

Annex 4 - Review of the City of York Council Economic Strategy 2011/15

Introduction

This document provides a review of the York Economic Strategy 2011-15. This report analyses what can be learnt from the previous strategy and actions taken.

The purpose of York's Economic Strategy is to help business, higher and further education and skills providers, the Council and other partners identify the key economic challenges and opportunities for the future and set out a prioritised action-based approach for the city to work together to address this.

As the Economic Strategy 2011-15 draws to a close and a revised version is developed, it is important to reflect honestly on the progress made against the ambitions, targets and actions set.

- What did we set out to achieve when the Strategy was written in 2011?
- What has happened during that the life of the Strategy?
- What could we have done better? And
- What we have learned from the process what happens next?

From the outset, it is worth noting that fully evaluating particular projects in the 2011-15 strategy is challenging given the nature of objectives set and the lack of clear success measures or monitoring arrangements.

Likewise, with at least 19 priority objectives, it is difficult to identify what action was intended as part of a strategic approach, what happened completely outside of the priorities written down in the strategy, and what in reality partners spent most time and resource on? This report touches on a variety of these questions, but again the approach and alignment of what is written down and what happens in practice is something which should be improved in the refreshed strategy.

Background

Having weathered one of the longest recessions of recent times, the national economy is recovering and forecasts are suggesting ongoing growth for the remainder of the decade. York is well placed to take advantage of this recovery, and we have countless areas of strength upon which we can build. Many of these have been consistent over a number of years, and were the same in 2011 as today:

Larger than average insurance and rail sectors		A historic City that is recognised the world over with 7 million visitors per year
	A well-qualified workforce	
An highly attractive quality of life		A strong education sector, with two top class Universities, two leading colleges and high educational attainment
	High employment and low numbers of Job Seekers Allowance claimants	
Emerging high value sectors, of innovation, including biosciences and agritech, IT, digital and media		A well connected City, and a nationally important rail hub

Of course, there are also challenges, barriers and areas that need to be developed and invested in order for York to be steered to its full potential. Some of these are recognised as:

Lack of a Local Plan and affordable housing		Congestion and highway infrastructure issues, sustainable transport
	Low salaries, low value sector jobs, women in part time work	
Lack of Grade A office space to attract high value sector businesses		A mismatch of jobs to the high level skills and qualifications of residents in the city

Overview and economic priorities 2011-15

Bearing all the factors above in mind, the 2011-15 Strategy set out to address many of these opportunities and challenges in York's economy as possible, as well as others not listed. The city set out to:

"...become an international and enterprising city, and in time, the most competitive city of its size, not only in the UK but globally, leading to increased sustainable and inclusive growth in the overall economy and jobs"

It also aimed, as part of this vision, to become a top five UK city economy and a top ten European City in comparison with those of a similar size.

Our focus was on the following five ambitions:

1. A flexible and relevant workforce for the future
2. A growing and dynamic business base competing on a global scale
3. A globally connected, locally integrated knowledge base
4. A world class place for business, communities, students and visitors
5. A co-ordinated and efficient approach to attracting and retaining investment in the city

Many of the ambitions as set out were vague and not necessarily specific to York, therefore it is difficult to identify whether they have been achieved or not.

These ambitions were underpinned by four themes:

International – The City will link with international markets

Enterprising – Achieving the ambitions will require an enterprising approach, being as industrious and efficient as possible

Inclusive – The Strategy will be delivered with the aim of ensuring that York residents have to opportunity to contribute and benefit from its success

Sustainable – The growth we achieve will be environmentally, economically and socially sustainable

Under these ambitions and themes, there were 19 priority objectives:

1. Provide skills to match employers needs
2. Better connect people to jobs and opportunity
3. Expand/ enhance apprenticeships, workplace training and continuous professional development
4. Attract and better leverage the talents of graduates and post-graduates
5. Stimulate a culture of enterprise
6. Enable a co-ordinated, private sector led approach to business support
7. Ensure a business-friendly Council
8. Facilitate the strengthening of supply chains
9. Strengthen links between the business and knowledge bases in York
10. Build on and integrate the offer of York's Universities within the wider economy
11. Continue to expand the science City York offer and growth of key sector networks
12. Promote open innovation and utilise creativity across the economy

13. Provide the right environment and suitable accommodation for businesses and individuals to reach their potential
14. Enhance the city centre and its opportunities as a business location, as a City Centre of the future

15. Deliver the transport, housing and next generation broadband infrastructure to support York's economic priorities, integrating economic priorities with the physical and infrastructure development
16. Develop a co-ordinated approach to attracting investment and promoting the City on an international stage
17. Retain, embed and encourage indigenous investment through improved key account management delivery
18. Explore innovative financing mechanisms to maximise investment in the City
19. Promote the City to, and follow up leads to attract inward investment through a targeted and strategy approach to inward investment

Again it is difficult to identify if these priorities were achieved as the objectives were generally not SMART (specific, measurable, achievable, realistic and time-bound).

In addition to these, there were also a series of sub-strategies on areas such as Digital York and Tourism for example, all of which led onto further lists of priorities and objectives.

Conclusions about priorities

A re-think about how we truly prioritise is needed in future strategies. From the previous strategy, it is very unclear what was most important things were as the 'priorities' covered almost anything which could be considered in an economic strategy, and on the whole are not specific to York's particular challenges and opportunities.

The above priorities should be borne in mind, but the more important thing is deciding what the fundamental core things ought to be, whether we call them priorities, objectives, obsessions or something completely different.

As a City, on what do we need to spend the most time and resource in order to make the biggest impact?

Analysis of progress against targets

In seeking to analyse progress against targets, as above – this is problematic given the nature of the objectives were not necessary measurable. Broadly speaking, looking back at the ambitions and objectives set out in the ambitions and themes, there has been activity in most areas, so the majority of these have been partly met, but could not be considered ‘fully achieved’. Irrespective, it is important for us to understand how we performed against the targets and objectives set.

In looking at overall performance, indicators around being a top 5 comparator city are one way of assessing progress. Although the specific measures were not specified in the Strategy, headline measures have been detailed below. It is clear from these results that the work we have undertaken has had a positive impact in some areas, but not in others.

High level performance figures of note for the Strategy period are below, with colours indicating whether this performance is high or low amongst peers:

Measure	Previous outturn	Most recent outturn	Polarity
Gross Value Added (GVA) increased	£4.43bn in 2011	£4.75bn in 2013 (43/64)	Lower rank
There has been a positive increase in GVA, although the shift upwards has been slower than in some areas because of the relatively small size of York as a City, and the type of business sectors we have.			
GVA per worker	£41,800 in 2011	£45,500 in 2013 (38/63)	Lower rank
Although GVA per worker has increased, the proliferation of low value jobs put York in a third quartile position when compared with peers.			
Average weekly earnings	£454 in 2012	£446.50 in 2014 (44/64)	Lower rank
Many of our main employment sectors fall into the category of low value sector jobs, such as retail and tourism, hence average weekly earnings are lower than in many places, and have actually fallen since the Strategy was developed.			

Employment rate	74.6% in 2011	74.4% in 2014 (12/64)	Lower rank
This rate has remains stable and in the top quartile since 2011, which is commendable given the extremely difficult economic climate of the period.			
JSA Claimant count	2.7% in March 2011	0.18% in June 2015 (64/64)	Higher rank
Placing us with the lowest rates of all our peers underlines the buoyant employment market in the City, although we are aware that more people than ever in part time employment, especially female workers.			
Business start ups per 10,000 population	33.11 in 2011	46.69 in 2013 (26/64)	Lower rank
This rise in new start ups indicates a high level of business confidence in the City, and is extremely encouraging that York is seen as a good place to start a new business.			
Business closures per 10,000 population	30.59 in 2011	29.64 in 2013 (36/64)	Lower rank
Although this rate has fallen fractionally since 2011, this reflects the instability of the new business market, and is a third quartile result amongst peers.			

Quartile key

Top (Best 25%)	Second	Third	Bottom (Bottom 25%)
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*Figures in brackets are the *Centre for Cities* ranking for the stated time period. There are 64 cities rated in total. The most recent figures have been provided in all cases.

Achievements against the priorities

We have briefly touched upon the 19 priorities that were set in the 2011/15 Strategy, and the following table provides snapshots of progress made in each area. It is clear that there has been more success in some areas than others:

Priority	Progress
<p>1. Provide skills to match employers needs</p>	<p>Construction Sector (CYC Skills Team) Working closely with CITB, CYC has been awarded National Skills Academy Status for Construction for embedding Employment and Skills Plans into procurement processes. ESPs ensure that contractors work closely with CYC and partners to deliver locally targeted employment, training and education opportunities.</p> <p>Business Education Links (CYC Skills Team) CYC Economic Inclusion Funding has supported a Business Engagement Officer role within the skills team to manage the Creative Employment Programme to support business growth within the Creative and Cultural Sector by matching young people (16-24) to new paid internships and Apprenticeships in Sector. The post holder is also working closely with the UNESCO team and supporting the development of sector specific activity with schools.</p> <p>Enterprise Governors in Schools (CYC Skills Team) To encourage schools to better support and prepare young people for their future, Leeds City Region funding has been used to develop a network of volunteer Enterprise Governors to influence the CEIAG, Enterprise and Employability agenda in schools. A key focus is ensuring that local Labour Market Information is accessible and embedded into curriculum and programmes, as well as encouraging more business education links.</p>

	<p>ESF Skills Support for the Workforce York College has accessed European Funding to support free sector specific training for SMEs in key growth areas for the city.</p>
<p>2. Better connect people to jobs and opportunity</p>	<p>816 learners gained work related qualifications in a classroom setting through York Learning, and 300 gained apprenticeships/ workplace qualifications. This includes employability qualifications to support people to find paid work opportunities.</p> <p>Connecting people with opportunities to improve wellbeing and economic potential; our counselling and language qualifications sit in this area and a total of 5,336 learners came through this provision last year.</p> <p>Our ESF funded employment related projects: ESF/NOMS Step Change programme supported 397 offenders to achieve 1,806 soft outcomes (ID set up, disclosure, job applications, careers advice, job interviews etc.), 26 into accredited vocational training, and 115 paid job outcomes</p> <p>ESF/DWP Supporting Families with Multiple Problems project worked with 510 individuals, achieving 770 progress measures (courses and supportive interventions to enable residents to upskill), leading to 114 paid job outcomes</p> <p>ESF/SFA Skills Support for the Unemployed supported 214 individuals to achieve 210 accredited qualification and achieve 74 paid jobs</p> <p>ESF/SFA Skills Support for Redundancy Supported 30 residents to achieve, 24 ICT or accounting qualification and achieve 16 jobs</p>

Leeds City Region funded Headstart Youth programme supported and mentored 64 unemployed young people aged 18-24 through a bespoke project to build skills and confidence. This led to 29 job outcomes, 5 volunteering and 5 into courses, and a further 7 into work placements

Foundation Learning programmes supported 68 young people to achieve qualifications. All of these learners have social, emotional and mental health needs, with half experiencing such complex learning needs that they have benefited from a personalised learning package. This focuses on supporting young people to move toward, or into, a paid work environment and prevents them from becoming NEET. Around 50% of our learners move into paid work and other learning or work opportunities, a good rate of conversion given the complexity of their needs.

CYC Economic Inclusion Funding (managed by CYC Skills Team) has supported the following targeted activity:

- Two York Jobs Fairs each year – co-ordinated by York Learning, attracting circa 50 employers / training providers and 1500-2000 people seeking jobs, career progression and / or career changes

Experience Works 50+ - delivered by York College to provide support to 218 unemployed over 50s with progress towards or into jobs, volunteering or further learning

<p>3. Expand/ enhance apprenticeships, workplace training and continuous professional development</p>	<p>York Apprenticeship Hub activity (led by the CYC Skills Team and supported by funding from Leeds City Region) has worked closely with employers, training providers and young people to increase the take-up of apprenticeships with a focus on 16-24 year olds and SMEs.</p> <p>From a previous position three years ago of below national and regional take-up of Apprenticeships, latest Government figures (July 2015) put York in the top 5% of English local authorities for apprenticeship take-up and set the city in the top 10% of local authorities for keeping young people in education or training after Year 11.</p> <p>In York the focus has been on developing the market for specific key sectors with high quality training for apprentices. The well-established network of training providers delivers collaborative activity to raise apprenticeship awareness in schools and the Council-led Apprenticeship Brokerage Service for SMEs has supported around 100 SMEs new to apprenticeships to take on apprentices, with the city's first Paralegal apprentices now appointed in local law firms. Four city-wide Apprenticeship Recruitment Events have taken place at West Offices, attracting between 3-500 young people and parents to meet with recruiting employers.</p>
<p>4. Attract and better leverage the talents of graduates and post-graduates</p>	<p>York University Enterprise work</p> <p>Start up spaces, for example at The University of York (TUoY) and York Science Park, <i>The Catalyst</i>, also at TUoY, a building designed to support the growth and development of early stage companies in the creative, IT, digital and media sectors.</p> <p>Phoenix Centre at York St. John, business start up support.</p>
<p>5. Stimulate a culture of enterprise</p>	<p>This is very difficult to define, but might include the Business conferences that have been run, pop up cafes for business support, the Enterprise Society at the University of York, <i>Key Spaces</i> business</p>

	support for York and North Yorkshire and East Riding, and also provided through various organisations and events with the Federation of Small Businesses and The Chamber of Commerce.
6.Enable a co-ordinated, private sector led approach to business support	This is closely linked to item 6 above, and is being taken forward by LEP Growth hubs. A Business Engagement Group has been established, as well as Make it York in April 2015. Some activities have been carried out, but there is much more to be done.
7. Ensure a business-friendly Council	Customer Service Excellence, simplified procurement, simplified planning.
8. Facilitate the strengthening of supply chains	This was not taken forward due to insufficient interest from businesses
9.Strengthen links between the business and knowledge bases in York	Some work has been done within particular sectors via Science City York and the Universities, but on the whole there has not been much interaction. This is partly due to lack of relevance/ cross-over.
10. Build on and integrate the offer of York's Universities within the wider economy	See bullet point nine.
11. Continue to expand the Science City York offer and growth of key sector networks	This has been an initial area of success, with key networks maintained and now within the remit of Make it York. Unfortunately, due to lack of resources and the withdrawal of the University of York, growth of these networks as we had hoped has slowed.
12. Promote open innovation and utilise creativity across the economy	A range of work has been done in this area including the Genius project, with URBACT - a European exchange and learning programme promoting sustainable urban development - and other work across Europe. There has also been a number of 'hackathon' style events for specific sectors, such as the rail and digital industries which have produced new prototype production

	partnerships. The specific outcomes in relation to business are unclear and very difficult to measure.
13. Provide the right environment and suitable accommodation for businesses and individuals to reach their potential	Limited progress with an ongoing need for Grade A Office space, particularly within the City Walls. Several reports carried out in this area, and in the instance of Hiscox, this came out in support of creating bespoke office premises.
14. Enhance the city centre and its opportunities as a business location, as a City Centre of the future	City Team York has been established, and a potential Business Improvement District is in development with local businesses. There have been pilots for free parking and on making Lendal Bridge traffic free, Reinvigorate York to showcase the City Centre, an increased festivals and events calendar, such as the recent Comedy Fringe Festival. The City Centre continues to thrive, although it is difficult to attribute this success to any particular interventions.
15. Deliver the transport, housing and next generation broadband infrastructure to support York's economic priorities, integrating economic priorities with the physical and infrastructure development	<p>Much has been invested in broadband, but aside from this, progress has fallen behind:</p> <ul style="list-style-type: none"> • Our vision for ultrafast broadband infrastructure has been delivered, and we are working toward becoming the first Gigabit City in the country. • Park and Ride now operates from six sites across the City, serving over 4 million passengers (2014). • Many priority infrastructures have not been fully delivered, but are ongoing, including York Central, the Outer Ring Road and British Sugar. • Between 2012/13 and 2014/15 there were 1,350 net new homes built in the City (CES09 indicator)
16. Develop a co-ordinated approach to attracting investment and promoting the City on an international stage	We have worked with UK Trade and Investment to promote important sectors, and MIPIM to promote development opportunities. Inward investment materials have been developed for key sectors. A targeted approach has been taken to tourism in

	<p>growing markets with exploratory work carried out with internal partnerships in Nanjing, China and some US Cities. A promotional campaign in Leeds-Bradford Airport was also carried out.</p> <p>Going forward, Make it York will take the work of promoting the city in an integrated way across the range of propositions York offers.</p>
17. Retain, embed and encourage indigenous investment through improved key account management delivery	<p>There has not necessarily been a strategic approach to this implemented.</p> <p>Make it York has been tasked with holding key accounts with major high value businesses.</p>
18. Explore innovative financing mechanisms to maximise investment in the City	<p>Initial concepts for this were explored but not progressed.</p>
19. Promote the City to, and follow up leads to attract inward investment through a targeted and strategy approach to inward investment	<p>See item 16</p>

The specific programmes on the whole weren't set up in a way which could be evaluated against defined outcomes, as neither specific success measures nor monitoring arrangements were set up from the outset for these.

Beyond the priorities in the strategy, there were many other activities not necessarily driven by the strategy specifically, the success of which should be noted, including around growth and inward investment:

- Tourism contributed £606 million to York's economy in 2014 alone, supporting 20,000 jobs an industry which catered for 7 million visitors
- Continued growth of the emerging Bioscience and agri-tech industries,

- Insurance underwriters Hiscox came to York, constructing their own Grade A office space in the City Centre, and creating 500 jobs in the process
- The Living Wage has been introduced by 11 major companies in the City ensuring that they pay their employees a fair and equitable salary,
- Work continues to attract international visitors and investors to the City, particularly from the lucrative markets in the Far East. Trade and investment visit from the Taiwanese Ambassador in April to forge stronger business links in the Region. Visit York is now one of 250 + UK businesses to be awarded the GREAT China Welcome Charter from VisitBritain
- York is now established as part of the Tour de Yorkshire route on the back of the 2014 Tour de France which generated £8.3 million for the City.
- York's £37 million Community Stadium and leisure complex has been approved
- Wi-fi and high speed broadband available across the City, providing an ideal environment in which to do business
- Growth of Aesthetica Short Film Festival. A key date in the national and international film festival circuit with BAFTA status
- Vangarde out of town shopping centre is thriving and has brought big name John Lewis, synonymous with quality, to York
- York was awarded UNESCO City of Media Arts status in 2014. This is a lifetime honour and the first in the UK, providing us with a platform to develop our profile and support the growth of high sector business in this area
- Investment in City Centre bricks and mortar is thriving. Recent projects include:
 - The Judge's Lodging – newly refurbished 4 star, 23 bedroom City Centre hotel
 - £3.5 million investment in York Art Gallery, re-opened in August 2015
 - £1 million investment in *Cosmo* – 248 seat restaurant
 - A £4 million investment and refurbishment programme at York Theatre Royal

- Major redevelopment and multi-million pound investment in St. Leonard's Place by developers Rushbond
- York jobless figures just before the election are the lowest since 1992
http://www.yorkpress.co.uk/business/news/12898505.York_jobless_figures_lowest_since_1992/?ref=mac
- The best GCSEs of any city in the country, qualification levels amongst the highest in the country, regularly voted the best city for quality of life.
- Several small local businesses have been recognised with awards for enterprise, innovation
http://www.yorkpress.co.uk/business/news/12905617.PureNet_sco_ops_European_IT_award/?ref=mac
http://www.yorkpress.co.uk/business/news/12905385.Four_local_b_usinneses_win_royal_seal_of_approval/?ref=mac

Complementing these achievements, there is also significant and important work in the pipeline to benefit the economy of York:

- Development of a Business Improvement District, fully supported by the Council, to allow local companies to make a greater impact on the local environment through co-operative decision making. Subject to a ballot of businesses in October, the Business Improvement District could raise over £800,000 to be invested in the City Centre. Decisions on allocation of this investment will be taken autonomously by the business-led BID Board and will focus on areas such as improving the cleanliness of the City Centre, tackling anti-social behaviour and providing business and procurement support for City Centre businesses.
- European Structural Investment Funds – Teams from within the Council are working hard to win finance from this pot for a number of local initiatives. Although the majority of these need match-funding, £338 million is available across the Leeds City Region, and just over £93 million in York, North Yorkshire and East Riding, and officers are working in partnership with regional colleagues

through a series of complex processes and procedures to ensure optimum benefit.

- Work is ongoing to develop the Guildhall, and a number of options have been suggested such as the development of the venue as a leading virtual digital media hub, offices or homes.
- York's only five star hotel, The Grand Hotel and Spa has won planning permission for a proposed £15m project to expand their venture, regenerating a large, long abandoned space within the City Centre.
- The York Central site development is still under negotiation with Network Rail, but is likely to accommodate over 1,000 new homes and a 100,000 square metre commercial quarter which will be built over a period of approximately 15 years
- *Make it York* officially launched on 1st April 2015, and was brought into being to market, promote and develop the economic wellbeing of the City. Although still very much in it's infancy, the MiY remit includes seeking out funding opportunities for new development projects, business support, promoting festivals, events and the City Centre offer, and working with universities and colleges on recruitment
- A number of major developments and regeneration projects across the City are in the early stages, but will add homes, academic and research facilities, and commercial buildings which can only strengthen the economy and add to York's burgeoning business reputation. These include major sites at:
 - Former Terry's factory
 - Former British Sugar and Manor School sites
 - Castle Piccadilly
 - Heslington East Campus at the University of York
 - Nestle South

Conclusions and learning

While it is not possible to evaluate particular interventions and their relevant impact given the way the previous strategy was set up, there are a number of ways which learning can be gleaned from the previous strategy.

Ambition

The City should remain ambitious and determined, and the ambitions the previous Strategy set out were beneficial in raising aspirations for the City. These things are still ambitions for York, the essence of the original vision remains, but the city needs to concentrate on a series of priorities and tangible actions that, when implemented, will ensure that our original aspiration is delivered as a consequence.

Evidence based

The challenge in every city is different. However, any future economic strategy should make use of the available evidence base on what works in other cities. Future strategies should aim to develop proposals using all evidence available.

Focus and prioritisation

The city needs to refocus and reprioritise what is truly important to its future. In consultation with partners, it needs to agree upon what we can *actually* deliver, not what it would like to deliver. Although, as noted there were some achievements, the last Strategy did not progress the city enough in terms of addressing major weaknesses and opportunities. These issues and opportunities remain largely the same. Over the period of the Strategy as much time, effort and resource were invested in areas not identified in the Strategy as well as key areas within it. With limited resources, the city must focus on what will make the biggest impact.

Specific, measurable and achievable

It is important to be able to evaluate a Strategy properly and fully. The way in which this Strategy was set out makes it almost impossible to provide a full and reflective evaluation as the content is so broad, with

many indeterminate factors which, in retrospect, cannot be effectively reviewed.

Any refreshed Strategy needs to clearly set out, in a structured fashion supported by metrics, what it is the city wants to achieve, how, and what benefit any outcomes will bring to York, along with timescales for delivery.

Accountability

The city must focus on actions that lead to tangible outcomes, and not set out about producing more strategies. It must be able to demonstrate the difference that the actions of partners have made, so robust benchmarking and performance data needs to be put in place, regularly monitored and reported back to those accountable.

Building on local partnerships and the actions of the private sector

The contribution and expertise of local business is vital for delivering a strong economy. Whilst the Strategy acknowledges the City's wish to work in partnership with others, many of the actions laid out focussed on the Council. The close working relationships with partners across sectors cannot be valued enough and are crucial given the lack of resources within local authorities, a position which is set to deteriorate over the coming years.

Realistic and achievable

The City should learn to look at what is possible in a more grounded way, learning to be more restrained when setting out what we say can be achieved. This clarity of read through from action to ambition and vice versa is not clear in the Economic Strategy 2011-15 and needs to be set out unambiguously in the refreshed Strategy.