the effectiveness of the initiative. In those circumstances other stakeholders may choose to pursue the expanded agenda in other ways to the detriment of SCY.

Recommendations

16. EDPB are requested to consider and comment upon the report.

Reason: In order to gain the views of the EDPB on the proposal to expand the range of activities encompassed by the initiative; to establish it as a company limited by guarantee owned by the stakeholders; and to appoint a chief executive as described in the report.

Contact Details

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Tel No: 554420

Chief Officer Responsible for the report:

Bill Woolley
Director of City Strategy

Report Approved

✓

Date 14/09/06

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

All ✓

For further information please contact the author of the report

Background Papers: *None*