



**Notice of meeting of
Economic & City Development Overview & Scrutiny Committee**

To: Councillors Pierce (Chair), Hudson (Vice-Chair), Hyman, Holvey, Kirk, Scott, Potter and D'Agorne

Date: Tuesday, 14 July 2009

Time: 5.30 pm

Venue: The Guildhall, York

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. Public Participation

It is at this point in the meeting that members of the public who have registered their wish to speak can do so. The deadline for registering is **Monday 13 July 2009 at 5.00 pm**. Members of the public can speak on specific planning applications or on other agenda items or matters within the remit of the committee.

To register please contact the Democracy Officer for the meeting, on the details at the foot of this agenda.

3. New Arrangements for Overview and Scrutiny (Pages 3 - 14) in York

This report highlights the agreed changes to the Overview and Scrutiny function in York, detailing the terms of reference for the new committees and the resources available to support the function.

4. 2008/09 Outturn Report- Finance and Performance (Pages 15 - 24)

This report provides details of the 2008/09 outturn position for both finance and performance in City Strategy, Housing Services and Licensing and Regulation within Neighbourhood Services.

5. Corporate Strategy-Relevant Key Performance Indicators and Actions (Pages 25 - 30)

This report presents the Corporate Strategy key performance indicators and actions relevant to the remit of this particular Overview and Scrutiny Committee.

6. Feasibility Report-Planning Conditions (Pages 31 - 48)

This report asks Members to consider a scrutiny topic registered by Councillor Simpson-Laing to look at the implementation of planning conditions, completion and difficulties related to the adoption of new estates

7. Economic Development Programme Report (Pages 49 - 196)

This report seeks to provide Members of the Scrutiny Committee with an overview of the Council's approach to economic development in order that the Committee can consider how they may wish to develop a plan of work in relation to this.

8. Work Plan 2009-2010 (Pages 197 - 198)

To consider the Committee's work plan for 2009-2010.

9. Urgent Business

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

Democracy Officer:

Name- Judith Cumming

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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

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Further information about what's being discussed at this meeting

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Holding the Executive to Account

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

Scrutiny Committees

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

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

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- Councillors get copies of all agenda and reports for the committees to which they are appointed by the Council;
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Economic & City Development Overview & Scrutiny Committee

14 July 2009

Report of the Democratic Services Manager

New Arrangements for Overview & Scrutiny in York

Summary

1. This report highlights the agreed changes to the Overview & Scrutiny function in York, detailing the terms of reference for the new committees and the resources available to support the function.

Background

2. At Full Council in November 2008 it was agreed to remove Executive Member Advisory Panels (EMAPs) from the decision making structure and replace the existing Scrutiny Committees with an increased No. of alternative Scrutiny Committees.
3. At Full Council in April 2009 Members agreed to retain the Scrutiny Management Committee and to the formation of the following five Overview & Scrutiny Committees, to come into effect as from Annual Council in May 2009:
 - Effective Organisation
 - Economic & City Development
 - Learning & Culture
 - Community Safety
 - Health

Consultation

4. The decision to revise the Overview & Scrutiny function in York followed an extensive consultation process involving Members and senior officers, involving careful consideration of working structures and best practice at other Councils.

Terms of Reference & Common Functions

Scrutiny Management Committee (SMC)

5. This Committee oversees and co-ordinates the overview & scrutiny function, including:

- allocating responsibility for issues which fall between more than one Overview & Scrutiny Committee
- periodically reviewing the overview and scrutiny procedures to ensure that the function is operating effectively and recommending any constitutional changes, to Council
- providing an annual report to Full Council
- recommending to the Executive a budget for scrutiny and thereafter exercising overall responsibility for the finance made available to scrutiny.

6. In Addition, SMC:

- advises the Executive on the development of the Sustainable Corporate Strategy and monitoring its overall delivery
- receives bi-annual feedback through reports or otherwise as appropriate, from the Overview & Scrutiny Committees on progress against their workplans
- receives periodical progress reports, as appropriate, on particular scrutiny reviews.
- considers and comment on any final reports arising from completed reviews produced by the Scrutiny Committees, prior to their submission to the Executive
- considers any decision “called in” for scrutiny in accordance with the Scrutiny Procedure Rules as set out in Part 4 of the Council’s Constitution.
- exercises the powers of an Overview & Scrutiny Committee under section 21 of the Local Government Act 2000

Standing Overview & Scrutiny Committees

7. Each of the five standing Overview & Scrutiny Committees has its own individual remit (as detailed below), and in carrying out their remit each must ensure their work promotes inclusiveness and sustainability.

8. Effective Organisation Overview & Scrutiny Committee

This Committee is responsible for monitoring the performance of the following Council service plan areas through regular performance monitoring reports:

- | | |
|------------------------------|-----------------------------------|
| • Audit & Risk Management | • Human Resources & Directorate |
| • Strategic Finance | HR Services |
| • IT&T | • Performance & Improvements |
| • Public Services | • Resources & Business |
| • Property Services | Management |
| • Policy & Development | • Business Support Services |
| • Civic Democratic & Legal | • Corporate Services |
| Services | • Directorate Financial Services |
| • Marketing & Communications | • Management Information Services |

9. This Committee is also responsible for promoting a culture of continuous improvement in all services, and monitoring efficiency across organisational / service boundaries to promote a seamless approach to service delivery, with the user as a central focus.

10. Economic & City Development Overview & Scrutiny Committee

This Committee is responsible for monitoring the performance of the following service plan areas through regular performance monitoring reports:

- Economic Development
- Planning
- City Development & Transport
- Licensing & Regulation
- Housing Landlord & Housing General

11. Learning & Culture Overview & Scrutiny Committee

This Committee is responsible for monitoring the performance of the following service plan areas through regular performance monitoring reports

- Early Years
- Schools & Communities
- Education Development Services
- School Governance Service
- Special Educational Needs
- Adult Education
- Access
- Education Planning & Resources
- Young People's Service
- Arts & Cultural Services
- Libraries & Heritage Services
- Parks & Open Spaces
- Sports & Active Leisure

12. Community Safety Overview & Scrutiny Committee

This Committee is responsible for monitoring the performance of the following service plan areas through regular performance monitoring reports:

- Safer City
- Waste Management Strategy (Client)
- Environmental Health & Trading Standards
- Street Scene
- Cleansing Services
- Waste Collection Services
- Building Cleaning Services
- Highways Maintenance Services
- Street Environment
- Bereavement Services
- Youth Offending Team

13. In addition, the Community Safety Overview & Scrutiny Committee is also responsible for the discharge of the functions conferred on the Council by sections 19 & 20 of the Police & Justice Act 2006, in relation to the scrutiny of community safety issues, the Police and the work of the local Crime and Disorder Reduction Partnership (CDRP) made up of the following community safety partners:

- The Local Authority
- The Police Force
- The Police Authority
- The Fire and Rescue Authority
- The Primary Care Trust

14. Health Overview & Scrutiny Committee

This Committee is responsible for monitoring the performance of the following service plan areas through regular performance monitoring reports

- Adults i.e. older people and adults with Physical Disabilities & Sensory Impairments
- Adults Mental Health
- Adults Learning Disability

15. In addition, the Health Overview & Scrutiny Committee is also responsible for:
- (a) the discharge of the health and scrutiny functions conferred on the Council by the Local Government Act 2000
 - (b) undertaking all of the Council's statutory functions in accordance with section 7 of the Health and Social Care Act 2001, NHS Reformed & Health Care Professional Act 2002, and section 244 of the National Health Service Act 2006 and associated regulations, including appointing members, from within the membership of the Committee, to any joint overview and scrutiny committees with other local authorities, as directed under the National Health Service Act 2006.
 - (c) reviewing and scrutinising the impact of the services and policies of key partners on the health of the City's population
 - (d) reviewing arrangements made by the Council and local NHS bodies for public health within the City
 - (e) making reports and recommendations to the local NHS body or other local providers of services and to evaluate and review the effectiveness of its reports and recommendations
 - (f) delegating functions of overview and scrutiny of health to another Local Authority Committee
 - (g) reporting to the Secretary of State of Health when:
 - i. concerned that consultation on substantial variation or development of service has been inadequate
 - ii. it considers that the proposals are not in the interests of the health service

Standing Overview & Scrutiny Committees - Common Functions

16. In exercising the powers of an Overview and Scrutiny Committee under section 21 of the Local Government Act 2000, the five Overview & Scrutiny Committees shown above have the following common functions:
- Maintain an annual work programme and ensure the efficient use of resources
 - Report to the SMC on a bi-annual basis on their contribution to their work programme.
 - Review any issue that it considers appropriate or any matter referred to it by the Executive, SMC or Council and report back to the body that referred the matter.
 - Identify aspects of the Council's operation and delivery of services, and/or those of the relevant Council's statutory partners, suitable for an efficiency review (a full list of statutory partners is shown at Annex A)
 - Carry out efficiency reviews or set up a Task Group from within their membership to conduct a review on their behalf.
 - Scrutinise issues identified from the Executive's Forward Plan, prior to a decision being made.

- Receive Executive Member reports relating to their portfolio, associated priorities & service performance.
- Scrutinise the services provided to residents of York by other service providers, as appropriate.
- Comment on the annual budget proposals and elements of the Corporate Strategy.
- Make final or interim recommendations to the Executive and/or Council
- Report any final or interim recommendations to SMC, if requested
- Monitor the Council's financial performance during the year.
- Monitor progress on the relevant Council Priorities and advise on potential future priorities.
- Initiate, develop and review relevant policies and advise the Executive about the proposed Policy Framework as it relates to their service plan areas
- Support the achievement of the relevant 'Local Area Agreement' priority targets

Roles Within Overview & Scrutiny Committees

17. Members of the Overview & Scrutiny Committees:

- Meet on a regular basis
- Prepare for meetings and visits by reading briefing papers and preparing any questions for witnesses
- Formulate and agree an annual work plan for their Committee, in consultation with the relevant Scrutiny Officer
- Discuss and decide on the remit and scope of each scrutiny review they undertake
- Contribute to discussions as community representatives but without a political agenda
- Develop each review through constructive debate
- Participate as fully in Scrutiny reviews as their time commitments will allow – e.g. by attending site visits and taking part in smaller task groups
- Make recommendations based on their deliberations and information received
- Take ownership of their final reports and any recommendations, and work with the Scrutiny Officer on their production
- Monitor Scrutiny recommendations approved by the Executive to see how they are being implemented
- Identify items on Executive Forward Plan for potential consideration by the Committee
- Treat officers, witnesses and other members with respect and consideration

18. Chairs of Overview & Scrutiny Committees - in addition to their member role, each Chair is responsible for:

- Providing leadership and direction
- Working with the Scrutiny Officer to decide how each meeting will be run and agree the agenda
- Working with the scrutiny officer and senior officers to ensure an effective exchange of information

- Ensuring an appropriate timescale is agreed for a review, taking into account the Scrutiny team's workload
 - Ensuring everyone gets the opportunity to contribute and that they are heard and considered
 - Ensuring that officers and witnesses are introduced to the Committee and that they are always treated with respect and consideration
 - Working with the Scrutiny Officer on the production of any final reports
 - Presenting the final report and recommendations to the Executive
19. Vice chairs perform the chair's role in their absence. They are also invited to attend chair's briefing sessions.
20. Statutory & Non-statutory Co-optees:

Statutory

- Required for the Learning & Culture Scrutiny Committee, to represent parents and religious groups
- Participate fully within the Scrutiny work as a member of the Committee (see member's role) and vote on issues within the remit of a review
- Provide advice and information to the Committee based on their specific skill, knowledge or expertise

Non-statutory

- Invited by a Committee to provide advice and information based on their specific skill, knowledge or expertise, either on a permanent basis or for the duration of a review.
- Participate as a member of the Committee would do, but cannot take part in a vote if one is held during a meeting

Officer Roles Supporting Overview & Scrutiny

21. The work of the Overview & Scrutiny Committees is supported by officers in a number of ways:
22. The Scrutiny Services Team
- Facilitate and support SMC and the Overview & Scrutiny Committees, and organise events and meetings
 - Support the SMC in reviewing and improving the Overview & Scrutiny function
 - Work with individual Committees to develop their annual work plans, and with SMC to co-ordinate the overall scrutiny function
 - Provide independent and impartial advice to Councillors
 - Carry out research and gather information as directed by the Committees
 - Provide a link between the Committees, senior officers of the council and external witnesses, inviting them to meetings and supporting them throughout the scrutiny process to ensure an effective exchange of information
 - Liaise and consult with residents, partnerships and other external parties on behalf of the Committees
 - Draft final reports in close consultation with the Chairs of the Committees

- Forward reports and agenda items to the appropriate Democracy Officer on time so these can be published
- Stay up to date with new developments in Scrutiny legislation and implement changes as necessary

23. Assistant Directors and/or Senior Officers

- Provide support and expertise to an Overview & Scrutiny Committee
- Have input to the production of the Committee's workplan and use their ability to influence appropriately; particularly where there are significant resource implications for their Directorate
- Ensure resources are subsequently made available to the Committee and Scrutiny Officer as agreed in the plans and highlight any problems
- Work with the Chair and the Scrutiny Officer to ensure an effective exchange of information
- Attend chair's briefings and scrutiny meetings as required
- Provide a link with the Directorate ensuring the work of Overview & Scrutiny is supported
- Allocate responsibility for implementing recommendations from Scrutiny

24. Technical Officers

- Work with the Scrutiny Officer, Chair and senior officers to consider the requirements of a scrutiny review
- Provide written and/or verbal information to a Committee relevant to a topic under review
- Work with the scrutiny officer and the assistant director to ensure an effective exchange of information
- Attend Scrutiny meetings to offer evidence as a witness when requested

25. Democracy Officers

- Provide constitutional advice at scrutiny meetings or to Scrutiny Officers and councillors when required
- Timetable meetings in consultation with Committee members
- Book meeting rooms and cancel bookings when necessary
- Receive reports and compile agenda for meetings, publish and circulate within the legal deadlines
- Write Minutes of overview & scrutiny meetings, consult with Scrutiny Officer afterwards and get Minutes signed off by the Chair of the Committee
- Provide a registration facility for members of the public wishing to speak at scrutiny meetings

Work Planning

26. Each of the five Overview & Scrutiny Committees will produce and maintain an annual work plan (see example shown elsewhere on this agenda). This will appear on the agenda for each meeting, and will show the different stages of any ongoing reviews and the scheduled dates for receiving the following reports:

- Performance and Finance Monitoring
- Proposals for Corporate Priorities associated with the work of the Committee
- Budget Consultation

- Audit Commission's Report on Use of Resources
- Annual Reports from Local Strategic Partners

27. Each Committee is responsible for providing bi-annual updates to SMC on their progress with achieving their planned programme of work. In 2009-10, it is suggested that these updates be provided for the meetings of SMC in July 2009 and February 2010.

Corporate Strategy

28. The Council's Corporate Strategy was recently revised for 2009-12, to align it with the Local Area Agreement (LAA). The new Overview & Scrutiny Committees are designed to be cross-cutting across Directorates and each is based on an individual LAA theme i.e.

Effective Organisation – to be a modern Council with high standards and values and a great place to work

Thriving City – to support York's successful economy to make sure employment rates stay high and that local people benefit from new job opportunities

Safer City – for York to have low crime rates and be recognised for its safety record

City of Culture & Learning City – to inspire residents and visitors to free their creative talents and make York the most active city in the country, and that local people have access to world-class education, training facilities and provision

Healthy City – for residents to enjoy long, healthy and independent lives

29. In addition, each of the above named Overview & Scrutiny Committees is responsible for ensuring their work promotes inclusiveness and sustainability which are the final two themes of the Corporate Strategy

Implications

30. There are no known Legal, HR, Finance, Equalities, Crime & Disorder, Property or Other implications associated with the recommendation in this report.

Risk Management

31. There are no known risks, associated with the recommendation in this report.

Recommendations

32. Members are asked to note the contents of this report and provide comments.

Contact Details

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Chief Officer Responsible for the report:
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Report Approved **Date** 16 June 2009

Wards Affected: **All**

For further information please contact the author of the report

Background Papers: Reports to Full Council dated 22 January & 2 April 2009

Annexes:

Annex A – List of the Council’s Statutory Partners

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Statutory Partners of the Council

The public service providers covered by the duty to co-operate with the Council's Overview & Scrutiny Committees are:

Chief Officer of Police
Police Authority
Local Probation Boards
Youth Offending Teams
Primary Care Trusts
NHS Foundation Trusts
NHS Health Trusts
The Learning Skills Council in England
Jobcentre Plus
Health and Safety Executive
Fire & Rescue Authorities
Metropolitan Passenger Transport Authorities
The Highways Agency
The Environment Agency
Natural England
Regional Development Agencies
National Park Authorities
The Broads Authority
Joint Waste Disposal Authorities

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Economic and City Development Overview and Scrutiny Committee

14 July 2009

Report of the Director of City Strategy

2008/09 Outturn Report – Finance and Performance

Summary

1. This report provides details of the 2008/09 outturn position for both finance and performance in City Strategy, Housing Services and Licensing and Regulation within Neighbourhood Services.

Analysis

Finance – outturn overview General Fund

2. The outturn position within the City Strategy Directorate is an overspend of £275k on a total net budget of £21.1m. The Housing General Fund has a budget of £1,437k and has an underspend of £19k. There was also an underspend of £28k within the Licensing and Regulation Service Plan Variations by service plan are shown below:

	Net Budget £'000	Out-turn £'000	Variance £'000
City Strategy Directorate			
City Development & Transport	16,770	16,709	-61
Planning & Sustainable Development	1,472	1,711	+239
Resource & Business Management	266	365	+99
Economic Development	2,608	2,606	-2
Total	21,116	21,391	+275
Housing & Adult Social Services Directorate			
Housing General Fund	1,437	1,418	-19
Neighbourhood Services Directorate			
Licensing & Regulation	-4	-32	-28

Note: '+' indicates an increase in expenditure or shortfall in income
 '-' indicates a reduction in expenditure or increase in income

3. Details of the main variations by service plan are detailed in the following paragraphs.

4. City Development and Transport

- a. There was a net overspend on concessionary fares totalling £+146k. This was primarily due to increased reimbursement costs for services administered by the North Yorkshire Concessionary Fares partnership. The main liability was due to the council being liable to a much higher percentage of the Yorkshire Coastliner service than has historically been charged to York. This led to an overspend of £+335k against budget. This was offset by fewer than budgeted journeys on services administered by the council (primarily First York) resulting in an underspend of £-119k. There was a further underspend of £-40k on other areas of the budget. Less people than budgeted claimed tokens resulting in a saving of £-36k on the bus token budget.
- b. There was a net underspend of £-46k on Highway Maintenance. Members will be aware that the cost of Winter Maintenance was much higher than budget (£+199k) due to the severity of the winter especially in January and February. This additional cost was contained however by managing the other maintenance budgets and by charging structural maintenance to an additional capital grant.
- c. Car Parking income was £+61k below budget which was an improvement to forecasts earlier in the year partly due to the reduced VAT rate imposed from 1st December 2008. There was also a shortfall on Penalty Charge notices income of £+62k. This was due to increased compliance with parking regulations but also long term absences within the service. Overall however the Parking account balanced (£+1k) as there were underspends on operational expenditure and staffing savings.
- d. There was an overall underspend of £-158k on employee costs across the service plan area. This was primarily within Network Management £-89k where a number of posts were unfilled.
- e. The Engineering Consultancy trading account recorded a surplus of £-89k primarily due to additional fee income earned from Section 278 agreements.

5. Planning and Sustainable Development

- a. The economic downturn has significantly impacted income within the Planning Service. Total income collected from land charges was £270k a 48% reduction on the previous year and £+176k below budget. Income from building control was a further £+146k below budget. Income from development control was above budget £-67k however this was due primarily to the major application relating to the University development.
- b. There were also a number of Village Green and planning inquiries defended by the council at a cost of £+180k above budget. The main costs related to Elvington airfield however there were also significant costs relating to Clifton grain stores and Connaught Court.
- c. There was additional unbudgeted Housing and Planning Delivery Grant of £-135k that offset the above pressures

6. Resource & Business Management

- a. The primary reasons for this overspend are the additional financial, technical and legal costs incurred on the Waste PFI project (£+114k). This project is currently at the process of selecting the preferred solution. There was also a lower than expected dividend from Yorwaste (£+118k) due to reduced tonnages and reductions in recyclates prices. To offset these overspends, there were underspends on staffing due to a number of staff vacancies, saving from early repayment of the venture fund, and savings in printing and equipment costs.

7. Economic Development

- a. There was a shortfall of £+87k from income at Newgate Market. This follows a trend of reduced stall take up at the market over the last few years. The popularity of open markets is in significant decline nationally and, in spite of a range of new initiatives designed to increase trading, a loss continues to be made. This shortfall has been partly offset by forecast additional income from specialist markets (£-21k) and staffing restructure (£-12k).
- b. To offset the above cost there was additional income of £-14k in the city centre and an £-11k saving in the Partnerships team following a number of staff vacancies during the year, together with £-31k from miscellaneous savings achieved to offset the income shortfall bring the service to the net underspend position.

8. Housing Services

- a. The budget for Howe Hill Hostel has underspent by a net £-11k as a result of lower repair costs, increased expenditure on utilities and equipment and higher occupancy levels. Additional income of £-23k on private sector grant fee has arisen due to the provision of a higher number of grants than forecast, with a further underspend of £-25k due to vacancies in strategy and enabling.
- b. Offsetting these is an overspend on repairs and utility costs at travellers sites of £+33k, with minor variations producing a further overspend of £+7k.

9. Licensing & Regulation

- a. The underspend within this service plan (£-28k) was due to additional income from fees and charges in relation to the Licensing Act (£20k) and Gambling Act (£8k).

Finance – outturn overview Housing Revenue Account

10. The working balance budget on the HRA is £7,238k. This review indicates a net underspend of £276k which, together with the budgeted balance of £7,238k, now gives a total estimated balance of £7,514k. The variances include:
 - a. Overspends totalling £+890k, the main areas being jobs general, where there has been an increase in both the cost and volume of repairs work completed under the repairs partnership amounting to £+570k, increased provision for bad debts of £+102k mainly due to higher level of write-offs and £+148k for an increased contribution to fund overspend on the capital programme.
 - b. Underspends totalling £-1,166k, including £-201k from job evaluation and IT contingencies not required in the year, £-129k from increased rent income due to a reduction in right to buy sales and lower voids, £-114k on housing operations mainly due to staff vacancies, reduction in legal fees and lower than forecast payments for the golden goodbye scheme, £-97k due to a lower than forecast take-up and delays in completion of some works on estate improvement grant and £-249k additional income from interest earned due to having a higher than forecast working balance.

Performance – outturn overview

City Development and Transport

11. City Development and Transport are responsible for a 13 National Performance Indicators, 2 of which are LAA indicators. Though many are similar to indicators collected in previous years they have different definitions, different data collection methods and calculations. Therefore they cannot be compared to 2007/08 data. Furthermore 2008/09 data will be used to set future targets.
12. For 2008/09 the number of bus passenger journeys originating in the authority area (NPI 177) was 15,344,448. This just misses the set target of 15.4m but exceeds the 2007/08 figure of 14.85m. An increase in performance can firstly be attributed to the introduction of the English National Concessionary Ticketing Scheme. This has been responsible for a considerable proportion of the patronage growth. It is unlikely that this element of the bus travelling public will see a similar increase for 2009/10. Secondly other improvements such as new Park and Ride vehicles, revised timetables enabling a more reliable service, an upgraded infrastructure at certain bus stops and the launch of the first all operator bus route map have also led to an increase in passenger numbers.
13. NPI 48 (children killed or seriously injured in road traffic accidents or KSIs) is calculated on a percentage change between a three year rolling average. The change between 2005+2006+2007 and 2006+2007+2008 is 0% for 2008/09. A strong school training program which focuses on pedestrian and cycle safety has seen a sustained reduction in child KSIs.

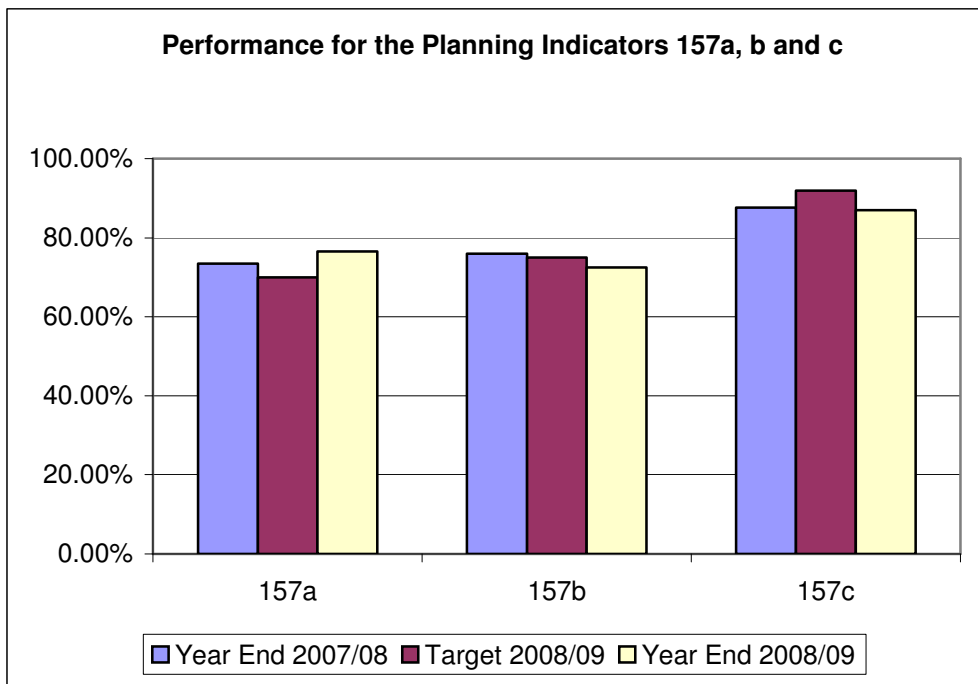
2009/10 will see a scheme funded by Cycling City extended to adults, families, secondary schools and businesses to reduce child KSIs further.

Planning and Sustainable Development

14. Overall 3 out of the 6 Planning and Sustainable Development indicators, which can be measured against 2007/08, improved, with 3 achieving their 2008/09 target. 3 out of the 4 LAA indicators can be measured. 2 indicators are improving and 2 hit the 2008/09 target.
15. The 2008/09 year end performance figure for NPI 157a (major applications) of 76.54% represents 36 out of 47 applications being determined within 13 weeks. The indicator betters both the locally set target of 65% and the government set target of 60% and 2007/08 performance of 73.44%.
16. NPI 157b (minor applications) 2008/09 year end figure of 72.54% just misses the locally set target of 75% but meets the government set target of 65%. 2008/09 performance represents 362 out of 499 of minor applications that were determined within 8 weeks.
17. NPI 157c (other applications) has achieved a 2008/09 year end figure of 87.02% which is just below the target of 90% but above the government target of 80%. This represents 1153 out of 1325 applications that were determined in 8 weeks.
18. The authority has been able to meet the government targets for the past 3 years, and expects to be able to continue to meet the targets. However there is likely to be a reduction in the percentage of applications determined within the timescales because of the drop in new major applications being received as well as the number of current applications that have already gone beyond the 13 week target still to be decided. In addition several new expected major applications will be of considerable size and would not be expected to be dealt with in 13 weeks e.g. redevelopment of Terry's Chocolate Factory.
19. Although there is expected to be a reduction in the performance figure for 2009/10, the continuation of the performance monitoring measures for 'in-time' applications and the working through of the out of time applications in the system will allow the performance to recover in subsequent years. It is not anticipated that at any time the performance will drop below the national target. The measures employed to ensure that performance is maintained include: -
 - Continuing production of guidance and procedures for staff and applications for dealing with major applications, with appropriate resources targeted towards dealing with them.
 - Changes to the use of conditions to allow applications which would otherwise expire awaiting a legal agreement to be dealt with in time
 - Changes to the Committee structure by reducing the number of sub committees to two and the holding of interim meetings to catch applications, which would expire before the next meeting.

- Increased delegation to officers for other types of applications, reducing time spent on committee report writing and preparation, allowing more time for applications processing
- The implementation of Improvement Plan actions relating to staff recruitment and retention which has led to greater stability in the staff resource
- Website development has led to fewer enquiries by telephone and correspondence, as more guidance is available on line including forms and planning application status/ history.

20. The performance of NPI 157a, b and c is represented graphically in the chart below:



Resource and Business Management

21. This service plan area holds the cross cutting performance information for the directorate of City Strategy; for example, indicators relating to Health and Safety, Human Resources, Customer First and Finance. Resource and Business Management is not responsible for any National Performance Indicators.

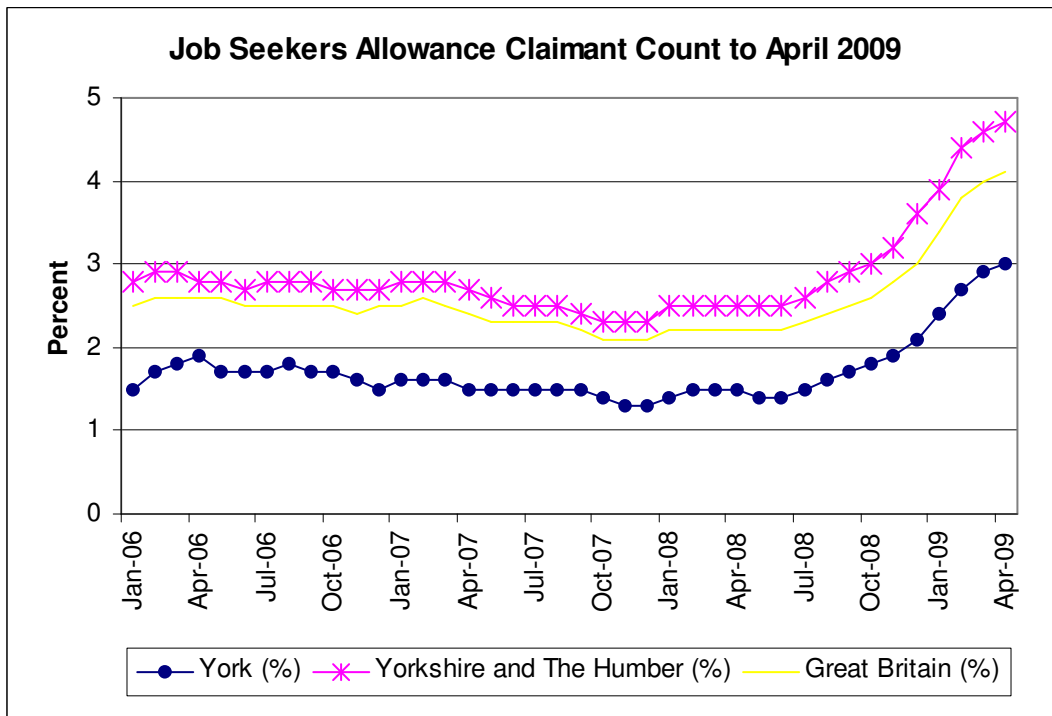
Economic Development

22. Economic Development are responsible for 12 National Performance Indicators and provide the data for 9 LAA indicators (one of which is local). Of the indicators which can be measured against 2007/08 5 out of 9 are improving and 7 met the set target.

23. NPI 152 (working age people on out of work benefits) is currently performing at 7.10% (estimate) which is better than 2007/08 figure of 7.40%. Initiatives such as "One City" and the Kingsway Action Area Project, Future Prospects and the Economic Development Strategy, are all

working together to increase the number of people in employment. (Please note the NPI 152 is reported with a 3 months time lag.)

24. It is important to put this indicator into context. York has enjoyed relatively high levels of employment and encouraging economic growth over recent years. However trends are now beginning to reflect global economic conditions with the number of people claiming Job Seekers Allowance rising and confidence levels falling.
25. Through the up-to-date monthly release of Job Seekers Allowance claimant data, which makes up one part of the data used for NPI 152, the graph below shows that after July 2008 the percentage of people claiming Job Seekers Allowance has increased in York. Though this rise follows a national and region trend York's unemployment rate remains below Yorkshire and Humber and Great Britain performance.



Housing Services

26. Overall 3 out of the 4 Housing indicators, which can be measured against 2007/08, improved, with 2 achieving their 2008/09 target. Both of the relevant LAA indicators are improving and 1 has hit the interim 2008/09 target.
27. NP 155: Affordable homes (LAA indicator) - good progress has been made in the number of affordable homes available in York, with 151 homes being delivered in 2008/09 compared to a target of 165. These targets were set well before the economic downturn began and this represents a significant achievement. However, given the time lag in building homes it is unlikely that the challenging LAA targets set for 2009/10 (280) and 2010/11 (350) will be achieved.

28. NP 156: Homelessness (LAA indicator) - the number of households living in temporary accommodation in 2008/09 was 167, a 20% decrease on the 209 households reported in 2007/08. This comes in slightly under the LAA target of 170 and represents a good achievement given that the target was set before the current credit crunch and housing market problems started. It also keeps CYC on track to achieve the 2010/11 target of 110, in line with the Government's ambitious expectation of a 50% reduction.
29. NP 158: Non-decent council homes - this indicator measures the % of non-decent council homes in York as the proportion of the total council housing stock. In 2008/09, the number of non-decent homes in York nearly halved, reducing to 5.7% (from 10% in 2007/08). This has moved York from 2nd to top quartile when compared to other local authorities.

Licensing

30. Licensing is not responsible for NPIs or LAA indicators. However an exception to the Licensing Service plan is that the Pub Watch Scheme is on hold, pending the result of some legal challenges to a similar type of scheme in another area, therefore will miss the set milestone.

Corporate Priorities

31. The information included in this report demonstrates progress on achieving the council's corporate strategy (2007-11) and the priorities set out in it.

Implications

32. There are no financial, human resources, equalities, legal, crime & disorder, information technology, property or other implications associated with this report.

Risk Management

33. The report is primarily a look back at finance and service performance and therefore there are no significant risks in the content of the report. It is important to consider however that there are a number of ongoing budgetary pressures that are likely to impact the services that are included within this scrutiny remit into 2009/10. The ongoing economic downturn is impacting on income budgets within Planning due to the reduction in major developments whilst there is also a reduction in parking transaction across the city. The reduction in Yorwaste dividend is also anticipated to continue into 2009/10 as waste levels reduce. The pressure of reduced income will put pressure on the need to control expenditure in 2009/10 and will require close monitoring throughout the year.

Recommendations

34. As this report is for information only, there are no recommendations.

Reason: To update the scrutiny committee of the outturn position.

Contact Details

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Chief Officers responsible for the report:

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Director of City Strategy
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Specialist Implications Officer(s) None

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

All

√

Background Working Papers

Year-end Performance and Financial Report for 2008/09, Executive 23rd June 2009

Annexes

None

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Economic & City Development Overview & Scrutiny Committee

14 July 2009

Report of the Democratic Services Manager

Corporate Strategy – Relevant Key Performance Indicators & Actions

Summary

1. This report presents the Corporate Strategy key performance indicators and actions relevant to the remit of this particular Overview & Scrutiny Committee .

Background

2. As part of the restructure of the overview & scrutiny function in York, it was agreed that the new standing Overview & Scrutiny Committees would be responsible for:
 - a. monitoring progress on those council priorities relevant to their individual terms of reference and for advising on potential future priorities;
 - b. identifying aspects of the Council's operation and delivery of services, and/or those of the relevant Council's statutory partners, that are perhaps not on target and therefore suitable for an efficiency review;
 - c. supporting the achievement of the relevant 'Local Area Agreement' priority targets
3. Annex A provides information on all the current performance indicators of either the Council or a statutory partner (or in some cases a hybrid of both), relevant to the work of the Community Safety Overview & Scrutiny Committee.

Consultation

4. The information contained within Annex A was provided by the Corporate Performance Manager.

Analysis

5. The information contained within the Annex has been provided in order to enable the Committee to monitor implementation of the current corporate priorities for 2009/10 and establish a baseline on which to judge the overall

success of that implementation in 2010, in order to make proposals for changes to the priorities for 2010/11.

6. Information on the relevant Council corporate priorities will be presented as part of the quarterly finance and performance monitoring reports. Information on the progress made by partners, will be made available to the Committee periodically throughout the year depending on the reporting cycle agreed by the Council with partners. Details of these will be added to the Committee's work programme.

Options

7. Having considered the information contained within the Annex, Members may choose to request further information on any of the key indicators and actions identified.

Corporate Strategy

8. The work of this Committee directly supports the first theme of the Corporate Strategy - 'We will continue to support York's successful economy to make sure that employment rates remain high and that local people benefit from new job opportunities'.

Implications

9. There are no known Legal, HR, Equalities, Finance, Crime and Disorder, ITT, Property & Other implications associated with the recommendation within this report.

Risk Management

11. There are no known risks associated with the recommendation in this report.

Recommendations

12. Members are asked to note the contents of the report and its annex and decide what if any further information is required at this stage,

Reason: To inform the work of this Committee.

Contact Details

Author:

Melanie Carr
Scrutiny Officer
Scrutiny Services
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Chief Officer Responsible for the report:

Dawn Steel
Democratic Services Manager

Report Approved

Date 16 June 2009

Specialist Implications Officers

None

Wards Affected:

All

For further information please contact the author of the report

Background Papers: N/A

Annexes

Annex A – Relevant Council Performance Indicators and Key Actions for 2009/10

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Possible performance indicator links to Scrutiny Committees

Code	Lead for Collection	Indicator definition	LAA indicator (35? local? Education NPI?)
NPI 6	City Strategy	Participation in regular volunteering	35
NPI 7	City Strategy	Environment for a thriving third sector	35
NPI 12	HASS	Refused and deferred Houses in Multiple Occupation (HMO) license applications leading to immigration enforcement activity	No
NPI 46	LCCS	Young offenders access to suitable accommodation	No
NPI 151	City Strategy	Local economy - Overall employment rate	No
NPI 152	City Strategy	Working age people on out of work benefits	35
NPI 154	City Strategy	Net additional homes provided	No
NPI 155	HASS	Number of affordable homes delivered (gross)	35
NPI 156	HASS	Number of households living in Temporary Accommodation	35
NPI 157a	City Strategy	Processing of planning applications - major applications completed within 13 weeks	No
NPI 157b	City Strategy	Processing of planning applications - minor applications completed within 8 weeks	No
NPI 157c	City Strategy	Processing of planning applications - other applications completed within 8 weeks	No
NPI 158	HASS	% of decent council homes	No
NPI 159	City Strategy	Supply of ready to develop housing sites	No
NPI 160	HASS	Local Authority tenants' satisfaction with landlord services	No
NPI 166	City Strategy	Average earnings of employees in the area	35
NPI 167	City Strategy	Congestion – average journey time per mile during the morning peak	35
NPI 168	Neighbourhood	Principal roads where maintenance should be considered	No
NPI 169	Neighbourhood	Non-principal roads where maintenance should be considered	No
NPI 170	City Strategy	Previously developed land that has been vacant or derelict for more than 5 years	No
NPI 171	City Strategy	VAT registration rate	35
NPI 172	City Strategy	VAT registered businesses in the area showing growth	No
NPI 173	Corporate Services	People falling out of work and on to incapacity benefits (supplied by Job Centre Plus)	No
NPI 174	City Strategy	Skills gaps in the current workforce reported by employers	No
NPI 175	City Strategy	Access to services and facilities by public transport, walking and cycling	No
NPI 176	City Strategy	Working age people with access to employment by public transport (and other specified modes)	No
NPI 177	City Strategy	Local bus passenger journeys originating in the authority area	No
NPI 178	City Strategy	Bus services running on time	No

Possible performance indicator links to Scrutiny Committees

NPI 179	Corporate Services	Value for money – total net value of on-going cash-releasing value for money gains that have impacted since the start of the 2008-9 financial year	No
NPI 180	Corporate Services	Changes in Housing Benefit/ Council Tax Benefit entitlements within the year	No
NPI 182	Neighbourhood	Satisfaction of businesses with local authority regulation services	No
NPI 183	Neighbourhood	Impact of local authority regulatory services on the fair trading environment	No
NPI 184	Neighbourhood	Food establishments in the area which are broadly compliant with food hygiene law	No
NPI 185	City Strategy	CO2 reduction from Local Authority operations	No
NPI 186	City Strategy	Per capita CO2 emissions in the LA area	35
NPI 187	HASS	Tackling fuel poverty – people receiving income based benefits living in homes with a low energy efficiency rating	35
NPI 188	City Strategy	Adapting to climate change	Local
NPI 189	City Strategy	Flood and coastal erosion risk management	No
NPI 194	City Strategy	Level of air quality – reduction in NOx and primary PM10 emissions through local authority's estate and operations.	No
NPI 197	City Strategy	Improved local biodiversity – active management of local sites	35
BVPI 219b	City Strategy	% of conservation areas in local authority area with an up-to-date character appraisal	Local
BV 212	HASS	Average time taken to re-let local authority housing	No
EDE1.4	City Strategy	Av. gross weekly earnings	Local
G15	City Strategy	Percentage of highway emergency work carried out within 24 hours of the issue of instructions to Neighbourhood Services	No
H4	HASS	Urgent repairs completed within Government timescales	No
H5	HASS	Average time taken to complete non-urgent repairs	No
LTP9ai	City Strategy	Park and Ride usage - total passengers	No
VJ15a	City Strategy	York's unemployment rate below the regional rate	No
VJ15b	City Strategy	York's unemployment rate below the national rate	No
VJ15c	City Strategy	Business confidence: the balance of firms expecting turnover to rise in the future rather than fall	No
VJ15d	City Strategy	Balance of firms where turnover has grown rather than fallen	No



Economic & City Development Overview & Scrutiny Committee

14 July 2009

Feasibility Report - Planning Conditions: Their implementation, completion and difficulties relating to adoption of new estates

Summary

1. This report asks Members to consider a scrutiny topic registered by Councillor Simpson-Laing to look at the implementation of planning conditions, completion and difficulties related to the adoption of new estates. A copy of the topic registration form is attached at Annex A to this report.

Criteria

2. Councillor Simpson-Laing believes that this topic fits with the following eligibility criteria as set out in the topic registration form:
 - Public Interest (i.e. in terms of both proposals being in the public interest and resident perceptions)
 - Under Performance/Service Dissatisfaction
 - In keeping with corporate priorities
3. Councillor Simpson-Laing has made the following additional comments on the topic registration form in support of the selected eligibility criteria:

Public Interest – Residents on new estates feel dissatisfied when their estates are neither built to plan, completed or adopted by the Council

Under Performance/Service Dissatisfaction – Residents feel that because of non-adoption of their estates they are not receiving services for which they pay, such as street cleaning. There are also safety concerns when conditions have not been completed before habitation of properties.

4. The Assistant Director (Planning & Sustainable Development), the Head of Development Control and a representative from the City Development & Transport Group within the Council are satisfied that the topic meets the eligibility criteria set out above.

Consultation

5. The Assistant Director (Planning & Sustainable Development) and the Head of Development Control were consulted on the topic registration form and their comments are attached at Annex B to this report.
6. Representatives from the City Development & Transport Group of the Council were also consulted on the topic registration form and their comments are attached at Annex C to this report.
7. The Executive Member for City Strategy has no objection to this and has already asked for a review of outstanding adoptions and that information, which is being gathered by officers, may provide some background for this topic.
8. Chairs of all three Planning Committees were consulted on the topic registration form and the following responses were received:

West & City Centre Planning Committee- I am happy with the proposed topic and believe that Councillor Simpson-Laing has captured all the salient features requiring scrutiny. There is indeed a great deal of merit in proceeding with this topic.

East Area Planning Committee - I feel that much of this was covered in the Planning Enforcement Scrutiny topic that is just finishing and therefore there would be a large amount of duplication. S106 agreements etc were discussed and new protocols recommended.

Planning Committee – The topic seems to be a bit of a mishmash. Highway adoption should be nothing more than roads being built to standard and then going through an administrative process. Then, they will be swept. If conditions are not being met, there is an enforcement process - and we have just completed a scrutiny review on this topic. In view of the above I cannot see the benefit of progressing this topic.

Analysis

9. The information above and that contained within the annexes raises several concerns regarding progressing this topic to review. Both the Development Control Section and the City Development & Transport Group highlight resource issues due to ongoing work within their departments. The recently completed Planning Enforcement Ad Hoc Scrutiny Review has impacted on the resources of Development Control and they are also undertaking an internal review of their Planning Enforcement Service.
10. Officers within the Development Control Department have raised concerns regarding duplication of work (ongoing work and work undertaken as part of the Planning Enforcement Ad Hoc Scrutiny Review) and feel that many of the issues within the topic registration form could be answered by way of briefing notes and/or training sessions. Representatives from the City Development &

Transport Group have also suggested training sessions and/or briefing notes as an option.

11. There are already three dates set aside in September for specific planning training and both the Head of Development Control and the representative from the City Development & Transport Group are willing to incorporate into these sessions, concerns raised within this topic should Members be minded to do so.
12. During informal telephone discussions between the Scrutiny Officer and the various Officers who have provided responses for this report, concerns were raised regarding whether the emphasis of this topic was on highways or planning conditions.
13. Should Members choose to go ahead with this review they may wish to consider a tighter remit with clarity of emphasis on either highways or planning conditions; alternatively the topic could be split into Part A and Part B. They may also wish to look at how this review would be prioritised within their work plan. Members may wish to decide their full work programme before slotting any review work in at an appropriate point.
14. The Committee has the option to form small task groups to undertake reviews and should Members choose to proceed with the review they may wish to form a smaller task group who would be able to work more informally. Any task group would periodically report back their findings to formal meetings of the Economic & City Development Overview and Scrutiny Committee and would be fully supported by the Scrutiny Officer.

Conduct of Review

15. Should Members choose to proceed with this review Councillor Simpson-Laing has suggested that the Committee look at:
 - The legal status of conditions
 - The management of conditions, including their signing off at each stage before further work is allowed to continue
 - The Council's monitoring of developments, including the monitoring undertaken by Building Control and the powers they have to stop development
 - The ability of the Council to change planning conditions without Members knowledge
 - The legality of developers not undertaking conditions
 - The ability of the Council to ensure developers complete developments to enable adoption
16. If the review were to go ahead then Members may wish to consider consulting the following:
 - Relevant Officers from City of York Council (Legal Services, Development Control, Building Control, City Development & Transport Group)
 - Representatives of developers
 - The House Builder's Federation

17. Councillor Simpson-Laing has also suggested that working practices at CYC would need to be investigated along with Best Practice at other Local Authorities.

18. It is envisaged that this work would take approximately 6 months.

Implications

19. **Financial** – There is a small amount of funding available within the scrutiny budget to carry out reviews. There are no other financial implications associated with this report however; implications may arise should the review be progressed.

20. **Human Resources** – Representatives from both Development Control and City Development & Transport Group have highlighted potential resource issues and these are set out in the body of this report.

21. **Legal** – There are no direct legal implications associated with this particular review but it is very likely that implications could arise should the topic be progressed.

22. There are no known equalities, property, crime & disorder or other implications associated with the recommendations in this report.

Risk Management

23. In compliance with the Council's risk management strategy, there are no known risks associated with the recommendations in this report.

Recommendations

24. Based on the evidence presented within this report Members are not advised to proceed with this topic. As an alternative, Members may wish to consider a training session (which could be amalgamated with those already set for September) and/or briefing notes to gather further insight into the information requested (paragraphs 11 and 12 of this report refer).

REASON: In order not to duplicate work already being undertaken

Contact Details

Author:

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Scrutiny Services
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Chief Officer Responsible for the report:

Quentin Baker
Head of Civic, Legal & Democratic Services
Tel: 01904 551004

**Feasibility Study
Approved**



Date 30.06.2009

Specialist Implications Officer(s) None

Wards Affected:

All



For further information please contact the author of the report

Background Papers:

None

Annexes

- Annex A** Topic Registration Form
- Annex B** Comments from Development Control
- Annex C** Comments from Highways Section

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SCRUTINY TOPIC REGISTRATION FORM

PROPOSED TOPIC:

Planning Conditions, there implementation, completion and difficulties related to adoption of new Estates

COUNCILLOR(S) REGISTERING THE TOPIC: Cllr Tracey Simpson-Laing

SECTION 1: ABOUT THE TOPIC

Please complete this section as thoroughly as you can. The information provided will help Scrutiny Officers and Scrutiny Members to assess the following key elements to the success of any scrutiny review:

How a review should best be undertaken given the subject

Who needs to be involved

What should be looked at

By when it should be achieved; and

Why we are doing it ?

Please describe how the proposed topic fits with 3 of the eligibility criteria attached.

As a general rule, topics will only proceed to review if they meet 3 of the criteria below. However, where it is adequately demonstrated that a topic is of significant public interest and fits with the first criteria but does not meet 3, Scrutiny Management Committee may still decide to allocate the topic for review. Please indicate which 3 criteria the review would meet and the relevant scrutiny roles:

	✓	Policy Development & Review	Service Improvement & Delivery	Accountability of Executive Decisions
Public Interest (ie. in terms of both proposals being in the public interest and resident perceptions)	X	X	X	
Under Performance / Service Dissatisfaction	X	X	X	
In keeping with corporate priorities	X	X	X	X
Level of Risk				
Service Efficiency				
National/local/regional significance e.g. A central government priority area, concerns joint working arrangements at a local 'York' or wider regional context				

Further Information on how topic fits with Eligibility Criteria

Public Interest – YES – residents on new estates feel dissatisfied when their estates are neither built to plan, completed or adopted by the Council

Under Performance / Service Dissatisfaction – YES – residents feel that because of non-adoption of their estates that they are not receiving services for which they pay, such as street cleaning. There are also safety concerns when Conditions have not been completed before habitation of properties

In keeping with Corporate Priorities – YES

Level of Risk – NONE

Set out briefly the purpose of any scrutiny review of your proposed topic. What do you think it should achieve?

If you have not already done so above, please indicate in response to this, how any review would be in the public or Council's interest e.g. reviewing recycling options in the city would reduce the cost to the Council for landfill

Across the City there are a number of recently built estates that have not been adopted by the Council, mainly due to the developer not completing 'Conditions' in the Planning Permission that must be satisfied before the Council will take ownership/management.

The proposed Scrutiny would need to understand the monitoring and 'policing' of 'Conditions'. Often 'Conditions' are placed upon a developer by the Council, such as:

'no dwelling shall be inhabited until security gates have been fitted to alleyways a joining the properties'

Yet this is typical of the 'Conditions' abused by developers. Later down the line, when these issues are raised by residents and Councillors it is too late to act as the developer is off site, or they will say that this is not a 'requirement', even though CYC use the 'Safety by Design Code'.

Such non compliance with 'Conditions', including planting and highways mean that residents can live on a new estate for up to 4 years – Sovereign Park, or 10 years – St Peters Quarter without having their roads swept, or having money allocated from Ward Committee budgets to improve facilities.

I would like to investigate the 'Signing Off' process of development stages, what powers CYC have at each stage to stop development of, of the moving in of residents until certain 'Conditions' have been satisfied and what legal powers the Council has to manage this process and push for adoption of new estates.

Please explain briefly what you think any scrutiny review of your proposed topic should cover.

This information will be used to help prepare a remit for the review should Scrutiny Management Committee decide the topic meets the criteria e.g. How much recycling is presently being done and ways of increasing it

The legal Status of Conditions

The managing of Conditions including there 'signing off' at each stage before further work is allowed to continue.

CYC's monitoring of developments – including the monitoring by Building Control and the powers they have to stop development

The ability of CYC to change any 'Conditions' without members knowledge

The legality of developers not to undertake 'Conditions'

The ability of CYC to ensure developers complete developments to enable adoption

Please indicate which other Councils, partners or external services could, in your opinion, participate in the review, saying why.

Involving the right people throughout the process is crucial to any successful review e.g. CYC Commercial Services / other local councils who have reviewed best practice for recycling / other organisations who use recycled goods

It may be useful to discuss with representatives of the developers to understand why developments are not built to plan, such as The House Builders Federation

Explain briefly how, in your opinion, such a review might be most efficiently undertaken?

This is not about who might be involved (addressed above) but how the review might be conducted e.g. sending a questionnaire to each household to gather information on current recycling practices and gathering information on how recycling is carried out in Cities similar to York

Councillors would need to investigate CYC working practise in relation to the monitoring of new developments and investigate whether any other Local Authority has Best Practice in this area that could be adopted and built upon.

Estimate the timescale for completion.

Please circle below the nearest timescale group, in your estimation, based on the information you have given in this form.

(a) 1-3 months;

(b) 3-6 months; or

(c) 6-9 months

Due to the work required I would envisage around 6 months

PLEASE ENCLOSE ANY SUPPORTING DOCUMENTS OR OTHER INFORMATION YOU FEEL MIGHT BE USEFUL BACKGROUND TO THE SUBMISSION OF THIS TOPIC FOR CONSIDERATION.

What will happen next?

- a Scrutiny Officer will prepare a feasibility study based on the information you have provided above and on further information gathered. This process should take no more than six weeks;
- on completion, the feasibility study will be presented to Scrutiny Management Committee together with a recommendation whether or not to proceed with the review. If the recommendation is to proceed, the feasibility study will include a remit on how the review should be carried out

In support of this topic, you may be required to:

- meet with the Scrutiny Officer to clarify information given in this submission and/or assist with developing a clear and focussed remit for a potential review;
- attend the meeting of Scrutiny Management Committee at which the topic is being considered for scrutiny review in support of your registration

What will happen if the topic is recommended for review?

- The Scrutiny Management Committee will agree a timescale for completion of the review.
- An Ad-hoc Scrutiny Committee will be formed and a series of formal meeting dates will be agreed. These should allow for at least the following:

1st Meeting Scoping Report

2nd Meeting interim progress meeting

Depending on the timescale of the review, a further interim progress meeting may be required

3rd Meeting Agree final draft report for SMC

- The final draft report will be considered by SMC and a final report with recommendations will be produced for consideration by the Executive
- Any decisions taken at Executive as a result will be reviewed after six months to ensure implementation has taken place.

A Member will be nominated to be responsible for monitoring the implementation of the recommendations - you may be asked to take on this role.

Please return your completed registration form to Scrutiny Services or, if you want any more information about Scrutiny or submitting a new topic for consideration then please contact the Scrutiny Team.

Email: Scrutiny.services@york.gov.uk

Tel No. 01904 552038

For Scrutiny Administration Only

Topic Identity Number

Date Received

Feasibility Study to be completed by:

Date of SMC when study will be considered:

SC1- date sent

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Comments from the Assistant Director (Planning & Sustainable Development) & the Head of Development Control

PROPOSED TOPIC:

Planning Conditions, their implementation, completion and difficulties related to adoption of new Estates

Purpose of topic

The topic registration form says:

Across the City there are a number of recently built estates that have not been adopted by the Council, mainly due to the developer not completing 'Conditions' in the Planning Permission that must be satisfied before the Council will take ownership/management.

The proposed Scrutiny would need to understand the monitoring and 'policing' of 'Conditions'. Often 'Conditions' are placed upon a developer by the Council, such as:

'no dwelling shall be inhabited until security gates have been fitted to alleyways a joining the properties'

Yet this is typical of the 'Conditions' abused by developers. Later down the line, when these issues are raised by residents and Councillors it is too late to act as the developer is off site, or they will say that this is not a 'requirement', even though CYC use the 'Safety by Design Code'.

Such non compliance with 'Conditions', including planting and highways mean that residents can live on a new estate for up to 4 years – Sovereign Park, or 10 years – St Peters Quarter without having their roads swept, or having money allocated from Ward Committee budgets to improve facilities.

I would like to investigate the 'Signing Off' process of development stages, what powers CYC have at each stage to stop development of, of the moving in of residents until certain 'Conditions' have been satisfied and what legal powers the Council has to manage this process and push for adoption of new estates.

Development Control Comments

There are two elements to the issue; one relates to the highway adoption process, which has a separate set of criteria to the second, which relates to the discharge of planning conditions. The adoption process does not rely on compliance with the conditions of planning approval.

An officer update and information to members may be sufficient to explain the processes for each.

What should be covered

The topic registration form says:

The legal Status of Conditions

The managing of Conditions including their 'signing off' at each stage before further work is allowed to continue.

CYC's monitoring of developments – including the monitoring by Building Control and the powers they have to stop development

The ability of CYC to change any 'Conditions' without Members' knowledge

The legality of developers not to undertake 'Conditions'

The ability of CYC to ensure developers complete developments to enable adoption

Development Control Comments

Again conditions and the framework for discharging them is set within a legal framework which can be explained. Circular 11/95 sets out the basis upon which conditions should be used, and along with case law.

Since the two estates mentioned were approved (11 and 7 years ago), a system for the discharging of planning conditions has been set up on UNIFORM. Each request is logged and acknowledged and a timescale for dealing with it given.

Monitoring and enforcement of conditions are within the enforcement function although historically there has been insufficient resource to proactively monitor compliance. Under the change to a Development Management approach the introduction of monitoring and the purchasing of an additional Condition Monitoring module on UNIFORM will be proposed, which will be subject to appropriate resources being made available.

The approved delegation scheme allows for applications for the removal or variation of conditions to be dealt with by officers unless called in by a member. However there is no power to change planning conditions without member knowledge, as any change must be subject to a further application, which would appear on the published weekly list of applications.

The legality of conditions and the implications of breaching conditions can be covered in a training session for members if this would be considered useful.

The ability of CYC to ensure completion of development prior to adoption can be covered by Highway Network Management.

How Review most efficiently undertaken?

The topic registration form says:

Councillors would need to investigate CYC working practise in relation to the monitoring of new developments and investigate whether any other Local Authority has Best Practice in this area that could be adopted and built upon.

Development Control Comments

The Section is moving towards adoption of the Development Management approach to the successful delivery of schemes. This involves drawing upon best practice and recent improvement work carried out in a number of LPAs under the National Performance Improvement Project. In addition the Killian Pretty review of planning made a number of recommendations which the government is to pursue with changes to the Development control system and new guidance that will affect the way the conditions are processed and monitored.

Further Comments

- For various reasons, we would struggle to support this given the need to implement the actions arising from the internal Enforcement & Support Services Review and the Planning Enforcement Ad Hoc Scrutiny Review. The department also has an impending improvement programme as part of the Development Management Initiative and they are inputting to the Kendric Ash programme on both the service itself and customer services.
- Changes introduced to the logging and processing of details submitted to comply with conditions have addressed some of the issues raised within the topic registration form. The imminent reviews above and forthcoming central government guidance will steer how we deal with condition compliance monitoring. A scrutiny review at this stage would duplicate/pre-empt this work but training may help to inform Members of the processes involved in the interim.

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Comments from the City Development & Transport Group

Taken from the Topic Registration Form

Set out briefly the purpose of any scrutiny review of your proposed topic. What do you think it should achieve?

Across the City there are a number of recently built estates that have not been adopted by the Council, mainly due to the developer not completing 'Conditions' in the Planning Permission that must be satisfied before the Council will take ownership/management.

Comments from the City Development & Transport Group

Highway Adoption

Strictly speaking the timescales for adoption of streets, footways etc within new developments are not solely controlled or governed by planning conditions or indeed the planning process. Whilst it is common practise for planning authorities to impose 'standard' conditions, relating for example to the provision of a new road (to a certain level) prior to the occupation of a dwelling served from it, the reality is that satisfactory completion of a new and prospective piece of publicly maintainable highway, is governed by highway legislation, primarily the Highways Act 1980.

The majority of developers opt to enter into a Section 38 Agreement (this being voluntary) with the council, as Highway Authority. Such an agreement establishes the specifications and standards, which the new streets will need to meet before they could become the responsibility of the council to maintain. Agreements allow of course for a phased development to take account of the actual building timescales and permit that roads and footways are at least finished to base course (tarmacadam surface), together with street lighting, in tandem with occupation of newly constructed properties. Such arrangements are standard practise across England and Wales.

Within many S38 agreements in York, a standard clause is included which seeks to secure the full completion of the prospective highway in parallel with the completion of the final dwellings. This procedure relies significantly upon the developer coordinating both the build works (on houses) and associated infrastructure (roads etc). When the later are completed in full including the top (wearing) course, they would, subject to satisfactory approval by the highway authority, be placed on what is termed a maintenance period. This period lasts for 12 months and during such time; the developer is responsible for the maintenance of the works. At the end of this period, the streets will become public highway, providing they continue to meet the required criteria (for example surface condition) and additionally that the foul and surface water sewerage systems, have been approved and adopted by Yorkshire Water, all adoptable street lighting has been approved and the developer has provided a layout drawing 'as constructed' to take account of any alterations deemed necessary during construction.

The legal procedures followed with highway adoption are specifically set out to protect the local authority, such that it does not take on the responsibility of maintaining roads, which have been inadequately constructed and completed.

Presently, within the City of York Council area, there are 86 housing developments and 12 commercial/office developments, which are governed by a Section 38 agreement and a further 10 known developments, such as Derwenthorpe, which have not yet started.

Further Comments

- Resourcing of this project will make it difficult to deliver on the extensive work load programme of the City Development & Transport Group
- In principle the topic seems worthwhile, as it would look to how other Local Authorities approach the matter. However, it is difficult to indicate whether the findings would help us deliver our service in an improved manner, due to the fact that many aspects of highways adoption do not fall within the direct control of the local authority.
- The option of providing a specific briefing/training session on highway adoption is something we can see benefit in.



Economic & City Development Overview and Scrutiny Committee

14 July 2009

Report of the Director of City Strategy

Economic Development Programme

Summary

1. This report seeks to provide Members of the Scrutiny Committee with an overview of the Council's approach to economic development in order that the Committee can consider how they may wish to develop a plan of work in relation to this.

Background

2. The Local Government Act 2000 allows local authorities to do anything they consider likely to promote and improve the economic, social and environmental well-being of their area. This is commonly known as the well-being power. Statutory guidance "Creating Strong, Safe and Prosperous Communities" was issued by the Department of Communities and Local Government in 2008. This sets out the ways in which local authorities should provide strategic and political leadership and involve a full range of stakeholders in developing and delivering a shared vision for the economic, social and environmental well-being of their area through their Sustainable Community Strategy (SCS).
3. More recently, the Government's Sub-National Review of Economic Development (SNR) has set out a series of proposed reforms that would enable regions and local areas to respond better to economic challenges. In order to increase the focus on local economic development, the SNR proposed that a new duty be placed on all counties and unitary authorities to assess the economic conditions of their area. This new duty is currently being taken forward within Part 4 of the Local Democracy, Economic Development and Construction Bill.
4. Traditionally in York, an Economic Development Programme has been prepared on an annual basis set within the strategic framework provided by the Thriving City theme of the Sustainable Community Strategy. In past years, this has been considered by the former Economic Development Partnership Board prior to formal approval by the Executive Member with portfolio responsibility for economic development. It should be noted that the importance of the economy – and therefore of the economic strategy and programme – extends well beyond this particular theme within the SCS. A strong and prosperous economy generating enhanced employment options and incomes contributes to and enables actions in relation to lifelong learning, anti-poverty, social inclusion, anti-social behaviour, housing provision, cultural provision, spatial planning, transport and environmental quality. There are therefore strong linkages with the other themes set out in the SCS.
5. The current economic strategy and programme for York is set out in Annex A. This was prepared in Spring/Summer 2008, in advance of the current economic recession and was considered by the newly established York Economic Partnership at its first meeting held in

December 2008. It is divided into three sections:

Section A – Assessment: to reflect the likely requirement in relation to the proposed new duty for local authorities to assess the economic conditions of their area; essentially, this is based on factual work prepared to support the work of the Future York Group;

Section B – Strategic Context: this is taken directly from York’s Sustainable Community Strategy;

Section C – Programme of Action for the period 2008/09 to 2010/11.

6. Since the preparation of the current economic strategy and programme, two significant reports have been produced in relation to York’s economy. In March 2009 , the Centre for Cities policy institute published its report “York: Prioritising Prosperity” as part of its research programme for unlocking city potential and sustaining city growth. The report, set out in Annex B, has been published on the websites of both the Council and the Without Walls Local Strategic Partnership. In addition, Yorkshire Cities have also commissioned work examining cities within the region which highlighted that York performs well against the indicators that assess economic resilience. These reports have been considered by the York Economic Partnership and work is now under way to consider the implications of these for the economic strategy and programme, particularly in the light of the current economic recession. Members will also be aware of additional initiatives undertaken by the Council through the One City initiative in response to the changing economic situation. These were reported to the Executive in May this year, see Annex C.

Consultation

7. Considerable consultation was undertaken in relation to the preparation of the Sustainable Community Strategy. Aspects of the economic strategy and programme have been the subject of a wide range of consultation through the York Economic Partnership, York Business Forum, Science City York, york-england.com, Visit York, York Professionals, Retailers Forum and Chamber of Commerce, highlighting the close co-operation the Council has with partners in enhancing the city’s prosperity.

Options

8. The economic development programme forms a strategic approach to developing the York economy and meeting the employment needs of both businesses and the community. Action is reviewed on an annual basis to take account of changing circumstances and policy frameworks. Based on the information provided above, Members of the Committee may wish to determine what aspects of the economic strategy and programme are to be examined further.

Corporate Priorities

9. The actions in this report support the Inclusive City, Learning City and Thriving City elements of the Sustainable Community Strategy and the Council’s Corporate Strategy.

Implications

10. Financial, HR, equalities, legal and crime and disorder implications are covered through the Council’s budgeting and service planning processes. There are no direct IT implications.

Risk management

11. Risk management processes cover all aspects of the programme and are set out in the Economic Development and Partnerships service plan.

Recommendations

12. That the Committee determine any work plan for the scrutiny of economic development.

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Report Approved on 02/07/09

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Wards affected – ALL

Specialist implications officer/None

Background Papers: None

Annexes:

Annex A- Economic Development Strategy and Action Programme 2008/09

Annex B- York: Prioritising Prosperity Report by Centre for Cities March 2009

Annex C- One City-update on Economic position report to the Executive 12 May 2009

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CITY OF YORK

ECONOMIC DEVELOPMENT STRATEGY AND ACTION PROGRAMME

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Section A : Economic Assessment

Executive Summary

Section 1: Economic Context and Drivers Shaping York's Growth

- The long term trend of GDP and employment growth in UK will be well below levels seen recently (2000-2005), with average GDP growth in the next five years of 2.5% and employment growth of 0.5%. York's economy will grow above the UK trend with GVA (GDP) growth of 2.7% in the next ten years.
- Global growth in 2006 was estimated at 5%+, largely as a result of the above trend growth in the BRICS economies (Brazil, Russia, India, China, Singapore). Continuing global growth will deliver a stimulus to York's economy with estimates suggesting that for the next ten years a sustained increase of 10% in world trade volumes could add over £200 million to York's economy with the city's economy growing by an additional 1.7% in the next ten years above current trend estimates.
- Recent survey data points to a very active German market for UK exporters, so it is particularly important for York companies to focus on the German market, and also reflects the fact that the long-term underlying rate of growth in the Euro-Zone is on the up. The view from the Bank of England and the European Central Bank is that Euro-Zone economies are entering a period of cyclical growth (and hence recovery in growth) and York's companies need to exploit the opportunities that will be presented.
- York's population growth is not forecast to match its economic growth needs. Working age population growth in the city will be outpaced by the jobs the economy will create, meaning York will act as magnet to commuters into the city (see Section 4 for further details). This situation will become more pronounced if the city's regeneration ambitions deliver higher economic growth through stimulating the jobs market (see Section 7). This means:
 - Housing provision within the city needs to be higher than current draft Regional Spatial Strategy provisions; and/or
 - Transport infrastructure needs to accommodate the resulting demands on the economy (and its growth potential) as the jobs market acts to pull in labour from surrounding areas. This situation will be stimulated even further as regeneration projects are phased in.
- Whilst output growth forecasts for York compare extremely well with other European cities, York's employment growth potential is likely to be much more constrained than many benchmark city regions. The relationship between York's employment and output growth suggests that discrete employment gains will deliver significant output improvements. The role which skills play in driving up output per capita is crucial. York's current occupational and skill base is essential to the city's future growth and any significant changes could negatively impact the forward view of growth in the city.
- In reality, and in the context of headline coverage of business restructuring in the City, York has performed comparatively well in a regional context (benchmarked to Leeds) for major foreign direct investment (FDI) projects. The City has been particularly successful in attracting FDI from the software, scientific research/instruments and business services sectors; although the dynamics of the business base may act as a brake on growth potential (York has comparatively few large indigenous businesses and few large foreign companies). Some of the key issues that need to be explored or developed (in policy response) are:
 - Link inward investment marketing clearly into the city's offering and play on York's core sectoral strengths.
 - Ensure that UK Trade and Investment's (UKTI's) policy imperative to attract R&D projects clearly positions York at the heart of its national offering and the shift to representation in emerging markets.
 - Flowing from the above, exploit and develop York's brand awareness in emerging markets as part of UKTI ramping up emerging markets representation. Science City is a clear opportunity here and could act as a bridge in brokering and developing trade opportunities in these key markets.

- Exploit secondary inward investment opportunities, especially from London and exploit comparative cost advantage.
- Link inward investment activity into new and emerging regional responses and clearly link FDI and trade promotion into proactive lead generation (for instance trade chain mapping and marketing).
- Link the sites and regeneration potential in York consciously to the needs of core FDI markets.
- Global growth in 2007 and 2008 is likely to be around 5%, with the World Bank estimating growth in the emerging markets of 7%+ (in the BRICS economies – Brazil, Russia, India, China and Singapore). Given the falling proportion of export sales in York (relative to other parts of Yorkshire) in these key markets this is currently a risk, but a significant opportunity going forwards.
- Yorkshire Forward's research has clearly indicated that overseas sales have declined as the importance of domestic sales to York firms has increased. Whilst the UK economy has been growing, this structural feature has been less prominent, but as the UK forecast growth is likely to be below trend (with the Euro-Zone and BRICS economies set grow more quickly), this over-reliance on domestic markets becomes one of the key growth risks going forward.
- Long-term fiscal and monetary stability is clearly important to York's economy in the next five years (as it nationally and across the North's key cities), but analysis supporting the Future York Group suggests that York's economy is more sensitive to sustained interest rate rises than other cities in Yorkshire.

Section 2: Competition

2.1: Characteristics of a Competitive Market

- The level of competition in the market in York is below the England average, but several indicators suggest a competitive market in the City.
- Growth among firms in York is consistent with a competitive market in that indicators show rates above all comparator areas except Bristol. Evidence from the Yorkshire Forward/CBI *Survey of Regional Economic Trends* (September 2006) also demonstrated that firms in York were slightly more interested in growing their business in the next two years than those in the region as a whole (65.7% of respondents compared to 64.6%).
- York firms are profitable in comparison to a list of comparator UK cities. Profitable businesses are likely to increase competition by making the area more attractive to new entrants.
- York ranks 5th out of 8 comparator areas for VAT de-registrations, suggesting a slower rate of unproductive firms leaving the market. While de-registrations are often regarded as a bad thing, in the context of analysing competition, they are used as an indicator of competition. This is supported by the latest figures from the Small Business Service in which more productive regions have a high de-registration rate and a high level of registrations. This is typical of the entry and exit characteristics of a competitive market.
- The results for York suggest that although productive firms are expanding, there is a lower rate of unproductive firms leaving the market. This will distort the potential benefits of a competitive market.
- York has a lower proportion of foreign owned companies than most comparator regions. As a result, the city is losing out on access to potentially better products and process technologies and access to knowledge from parent companies. For example, in the Leeds City Region, 2.7% of companies have profit growth above 25% but 11.5% of foreign owned companies in the same area have profit above 25%.
- Increasing the number of foreign owned firms would likely improve competition in the market in York. Research has shown that increasing foreign firm entry by 1% can increase productivity by 0.5% - 1%.

2.2: Exposure to Foreign Markets

- Export performance in York over the last twelve months has not been as strong as other parts of the region. 5% of firms in the district reported an increase in export orders

compared to an average of 12% across the region. 23% of firms reported a decrease in York compared to 8% in the region.

- Over the next twelve months firms in York are not expecting the same level of decline in export trade as they experienced in 2005/06. However, less than 5% expect an increase compared to an average of 15% across the region.
- This data is supported by other evidence in the Survey of Regional Economic Trends that showed the proportion of York companies exporting over 50% of their goods overseas is below the regional average.
- The data suggests that overseas trade in York is below the regional average and the city is losing out on potential benefits of foreign exposure.

2.3: Barriers to Competition

- Research shows that the top five inhibiting growth factors are common to firms throughout the country. Of these, regulation/red tape is by far the most popularly cited factor inhibiting growth. Other common issues revolve around costs, shortages of finance and support from government.
- Within these top five factors, the main difference between York and other areas is that transport costs appear more of an issue. 27.8% of firms see this as an issue in York compared with 22.3% in the UK and 16.7% in the region.
- Beyond the main issues, other inhibiting factors that appear more common to York include a lack of appropriate workspace and low capital investment. Conversely, attracting staff to York and skills problems are seen as less of a barrier to growth or entry of new firms.

2.4: Costs and Competitiveness

- Limited access to office space is one of the key issues for York, and new and existing development sites will have a lot of expectation on them.
- Higher labour costs are possibly more of a perceived barrier to growth in York than an actual one. Salaries are broadly around the regional average, but lower than the national and industry averages.
- High levels of workforce skills are seen as key to competitiveness in York but this is a sentiment shared throughout the country. However, it is seen as more of a contributing factor in the UK compared to York. This pattern is also true for other factors including: flexible working patterns, management skills, premises, transport, and labour costs.
- The importance of creativity and innovation to competitiveness in York is demonstrated by the higher percentage of firms that regard this as a contributing factor (39.7% of firms in York compared to 31.6% in the UK). Along similar lines, the use of IT is more important to firms in York (18.1%) than the rest of Yorkshire and Humber and particularly so when compared to the UK (6.2%).

Section 3: Innovation

3.1: Research and Development Spend

- Regional R&D spend by business, as expressed as a percentage of regional GVA is very low across Yorkshire and Humber at only 0.5%. However, expenditure on R&D by Higher Education Institutions is more in-line with what would be expected from the region at 7.8% of the UK total Higher Education R&D expenditure.
- The *Regional Economic Strategy* Innovation target challenges the region to more than double business R&D expenditure by 2015. Without significant intervention, such as that expressed in the Regional Innovation Strategy, this target is not likely to be met.
- If the regional Innovation target is applied to York, business R&D expenditure from York firms would be targeted to be £40 million per year by 2015.
- Recent evidence suggests that York's businesses actually spend three times as much on R&D activity per head than the regional average (£229.35 per head compared to £76.26).
- A quarter of York firms plan to spend more on product and process innovation in the next year – slightly more than the regional average of 22.3%.

3.2: Research Links

- The two Higher Education Institutions in York form part of the White Rose Universities, that together account for 86% of regional research spend in higher education.
- Science City York figures suggest that since its inception, 2,772 new jobs have been created and over 9,000 people are now employed in technology occupations in over 250 businesses in York.
- Key to the expansion of Science City York is the proposed University expansion onto the Heslington East site.
- Just over 14% of firms in York suggest that they have R&D links to the universities – significantly higher than the regional average of 8.5%, whilst nearly 40% are members of Specialist Industrial Networks.

Section 4: Workforce and Skills**4.1: The Future Workforce**

- GCSE attainment in York is good compared to average, but there are still around 50% leaving each year that don't attain the required level of 5+ A* - C including Maths and English. Employer views are not favourable of the skills of recent school leaver recruits and this affects productivity.
- Poor attainment in four schools in particular needs addressing, as they account for 25% of all Year 11 leavers in the city.
- The 5.2% of 16-18 year olds not in any kind of education, training or employment equates to over 300 people currently having a negative impact on the district's economy and public expenditure.
- The region has an excellent Higher Education base, over 50,000 graduates a year and a good retention rate of graduates who subsequently work in the region. This can be capitalized on with appropriate recruitment campaigning and marketing.

4.2: The Existing Workforce

- The higher qualification rate of the city's workforce means that, although skills always remain an area to improve upon, less has to be done to increase workforce qualifications in York, than in other areas.
- York's working age residents are less likely to travel outside of York for employment than residents of other areas in the region. This means that the city has a larger proportion of its workforce that is potentially a captive audience for additional/new jobs. However, York needs to be mindful of the growth of the Leeds economy and how this may impact on commuting rates, both in and out of the city.
- The industrial structure of York has changed quite significantly over the past ten years. These structural changes look set to settle down over the next ten years, and forecasts suggest that growth in employment will continue, but at a lesser pace than in the past.
- The Transport, Retailing, Health, Business Services, Education and Hotel & Catering and Public Administration sectors are currently, and will remain the key employing industries in the district for the next ten years.
- Industrial sector changes have had, and will continue to have, an impact on the occupational breakdown of York, and also of self-employment, especially with the decline of the Construction industry.
- Forecast population growth to 2030 for York may not match its potential jobs growth. However, recent research suggests that York is potentially a magnet for workers from other areas in the region. Activity to convert those who are of working age but currently economically inactive could help to fill this gap (and reduce benefit costs).
- Although York has a pool of Eastern European migrant workers, they are mainly taking the lower paid, lower skilled jobs. This is supporting the forecast occupational growth of elementary clerical/service occupations and the caring occupations. However, few migrant workers are taking the higher skilled, higher paid employment, so may not fill some of the higher skilled occupations that are forecast to increase in the future. The city will need to focus on raising the qualifications of its young people, continuing to attract graduates and ensuring accessibility for commuters from areas outside of York.

- York has 7.4% of the Full-Time Equivalent employment of the Leeds City Region, and more than average in terms of employment in the Transport, Hotels & Catering, Retailing, Education and Public Admin sectors. Therefore, the success of these sectors is not only important to York, but also to the wider city-region's economy.
- Of the 113,900 people of working age that are living in York, 89,700 are in employment and 24,200 are not. Of those 24,200 people, 2,600 are unemployed and 21,600 are classed as economically inactive. Of those 21,600 people who are economically inactive, 4,000 say they want a job and 17,600 say they do not want a job. Converting some of these economically inactive people into employed people will help to fill the potential employment gap in the future.

4.3: Skills and Training in the Workplace

- The key message from employers is that management skills are one of the most important skills that affect a company's competitiveness, and also an area that they most wish to see improved in their business in the next year. This message is not just true for York based businesses, but also true for businesses across the region and the UK. *Productivity in the UK: 6* identifies research that has linked good management practices with higher levels of firm productivity.
- As a result of York's business mix, a much larger proportion of firms than average see creativity and innovation being key to their organisation's competitiveness.
- Also of greater importance to businesses in York than the regional average is the improvement required in the next twelve months in Customer Care, Technical, Professional and Foreign Language skills. Marketing, IT – Technical Support, Selling and Team Working are more in-line with the regional and Leeds City Region averages, but are still important skills where businesses want to see improvement in their workforces.
- The skill demands of employers also vary by industry sector, although management skills are seen as key to success in all sectors.
- York firms are more likely than average to be trying to address their skills needs by investing in training and re-training, providing a warm audience should public sector agency funding be offered in this area.

4.4: Future Skills

- York already has a better than average skills mix, and forecasts to 2016 suggest that this will continue. In the context of the *Regional Economic Strategy* Skills target, the district will over-achieve against the Level 2+ and Level 4+ elements of the target; however, an improved skills mix would increase these proportions even more.
- If no additional intervention is made, by 2016, York should expect to have approximately 38% of its working age population qualified to at least Level 4+. An improved skills scenario could increase this to 42.5%. The impact this will have on those with less than Level 2 qualifications is to decrease that proportion from 25.5% in 2005 down to only 15% by 2016.
- The impact of an improved skills scenario by 2016 will have a significant impact on GVA and productivity in the district. It will also potentially increase employment by 1,300 Full-Time Equivalent jobs – although this may result in additional in-commuting to the city to fill these positions.

Section 5: Investment

5.1: Business Investment

- Businesses across York are far more likely than average to have strong investment intentions for the next year, especially in buildings, training and machinery – a positive message for productivity improvements.
- New capital investments and IT investments are also seen as good drivers of a firm's competitiveness by York businesses, more so than across the UK as a whole.
- An interesting, but slightly strange message is the lower level of importance placed on R&D investment and access to universities/knowledge base as drivers of competitiveness. This does not quite sit with York's Science City focus.

- York firms are optimistic that York is a good place for businesses to invest in; however, they are less optimistic about the future (in-line with the regional average).

5.2: Infrastructure Investment

- Public transport links between Leeds and York and North Yorkshire are particularly important for employment purposes.
- York has a net inflow of 5,000 commuters a day, and 25% of all its travel to work trips originate from outside the city. The East Riding and Selby are particular contributors to the York workforce.
- The Park and Ride services are successful, and have increased bus patronage by 80% since 2000.
- There are key capacity issues with the current public and road transport systems for York. This will have an impact on how much the city can feasibly grow in terms of employment in the future.
- 69% of firms in York believe road pricing would increase costs compared to an average of 75% across Yorkshire and Humber. However, more firms in York also felt it would also increase sales (11.5% compared to the regional average of 8%).
- Firms in York are more willing to use public transport in response to road pricing than those in the region as a whole. 55% would increase their use of rail compared to 28% in the region and 37% of firms in York would use other forms of public transport compared to 18% in Yorkshire and Humber.
- Firms in York would also be more willing to invest in new technologies in response to road pricing. 54% of York's businesses say they would invest in new technologies compared to a regional average of 31%.

Section 6: Enterprise

6.1: Business Stock

- Business density (measured as VAT registered businesses per 10,000 adult population) in York is lower than the national and regional averages, but indicative of an urban employment centre. Growth since 1999 in business stock in the district has been above average.
- VAT statistics suggest a business stock of 4,940 in York, the *Annual Business Inquiry* suggests 7,061 business units, but estimates taken from the Small Business Service SME statistics give a possible 12,500 businesses operating in the York district.
- VAT registrations per 10,000 resident adults in York year-on-year are broadly in line with the regional average, and have remained fairly stable over the past seven years, with a current rate of 32 registrations per 10,000.
- Based on these figures, there appears to be no major requirement to significantly increase the business stock of York. However, if the *Regional Economic Strategy* Enterprise target of increasing the VAT business stock of the region is applied to York, it would require an additional 1,235 businesses in the city to be registered for VAT.

6.2: Current Entrepreneurs

- York is a major employment centre in its own right within the region and also benefits from its close proximity to other major employment centres including Leeds, Harrogate, Middlesbrough and Hull. This has an obvious impact on the necessity for self-employment and business ownership amongst the city's resident population and is reflected in its performance against a number of key entrepreneurial measures. Additionally York has a more closely defined geographic boundary than many other districts in the region, which may have an effect on some measures.
- Levels of self-employment in York (8.9%) are below the UK (12.7%) and regional averages (11.2%). Given York's status as a major employment centre lower rates of self-employment and business ownership for the district are not necessarily a bad thing, though for forward planning purposes this does need to be put into the wider context of population ageing, migration and likely growth in Full-Time Equivalent employment, which suggests self-employment may become quite important for the district.

- The largest proportion of self-employed people in York are operating in the Business Services sector (21.3%), with significant proportions in Construction (14%), Transport (13.7%) and Retailing (10.4%).

6.3: Future Entrepreneurs

- Around 3.7% of households in York are thinking about starting their own business, less than both the regional and England averages, and a reduction on previous years. It also compares less well to other cities in the region such as Leeds (4.9%), Sheffield (4.5%) and Bradford (4.8%). Given its already relatively modest start-up levels, this may pose some issues going forward as self-employment potentially becomes more important to meet future workforce versus pensions demands.
- In terms of encouraging entrepreneurial activity, target-marketing the 35-44 age group in York is likely to be most successful, whereas across the region as a whole, the age group with the greatest propensity to set-up a business is the 25-34 age group.
- Ethnicity plays a key role in entrepreneurship, with over three times as many Black and Minority Ethnic households in the region thinking about starting their own business as White households. York has the potential here to target its small, but growing Chinese and Eastern European communities to help meet possible employment gaps in the future.

6.4: Business Growth and Survival

- Nearly two-thirds of businesses in York say they plan to grow their business in the next two years, slightly more than the regional average. Similarly, over the past year, evidence from self-employed/business owners suggests that micro-businesses in the city have been taking on staff at a far greater rate than the national average.
- York performs well on business survival, with slightly more companies still in business after three years than both regional and national rates. However, coupled with a modest start-up rate this may well reduce levels of 'churn' and therefore competition within the business base, with the potential to restrict long-term productivity growth in the district. Stimulating existing households and businesses to start-up or move up the value chain and increasing Inward Investment may help to address this.

Section 7: Communities and Regeneration

- 89,700 people of working age are in employment in York and 24,200 are not. Of those that are not, 4,000 say they do want a job, but 17,600 don't. Significant opportunities exist locally to get more of the economically inactive population into work, especially linked to some of the local regeneration schemes planned employment figures.
- Vacancy levels amongst York's employers are currently above the historical average for the city, with employer demand haven raised steadily in the last eighteen months. Some key challenges in this respect remain in attaching the local economically active population to these vacancies (although it is fair to say that York does do better at attracting workers into the city from other parts of the region).
- Seven of the city's proposed regeneration sites could potentially create an additional 18,000 jobs in York by 2016, and a further 25,000 indirect jobs. They could also potentially increase York's economy from a forecast £4.2 billion by 2016 to £5.5 billion. The key issues here are in addressing the barriers that currently face the development of some of these schemes such as transport links to York Central and planning for Heslington East.
- Although York does not have major problems with overall deprivation levels in its neighbourhoods, both skills deprivation and crime are two of the key issues affecting significant areas of the city. Those areas of low skills particularly need addressing if the city is to avoid a two-tier society. It is also important to ensure that there are enough skilled people within the local workforce to meet the potential job increases of the next ten years.

Section 1: Economic Context and Drivers Shaping York's Growth

1.1: The Global Economic Climate

Pre-occupation with the health of the US economy will continue throughout 2007 with the headlines likely to be dominated or driven by the parlous state of US consumer financing. Of more concern going forward across Yorkshire and Humber and in York is the activity level and order book status from US corporates, especially for capital goods, although corporate profits remain very healthy. With recent indicators mixed, (but ultimately linked to US consumer spend) there is no discernable pattern to demand and consumption patterns in Yorkshire's largest trading partner (non-manufacturing activity fell in quarter one but manufacturing activity picked up, capital goods orders fell but personal consumption and disposable income increased).

Certainly the rate of growth in the US economy will continue its Q4 pattern, with quarterly growth unlikely to rise above 1% in 2007. On a positive note, the malaise in the US housing market has not translated into a discernable slowdown in US consumer spending. Add to this an underlying strength in non-farm pay roles and the outlook for UK companies selling into the US consumer goods sector looks good. Some key issues for York economy are likely to be:

- The sterling-dollar relationship – perhaps the most obvious effect of the relationship at the moment on York's economy is impact of US visitor numbers into the city.
- US Corporate profits remain very high – whilst the current dollar-sterling level is causing a split amongst US big business about the timing of outbound Foreign Direct Investment, many US companies seem content to "Bite the Bullet" in respect of sterling costs and are looking to actively invest in Europe. This presents opportunities for companies in the region and York.

In contrast, Euro-Zone growth potential looks healthier in 2007 than in the US. Taking January and February Euro-Zone purchasing managers data together suggests that above trend GDP growth will continue in the short-term.

As was expected, (and highlighted in *Progress in the Region 2006*) the hike in German VAT rates has affected retail sales volumes (early data had indicated a 10% fall in automotive sales), although the short-term effect may not be that significant to firms in the region and York (a range of recent survey and activity data has indicated that exports expectations have remained strong, including the March 2007 *Purchasing Managers Index* which pointed to a strong pick up in new manufacturing orders from Germany). Most of the survey data of late points to a very active German market for UK exporters so it is particularly important for companies in York to focus on the German market, and also reflects the fact that the long-term underlying rate of growth in the Euro-Zone is on the up. The view from the Bank of England and the European Central Bank is that Euro-Zone economies are entering a period of cyclical growth (and hence recovery in growth) and York's companies need to exploit the opportunities that will be presented.

In Asia, (excluding Japan) the pace of growth is likely to remain strong in 2007 and into 2008, backed up by the gradual recovery in Japanese growth. Although official estimates of Japanese GDP show subdued growth in 2006 Q2 and Q3, these data are typically subject to significant revisions. Surveys of business conditions, such as the Tankan survey, suggest a stronger performance over 2006.

Key Issues for York

Global growth in 2006 was estimated at 5%+ (up from 4.8% in 2005), fuelled by Chinese and Indian growth and the consistent above trend growth in the BRICS economies (Brazil, Russia, India, China, Singapore). Continuing global growth will deliver a stimulus to York's economy. Yorkshire Forward estimates for the next ten years suggest that a sustained increase of 10%

in world trade volumes could add over £200 million to York's economy with the city's economy growing by an additional 1.7% in the next ten years above our current trend estimate.

The significance of emerging markets such as the BRICS economies have accounted for over half of total world growth in the last five years, and the World Bank estimates that emerging markets will grow by 7% in 2007. The nature and pattern of exports to existing and newly emerging markets is highly relevant here, Yorkshire Forward's work has suggested a clear pattern of domestic order substitution relative to export orders. In short, York companies are relying more heavily on domestic markets than has traditionally been the case (with this pattern increasing over time). Across Yorkshire and Humber, the concentration on domestic markets is less significant with regional businesses exploiting these markets much more effectively.

The main risk going forward is that York's businesses will be much more reliant on UK drivers of demand; especially UK consumer's expenditure, and will quite likely feel the gradual slow down in government consumption over the next five years (more than other parts of Yorkshire's economy that are more exports oriented).

Risks to this growth going forward include the slowing Chinese demand and the Chinese move up the "Value Added Chain". Chinese growth in the short-term is unlikely to decelerate much, and long-term risks are broadly balanced within the basket of the BRICS economies with the likely growth trajectories suggesting a long-term trend rate in BRICS growth of around 7%.

US growth is forecast to slow appreciably in 2007 and trend below its historical average.

Impact assessment and modelling work clearly indicates that York's economy will benefit from a sustained long-term reduction or stability in base rates over the next ten years. Indeed York's economy stands to benefit more from a sustained long-term reduction in base rates than is the case regionally (see section 1.9 for further details). In support of the Future York Group economic analysis, Yorkshire Forward examined the impact of a range of macro economic variables (trade weighted sterling index, world growth, interest rates, government consumption and investment), York's economy proved to be most sensitive to interest rate variations, more so than is the case at the Yorkshire and Humber regional level.

1.2: The Macro Economic Climate in the UK

Short-term market pricing and expectations of a further 0.25 point increase in base rates by the summer suggests a strong consensus that the Bank of England will act (such as the Reuters poll in March 2007). Whilst the Bank of England may be more concerned with 2nd round price effects feeding through, especially for manufacturers the markets seem more pre-occupied (beyond the global volatility affecting markets in March 2007) with the high Consumer Price Index rate and the anemic nature of retail volumes.

The short-term prospects for GDP growth in 2007 look strong, despite the revisions downwards in the Q4 2006 rate of GDP growth (to 0.7% from 0.8%). Recent survey data (such as the Chartered Institute of Purchasing and Supply/Royal Bank of Scotland *Purchasing Managers Activity Index*) suggest UK order books have remained healthy into March. The survey's regional variants also point to strong private services growth in Yorkshire and Humber, with manufacturing companies in the region reporting that activity and orders have picked up in the German market (but on the downside, the rate of growth has declined relative to UK since its high in October).

Prospects for business investment appear buoyant; growth had been revised up to 4.5% in Q4, and there had been upward revisions to earlier data. The sectoral pattern of growth points towards broad based strength. Moreover, outside the energy sector, the rate of profitability had risen to 14.7% in Q4, the highest since the series began in 1989. That should help to sustain investment. The Bank of England's Regional Agents' service sector score for investment has been at its highest level since it started in 1997. Anecdotal and qualitative

analysis by Yorkshire Forward's Chief Economists Unit finds that UK companies are more likely to commit to short-term investment with quick returns with foreign parented companies taking a longer term view. Certainly our FDI successes to date (and announcements) suggest a pick up in expansion investment from the US market, which tends to back this anecdotal insight up.

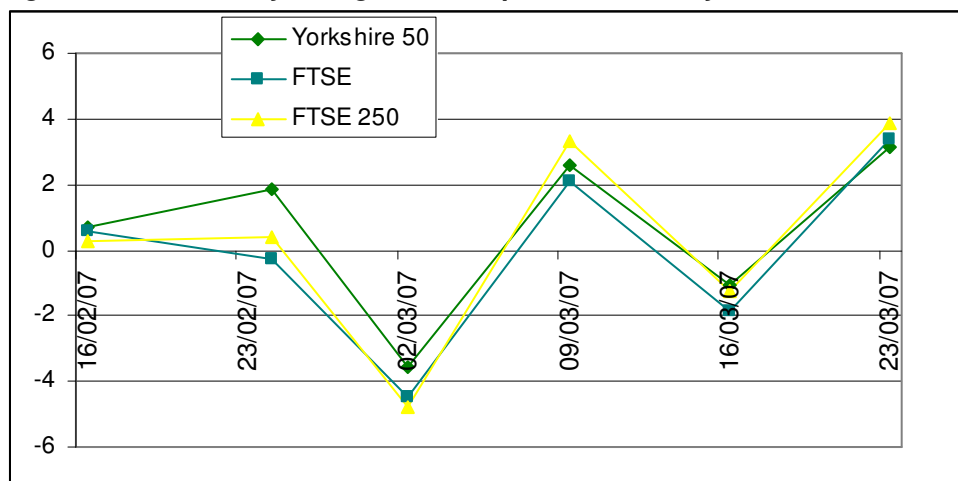
Consumer Price Index inflation picked up to 2.8% in February. Inflation is now more in-line with the February Inflation Report projection. The near-term outlook will be affected by the rise in oil prices over the past month. The YouGov/Citigroup measure of expected inflation over the next 12 months rose to 2.5% in March, and has continued to show signs of being correlated with actual out-turns for inflation in recent months.

Whilst the data and the view on rising producer input costs is somewhat mixed, much of the concern going forward will revolve around a firm view (one way or the other) that 2nd round price increases are feeding through (the Bank of England are currently less concerned about house prices, wage settlements and general consumer price increases and more concerned about companies passing on cost increases).

There are mixed signals at present about the underlying strength of the UK labour market and the same is true for Yorkshire and Humber. The flat UK employment rate (74.4%) hides considerable jobs growth (+306,000), comparing the three months to January 2007 with the same period a year previous. The unemployment rate is also flat at 5.5% (ILO claimant count), although the number of jobless grew by 151,000 over the same period. In Yorkshire and Humber, the employment rate is 73.7% and the unemployment rate is 6.0%, although less positive than a year ago, these rates are not statistically different.

Yorkshire Forward regularly monitors the performance of the region's largest capitalized and publicly quoted companies through the Yorkshire 50 Index. Their performance to the FTSE and FTSE 250 companies between February and March is shown in Figure 1.1.

Figure 1.1: Weekly change in share price in February/March 2007



Source: Bureau van Dijk, Mint Database and Yorkshire Forward.
(Yorkshire 50 are top 50 Yorkshire listed companies. FTSE and FTSE 250 figures are for the UK)

Over the six week period up to 23 March shown in Figure 1.1, the stock market has witnessed a series of peaks and troughs amid global fears of a slowdown in the economy. The Yorkshire 50 has followed a similar pattern but has once again shown itself less susceptible to changes compared to the main indices. Over this period, the Yorkshire 50 grew by 3.5% compared to a 0.7% decline in the FTSE 100 and 1.6% rise in the FTSE 250. The market capitalization of these firms was £37.6bn as of 23 March 2007.

1.3: Forecasting York's Growth in the Next Ten Years

The most recent forecasts available of York's growth suggest that the city's economy will grow by 14% in the five years to 2011, and by 31% in the next ten years (see Table 1.1).

Yorkshire Forward's estimates suggest strong short-term and consistent long-term growth above the Leeds City Region average, higher than that across Yorkshire and Humber and consistent with growth nationally.

Table 1.1: Gross Value Added growth forecasts to 2016 (£'000s)

	2006	2007	2011	2016	5 year growth	10 year growth
York	£3,127	£3,200	£3,568	£4,095	14.1%	30.9%
Leeds City Region	£45,568	£46,514	£51,727	£58,844	13.5%	29.1%
Yorkshire and Humber	£79,357	£80,927	£89,492	£101,123	12.8%	27.4%
UK	£1,065,487	£1,092,344	£1,220,153	£1,385,393	14.5%	30.0%

Source: Yorkshire Forward/Experian Business Strategies Ltd, Regional Econometric Model, Spring 2007.

Table 1.2 shows the comparative and relative growth posted by York as seen in its historical context over recent economic cycles (1988 to 2004 and over the next ten years). If growth in Gross Value Added and employment is averaged out across these cycles, it shows the strong performance of the local economy, with only Leeds employment growth in latter part of the 1990's standing out materially.

Table 1.2: Historical GVA and employment growth

	Gross Value Added		Full-Time Equivalents	
	1998-2004	2005-2016	1998-2004	2005-2016
Leeds	3%	2.6%	1.6%	0.4%
Manchester	2.5%	2.6%	0.5%	0.4%
Newcastle	1.4%	1.9%	0.1%	0.1%
York	2.5%	2.7%	1%	0.3%
Sheffield	1.9%	2.1%	0.5%	0.1%
Bradford	2.1%	2.5%	0.3%	0.3%
Kingston-upon-Hull	2.2%	2%	0.5%	-0.3%

Source: Experian Business Strategies Ltd, Regional Planning Service, Autumn 2006.

York's long-term employment growth rate is forecast to be lower than in the past, but the relationship between employment growth and output growth (in this comparative spatial analysis) is perhaps more relevant. York's growth in the short and long-term is much more capital intensive and less labour intensive than seen elsewhere in the Leeds City Region and compares well with other city regions in Yorkshire and Humber, where growth trajectories are much more "labour intensive" in nature.

However, York's population growth will not match its economic growth needs. Working age population growth in the city will be outpaced by the jobs the economy will create, meaning York will act as magnet to commuters into the city (see Section 4 for further details). This situation will become more pronounced if the city's regeneration ambitions deliver higher economic growth through stimulating the jobs market (see Section 7). This means:

- Housing provision within the city needs to be higher than current draft *Regional Spatial Strategy* provisions; and/or
- Transport infrastructure needs to accommodate the resulting demands on the economy (and its growth potential) as the jobs market acts to pull in labour from surrounding areas. This situation will be stimulated even further as regeneration projects are phased in.

1.4: York's Output and Employment Growth in its European Context

If we articulate York's forecast economic growth over short and long-term time frames in the next ten years and put this growth in a broader city region context across England and Europe, (based on the Department of Communities and Local Government *Core Cities* report definitions of key city regions) York's growth compares well – notably:

- Output growth of 28% (in the next ten years) compares well, and indeed out-performs cities such as Lyon, Barcelona and Hamburg (although it is forecast to slightly under-perform key English city regions).
- York's employment growth potential over the next ten years is forecast to significantly lag key English city regions such as Leeds, Manchester, Sheffield and Bristol whilst the European powerhouses of Barcelona, Milan, Dublin and Frankfurt will see much more rapid employment growth.
- Whilst York's employment growth potential is likely to be much more constrained than many benchmark city regions, the relationship between York's employment and output growth suggests that discrete (in absolute and percentage terms) employment gains will deliver significant output improvements (in absolute and percentage terms). The role which skills play in driving up output per capita is crucial. York's current occupational and skill base is essential to the city's future growth and any significant changes could negatively impact the forward view of growth in the city.

Table 1.3: York's output growth in its European context

Output (£m)	2006	2011	2016	5 year growth (%)	10 year growth (%)
Milan	130,487.21	142,713.45	155,552.42	9.4	19.2
Barcelona	113,070.28	128,056.78	143,155.99	13.3	26.6
Dublin	96,683.18	118,407.78	141,675.53	22.5	46.5
Rotterdam	85,398.83	94,336.49	104,093.99	10.5	21.9
Hamburg	63,454.24	69,217.48	75,061.80	9.1	18.3
Lyon	48,758.59	54,153.53	59,382.01	11.1	21.8
Frankfurt	38,017.85	41,520.16	45,169.65	9.2	18.8
York	3,517.34	3,994.78	4,506.99	13.5	28.1
Leeds	45,023.99	52,096.04	60,050.68	15.7	33.4
Sheffield	22,816.64	25,939.89	29,489.62	13.7	29.2
Hull and Humber Ports	12,282.80	13,634.19	15,097.78	11.0	22.9
Manchester City Region	51,346.14	59,579.83	69,132.40	16.0	34.6
Birmingham	40,239.88	45,882.75	52,233.12	14.0	29.8
Liverpool Merseyside City Region	23,727.00	26,784.32	30,576.74	12.9	28.9
Bristol	20,080.67	23,336.82	27,095.95	16.2	34.9
Central Lancashire	16,429.55	18,784.12	21,627.26	14.3	31.6
Tyne and Wear	22,335.10	25,118.38	28,027.96	12.5	25.5
Tees Valley	9,433.10	10,585.40	11,725.93	12.2	24.3

Source: Experian Business Strategies Ltd, European and Regional Planning Service, Autumn 2006.

Table 1.4: York's employment growth in its European context

Full-time equivalents ('000s)	2006	2011	2016	5 year growth (%)	10 year growth (%)
Milan	2,052.0	2,111.1	2,153.9	2.9	5.0
Barcelona	2,169.9	2,302.5	2,341.5	6.1	7.9
Dublin	1,317.3	1,385.2	1,428.4	5.2	8.4
Rotterdam	1,334.9	1,330.9	1,323.5	-0.3	-0.9
Hamburg	900.7	905.9	907.6	0.6	0.8
Lyon	679.6	684.5	684.3	0.7	0.7
Frankfurt	505.1	519.5	532.6	2.9	5.5
York	93.19	93.77	94.35	0.6	1.2
Leeds	1,177.7	1,208.4	1,238.6	2.6	5.2
Sheffield	635.4	644.4	654.1	1.4	2.9
Hull and Humber Ports	337.5	336.1	333.4	-0.4	-1.2
Manchester City Region	1,385.7	1,399.2	1,422.3	1.0	2.6
Birmingham	1,086.5	1,086.7	1,092.1	0.0	0.5
Liverpool Merseyside City Region	666.9	659.9	663.0	-1.1	-0.6
Bristol	478.6	488.4	508.2	2.0	6.2
Central Lancashire	489.9	492.9	499.9	0.6	2.0
Tyne and Wear	610.8	611.5	614.0	0.1	0.5
Tees Valley	265.8	262.2	259.5	-1.3	-2.4

Source: Experian Business Strategies Ltd, European and Regional Planning Service, Autumn 2006.

1.5: Foreign Investment in York

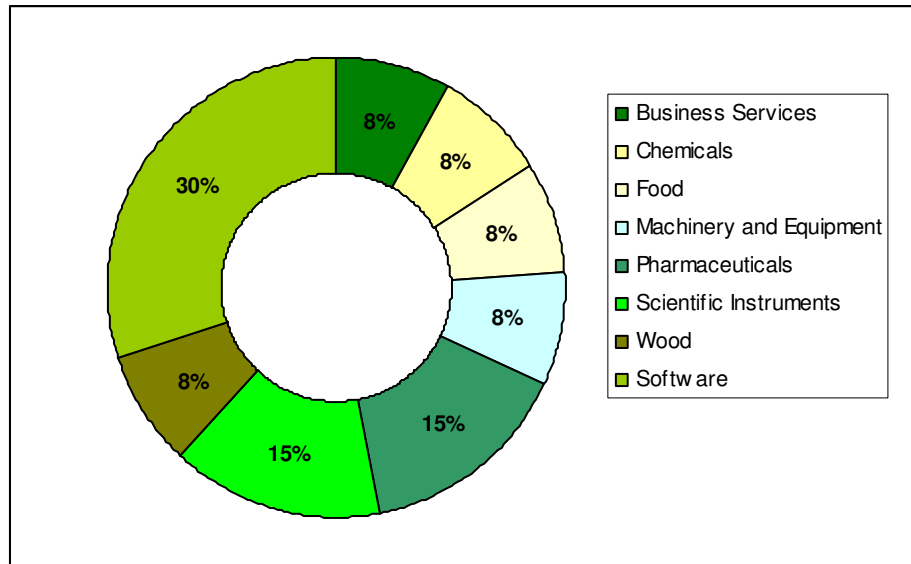
In reality, and in the context of headline coverage of business restructuring in the city, York has performed comparatively well in a regional context (benchmarked to Leeds) for major foreign direct investment (FDI) projects. The city has been particularly successful in attracting FDI from the software, scientific research/instruments and business services sectors. The key challenge to both York and indeed the Leeds City Region (using Leeds as a benchmark) can be seen in Table 1.5 - project volumes compare poorly to Manchester, are declining and are ultimately dwarfed by London. Some of the key issues that need to be explored or developed (in policy response) are:

- Link inward investment marketing clearly into the city's offering and play on York's core sectoral strengths.
- Ensure that UK Trade and Investment's (UKTI's) policy imperative to attract R&D projects clearly positions York at the heart of its national offering and the shift to representation in emerging markets.
- Flowing from the above, exploit and develop York's brand awareness in emerging markets as part of UKTI ramping up emerging markets representation. Science City is a clear opportunity here and could act as a bridge in brokering and developing trade opportunities in these key markets.
- Exploit secondary inward investment opportunities, especially from London and exploit comparative cost advantage.
- Link inward investment activity into new and emerging regional responses and clearly link FDI and trade promotion into proactive lead generation (for instance trade chain mapping and marketing).
- Link the sites and regeneration potential in York consciously to the needs of core FDI markets.

Table 1.5: Global foreign direct investment projects – York in context

	Leeds	London	Manchester	York	Total
2002	1	120	2	5	128
2003	5	112	10	3	130
2004	1	152	8	1	162
2005	9	175	10	2	196
2006	1	249	16	2	268
Total	17	808	46	13	884

Source: Ernst and Young, European Investment Monitor.

Figure 1.2: Sectoral distribution of foreign direct investment in York, 2002-2005

Source: Ernst and Young, European Investment Monitor.

1.6: York's Key Markets – Domestic and Foreign

The risks to global and national macro economic changes in growth can be mitigated at the local level by a focus on both local national and export markets. It is typically difficult to measure what this actually means in practice, but by layering intelligence in respect of local and regional sales patterns with data on domestic and foreign order book trends it is possible to discern a distinct pattern into the markets which firms in York operate in.

Table 1.6 shows that over time, an increasing proportion of the sales turnover of York's businesses has concentrated on local or regional markets. The comparative performance of York companies in overseas markets (shown in Table 1.7) highlights a key risk to city's businesses going forward. As the UK economy slows down, reliance on domestic markets will constrain growth in York, especially in other key export markets (EU 25 growth is picking up and there is no sign that BRICS growth will slow materially).

Table 1.6: Proportion of sales within the region, 2001, 2004 and 2006

	1-10%	11-25%	26-50%	51-75%	76+%	100%
2001						
York	27%	18%	42%	3%	10%	
Y&H	18%	14%	11%	9%	46%	
2004						
York	17%	10%	8%	13%	23%	27%
Y&H	17%	10%	11%	13%	19%	28%
2006						
York	6%	25%	18%	10%	28%	12%
Y&H	17%	13%	10%	11%	19%	26%

Source: Yorkshire Forward/English RDA's and CBI Survey of Regional Economic Trends – 2001 to 2006.

Table 1.7: Output, employment and orders, 2001, 2004 and 2006

	2001	2004	2006
York output	42%	32%	11%
Yorkshire and Humber output	19%	23%	23%
National output	N/A	23%	16%
2001			
York employment	32%	14%	11%
Yorkshire and Humber employment	9%	10%	10%
National employment	N/A	11%	4%
2001			
York exports	15%	8%	-18%
Yorkshire and Humber exports	-2%	3%	4%
National exports	N/A	22%	4%
2001			
York domestic orders	54%	34%	20%
Yorkshire and Humber domestic orders	13%	20%	14%
National domestic orders	N/A	19%	10%

Source: Yorkshire Forward/CBI, six monthly Survey of Regional Economic Trends.

1.7: The Role of Skills in Driving Long-Term Growth in York

York's skills mix is currently amongst the best in Yorkshire and Humber, this represents a current strength but crystallises the policy challenge. Currently, 74.5% of the working age population in York have at least an NVQ Level 2 qualification (compared to 64.3% regionally), and 33.5% (22.2% regionally) have a graduate level qualification.

Our current economic forecasts suggest that by 2016, York will easily deliver the rate of growth across the skills spectrum called for in the Regional Economic Strategy (RES) skills target (with York effectively delivering a higher rate of growth in NVQ level 4 employment consistent with ambition and aspiration of the RES skills target).

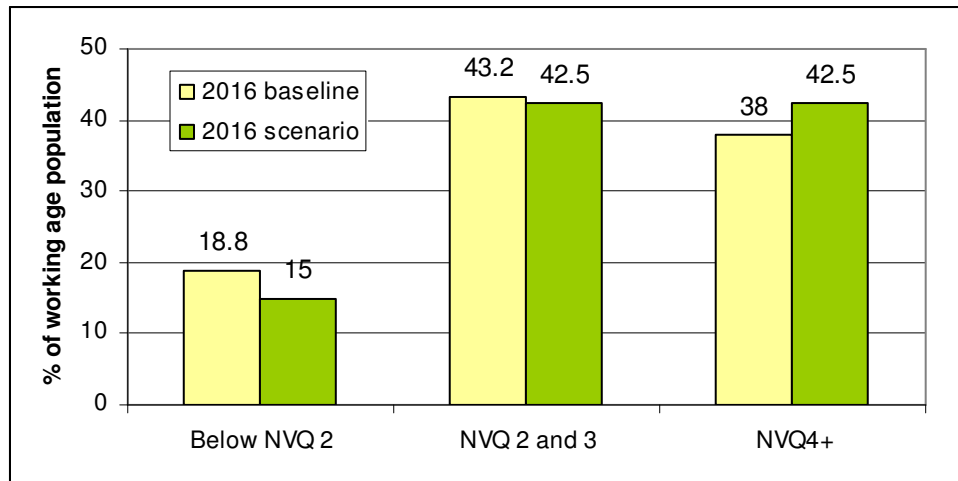
Fundamentally though, York's future economic growth is reliant on ensuring the current distribution of skills in the economy is maintained and built upon, based on a clear understanding of the nature, scale and type of skills growth required.

In December 2006, Yorkshire Forward published a policy research paper exploring what this might plausibly mean for York in the next ten years. This work also highlighted the economic contribution to York's economy of a more robust rate of growth in higher level skills than currently assumed is the case from forward economic forecasts (assuming that the proportion of those with lower level skill sets falls as a consequence).

Figure 1.3 shows what this improved skills mix might mean for York with the share of NVQ Level 2+ (or equivalent) qualifications increasing from 81.2% in the baseline forecasts to 85%

in the scenario, and the share of those people with a Level 4+ qualification increasing from 38% of working age people, up to 42.5%.

Figure 1.3: Modelling the economic contribution of higher level skills in York to 2016



Source: Yorkshire Forward/Experian Business Strategies Ltd, *Impact of Changing Skills Profiles in York*, December 2006.

Given the high number of people in work in York with higher level skills, the quantum effect in employment terms of articulating a higher trend rate of skills growth in York is discrete relative to the economic benefits that would flow. Namely, an improved skills mix would result in an additional 1,300 full-time equivalent jobs in the next ten years (over and above existing forecasts). It will see York's productivity increase by 2.8%; with annual average GVA growth of 3% per annum, compared to 2.6% in our "policy neutral" economic forecasts (see also Section 4).

Table 1.8: Productivity and GVA changes resulting from above trend higher level skills growth in York

	2005	2016 (baseline)	2016 (scenario)
Full-time equivalent employment ('000s)	87.7	91.3	92.6
Productivity (£000s, 2002 prices)	34.3	43.8	45.1

	1995-2005	2005-2016 (baseline)	2005-2016 (scenario)
GVA growth (average annual per annum)	1.7%	2.6%	3.0%

Source: Yorkshire Forward/Experian Business Strategies Ltd, *Regional Econometric Model*, Spring 2007.

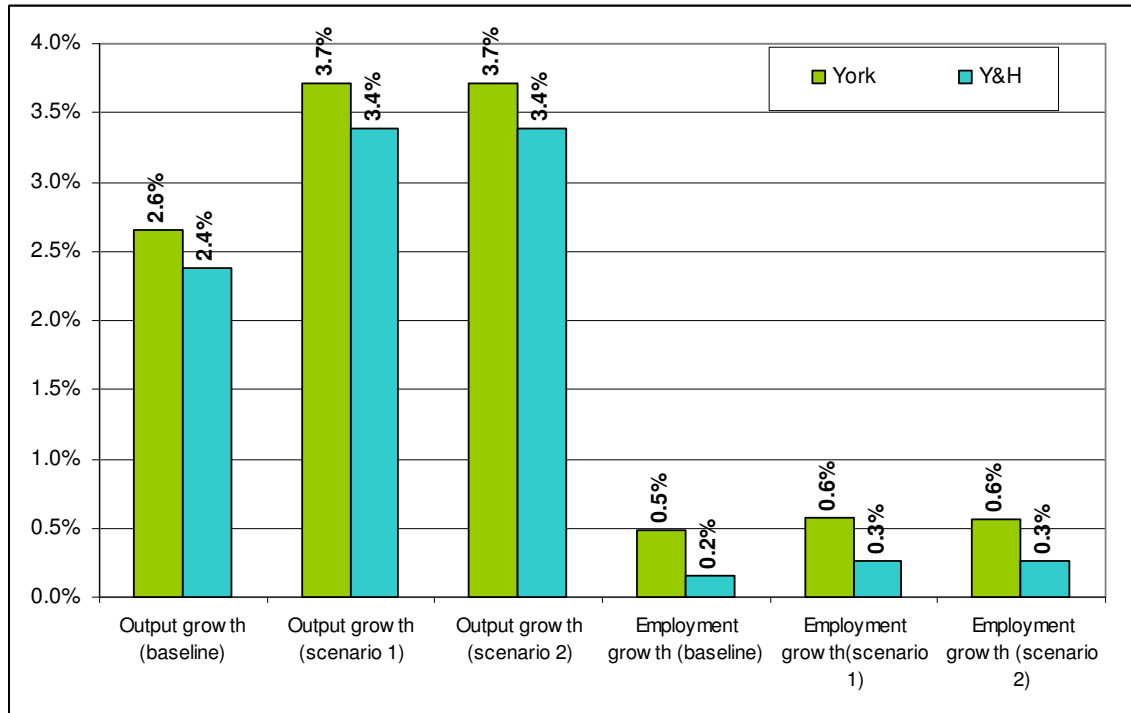
1.8: York's Contribution to the Northern Way Growth Target

In March 2007, Yorkshire Forward published a report which explored the spatial and sectoral challenges of Yorkshire and Humber making its full contribution (of £10 billion) to closing the £30 billion productivity gap by 2020.

In this work, Yorkshire Forward applied spatial and sectoral scenarios to crystallize the local contribution which York will need to make to the Northern Way Growth target.

- **Scenario 1** focused on "closing the output gap under the assumption that future growth follows historic spatial patterns".
- **Scenario 2** focused on "closing the output gap under the assumption that future growth is distributed more evenly amongst local authority districts than has generally been the case in recent years".

Figure 1.4: Average annual growth in output and employment (2006-2020) baselines and scenarios for York and Yorkshire and Humber



Source: Yorkshire Forward/Experian Business Strategies Ltd, Regional Econometric Model, Spring 2007. Figures show average annual growth between 2006 and 2020.

The results for Yorkshire and Humber of closing the productivity gap would be an additional £15.8 billion of economic output in 2020 on top of the baseline forecasts for 2020, and an extra 28,800 people in employment (a 1.3% increase on the baseline forecasts), York's share under the two scenarios are similar (although for other districts across the region, there are differences). Output growth under the two scenarios for York would increase from 2.6% on average per annum, up to 3.7% and employment would increase from 0.5% average annual growth to 0.6%.

Yorkshire and Humber's contribution to closing the gap (under both scenarios) would be driven by growth in the Business Services, Banking & Insurance and Other Financial and Business Services sectors. The region would account for 39% of growth in the North's Banking & Insurance sector as well as 48% of growth in Construction output. York stands to benefit more significantly from this up to 2020, but key risks going forward (in terms of the North Yorkshire sub-regional contribution to the Northern Way growth target) centre on North Yorkshire's dependence on York in driving sectoral growth in these key sectors.

Under the scenario of 'closing the output gap', many sectors in Yorkshire and Humber would record modest employment contractions as a result of the modeled shift of labour into Financial and Business Services; for example, Business Services would expand employment by 41,300 compared with the baseline forecasts.

1.9: The Effect of Interest Rates on York's Future Growth

Is York more exposed to increasing interest rates and does York benefit from declining interest rates in the way that other local economies in Yorkshire do? The answer to that is yes, as shown in Table 1.9.

Table 1.9: The effect of interest rate changes on the York economy

Scenario:	Total growth % relative to current forecast	GVA effect in £millions	FTE's growth relative to current forecast	FTE effect in '000s
Base Rate + 1%	Falls by 2.1% (somewhat higher than 0.9% regionally)	£62 millions less per annum typically	Falls by 1% 2006-2016	1,200 less per annum by 2016
Base Rate + 2%	Falls by 5.1% (higher than regional 3.6%)	Lower by £125 millions per annum by 2016 typically	Falls 2.7% over the period 2006-2016	2,300 less per annum by 2016
Base Rate: - 2%	Grows 4.8% higher than current forecast 2006-2016 (similar to the rate growth seen regionally)	Higher by £150 millions per annum typically by 2016	Rises by 3.5% over the period 2006 to 2016	3,000 higher per annum by 2016

Source: Yorkshire Forward/Experian Business Strategies Ltd, Interest Rate and World Growth Modelling, December 2006.

1.10: Summary

- The long term trend of GDP and employment growth in the UK will be well below levels seen recently (2000-2005), with average GDP growth in the next five years of 2.5% and employment growth of 0.5%. **York's economy will grow above the UK trend** with GVA (GDP) growth of 2.7% in the next ten years.
- Global growth in 2006 was estimated at 5%+, largely as a result of the above trend growth in the BRICS economies (Brazil, Russia, India, China, Singapore). **Continuing global growth will deliver a stimulus to York's economy** with estimates suggesting that for the next ten years a sustained increase of 10% in world trade volumes could add over £200 million to York's economy with the city's economy growing by an additional 1.7% in the next ten years above current trend estimates.
- Recent survey data points to a very active German market for UK exporters, so it is particularly important for York companies to **focus on the German market**, and also reflects the fact that the long-term underlying rate of growth in the Euro-Zone is on the up. The view from the Bank of England and the European Central Bank is that Euro-Zone economies are entering a period of cyclical growth (and hence recovery in growth) and York's companies need to exploit the opportunities that will be presented.
- **York's population growth is not forecast to match its economic growth needs.** Working age population growth in the city will be outpaced by the jobs the economy will create, meaning York will act as magnet to commuters into the city (see Section 4 for further details). This situation will become more pronounced if the city's regeneration ambitions deliver higher economic growth through stimulating the jobs market (see Section 7). This means:
 - **Housing provision** within the city needs to be higher than current draft Regional Spatial Strategy provisions; and/or
 - **Transport infrastructure** needs to accommodate the resulting demands on the economy (and its growth potential) as the jobs market acts to pull in labour from surrounding areas. This situation will be stimulated even further as regeneration projects are phased in.

- Whilst output growth forecasts for York compare extremely well with other European cities, York's employment growth potential is likely to be much more constrained than many benchmark city regions. The relationship between York's employment and output growth suggests that **discrete employment gains will deliver significant output improvements**. The role which skills play in driving up output per capita is crucial. York's current occupational and skill base is essential to the city's future growth and any significant changes could negatively impact the forward view of growth in the city.
- In reality, and in the context of headline coverage of business restructuring in the city, York has performed comparatively well in a regional context (benchmarked to Leeds) for major foreign direct investment (FDI) projects. The city has been particularly successful in **attracting FDI** from the software, scientific research/instruments and business services sectors; although the dynamics of the business base may act as a break on growth potential (York has comparatively few large indigenous businesses and few large foreign companies). The key challenge to both York and indeed the Leeds City Region (using Leeds as a benchmark) can be seen in Table 1.5 - project volumes compare poorly to Manchester, are declining and are ultimately dwarfed by London. Some of the key issues that need to be explored or developed (in policy response) are:
 - Link inward investment marketing clearly into the city's offering and play on York's core sectoral strengths.
 - Ensure that UK Trade and Investment's (UKTI's) policy imperative to attract R&D projects clearly positions York at the heart of its national offering and the shift to representation in emerging markets.
 - Flowing from the above, exploit and develop York's brand awareness in emerging markets as part of UKTI ramping up emerging markets representation. Science City is a clear opportunity here and could act as a bridge in brokering and developing trade opportunities in these key markets.
 - Exploit secondary inward investment opportunities, especially from London and exploit comparative cost advantage.
 - Link inward investment activity into new and emerging regional responses and clearly link FDI and trade promotion into proactive lead generation (for instance trade chain mapping and marketing).
 - Link the sites and regeneration potential in York consciously to the needs of core FDI markets.
- Global growth in 2007 and 2008 is likely to be around 5%, with the World Bank estimating growth in the emerging markets of 7%+ (in the BRICS economies). Given the falling proportion of **export sales** in York (relative to other parts of Yorkshire) in these key markets this is currently a risk, but a significant opportunity going forwards.
- Yorkshire Forward's research has clearly indicated that overseas sales have declined as the importance of domestic sales to York firms has increased. Whilst the UK economy has been growing, this structural feature has been less prominent, but as the UK forecast growth is likely to be below trend (with the Euro-Zone and BRICS economies set grow more quickly), this **over-reliance on domestic markets** becomes one of the key growth risks going forward.
- Long-term fiscal and monetary stability is clearly important to York's economy in the next five years (as it nationally and across the North's key cities), but analysis supporting the Future York Group suggests that York's economy is **more sensitive to sustained interest rate** rises than other cities in Yorkshire.

Section 2: Competition

Competition refers to the number of firms in a market and the behaviour of those firms. Competition acts on productivity through two channels. Firstly, actual entry and exit, in which more productive firms enter the market and replace less productive ones. Secondly, efficiency and innovation of existing firms is increased by the threat of new entries. Research has also shown that foreign firms are on average 25% more productive than UK firms and exposure to foreign markets can increase competition. A sound competitive regime will lead to more efficient reallocation of resources and allow York to realise its potential.

2.1: Characteristics of a Competitive Market

The characteristics of a competitive market include above average levels of firm expansion and firms leaving the market. High levels of foreign firm involvement also indicate a more competitive market which will positively impact on productivity.

Table 2.1 provides an analysis of firms and their performance in York compared with other cities and the Leeds City Region. Comparisons at the city level represent the most appropriate level at which to analyse firm performance.

Table 2.1: The behaviour of firms in York and comparator areas

	Foreign exposure	Growth - percentage of firms with:			Firm exit
	Foreign owned firms per 1,000	Employee growth >10%	Operating revenue growth >25%	Profit growth >25%	VAT de-registrations per 10,000 working age population
York	7.2	0.9	2.7	3.9	27.2
Leeds City Region	11.2	0.8	1.7	2.7	28.5
Sheffield	20.6	0.9	1.7	3.2	24.3
Birmingham	11.9	0.5	1.3	2.1	29.0
Bristol	13.4	0.8	3.2	4.7	28.0
Liverpool	6.6	0.7	2.0	3.1	21.0
Manchester	17.2	0.9	2.0	3.2	35.0
Nottingham	10.7	1.0	2.0	3.5	25.0
England	11.3	0.8	3.2	4.6	31.5

Sources: Bureau Van Dijk, Mint Database 2007, Small Business Service, VAT Registrations and De-registrations, 2006.

Key Points

- The level of competition in the market in York is below the England average, but several indicators suggest a competitive market in York.
- Growth among firms in York is consistent with a competitive market in that indicators show rates above all comparator areas except Bristol. Evidence from the Yorkshire Forward/CBI *Survey of Regional Economic Trends* (September 2006) also demonstrated that firms in York were slightly more interested in growing their business in the next two years than those in the region as a whole (65.7% of respondents compared to 64.6%).
- York had the third highest proportion of companies making profits over 25% in the last year (see Table 2.1). Profitable businesses are likely to increase competition by making the area more attractive to new entrants.
- York ranks 5th out of the 8 comparator areas for VAT de-registrations, suggesting a slower rate of unproductive firms leaving the market. While de-registrations are often regarded as a bad thing, in the context of analysing competition, they are used as an indicator of competition. This is supported by the latest figures from the Small Business Service in which more productive regions have a high de-registration rate and a high level of registrations. This is typical of the entry and exit characteristics of a competitive market.

- The results for York suggest that although productive firms are expanding, there is a lower rate of unproductive firms leaving the market. This will distort the potential benefits of a competitive market.
- York has a lower proportion of foreign owned companies than most comparator regions. As a result, the city is losing out on access to potentially better products and process technologies and access to knowledge from parent companies. For example, in the Leeds City Region, 2.7% of companies have profit growth above 25% but 11.5% of foreign owned companies in the same area have profit above 25%.
- Increasing the number of foreign owned firms would likely improve competition in the market in York. Research has shown that increasing foreign firm entry by 1% can increase productivity by 0.5% - 1%.¹

2.2: Exposure to Foreign Markets

An openness to trade can increase the benefits from competition. It allows firms to adopt foreign advances in technology and innovation, providing incentives and rewards for firms to invest. Information on international trade at a local authority level is not available, but evidence from the Yorkshire Forward/CBI *Survey of Regional Economic Trends* can be used to show export trends from York (see Table 2.2). Although this is not an indicator of the level of trade, it does provide an idea about trends in overseas trade.

Table 2.2: Percentage of firms reporting an increase or decrease in export orders

	Last 12 months			next 12 months		
	Increase	Decrease	No change	Increase	Decrease	No change
York	4.6	23.3	4.7	4.7	1.2	27.1
Yorkshire and Humber	12	7.8	13.7	15	5.3	16.4

Source: Yorkshire Forward/CBI, *Survey of Regional Economic Trends*, September 2006.

Key Points

- Export performance in York over the last twelve months has not been as strong as other parts of the region. 5% of firms in the district reported an increase in export orders compared to an average of 12% across the region. 23% of firms reported a decrease in York compared to 8% in the region.
- Over the next twelve months firms in York are not expecting the same level of decline in export trade as they experienced in 2005/06. However, less than 5% expect an increase compared to an average of 15% across the region.
- This data is supported by other evidence in the *Survey of Regional Economic Trends* that showed the proportion of York companies exporting over 50% of their goods overseas is below the regional average.
- The data suggests that overseas trade in York is below the regional average and the city is losing out on potential benefits of foreign exposure.

2.3: Barriers to Competition

Barriers to competition distort the effectiveness of the market and restrict the accompanying productivity benefits of a competitive market. Using data from the *Survey of Regional Economic Trends* it is possible to identify areas that firms believe are distorting their effectiveness. Although the factors listed in Table 2.3 relate to inhibiting growth, they can also

¹ Aghion, P., Blundell, R., Griffith, R., Howitt, P. & Prantl, S. (2004a) *Entry and Productivity Growth: Evidence from Microlevel Panel Data*, Journal of the European Economic Association, 2 (2-3), 265-276, and Aghion, P., Blundell, R., Griffith, R., Howitt, P. & Prantl, S. (2004b) *Firm Entry, Innovation and Growth: Theory and Micro Evidence*, mimeo, Harvard University.

be directly related to starting a business (for example, red tape and lack of finance). As such, these can also be seen as barriers to entry that have a direct effect on competition.

Table 2.3: Top ten key factors inhibiting growth (% of respondents)

	York	North Yorkshire	Y&H	UK
Regulation/Red tape	43.8	43.7	41.3	42.9
Transport cost	27.8	22.5	16.7	22.3
Inadequate business support from government	19.4	20	21.6	21.2
Finance shortage	18	19.1	22.4	21
High unit labour costs	16.7	16.3	14.7	20.3
Lack of appropriate workspace	13.7	9.5	10.4	8.5
Low capital investment	12.3	8.6	8	6.5
Planning restrictions	12.3	17.2	12	12.1
Hard to attract staff to region	11.1	15.7	13	13.2
Skills problems	11.1	13.5	16.6	16.2

Source: Yorkshire Forward/CBI, Survey of Regional Economic Trends, September 2006.

Key Points

- Research shows that the top five inhibiting factors are common to firms throughout the country. Of these, regulation/red tape is by far the most popularly cited factor inhibiting growth. Other common issues revolve around costs, shortages of finance and support from government.
- Within these top five factors, the main difference between York and other areas is that transport costs appear more of an issue. 27.8% of firms see this as an issue in York compared with 22.3% in the UK and 16.7% in the region.
- Beyond the main issues, other inhibiting factors that appear more common to York include a lack of appropriate workspace and low capital investment. Conversely, attracting staff to York and skills problems are seen as less of a barrier to growth or entry of new firms.

2.4: Costs and Competitiveness

Looking at the price of office space compared to other cities in the UK (Table 2.4) shows that rental costs are lower in York. As such, the barrier appears not to be the cost of office space but the availability. Unlocking major development sites would have a positive impact on competition in York by addressing the lack of appropriate workspace barrier to entry/growth. A number of sites were identified in the North Yorkshire Strategic Economic Assessment including: Castle Piccadilly; Huntgate; Heslington East Campus; York Central; Terry's York; and Vangarde.

Table 2.4: Office rental estimates (per metre squared)

Location	Mid 2006
Leeds	£258
Sheffield	£194
York	£178
Liverpool	£194
Manchester	£296
Edinburgh	£291
Southampton	£226
Cardiff	£199

Source: King Sturge, 2006.

Results in Table 2.3 also show that firms in York see high labour costs as less of an inhibiting factor when compared to the national average, but more of a factor compared to the regional average. A selection of average salaries (Table 2.5) shows that salaries in York are between six and eight percent below the national average. At a regional level, salaries in financial services and ICT are just above the regional average while more elementary occupations are below the regional average.

In terms of competition, higher salaries in some sectors in York may make it harder to attract staff. This supports the argument that higher labour costs are an inhibiting factor when compared to competitor regions in Yorkshire and Humber. Although some of this may be down to the perceptions of employers.

Table 2.5: Median salaries for selected jobs compared to the national, industry, regional and North Yorkshire averages, 2006

Median Salary	York/Harrogate	% of national average	% of regional average	% of North Yorkshire average	% of industry average
Administrator – Financial Services	£24,049	94	102.3	100.5	89.1
Customer Service Administrator – Financial Services	£14,020	92	101.3	99.5	96
Fork-Lift Truck Driver - Transport	£13,835	94	98.5	100.1	83.2
Shop Manager – Retail	£23,956	94	99.5	100.5	95.5
Process Line Worker – Food & Drink	£13,430	94	98.5	100.1	98.8
Web-Designer – Public Admin	£25,803	94	102.3	100.5	93.2

Source: Croner, Reward Group, Salary Search.

Competitiveness is widely regarded as a result of a competitive market structure. However, there may also be other factors contributing to competitiveness of firms in York. Table 2.6 shows the factors firms believe are helping contribute to their competitiveness.

Table 2.6: Top ten factors contributing to competitiveness of firms (% of respondents)

	York	NY	Y&H	UK
High levels of workforce skills	48.6	44	50.5	55.1
Creativity and innovation	39.7	27.8	27.2	31.6
Current location	34.7	31.4	35.1	n/a
Flexible working patterns	34.2	32.4	37.4	40.3
High levels of management skills	34.2	32.6	33.4	37.3
Availability of good premises	27.8	28.6	29.2	30.3
Good transport infrastructure	20.5	14.2	17.8	22.9
IT investment, use of ICT	18.1	16.7	16	6.2
New capital investments	16.7	11.7	12.8	15.4
Low labour costs	9.6	15.4	16.8	18

Source: Yorkshire Forward/CBI, Survey of Regional Economic Trends, September 2006.

Key Points

- Limited access to office space is one of the key issues for York, and new and existing development sites will have a lot of expectation placed on them.

- Higher labour costs are possibly more of a perceived barrier to growth in York than an actual one. Salaries are broadly around the regional average, but lower than the national and industry averages.
- High levels of workforce skills are seen as key to competitiveness in York but this is a sentiment shared throughout the country. However, it is seen as more of a contributing factor in the UK compared to York. This pattern is also true for other factors including: flexible working patterns, management skills, premises, transport, and labour costs.
- The importance of creativity and innovation to competitiveness in York is demonstrated by the higher percentage of firms that regard this as a contributing factor (39.7% of firms in York compared to 31.6% in the UK). Along similar lines, the use of IT is more important to firms in York (18.1%) than the rest of Yorkshire and Humber and particularly so when compared to the UK (6.2%).

2.5: Summary

- Two-thirds of York firms are interested in growing their business over the next two years and overall, York firms are profitable in comparison to other comparator cities. However, data suggests that although productive firms in the city are expanding, there is a **lower rate of unproductive firms leaving the market**. This will distort the potential benefits of a competitive market.
- York has a lower proportion of foreign owned companies than most comparator regions. As a result, the city is losing out on access to potentially better products and process technologies and access to knowledge from parent companies. **Increasing the number of foreign owned firms** would likely improve competition in the market in York, and recent data also suggests that overseas trade in York is below average. Research has shown that increasing foreign firm entry by 1% can increase productivity by 0.5% - 1%.
- Businesses in York see their key barriers to competition as being regulation/red tape, costs, shortages of finance and support from government – no different to most other areas. However, **transport costs** are much more of an issue for York firms than average, as is a **limited access to office space** and **low capital investment**. These are three issues in particular that could be addressed locally. Conversely, attracting staff to York and skills problems are seen as less of a barrier to growth or entry of new firms.
- **Creativity and innovation and the use of IT** are seen as key factors in competitiveness by York firms. This is a strong selling point for York, building on the Science City York agenda to help attract additional investment and foreign firms to the city.
- The **perception of high unit labour costs** in York compared to other areas needs to be challenged. Average salary levels in York are no higher than the regional average, considerably lower than nationally and typically lower in key sectors than is the case nationally.

Section 3: Innovation

Innovation, the successful exploitation of new ideas, is one of the main engines of long-term economic growth and structural change. Innovation can occur through investment in R&D, or through adopting new technologies from other firms or countries, or through trying different ways of working. These investments in innovation can result in new technologies, products and processes, as well as novel services and means of delivery and can lead to significant effects on growth and productivity.

HM Treasury's *'Productivity in the UK: 6'* states that innovation can raise productivity through a number of channels including:

- direct productivity gains to the firm that has invested in innovation or Research and Development (R&D) in terms of efficiencies in production or product improvements;
- spillover productivity gains when a new innovation assists firms to also take advantage of other innovations; and
- spillover productivity gains for other firms or other countries involved in trade who are able to emulate the innovation.

3.1: Research and Development Spend

Innovation tends to be measured by R&D expenditure. Whilst expenditure on R&D activity cannot be taken as a proxy for total innovation activity, it is an important area of focus that can indicate an improvement in innovation performance.

The Region's Innovation Target

The 2006 – 2015 *Regional Economic Strategy's* headline innovation target challenges the region to more than double business R&D expenditure from 0.5% of regional Gross Value Added (GVA) in 2002 to greater than 1% of regional GVA by 2015. Forecasts for 2015 suggest that the region's GVA will be around £100.3 billion by this time. Therefore, in order to increase expenditure to just 1% of GVA, businesses across the region will need to be spending £1.003 billion on R&D – double what we have been achieving over the past few years.

GVA provides a picture of the overall economic wealth of the region and in 2002, the region's GVA stood at around £70.5 billion. This meant that businesses spent about £352.5 million (0.5%) on R&D activity. In comparison, the England average was a business R&D expenditure of 1.5% of GVA.

York's GVA is currently approximately £3.1 billion. By 2015 it is forecast to be approximately £4 billion. If the regional Innovation target is applied to York, then business expenditure on R&D by 2015 would be targeted to be £40 million.

Regional R&D Spend

In 2003, total Research and Development spend in the region was £863m, an increase of 14% on 2002, in-line with the increase of the previous year. This accounts for 4% of total UK research and development spend of £20bn. The low level of business R&D spend in the region has been a regular issue affecting competitiveness. (Office for National Statistics, *Research and Experimental Development Statistics*, 2003).

The figures for 2003 show that business R&D in Yorkshire and Humber is 2.8% of the UK total, well below what it should be given that Yorkshire's businesses account for around 8% of all UK businesses. In comparison, higher education spend in the region was 7.8% of the UK total and government research spending was 6.7%.

Figure 3.1 shows the importance of higher education to R&D in the region as it accounts for 40% of total research expenditure in the region, compared to an average of 22% in the UK.

However, evidence from the Yorkshire Forward/CBI *Survey of Regional Economic Trends* suggests that businesses are not taking advantage of this resource. In September 2006, only 8% of firms reported having any R&D link to universities. Primary and manufacturing industries are the most likely to have links with universities with 15% having an R&D link.

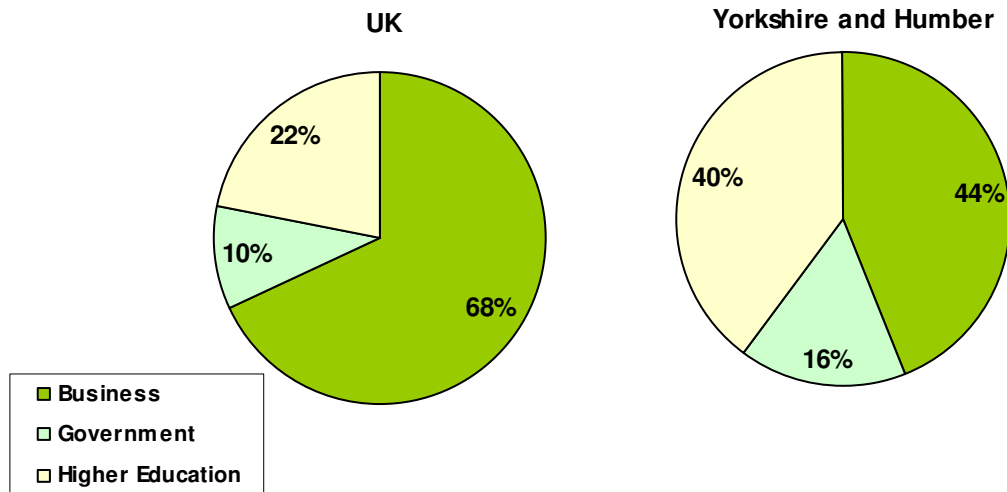
Expressed as a percentage of GVA, Yorkshire and Humber spends less on R&D than any other region. When broken down by source of funding, higher education and government research this is similar to other regions, but with business R&D that Yorkshire and Humber falls behind. This lower level of funding is not only seen when the region is compared to the more successful southern regions, but across the board. For example, business research spending as a percentage of GVA is three times higher in the North West and East Midlands than Yorkshire and Humber. Meanwhile, relatively high levels of Higher Education R&D offer an opportunity that businesses are failing to take advantage of and there is scope to continue building on existing university/industry collaboration.

Table 3.1: R&D spending as a percentage of GVA by region, 2003

	Business	Government	Higher Education	Total
United Kingdom	1.4	0.2	0.5	2.1
North East	0.9	0.01	0.5	1.4
North West	1.6	0.1	0.4	2.0
Yorkshire and Humber	0.5	0.2	0.5	1.2
East Midlands	1.5	0.04	0.4	1.9
West Midlands	0.8	0.05	0.3	1.1
East of England	3.6	0.4	0.4	4.4
London	0.5	0.2	0.7	1.3
South East	2.3	0.4	0.4	3.1
South West	1.8	0.3	0.3	2.4

Source: Office for National Statistics, *Business Enterprise R&D Survey and Regional Accounts*.

Figure 3.1: R&D spend by type (UK and Yorkshire and Humber), 2003



Source: Office for National Statistics, *R&D Statistics, 2004*.

York R&D Spend

According to the report from the Government Office for Yorkshire and the Humber, *A Rural Evidence Base for Yorkshire and Humber 2005*, businesses in York, on average, spend the most on Research and Development (£229.35 per head), which is substantially above the sub-regional (£107.63) and regional (£76.26) averages. This is also significantly more than

that seen in other key cities in the region and reflects York's strong science base built around its recognition as one of only a handful of Science Cities nationally.

The Yorkshire Forward/CBI, *Survey of Regional Economic Trends*, September 2006 asked firms whether they were planning on spending more, the same or less on product and process innovation over the next 12 months than in the last year. Firms in York are broadly in-line with the regional and Leeds City Region averages, with 24.7% planning to spend more, 42.2% spending the same and 14.6% spending less.

Table 3.2: Planned business expenditure on product and process innovation in the next 12 months, September 2006

	More	Same	Less	N/A
Yorkshire and Humber	22.3	42.2	14.5	21
Leeds City Region	23	43.3	15	18.8
York	24.7	42.2	14.6	20.9

Source: Yorkshire Forward/CBI, *Survey of Regional Economic Trends*, September 2006.

Key Points

- Regional R&D spend by business, as expressed as a percentage of regional GVA is very low across Yorkshire and Humber at only 0.5%. However, expenditure on R&D by Higher Education Institutions is more in-line with what would be expected from the region at 7.8% of the UK total Higher Education R&D expenditure.
- The *Regional Economic Strategy* Innovation target challenges the region to more than double business R&D expenditure by 2015. Without significant intervention, such as that expressed in the Regional Innovation Strategy, this target is not likely to be met.
- If the regional Innovation target is applied to York, business R&D expenditure from York firms would be targeted to be £40 million per year by 2015.
- Recent evidence suggests that York businesses actually spend three times as much on R&D activity per head than the regional average (£229.35 per head compared to £76.26).
- A quarter of York firms plan to spend more on product and process innovation in the next year – slightly more than the regional average of 22.3%.

3.2: Research Links

In 2004/05, The University of York accounted for 40% of the total income from research grants and contracts across the Leeds City Region. York's Higher Education Institutions also form part of the White Rose Universities (together with the University of Sheffield and the University of Leeds) and together, they account for 86% of regional research spend in higher education (*Mapping Innovation Capabilities: Final Report to Y&H Key Cities Group*, SQW, January 2007).

Science City York

It is thought that York has the most advanced mechanism for stimulating Innovation, particularly with reference to the Science City York and the future growth of innovation-based activity is expected to continue to be linked with SCY activity and in particular with the expansion planned at the University of York, a major element of which is expected to be 'embedded research and development' (*Mapping Innovation Capabilities: Final Report to Y&H Key Cities Group*, SQW, January 2007).

Science City York was founded in 1998 by the city of York Council, the University of York, and the private sector to harness the world class potential of business clusters in Bioscience and Healthcare, IT, and Digital and Creative Industries. Since its inception, 2,772 new jobs have been created, a 60% increase in employment in the eight years since launch. Over 9,000 people are now employed in technology occupations with over 250 businesses, which have significantly transformed the York area economy to an increasing science and technology base. Investment in the science and technology infrastructure has exceeded £800 million in

the last 10 years, positioning York as one of the UK's leading National Science Cities (Yorkshire Science, *Regional Innovation Strategy*, 2006).

Other significant research strengths in or near York include DEFRA's Central Science Laboratory and the Smith and Nephew Research Centre.

Business Links to R&D

In the September 2006 *Survey of Regional Economic Trends*, 14.1% of businesses in York said that they had R&D links to the Universities. This compares very favourably to the Leeds City Region, regional and North Yorkshire averages.

Similarly, a higher proportion of firms than average in York also said that there were members of specialist industrial networks (39.7%, compared to the regional average of 33.7%).

Table 3.3: Business links to universities and specialist industrial networks

	York	LCR	NY	Y&H
Have R&D links to Universities	14.1	9.5	8.4	8.5
Are members of Specialist Industrial Networks	39.7	36.4	35.2	33.7

Source: Yorkshire Forward/CBI, *Survey of Regional Economic Trends*, September 2006.

The same survey also identifies that creativity and innovation is the second most quoted factor that firms in York identify as contributing towards their competitiveness – stated by 39.7% of firms in York, compared to the regional average of 27.2% (see section 2 for further details).

Key Points

- The two York Higher Education Institutions from a part of the White Rose Universities, that together account for 86% of regional research spend in higher education.
- Science City York figures suggest that since its inception, 2,772 new jobs have been created and over 9,000 people are now employed in technology occupations in over 250 businesses in York.
- Key to the expansion of Science City York is the proposed University expansion onto the Heslington East site.
- Just over 14% of firms in York suggest that they have R&D links to the universities – significantly higher than the regional average of 8.5%, whilst nearly 40% are members of Specialist Industrial Networks.

3.3: Summary

- *The Regional Economic Strategy* Innovation target challenges the region to more than double business R&D expenditure by 2015. Without significant intervention, such as that expressed in the *Regional Innovation Strategy*, this target is not likely to be met. If the regional Innovation target is applied to York, based purely on the proportion of the region's businesses operating in York (4%), **business R&D expenditure from York firms would be targeted to be at least £40 million** per year by 2015.
- Although recent evidence suggests that York businesses actually spend three times as much on R&D activity per head than the regional average, and over one and a half times as many firms as the regional average have R&D links to the universities, crucial to the continued increase in R&D activity in York is the expansion of Science City York as part of the proposed **University expansion** onto the Heslington East site.

Section 4: Workforce and Skills

HM Treasury's latest *Productivity in the UK 6* (March 2006) states that:

The quantity and quality of skilled labour available in an economy is an important determinant of economic performance and productivity growth. Skills raise productivity through:

- enabling workers to carry out more complex work, work more effectively, and produce higher value products;
- investments in innovation and technology are more profitable when combined with skilled labour. A lack of skilled labour can constrain new investment and therefore productivity;
- skilled workers can adapt faster and more effectively to change, and better implement new investments and innovation. A highly skilled workforce enables firms to update working practices and products at the rate demanded by rapidly changing global markets, making the economy more flexible and productive; and
- there are also indirect effects of education and training as skills can spill over to wider society as workers learn from each other.

Research suggests that improvements in the skills of UK workers have contributed around one fifth of annual growth in the UK economy over the past 25 years.

Looking ahead, globalisation further raises the need for higher skills, as firms need to compete internationally and make use of new technology and ways of working. Higher skills also help labour to be flexible to move between sectors in response to changes in the UK's competitive advantage as a result of changes in the global economy.

4.1: The Future Workforce

School Leavers

On average, York has approximately 2,000 pupils each year that reach the end of Key Stage 4 (GCSEs) of which 12.5% -15% have Special Educational Needs. In 2005/06, the city's fifteen secondary schools and one special school had a total of 2,133 pupils reaching the end of Key Stage 4; of these, 266 had Special Educational Needs (12.5%).

York Local Education Authority has always performed better than the England average for attainment at GCSE and currently ranks 31st out of 149 LEAs in the country in terms of five or more GCSEs A* - C attained.

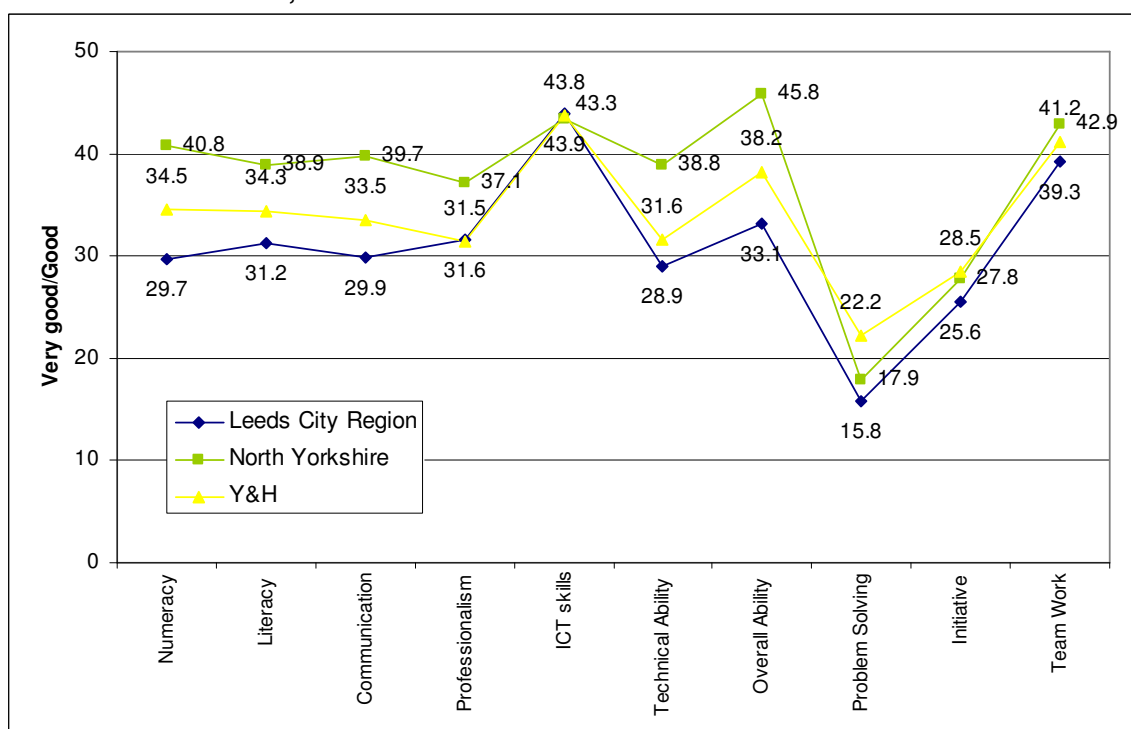
Since 1998/99 the district has increased attainment of 5+ GCSEs (A*-C) from 51.5% to 61.9%. In comparison, the England average currently stands at 57% for LEA maintained schools and 59% for all schools. York, North Yorkshire and the East Riding LEAs are all at the top of the regional rankings in terms of GCSE attainment, but the gap is now closing with other LEAs in the region (especially in West Yorkshire), and year-on-year improvement is starting to plateau. Similarly, the district performs better than the England average for 5 or more good GCSEs including English and Maths – but still, less than half of pupils leaving Key Stage 4 manage to attain this required level.

Most schools in York perform pretty well at GCSE, however, attention needs to be paid to low attainment levels in: Acomb, Clifton and Heworth. Between them they have about 25% of the Key Stage 4 pupils in the district.

At the end of Key Stage 4, around 69% of pupils in York go onto continued education/learning, 9% go into work-based learning/training and 4% go into part-time education. This gives a total of 82% of 16 and 17 year olds in York that are in further education or work-based learning. In comparison, the England average is 79% and the Yorkshire and Humber average is 78%. In June 2006, 5.2% of York's 16-18 year olds were not in any kind of education, employment or training (NEET) in York, compared to the regional and North Yorkshire averages of 9.8% and 4.7% respectively.

Higher performing pupils at GCSE tend to continue their education, whilst lower performing students are less likely to. Indeed, when employers were asked on a recent joint Yorkshire Forward/CBI business survey what they felt about the skills of school leavers they had recently employed, they were not overwhelmingly positive. 30-31% of employers in Leeds City Region suggested that literacy and numeracy skills were good/very good; only 16% felt problem solving abilities were good/very good, but 44% did feel ICT skills were adequate. Employers across the Leeds City Region were less positive about their young recruits than average, and far less positive than across North Yorkshire as a whole. Incidentally, a recent Yorkshire Futures commissioned piece of research into the attitudes, attributes and aspirations of young people in the region found that 70-80% of young people surveyed felt that their education had helped them with initiative and problem solving. So, there exists a difference between perceptions and reality here.

Figure 4.1: Employer views of school leavers they have employed in the last 12 months, March 2006



Source: Yorkshire Forward/CBI Survey of Regional Economic Trends, March 2006.
(Note: there are too few responses to show the York results separately.)

Higher Education

Approximately 5,400 students achieve a higher education qualification from either the University of York or York St John's College each year and the Yorkshire and Humber region as a whole has 50,000+ HE graduates each year – around 8.4% of the UK's total.

Key subject strengths for the region are:

- Pre-clinical Dentistry (University of Leeds) with 25% of the UK's HE graduates
- Software Engineering (Sheffield Hallam) with 17.8% of the UK's HE graduates
- Other Computer Science (University of Hull) - 35.7%
- Minerals Technology (University of Leeds) – 25%
- Ceramics & Glasses (University of Sheffield) – 20%
- Planning (Sheffield Hallam) – 9.2%
- Publicity Studies (University of Leeds and Leeds Metropolitan) – 21.4%
- Languages (across the region)
- Crafts (University of Huddersfield) – 11.3%

The key focus of York's two York Higher Education Institutions lies in the following subject areas

- Subjects allied to Medicine – 920 graduates in 2004/05
- Biological Sciences – 520 graduates in 2004/05
- Social Studies – 945
- Languages – 440
- History & Philosophy – 690
- Education – 640

The report, *Three Years On...A Survey of the Early Career Paths of the Graduates of 2001 from the Yorkshire Universities* found that in 2004, 46% of all the survey respondents who left university in the region in 2001, and that were working, were still working in the Yorkshire and Humber region, with 15% of these in North Yorkshire.

By 6 months after graduation, 64% of students were still living in the Yorkshire and Humber region. Of the respondents who stayed in the region for more than 6 months after graduation, 81% of them stayed in the sub-region in which they had studied, with 44% of these citing the reason for staying as being to be close to friends or family, followed by 31% who stayed because of a job or course. In comparison, of the 19% who moved to a different sub-region within Yorkshire, 46% cited their job or course as the reason. The key message here is that there appears to be no problem with retaining graduates within Yorkshire and Humber, once they have finished their studies and access to suitable employment opportunities is a key driver for movement.

Key Points

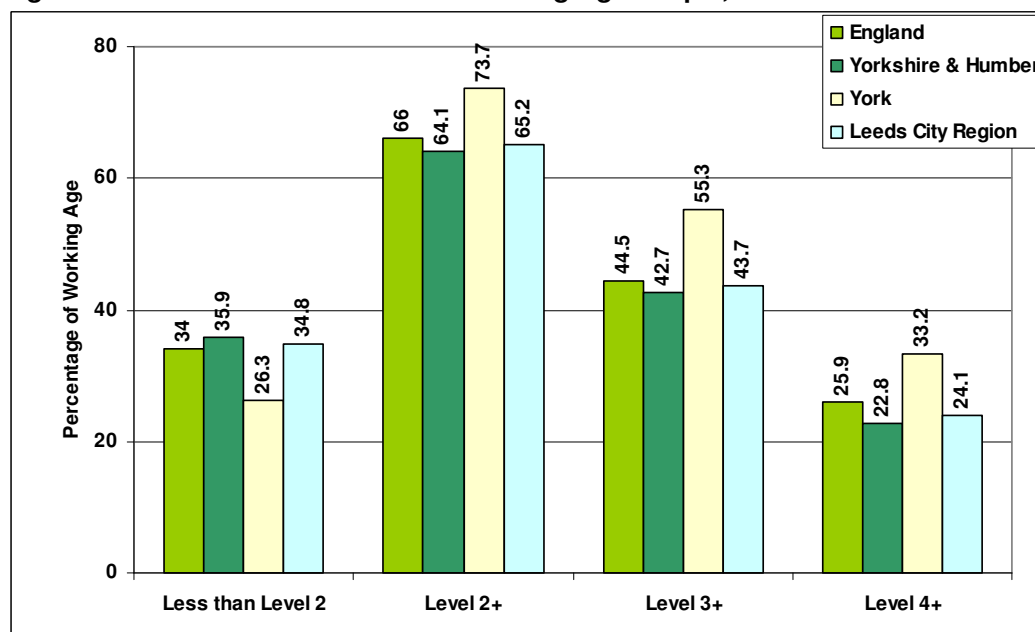
- GCSE attainment in York is good compared to average, but there are still around 50% leaving each year that don't attain the required level of 5+ A* - C (including Maths and English). Employer views are not favourable of the skills of recent school leaver recruits and this affects productivity.
- Poor attainment in four schools in particular needs addressing, as they account for 25% of all Year 11 leavers in the city. These are located in the Acomb, Clifton and Heworth Wards.
- 5.2% of 16-18 year olds not in any kind of education, training or employment (NEET) equates to over 300 people currently having a negative impact on the district's economy and public expenditure.
- The region has an excellent Higher Education base, over 50,000 graduates a year and a good retention rate of graduates who subsequently work in the region. This can be capitalized on with appropriate recruitment campaigning and marketing.

4.2: The Existing Workforce

Qualifications of the Workforce

York currently has far fewer of its working age residents that are qualified below Level 2, and far more that are qualified at Level 2+, 3+ and 4+. In the context of the Leeds City Region, York is a net contributor towards improving the qualifications mix.

Figure 4.2: Qualifications Mix of Working Age People, 2004-05



Source: Department for Education and Skills Analysis of the Office for National Statistics, Labour Force Survey, 2004/05.

The Regional Economic Strategy (RES) challenges the region to: “Raise the percentage of people with NVQ Level 2 or equivalent or higher to 80% (from 70% in 2004/05) and the proportion within this total with Level 4+ from 37% in 2004/05 to 45%.”

(NOTE that the target's baselines and challenges use 'economically active people', not 'working age'.)

York currently has 78.1% of its economically active population with at least a Level 2, therefore for the district to achieve the RES Level 2+ target; only an additional 1,720 people would be required to achieve this level of qualification (based on current population figures). At Level 4+ the district has already over-achieved against the RES target. As part of the Leeds City Region however, York is an attractive prospect with regards to its skilled workforce base.

Table 4.1: The Skills RES Target Challenge

	Economically active adults in each area (2004/05)	Number with qualification	Percentage with qualification	Target position	Additional numbers required to achieve target position
Level 2+					
Yorkshire & Humber	2,285,212	1,600,826	70.1	1,828,170	227,344
North Yorkshire	356,454	273,814	76.8	285,163	11,349
York	88,305	68,924	78.1	70,644	1,720
Leeds City Region	1,298,265	920,166	70.9	1,038,612	118,446
Level 4+ as a proportion of Level 2+					
Yorkshire & Humber	2,285,212	623,262	27.3	822,676	199,414
North Yorkshire	356,454	131,746	37.0	128,323	-3,423
York	88,305	34,646	39.2	31,790	-2,856
Leeds City Region	1,298,265	370,339	28.5	467,375	97,036

Source: Department for Education and Skills Analysis of the Office for National Statistics, Labour Force Survey, 2004/05.

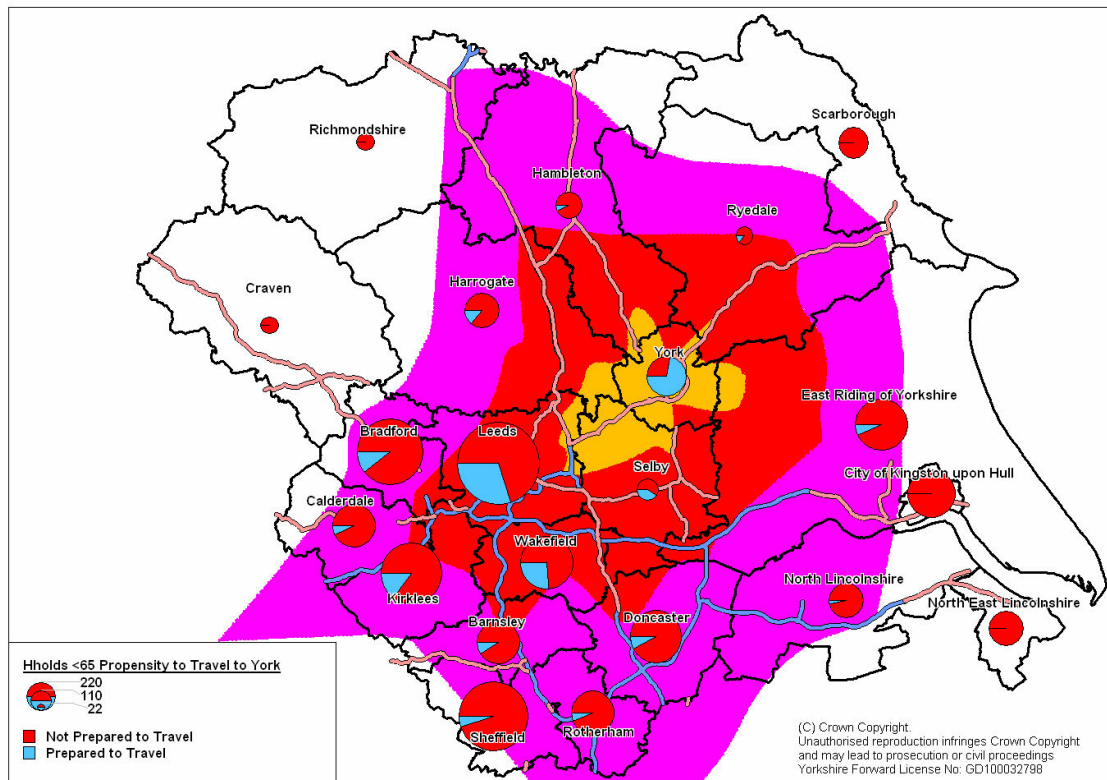
Attracting Workers to York

York currently has 78,500 households, of which 76% or 60,000 are under the age of 65. Of those under 65, 70% would be prepared to travel the required distance to the centre of York, should they get a new job. This therefore implies that the majority of York's residents would prefer to work in York. As York has a higher proportion of residents with degrees and skilled/managerial posts, and fewer unemployed, this is a positive message for the city.

On average, across the Yorkshire and Humber region, 59% of householders would not travel more than 30 minutes if they got a new job, 31% would be prepared to travel between 31 and 59 minutes, whilst 9% would be prepared to travel over 60 minutes.

Based on 30, 60 and 90 minute drive times from York centre, Figure 4.3 highlights that there is big potential for York to attract a considerable proportion of its workforce (in terms of numbers) from Leeds, Wakefield, Bradford and Kirklees, and even as far away as South Yorkshire. York is also a good magnet for Selby residents. So, if the employment opportunity is right, York could potentially attract workers from further afield to meet its recruitment needs.

Figure 4.3: Potential York workforce at 30, 60 and 90-minute drive-times



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(Size of circle relates to the number of working age households in the area.)

(Yellow = 30 minute drive time, Red = 60 minute drive time, Pink = 90 minute drive time.)

Migrant Workers

Recent statistics from the Home Office Migrant Worker Registration Scheme suggests that of all the recent migrant workers from Eastern Europe, there were 745 that were registered living in York between May 2004 and September 2006, of which 533 were of Polish origin. These 745 people were split by the following occupations:

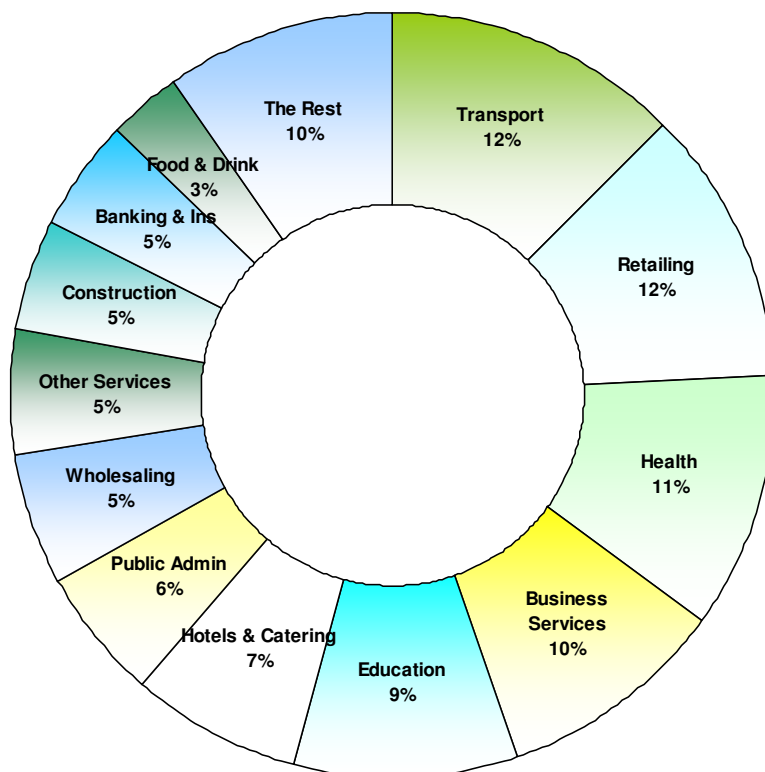
- Process operative (other Factory worker) 126
- Maid / Room attendant (hotel) 90
- Kitchen and catering assistants 89
- Cleaner, domestic staff 75

• Warehouse operative	54
• Waiter, waitress	54
• Packer	30
• Care assistants and home carers	25
• Sales and retail assistants	20
• Labourer, building	12
• Others	170

This suggests that, to-date, Eastern European migrants into the district are not taking highly skilled or highly qualified jobs.

York's Industrial and Occupational Structure

Figure 4.4: York's Current Industrial Structure, 2005



Source: Yorkshire Forward/ Experian Business Strategies Ltd, Regional Econometric Model, Autumn 2006.

Over the last ten years (1995-2005), the City of York has seen Full-Time Equivalent (FTE) jobs growth of over 9,000. Between 2005 and 2015, a further 3,400 FTEs are forecast to be added to the city's jobs market, bringing the total number of FTE jobs in the district up to an estimated 90,600 from 87,200 in 2005.

In the last ten years, there has been a significant decline in the numbers of jobs in the Food & Drink, and Construction sectors. This has had a knock-on impact particularly on occupations in Skilled Construction Trades and Process, Plant and Machine Operatives.

On the plus side, there has been considerable growth in the Transport and Business Services sectors. Good growth has also taken place in the Retailing, Health, Education and Hotels & Catering sectors, whilst reasonable growth has been shown in the Banking & Insurance, Other Services, Metals, Communications and Wholesale sectors. This has had a positive effect on increasing the number of Corporate Administrators, Elementary Clerical/Service,

Transport Drivers and Operatives, Business/Public Service Associate Professionals, Caring Personal Services Occupations and Sales Occupations.

Table 4.2: York's industrial structure by full-time equivalent (FTE) employment

	FTE Employment Numbers			Growth/Decline (actual)		Growth/Decline (%)
	1995	2005	2015	1995-2005	2005-2015	2005-2015
Industry Total	78,120	87,221	90,610	9,101	3,389	3.9
Transport	5,030	10,815	12,050	5,785	1,235	11.4
Business Services	4,481	8,508	9,524	4,027	1,016	11.9
Retailing	7,509	10,167	10,930	2,658	763	7.5
Health	7,199	9,584	10,890	2,385	1,306	13.6
Construction	12,300	4,205	3,364	-8,095	-841	-20.0
Education	6,369	8,192	8,438	1,823	246	3.0
Hotels & Catering	4,330	6,222	6,928	1,892	706	11.3
Wholesaling	3,965	4,701	4,478	736	-223	-4.7
Banking & Insurance	3,386	4,160	4,583	774	423	10.2
Other Services	3,979	4,686	5,312	707	626	13.4
Public Administration & Defence	4,725	4,950	4,428	225	-522	-10.5
Food, Drink & Tobacco	6,648	2,667	1,730	-3,981	-937	-35.1
Other Financial & Business Services	1,052	1,734	1,843	682	109	6.3
Communications	1,372	2,076	2,314	704	238	11.5
Metals	631	1,430	1,579	799	149	10.4
Paper, Printing & Publishing	1,287	947	838	-340	-109	-11.5
Other Mining	162	0	0	-162	0	0.0
Transport Equipment	730	124	23	-606	-101	-81.5
Agriculture, Forestry & Fishing	728	582	440	-146	-142	-24.4
Gas, Electricity & Water	657	172	116	-485	-56	-32.6
Electrical & Optical Equipment	606	512	538	-94	26	5.1
Machinery & Equipment	289	247	201	-42	-46	-18.6
Wood & Wood Products	112	170	141	58	-29	-17.1
Textiles & Clothing	134	49	31	-85	-18	-36.7
Rubber & Plastics	176	79	57	-97	-22	-27.8
Other Manufacturing NEC*	74	178	172	104	-6	-3.4
Minerals	139	11	4	-128	-7	-63.6
Chemicals	46	53	17	7	-36	-67.9

Source: Yorkshire Forward/Experian Business Strategies Ltd, Regional Econometric Model, Autumn 2006.

*NEC = Not Elsewhere Classified. Industries ranked on Full-Time Equivalent employment in 2005.

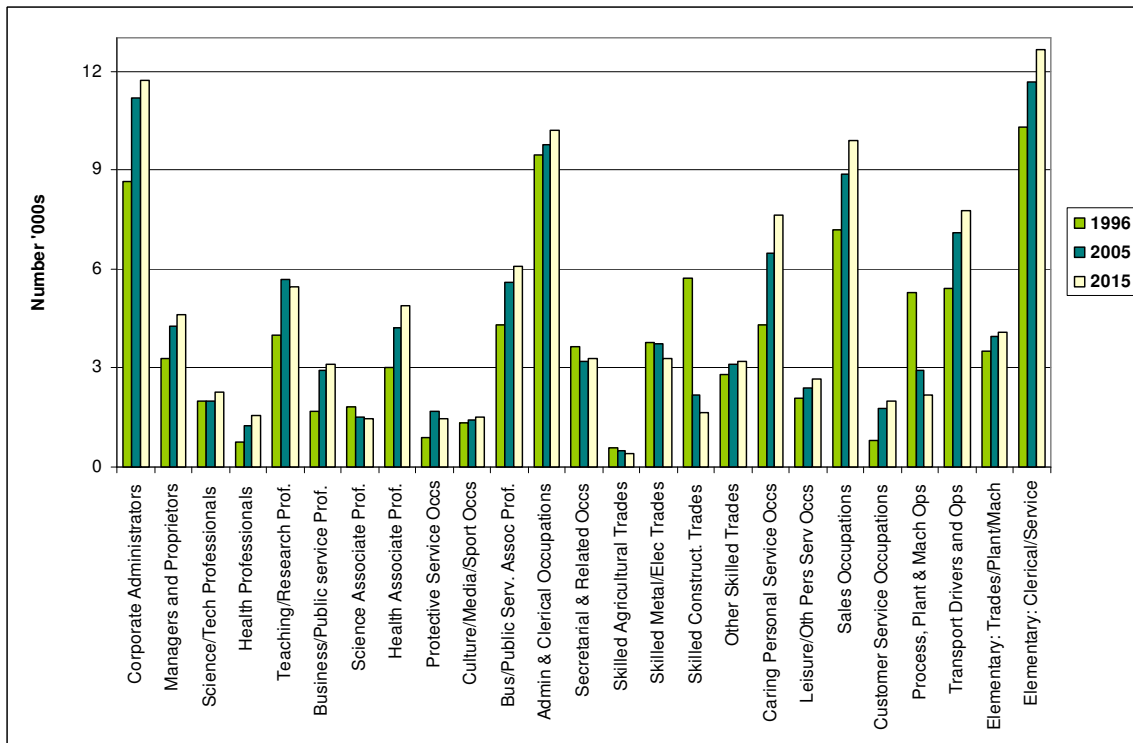
Over the next ten years to 2015 continued significant decline in the Construction and Food & Drink industries is forecast. The Public Admin & Defence industries are also forecast to suffer moderate losses. Lesser declines may be felt in the Wholesaling and Paper, Printing & Publishing. The Transport Equipment and Textiles & Clothing industries will all but disappear (although they're not currently large employers in the city).

Significant growth is expected between 2005 and 2015 in the Health sector (+1,300 FTEs), Transport (+1,200 FTEs) and Business Services (+1,000 FTEs). Good growth is forecast in Retailing (+760 FTEs), Hotels & Catering (+700 FTEs) and Other Services (+630 FTEs). Science City York is forecasting a total of 15,000 new jobs by 2021 (these are split across a number of the industries shown in Table 4.2). All of this has an impact on the occupational structure of the city, but the changes are likely to be less drastic than those experienced in the past ten years (as shown by Figure 4.5).

Recent work commissioned by Yorkshire Futures, the Yorkshire and Humber Regional Intelligence Network into population projections across the region to 2030 finds that there are currently 113,900 people aged between 20 and 64 resident in the York district. By 2030, this is expected to increase to 121,000 – an increase of 7,100 people of working age.

Based on the changes in the industrial structure over the past ten years, and those forecast for the next ten years, the proportion of Corporate Administrators, Sales, Admin & Clerical, Elementary Clerical/Service, Caring, Transport, Teaching, Business/Public Service and Health occupations are forecast to increase and will be the largest occupations in terms of employment over the next ten years. It is important that the skill requirements of the district's growth industries and related growth occupations are met over the next ten years.

Figure 4.5: Occupational breakdown for York, 1995 - 2015



Source: Yorkshire Forward/Experian Business Strategies Ltd, Regional Econometric Model, Autumn 2006.

York in the Context of the Region and Leeds City Region

York has around 4.1% of the Yorkshire and Humber region's FTE workforce. However, there are two industries in particular, where the city plays a key role in regional employment: Transport and Hotels & Catering. The city also has more than its expected share of FTEs in the Retail, Banking & Insurance, Education and Communications sectors.

With regards to the Leeds City Region, York has 7.4% of the FTE employment, and more than average in terms of employment in the following sectors: Transport, Hotels & Catering, Retailing, Education and Public Administration & Defence. There are forecast increases in Banking & Insurance and Metals, whilst Food & Drink will decline by 2015.

This is significant in terms of how and from where the city attracts its workforce, and the required skills, both now and in the future.

Table 4.3: York's key employment sectors in the context of the region and the Leeds City Region

Industry	Proportion of the Yorkshire and Humber region's FTEs in York			Proportion of the Leeds City region's FTEs in York		
	1995	2005	2015	1995	2005	2015
Industry Total	4.1	4.1	4.1	7.1	7.4	7.4
Retailing	5.4	5.5	5.6	7.4	9.8	10.5
Hotels & Catering	6.1	6.3	6.4	9.3	12.1	12.6
Transport	10.0	10.5	10.9	10.6	17.2	18.5
Communications	4.9	4.7	4.5	9.6	8.3	7.5
Banking & Insurance	5.3	5.4	5.4	6.7	8.9	9.0
Education	5.2	5.3	5.3	8.8	9.4	9.6
Public Admin & Defence				9.7	8.0	8.0
Food & Drink				23.1	11.3	6.7
Metals				2.9	7.5	8.1

Source: Yorkshire Forward/Experian Business Strategies Ltd, Regional Econometric Model Autumn 2006.

Employment Levels

78.7% of York's working age population are in employment, compared to 74.4% across England. This means that of the 113,900 people of working age that are living in York, 89,700 are in employment and 24,200 are not. A similarly high proportion of York's males are in employment (81.1%) and 76.2% of females; again these rates compare very favourably to the England and regional averages.

Table 4.4: Employment rates in York, England and Yorkshire and Humber, April 2005 – March 2006

	England	Y&H	York		
	Percent	Percent	Number	Denominator	Percent
Employment rate - working age	74.4	73.8	89,700	113,900	78.7
Employment rate males - working age	78.8	78.0	47,700	58,800	81.1
Employment rate females - working age	69.7	69.3	42,000	55,100	76.2

Source: Office for National Statistics, Annual Population Survey, April 2005 – March 2006.

Of the 24,200 people of working age not in employment, 2,600 are unemployed and 21,600 are classed as economically inactive. Of those 21,600 people who are economically inactive, 4,000 say they want a job and 17,600 say they do not want a job. Converting some of these economically inactive people into employed people will help to fill the potential employment gap in the future.

Key Points

- The higher qualification rate of York's workforce means that, although skills always remain an area to improve upon, less has to be done to increase workforce qualifications in the city, than in other localities.
- York's working age residents are less likely to travel outside of the city for employment than residents of other areas in the region. This means that York has a larger proportion of its workforce that is potentially a captive audience for additional/new jobs. However, York needs to be mindful of the growth of the Leeds economy and how this may impact on commuting rates, both in and out of the city.
- The industrial structure of York has changed quite significantly over the past ten years. These structural changes look set to settle down over the next ten years, and forecasts suggest that growth in employment will continue, but at a lesser pace than in the past.

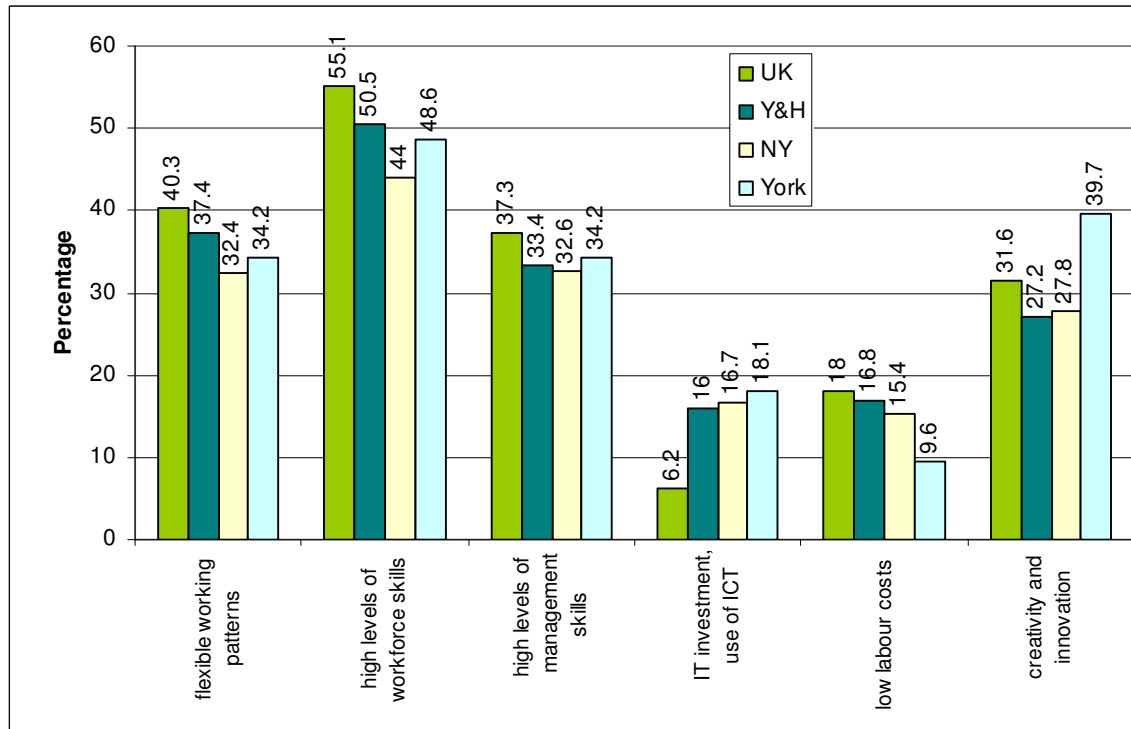
- The Transport, Retailing, Health, Business Services, Education and Hotel & Catering are currently, and will remain the key employing industries in the district for the next ten years.
- Industrial sector changes have had, and will continue to have, an impact on the occupational breakdown of York and also of self-employment (see Section 6), especially with the decline of the Construction industry.
- Forecast population growth to 2030 for York may not match its potential jobs growth. However, recent research suggests that York is potentially a magnet for workers from other areas in the region. Activity to convert those who are of working age but currently economically inactive could help to fill this gap (and reduce benefit costs).
- Although York has a pool of Eastern European migrant workers, they are mainly taking the lower paid, lower skilled jobs. This is supporting the forecast occupational growth of elementary clerical/service occupations and the caring occupations. However, few migrant workers are taking the higher skilled, higher paid employment, so may not fill some of the higher skilled occupations that are forecast to increase in the future. The city will need to focus on raising the qualifications of its young people, continuing to attract graduates and ensuring accessibility for commuters from areas outside of York.
- York has 7.4% of the FTE employment of the Leeds City Region, and more than average in terms of employment in the Transport, Hotels & Catering, Retailing, Education and Public Administration sectors. Therefore, the success of these sectors is not only important to York, but also to the wider city-region's economy.
- Of the 113,900 people of working age that are living in York, 89,700 are in employment and 24,200 are not. Of those 24,200 people, 2,600 are unemployed and 21,600 are classed as economically inactive. Of those 21,600 people who are economically inactive, 4,000 say they want a job and 17,600 say they do not want a job. Converting some of these economically inactive people into employed people will help to fill the potential employment gap in the future.

4.3: Skills and Training in the Workplace

Productivity in the UK: 6 (March 2006) supports the argument that soft skills such as interpersonal, teamwork, problem solving, management and adaptability are also important in explaining the UK's productivity gap. It states that recent research has linked good management practices with stronger firm level productivity and high quality investment, and evidence is beginning to build that the UK has poorer management practices than its competitor countries.

Skills and Competitiveness

The latest Yorkshire Forward/CBI *Survey of Regional Economic Trends* finds that almost 50% of companies in York say that a "high level of workforce skills" is a factor that contributes towards their organisation's competitiveness. The next most important issue is a high level of management skills. Peculiar to York is the much greater demand for creativity and innovation.

Figure 4.6: Skills factors of most importance to competitiveness, September 2006

Source: Yorkshire Forward/CBI Survey of Regional Economic Trends, September 2006.

Across York, the Leeds City Region and the Yorkshire and Humber region, three areas for skills development have been quoted time after time as the most important for employers: a high level of workforce skills, flexible working patterns and a high level of management skills. Until recently, a high level of management skill has been seen as more important in York than it was in September 2006 (although it still ranked joint third).

Table 4.5: The three key factors contributing towards competitiveness

	High level of workforce skills			Flexible working patterns			High level of management skills		
	York	LCR	Y&H	York	LCR	Y&H	York	LCR	Y&H
March 2006	61.7	62.4	59.7	38.3	47.6	47.6	55.0	47.3	46.5
March 2004	74.1	54.1	55.3	57.4	40.2	40.3	42.6	40.0	40.0
March 2002	74.4	55.4	58.0	43.6	36.2	36.3	44.9	37.4	35.2

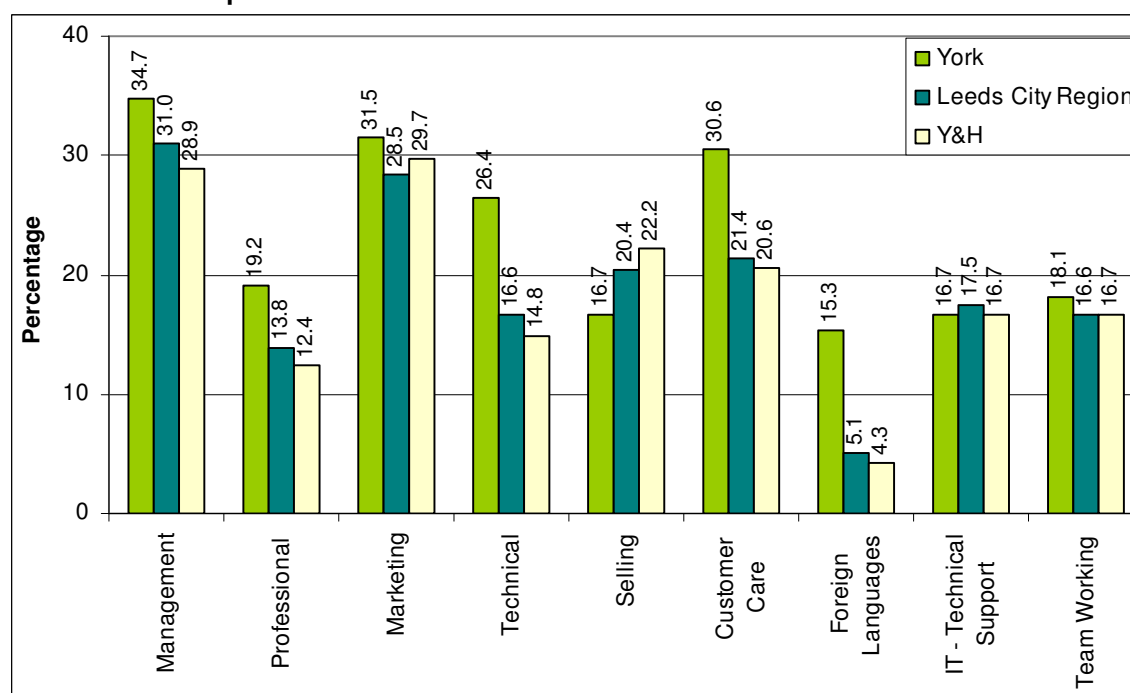
Source: Yorkshire Forward/CBI Survey of Regional Economic Trends, March 2006, 2004 and 2002.

On the other hand, skills problems are not seen as a particular problem affecting the growth of companies in York, with only 11.1% of firms quoting this as a limiting factor in September 2006, compared to the UK and regional averages of 16.2% and 16.6% respectively. A similar 11.1% said that it was hard to attract staff to the region and this might inhibit growth, but again, a greater proportion of firms felt this across the UK and the region as a whole (13.2% and 13% respectively).

Skills to Improve

When businesses are asked which skills they need to improve over the next twelve months to meet their business needs, York businesses overwhelmingly quote 'management skills' as being the most important, closely followed by marketing and customer care. Interestingly, a far greater proportion of York firms are also focused on customer care, technical, professional and foreign language skills needs.

Figure 4.7: Main skills requiring improvement in the next twelve months, September 2006



Source: Yorkshire Forward/CBI Survey of Regional Economic Trends, September 2006.

Table 4.6 shows that improving management skills is of most importance to the Financial and Business Services industries, with 35% of these firms across the region quoting this as an important area for improvement over the next twelve months. Also key to this sector is improving professional, marketing, selling and IT technical support skills. This sector is important to the York economy as are the Distribution, Hotels, Transport & Communications sectors, where over a quarter of companies say management, marketing and selling are important skills to develop in the next year.

Table 4.6: Key skills requiring improvement in the next twelve months by broad industry sector in Yorkshire and Humber, September 2006

	Primary & Manufacturing	Construction	Distribution, Hotels & Catering, Transport & Communications	Financial & Business Services	Other Services
Management	24.4%	23.5%	26.1%	35.0%	30.5%
Professional	6.7%	3.7%	5.6%	20.7%	20.3%
Marketing	28.4%	14.7%	28.8%	32.5%	36.9%
Technical	19.3%	16.9%	11.3%	19.8%	12.0%
Selling	27.6%	13.1%	25.9%	22.6%	18.5%
Customer Care	13.3%	14.0%	24.6%	18.6%	23.4%
Foreign Languages	4.4%	1.5%	5.6%	3.4%	2.8%
IT – Technical Support	11.9%	16.2%	16.5%	18.9%	17.2%
Team Working	14.9%	7.4%	16.7%	9.3%	25.9%

Source: Yorkshire Forward/CBI Survey of Regional Economic Trends, September 2006 (regional figures only).

A good proportion of York firms do appear to be trying to address these skills needs, with 39.3% of firms surveyed in September 2006 saying that they plan to spend more on training and retraining their staff in the next year, compared to only 29.5% in the Leeds City Region and 28.5% in Yorkshire and Humber. Only 2.4% of firms said they would spend less compared to Leeds City Region and Y&H averages of 10.8% and 9.5% respectively.

Key Points

- The key message from employers is that management skills are one of the most important skills that both affect a company's competitiveness, and also an area that they most wish to see improved in their business in the next year. This message is not just true for York businesses, but true for businesses across the region and the UK as well. *Productivity in the UK: 6* identifies research that has linked good management practices with higher levels of firm productivity.
- As a result of York's business mix, a much larger proportion of firms than average see creativity and innovation being key to their organisation's competitiveness.
- Also of greater importance to businesses in York than the regional average is the improvement required in the next twelve months in Customer Care, Technical, Professional and Foreign Language skills. Marketing, IT – Technical Support, Selling and Team Working are more in-line with the regional and Leeds City Region averages, but are still important skills where businesses want to see improvement in their workforces.
- The skills demands of employers also vary by industry sector, although management skills are seen as key to success in all sectors.
- York firms are more likely than average to be trying to address their skills needs by investing in training and re-training, providing a warm audience should public sector agency funding be offered in this area.

4.4: Future Skills

Yorkshire Forward worked with Experian Business Strategies Ltd to forecast the qualifications profile of York to 2016, and then to examine the impact of an improved skills mix on employment, Gross Value Added (GVA) and productivity.

At the UK level, the qualifications forecasts are driven by projections in the *Leitch Review of Skills, Interim Report* (2004). Experian's long-term modelling process forecasts how the qualifications profile of each county changes relative to the UK to 2020. This is driven by past trends and the industrial structure of each county. In this analysis, the York district qualifications forecasts assume the same relationship with the UK as the county which they are part of. The baselines used are taken from the Office for National Statistics, *Annual Population Survey* for 2005.

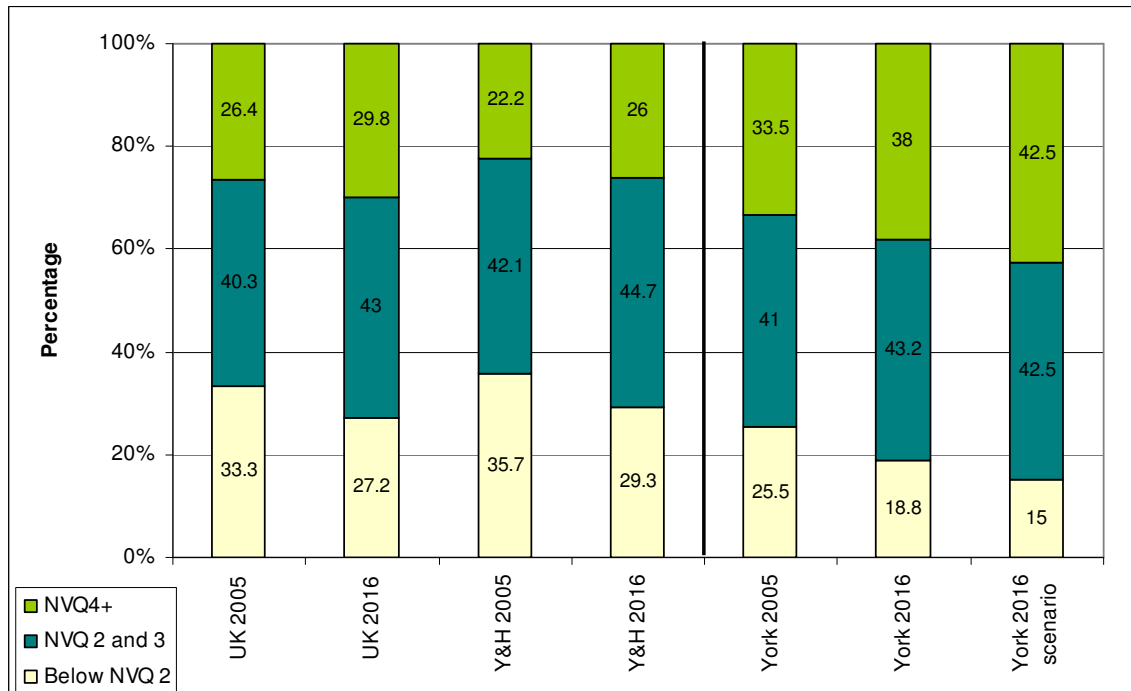
Baselines and Growth to 2016

In York, in 2005, 33.5% of the working age population was qualified to NVQ 4+. This is far better than the UK and regional averages of 26.4% and 22.2% respectively. At the other end of the scale, fewer are qualified to less than Level 2 (25.5% compared to the UK and regional averages of 33.3% and 35.7%).

By 2016, it is forecast that 38% of York's workforce will be qualified to Level 4+, compared to 29.8% across the UK as a whole and 26% across the region. At the lower end of the scale, only 18.8% of working age people will be qualified to less than Level 2. The proportion of the working age population with a Level 2+ qualification would increase to 81.2% (98,600 people) by 2016, while 38% (46,100 people) will have a Level 4+ qualification. This is a marginally better improvement in the skills mix than for the UK or the region a whole. The proportion of Level 4+ within Level 2+ (as per the RES Skills target) would increase to 46.7% by 2016.

Growth Scenario

York already has a more highly skilled working age population than the UK and Yorkshire and Humber in 2016 under the baseline. The improved growth scenario for York is based around improving the skills profile within reasonable bounds. Under this scenario, the share with Level 2+ qualifications increases to 85% from 81.2% in the 2016 baseline forecasts. 42.5% have a Level 4+ qualification in the scenario, increasing the proportion of Level 4+ within Level 2+ to 50%, up from 46.7% under the 2016 baseline.

Figure 4.8: Skills baseline, forecasts and growth scenario for York to 2016

Source: Yorkshire Forward/Experian Business Strategies Ltd, based on the Office for National Statistics, Annual Population Survey, 2005.

Should an improved skills mix for York be achieved by 2016, this would mean that there would be an additional 1,300 FTE jobs on top of the 2016 forecasts; productivity per worker would increase by £1,300 and GVA would grow by an average of 3% per annum between 2005 and 2016, compared to a forecast 2.6% in the baseline figures.

Table 4.7: The impact of an improved skills mix in York by 2016

	2005	2016 (baseline)	2016 (scenario)
FTEs	87,700	91,300	92,600
Productivity per worker, 2002 prices	£34,300	£43,800	£45,100
GVA growth (average per annum)	1.7% (1995 - 2005)	2.6% (2005 - 2016)	3.0% (2005 - 2016)

Source: Yorkshire Forward/Experian Business Strategies Ltd, Impact of Changing Skills Profiles in Bradford and York, Autumn 2006.

York's employment structure has an impact on its productivity levels, specifically as it has a higher proportion of employment in the Retailing, Hotels & Catering and Transport industries which are lower productivity industries. Also, York has low manufacturing employment, and industry sector which has relatively high productivity. This means that productivity in York is lower than the UK averages, but more in-line with the regional averages.

Average growth rates in GVA to 2016 (baseline) in York are in line with the regional average forecasts of 2.6% per annum, and just below the UK average forecasts of 2.7% per annum.

Key Points

- York already has a better than average skills mix, and forecasts to 2016 suggest that this will continue. In the context of the RES Skills target, the district will over-achieve against

the Level 2+ and Level 4+ elements of the target; however, an improved skills mix would increase these proportions even more.

- If no additional intervention is made, by 2016, York should expect to have approximately 38% of its working age population qualified to at least Level 4+. An improved skills scenario could increase this to 42.5%. The impact this will have on those with less than Level 2 qualifications is to decrease that proportion from 25.5% in 2005 down to only 15% by 2016.
- The impact of an improved skills scenario by 2016 will have a significant impact on GVA and productivity in the district. It will also potentially increase employment by 1,300 FTE jobs – although this may result in additional in-commuting to the city to fill these positions.

4.5: Summary

- GCSE attainment in York is good compared to average, but there are still around 50% of 16 year olds leaving each year that don't attain the required level of 5+ (A* - C) including Maths and English. Employer views are not favourable of the skills of recent school leaver recruits and this affects productivity. **Poor attainment in four schools** in particular needs addressing, as they account for 25% of all Year 11 leavers in the City.
- York's **higher qualification rate of its workforce** means that, although skills always remain an area to improve upon, less has to be done to increase workforce qualifications in the city, than in other areas.
- Over the last ten years (1995-2005), York has seen **full-time equivalent (FTE) jobs growth** of over 9,000. Between 2005 and 2015, a further 3,400 FTEs are forecast to be added to the city's jobs market, bringing the total number of FTE jobs in the district up to an estimated 90,600 from 87,200 in 2005.
- The Transport, Retailing, Health, Business Services, Education, Hotel & Catering and Public Administration sectors are currently, and will remain the **key employing industries** in the district for the next ten years. York is an important contributor for employment in these sectors in the context of the Leeds City Region. Over the past decade, industrial sector changes have had, and will continue to have an impact on the occupational breakdown of York, and also of self-employment, especially with the decline of the Construction industry.
- **Forecast population growth** to 2030 for York may not match its **potential jobs growth**. However, recent research suggests that York is potentially a magnet for workers from other areas in the region. Activity to convert those who are of working age but currently **economically inactive** could help to fill this gap (and reduce benefit costs). The region also has an excellent Higher Education base, over 50,000 graduates a year and a **good retention rate of graduates** who subsequently work in the region. This can be capitalized on with appropriate recruitment campaigning and marketing.
- York firms are more likely than average to be trying to address their skills needs by investing in **training and re-training** of their workforce. Particular areas for attention include management skills (this has a strong link to improved productivity overall), marketing and customer care. A much stronger proportion of York firms than average also identify technical, professional and foreign language skills as requiring improvement. The interest York businesses express in training their workforce suggests a warm audience should additional public sector support be offered in these areas.
- York already has a better than average skills mix, and forecasts to 2016 suggest that this will continue. In the context of the *Regional Economic Strategy* Skills target, the district will over-achieve against the Level 2+ and Level 4+ elements of the target if no additional intervention is made. However, a focus on **improving the skills mix above projected trends** could have the impact of increasing Level 4+ qualifications from a projected 38% of working age to 42.5% and reducing those with less than a level 2 qualification down to only 15%. Should an improved skills mix for York be achieved by 2016, this could also result in an additional 1,300 full-time equivalent jobs on top of the 2016 forecasts and GVA growth at an average of 3% per annum between 2005 and 2016, compared to a forecast 2.6% in the baseline figures.

Section 5: Investment

Investment increases labour productivity by increasing capital stocks that each worker can utilise. Lower levels of capital investment have been a contributory factor in explaining the productivity gap between the UK and France, Germany and the US.

Investment can have both a direct and indirect effect. The direct effect is that labour is more productive because it has more capital to work with. The indirect effect is that when using new investments, labour is able to gain new skills. For example, investment in new machinery might require workers to be retrained thus increasing their skills.

A contribution to productivity can also be made through non-capital investments. For example, investing in staff training or developing innovative practices may increase skill levels without adding to company assets.

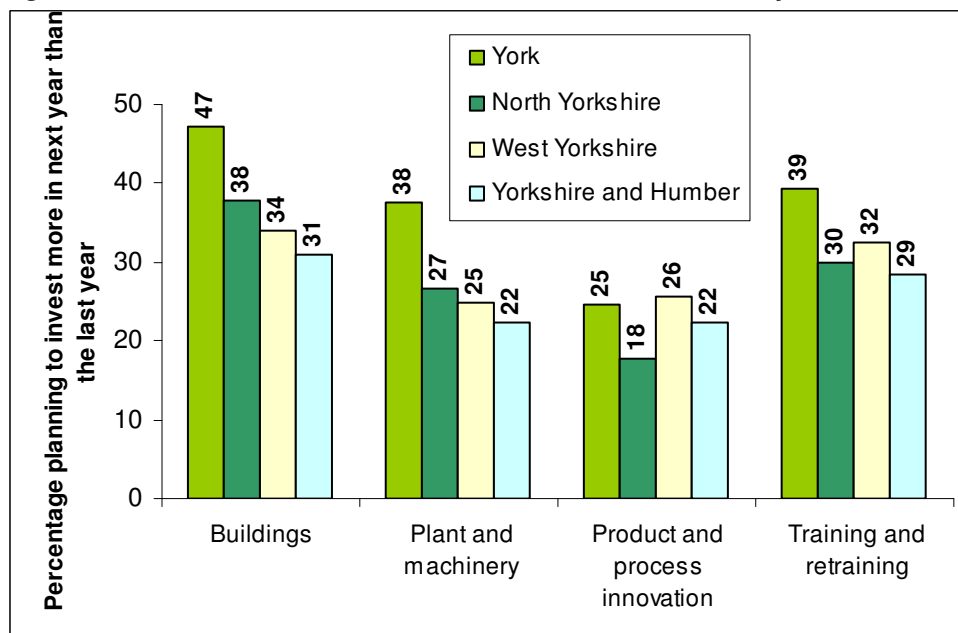
ICT investment is a specific component of physical capital and is the most recent example of technological change with a pervasive influence on production processes across a wide range of sectors in the economy.

5.1: Business Investment

Business Investment Intentions

In York, business investment can be measured through the intentions of companies to invest in both capital and non-capital assets. These include: buildings; plant and machinery; product and process innovation; and training/retraining of staff.

Figure 5.1: Business investment intentions over the next year



Source: Yorkshire Forward/CBI, Survey of Regional Economic Trends, September 2006.

Firms in York appear more interested in investment than those in other parts of the region.

With most investment intentions, there is a significant difference between the percentage intending to invest in York and other areas. Compared to the regional average, this includes a 16percentage point difference on capital investments (buildings and plant and machinery) and a 10percentage point difference on training.

The one area where York business investment intentions are similar to the other comparator areas is product and process innovation.

All areas follow a similar trend with investment in buildings as the most popular intention, followed by training and investment. Of the other two areas, York and North Yorkshire are more interested in plant and machinery with West Yorkshire and the region more interested in product and process innovation.

Investment and Competitiveness

Other factors that businesses see as contributing towards their organisation's competitiveness include investment in R&D, IT investment and new capital investments. Of these, IT and new capital investments are seen as most important by businesses, and York firms are more likely to express this than businesses across the region in general (see Table 5.1). Although York is a Science City, only a very small percentage of firms in the district believe that investment in R&D will enhance their competitiveness.

Table 5.1: Percentage of firms that feel investment in specific factors would enhance their competitiveness

	UK	Yorkshire and Humber	North Yorkshire	York
Interest in investment in R&D	6.2	4	4.3	1.4
IT investment, use of ICT	6.2	16	16.7	18.1
New capital investments	15.4	12.8	11.7	16.7

Source: Yorkshire Forward/CBI, Survey of Regional Economic Trends, September 2006.

Similarly, York firms are far more likely than the regional and UK average to see low capital investment as an inhibitor of growth.

It is interesting to note that although more firms in York than average say that IT investment would improve their competitiveness, far fewer feel that a lack of IT investment would inhibit growth.

Table 5.2: Percentage of firms that feel that lack of investment in specific factors would inhibit growth

	UK	Yorkshire and Humber	North Yorkshire	York
Links to universities/knowledge base	1.4	1.1	1.2	2.8
Lack of IT investment/use of ICT	3.2	4.5	4.7	4.1
Lack of inward investment	4.1	5.8	7.4	5.5
Low capital investment	6.5	8	8.6	12.3

Source: Yorkshire Forward/CBI, Survey of Regional Economic Trends, September 2006.

Location

Firms in York are more likely than average to agree that their current location is a good place for businesses to invest in, with nearly 72% of firms saying so in the September 2006 Survey of Regional Economic Trends – far higher than the regional average of 58.6%.

However, when asked: "For the future do you expect the area in which your business is located to become more attractive to investors?" 43% of firms in York said yes, whilst the same proportion neither agreed nor disagreed. This higher level of pessimism for the future is replicated across the region (43.1%).

Key Points

- Businesses across York are far more likely than average to have strong investment intentions for the next year, especially in buildings, training and plant and machinery – a positive message for productivity improvements.
- New capital investments and IT investments are also seen as good drivers of a firm's competitiveness by York businesses, more so than across the UK as a whole.
- An interesting, but slightly strange message is the lower level of importance placed on R&D investment and access to universities/knowledge base as drivers of competitiveness. This does not quite sit with York's Science City focus.
- York firms are optimistic that York is a good place for businesses to invest in; however, they are less optimistic about the future (in-line with the regional average).

5.2: Infrastructure Investment

Infrastructure facilitates the movement of goods and people, encourages business investment, influences individuals' location decisions, supports social objectives, and benefits consumers through lowering the cost of goods and services and increasing the variety available to them. As such, an investment in infrastructure provides the opportunity for economic growth and has been seen to contribute to further private sector investment.

There are a number of transport infrastructure issues in York and the surrounding areas and a lack of investment could have a detrimental impact on productivity. Fast reliable transport connections are essential to connect people to employment and facilitate trade.

Around 25% of all travel to work trips in York originate from outside the city. Between 1991 and 2001, total commuting trips increased by 65%.

York has a net inflow of nearly 5,000 people. The majority of cross boundary commuting in York comprises movements to or from neighbouring areas, particularly the East Riding, Leeds and Selby.

Leeds is the most important employment centre outside of the North Yorkshire sub-region, with over 22,000 commuting from York and North Yorkshire each day, while 8,000 people travel from Leeds into North Yorkshire. Within the sub-region, over 11,000 people travel from York and North Yorkshire into York each day.

Table 5.3: Daily commuting flows in York

	Out-flow from York	In-flow to York	Net flows from York
Leeds	4,571	1,838	2,733
Harrogate	1,595	1,615	-20
Ryedale	1,541	2,271	-730
Hambleton	1,465	2,327	-862
Selby	1,667	4,317	-2,650
East Riding	1,693	5,123	-3,430
Total	12,532	17,491	-4,959

Source: York Local Transport Plan 2006–2011 Part 1: Changing Face of York.

Transport issues that have been highlighted in previous studies are shown below covering roads, rail and buses.

Road Issues

There is peak hour congestion on radial routes leading onto the York Ring Road, particularly the A19 from Thirsk, A59 from Harrogate, A19 from Selby, and the A64 from Malton.

High peak hour traffic flows on the roads into Leeds and Bradford from Harrogate, Selby and Craven districts leads to congestion in Harrogate and parts of West Yorkshire.

The difficult position the region faces is that it is unable to just build its way out of the issue through extra road capacity. Studies show this can simply unlock suppressed demand for car travel which will over a period of years swamp the improvements made.

The car dominates the means of transport to work in York, as it does throughout the country. However, car travel is 6 percentage points below the national average and 10 percentage points below the regional average. More people in York are likely to walk to work than either the regional or national average.

Table 5.4: Main method of travel to work (2001)

Travel to work methods	York	North Yorkshire	Y&H	England
Train	1.6	1.5	1.8	7.4
Bus	7.2	4.4	10.5	7.5
Car	54.2	60.9	64	61.5
Motorbike	1.8	1	1	1.1
Bicycle	12	5.1	2.9	2.8
Foot	14.9	14.4	10.9	10
Other	0.4	0.7	0.4	0.5
Work at home	7.9	12.2	8.4	9.2

Source: Office for National Statistics, Census 2001.

Rail Issues

There is limited frequency and capacity on rail routes from Thirsk/Northallerton, Malton/Scarborough, Harrogate and Selby.

There is limited capacity on peak hour rail services into Leeds from York, Harrogate and Selby and traffic and parking problems at Metro stations.

York is a pivotal railway hub located on the key north/south, east/west and cross-country rail routes. It is served by the East Coast Mainline, providing access to London and Scotland, as well as west to Leeds and Manchester. It is estimated that approximately 5.5 million passengers start or finish their journey at York station each year and a further 2 million interchange services are undertaken.

Bus Issues

The popularity of Park and Ride and its continued growth is leading to capacity pressures on some sites during the busiest days.

Since 2000, York has seen an increase of almost 80% in bus patronage. This is mainly due to the Park and Ride services that accommodate almost 2.3 million passengers per year.

Road Pricing

In the Yorkshire Forward/CBI *Survey of Regional Economic Trends* (September 2005), firms were asked what the likely impact of national road pricing would have on their business. Table 5.5 shows the percentage of firms who believed national road pricing would increase both costs and working styles.

Table 5.5: Percentage of firms who believe national road pricing will increase particular costs

	York	Y&H
Overall costs will increase	69.6	75.1
Sales will increase	11.5	8.0
Use rail more	55.1	27.8
Use other public transport more	36.6	18.3
More homeworking	57.6	28.7
Investment in technology e.g. teleconferencing	53.8	30.8

Source: Yorkshire Forward/CBI, Survey of Regional Economic Trends, September 2005.

Key Points

- Public transport links between Leeds and York and North Yorkshire are particularly important for employment purposes.
- York has a net inflow of 5,000 commuters a day, and 25% of all its travel to work trips originate from outside the city. The East Riding and Selby are particular contributors to the York workforce.
- The Park and Ride services are successful, and have increased bus patronage by 80% since 2000.
- There are key capacity issues with the current public and road transport systems for York. This will have an impact on how much the city can feasibly grow in terms of employment in the future.
- 69% of firms in York believe road pricing would increase costs compared to an average of 75% across Yorkshire and Humber. However, more firms in York also felt it would also increase sales (11.5% compared to the regional average of 8%).
- Firms in York are more willing to use public transport in response to road pricing than those in the region as a whole. 55% would increase their use of rail compared to 28% in the region and 37% of firms in York would use other forms of public transport compared to 18% in Yorkshire and Humber.
- Firms in York would also be more willing to invest in new technologies in response to road pricing. 54% of York's businesses say they would invest in new technologies compared to a regional average of 31%.

5.3: Summary

- Businesses across York are far more likely than average to **have strong investment intentions** for the next year, especially in buildings, training and plant and machinery – a positive message for productivity improvements. New capital investments and IT investments are also seen as good drivers of a firm's competitiveness by York businesses, more so than across the UK as a whole. York firms are optimistic that currently **York is a good place for businesses to invest in**. This positive message could be capitalised on.
- Public transport links between Leeds and York and North Yorkshire are particularly important for employment purposes as York currently has a net inflow of 5,000 commuters a day, with 25% of all its travel to work trips originating from outside the city. The Park and Ride schemes are successful, but there are **key capacity issues on the current public and road transport systems** for York. This **may constrain employment growth** in the future, and reduce the attractiveness of the city as a potential location for inward investment.

Section 6: Enterprise

Enterprise – the drive of individuals to create and grow new businesses – has a critical role to play in a dynamic and flexible economy. New enterprises drive productivity growth by applying competitive pressure in the market place, bringing forward new products, and raising the incentives for established firms to invest, innovate and seek efficiency and quality improvements. New entrants help market share to be transferred through market forces from lower productivity firms to more productive firms, thus raising productivity at an aggregate level. Enterprise can also play an important role in generating employment and contributing to economic regeneration and social cohesion (HM Treasury, *Productivity in the UK: 5*).

HM Treasury's *Productivity in the UK: 6* highlights that at a national level, enterprise indicators show some improvement in the UK, with entrepreneurial activity (as measured by the *Global Entrepreneurship Monitor's Total Entrepreneurial Activity Index*) stronger than in France and Germany and UK total early stage entrepreneurial activity showing the third highest rate of the G7 economies behind the US and Canada.

The UK also performs well in terms of the cost of starting up a business, but is less strong on start-up times. In addition to low start-up costs, the UK has relatively well-developed capital markets and the Organisation for Economic Co-operation and Development (OECD) has rated the UK as having the lowest barriers to entrepreneurship of any major economy. Overall, the UK has performed well under the enterprise driver but still lags behind the USA.

So what is the picture for Enterprise in the York economy?

6.1: Business Stock

VAT Stock

The VAT registered business stock in York currently stands at 4,940, accounting for 3.7% of the region's total VAT stock. This is 317 VAT registered businesses per 10,000 of the adult population; a figure that compares similarly with the region's other major employment centres.

Since 1999, VAT stock in York (per 10,000 resident adults) has increased by 7.1%, faster than the UK average of 3.8% and the regional average of 4.1%.

Table 6.1: VAT Business Stock per 10,000 resident adults

	1999	2000	2001	2002	2003	2004	2005	2006	% increase (1999 – 2006)
United Kingdom	367	371	374	374	375	378	379	381	3.8
England	372	377	380	380	381	385	386	388	4.3
Yorkshire and Humber	314	317	319	318	318	323	325	327	4.1
North Yorkshire	471	474	475	473	475	481	482	484	2.8
York	296	299	302	303	308	314	315	317	7.1
Bradford	289	292	293	289	285	286	287	291	0.7
Leeds	312	312	314	312	311	315	314	316	1.3
Sheffield	259	262	264	268	267	272	273	273	5.4
Hull	200	205	207	210	213	218	222	228	14.0
Manchester	360	358	345	338	326	318	316	314	-12.8
Newcastle	230	232	235	233	235	235	235	234	1.7

Source: Small Business Service, VAT stock data, February 2007.
(VAT threshold is currently a turnover of £61,000).

Rural areas, such as North Yorkshire generally have a much higher business stock per head of population than urban employment centres.

VAT statistics however, do not capture those businesses that fall below the VAT threshold, and as such, do not reflect the true number of businesses within a location. Regional level data released by the Small Business Service suggests that the total number of businesses operating in York is likely to be substantially higher. If we assume that the proportion of businesses not included in the VAT statistics is the same at local level as it is at regional level we can estimate there to be approximately 12,500 businesses in York, some 7,500 of which fall below the VAT threshold.

The Office for National Statistics' *Annual Business Inquiry* gives the middle ground of 7,061 business units in York in 2006 (4% of the regional total).

New VAT Registrations

York has a markedly lower VAT start-up rate when compared to both the England and North Yorkshire rates, but is performing broadly in line with the regional start-up rate.

Over the past seven years, the VAT registration rate in York has been fairly static at around 32 VAT registrations per 10,000 resident adults. This suggests a degree of stability in the York economy. In comparison, although VAT registration rates in Manchester are much higher, they have shown a declining pattern over the past seven years.

Table 6.2: VAT registrations per 10,000 resident adults, 1999-2005

	1999	2000	2001	2002	2003	2004	2005
United Kingdom	38	38	36	37	40	38	37
England	40	40	38	39	42	40	38
Yorkshire and Humber	30	31	29	31	34	32	31
North Yorkshire	40	40	39	41	46	42	41
York	30	31	30	33	34	30	32
Bradford	29	31	30	30	32	31	32
Leeds	33	34	32	34	36	35	33
Sheffield	29	29	28	27	30	30	27
Hull	20	21	22	23	24	25	22
Manchester	48	43	42	40	41	41	37
Newcastle	24	25	24	25	27	25	26

Source: Small Business Service, VAT registrations data, February 2007.
(VAT registration threshold is currently a turnover of £61,000).

The Region's Enterprise Target

The Enterprise target set out in the 2006-2015 *Regional Economic Strategy* is to increase total business stock across the region by 25%, from 32 businesses per 1,000 adults in 2004 to 40 business per 1,000 adults (based on VAT registered firms). Essentially, this equates to over 30,000 extra net VAT registered businesses, and means that we need to increase the current 133,335 VAT registered businesses in the Yorkshire and Humber region (start of 2006) up to 163,688 by 2015. Achieving this target would increase the regional share of VAT registrations in England to 9.4% (assuming same trend of growth across England as a whole) from a forecast trend of 8.1% by 2015; add approximately £1.7 billion to the regional economy, and increase GVA per head from 88.8% of UK average to 91.6%. However, based on projecting recent VAT stock growth trends forwards, the region is likely to fall short of this target position by about 18,750. Therefore, if the region is to attain its target it will need to significantly improve its performance. Improving VAT start-up rates in York will help towards achieving this regional target (although no sub-regional or local targets have been set). If York is to achieve a VAT stock rate of 40 per 10,000 resident adults (the RES target), it would need a VAT stock of 6,175 by 2015 – an additional 1,235 VAT registered businesses on top of the 4,940 that currently exist.

Key Points

- Business density (measured as VAT registered businesses per 10,000 adult population) in York is lower than the national and regional averages, but indicative of an urban employment centre. Growth since 1999 in business stock in the district has been above average.
- VAT statistics suggest a business stock of 4,940 in York, the *Annual Business Inquiry* suggests 7,061 business units, but estimates taken from the Small Business Service SME statistics give a possible 12,500 businesses operating in the York district.
- VAT registrations per 10,000 resident adults in York year-on-year are broadly in line with the regional average, and have remained fairly stable over the past seven years, with a current rate of 32 registrations per 10,000.
- Based on these figures, there appears to be no major requirement to significantly increase the business stock of York. However, if the regional RES Enterprise target of increasing the VAT business stock of the region is applied to York, it would require an additional 1,235 businesses in the city to be registered for VAT.

6.2: Current Entrepreneurs

In 1995, there were 9,785 self-employed people in York (10.3% of the total number of people in employment in the district). In 2005 this figure was broadly the same at 9,702 and in 2015, it is forecast to be a similar 9,817. Self-employment represents 16% of employment in the North Yorkshire sub-region, and 11.2% of the region's total number of people in employment (2005 figures).

Table 6.3: Self-employment as a proportion of total employment, 1995 – 2015

	1995	2005	2015
UK	14.0	12.7	12.7
Yorkshire and Humber	13.2	11.2	11.3
North Yorkshire	19.2	16.0	15.6
York	10.3	8.9	8.5

Source: Yorkshire Forward/Experian Business Strategies Ltd, Regional Econometric Model, Autumn 2006.

In 1995, the largest proportion of self-employed people in York (36.2%) were working in the Construction industry. Since then, it has declined down to 14% of total self-employment in the district, and is expected to continue to decline to around 11.4% by 2015. In comparison, across the region as a whole, self-employment in the Construction industry is currently at 26.5%, and across the UK as a whole it is at 22.7% of all self-employment.

Although employment and output is set to rise in the Retailing sector, self-employment is forecast to decline from 13.9% in 1995 down to 7.9% by 2015, mainly due to the closure of small independents, and the increased predominance of larger chain stores.

In comparison to the UK picture, York is peculiar in its dramatic increase in self-employment in the Transport and Business Services sectors. Business Services self-employment has grown across the UK as a whole, but to a much lesser extent than in York. Currently the UK figure for self-employment in this sector is 15.9% of all self-employment while in York it accounts for 21.3% of all self-employment. Meanwhile, UK self-employment in the Transport sector is currently at 5.5%, compared to the York figure of 13.7%. Increases in self-employment in these sectors have offset the losses in the Construction sector.

Table 6.4: Self-employment by industry sector in York, 1995 – 2015

	1995		2005		2015	
	Number	%	Number	%	Number	%
Industry Total	9,785	100.0	9,702	100.0	9,817	100.0
Agriculture, Forestry & Fishing	313	3.2	192	2.0	147	1.5
Metals	35	0.4	158	1.6	156	1.6
Construction	3,546	36.2	1,360	14.0	1,121	11.4
Retailing	1,356	13.9	1,009	10.4	779	7.9
Wholesaling	419	4.3	274	2.8	222	2.3
Hotels & Catering	534	5.5	255	2.6	207	2.1
Transport	411	4.2	1,326	13.7	1,679	17.1
Communications	16	0.2	205	2.1	298	3.0
Banking & Insurance	123	1.3	368	3.8	351	3.6
Business Services	531	5.4	2,064	21.3	2,313	23.6
Other Financial & Business Services	155	1.6	215	2.2	251	2.6
Education	288	2.9	263	2.7	180	1.8
Health	686	7.0	630	6.5	508	5.2
Other Services	1,064	10.9	1,073	11.1	1,334	13.6

Source: Yorkshire Forward/Experian Business Strategies Ltd, Regional Econometric Model, Autumn 2006.

(Note: Very small levels of self-employment in some industry sectors are not shown e.g. Machinery & Equipment where levels are currently only at around 26 people).

In view of York's population projections for the future and the old age dependency ratio (currently 4 workers for every retired person but forecast to drop to only 2.8 by 2030); self-employment may become quite important for the district. This also needs to be considered in light of the number of Eastern European migrants coming into the region. These people are currently predominantly operating in the lower paid, lower skilled jobs e.g. warehousing and packing.

Key Points

- York is a major employment centre in its own right within the region and also benefits from its close proximity to other major employment centres including Leeds, Harrogate, Middlesbrough and Hull. This has an obvious impact on the necessity for self-employment and business ownership amongst the city's resident population and is reflected in its performance against a number of key entrepreneurial measures. Additionally York has a more closely defined geographic boundary than many other districts in the region, which may have an effect on some measures.
- Levels of self-employment in York (8.9%) are below the UK (12.7%) and regional averages (11.2%). Given York's status as a major employment centre lower rates of self-employment and business ownership for the district are not necessarily a bad thing, though for forward planning purposes, this does need to be put into the wider context of population ageing, migration and likely growth in FTE employment, which suggests self-employment may become quite important for the district.
- The largest proportion of self-employed people in York are operating in the Business Services sector (21.3%), with significant proportions in Construction (14%), Transport (13.7%) and Retailing (10.4%).

6.3: Future Entrepreneurs

Self-employment is a key factor in the success of an economy as a whole, and the figures presented above highlight where it is forecast that self-employment will be most predominant in the future. Another useful measure is the number of people thinking about going into business in the future.

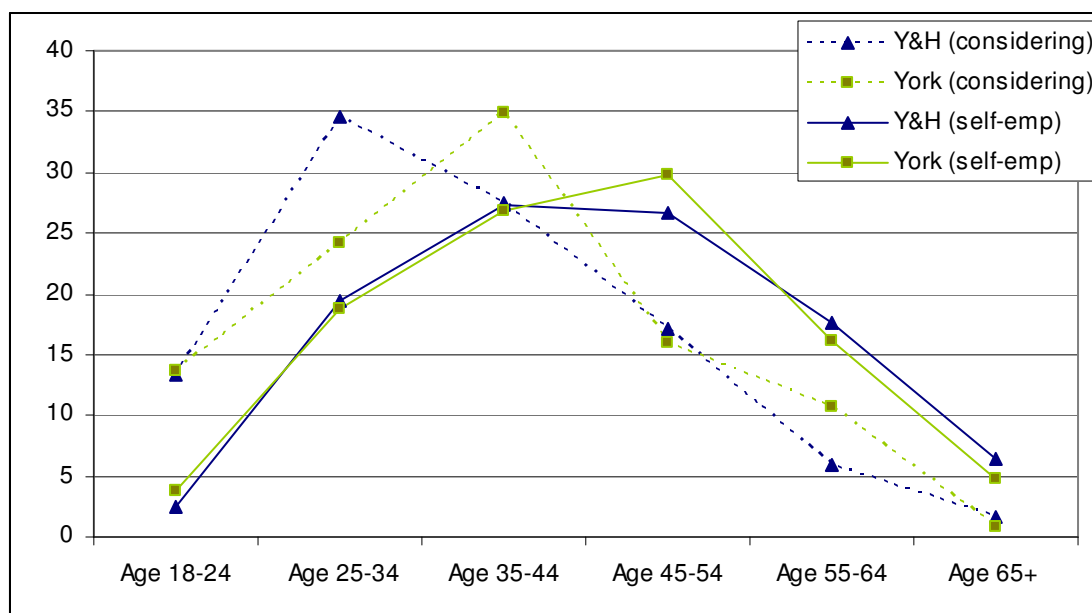
In 2006, 3.7% of households in York were thinking about starting up their own business, this equates to nearly 3,000 households. However, the rates are less than for England (4.9%), and Yorkshire and Humber (4.2%) and represent a reduction on previous years.

Age

In terms of target-marketing potential business owners, across the York district there is likely to be most success with the 35-44 age group, unlike the regional and national average, where the most interest lies with the 25-34 age group. Around 35% of all householders thinking about starting their own business in the York district are in the 35-44 age bracket.

In comparison however, the age profile of actual business owners in York is very similar to the regional and national averages, with most business owners being in the 35-54 age group. Raising the levels of business ownership in older age groups may become a policy area worthy of more attention in the future as retirement ages begin to rise to compensate for population ageing.

Figure 6.1: Age profile of people thinking about starting a business in the future, 2005



Source: Acxiom National Lifestyle Survey. © Acxiom UK Ltd. All rights contained in this data belong to Acxiom UK Ltd and may not be used or reproduced without the express permission of Acxiom UK Ltd.

Ethnicity

Across the Yorkshire and Humber region, 3.8% of White households are thinking about starting up in business in the future. In comparison, the rate for Black and Minority Ethnic (BME) households is 14.4%. This trend is replicated across England, with 4.2% of White households thinking of starting a business compared to 17% of BME households.

Forecasts from a Yorkshire Futures/University of Leeds, School of Geography report in 2006 suggest that the York population will increase from 186,600 in 2005 to 211,330 by 2030 – a rise of 13.3%, compared to a forecast rise of 8.9% across Yorkshire and Humber as a whole. York's very small minority ethnic population is forecast to rise by 71% from 6,757 to 11,548. Most of this will be in the Chinese/Other (mainly Eastern European) groups.

The impact this may have on self-employment rates is yet to become apparent. However, if you assume that of those additional 4,791 people, about 59% will be of working age (2,827 people) and then assume that 13.9% of those people may be self-employed (based on

current BME household self-employment rates for the region), then at least an additional 393 people from York's small BME community may be self-employed (based on the forecast population growth).

Key Points

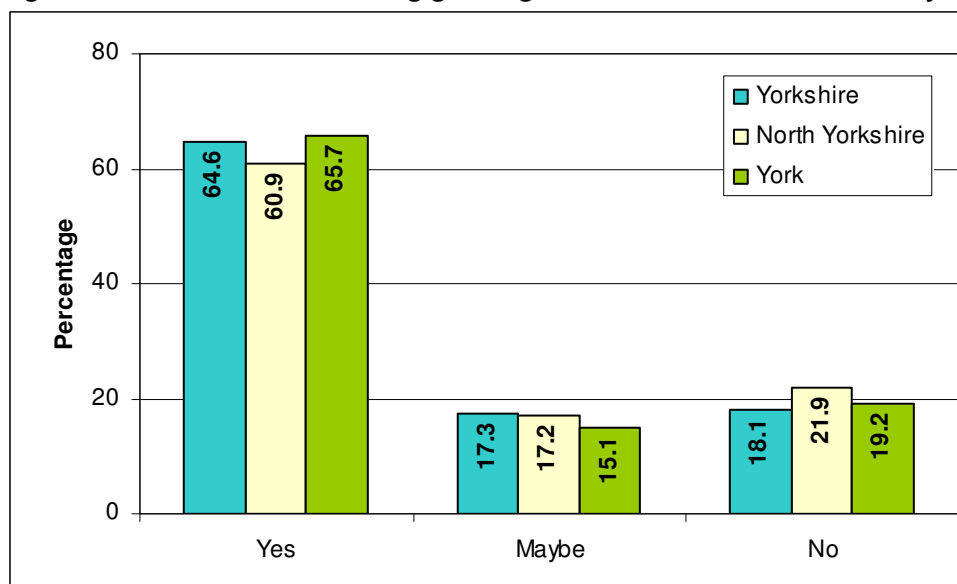
- Around 3.7% of households in York are thinking about starting their own business, less than both the regional and England averages, and a reduction on previous years. It also compares less well to other cities in the region such as Leeds (4.9%), Sheffield (4.5%) and Bradford (4.8%). Given its already relatively modest start-up levels, this may pose some issues going forward as self-employment potentially becomes more important to meet future workforce versus pensions demands.
- In terms of encouraging entrepreneurial activity, target-marketing the 35-44 age group in York is likely to be most successful, whereas across the region as a whole, the age group with the greatest propensity to set-up a business is the 25-34 age group.
- Ethnicity plays a key role in entrepreneurship, with over three times as many BME households in the region thinking about starting their own business as White households. York has the potential here to target its small, but growing Chinese and Eastern European communities to help meet possible employment gaps in the future.

6.4: Business Growth and Survival

Business Growth

The September 2006 *Survey of Regional Economic Trends* asked firms whether or not they were considering growing their business in the next two years, nearly two-thirds of firms operating in York said "yes", whilst only 19.2% said 'no'. This is slightly more than the regional average.

Figure 6.2: Firms considering growing their business in the next two years



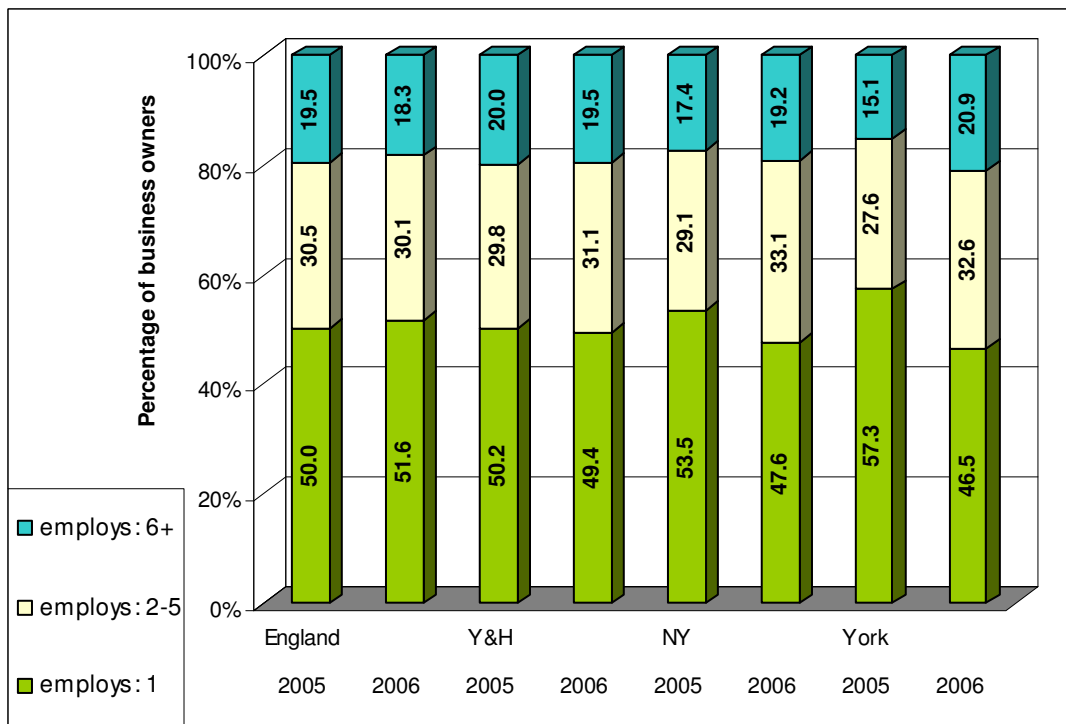
Source: Yorkshire Forward/CBI, *Survey of Regional Economic Trends*, September 2006.

(Note: this question was only asked on the Yorkshire and Humber survey, so UK comparisons are not available).

Business investment intentions for the next twelve months are also much stronger in York than across the region or the UK, with 47% of York firms planning to invest more in buildings and 38% planning to invest more in plant and machinery over the next twelve months (see Section 5 for further details).

This intention to grow is also supported by information on the number of people that business owners have been employing over the past two years. Between 2005 and 2006, the proportion of business owners in York that stated they only employed themselves has decreased from 57.3% down by over 10 percentage points to 46.5%. Similarly, the proportions employing 2-5 and 6+ have increased. This trend has been mirrored to a lesser extent across North Yorkshire as a whole, but not across England or the region. These are positive messages against the recent backdrop of 'job loss announcements' in York.

Figure 6.3: Numbers employed by business owners, 2005 and 2006



Source: Acxiom National Lifestyle Survey. © Acxiom UK Ltd. All rights contained in this data belong to Acxiom UK Ltd and may not be used or reproduced without the express permission of Acxiom UK Ltd

Business Survival

The latest data from the Small Business Service shows that for those businesses registering for VAT in 2002, three years later (2005), 74% were still trading above the VAT threshold. This compares favourably to the national (71%) and regional averages (72%) and is above rates seen in other cities including Leeds, Sheffield, Bradford, Hull, Manchester and Newcastle. Within the region, the highest rates of survival are in North Yorkshire at 76%.

Obviously the VAT survival rates only relate to those businesses that are operating above the VAT threshold. However, this positive message is borne out by household data on all business owners/self-employed irrespective of their VAT status. In 2006, across England 61% of business owners/self-employed said they had been running their business for over three years with the regional average a similar 60%. Within the region, North Yorkshire has the highest level of business owners/self-employed that have been operating for over three years at nearly 70%. In York, this figure is a similarly positive 67% (Acxiom National Lifestyle Survey, 2006).

Table 6.5: Three-year survival rates of VAT registered businesses

Businesses registering in:	1996	1997	1998	1999	2000	2001	2002
United Kingdom	67	69	68	68	68	70	71
England	67	68	68	68	68	69	71
Yorkshire and Humber	66	68	67	69	67	70	72
North Yorkshire	71	73	73	74	73	74	76
York	68	69	76	73	72	75	74
Leeds	63	66	66	66	64	65	68
Bradford	63	66	62	66	62	65	69
Sheffield	67	65	62	67	67	69	70
Hull	65	63	64	69	66	71	72
Manchester	59	55	60	59	58	59	64
Newcastle	66	66	66	64	66	68	72

Source: Small Business Service, three-year business survival rates for businesses registering in 1996 to 2002, February 2007.

Key Points

- Nearly two-thirds of businesses in York say they plan to grow their business in the next two years, slightly more than the regional average. Similarly, over the past year, evidence from self-employed/business owners suggests that micro-businesses in the city have been recruiting staff at a far higher rate than the national average.
- York performs well on business survival, with slightly more companies still in business after three years than both regional and national rates. However, coupled with a modest start-up rate this may well reduce levels of 'churn' and therefore competition within the business base, with the potential to restrict long-term productivity growth in the district. Stimulating existing households and businesses to start-up or move up the value chain and increasing Inward Investment may help to address this.

6.5: Summary

- Business density in York is lower than the national and regional averages, but indicative of an urban employment centre. There appears to be **no major requirement to significantly increase the business stock** of York, however; if the *Regional Economic Strategy* Enterprise target of increasing the VAT business stock of the region is applied locally to York, it would require an additional 1,235 businesses in the city to be registered for VAT. Based on a recent survey where two-thirds of firms in York suggested they wished to growth their business in the next two years, this could be achieved by **increasing business growth** rather than focusing too heavily on business starts.
- Levels of self-employment in York are below the UK and regional averages. Given York's status as a major employment centre, **lower rates of self-employment and business ownership** for the district are not necessarily a bad thing, though for forward planning purposes, this does need to be put into the wider context of population ageing, migration and likely growth in full-time equivalent employment, which suggests self-employment may become quite important for the district.
- The largest proportion of York's self-employed are currently operating in the Business Services sector (21.3%), with significant proportions in Construction (14%), Transport (13.7%) and Retailing (10.4%). **Industrial changes over time have a significant impact on self-employment**, although self-employment rates for York have remained stable at around 9% for the last decade.
- York has fewer than average of its population that are thinking about starting up in business. However, of those that are, **target marketing** the 35-44 age group is likely to have the most success. Ethnicity also plays a key role in entrepreneurship, with over three times as many Black and Minority Ethnic households in the region thinking about starting their own business as White households. York has the potential here to target its small, but growing Chinese and Eastern European communities to help meet possible employment gaps in the future.

- York performs well on business survival, with slightly more companies still in business after three years than both regional and national rates. However, coupled with a modest start-up rate this may well reduce levels of 'churn' and therefore competition within the business base, with the **potential to restrict long-term productivity growth** in the district. Stimulating existing households and businesses to start-up or move up the value chain and increasing inward investment may help to address this.

Section 7: Communities and Regeneration

The nature, scale and relative intensity of social exclusion (and by definition economic inclusion) in York shares many of the same characteristics, and hence challenges as other parts of Yorkshire and Humber.

As York's economy grows, opportunities to connect the indigenous population to the economic opportunities that result will increase as the employment rises.

7.1: Economic Activity and Inactivity

Economic Activity

Comparatively speaking, York's rate of economic activity, and within this, the rate of those in employment relative to the rate of economic inactivity is very good, amongst the best in Yorkshire and Humber (and the economic inactivity rate is amongst the lowest in the region).

Significant opportunities exist locally to get more of the economically inactive population into work as some 4,000 people (or 3.5%) who are currently inactive in York say they want a job, this is much higher than nationally (see also Table 4.4 in Section 4).

Table 7.1: Comparative local estimates of economic activity and inactivity

	Economic Activity Rate (age 16-59/64)	Unemployment rate % (age 16+)	Employment rate % (age 16-59/64)	Economic inactivity rate (age 16-59/64)
Yorkshire and Humber	78.7	5.3	73.9	26.3
Barnsley	73.5	5.9	69.0	26.3
Bradford	74.7	5.8	69.3	26.6
Calderdale	78.3	4.6	73.9	23.1
Craven	93.5	2.4	82.3	17.7
Doncaster	76.1	6.5	70.9	23.6
East Riding	82.1	4.3	77.5	18.6
Hambleton	88.0	3.0	80.4	17.5
Harrogate	87.2	2.6	83.2	15.7
Kingston-upon-Hull	70.3	7.3	66.6	28.8
Kirklees	82.0	4.2	77.4	19.6
Leeds	82.7	6.0	76.1	18.6
North East Lincolnshire	75.5	6.6	75.9	23.2
North Lincolnshire	78.7	4.9	75.5	20.6
Richmondshire	75.0	2.6	79.7	20.3
Rotherham	77.4	5.8	72.1	23.1
Ryedale	83.3	3.5	77.3	16.2
Scarborough	86.9	4.9	75.9	19.2
Selby	81.3	3.7	76.6	20.8
Sheffield	73.9	6.8	68.9	25.5
Wakefield	78.9	4.7	75.6	20.8
York	80.8	3.5	79.0	18.2

Source: Office for National Statistics, Labour Force Survey/Annual Population Survey, mid 2006.

Income Support and Other Benefit Claimants

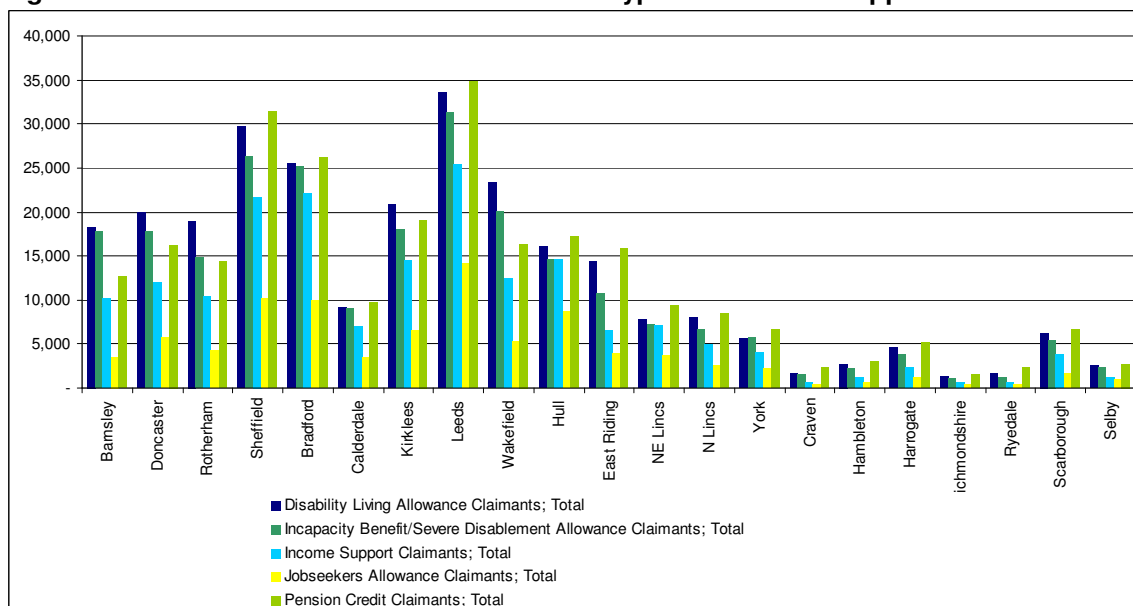
In absolute terms, the number of people claiming different types of benefit in York is not large (a total of 24,330 in 2006) compared to other cities in Yorkshire and Humber, but it should be remembered that over 12.5% of York's resident population actually claim some sort of support.

This breaks down into:

- 5,605 disability living allowance claimants
- 5,675 incapacity benefit/severe disablement allowance claimants
- 4,130 income support claimants

- 2,165 jobseekers allowance claimants
- 6,755 pension credit claimants

Figure 7.1: Number of claimants of different types of financial support in 2006



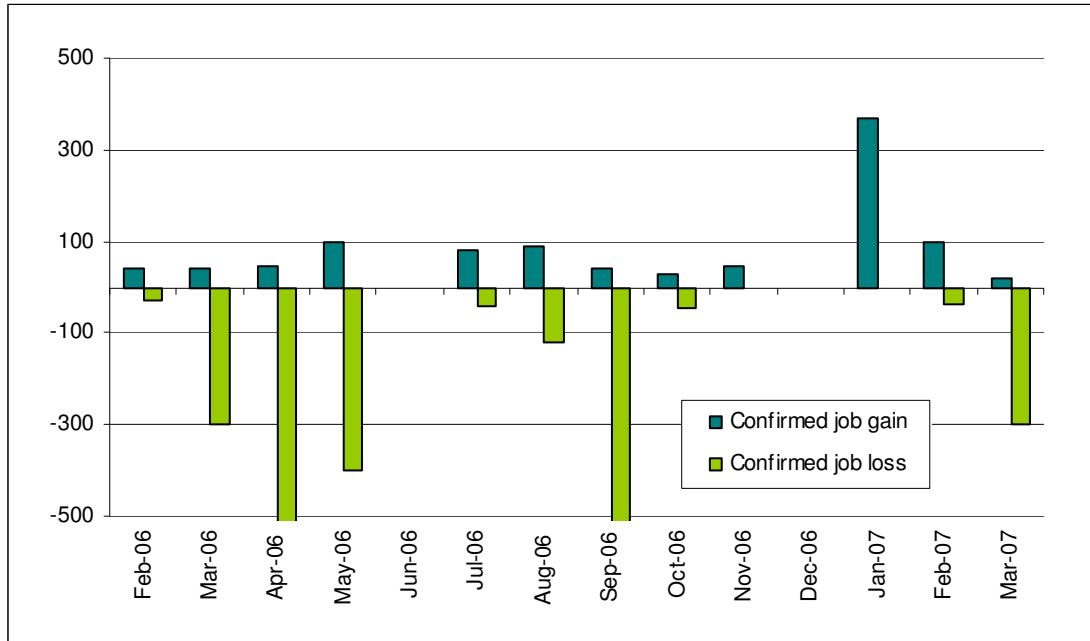
Source: Neighbourhood Statistics Service, 2006.

7.2: The Local Jobs Market

Yorkshire Forward's regional jobs database has been monitoring press announcements about the local distribution of actual and planned jobs since the start of 2005.

A broad based measure of counting actual and planned job creation (and losses) from 2005 to February 2007 suggests that the nature of job creation in the York economy is more active than might be first assumed with a balance of +1,460 accruing potentially to the local jobs market (although it is true that not all planned job announcements actually materialize). Figure 7.2 shows how York is a growth market within the overall context of job announcements recently in North Yorkshire.

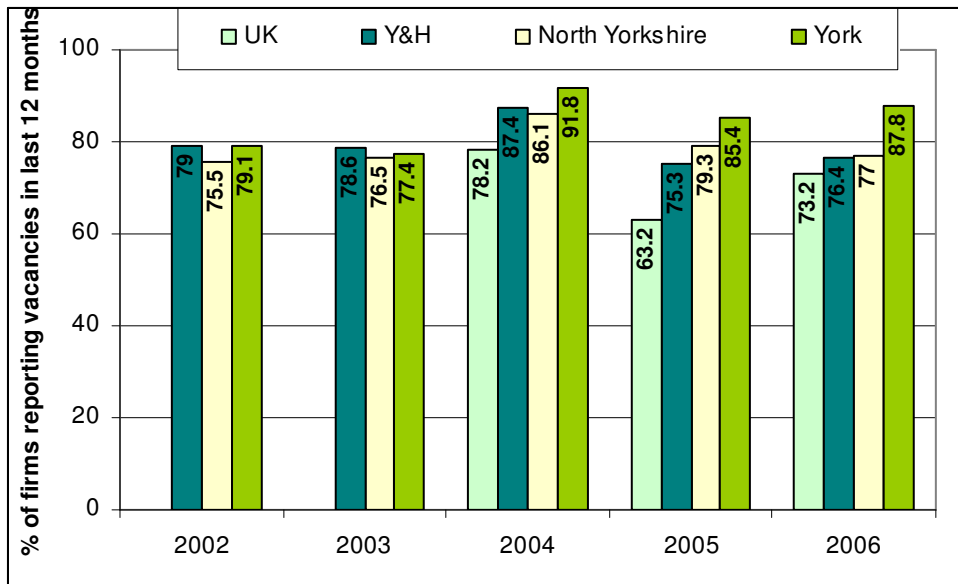
Figure 7.2: Confirmed job gains and job losses in North Yorkshire, 2006-2007



Source: Yorkshire Forward/Experian Business Strategies, Regional Jobs Database, 2005 – 2007. Note: Database based on press monitoring in that period, data set is not exhaustive or definitive.

The relative underlying strength in the local jobs market is highlighted if we examine the local vacancy rate for jobs amongst York’s employers as highlighted by Figure 7.3. This shows that companies locally still have a comparatively high demand for labour and they are continuing to generate employment opportunities.

Figure 7.3: Proportion of firms with vacancies over the past 12 months



Source: Yorkshire Forward/CBI, Survey of Regional Economic Trends, 2002 - 2006

Over the past 5 years, firms in York have been more likely than average to have had vacancies, with 87.8% of firms reporting vacancies in 2006, compared to the UK average of 73.2%.

7.3: The Economic Impact of Regeneration Activities in York

Regeneration activities identified in city region modelling feeding into the *Regional Spatial Strategy* found that:

- York's output (2009-2016) increases by 42% (higher than our policy neutral baseline increase of 17% - based on the 2005/06 release of the Regional Econometric Model).
- Employment over the period (2009-2016) rises by 20% (from 1% in our baseline).

The direct and indirect employment and output effect of the following regeneration sites were considered:

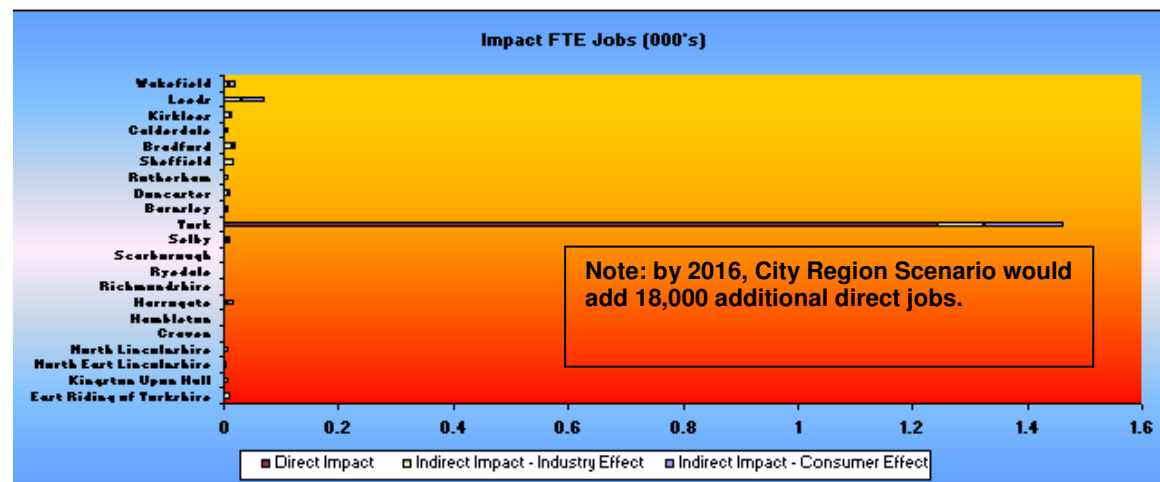
- Heslington East
- York Central
- Vanguard Site
- Terry's
- Hungate
- Foss Islands Road
- Castle Piccadilly

Between 2009-2016 the possible impact of the regeneration activities in these areas include:

- 18,000 additional direct jobs by 2016.
- Up to additional 25,000 indirect jobs by 2016 (in York and across the region).
- In the scenario, York's employment increases from 96,000 to 116,000 (by 2016).
- In the scenario, the size of York's economy grows from £4.2 billion to £5.5 billion (by 2016).

The impact this has on areas outside of the York district, especially Leeds, can be seen in Figure 7.4.

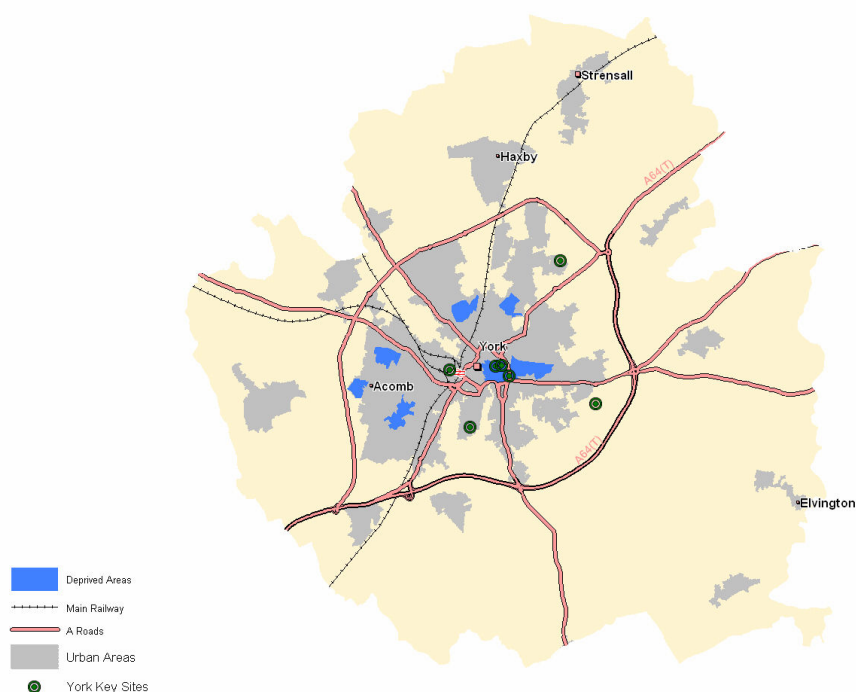
Figure 7.4: The spatial implications of regeneration job creation in York



Source: Yorkshire Forward/Experian Business Strategies Ltd, *Regional Econometric Model*, 2006.

7.4: Deprivation and Economic Opportunity

York compares favourably with many parts of the Yorkshire and Humber region when examining the concentration, nature and scope of overall deprivation and has fewer local areas within the city that feature in the national list of 10% and 20% most deprived areas (the accepted benchmarks).

Figure 7.5: Location of the most deprived areas in the City of York

Source: Office for the Deputy Prime Minister, *Index of Multiple Deprivation, 2004*.

The government's approach to identifying deprivation and mapping this at the local level relies on capturing different dimensions of deprivation and establishing one overall score for each local area (Super Output Area) as part of a national ranking or sliding scale. Those areas in York that feature in the 20% most deprived areas in England are shown in Figure 7.5.

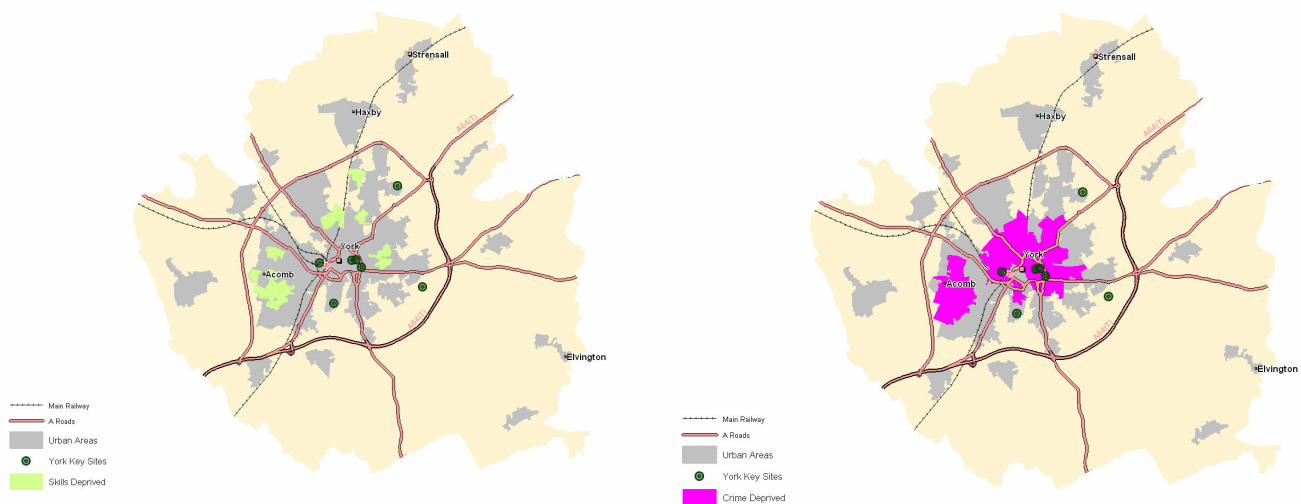
In total, the *Index of Multiple Deprivation 2004* uses 37 indicators which are grouped into seven domains, these are:

- Income deprivation
- Employment deprivation
- Health deprivation and disability
- Education, skills and training (sub-domains include: qualifications of adults and qualifications of children/young people)
- Barriers to housing and services (sub-domains include: wider barriers – household overcrowding, difficulty of access to owner occupation, homelessness provision decisions and geographical barriers – distance to a GP, supermarket, Post Office and primary school)
- Crime
- The living environment (sub-domains include: the “indoors” living environment (poor social and private housing and unheated housing) and the “outdoors” living environment (air quality and road traffic accidents).

The fundamental spatial challenge within York in connecting the local population to economic growth and the job opportunities that result flows from the different dimensions of social exclusion and recognising, how these vary across the city and what this means in terms of some of the key bottom up regeneration schemes.

As Figure 7.6 shows, the footprint of York, if mapped on specific parts of the overall Index of Multiple Deprivation such as skills and crime, looks very different to the overall deprivation map for York. For instance, the skills deprivation map suggests that skills deprivation is very specifically concentrated and clustered, and therefore, barriers to entry to the labour market are very spatially concentrated in York – a key issue to be taken into account when development of the York regeneration schemes starts to impact.

Figure 7.6: Skills and crime deprived areas within York, based on the IMD 2004



Source: Office for the Deputy Prime Minister, Index of Multiple Deprivation, 2004.

7.5: Summary

- 89,700 people of working age are in employment in York and 24,200 are not. Of those that are not, 4,000 say they do want a job, but 17,600 don't. Significant opportunities exist locally to get more of the **economically inactive population into work**, especially linked to some of the planned employment figures for local regeneration schemes.
- **Vacancy levels** amongst York's employers are currently above the historical average for the city, with employer demand haven raised steadily in the last 18 months. Some key challenges in this respect remain in attaching the local economically active population to these vacancies (although it is fair to say that York does do better at attracting workers into the city from other parts of the region).
- Seven of the city's proposed **regeneration sites** could potentially create an additional 18,000 jobs in York by 2016, and a further 25,000 indirect jobs. They could also potentially increase York's economy from a forecast £4.2 billion by 2016 to £5.5 billion. The key issues here are in **addressing the barriers that currently face the development of some of these** schemes such as transport links to York Central and planning for Heslington East.
- Although York does not have major problems with overall deprivation levels in its neighbourhoods, both **skills deprivation and crime** are two of the key issues affecting significant areas of the city. Those areas of low skills particularly need addressing if the city is to avoid a two-tier society. It is also important to ensure that there are enough skilled people within the local workforce to meet the potential job increases of the next 10 years.

Section B : Strategic Context

1 York`s Sustainable Community Strategy?

The aim of a Sustainable Community Strategy is to set out a long-term vision for the local area based on what matters most to people. The main purpose of the document is to bring a wide range of individuals and organisations together who will work to improve quality of life and ensure that impact on the environment is minimised.

York`s first Community Strategy was launched in July 2004, following widespread consultation, in what was called the 'Festival of Ideas'. Hundreds of people gave their views about the kind of York they wanted to see in 20 years time. Comments gathered were used to produce the first strategy, which included a promise to completely review it after three years.

This is the second Community Strategy prepared by 'Without Walls' (York`s Local Strategic Partnership). Without Walls is the name of the group of people who have agreed to work together and jointly develop the shared vision for the city. The Partnership is made up of representatives of public, voluntary and business organisations in York.

The original Community Strategy was used as the starting point for the review, as many of the views represented within it remain valid and important to York, such as relating to education and skills, good health prospects and safe communities. However, it was important to agree a way forward regarding some of the more difficult challenges and opportunities facing York, such as how to minimise our impact on the environment whilst remaining economically competitive.

During Autumn 2007 residents and local organisations were asked to join in the discussion about the opportunities and challenges facing York through the 'Festival of Ideas 2'. The Festival enabled people to register ideas, raise concerns and ask questions about what York will be like in the future.

What has changed since the last strategy?

Circumstances have changed in the short time since the first Community Strategy was produced. Key changes for the city include:

- The achievement of high employment levels and continued change to the employment base of the city
- The growing impact of globalisation
- Environmental change and challenge
- The availability of more development land in the city, including York Northwest.
- The outcomes of the three public planning inquiries determining that significant developments will take place in the city at the University, Derwenthorpe and Germany Beck
- The continuing growth of numbers in Further or Higher Education within the city
- The continued rise of house prices and shortage of affordable housing
- A growing and ageing population
- Immigration and the changing ethnic mix of the population
- The growing significance of the region in local development issues
- The changing agenda of Government in respect of the role of cities, place shaping and focus on development of communities

- Significant changes in fuel prices and (slowly) growing public awareness of the need to use greener energy for transport and domestically

The cumulative effect of these changes is a need to refresh the Community Strategy in light of the prevailing circumstances. The following 'story' provides an overall context for the new Sustainable Community Strategy. It seeks to outline the challenges that the city is presently facing, and gives some indication of those that may lie in the future.

Since 2004 work has commenced on the physical planning strategy for York for the next 20-25 years. This is the Local Development Framework Core Strategy and will set out the overall planning vision for the city. This LDF Strategy will take full account of this strategy's objectives.

2 About York

Setting the Scene: York's Story of Place

York has been a seat of political, commercial and religious importance for over 2000 years. The city has played a significant role in the history of the country, from the conversion to Christianity to the Wars of the Roses, and from the Reformation to the Industrial Revolution. York has constantly and successfully reinvented itself and it continues to do so today.

The River Ouse has been a prominent feature of York throughout its history, from the establishment of the Roman 'Eboracum' (at the convergence of the Rivers Ouse and Foss) in AD71 by the governor Petilius Cerialis and his army, to the 9th and 10th centuries when the Vikings occupied Eboracum - which was re-named 'Jorvik' - and the city became a major river port. For many years the river was a major route for trading ships, but the arrival of the railways made it easier to transport goods here by train. Nevertheless, the river is still a major amenity resource.

From the Victorian era onwards York's economic wealth was built on rail travel, the growth of the confectionary industry and the manufacture of scientific instruments.

Over the centuries York has changed significantly, yet it has retained the physical fabric of its history like no other place in the country. York is now internationally renowned for its rich built heritage that is evidenced through Roman, Viking, Medieval, Georgian, Regency and Victorian buildings, monuments and archaeological remains. It is these qualities of history and distinctiveness that define York and attract approximately 4 million visitors every year.

Today we still endeavour to maintain the balance between the conservation of York's heritage and the city's growth. We value the fact that York is unlike other cities and believe that its development should not be to the detriment of its cultural, historical and natural heritage. However, we also believe that this distinctiveness provides the city with a major resource that can be used to its competitive advantage.

This means that we need to plan for York's future, protecting and enhancing what was here before for future generations to enjoy, whilst developing a vibrant, contemporary city in an economically, environmentally and socially sustainable manner.

Whilst York still attracts visitors because of its heritage, it is also increasingly attractive as a nightlife, shopping and conference destination. But the national and international competition in tourism is growing, and York needs to respond to this. At the same time York has seen the growth of major service sector employers in financial services and related professions. There remains significant employment in chocolate and railways and York is the base for two of the largest building companies in the UK. These sectors are vital in their own right and in bringing diversity and balance to the overall economy of York.

Science City York, a partnership between City of York Council and the University of York, was established to develop and support thriving science, technology and creative industries. This initiative has already helped to create over 60 new technology companies and 2600 new jobs in the bioscience, cultural, IT and digital sectors. The University of York has embarked on an ambitious expansion plan, promising a new campus and a growth in student numbers and employment opportunities. Employment within Science City is now comparable to that in tourism.

Within the city there are a range of significant brownfield development sites. This has been made possible by the shrinkage in traditional industries, such as the railway carriage works. The 'York North West' site alone is equivalent in size to two-thirds of the walled centre, making it the largest and most significant development opportunity there is likely to be in York in the foreseeable future.

York, therefore, is an important and significant city that everyone agrees is an attractive place to live, do business and to visit and a city that has enormous future potential. York has

successfully and transformed itself from its original economic base. Without Walls' aim is to sustain that success for the benefit of all York's residents.

Without Walls will plan York's future in an economically, environmentally and socially sustainable manner to ensure the city continues to make history through its success in the 21st century. Without Walls recognises that current challenges are multi-faceted, as York is a city very much in transition.

York still has some significant pockets of low skills and deprivation, which need to be addressed if we are to minimise the risk of a 'twin-track society' with a polarisation in skills, opportunity, prosperity and general life chances. In addressing this, we must recognise the role that communities play, and acknowledge that deprivation tends to cluster in specific locations.

York's ethnic population is also changing. Traditionally there has been little ethnic diversity in the city, though recently this has significantly increased, especially as a result of economic migration from Eastern Europe. The *State of the English Cities* report (ODPM, March 2006) noted that York experienced the second highest percentage growth rate in ethnic minorities of any city in the country in the period 1991-2001, with the number of non-whites more than doubling (ODPM [2006] *State of the English Cities: Volume 1*). In addition York was one of only six cities in which segregation of ethnic minorities was increasing (ODPM [2006] *State of the English Cities: Volume 2*).

York also has a history of philanthropy and support of social research. The city is home to the Joseph Rowntree Foundation, a social policy research and development charity which continues today to work in areas such as housing, poverty, drugs, immigration and independent living. The 19th century work of Seebohm Rowntree provides a basis on which subsequent work has given us a better knowledge of the extent and changes in poverty than in any other city.

In essence, York's Sustainable Community Strategy needs to address the 21st century challenge – how economic success and social progress that recognises the needs of all people may be achieved, alongside protection of the existing built and natural environment.

As the custodians of the city we strive to be far-sighted, ambitious and innovative in developing and delivering our plans for the future.

Strengths and Challenges

We know that the majority of York's residents are relatively affluent and healthy. Compared to the national average our level of unemployment is low, educational attainment is high, and York is a relatively safe city. However, we cannot afford to be complacent, as York is also a city that is:

- Proud of its distinctive qualities and status as a 'special' historic place and attractive environment, but needs to ensure all residents and neighbourhoods share in the city's economic, environmental and social well-being
- Still shifting its economic base from mainly manufacturing to the service sector and knowledge economy, bringing the need for new skills and learning opportunities, alongside concerns about the availability of affordable housing
- Environmentally aware, though keen to do much more to protect the environment and engage in the climate change agenda
- Has significant pockets of deprivation with associated poorer health and higher crime
- Conscious of its changing ethnic population and keen to embrace this as an opportunity

York's 'Story of Place': The evidence base

A range of facts and figures that objectively set out York's 'Story of Place' supports the development of our refreshed Sustainable Community Strategy². This story has been used to identify critical facts and issues, and also to collate the results of many consultations to inform the strategy.

The evidence draws out both our strengths and challenges. It is, therefore, important that the Sustainable Community Strategy recognises that:

- The population of York is 191, 800 (2006 Mid Year Estimate, ONS) and has risen by 11% since the 1991 Census
- The number of residents is projected to increase by 9.2% between 2003 and 2021 which equates to approximately 17,000 additional people (Department for Communities and Local Government 2006)
- 1,870 National Insurance Number Registrations in respect of non-UK Nationals in 2006/07. The largest numbers of new arrivals in York registering for National Insurance are Polish 33%, Chinese 10% and Indian 5.5%. (Source: Department for Work and Pensions).
- The 2004 Index of Multiple Deprivation ranks York as 219 out of 354 local authorities (where 1 is the most deprived and 354 is the least deprived). In 2007 York is ranked at 242 (ONS)
- The total crime per 100,000 population has consistently fallen in the period 2003/04 – 2007/08 and is below the regional and national levels (British Crime Survey)
- York's unemployment rate is significantly better than the national and regional levels (ONS Annual Population Survey)
- Gross weekly pay is above the national and regional averages (ONS Annual Survey of Hours and Earnings)
- York attracts 4 million visitors each year. In 2006-07 income from tourism grew to £333 million. Visitor numbers were up by 339,000 people (especially day visitor numbers) to 4.18 million (York Visitor Survey 2006/07)
- York's LEA is ranked as joint 18th out of 149 authorities based on the performance of pupils at the end of Key Stage 4 achieving 5 or more GCSEs including English and Maths (2006/07), 1st place being the highest (Department for Children, Schools and Families, 2007)
- The majority of York's primary and secondary schools, over 60 %, perform above the national average for England (state and private schools) (Department for Children, Schools and Families, 2007)
- In November 2007 the QS-Times Higher Educational Supplement ranked the University of York 74th out of the world's top 200 universities - a rise of 50 places from 2006
- The University of York's economic impact is approximately £180m per year and expected to grow by approaching 100% over the next ten years (Bernard Stafford, Economist – University of York).
- Average life expectancy at birth is higher than the regional and national averages for the period 2001-2005 (ONS Vital Statistics)

² The complete York's 'Story of Place' evidence base is available as Appendix X

- York is ranked 18th out of 324 towns and cities in terms of number of recycling centres, conservation groups and eco-friendly businesses per capita (www.locallife.co.uk)

Public Consultation – Festival of Ideas 2

Through questionnaires to every household and on the Internet, at public meetings, exhibition days and through Primary and Secondary School Conferences, we attempted to make sure as many people as possible had a chance to give their views on their vision for York in the future.

- 88,000 questionnaires were sent out to every household within the city
- 3,000 people took part in the consultation by attending events or responding to the questionnaire
- 420 children and young people gave their views using interactive voting technology

Responses showed that the most important issues identified as priorities to focus on for the future of York were:

- | | |
|--|-----|
| • Reducing our impact on the environment | 63% |
| • Developing the economy, jobs and skills | 59% |
| • Improving travel within, to and from York | 55% |
| • Building strong, safe and healthy communities | 54% |
| • Ensuring the city's housing and social needs are met | 39% |
| • Improving the city's physical, cultural and leisure facilities | 22% |

The following issues were important to specific groups.

Neighbourhoods:

Each of the 18 Ward Committees in York produced a Neighbourhood Action Plan (NAP). A Neighbourhood Action Plan looks at the needs of a neighbourhood, highlights specific issues and goes on to develop a planned approach to tackling these issues in partnership with the community and service providers. The plans include three or four ambitions and there is a strong degree of commonality across all Wards:

- Key themes feature strongly in all of the NAPs, such as safety, culture, inclusivity and sustainability.
- A total of 17 out of the 18 NAPs contain ambitions around the theme of community safety.
- A total of 7 out of the 18 contain a specific reference to road and pedestrian safety, with 2 of these also indicating a desire to increase sustainable and public transport in the wards.
- All NAPs include an environmental theme in their ambitions, with 3 Ward Committees indicating that they would like to make improvements to local recycling.
- A total of 17 out of 18 NAP's contain an ambition to increase community facilities or opportunities for Ward residents.
- Of these 8 specifically mention young people's opportunities and 5 inclusivity and neighbourliness.

- Two NAP's contain an ambition or vision around economic development and wellbeing.

Primary School Conference – 5 Oct 2007 – key messages:

- Not enough activities in their local area or places to meet and play with friends.
- More could be done to reduce our impact on the environment, including development of renewable energy sources.
- Develop facilities for cyclists and alternative options for sustainable travel.

Secondary School Conference - 27 Feb 2008– key messages:

- More leisure facilities were needed in the city centre.
- Transport networks for cyclists should be improved.
- Over a third thought that the environment was the most important issue for York.
- More than two thirds of young people think there is not enough to do in their local area.
- Over half thought that there were not enough places for them to meet their friends.
- Over one third of young people would prefer to use sustainable transport to travel to school, such as cycling.

Changing Population of York Conference - 22 Oct 2007 - key messages:

- All sectors in York need to address the rapidly increasing numbers of ethnic-minority groups and migrants coming to live and work in the city.
- More accurate information regarding the BME population is required in order to better plan services.

Resident responses to the household questionnaire:

- When planning for future housing and employment, 62% of respondents said some housing should be provided in surrounding areas outside of York's boundary and 38% said that enough housing should be provided in York to meet the needs of any additional employees.
- 45% supported concentrating development in York itself and 36% supported concentrating development in York and surrounding villages.
- In the household questionnaire 41% favoured building 880 homes or more per year (past 5 years rate), 49% favoured building 630 homes or less (similar rate to York Local Plan and Draft RSS).
- Over half of questionnaire respondents supported the affordable housing policy of making 50% of new builds affordable, of the 32% who disagreed, half wanted the threshold to be higher.
- In terms of specific sectors of the economy:
 - 75% said it was very / fairly important to support Science City (hi-tech)
 - 68% said hospitality and tourism
 - 57% said professional and financial services
 - 52% said traditional manufacturing (the lowest score but still a majority)
- Respondents were asked to rank from 1 – 3 the best ways of reducing congestion in York, the results (in priority order) were:
 1. Promoting alternative forms of travel to the car.
 2. Locating new development near to public transport and key services.

3. Increasing the capacity of the road network by dualling the outer ring road or improving junctions on it.
- Over half thought no further shops should be built in the city centre, but two thirds wanted more leisure facilities.
 - 70% preferred building in low flood risk areas only and 80% favoured a more ambitious renewable energy target

Future York Group:

The Future York Group is an independent group of leading public and private sector business leaders from across the city and region. The Future York Group was established in partnership with City of York Council and Yorkshire Forward, in Summer 2006. It was asked to check the robustness of York's economy and make recommendations to help guide York's future success. This came about following the announcement of over 1200 job losses in the city.

The Group considered; the history of York's economy over the past 20 years; a detailed examination of its economy today; skills requirements and York's ability to meet these; the challenges York faces in order to maintain a robust and successful economy.

The key conclusions of the Future York Group were that:

- In the recent past the York economy has been successful and competitive compared with other towns and cities
- The employment base has grown by approximately 1,000 jobs each year
- The underlying economy in York is strong and this growth trend is likely to continue
- There are a number of significant restraints on growth that will slow down the economy unless positive action is taken

3 Vision and Strategic Ambitions

Our Vision

The Vision for York was developed following extensive consultation through the first Festival of Ideas in 2003. Hundreds of residents and visitors took part in producing a vision for the future that is still important and aspirational four years on.

York: a city making history

Making our mark by:

- **Building confident, creative and inclusive communities**
- **Being a leading environmentally-friendly city**
- **Being at the forefront of innovation and change with a prosperous and thriving economy**
- **Being a world class centre for education and learning for all**
- **Celebrating our historic past whilst creating a successful and thriving future**

The Without Walls Partnership has decided not to change the overall vision. This is because it believes that it collectively represents the aspirations of all residents, partners and stakeholders. When considered as a whole, the vision remains valid for York.

We recognise that York has strong assets and resources, attractive physical heritage and a special mixture of social and cultural involvement. Together these create a distinctive sense of time, place and civic pride that make York a special city to live in, an ambitious city to work in and a spectacular city to visit. We need to build on this, recognising that York has, as recognised by the work of the Future York Group, an incredible history and very bright future.

The vision of the Partnership is based on the assumption that York, the place, offers a superb quality of life and distinct combination of scale, physical heritage, unbroken historical lineage, green space, social and cultural activities and academic excellence. It is proposed that these need to be preserved and enhanced to ensure York is always an attractive place to live, work and visit. This is our responsibility for future generations now growing up in the city. Put simply the overall quality of life and sense of place that the city offers defines its distinctiveness and provides it with a competitive advantage.

As a result we have identified seven challenging, strategic ambitions. These ambitions recognise that in considering York's future a range of 'givens' exist. These include:

- York is going to grow.
- The special characteristics of York - built and natural environment - must be enhanced.
- Our total population will grow and its composition will change.
- The level of inward commuting will continue to increase.
- We will need to plan beyond our boundaries in order to address our housing needs.

Our Strategic Ambitions

We will use York's distinctiveness as a way to improve the city further by enhancing its physical and cultural qualities as a basis for community and economic development

York's visual landscape sets the scene for the city's individuality. This is not just confined to the prime conservation area in the main city centre, it also includes the strays and 'green wedges' that surround York as well as the conservation areas beyond the city walls.

Without Walls believes that the Sustainable Community Strategy and Local Development Framework (LDF) are the 'Master Plan' for York. The Master Plan will be based on the assumption that York's distinctiveness is its strength. These plans will enhance the unique nature of York by ensuring that the city's physical appearance, its overall layout, balance of built and green space, design of developments and conservation of heritage sites, complement each other.

Without Walls believes that urban design standards should be high and applied rigorously. As a result York will remain an attractive place to live, work and visit. The city's tradition of being a walking and cycling city will continue into all new developments and public transport will be an attractive and viable alternative to the car. York will be a hub for transport links that ease congestion, support connections and enable the free and easy movement of people.

York's distinctiveness needs to be used to attract further inward investment, economic development and physical growth without compromising that which makes the city attractive. York's unique physical characteristics are based on hundreds of years of continuity of landscape and building design that gives the city a special sense of place. Without Walls regards the Sustainable Community Strategy as defining how this will continue into the future. Our vision signifies that we are seeking to be progressive and take forward the next stages of the city's continuous change and development not to standstill and 'preserve the city in aspic'.

We will keep York's employment levels high and economy buoyant by supporting local employers, developing a diverse economy and balanced employment structure.

The Sustainable Community Strategy takes forward the key proposals of the Future York Report, modified by environmental and social considerations.

York has a successful and diverse employment structure that is important in ensuring the future prosperity of the city. We want our economy to remain competitive and be high performing when compared and measured regionally, nationally and internationally. A hallmark of our prosperity will be that it is available for all of York's communities and neighbourhoods. In order to achieve this, the Partnership believes the economy needs to be mixed in terms of specialties, scale and sectors.

Without Walls wants York's economy to be an exemplar of good practice that provides sustainable prosperity. This means our wealth generators are ambitious and at the same time sensitive to the needs of the city and its communities. The Partnership believes that the special characteristics that York has not only enables the city to attract investors, employers and employees but also enables our economy to be innovative and progressive. We expect all organisations from all sectors of the economy to be environmentally and socially responsible.

Without Walls wants York to be prosperous, not only in financial terms, but also in terms of overall levels of health and happiness and personal achievement. We will plan for our economy to continue to grow and diversify. Our economic success will be based on the knowledge economy, tourism, retail, building, education, manufacturing, financial/professional services, and public services.

In order to maintain the city's prosperity we will be responsive to existing employers needs, especially when they need to grow to succeed. Much potential growth will arise from the development of existing employers and these need to be supported and encouraged. We will need to ensure that the current workforce has ample opportunity to acquire the new skills that are needed in a fast-changing world, and that local schools and colleges are offering a wide range of opportunities for young people that are properly attuned to employers' needs.

We will maintain community cohesion and develop strong, supportive and durable communities.

Without Walls wants York's sense of distinctiveness to be more than its physical appearance. Already the city has an unusually high sense of community and sense of belonging, with very many public and voluntary agencies, and a range of cultural activities that mark it out from many other places. It will be important to maintain this as the population and ethnic mix alters due to migration, including more students, and immigration.

York is changing rapidly and our strategic ambitions will result in further change to the resident, working and visiting populations. We do not want anybody to be left behind or excluded as a result of this change. York is as much defined by its people and communities as its built environment and economy.

We want all of our neighbourhoods and communities to be sustainable. This means having a thriving mix of uses and being well connected by providing ease of movement between key destinations, adjacent areas, and to the rest of the city. A sustainable neighbourhood means a balanced one, with a well-integrated mix of decent homes of different types and tenures to support a range of household sizes, ages and incomes.

The viability of public transport is a key to achieving sustainable neighbourhoods as it can generate a 'community feel' and allows a diversity of people to live in a neighbourhood, including those who cannot or do not wish to drive.

We want residents and visitors alike to find York welcoming and safe. A place where all people feel able to have their voice and point of view heard and respected. We want to be a city of neighbourhoods and communities that are tolerant and respectful so that York is regarded as a fair, just and inclusive place. Without Walls believes that an important part of this community cohesion will be to reduce social differentials, promote equalities and in particular minimise income differentials. The city's schools, and its new network of children's centres, will have a particularly important role to play in this.

Overall, we want sustainable neighbourhoods that are attractive and safe places to live, respectful of the natural environment and use resources efficiently. There should be strong links between local people and local service providers to ensure that services best meet people's needs. This includes encouraging communities to work in partnership to improve services at a neighbourhood level, including better management of the local environment, increasing community safety, improving housing stock, working with young people and encouraging employment opportunities. In particular, the links between local people and service providers need to meet the needs of marginalised and excluded groups.

We will endeavour to balance physical growth and environmental sustainability with responsible choices in respect of climatic and environmental challenges

Without Walls believes that at the start of the 21st century York has the potential to be a model of living in an environmentally sustainable way and a place that can respond locally to the global environmental challenges and changes.

As a medieval city, York presents distinctive challenges with regards to energy conservation and related issues such as transport planning. To succeed requires combining economic/employment growth with reduced environmental impact as well as placing expectations on individuals to adjust their behaviour. Our climate change strategy will encourage employers and individuals to meet their responsibilities. This will create challenges that involve everyone.

To achieve this we will exemplify and promote concepts such as a low carbon economy, responsible consumption and the compact city, as well as enhancing the physical

environment. Throughout York we want to demonstrate to others how new measures, such as carbon counting, ecofootprint and 'triple bottom line'³ reporting can be used to monitor progress and drive change.

We will assert our role as an important regional city.

Without Walls recognises that the city's influence and responsibilities extend beyond the administrative boundaries of the York area. It believes there is scope for mutually advantageous partnerships between York and the North Yorkshire sub-region, Leeds City Region and the wider Yorkshire and Humber region.

The Partnership will work with the key representatives and stakeholders of each of these areas so that York's strategic ambitions are understood and recognised. As part of this process York will expect to have its own area of influence and status fully recognised. Our partners will acknowledge our regional, national and international role and consequently York will receive support for its role as a distinctive and important city.

We will use York's brand and position to promote the city within the global network

In recent years all of York's major employers, except local public services, have become dependent on global networks. This is especially true of all major businesses, further and higher education and tourism. As a consequence of this change our strategic ambition is to promote and support the city's international influence.

In a global economy and networked world, Without Walls believes that York has the potential to enhance its reputation as an international city for business, research, training and culture and should promote international networking. This will need to be supported by future planning decisions especially in respect of travel and communication.

York's major businesses all rely on global connections for their continued success. We aim to help ensure this by encouraging electronic and travel networks that enable firms and individuals to work internationally but act locally. This will allow the scale of the city to remain relatively small but to have a worldwide reach and impact.

Our schools, colleges and universities will need to give all learners the skills necessary to live full, prosperous and healthy lives within a world economy. In a global context it will be increasingly essential for training and skills to be of the highest international standards at all levels. This high quality learning must be available to all our citizens.

We will encourage partnerships within the city and beyond that benefit everyone and achieve mutual advantage

All organisations and partnerships within the city, public, private and voluntary, should play a part in the delivery of the Sustainable Community Strategy and it should inform their planning and delivery of services.

Without Walls wants York to be at the leading edge of modernisation and community leadership. It wants all organisations to collaborate in the course of their business. This will enable the city to use resources more efficiently and support community cohesion.

Planning for the future will be based on partnership, collaboration and open consultation. Resources will, where appropriate, be shared and deployed in ways that are joined up and complementary. Service delivery will take place at the right level, in the most appropriate way and by the most suitable provider with the needs of the customer/user put first.

³ Accounting for sustainability performance requires reporting across economic, environmental and social elements (also known as the 'Triple Bottom Line'), which reflects their interdependence.

Major Issues and Cross-Cutting Challenges

We have considered a range of evidence, analysis and findings available from a number of different sources such as 'Our Story of Place' and public consultations, the Future York Group, the Local Development Framework, partners and stakeholders views.

In response, Without Walls has identified a number of major issues that are critical to the future success of the city and will need to be addressed if we are to achieve our strategic ambitions and realise the vision.

- **How to broaden York's economic base and make a step change in the performance of Science City York and improve the tourism offer (including retail and business tourism)**

The challenge is to support York's future prosperity by growing and changing the economy so it remains buoyant and competitive. York cannot stand still and it will ensure that the twin drivers of its economy remain relevant and up to date while enhancing other key sectors of the economy – especially retail and professional services.

- **How skills gaps, income disparities and low aspiration are addressed to minimise economic differences**

York must be a cohesive and 'fair' city where equality of opportunity, social mobility and economic inclusion are implicit in every policy, strategy, plan, and action. Measures of success will include focus on the differences between social groups and geographical areas based, for instance, Index of Multiple Deprivation measures.

Some neighbourhoods and groups of people in York are at risk of being denied the benefits of York's economic success. To improve the social cohesion of York's communities, all citizens should enjoy the opportunities for employment and the potential for increased incomes that this success brings.

Learning Partners must ensure all citizens are able to learn and acquire new skills. For some this may require special provision in order to ensure that they are not disadvantaged by their circumstances. Support, encouragement and opportunity needs to be provided at all ages, from schools, colleges and other learning providers.

- **Determine appropriate levels of housing, especially low cost / affordable and family housing, that are required within the city and beyond to meet expected economic and population growth**

York's housing requirements need to be met in terms of housing numbers, type, location and price. Ongoing population and household growth is placing increasing demands on the city's housing stock. A recent assessment of housing found York has one of the highest levels of housing need in the North of England⁴. The supply of affordable housing needs to be increased and consideration given to maximising the use of the existing housing stock, including under occupation.

All new houses will be required to meet high standards of design and environmental sustainability. The city's housing stock, regardless of ownership, will need to meet decency standards and be as environmentally sustainable as possible. Addressing fuel poverty is key, alongside work to increase the energy efficiency rating of homes.

The effects of homelessness are felt, not only by individuals and their families, but also impact on the wider community. It is important that efforts to tackle homelessness in York are seen as part of this bigger picture. Ongoing focus will be placed on preventing homelessness

⁴ York Strategic Housing Market Assessment 2007

occurring in the first place by identifying and supporting those at risk at an earlier stage, particularly younger people and families.

Older people increasingly wish to remain in their own home for longer and the city's housing stock will need to change and adapt to enable this. In order for older people to exercise choice and control to live independently, more new homes will need to be built to 'lifetime standards'⁵ within neighbourhoods that are fully accessible and close to local services. Existing stock will need to be adapted or remodelled and homeowners will need access to good equity release schemes.

- **Decide on the most appropriate way to improve travel and transport to address blockages and increase connectivity and accessibility.**

Connectivity, circulation and access of York need to be improved recognising that this is key to economic prosperity and quality of life. The public transport offer will be improved - acknowledging that increased car usage is not sustainable. This includes major 'out of town centre' infrastructure improvements that are crucial to the development of the city.

- **How best to develop the 'brown field' sites to provide for the long-term future of the city.**

These need to be emblematic of York and the aspirations set out in the Sustainable Community Strategy. The standards of design, provision of economic, residential and public space and consideration of their environmental impact – particularly in terms of transport - will be crucial. Residents, businesses and visitors alike will use all of the sites to judge how well York has managed to remain relevant to modern times without compromising its special historical position. The opportunities are exceptional in the next few years and the successful realisation will determine the future appearance of the city.

- **How York positions itself within the Leeds City Region and North Yorkshire Sub-Region**

Our relationships with other regional players will be mature and unambiguous. The city will offer its prosperity, distinctiveness and 'brand' to be used by others. In exchange it will expect to benefit from the unique selling points of its regional partners. In particular, York will want to exploit our status and role as a gateway to the region and transport hub to enhance its tourism offer for the advantage of itself and regional partners.

- **Improve levels of democratic activity and civic engagement**

To help maintain and improve the city's openness, cohesiveness and fairness there needs to be strong levels of both representative and participatory democracy. Election turnouts should be higher, community groups and activities should be supported. All organisations need to be encouraged to have high standards of corporate social responsibility. The Third sector will be recognised and further developed as an important and powerful part of the city that help build and protect social capital.

Strong and active communities are characterised by the extent to which people are taking an active part in their local neighbourhood and make a positive contribution. This vision will be realised in York by ensuring that people feel involved in the developments that take place around them and that they have a say in the way local services are planned and delivered. This includes the young people who will play such a crucial role in the future development of their local communities.

⁵ From 2013 all new homes will need to be built to Lifetime Homes Standard

- **The need to build resources to drive ambitions when York has a low resource base**

York needs to receive the recognition and support it requires to exploit its distinctive position. It should secure recognition as an innovation zone and seek to attract investment in to the city's economy, infrastructure and public services. Equally, every effort will be made to increase capital investment in major activities where needed, including major visitor attractions.

4 Local Development Framework

The Local Development Framework is the physical planning strategy for York for the next 20-25 years. It both informs the development of the Sustainable Community Strategy and delivers its spatial elements. The LDF is the strategy that is used to manage the development of the city by determining key issues including how much growth will take place, where and in what ways. As for the SCS, the role of the LDF is:

- Balancing /reconciling different objectives
- Accommodating the growth of the city in a way that protects the special qualities of York
- Placing sustainability at the heart of the strategy

The LDF process is far more prescribed than the SCS process. In order to be adopted and used as the basis of planning decisions in the city it is designed to pass a 'test of soundness' with external inspectors. A key test is the extent to which the LDF has been informed by the SCS and is a true reflection of the community's wants and needs.

The policies and proposals in the LDF have a significant influence on outcomes that are important to the SCS, for example:

- Economic Development – the availability of and accessibility to employment land; housing location, levels, type of tenure and accessibility, access to goods and services
- Sustainable Neighbourhoods – housing, strong economies, access to employment, social and community infrastructure, walking and cycling, safe and green environments, service co-location, school provision and design
- Social Inclusion – Equal access to goods and services, strong economies, housing provision, affordable energy, involving communities in plan making
- Combating Climate Change – transport, provision of walking and cycling routes, energy supply, recycling, housing design, bio-diversity, access to goods and services, flood risk, minerals and waste
- Health and Well Being – parks, recreation and sports provision, transport, walking and cycling, air quality, strong economies, access to employment
- Safer Communities – decisions on location of licensed premises, design, landscaping, recreational and sports provision, transport

There are a number of critical planning parameters within the LDF that are 'givens' and need to inform the SCS. These include:

- The number of housing units to be built per annum
- The level of affordable housing required
- The expected level of growth in jobs

A key component of the LDF is the Core Strategy that sets the spatial vision, strategy and priorities for the city. The Core Strategy considers a wide range of strategic planning issues including levels of future housing growth, distribution of future housing growth, housing density, employment growth and location of employment land. It also focuses on the strategic themes of design and construction, housing mix and type, role of tourism, leisure and retail, open space and sports facilities, education facilities, health facilities, historic environment, natural environment and countryside, transport and accessibility, waste and minerals and energy.

Therefore, within the 'givens' identified above, there are a number of crucial choices that will impact on the quality of life and prosperity of the communities and people of York. For

example the number of housing units may be a given but their density, location and design specification need to be decided by the city.

The Core Strategy 'Issues and Options' document identified 18 spatial planning objectives for the city. Feedback from consultation revealed all to be important but six of these to be key:

- York to fulfil its role as a key driver in the regional economy and Leeds City Region through sustainable economic development
- Support York's role as a regional and sub-regional retail centre
- Ensure that York's historical and archaeological wealth and setting is recognised, preserved and enhanced
- Create a permanent Green Belt for York that preserves its special character and setting, whilst ensuring sustainable development
- Protect and enhance the bio-diversity, landscape character and environmental quality for the York area
- Deliver the appropriate type and mix of housing to meet York's needs, including affordable housing

Further work is now being undertaken to refine the LDF planning vision in light of consultation responses.

The physical characteristics of York will continue to change and evolve in the future as it has in the past. A number of planned and proposed key developments will have particularly significant impact on the future of the city and its neighbourhoods and communities:

- Heslington East – The expansion of the University
- Developments at Derwenthorpe and Germany Beck that will create new communities
- Developments to the sites at Terry's and Nestle
- The role of the city centre in enhancing retail, business and cultural and civic amenities
- York North West

The York LDF will comprise of:

- A Core Strategy
- An Allocations Document
- A City Centre Area Action Plan
- A York Northwest Area Action Plan.

Policies, proposals and allocations within the LDF will help to deliver the spatial elements of the Sustainable Community Strategy. The LDF should be adopted by 2010.

5 Delivering the Vision

There are many plans and partnerships within the city that have been created to address the challenges and take advantage of opportunities we face. Without Walls' role is to bring the issues that have been identified as being most important to the attention of the partnerships and encourage them to work together to improve quality of life.

To help achieve the vision, organisations, groups and service providers work together, under the umbrella of the Without Walls Partnership, to make improvements. Partners include the Council, Police, Health, Voluntary Agencies and the Chamber of Commerce.

Without Walls Partners have agreed a three-year delivery plan, the Local Area Agreement, to deliver the Vision and shape the future of the city. The plan outlines how Partners will work together more effectively to influence key issues affecting people's lives.

Delivery Partnership priorities are set out under the themes of:

1. The Sustainable City
2. The Thriving City
3. The Learning City
4. The City of Culture
5. The Safer City
6. The Healthy City
7. The Inclusive City

The specific results hoped for within each of these themes, over the period 2008-2011, are set out on the following pages. Targets against each have been set and Partners regularly monitor progress towards these goals.

The Without Walls Partnership will take on a small number of crosscutting challenges. Initial priorities for action are:

- The development of a Climate Change Strategy for the city, incorporating a statement of intent and short and long-term targets for improvement;
- Monitor delivery of the Anti-Poverty Strategy to ensure that poverty in the city is minimised and the gap between rich and poor narrowed;
- Evaluate the case for York to become a World Heritage site.

This Economic Development Strategy and Action Programme has been prepared to lead the delivery of the thriving city strategic objectives set with the sustainable community strategy.

6 York – A Thriving City

Top Level Objective

To continue to enhance the economic well-being of the city by:

- Being at the forefront of innovation and change with a prosperous and thriving economy
- Supporting the progress and success of existing businesses and encouraging new enterprises that will sustain high employment rates
- Ensuring that all sections of the community are able to benefit from economic opportunities.

Issues facing the City

- Maintenance of York's position as a market-leader in the development of its knowledge and science base in an increasingly competitive global economy;
- Increasing competition in the leisure and business tourism markets, particularly demonstrated by a fall in visitor numbers;
- The on-going reduction of employment in York's manufacturing base;
- Lack of investment in the city's heritage and tourist industry;
- Lack of quality employment sites and accommodation particularly within the city centre, whilst recognising the availability of significant brownfield land;
- Skills gaps and barriers to work facing York residents in an increasingly specialised workplace environment, and the need for quality jobs offering higher pay together with ensuring that as many residents and employees as possible can benefit from new economic opportunities;
- Need for a modern, uncongested transport infrastructure and improved international travel connections to meet the needs of a modern, knowledge-based economy;
- Balancing and using the successful economy to achieve high environmental standards and quality of life, taking account of the commitment to limit any impact on the carbon footprint of the city.

Strategic Aims and Actions

1. To have a leading edge, modern, knowledge and science-based economy.
 - To further develop York as a centre for leading edge, modern, knowledge and science-based businesses. We will achieve this by increasing the levels of start-ups, spin-outs and growing businesses through Science City York business development and skills development programmes.
2. To be ranked as an international quality leisure and business visitor destination.
 - The leisure and business visitor market will be developed further through focused marketing activities. This will include investment in the heritage, cultural and conference infrastructure, improved visitor information services and skills development activity through the new Visit York single tourism organisation
3. To have a broad based economic structure, characterised by good working practices, and with a highly skilled and motivated workforce;
 - The city's broad-based economic structure, including the tourism and cultural sectors and city centre economy, will be maintained and developed. Business support services will be provided, there will be direct intervention with key sectors and businesses and important development sites will be advanced. Additional work will be undertaken to enhance the engagement of local businesses

4. To be a focus for high quality external investment and supportive of local business and small business development;
 - Joint working through york-england.com with regional and sub-regional partners will continue to promote York in order to attract high value external investment to support and add value to local business development.
5. That the University of York maintains its top global position acting as a key local and regional economic generator. In addition to increasing the scale and impact of all Further and Higher Education institutions in the city.
 - York University will be supported in its role as a key economic generator for the city through joint action between Science City York and the Higher York Partnership.
 - Ensuring that the expansion and diversification of learning opportunities are central to increasing economic activity and broadening cultural life.
6. To play a full regional and City regional economic role.
 - Economic benefits will be maximised at a local and regional level through collaborative work in the region's Yorkshire Cities project, with Yorkshire Forward and the Regional Assembly.
7. To have a modern, sustainable and uncongested transport network.
 - To contribute to the development of a modern, sustainable, uncongested transport infrastructure that meets the needs of the York economy. This will be achieved by strategic planning and investment through the Local Transport Plan and direct intervention with key rail , bus, coach, air and freight transport operators.
8. To enable local people, including those with disabilities, to benefit from the new job opportunities and increased income levels from increased economic prosperity, with a focus on minimising income differentials in the City.
 - Skill levels within the York workforce will be enhanced through partnership working with the Learning & Skills Council, Lifelong Learning Partnership, education and training providers and Future Prospects.
 - To address the issue of economic inclusion and worklessness so that as many residents and employees as possible can benefit from new economic opportunities.

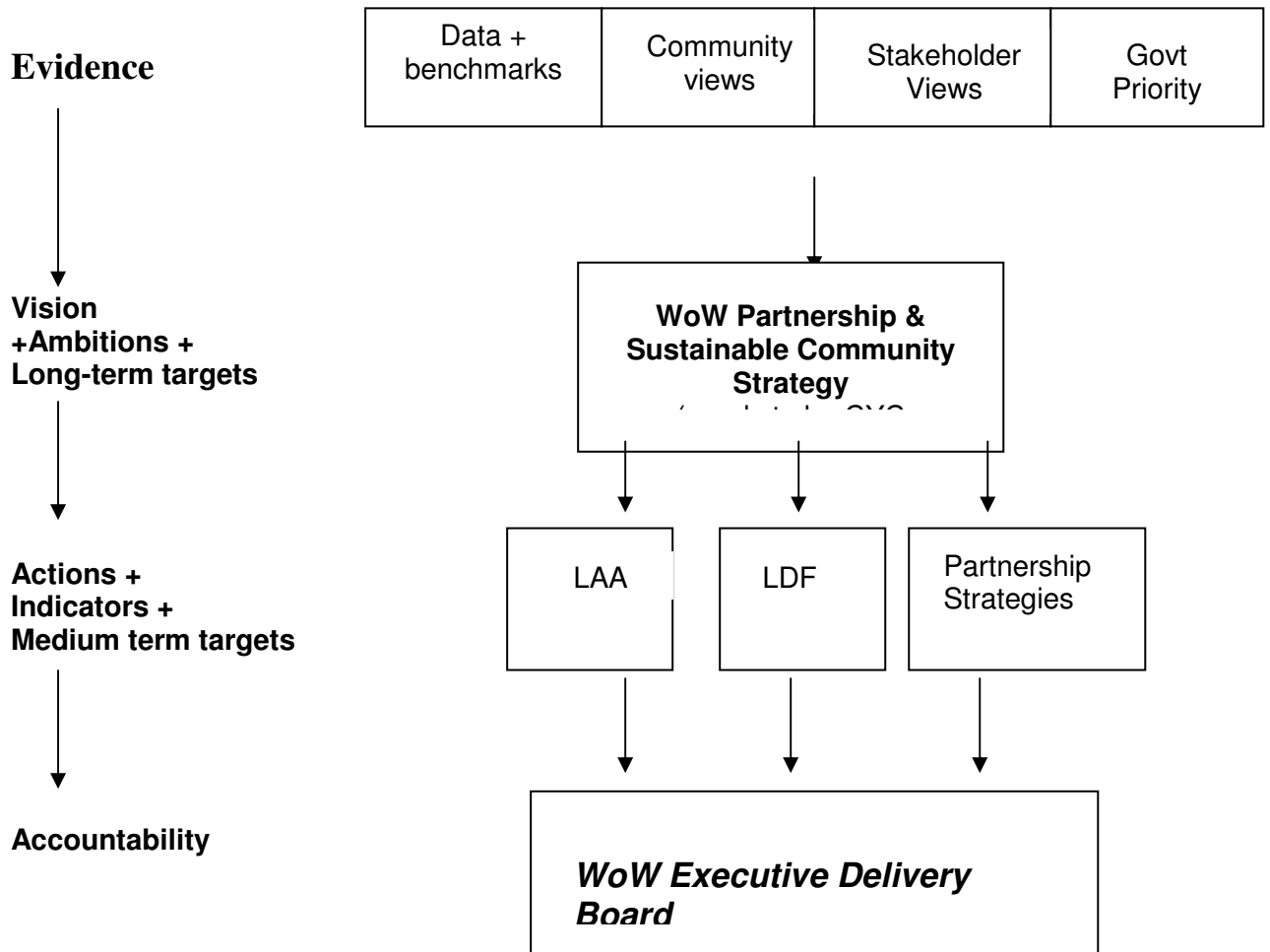
Success Measures

- Overall employment rate and rate of unemployment compared to regional and national rates.
- % of businesses surveyed who are satisfied with York as a premier business location.
- Working age people on out of work benefits. (LAA)
- Working age population qualified to at least NVQ level 4. (LAA)
- Average earnings of employees in the area. (LAA)
- Maintain percentage difference between York and regional median and 25% percentile figures for residents pay in York (av. gross weekly earnings). (LAA)
- VAT registration rate. (LAA)

7 Making it Happen

Without Walls' three-year action plan will be reviewed every year, and local residents and organisations will be invited to contribute to the review process. The Partnership will also report on progress against targets and agree future priorities at an annual Community Conference.

The following diagram illustrates the continuing process that is used to review, update and deliver the SCS.



Governance Arrangements

The Without Walls Partnership structure gradually emerged following the first meeting of the LSP in March 2002, and has subsequently been amended to reflect changing circumstances and demands made of it.

At the Without Walls meeting of 23 May 2006, it was agreed that the structure of the LSP should again be revised to meet the requirements that were being placed on it by national policy such as Local Area Agreements. The LSP's role in shaping the long-term agenda for York was recognised, as well as a need for a greater focus on delivery. Without Walls partners agreed that the LSP's longer-term strategic and policy-setting role should be

separated from the shorter term role of ensuring delivery of actions and achievement of targets specified in the Local Area Agreement.

Two separate groups were formed, each with a different focus, though both remaining within the overall umbrella of Without Walls. The long-term vision for the city is developed by the 'Without Walls Partnership' and delivery responsibilities rest with the 'Executive Delivery Board'.

Purpose and Membership of the Without Walls Partnership

The Without Walls Partnership provides a forum for debate and decision-making at a strategic level and acts to support and develop the key aims of the Community Strategy. In so doing, it provides the framework of operation for the Executive Delivery Board, guiding its work programme and setting strategic direction.

Detailed responsibilities include:

- Assessing priorities and identifying areas of overlap or tension across thematic partnerships
- Scrutinising performance data and challenging/championing information provided by the Executive Delivery Board
- Reporting progress against priorities to residents on an annual basis
- Coordinating a partnership response to new or crosscutting challenges facing the city
- Continuing to develop the Without Walls Partnership and ensure it is strategic, inclusive, action-focused, performance-managed, efficient, learning and developmental

Core membership of the Partnership comprises the named representatives of the following:

City of York Council – Three Members (nominated at Full Council) and the Chief Executive

Chairs of the eight thematic delivery partnerships

North Yorkshire Police – Chief Superintendent

North Yorkshire and York PCT – Associate Director of Public Health

York CVS – Chief Executive

York University – Vice Chancellor

Higher York – Chair

Jobcentre Plus – District Manager

Chamber of Commerce – Chief Executive

The membership of Without Walls is periodically reviewed and updated. This body meets three times per year and hosts an annual 'Community Conference' in order to report on progress and help inform priority setting for the following twelve months.

Purpose and membership of the Executive Delivery Board

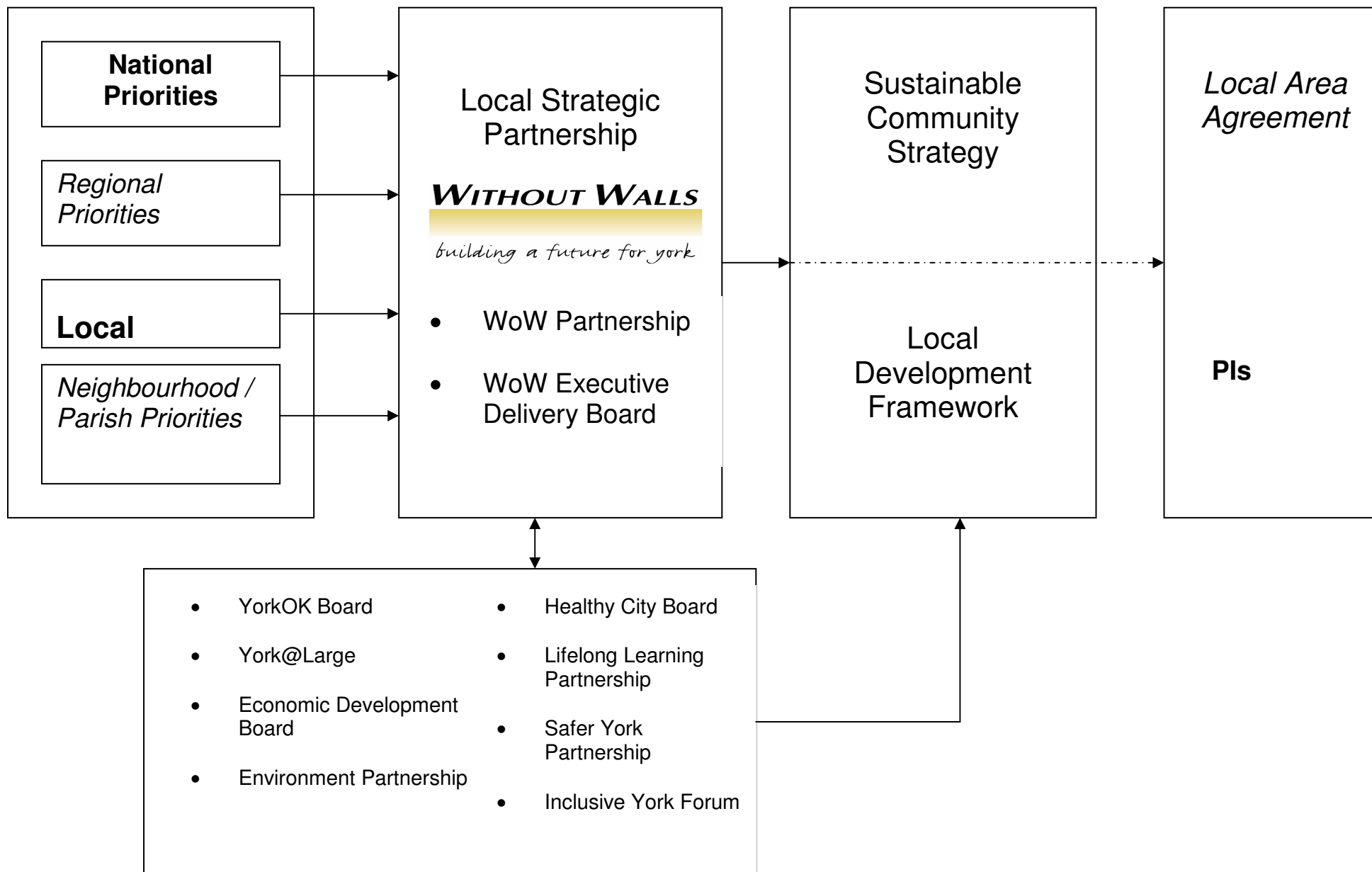
The Executive Delivery Board has a commissioning and delivery role and implements the work programme set by the Partnership. The Executive Delivery Board (ExDB) will performance manage the SCS and LAA on behalf of the Partnership. The ExDB meets four times per year. The ExDB will:

- Recommend priorities and achievable outcomes
- Improve coordination across providers and direct resources towards achieving Sustainable Community Strategy priorities

- Monitor progress against targets
- Report progress to the Without Walls Partnership

The following diagram sets out the relationship between the Without Walls network of partnerships with the Sustainable Community Strategy, Local Development Framework and Local Area Agreement.

Local Strategic Partnership Framework: the relationship between the Sustainable Community Strategy, Local Development Framework and the Local Area Agreement.



Partnership Planning

It is expected that key partners and partnerships within York, such as city of York Council, will align their own strategies and plans to the Sustainable Community Strategy. This is an expectation of public, private and voluntary and community sector. This will ensure key strategies and plans will, over time, meet the strategic expectations and direction set by the SCS for York. Similarly we anticipate that partners will align their planning and delivery systems to the SCS.

The LDF has a key role to play in helping to deliver the spatial elements of the SCS. The role the LDF will play in delivering SCS outcomes is set out in Section 4 of this strategy. In developing the various LDF documents the vision and strategic ambitions set out in the SCS will need to be taken into account. Similarly, many of the Strategic Aims and Actions identified under each of the seven top-level objectives in the SCS have a spatial element, which the LDF can help deliver. For example, the LDF can help to deliver the 'actions' identified under the Sustainable City on issues such as transport, sustainable location and design, heritage, Green Belt, and green infrastructure. Under the City of Culture theme the LDF can help deliver the aims and actions on issues such as cultural offer, heritage attractions, high quality public spaces and creating a vibrant city. Work on the two Area Action Plans for the City Centre and York Northwest offer real opportunities in this respect.

Neighbourhood Action Plans

A critical part of delivery of the SCS will be the continuing development and strengthening of Neighbourhood Actions Plans (NAPS). A Neighbourhood Action Plan looks at the needs of a neighbourhood, highlights specific issues and goes on to develop a planned approach to tackling these issues in partnership with the community and service providers. NAPS incorporate information such as profiles of a Ward and standards and targets, which are to be met to ensure that other service providers and partners contribute to their content, thus providing a greater breadth of information about the neighbourhood.

At present there are a total of 59 ambitions contained within the NAP's across the 18 ward committee areas of the city. Each Ward Committee area has three or four ambitions within their NAP.

Elected Ward members are at the forefront of making sure that this delivery happens. This process has continued to strengthen partnership service delivery at a local level. It is essential that the NAP's are also enhanced to enable them to play a more central role in providing a direct link (golden thread) between the LAA and Sustainable Community Strategy. Furthermore, NAP's need to be developed and delivered in conjunction with the public and partners. This will help increase participation and engagement within the community. NAP's can achieve this as all residents of York have the opportunity to help shape their local neighbourhood on a regular basis.

LAA Action Planning and Delivery

Once the three year LAA has been agreed with central government the Executive Delivery Board will prepare a work programme identifying key tasks and actions required to deliver the improvements and targets for the performance indicators. This approach will:

- Enable knowledge of current programmes and activities to be collectively owned and understood
- Identify any gaps where additional activity is required to meet the targets
- Stimulate innovation and collaboration between partner(ship)s where outcomes and targets can only be achieved by collective effort
- Inform the allocation of any available monies to pump prime action to enable LAA targets to be achieved

Performance Management

The Executive Delivery Board is underpinned by a strong performance focus, which facilitates a clear agreement between partners regarding responsibility for delivering against LAA outcomes. The ExDB also ensures that reporting chains and data flows, necessary to assess performance at regular intervals, are in place. A key to successful performance management is a desire to improve data sharing and bring together performance information across the city to monitor progress on the LAA.

Over time the intention is to simplify, streamline and integrate existing performance management arrangements into one area-based framework, and bring focus to the SCS. The LSP will manage progress against the targets specified within the LAA. Key agencies and partnerships will measure their contributions to its achievement and embed delivery of relevant LAA outcomes into their existing planning cycles and monitoring arrangements.

The ExDB is responsible for performance monitoring and management of the SCS and LAA. This is done by use of two types of measures:

- **Health of the city indicators** - key high level longitudinal measures (e.g. unemployment rate)
- **LAA Indicators** - LAA2 indicators

These two different types of measures are specified in the individual thematic sections of the SCS.

Funding

Partners and partnerships already invest considerable resources in York. Much of this will be used, over time, to achieve the ambitions of the SCS. In the short-term the only immediately available funds that are available to support the delivery of LAA outcomes and indicators is the reward grant from LPSA2.

LAA Operational Guidance states that 'in agreeing targets for inclusion in LAAs, partnerships will want to consider how they will resource delivery of these priorities. Individual partners may wish to pool their mainstream resources, where this is possible'. It also acknowledges that the Local Government and Public Involvement in Health Act, 2007 emphasises the need for cooperation, including the possibility of shared commissioning across the different public service providers to better meet the expectation of citizens.

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 working will emerge as outcomes are agreed and plans to achieve them are implemented.

While pooling funding may have its advantages, the movement of funds could have impacts on other service areas, therefore, it is recognised that care needs to be taken in both determining the extent of pooling and how future distribution will be agreed. The expectation is that as the LAA is implemented and partners review performance jointly and consider new ways of working then existing funds will be aligned more closely, the use of Area Based Grants will be reviewed and the potential for pooling considered.

C: Economic Development Programme

2008/09 – 2010/11

ECONOMIC DEVELOPMENT PROGRAMME 2008/09 – 2010/11

Key Action	Key Areas of Work	Lead/Partners	Related PI's
<p>KA1 Further develop York as a centre for leading edge, modern, knowledge and science-based businesses – one of 6 National Science Cities. This will be achieved by increasing the levels of start-ups, spin-outs and growing businesses through Science City York business development and skills development programmes.</p>	<p>* Implement Science City York (SCY) SRIP endorsed action plan to deliver support to key clusters in:</p> <ul style="list-style-type: none"> • Bioscience & Healthcare • IT & Digital • Creative Technology Industries <p>* Support the roll-out of key specialist services to support new business ventures and growth of existing companies in York and key parts of North Yorkshire:</p> <ul style="list-style-type: none"> • 'Cluster Development' to create the right environment and support for key knowledge-based sectors to embed them locally and regionally by organising Business to Business activities • Business Promoter mentoring to aid early stage ventures and growth of sector related businesses • Provision of Proof of Concept and grow on funds to support commercialisation and creation of new start-ups and their growth • Facilitating workforce development programmes to create and develop progression routes and address training needs with partners • Public Engagement in science and innovation, eg Yorkshire Festival of Science, Café Scientifique • Review appropriate infrastructure requirements for knowledge-based businesses (broadband, property etc) • Promoting York as a Science City regionally, nationally and internationally <p>* Work with the University of York, York St. John and Higher York partners to support enterprise and knowledge transfer activities, which also includes the development of new departments.</p> <p>* Review SCY Strategy Board on an ongoing basis to ensure it meets the</p>	<p>Science City York lead. Key stakeholders: industry University of York, Yorkshire Forward and the City of York Council. (which is the contractual lead partner.)</p> <p>Learning City York</p>	<p>VJ7a: no of jobs created through Science City York</p> <p>VJ7c: no of science based start-ups</p>

	<p>satisfaction of stakeholder/partner and customers as well as the CLG business plan needs. Consider findings of Yorkshire Forward sponsored review of activities. Develop strategy for post 2009 and commit financial sources for associated work programme.</p> <p>* Review additional customer accreditation programmes to support professional development, standards and funding opportunities.</p>		
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<p>KA2 Strengthen the competitive position of York in the leisure and business visitor market through focused marketing activities alongside investment in the tourism, heritage, cultural and conference infrastructure, and skills development activity through Visit York (the Single Tourism Organisation for York)</p>	<p>Establish the new Visit York company from 1 April 2008</p> <ul style="list-style-type: none"> * Implement the Service Level Agreement between the Council and Visit York which was agreed in December 2007, with particular reference to the Council priorities: <ul style="list-style-type: none"> Production and/or revision of a Tourism Strategy and Action Plan for the City through consultation and involvement of the Council and other stakeholders; Enhance York’s tourism offer to attract higher added value in the tourism sector and to strengthen the City’s function as a tourism gateway to a wider region; Developing the quality of the York visitor product; Ensuring that Visit York has sufficient resources to be able to run its services effectively and maintain financial viability; Assisting the Council to consult with the tourism industry; Helping the Council to achieve its environmental sustainability objectives by promoting a sustainable, green tourism agenda for the City and tourism businesses; Encourage and facilitate transformational enhancements to York’s visitor economy subject to the development of a business plan for Visit York and the availability of resources; Complement the work of York@Large, particularly regarding the promotion of major events in the City that will attract visitors; Take account of the interests of residents in the development of tourism Provide tourism advice to the Council and other stakeholders on issues such as business skills and training needs; Deliver information services to York’s visitors and make best use of destination management systems; Provide input, comment and intelligence so that the Council can respond to regional and national tourism policy * Ensure that Visit York meets the monitoring conditions outlined in the SLA regarding performance indicators and the production of a monitoring report by December 2008 * Ensure that Visit York contributes fully to the Yorkshire Tourism Network, through its role as one of six tourism partnerships in the Yorkshire region. * The Council will carry out an Annual review of the company’s 	<p>Visit York</p>	<p>VJ8a: increase the average length of stay by 1% per annum</p> <p>VJ8b: set a target of a 5% increase per annum in tourism earnings</p> <p>VJ8c: number of annual jobs created by tourism – increase by 1% per annum</p> <p>Other PIs tbc – could include targets for:</p> <ul style="list-style-type: none"> Usage of the VIC Private sector membership levels No. of tourism businesses involved in training No of training days being facilitated by VY Return on investment of publicity A “product development” target? Etc?
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	<p>performance in January 2009</p>		
<p>KA3 Enhance the city's broad-based economic structure, including the retail sector, the cultural sector and city centre economy. Business support services will be provided; there will be direct intervention with key sectors and businesses Duplicates KA4</p>	<p>*Review the City Centre Partnership business plan. Consider alternative managerial arrangements for 2008 and beyond which can deliver the actions the partnership has addressed.</p> <p>* Improve standards in the city centre through role of new City Centre Operations Manager (Service Level Agreement and standards to be negotiated with CSO).</p> <p>* Implement a single new managerial arrangement which can deliver the markets and city centre functions. Review use of central area open spaces and consider future opportunity. Develop the role of speciality markets in contributing to the city centre retail offer.</p> <p>* Implement the Evening Economy Action Plan, in conjunction with tourism, retail, attractions, licensed premises and other interests</p> <p>* city centre visioning and master planning with YF</p> <p>* footstreets review being led by TPU</p> <p>* the quarters' work- Minster, Castle, Cultural, Business</p> <p>*lighting initiatives</p> <p>* Joint action plan for Newgate Market, working with traders</p> <p>* Develop the role of Newgate and speciality markets in contributing to the city centre retail offer.</p>	<p>City Centre Partnership and CYC</p> <p>City Centre function</p> <p>Visit York, City Centre function and other stakeholders</p> <p>Visit York, CYC Market function</p>	<p>City Centre Partnership PI's defined in the Business Plan</p> <p>Operational PI's to be defined through revised SLAs for city centre services.</p> <p>Impact will be measured through economic impact work (VJ8b above)CCP3: Percentage of stall take-ups in Newgate market.</p>

	<ul style="list-style-type: none"> * Enhance support for the retail sector. * Consider enhancement to the 'offer' in peripheral city centre shopping streets * Review the city centre events programme. * Promote City of Festivals agenda in conjunction with York @ Large * Ensure that the Eco-Centre is completed and YSMBAC is installed to provide the necessary management and business advice/support. Agree SLA with YSMBAC. Consider Yorkshire Forward's revised arrangements for the delivery of Business Link Services. Ensure that York benefits from good quality, customer orientated services. 	<p>The City Centre Partnership and follow-on managerial arrangements and joint initiatives between the Council and retail sector</p> <p>CYC/CCP joint work</p> <p>With York @ Large and Visit York</p> <p>Working with Yorkshire Forward Business Link and YSMBAC</p>	<p>Ongoing</p> <p>VJ9a: Number of new customers using the Business Advice Centre, 4 Fishergate.</p>
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	<p>*</p>		<p>VJ9c New businesses created by the Business Advice Centre, 4 Fishergate. Occupancy levels and start-ups</p>
<p>KA4 Facilitate bringing forward major development opportunities at York Northwest, Terry's, Hungate, Castle Piccadilly, Nestle South and Monks Cross.</p>	<p>* Coordinate economic and employment inputs into the Local Development Framework and Regional Spatial Strategy processes (including consultancy research). *Promote York Northwest as a New growth point with the Leeds City Region context. * Work with City Strategy team to produce a master plan for the City as envisaged in the Future York Group report.</p> <ul style="list-style-type: none"> • York Northwest Area Action Plan being produced through the Council's City Strategy function. The aim is to achieve mixed use schemes on both the former British Sugar and York Central sites with residential, employment and leisure uses. This will include a new urban quarter at York Central including residential, office development, enhanced cultural facilities focused on the NRM and complementary retail development. • Terry's – achieve an employment led mixed use development scheme with a focus on SCY uses in accordance with the adopted planning brief • Nestle South – achieve a mixed use development scheme that at least replaces jobs lost on the site and provides opportunities for the creative industries, SCY and small businesses in Accordance with the adopted planning brief • Castle-Piccadilly – achieve a major new addition to York's retail offer including a department store in accordance with the adopted planning brief for the site • Monks Cross – achieve a high quality new employment use on the Vangarde (Monks Cross South) site 	<p>CYC: City Development Group lead with Cross-Council Regional Group support.</p> <p>CYC/York Central Steering Board (?)</p>	

	<ul style="list-style-type: none"> • Coordinate economic and employment inputs being fed into the York Northwest planning brief process, focusing on potential end users and skills development opportunities. * Coordinate economic and employment inputs fed into the City Centre Area Action Plan process, focusing on place-making, potential end users and skills development opportunities. * Secure development of key sites in line with economic and corporate objectives through the planning process. * Likely to move away from restricting premier employment sites to SCY as a result of SQW and Entec study recommendations!! 	<p>CYC Learning & Skills Council, Lifelong Learning Partnership, education and training providers and Future Prospects.</p> <p>CYC/Visit York/City Centre Partnership etc</p> <p>CYC</p> <p>CYC/Science City York</p>	
<p>KA5 Work jointly with regional and sub-regional partners to promote York in order to attract high value external investment to support and add value to local business development.</p>	<p>* Operate revised working arrangements (focusing on a smaller number of agreed priorities) between the Economic Development/Science City York and york-england.com – focusing on priorities identified within other areas of the economic development programme (eg. Science City York, key sites, tourism, city centre).</p>	<p>CYC/york-england.com/SCY</p>	<p>VJ10a: Number of jobs created through york-england.com activities</p> <p>VJ10b: Number of companies created through york-england.com activities.</p>
<p>KA6 Support the University of York in its role as a key economic generator for the city through joint action involving Science City York and the Higher York</p>	<ul style="list-style-type: none"> • Work with the University/Science City York to ensure that the new development at Heslington East can maximise its contribution to the City's future employment base. • Increase access and participation levels to higher education 	<p>See KA1 in relation to Science City York involvement</p> <p>Higher York</p>	

<p>Partnership, and developing Heslington East.</p>	<p>courses via the Higher York Partnership.</p> <ul style="list-style-type: none"> Increase number of graduate start-ups through Enterprise groups in University of York and York St.John 	<p>Partnership University of York/York St.John</p>	
<p>KA7 Maximise economic benefits for York through collaborative work at regional and sub-regional levels, including work with Yorkshire Forward and Leeds City Region.</p>	<ul style="list-style-type: none"> * Joint action with Yorkshire Forward to enhance CYC/YF collaboration and maximise the economic impact of council activities Within the new strategic context being implemented by Yorkshire Forward. Ensure that discussions with Yorkshire Forward over the implementation of the findings of the Sub-National Review fully articulate York’s expectations. * Define and build York’s “Science City “ role within the region. Further Define York’s role and contribution to the Leeds City Region Development Programme And the emerging Business plan. * Develop further York’s leading role as a visitor destination into the Yorkshire region, contributing fully to the Yorkshire Tourism Network (Yorkshire Forward, Yorkshire Tourist Board and the TPs) <p>Lead and implement the Innovation Theme activity within the Key Cities/Major Urban Centres and Leeds City Region and link to Northern Way strategy.</p> <ul style="list-style-type: none"> * Review Yorkshire Cities/ in the context of Yorkshire Forward and the government Sub-National review. * Collaborate over Sub-Regional Strategic Economic Assessment and the revised Sub-Regional Investment Programme * Respond to Yorkshire Forward’s city region/sub-regional review of investment planning, with a view to ensuring that the arrangements which best address York;s economic potential are adopted. * Further develop cross-council integration on regional issues through the new City Strategy Directorate. 	<p>CYC/YF CYC/YF/Univ + SCY CYC/Leeds City Region Visit York Science City York CYC/YF and cities York and N. Yorkshire Partnership Unit CYC CYC</p>	

<p>KA8 Enhance skills levels within the York workforce through partnership working with the Learning & Skills Council, Lifelong Learning Partnership, education and training providers and Future Prospects.</p>	<ul style="list-style-type: none"> *Further develop a Skills Strategy for the Future York economy. * Explore options to review /refocus(with LSC and Lifelong Learning Partnership) mainstream funding – maximising the use of external funding. * Maximise the use of Future Prospects in engaging with local people and increasing participation levels economic inclusion – working within the Lifelong Learning Partnership context and other agencies/projects. Remove barriers to work and learning (i.e. freedom and flexibility with Job Centre plus. * IMD – support economic inclusion through responding to the needs of the most deprived areas in York. * Deliver, through the Council’s York Training Centre, training and support initiatives targeted at those marginalised from mainstream services – working in collaboration with other providers, LSC, Job Centre Plus and the LEA. <p>Use York Training Centre and collaboration with external training providers and other public sector employees to enhance staff development levels within the Council.</p> <ul style="list-style-type: none"> * Ensure skills development issues are addressed by Visit York, in collaboration with other delivery partners 	<p>Lifelong Learning Partnership(with LSC and CYC)</p> <p>Future Prospects/Lifelong Learning Partnership.</p> <p>York Training Centre</p> <p>CYC, York Training Centre and partners</p> <p>Visit York</p>	<p>VJ3: Percentage of people obtaining work and entering learning after attending Future Prospects.</p> <p>VJ16a: No of face to face interviews at Future Prospects.</p> <p>Training/skills PIs (in KA2)</p>
<p>KA9 Translate economic prosperity into benefits for local people in terms of income levels, quality of life, a safer city, and access/inclusion to the life of the city.</p>	<ul style="list-style-type: none"> * Increased integration of the Safer York, anti-social behaviour, housing, social inclusion, anti poverty equalities and other “quality of life” agendas with the Economic Development Programme, and increase economic development inputs into these programmes. * Anti poverty strategy * IMD – as KA8 above *Employer engagement strategy including council as an employer, including corporate parent roles. Work more with voluntary sector, council working with SMES on inclusion and showing by good example * Advise the Credit Union of socio-economic issues to help it develop its services. 	<p>CYC and partners</p> <p>Credit Union lead</p>	<p>PI’s within other areas of work.</p> <p>New PI’s:</p> <ul style="list-style-type: none"> *Income support as a % of working age population. *Household income levels and annual pay <p>Credit Union projected membership level (in</p>

their business plan).

	<ul style="list-style-type: none"> * Provide a free and impartial benefits advice service through Future Prospects linked to their wider services. * Create “quality jobs” through work with all employers and other partnerships, encouraging widening participation routes and graduate retention programmes are put in place with Higher York partners. 	<p>Future Prospects</p> <p>Science City York, Visit York</p>	<p>Develop new FP PI re number of benefits advice sessions.</p> <p>See KA1</p>
<p>KA10 Contribute to the development of a modern, sustainable, uncongested transport infrastructure that meets the needs of the York economy. This will be achieved by strategic planning and investment through the Local Transport Plan and direct intervention with key rail and air operators.</p>	<ul style="list-style-type: none"> * Local Transport Plan 2. <ul style="list-style-type: none"> - implementation through the Transport Planning Unit. - economic development inputs to shape outcomes (for example on funding bids) and assist implementation. * Car Parking, Park & Ride, and FTR awareness-raising and promotion in conjunction with retailers, Visit York partners etc. * Coordinate when appropriate transport inputs and collaboration in relation to the economy led agendas relating to the Leeds City Region (including the Transport/Stalls MAA due June 2008), Yorkshire Cities, Northern Way. * Ensure that York and the regions interests are assimilated within development/investment proposals for the ECML and Trans-Pennine rail franchises. * Progress action on public transport links to the region’s airports – involving Visit York * Major scheme bid “access York”, Cycling City, also new rail station at Haxby and investigating Tram-train from Leeds-Harrogate 	<p>City Council Transport Planning Unit</p> <p>CYC</p> <p>CYC</p> <p>CYC – with private sector</p> <p>CYC – with private sector</p> <p>Visit York with CYC</p>	<p>Set within LTP2</p>
<p>KA11 Work with neighbouring councils to develop new approaches to affordable housing.</p>	<ul style="list-style-type: none"> * Collaboration with CYC Housing and City Development functions through work on the Regional Spatial Strategy, Local Development Framework “Golden Triangle” and “sustainable communities” initiatives. Consider the potential of EcoTown proposals within the City Region to address this issue 	<p>CYC: facilitated by the internal, Cross-Council Regional Group.</p>	<p>Set within these policies</p>
<p>KA12 Monitor and review strategies as they relate to the economic development of the city and integrate the</p>	<ul style="list-style-type: none"> * Develop the Thriving City theme of the Local Strategic Partnership, linking into the required Local Area Agreement Economy & Enterprise block. <p>Review and monitor high level Local Strategic Partnership Thriving City Theme PI’s and associated local PI’s.</p>	<p>City Strategy Directorate</p>	<p>LAA in place by April 2007</p>

<p>new City Strategy with other council strategies.</p>	<ul style="list-style-type: none"> * Contributing where appropriate to the Cultural City themes within York@Large * Exploit all possible external funding services. * Fully articulate York's case in the ongoing debate over implementation of the findings of the government's Sub-National review * Provide a business intelligence service across all sectors – responding to issues and monitoring performance (tourism trends through Visit York) * Monitor and review the city's Economic Strategy in the context of the Community Plan. 	<p>Visit York</p>	
<p>KA13 Help deliver and influence council/departmental/group operational and management priorities.</p>	<ul style="list-style-type: none"> * Inputs required in relation to CPA, Council Plan, corporate policies and processes. * Audit Commission review/inspection of Council/LSP partnership working through the Thriving City Theme (and Visit York/Science City York activity specifically) * Consider the findings of the CPA and modify service formulation and delivery as appropriate. * Implement the findings of the Job Evaluation process 	<p>Economic Development Group</p>	

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York: Prioritising Prosperity

A report prepared by Centre for Cities for City of York Council

March 2009

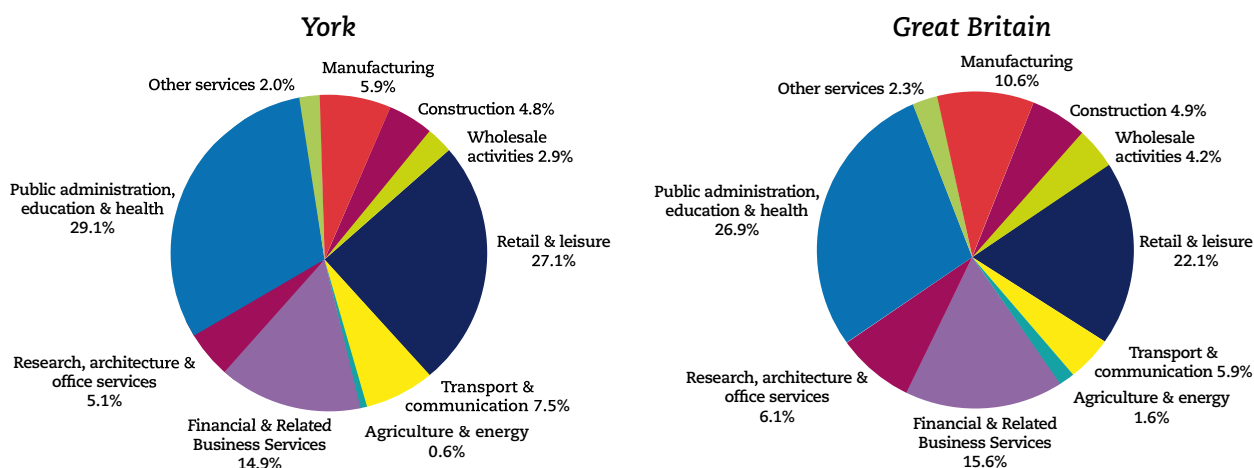
Kieran Larkin

Introduction

York is a Partner City in the Centre for Cities research programme '**Unlocking City Potential and Sustaining City Growth**'. The programme works closely with a small group of cities to inform economic development strategies and improve economic performance. York wants to develop as a 'Thriving City', taking advantage of the policy opportunities that exist in the Sub-National Review. This report sets out policy analysis and recommendations in response to four principal questions:

- How can York deliver the infrastructure needed to achieve its vision of growth?
- What can York do to improve the performance of its core future economic drivers, particularly its science and technology cluster?
- How can York tackle small remaining pockets of worklessness?
- How can the Council ensure the wider Leeds city-region benefits the York economy?

Figure 1: York's Sectoral profile (2007)



Source: Nomis (2009) Annual Business Inquiry

Key recommendations

- **Sustainable growth:** The Council must embrace the need for managed change in the city and deliver the infrastructure needed to support sustainable economic growth. In particular, this will mean redoubling efforts to deliver the York Northwest development opportunity.
- **Science & technology:** Partners including the Council, the University of York, Science City York and Yorkshire Forward need to increase their focus on building up the city's science and technology cluster. This sector represents York's best chance of carving out a niche for itself in the modern economy. City partners should work together to define York's areas of leading expertise, attract investment and build its international brand.

Macroeconomic context

The credit crisis in the financial markets has now become a crisis in the broader UK and global economy. The UK is now officially in recession and the fall in GDP in the last two quarters (2.2 percent decline) is now nearly as deep as the whole of the 1990s recession (2.5 percent). The problems within the financial system which have constrained the supply of available credit are far from solved and the forward looking indicators in the latest business surveys suggest that output has continued to deteriorate during the first quarter of 2009.

Given the momentum of the decline and the global nature of this downturn, we now expect GDP during 2009 to contract by more than three percent, and the eventual peak to trough decline may now exceed the falls during the early 1980s (4.5 percent peak to trough). In that recession the unemployment rate rose from four percent to 10.6 percent (measured by the claimant count rate). In this recession we start from a lower level (2.5 percent as of Q3 2008), but we expect a rise of more than one million over the next two years.

Vision for York

The expected severity of the recession means that the economic growth aspirations set out in York's Sustainable Community Strategy¹ and the influential Future York Group (FYG) report (see Box 1) will have to be lowered. In the longer term, the city's set of assets - its highly skilled workforce, quality of life and well respected university - provide York with the potential to achieve sustained economic success. However, the underlying fragility of some of these assets, the economic weaknesses of the wider Yorkshire region and the severity of the recession, mean that the city has no room for complacency.

The report has two key messages about how partners in York can achieve their social and economic goals:

Firstly, the **Council must embrace the need for managed change in the city** and deliver the infrastructure needed to support economic growth. In particular, this will mean redoubling efforts to deliver the York Northwest (YNW) development opportunity. As partners in York know, this investment will be critical to the city's future.

Secondly, partners including the Council, the University of York, Science City York (SCY) and Yorkshire Forward need to increase their focus on building up the city's science and technology cluster. This sector represents York's best chance of carving out a niche for itself in the modern economy and partners should use the recent expansion of the University of York to spark further investment in infrastructure and growth in the local business base.

A snapshot of the York economy

York is a reasonably strong city economically. It has recovered following the decline in its traditional manufacturing base, such as confectionery, restructuring towards higher value service sectors with the growth of tourism, financial services and the city's science cluster.

- York has seen strong population growth over the past decade. Between 1997 and 2007, the population grew at an annual rate of 1.0 percent, in advance of the national average of 0.4 percent.

1. York Without Walls (2008) York City Vision and Sustainable Community Strategy 2008-25. York: City of York Council

- The city has a high employment rate with 79.3 percent of the working age population in employment in June 2008 (the latest data available), above the regional, Yorkshire & Humber (73.3 percent), and national (74.5 percent) average.
- Between 1996 and 2006 employment grew at an average annual rate of 1.5 percent, adding 13,800 jobs to the economy. This rate is slightly in advance of the regional (1.4 percent) and national (1.3 percent) average.
- In June 2008 unemployment was lower, at 3.6 percent, than the regional (5.7 percent) and national average (5.3 percent).
- In 2008, average resident earnings per week were £438. This is lower than the national (£475) but higher than the regional (£425) average. Average resident earnings are lower than in Leeds (£462).
- The city has a highly skilled population with 54.7 percent of the population with NVQ level 3 and above (Yorkshire & Humber: 42.3; Great Britain: 46.4) and 34.7 percent with NVQ level 4 and above (Yorkshire & Humber: 23.8; Great Britain: 28.6), in 2007.

Box 1: Future York Group report

In the summer of 2007, a business led group published a report on securing the future growth of the York economy. The FYG report made a series of recommendations, including:

- Adopting a 3.7 percent annual growth rate target, that would result in the economy doubling by 2026.
- The establishment of new channels of communication between the Council and the city's businesses.
- The dualling of the northern ring road.

This report builds on the FYG study by making detailed recommendations in specific areas and taking into consideration the impact that the recession will have on the city.

Impact of the recession on the York economy

Forecasts, prepared in November 2008 for the Centre for Cities by Oxford Economics, suggest that under a scenario in which the UK economy contracts by two percent in 2009, York should expect output in its economy to contract by 1.3 percent. Under this scenario the city is forecast to see 2,800 jobs lost over the 2008-09 period – approximately 2.6 percent of the 2008 workforce. In reality, the UK economy is likely to contract by around three percent, so job losses could be significantly worse than this.

York has high employment in a number of sectors that are vulnerable during the recession. High profile job losses in York's financial services and construction industry have already occurred. Between January 2008 and January 2009, the Jobseeker's Allowance claimant count rate in York rose from 1.4 percent to 2.4 percent, a slightly smaller rise than the national average.

A recent report by the consultants EKOS, rated York as above average in economic resilience². While York looks vulnerable in the short term, its strong initial employment rate means that the city is unlikely to see very high levels of unemployment. In the medium term the city's skilled workforce should prove flexible, providing that it is retained, and this will ensure that the city is well-placed for a future recovery.

2. EKOS GEN/EDAW (2009 - forthcoming) *Index of Urban Resilience*. Sheffield: EKOS GEN/EDAW

Delivering the infrastructure needed for growth

To recover from the impact of the recession York will need to concentrate its policy interventions on tackling its key economic weaknesses and supporting its competitive strengths. Like any local authority, York has found itself pulled in a variety of competing directions. To achieve its goal of sustainable economic growth, as set out in the Sustainable Community Strategy, York needs to prioritise the city's most important aims and reduce its total number of targets.

For example, the Future York Group report (2007) made 48 recommendations, not all have been completed and many have taken longer than expected to deliver – the Business Forum took over a year to implement. Equally, the city's draft economic development strategy has 13 key actions. Firms, developers and other agencies seem confused by the council's priorities and businesses in the city do not feel the city presents itself in a clear and understandable manner.

Generating a commitment to growth

Following the recession cities will need to adjust to more challenging economic conditions. Reduced levels of public spending is likely to lead to a contraction in public sector employment and require more of the capital for economic regeneration to come from the private sector.

Economic growth is important. It provides new sources of employment, offers opportunities for those that are workless, raises residents' incomes, and increases prosperity and standards of living. York has perhaps overplayed the strength of its economy. The city considers itself to have a 'leading edge, modern, knowledge and science-based economy', however, Cities Outlook ranked York 21st in terms of economic prosperity (see Table 1). In the regional context York is a strong performer, but its performance compares less well to the successful cities located in the South.

Table 1: Selected comparator Partner Cities' rankings from Cities Outlook 2009*

	York	Cambridge	Brighton
Economic Prosperity Index (/64)	21	5	12
Social Deprivation Index (/64)	5	4	23
Built Environment Index (/64)	13	2	8

*First place in the ranking is an indicator of strength i.e. the strongest economy, the least socially deprived and the most prosperous built environment
Source: Centre for Cities (2009) Cities Outlook 2009

Standing still is not an option, particularly for cities like York seeking to carve out a niche in the knowledge economy. York needs to continue to match the opportunities offered in other competitive locations, or businesses and highly skilled individuals will start to re-evaluate the extent to which York meets their needs. For cities, economic growth often means expanding and improving transport infrastructure, housing and business space. The difficulties that have been encountered in progressing the Terry's development³, which would have added 2,800 jobs to York's economy, highlights the need to foster an appreciation of the benefits of growth for York.

Some of York's residents are understandably uneasy about growth in the city. York is valued for its quality of life and historic setting, and many residents have a deep concern for their impact on the environment. Local politicians can potentially play an important role, setting out the benefits of economic growth to the city's residents. Politically, this can be challenging when the benefits of growth are delivered in the medium term, while the pressures that exist require short term results.

3. The Press (2008) 'Fresh hope for Terry's revamp', published October 2008

The importance of enabling the managed change of the physical environment requires the Council, Councillors and the city's business sector to work together to facilitate sustainable economic growth and secure the future prosperity of York. The development underway at the University's Heslington East campus should now be used as a catalyst to attract new investment and market the city as an important centre for science and technology.

Planning and the built environment

Complications with the planning process in York have prolonged development times and seen certain projects delayed. In part, this has been due to the lack of a statutorily adopted city development plan. There have been some recent improvements, such as the attraction of the HSBC data centre, but like many cities performance remains mixed. Added to this, the recession has now made regeneration across the country far more difficult⁴. York has already seen a number of major housing projects put on hold with delays announced to the construction of almost 700 homes⁵.

York has many development opportunities, but the sheer number of sites may have detracted from the Council's overall direction. There are five large brownfield opportunities in York and 36 potential sites of employment⁶. The York Northwest (YNW) development opportunity, in particular, is critical to the city's economic future. YNW is comprised of two distinct locations in close proximity and covers an area of 100 hectares, with 75 hectares of developable brownfield land. YNW has scope for one million square ft of office space and 4,000 new homes⁷. The site has been identified as a regionally significant investment priority⁸. A considerable portion of the development, York Central, is a prime city centre location.

The importance of the YNW development to the city means that it **should be the key priority** in the Council's efforts to improve the economy. However, the development has a number of inherent difficulties including multiple site owners, accessibility difficulties, the need for significant infrastructure investment and the level of site contamination.

- Insufficient focus on the site could delay the agreement of the Area Action Plan or postpone site development. The Council should prioritise the staff time dedicated to bringing forward YNW and increase the capacity and core skills of the staff involved. A training programme for city planners and other relevant Council officers should be developed, working with Yorkshire Forward, the two universities and the Commission for Architecture and the Built Environment (CABE), to improve competencies and 'placemaking' skills across a range of core urban planning practices. Training could be extended to staff working on all of the city's development sites. More senior officer time should also be allocated to the development of the York Northwest site. There could be scope for the Council to expedite the development of the site's planning documents.
- On the issue of financing the necessary infrastructure improvements, York has already pursued a number of options. If the current options were not to progress York could approach the Core Cities Group, as part of the Leeds city-region, to assess whether an Accelerated Development Zone (ADZ) could be an appropriate financial tool for the YNW site.

4. Parkinson M et al (2009) *The Credit Crunch and Regeneration: Impact and Implications*. London: CLG

5. The Press (2008) 'Major housing schemes in York are put on hold', published December 2008

6. The total number of sites is less than 36. Some of these are smaller parcels of larger sites.

7. Leeds City Region (2008) *Urban Eco Settlements: Completing the Leeds City Region New Growth Points Package 2008-17*. Leeds: Leeds City Region; York Council (2007) *York Northwest Area Action Plan: Issues and Options Report*. York: York Council

8. Government Office for Yorkshire and Humber (2008) *The Regional Spatial Strategy for Yorkshire and The Humber to 2026*. Norwich: The Stationery Office

Box 2: Policy case study - Accelerated Development Zones

ADZs are based on Tax Increment Financing, a widely used policy tool for funding regeneration in the US. While the tool has not yet been created in the UK, PricewaterhouseCoopers (PWC) has prepared a report for the Core Cities Group on its potential application.

ADZs would ‘allow local authorities to capture incremental value in the form of tax revenue generated from new development’⁹. The basic function is that a local authority takes on a loan to pay for the upfront costs of infrastructure and land remediation. The loan is then securitised and funded by the increased business rates received from the site, which HM Treasury would allow the local authority to retain.

PWC evaluated the potential application of an ADZ to the Leeds Aire Valley development, a site which although substantially bigger than YNW, suffers from similar problems. As such, YNW could be put forward as an equivalent opportunity. It may also be possible to make the case for a city-region wide ADZ as being developed in the Greater Birmingham city-region.

- The failure to deliver the Terry’s site, which was rejected by city councillors after a divergence in the developers’ and Councillors’ vision of the potential impact on the city, has highlighted the need for closer collaboration in the pre-planning phase. This should involve Councillors, the Council planning team and developers. The Council has already agreed an improved process chain and should now review how the lessons from the Terry’s development can be specifically applied to the YNW planning policy process to ensure that it avoids the same pitfalls.

The recent Killian Pretty review¹⁰ highlighted areas in which councils can improve their planning decision making structures. A number of these would be relevant to York, such as encouraging the Council Leader to play a role in leading the process and giving senior councillors planning policy and economics training, so they have a better understanding of the implications that planning decisions have for the economy.

Recommendations:

- York should prioritise policy support on the areas that will make the biggest difference to its economy - progressing York Northwest and developing the science and technology cluster.
- Councillors should make a policy statement setting out the arguments in favour of continued sustainable economic growth in York – including managed change of the built environment.
- The Economic Development Partnership should revisit and set a new realistic annual growth rate target. This will be smaller than the 3.7 percent target suggested by the Future York Group report.
- Planning department resources should be prioritised to keep progress on the York Northwest on track. The Council should investigate whether an Accelerated Development Zone could meet the York Northwest site’s infrastructure funding needs.

9. PWC & Core Cities (2008) *Unlocking City Growth: Interim Findings on New Funding Mechanisms*. Manchester: Core Cities Group

10. Killian J & Pretty D (2008) *The Killian Pretty Review – Planning Applications: A faster and more responsive system Final Report*. London: Killian Pretty Review

Supporting the growth of higher value jobs

Supporting the growth of higher value jobs is essential to the success of all cities. In the medium term, supporting the creation of employment opportunities will be especially important as cities seek to recover from the recession. To facilitate employment growth cities need to play to their strengths, identify key assets and be realistic about the sources from which growth is likely to come.

This section of the report argues that financial services may offer York limited growth potential. If the financial and related business services sector is to shrink, other sectors will need to grow. The city should focus policy support on the science and technology cluster, taking a number of steps to achieve this. While the growth higher value jobs in York will not be limited to this sector, it is the area in which the Council can productively add value. Finally, it suggests that entrepreneurship education needs to form a larger part of the city's skills offer.

Financial and related business services

Financial services organisations are an important employer in York. In 2007, financial services contributed 6.6 percent of York's employment compared with 4.0 percent nationally. However, the wider financial and related business services sector contributes 14.9 percent of employment, below the national average of 15.6 percent. The Future York Group report highlighted the importance of financial and professional services and identified the sector as an important growth area for the city. However:

- York's financial services sector, while considerable, is concentrated in two large employers in fairly low value added activities – Norwich Union and the Card Protection Plan Group. The presence of these two larger employers may overstate York's specialisation in this sector.
- The global recession has cast significant doubt over future levels of employment in the financial services sector in all UK cities. It is clear that significant job losses will occur over the next two years; in York cuts have already been made at Norwich Union, affecting between 500 and 700 people. Even when the recovery comes, the financial and related business services sector is unlikely to grow at the rate observed during the past decade. The satellite nature of many of the functions based in York may provide the city with a level of stability. Individual firm job losses are likely to be in the hundreds rather than the thousands.
- The growth of financial services has been supported by York's proximity to Leeds, one of the leading financial services centres outside of London. Firms have been attracted to York by the competitive cost of office space. However, given the availability of lower cost locations in the Leeds city-region, such as Bradford and Huddersfield, York may find it harder to attract further financial services firms to relocate to the city. In the medium term, further growth seems unlikely, particularly given the impact the recession will have on the sector in Leeds¹¹.

York should reduce its expectations for employment growth in the financial services sector.

While the Council should continue to take advantage of opportunities that exist, such as the attraction of the HSBC data centre, the sector should not be seen as a priority area for growth. Even though the city is unlikely to become a significant financial services centre, the need for additional office space will remain. This would be met by the York Northwest (YNW) development.

11. Larkin K & Cooper M (2009) *Into Recession*. London: Centre for Cities.

York's science cluster

The City of York Council has supported the University of York for the past decade and should continue to do so as the University is one of the city's key economic assets, both in its role of providing the city with a skilled workforce and its potential to create and attract high value businesses. The science cluster is important to York because, like the tourism industry, the sector attracts additional income to the city.

The complexity of supporting the growth of science clusters means that the Council has an incomplete set of mechanisms to improve York as a centre for science and technology. Growth of the cluster will also continue to be constrained by the size of the University. The Council will have to continue to work with the University and Science City York (SCY), using its leverage, to target measures that improve the performance of the science cluster.

The council can also have a significant impact on the growth of the science cluster by targeting the wider economic barriers that currently exist, such as planning, delivering on brownfield development, transport and housing. In many cases these policy areas can have a greater impact on improving rates of innovation than bespoke innovation policies¹².

Strengths

- **Nationally leading University:** It is only realistic for cities with very strong universities to develop a successful knowledge-intensive sector. The University of York's 2008 Research Assessment Exercise (RAE) score placed it eighth nationally¹³. Measured by the size of the city, York receives the fourth largest allocation of research funding - £119 per capita¹⁴. However, internationally York is less competitive and is only ranked in the top 200 to 300 universities in the world¹⁵.
- **Specialist areas:** The University of York has a number of academic areas in which it undertakes cutting edge research that have the potential to generate growth industries. These include health services research, biology (particularly plant biology), chemistry and computer science (Table 2).

Table 2: York's top ranked departments with commercial potential (2008)

Department	RAE score 2008 (0-4)	UK Rank
Health Services Research	3.05	1
Computer Science & Informatics	2.95	19
Chemistry	2.9	10
Biology	2.75	9
Earth Systems & Environmental Sciences	2.65	22

Source: Times Higher Education Table of Excellence (2009)

- **Established cluster support:** York has supported the growth of its science cluster through the initiative SCY, which was set up by the Council in 1998. SCY has a network of over 500 companies. According to SCY calculations, in 2006 there were 400 bioscience businesses in York and North Yorkshire, employing 9,200 people. There were also 1,800 digital businesses employing 15,800 people.

12. Webber C (2008) *Innovation, science and the city*. London: Centre for Cities

13. Guardian (2009) 'RAE 2008: results for UK universities', website accessed February 2009; Ranked 10th in The Times Higher Education based on 2008 RAE scores.

14. Webber C (2008) *Innovation, science and the city*. London: Centre for Cities

15. Institute of Higher Education at Shanghai Jiao Tong University; Internationally, this is the most widely used university ranking system. In the Times Higher Education Supplement 2008 the University York is ranked 81st in the world.

Weaknesses

- **Size of University:** The University of York is a small university, with around 10,000 students. While the University's expansion, with the development of the Heslington East site, will increase the student population by around half by international standards it will remain fairly small.
- **Jobs creation at SCY:** SCY has assisted the creation of 99 new technology based businesses and 2,800 new jobs. While this feat is to be commended it represents only a small part of the York economy. The organisation intends to create 15,000 new science jobs by 2021. This ambitious target would represent a five fold increase in the jobs created to date. This is an unrealistic assumption, even more so in view of the recent economic downturn.
- **Limited number of spinouts:** The number and value of spinouts from York has been small considering its research expertise. A study undertaken by Library House revealed that York span out nine companies between 2001 and 2006, of which five were backed by venture capital¹⁶. The average number of spinouts across all of the institutions in the study was 12, with seven backed by venture capital. The study also showed that given the University's RAE score, and compared to other cities, it may have been anticipated to have recorded greater number of knowledge based companies within the 'city's cluster'. It is acknowledged that data for spin outs is problematic and can fail to capture the full value of activities.
- **Alignment of businesses in the cluster and research expertise:** It would appear that SCY and the University of York have had greater success in spinning out and growing companies linked to computer sciences. To illustrate this, in 2007, SCY's Bioscience network had 139 companies, whereas the IT and Digital network had 236 companies. Computer science is a key strength of the University, but other departments are arguably more prominent nationally¹⁷. This indicates that the research strength of a department alone is not a direct indicator of the likely economic impact, in terms of jobs creation.

Scope for the growth of the science and technology cluster

The bioscience sector certainly has great growth potential internationally, driven by increasing demand for pharmaceutical and medical technologies. The sector is being targeted by Government as an area in which the UK can develop a comparative advantage. The question is whether it is realistic to expect York to be a key location for activity within the UK.

A report produced for York in 2007 used the assumption that the number of businesses related to SCY is expected to expand by approximately five percent per annum¹⁸. However, the recession is likely to require all employment projections to be re-evaluated. While the science and technology cluster has the potential to be an important economic driver for the city, the employment contribution is always likely to be fairly moderate. The Council and University also need to be realistic; due to a range of factors, such as the University's size, York may not become a nationally prominent bioscience cluster.

16. Library House (2007) *An Analysis of UK University Technology and Knowledge Transfer Activities*. Cambridge: Library House

17. Based on 2008 RAE scores. In the 2001 RAE assessment the Computer Science Department received a 5* rating.

18. SQW (2007) *City of York Employment Land Review*. Cambridge: SQW

Continuing support for SCY

SCY has achieved significant success in raising the national profile of York as a location for science activity, providing private sector leadership, and coordinating partners and related activities in the city. The organisation's success to date highlights that, within the Business Support Simplification Programme, there remains a rationale for continued investment from Yorkshire Forward. The City of York Council and Yorkshire Forward should aim to complete its funding exercise with SCY by the middle of 2009.

To improve performance and understand the value SCY adds, the Council and the University should work with SCY and Yorkshire Forward to agree a more comprehensive set of performance metrics. SCY has suggested the current measures fail to capture the full value of its work. While this observation is correct, it is important that this does not prevent evaluative methods from being put in place. Future funding settlements could also be linked to outcomes against these performance metrics to incentivise efforts in support of growth.

Actions to improve the performance of the science cluster

- **Aligning branding, attracting investment, and building profile:** York-England, the city's inward investment agency, has assisted in the relocation of 79 companies in the past three years creating over 1,000 jobs¹⁹. York-England's branding should now be further aligned with the promotion and support of York's science and technology cluster. This activity overlaps with SCY's role so close coordination is vital.

Over the next decade the Council, SCY and York-England should target attracting a sizable commercial research institution to the city, potentially in the area of computer science. This will require the targeting of appropriate companies, making the case for investment and providing the space and premises that the organisation would need. Currently, Smith and Nephew and the Defra Central Science Lab only partially fill this role.

Establishing a series of international research and technology conferences would help to build the profile of the University and promote the city as a location for investment. There may be opportunities to fund these events on a city-regional basis.

- **Concentrating and articulating areas of expertise:** York's efforts to attract investment would be supported by displaying greater clarity over the University's areas of international expertise and competitiveness. The University and SCY should identify three or four areas of research expertise and articulate these in a public document²⁰. SCY should seek to focus its efforts - expanding the remit of SCY from three to five networks would not support this goal.

York needs to carefully analyse the employment potential of the bioscience and computer science research areas. Judged by performance to date, research in the computer science department seems to have been more successful in attracting existing and generating new businesses, and encouraging employment growth. Ultimately SCY support should be targeted to maximise economic impact. The University also needs to identify if institutional barriers have impeded the employment growth generated from areas of bioscience research. Finally, SCY needs to form a better understanding of the economic impact that supporting a low carbon bio-renewable cluster is likely to have in terms of job creation.

19. York-England (2009) 'About Us', website accessed February 2009

20. Areas of expertise could include, plant biology, cancer treatment, liquid crystals and complex embedded computer systems.

- **Greater regional collaboration on knowledge transfer activities:** The University of York's size means that as it looks to compete internationally it needs to form a more cohesive partnership across the LCR and Yorkshire and Humber region. Increasingly, successful science clusters are required to be of a much greater size and scale.

The White Rose Partnership is already undertaking collaborative arrangements between the Leeds, Sheffield and York universities, thus far working on a project basis. City of York Council should encourage the University of York to work with this partnership to consolidate the commercial facing side of its knowledge transfer activities.

While the individual universities would still identify and facilitate knowledge transfer, the White Rose Partnership could offer a single communication point with industry, particularly to attract larger international companies. This approach would offer operational efficiencies and a greater total base of research and provide the potential to present companies with valuable technology combinations, unachievable in York alone. Such an approach has been advocated in the US, for universities operating in less well connected locations²¹.

Box 3: Policy case study - further knowledge transfer initiatives

Professors of Practice at the University of Newcastle

Newcastle's Science City initiative has used staff to improve its knowledge transfer capabilities. They have implemented a policy of 'Professors of Practice', hiring academics with business experience. While these individuals undertake research activities, part of their time is also dedicated to looking at the research across the department and picking out ideas that could produce a spinout.

Derby's knowledge transfer consultants

The University of Derby has introduced consultants to its knowledge transfer team. These individual's remuneration is based on their success in going out to the city and generating business.

York should look at how its incentive structures could increase the success of its knowledge transfer activities. City of York Council and SCY should consider part-funding both of these initiatives.

- **Attracting research talent to the city:** Ultimately the growth of York's science cluster will be driven by the quality of research output from the University and the talent available to local firms. York's ability to attract talent will partly depend on its quality of place offer, including the affordability of its housing and quality of its transport infrastructure (Table 3). To an extent, York's ability to deliver on these factors is constrained by its size and historic structure.

Table 3: York's high cost of housing (2007)

	York	Leeds	Cambridge	Great Britain
Housing affordability ratio (2007)*	9.6	7.6	11.7	9.4

*Average house price: Average wage

Source: ONS Annual Survey of Hours and Earnings (ASHE) 2008; Communities and Local Government - Mean House Data (2008)

21. Warren et al (2008) 'Models for university technology transfer: resolving conflicts between mission and methods and the dependency on geographic location' *Cambridge Journal of Regions, Economy and Society* 2008 Vol 1: 219-232

The University of York can also take steps to improve its commercially relevant research performance by establishing a recruitment policy which targets a small number of up-and-coming star researchers for influential positions (Box 4). This is already taking place to a certain extent - the Centre for Novel Agricultural Products looks to recruit world-class bio scientists. A targeted expansion of this initiative is recommended, linked with the areas of identified expertise (recommendation outlined on page 10) and with a focus on 'linking academics' with a track record, or considered likely to, commercialise research or work with existing businesses to apply their knowledge.

Box 4: Policy case study - University of Dundee

Sir Philip Cohen's role in developing the research capacity of the University of Dundee has been central to the growth of its life sciences cluster²². Cohen, as the Head of Life Sciences at Dundee, deliberately set out to nurture and attract scientific talent, targeting individuals and implementing more professional relationship management practices. The strategy not only sought out world leading academics but also those considered to be the next world leading academics. The success of his strategy has seen Dundee increase its share of the world's most cited scientists in their field to more than one percent, a significant achievement for a university of its size²³.

Recommendations:

- The City of York Council, Science City York and Yorkshire Forward should agree a set of 10 year performance metrics, to evaluate the science cluster and the value of the support it provides.
- Future funding settlements could be linked to performance against the agreed metrics to incentivise growth of the cluster.
- York-England's brand should be refreshed and aligned with York's ambition to promote the city as a science and technology cluster. Partners should work together to attract a further large research company to the city.
- The Council should encourage the White Rose Partnership to expand its collaboration on the commercial facing functions of its knowledge transfer activities.

22. Athey G et al (2007) *Innovation and the city: how innovation has developed in five city-regions*. London: Nesta.

23. University of Dundee (2008) *Professor Sir Philip Cohen - Biography*, website accessed January 2009

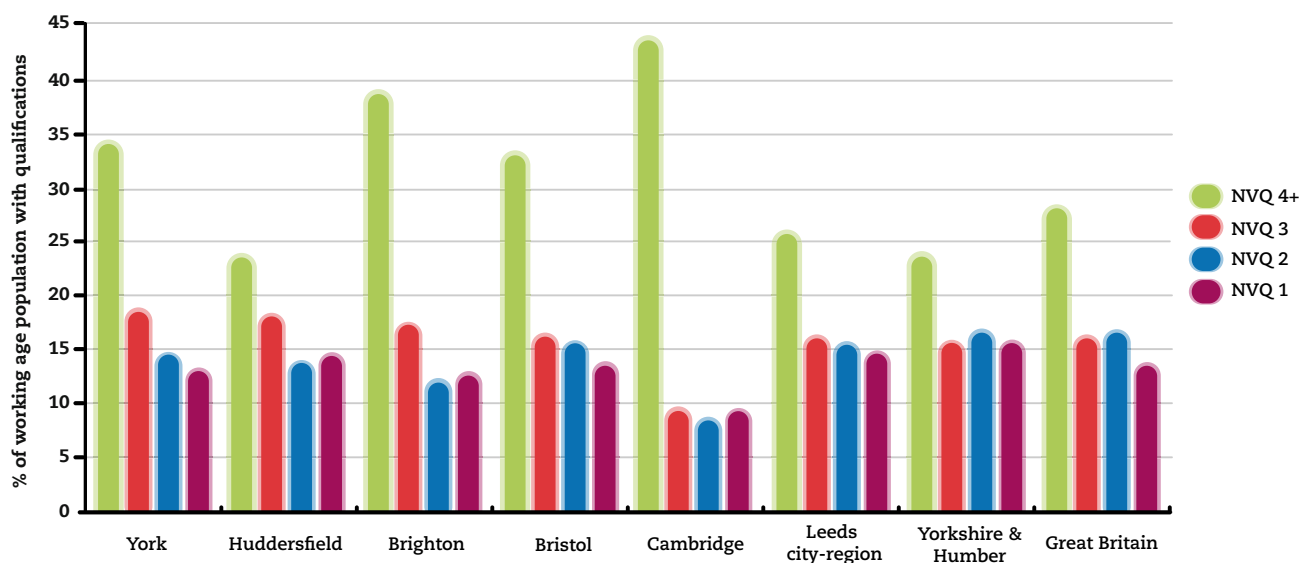
Skills & entrepreneurship

As well as targeting support at sectors to encourage the growth of high value jobs, York needs to understand and deal with the wider economic barriers to growth. The Centre for Cities has looked at how York's approach to skills could be improved to help create the right conditions for business. Improving a city's skills profile is not just about increasing the level of skills provision. Successful cities also need to consider how they can attract and retain a talented workforce. Beyond the supply side, to improve its skills profile York will need to generate greater demand for skilled employment.

York has identified the overall level of skills as an important focus for the city to improve its economic performance. The number of residents with NVQ level 4 has been selected as a key performance indicator in the city's Local Area Agreement (LAA)²⁴.

The reality, as acknowledged by the Council, is that York already has a skilled population. In 2007, 34.7 percent of York's working age residents were educated to NVQ level 4 or above, exceeding the national average and significantly outperforming the region and city-region (Figure 2). In a ranking of the UK's 64 cities this places York ninth behind cities such as Aberdeen, Cambridge, Brighton, Edinburgh and Reading. York's deviation from the regional picture hints at the fragility of the city's strong skills profile. Skilled labour could easily be drawn away from the city as a result of small changes in regional employment patterns.

Figure 2: York's strong skills profile (2007)



Source: Nomis (2009) Annual Population Survey

Continual improvement of the city's skills profile will be important if York is to maintain its position among the UK's more successful cities. York's Adult Skills strategy has begun to coordinate the city's skills providers, understand employers' needs, identify skills gaps and ensure that skills provision in the city is targeted to meet this demand.

24. York Without Walls (2008) York City Vision and Sustainable Community Strategy 2008-25. York: City of York Council

Given its already strong skills profile, York's programmes need to be targeted at where they add maximum value. The availability and need for skills is a dynamic relationship. Just as it is important to fill gaps in skills provision, the city may also need to reduce areas of overlap, particularly in vocational and short courses. If courses in certain areas replicate each other it could result in an inefficient allocation of York's limited resources. Higher York, the partnership which coordinates the higher and further education sector, should identify areas of overlap in skills provision and work with the Learning and Skills Council (LSC) and its successor bodies to consider how to respond. For guidance, York should look at Greater Manchester's Multi Area Agreement (MAA) and skills analysis²⁵.

Linking entrepreneurship to the skills agenda

While there is scope for further targeted intervention across the skills spectrum, York would benefit from improving the coherence of its entrepreneurship education and support, and linking it to the skills agenda.

York faces a number of issues that mean improving the quality of entrepreneurship support is likely to be important to the city:

- York's fairly strong skills profile means it has to concentrate on areas in which it can productively add value.
- One of the skills gaps frequently identified by city employers, and cited in the Future York Group report, is a lack of management and leadership skills.
- On a number of proxy indicators York displays poor levels of enterprise activity. The city also has a low proportion of employment in senior and management roles (Table 4).
- To improve York's skills profile it will be necessary to increase the demand for skilled workers.

Table 4: York's low levels of entrepreneurship and leadership (2007-08)

City	VAT Stock per 10,000 working age Population (2007)	% in employment who are self employed - working age (June 2008)	% of residents employed in top three Standard Occupational Classifications (June 2008)
York	434	11.0	41
Leeds	420	8.9	40
Huddersfield	467	11.4	38
Brighton	567	15.3	51
Bristol	475	12.6	45
Cambridge	476	15.3	61
Yorkshire & Humber	454	8.1	38
Great Britain	538	12.6	43

Source: Nomis (2009) VAT Registrations & Stocks; Annual Population Survey (2009)

25. Manchester Enterprises (2008) *Greater Manchester Skills Analysis and Priorities*, Manchester: Manchester Enterprises

Thus far entrepreneurship policy has fallen between the portfolios of the economic and skills teams. While there is currently a lot of valuable activity that takes place to support entrepreneurship, as a programme it suffers from fragmentation and coordination issues. The lack of a strategy in this area may have also reduced the uptake of entrepreneurship programmes. The entrepreneurship agenda has significant political support, with ministers, such as the Prime Minister Gordon Brown and Ed Balls, the Secretary of State for Children, Schools and Families, encouraging its uptake²⁶. To make the next step forward in this policy area the Economic Development Partnership (EDP) should take the lead.

In the development of a coherent entrepreneurship strategy, it is important that the EDP:

- Sets out clear and explicit policy goals; often entrepreneurship policies have been misdirected and have supported competing priorities.
- Takes a sufficiently long term view of the time that these interventions are likely to take to succeed.
- Looks to adapt mainstream support rather than duplicating what is already available and seeks to build on existing structures rather than create new initiatives.
- Avoids addressing areas in which it is doubtful whether a real market failure exists, such as access to finance and replicating private sector support.
- Targets resources at supporting entrepreneurs likely to generate employment and economic opportunity, rather than encouraging marginal entrepreneurs.
- Provides potential entrepreneurs with an evidenced based understanding of the factors that are likely to contribute to business success²⁷.

Box 5: Policy ideas for an entrepreneurship strategy

In developing an entrepreneurship strategy York could draw on the ideas below, some of which have been implemented in other cities.

- Increasing **business involvement in primary and secondary school education**, integrating entrepreneurship across the educational spectrum, through programmes such as Young Enterprise.
- Piloting a **young entrepreneur award scheme in Further Education colleges**, with a cash prize for the most innovative business proposal. A similar initiative seems to have been lost with the regionalisation of Business Link.
- **Further development of the mentoring brokerage system**, to provide entrepreneurs in the city with access to advice from successful business leaders.
- Using '**entrepreneurship champions**', individuals that advocate entrepreneurship within organisations, as run by the Welsh Assembly.
- Improving resident engagement and uptake of entrepreneurship training by continuing to develop a set of **more flexible learning programmes**.
- Targeting **entrepreneurship modules at PhD students**. This is linked to the aim of creating a knowledge-intense business environment in York.

26. HM Treasury (2008) *Enterprise: unlocking the UK's talent*. London: HM Treasury

27. Adapted policy framework from OECD (2003) *Entrepreneurship and Economic development*. OECD; Shane S (2008) *The Illusions of Entrepreneurship*. Yale: Yale University Press

The recession makes this a challenging environment in which to pursue an entrepreneurship policy – the conditions for starting a business are difficult. However, economic downturns are also times of opportunity when resources are reallocated towards more efficient uses and entrepreneurial individuals take advantage of changing competitive conditions to carve out and create new businesses. A school of economists identified these periods of heightened ‘creative destruction’, as being a key source of innovation and as a result future economic growth, as opportunities are seized upon by entrepreneurs²⁸.

An important step towards improving the entrepreneurial culture of York has been taken with the creation of the York St John Business School. The school is only at an early stage but scope exists to develop and expand the courses that are run, embed and deepen networks of employer engagement, and link up with other relevant activities in the city. City of York Council needs to support this process.

Recommendations:

- York’s Economic Development Partnership should lead in developing a greater level of coherence in the activities which support entrepreneurship. Entrepreneurship education and support is an area in which the Council can add value to its current skills offer. The planned (Skills) Employer Engagement Strategy and the Enterprise Strategy should be combined.
- Higher York should look at how it can prioritise training resources to meet skills gaps in the city. To maximise added value the organisation could look at where overlaps in provision occur.

28. Leadbeater C et al (2008) *Attacking the Recession: How Innovation Can Fight the Downturn*. London: Nesta; Creative destruction is a term associated with the economist Joseph Schumpeter

Worklessness & accessible jobs

Worklessness is a problem that confronts many UK cities. The causes of worklessness and barriers to work are complex, but can include a lack of demand, a skills or spatial mismatch, the presence of neighbourhood effects, geographical access to work, a poverty of aspiration, intergenerational worklessness and the possibility of a benefits trap. Addressing the concentrated pockets of worklessness in York has been highlighted as a key policy and inclusive growth is a core aim of the city's economic strategy.

York has faced the challenge of job losses in the recent past with the closure of major employers in the confectionery industry leading to redundancies in demographic groups that would traditionally find it difficult to re-enter the workforce.

Despite structural change in the recent past, the rate of people not in employment, and those receiving Incapacity Benefit and Jobseeker's Allowance in York remains low. Using the median score of the Government's Indices of Multiple Deprivation (IMD), York is ranked the fourth least deprived city in England. In comparison to the national average, other cities in the Leeds city-region and Cambridge, York has a low level of worklessness and social deprivation, although some pockets remain (Table 5).

Table 5: Worklessness statistics for York (1999–2008)

City	Employment rate (June 2008)	Benefit claimants - % of working age population (IB + IS +JSA) (2007)	% point change in benefit claimants (1999-2007)	IMD 2007 City rank (/56)
York	79.3	5.2	-2.2	4
Leeds	73.0	7.8	-2.5	22
Bradford	69.4	9.4	-3.1	43
Huddersfield	74.5	8.5	-1.7	27
Cambridge	72.5	4.7	-0.9	7
Great Britain	74.5	8.2	-2.3	-

Source: Nomis (2009) Annual Employment Survey; DWP Benefits Survey (2008); CLG (2009) - Centre for Cities calculations

While worklessness is a difficult social problem for City of York Council, it is not a major barrier to improving the economic performance of the city. Addressing the barriers to growth, however, will help the city tackle worklessness through the generation of further employment demand, the leading domain of deprivation in the city's most deprived area.

In building an image of York, attracting new businesses and generating economic opportunity, the city should focus on emphasising growth rather than the pursuit of being an 'inclusive city'. Further attempts to reduce worklessness at a city-wide level need to be considered in terms of where resources could be best employed. Rather than a city-wide programme, it would be logical to continue with a highly targeted approach.

York's current approach to tackling worklessness

Like other successful cities worklessness in York is concentrated in a number of small pockets. Eight (seven percent) of York's Lower Super Output Areas (LSOA) fall into the 20 percent of the most deprived LSOAs in the country and one falls into the 10 percent most deprived.

Box 6: Westfield pilot

The most deprived area in York is in the city's Westfield ward. Currently a multi-agency pilot is being undertaken to address the issues facing this area and reduce the level of deprivation.

Analysis of the breakdown of the domains of the pilot area's IMD score, suggest the most important issues are employment (ranked first in the city), health deprivation (ranked second in the city) and income (ranked sixth in the city). To tackle the issue of employment Future Prospects are undertaking a door knocking scheme within the pilot area.

Future Prospects

Future Prospects is a third sector organisation that has been working in York since 1992. The service, part funded by the Council, is a one-stop-shop that provides information and advice on training and education opportunities, and provides a range of tailored services linked to helping individuals to secure a job.

Future Prospects' approach is highly innovative. For example, its 'better calculations' system addresses the problem of the benefits trap by demonstrating to the client the financial incentive that work would provide.

There are three areas in which further progress could be made on worklessness in the Westfield pilot area and that also offer lessons for tackling worklessness across the city.

- While public transport connections to the ward are good, accessibility barriers may still exist. Levels of car ownership appear to be low²⁹ and some residents rarely come into the city centre. The Council should look at whether the cost of the bus services to the Westfield ward present a barrier to entering employment.
- The presence of a significant number of people suffering from mental health related barriers, as identified by the pilot study, suggests the need for a greater level of in-work and other forms of support to be provided.
- Tackling worklessness in the pilot area needs to be linked with available sources of employment in York. This requires greater employer engagement. Future Prospects could expand its links with the business community through York's newly established Business Forum. The Business Forum should host a meeting with Future Prospects to facilitate deeper engagement.

Box 7: Policy case study - Level 2/3 Career Changers Programme

The increased flexibility that has been introduced by the LSC under the Train to Gain scheme now allows employees to undertake subsidised training, even when they are not working a contracted 16 hours a week. The Council should look at how it can target potential redundancies, to aid training take up while employees are working reduced hours. The Council should also seek to raise awareness of how the provision available can be targeted at those areas in which some employment capacity in the local economy remains.

29. According to 2001 Census data, household car ownership in the Westfield ward was 73 percent, compared to 83 percent for the whole of York.

Tourism as a source of lower skilled jobs

Tourism provides 12 percent of total employment in York and is a sector with significant growth potential. Although parts of the sector could suffer as a result of the recession, it has the potential to benefit. The falling value of the pound makes the UK a more attractive location for foreign visitors and declining levels of discretionary spending, combined with the increase in the cost of spending abroad, could mean that UK residents may be more inclined to holiday in domestic locations. In the longer term growth of the sector looks strong. A recent study suggested that by 2017, at a national level, the hotel and restaurant sector alone will add over 200,000 jobs to the number recorded in 2007³⁰.

Tourism certainly has the potential to provide a greater source of employment for lower skilled residents but the opportunities need to be targeted at the individuals in question and training needs to sit alongside the opportunity to work. In addition to Future Prospects' door knocking programme, **'job days' could be held in facilities in the Westfield Ward** and other areas of deprivation. Working with Visit York, the city's tourism partnership, job days could help target selected suitable positions at candidates from disadvantaged areas.

Employment in the tourism sector requires a set of basic interpersonal skills. The 2005 National Employer Skills Survey (NESS) for York and North Yorkshire highlighted hotels and restaurants as the sector in York currently facing the biggest skills shortage, with over 7,000 identified gaps across the area³¹. The job days will need to incorporate the development of an individual's soft skills identified as vital for employment in this area. Provision often already exists to meet this need, what is necessary is to ensure that it is fully integrated into Future Prospects' approach.

Providing a recognisable path of career progression will be necessary to increase the attractiveness of employment in the hospitality industry. Some residents may not see the tourism sector as fully reflecting their career aspirations. Visit York should look at the possibility of replicating the Aspiring Managers programme run by the South West's Tourism Skills Network³², which is endorsed by the Institute of Hospitality. Parallel to this, Future Prospects could look at producing career progression plans for disadvantaged individuals.

Recommendations:

- Worklessness is a relatively small economic barrier for York. York should limit expanded provision to the seven further Lower Super Output Areas the bottom 20 percent of the country's most deprived areas.
- The Business Forum should host an engagement meeting with Future Prospects to extend the relationship between local employers and delivery agencies.
- Stronger links should be made between Visit York and Future Prospects. Suitable employment opportunities in the tourism sector could be targeted at disadvantaged groups, through job days. This should be linked to the development of an individual's soft skills.

30. UK Commission for Employment and Skills (UKCES) (2008) *Working Futures 2007-2017: Evidence Report 2. Wath-upon-Deerne*: UKCES

31. Future York Group (2007) *Future York Group Report – Appendix 2 background papers*. York: City of York Council

32. Tourism Skills Network South West (2009) *'The Tourism and Hospitality Executive Programme'*, website accessed January 2009

York & the Leeds city-region

York is part of the Leeds city-region (LCR), a collaboration of 10 local authorities formed to boost the economic performance of the poly-centric Leeds economy³³.

York is an important, but relatively small, member of the LCR. York contributes eight percent of the city-region's total employment and output. York local authority has the second highest Gross Value Added (GVA) per capita in the city-region following Leeds, with a GVA per capita, in 2005, of £19,500 compared with £16,000 for the city-region as a whole.

There are understandable tensions between York and Leeds. York is a prosperous, distinct city in its own right but has to play an ancillary role to Leeds within the LCR. This section of the report argues that York needs to be selective in its approach to working with the LCR, with deeper engagement in the skills policy area.

Why are city-regions important?

City-regions are important because they help fit policies to an urban area's real 'economic footprint', and overcome co-ordination difficulties³⁴. It makes sense for decisions on housing, transport, regeneration and skills to be taken at the spatial level at which the impact of these policies play out.

Greater policy co-ordination and the alignment and pooling of funding also allow for the most economically efficient decisions to be taken, supporting growth and increasing prosperity across the whole of the city-region. In order to be effective, it is vital that city-regions accurately reflect the reality of economic interactions.

The Leeds city-region Multi Area Agreement

The LCR's Multi Area Agreement (MAA) identifies two priority policy areas:

- **Transport:** The creation of an integrated transport strategy, with alignment of transport outcomes, funding and delivery.
- **Higher skills:** A focus on improving higher level skills accreditation for SMEs. Initially concentrating on the financial services sector.

York could gain from both of these policies. The LCR Transport Vision has highlighted a number of transport improvements that would benefit York, including electrifying rail links, improving York's outer ring road (A1237), and the introduction of a tram train³⁵.

33. *The Leeds City Region comprises the local authority districts of Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield and York; with the participation of North Yorkshire County Council.*

34. Larkin K & Marshall A (2008) *City-regions: emerging lessons from England*. New York: World Bank

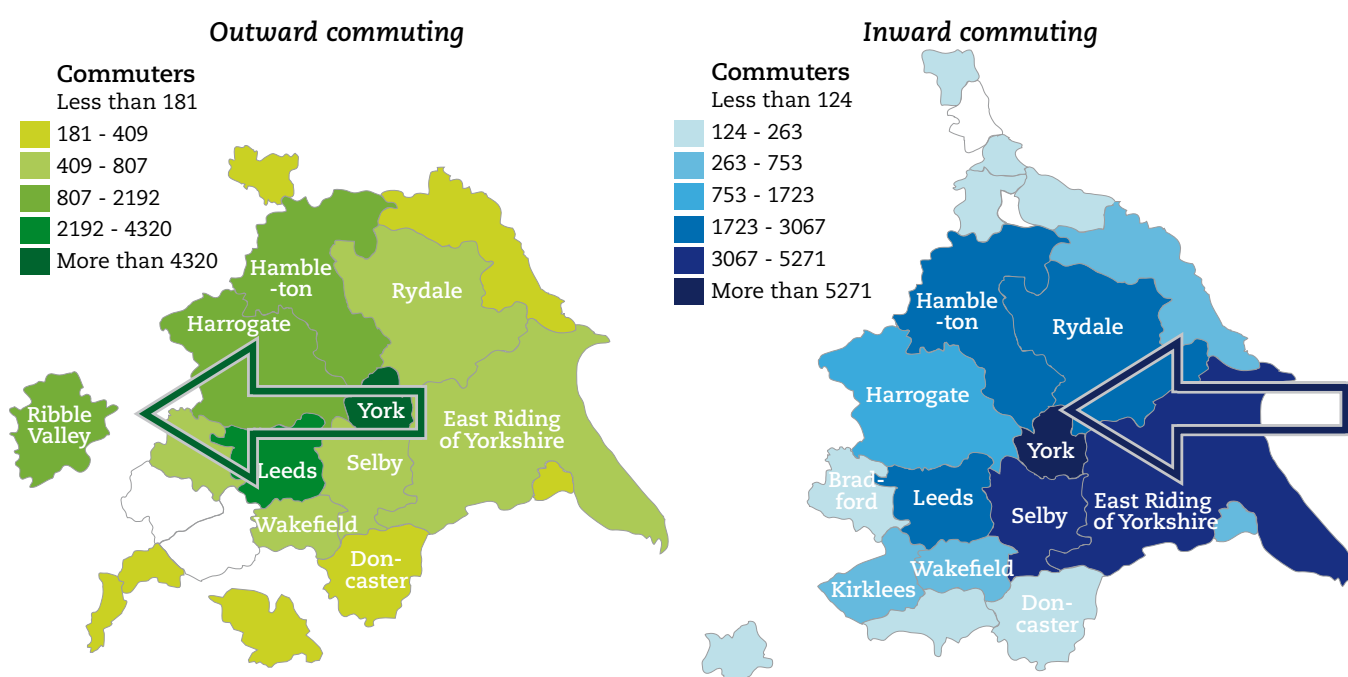
35. *Leeds City Region (2006) A Long Term Vision for Transport in Leeds City Region*. Leeds: Leeds City Region

York's commuting links

York has a net inflow of commuters. Data for 2007 shows that 26,300 people commute in to the city (27 percent of the city's workforce), while 13,700 commute out (14 percent of the resident working age population in employment). Leeds is the primary destination for York's out-commuters. Approximately 5,000 people in York commute to work in Leeds (4.8 percent of York's working age population in employment)³⁶.

For Leeds local authority, York is the eighth most important source of inward commuters. Compared with the other major nodes York is significantly less important in terms of contributing to the number of workers in the Leeds central agglomeration. For example, Bradford (30,000 inward commuters), Kirklees, which covers the city of Huddersfield (22,000 commuters), and Wakefield (19,000 commuters) all outweigh York's contribution.

Figure 3: York's labour market and commuting links (2004)³⁷



Source: Annual Population Survey (2008)

While 4.8 percent of York's working age population in employment travel to work in Leeds, as would be expected few of Leeds' residents make the same trip in the opposite direction – in 2007, 1,000 people who lived in Leeds travelled to work in York. Considering the whole of the LCR, almost 8,700 commuters travel from York to work in the city-region, while over 9,300 commuters travel the other way to work in York.

York's commuting links with the LCR do not capture all of the city's labour market interactions and York draws heavily on other areas to boost its employment base. As Figure 3 shows, while the spatial distribution of York's outward commuting is mainly towards the west, it primarily draws its workforce needs from the east of the city. In 2007, the 'Eastern arc' of Hambleton, Ryedale and East Riding of Yorkshire, contributed 16 percent of York's workforce.

36. Our 2007 commuting data is based on figures commissioned from the Annual Population Survey; data is suppressed for some small areas.
37. A full set of commuting data is unavailable for 2007, therefore maps are based on figures for 2004.

York's economic links

The LCR is clearly important to the York economy and many businesses in the city will undertake transactions and have relationships with companies located in Leeds. In some sectors, increased productivity can be derived from the benefits of knowledge spillovers generated by the close location of firms to suppliers, customers and competitors.

Our analysis compares sectors of specialisation within cities that are of a significant size to understand where cities have strong economic relationships³⁸. Four of York's specialist sectors are identified to have a close complementary relationship with activities that take places in Leeds (Table 6). Employment in these sectors makes up seven percent of York's total employment. A similar result is produced when comparing York with the rest of the LCR.

Table 6: York's specialist sectors (2007)

Sector	Employment (2007)	Location Quotient
1584 : Manufacture of cocoa, chocolate & sugar confectionery	1,600	20.9
6321 : Other supporting land transport activities	3,500	13.0
6601 : Life insurance	3,300	12.5
2811 : Manufacture of metal structures & parts of structures	1,000	4.5
9131 : Activities of religious organisations	700	3.5
7522 : Defence activities	700	2.8
4523 : Construction of highways, roads, airfields & sports facilities	600	2.8
6720 : Activities auxiliary to insurance & pension funding	1,300	2.6
8030 : Higher education	5,000	2.5
7415 : Management activities of holding companies	900	2.3
9271 : Gambling & betting activities	700	2.0
Percentage of employment in specialist sectors in York	20%	
Percentage of employment in sectors complementary to Leeds*	7%	

*Sectors complementary to Leeds are in italics.
Source: Nomis, Annual Business Inquiry, 2009

In comparison to the other major urban nodes of employment in the LCR, York's economic links appear to be fairly strong. Four percent of employment in Bradford and Keighley, six percent of employment in Huddersfield and two percent of employment in Wakefield are in sectors complementary to the Leeds economy. This indicates that York potentially has some of the strongest business to business links of the LCR.

While it is difficult to quantify, based on the two cities' GVA and the type of sectors in which complementary specialist activities exist, it seems likely that the business links between Leeds and York are of a high value to the city.

Further indication of York's strong economic connections to the LCR, can be evidenced by the recent decision of the York and North Yorkshire Chamber of Commerce to merge with the Leeds Chamber, forming an organisation that has aspirations to represent the whole of the city-region³⁹. York's businesses seem confident that there is value to be had in working at this spatial scale.

38. A city's specialist industries have been identified as those with a location quotient of greater than 2.0 using 4 digit SIC codes. For cities with less 500,000 employees, sector employing more than 500 individuals have been included. For sectors with more than 500,000 employees, only sectors with more than 1,000 employees have been included. This analysis has used Travel to Work Areas (TTWA).

39. Yorkshire Evening Post (2008) 'Leeds and York Chamber merger will widen business support for Yorkshire firms', published 2 October 2008

Implications for the City of York Council

The strength and magnitude of York's links to the LCR vary with the type of relationship being considered. While there are significant complementary sectors of employment between York and the LCR, the actual exchange of workers through commuting puts forward a less compelling case.

While Leeds and the wider LCR are important to the York economy, in terms of York's labour market it is vital that the city does not limit its policy approach to improving links with the LCR. York needs to take a wider view, fostering a collaborative relationship with authorities to the east of the city. Improving access to the 'Eastern Arc' offers an equally important economic benefit by increasing the size of York's labour market.

Transport is one of the key policy interventions of the LCR MAA. One question currently facing York is how the city interacts with the LCR's Transport Panel. York must also consider whether it should invest political capital in supporting the future extension of the West Yorkshire Integrated Transport Authority (WYITA) so that it matches the boundaries of the LCR.

Currently the establishment of the LCR Integrated Transport Authority (ITA) faces a number of governance barriers. The district authorities of Harrogate and Selby come under the North Yorkshire County Council's (NYCC's) transport arrangements and in the short term are unlikely to be able to link up with the WYITA. ITAs are required to be conterminous. Without the integration of these two authorities York would be unable to join a city-regional ITA. However, there does appear to be continuing momentum within parts of the LCR for progress to be made and an indicative road map has been laid out with implementation suggested for 2014⁴⁰.

Analysis undertaken by the Centre for Cities suggests that improving links from city nodes in to Leeds city centre provides the greatest economic return to transport investments for the LCR. This is because of the agglomeration benefit these links create - the economic return of increased density⁴¹. Links between Leeds and Bradford, and Leeds and Huddersfield are likely to be the priorities for LCR investment - these routes have already been identified as being beyond capacity by 2021⁴². The number of commuters between Leeds and York is fairly small in comparison with the links from Leeds to the other city nodes. In the short term, York may see limited transport investment from the LCR.

Equally, a LCR ITA would not capture York's labour market patterns to the east of the city, and thus membership of the institution would not fully represent York's interests. York should continue to work through the LCR Transport Panel to ensure the policy area reflects the city's needs. At the same time York should increase its collaboration with NYCC, to recognise the importance of the 'Eastern Arc' to the city's labour market, by working to extend public transport links and increase integration. Councillors' commitment to York's 'Eastern Arc' links would help frame the context of this collaboration. York should also continue to take steps to further integrate transport within its own local authority boundaries.

40. Aitkins (2008) *Leeds City Region Transport Governance Review*. Leeds: Leeds City Region

41. Marshall A & Webber C (2007) *The case for better transport investment: Agglomeration and growth in the Leeds City Region*. London: Centre for Cities

42. Leeds City Region (2006) *A Long Term Vision for Transport in Leeds City Region*. Leeds: Leeds City Region

Strengthening York's skills offer through the Leeds city-region

The LCR still presents York with significant opportunities. This report has already highlighted attracting investment and linking up university networks as areas in which the city-region could play a role. The second strand of the Leeds MAA deals with higher skills and York should seek to maximise the value it gains from this policy area. To achieve this York will need to recommend a shift in the LCR's approach to skills.

York should support the creation of a city-regional Employment and Skills board. While York does not currently have an Employment and Skills board it has many of the structures in place that facilitate a similar function - although scope exists to improve the links between these functions. Over time York should investigate the possibility of incorporating its own provision into a city-regional approach.

York should also seek to ensure that as the LCR's skills offer develops and further priority sectors are added, that they in turn reflect York's priorities. Adding a stream that supports skills for science and technology sectors would benefit York and the LCR.

To develop a business friendly skills programme it is important to be able to provide short, unitised courses and to allow for increased provision through FE colleges. To achieve this, greater flexibility over the funding received from the Higher Education Funding Council for England (HEFCE) is required. The Tyne and Wear city-region has made this an explicit ask of its MAA. Through the LCR, York should look to secure comparable flexibilities over HEFCE funding, from central government.

Recommendations:

- York has a challenging relationship with Leeds. York needs to take a selective approach to working with the Leeds city-region with deeper engagement on skills than on transport.
- York should support the creation of a city-regional Employment and Skills Board and ask for greater flexibility over HEFCE funding. However, York should not join an emerging Leeds city-region Integrated Transport Authority.
- York needs to build on its economic links to the east of the city which makes up the largest proportion of inward commuters. The City of York Council should work with the other relevant councils to develop an eastern links action plan to inform transport strategies.

Key policy imperatives

This report has outlined the key challenges York faces to achieve its vision of sustainable economic growth. The core message is that York needs to focus its attention and prioritise its policy interventions on the two elements that will have the biggest impact on its future economic growth.

1. **York needs to ensure that progress on the York Northwest site remains on track.** This means fostering political support for managed change, prioritising staff resources and capacity in support of the development, and investigating new infrastructure funding mechanisms.
2. **York also needs to support the growth of the city's science and technology cluster.** The expansion of the University should be used as the catalyst for attracting investment and improving the performance of the University's knowledge transfer activities.

If York is able to implement these key recommendations the city will place itself advantageously for recovery following the recession, and strengthen its economic standing relative to other UK cities.

Acknowledgements

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York City Profile

Total population (2007)	193,300	
Population growth (1997-2007)		+10.5%
Working age population (2007)	126,100	
Total jobs (2007)	97,800	
Jobs growth (1996-2006)		+16.3%
Economically active (July 07 - June 08)	103,800	(82.3%)
Inactive seeking a job	4,200	(3.4%)
Inactive not seeking a job	18,100	(14.4%)
JSA claimants (January 2009)	3,000	(2.4%)
Total key benefit claimants (May 2008)	10,610	(8.5%)
Gross average weekly wage (2008)	£438	

Skills Profile (2007) - % of Working Age Population

	York	Great Britain
NVQ4 & above	34.7%	28.6%
NVQ3 & above	54.7%	46.4%
NVQ2 & above	71.0%	64.5%
NVQ1 & above	84.3%	78.1%
Other qualifications	6.6%	8.8%
No qualifications	9.1%	13.1%

Sources: Data for York Local Authority Area – ONS Annual Population Survey 2008; Annual Business Inquiry 2008; Annual Survey of Hours & Earnings 2008; JSA Claimant Count November 2008; DWP Benefit Claimants May 2008



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Appendix

Benefit claimants at a ward level

	Proportion of working age population (%)*			
	Incapacity Benefit	Severe Disability Allowance	Income Support Allowance	Jobseeker's Allowance
Acomb	4%	0.7%	4%	1%
Bishopthorpe	3%	0.7%	1%	1%
Clifton	5%	0.5%	5%	3%
Derwent	2%	0.5%	1%	1%
Dringhouses & Woodthorpe	3%	0.3%	2%	1%
Fishergate	3%	0.6%	2%	1%
Fulford	2%	0.3%	1%	1%
Guildhall**	7%	0.7%	5%	3%
Haxby & Wigginton	3%	0.4%	1%	1%
Heslington	0%	0.0%	0%	0%
Heworth	5%	0.6%	5%	2%
Heworth Without	3%	0.2%	1%	1%
Holgate	4%	0.5%	4%	2%
Hull Road	4%	0.4%	4%	2%
Huntington & New Earswick	5%	1.5%	4%	1%
Micklegate	4%	0.5%	3%	2%
Osbalwick	3%	0.5%	2%	1%
Rural West York	2%	0.2%	1%	1%
Skelton, Rawcliffe & Clifton Without	3%	0.4%	2%	1%
Strensall	3%	1.0%	2%	1%
Westfield***	7%	0.8%	7%	3%
Wheldrake	2%	0.6%	1%	0%
York	4%	0.5%	3%	2%
Yorkshire & Humber	7%	0.7%	6%	3%
Great Britain	6%	0.7%	6%	2%

*Sum of percentages exceeds total proportion of claimants as residents may be in receipt of multiple benefits.

**Guildhall exceeds the national average in IB, SDA and JSA.

***The Westfield ward exceeds the national average in all four benefit claimant areas.

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The Executive

12 May 2009

Report of the Director of City Strategy

One City – update on economic position

Summary

1. This report follows up reports presented last year under the One City banner on York's economic position. These recognised that the Council and its partners can take action to assist the city during this period of downturn to help business as well as those individuals and communities hardest hit. This report sets out options on further action and areas of investment which the Executive is now asked to consider in the light of the Budget Council decision to allocate £186,000 of LABGI money (Local Authority Business Growth Initiative) for follow-on initiatives.
2. The One City project has a good strategic fit with the long term aspirations of the city under the Inclusive City, Learning City, Sustainable City and Thriving City themes in the Sustainable Community Strategy and the Council's Corporate Strategy.

Background

3. Members will recall that an initial report on the changing economic situation was first considered by the Executive in July of last year. This paper seeks to update this position. York is initially better placed than some other cities to respond to the changing economic picture. It has enjoyed relatively high levels of employment and encouraging economic growth over recent years especially in the technical, creative and scientific sectors. The City has strong partnership working and a good support infrastructure which is responsive to changing economic circumstances and which will be key to ensuring that York remains vibrant and successful at attracting investment and visitors. Whilst apparently affluent, there are, however, significant pockets in York where deprivation is relatively high and where action is required if the circumstances of those least well off are not to be exacerbated by the prevailing economic climate.
4. Previous actions approved by the Executive in response to the changing economic situation under the One City project concentrated on 3 strands
 - Supporting business
 - Boosting confidence
 - Supporting those most vulnerable

Updates on the progress of each of the projects supported are detailed from paragraph 11.

5. Since the last report to the Executive, the economy of the United Kingdom has officially gone into recession. In York, the number of people claiming Job Seekers Allowance has continued to increase and now stands at 3,587, 2.9% of the working age population (March 2009 NOMIS), representing a 93% increase on the figure for March 2008. The regional and national figures respectively are 4.6% and 4.0% of the working age population (March 2009).

More recently, 540 job losses have been announced affecting both permanent and contract staff at Norwich Union/Aviva.

6. Local agencies such as the Citizens Advice Bureau and Future Prospects report a steep increase in the number of people seeking debt advice. It is sought by approximately 50% of people visiting the CAB, who have also seen significant rises in the number of people wanting advice on benefits, housing, employment and other problems precipitated by tough economic times such as relationship breakdown. The council's benefits service reports an increase in the total number of claimants for 2008/9 of 6.7%, with half of these applying in the quarter January to March (the rise in 2007/8 was 0.2%).
7. Two significant reports have been produced in relation to York's economy. In March, the Centre for Cities policy institute published its report "York: Prioritising Prosperity" as part of its research programme for unlocking city potential and sustaining city growth. The report has been published on the websites of both the Council and the Without Walls Local Strategic Partnership. It is to be considered further at the next meeting of the York Economic Partnership. Yorkshire Cities have also commissioned work examining cities within the region which highlighted that York performs well against the indicators that assess economic resilience. The work especially noted the diverse economy and flexibility of the high quality work force in adapting to changing economic circumstances – leading to lower levels of, and less time spent as, claimants than the average .
8. At the start of April, it was announced that Higher York – which is a partnership of the Council with the 4 higher education institutions in the City – had been successful with its bid to the Higher Education Funding Council for England (HEFCE) for £600,000, to be used to support businesses and those seeking work or re-training.
9. In response to the current economic situation, the budget meeting of the Council agreed to allocate £186,000 from the LABGI grant for additional one-off projects.

Consultation

10. Previous consultation has taken place with the York Economic Partnership, York Business Forum, Science City York, york-england.com, Visit York, York Professionals, Retailers Forum and chamber of Commerce. The actions recommended in this paper have been derived from close co-operation with partners who work with the council in planning for the city's prosperity.

One City – Project update

11. The projects which the Executive supported in the initial One City paper were
12. Matching funds with partners including Aviva/Norwich Union and York Professionals to establish an enterprise fund. The scheme is designed to assist existing businesses under three years old or people who are out of employment and are considering setting up a new business within the city. York traditionally has a comparatively low rate of new business start-ups and though take-up of the fund has initially been slow, its provision is an important resource in supporting new business growth.
13. Funding enterprise work in schools, delivered by NYBEP. They have been in touch with each of the city's secondary schools and are at various stages of organising and delivering the programme of half-day enterprise challenges with 10 of them. The training is aimed at Year 9 learners who will be challenged to take part in activities that develop their business acumen and skills and will include the development of marketing materials to promote their ideas and a formal presentation in the hope of securing investment.

14. Sustaining the activities of the City Centre Partnership. Funding has gone to provide project support to a number of on-going initiatives which required sustaining after the withdrawal of funding from Yorkshire Forward for the Chief Executive's post. These include maintaining an active dialogue through the Retailers Forum, encouraging private sector involvement with initiatives such as Christmas lights and other promotional activities, developing new initiatives such as the Minster Quarter and taking a longer term view of the development of the city centre through the Area Action Plan. Further actions to support the vitality of the city centre are also proposed in this paper.
15. Joint funding for the production of a York on a Budget Booklet which provides useful information on money management. The booklet has been recently produced and is available from public receptions around the city, in libraries and on the council's website.
16. Provision of 3 York Credit Union Community Saving Points. In addition to the 3 saving points identified, a number of ward committees have also considered the establishment of CSPs following joint bids submitted by the credit union and CAB. Nine Ward Committees have provisionally agreed to fund the establishment of CSPs, but are awaiting confirmation of their budget carry-forwards in June before being able to fully commit. This means a delay to the establishment of the savings points funded via One City, the establishment of which will need to ensure that they compliment and not duplicate ward provision. The ward bids submitted by the CAB and Credit Union also show the potential capacity of the CSPs to form a community base from which additional financial and support services can be delivered.
17. In addition, the Council's website has been updated to signpost residents and businesses to relevant support. Two major events providing support and advice for individuals and businesses were held at York racecourse on 11th and 12th March, called Thrive and Survive and Support for You, these were funded by Yorkshire Forward and co-ordinated by the Council with partners. The Council is also supporting the York Means Business campaign, initiated by The Press.
18. Of course a range of other work has also progressed city wide since the publications of the first One City report. Some of this work includes-
19. A credit crunch fair which was organised by Housing Services at the Guildhall in early December and featured a range of stalls from a variety of organisations providing information on ways of cost cutting, managing debt and living on a budget.
20. Procurement hosted an event on how to do business with the council in February and provided similar support at the Thrive and Survive event at the racecourse.
21. The Energy Efficiency Partnership has been working actively to promote the availability of the York Energy Efficiency Grant which provides support for those over 60 to buy cavity wall insulation and people over 70 to fit central heating. The grant does to relate to benefit entitlement and effectively fills a gap in provision when compared with national grants.
22. In January a Mortgage Rescue Scheme was launched by the Golden Triangle Partnership (a partnership of York, Harrogate and Leeds councils). Almost £500k of funding is available to assist eligible homeowners at risk of repossession to either remain in their homes or where this isn't feasible to enable a planned rather than forced sale of their home.
23. To maximise the use of existing social housing stock, a brand new development of 6 two bedroom apartments in York were let to council tenants downsizing from 3 bedroom houses. Interest in the scheme was such that further opportunities to promote downsizing are being sought.

24. A review of case studies from other local authorities which show their responses to the recession indicate that measures such as those above have also been widely implemented elsewhere. York has signed-up to a regional economic pledge which includes a commitment to pay suppliers promptly, where able use procurement to the benefit of local businesses, support agencies providing advice and guidance services and co-ordinate partnership action across issues including health, education and community safety. Other councils have also supported the growth of credit unions in their area and recognised the importance of delivering services according to the needs of specific communities or groups. Like York, there has also been a significant focus on ensuring that businesses and residents are served with better access to information and support. Other authorities have also seen the importance of enhancing and promoting retail and visitor centres, especially those which encourage people into town and city centres.
25. Comparing our approach with that of other areas again goes to support the notion that York is well-placed and that the council is effectively responding to the recession and meeting the changing needs of customers. York is well served by an economic strategy supported by strong partnership working, and this has enhanced the city's ability to respond. The establishment of the Business Forum too was timely for ensuring that the voice of business is influential in managing economic policy.
26. York's response to the recession might be improved, however, by greater co-ordination of actions and initiatives to support individuals and promote social and financial inclusion. Given the spread of council services involved in this work it is harder to locate lead responsibility and it is also an area in which a great many other agencies, especially in the third sector, are actively at work in the city. CMT are asked therefore to consider how the activities of the council and its partners might be better co-ordinated in planning services to support individuals through the recession.

Business and confidence

27. The Council's latest Business Survey for the last quarter of 2008, revealed that businesses were losing more staff than taking them on, with more businesses also reporting decline in sales and investment. Confidence in future sales had also fallen leading to decreased confidence in future employment expectations. Whilst over 90% of businesses still acknowledged that York remains a "good" or "satisfactory" place to do business, there obviously remains room to improve the business environment and encourage confidence. Since the survey was undertaken, outside commentators have suggested that there may be a few signs of increased confidence within the national economy. The next business survey will cover the first quarter of 2009 and will be able to provide evidence as to whether this confidence has permeated through to the local level. A full analysis of the York Business Survey is available at:-
[http://www.york.gov.uk/business/Business support and advice/Economic intelligence/](http://www.york.gov.uk/business/Business_support_and_advice/Economic_intelligence/)
28. The Yorkshire Cities research and the previously published annual competitiveness index highlight York as a competitive and resilient city, able to recover quickly and effectively from the economic downturn. In addition, the Cities Outlook for 2009 produced by Centre for Cities shows York to be the only northern city shown in the best ten of 64 comparator areas in measurements of social deprivation and skills levels. These studies point to the factors which attract investment and where the council's strategic focus, with that of its partners, has been aligned – by improving the qualifications of school-leavers, raising skill levels, helping unemployed people back into the workforce, attracting knowledge based industries and encouraging entrepreneurship. Clearly, however, it is important not to be complacent of recovery at this critical time.

29. The development of city-wide strategies for the future build on this success and ensure a continuing focus under the Thriving City, Learning City and Inclusive City objectives. The Council's Corporate Strategy has been refreshed to better align it to the SCS and ensure that the Council's commitment to these themes is clear. Performance against strategic objectives is also managed in the medium term through the Local Area Agreement.
30. The Council has a strong track record of working in partnership to ensure the city's continuing economic progress with for instance Science City, Visit York, Business Link and City Centre activities. This has ensured that the Council is a key player in helping to shape and support the city's economic future and has good channels of communication through which the needs of the business community are understood. Since the Future York report and partly in response to the joint party protocol which identified jobs and business support as a key issue, the Council has worked with Yorkshire Forward and york-england.com to strengthen and co-ordinate its approach to key account management (i.e. understanding the needs of key businesses in the City in a formalised and managed approach). The York Economic Partnership has now met twice and will consider the Centre for Cities report at its next meeting. At their previous meeting, a specific focus was given to the changing economic situation with issues covered including addressing the perception of the City being "open for business" with respect to new development, marketing and branding the City, creating green jobs, improving links between Higher Education and Business as well as improving the skills profile and competitive advantage of York's workforce.
31. Two meetings of the York Business Forum have now taken place and this provides a vital conduit for city communication and support for business confidence. Its initial meetings have highlighted significant consensus around the priorities for York's development and demonstrated the group's potential to help shape the city's future. Similarly, the last meeting of the York Business Forum considered the current economic situation and further responses that could be made to this. The general feeling from that meeting was that the City is well placed to respond and whilst being realistic about the impact, businesses were keen to be positive and proactive in dealing with this. The initial responses approved by the Council were supported and the Forum were keen to be kept informed on any review and subsequent actions taken.
32. A key initiative for the Council is to sustain the economic vitality and viability of York City Centre, both in respect to the direct employment generated here and also due to the impact a thriving city centre has on business confidence. Previous reports to the Executive have highlighted the importance of maintaining an active dialogue with retailers and traders through the Retailers Forum, encouraging private sector involvement with initiatives such as Christmas lights and other promotional activities, developing new initiatives such as the Minster Quarter and taking a longer term view of the development of the city centre through the City Centre Area Action Plan. Additional initiatives that are recommended for short term support through the LABGI monies are:
- Research and marketing campaign aimed at York's hinterland shopping catchment to encourage shoppers to come to the City instead of other potential locations
 - Additional funding to enhance the attractions offered by York in Bloom, Christmas Lights and Illuminate York in order to provide City Centre showpieces
 - A specific initiative to improve shop fronts to long term vacant shops in prominent locations (further details set out in Annex A).

Support for these initiatives will support the Council's aim to maintain the economic vitality and viability of the City Centre through increasing footfall.

Procurement

33. The Council spends approximately £100 million per year in the discretionary purchasing of external goods and services. EU procurement legislation prevents the Council from positively discriminating in favour of local suppliers, but it does work to promote the availability of contracts with them and ensures that there is full visibility of tendering opportunities. The procurement team has been active in recent events aimed at supporting local businesses and has also been in contact with the Chamber of Commerce to ensure that local businesses are aware of this facility and are equipped to take advantage of tendering opportunities.
34. Further work is also underway to ensure that third sector organisations are fully supported through the application for tenders and again has ensured improved transparency about the contracts available. Local suppliers are also advantaged by the council's commitment to building sustainability into the awarding of its contracts, where transportation of goods or travel expenses are concerned for instance and such considerations are likely to be of increasing importance as the council becomes subject to carbon tax. The authority also has scope to influence contractors in the selection of local subcontractors.

Supporting individuals

35. The Council has already approved support for the Credit Union and the York on a Budget booklet co-ordinated by the CAB. Members will also be aware of the Kingsway West initiative aimed at addressing levels of deprivation in the only neighbourhood in the City falling within the 10% most deprived nationally. Initiatives within this project include :-
- Training and work – with Future Prospects advising
 - Benefits take-up and financial advice for individuals and through targeted events
 - A health campaign using local GP surgeries
 - Growing your own food initiative
 - Credit Union – a new pay-in point alongside awareness raising
 - Heating costs – good practice awareness/advice
36. As with Kingsway West, the initial One City report noted the importance of ensuring support services are community based and co-ordinated according to specific need. The establishment of the 3 Credit Union Community Saving Points approved last time has been slightly delayed whilst the outcome of applications to ward funding for further saving points is resolved. 9 wards have agreed to fund a CSP in their area which will also provide access to CAB services. Ward Committees are due to receive confirmation in June of budget carry overs into 2009/10, after which the location of the 3 remaining areas in which the CSPs funded by One City can be decided.
37. There is further opportunity to coalesce support services around the establishment of CSPs in keeping with the model used in Kingsway West. This potential will be enhanced through the Ward Stories project which will provide improved understanding of the specific needs of neighbourhoods. To this should be linked the work in LCCS to tackle inequalities for children and families by involving agencies with schools to develop solutions to local issues. Again, one of the first actions of the project will be to generate locality data in the design of services.
38. This range of work here again suggests some of the difficulties of co-ordinating social and financial inclusion projects which span the work of a range of council services and partners.

39. The Homelessness Forum have suggested greater co-ordination across council departments also and have in addition recommended the establishment of a dedicated helpline to provide support and signpost to other agencies and sources of help. Such a scheme provides access to information for people without access to the web and is an effective way of reaching a wide audience with the help they need. The cost from the line, staffing and advertising for one year is estimated to be £50,000.
40. The forum also suggested the use of targeted advice and guidance roadshows working out in communities where they could be easily accessed. Their recommendation is that these could be run at supermarkets, and the Executive are also asked to consider this suggestion, though further work is required to establish potential costs.
41. Future Prospects have recently helped increasing numbers of local people seeking specific debt and benefits advice. Whilst certain aspects of this service are not advertised by Future Prospects, an increasing number of people are seeking this support as part of the search for new employment. It is recommended that the Council provides funding through the LABGI monies to enable Future Prospects to directly employ a post for 12 months to respond to this need.
42. A range of projects have recently been supported through allocation of the LAA fund, many of which either directly relate to work and training issues or seek to make improvements to general well-being. Those which have a clear alignment to this agenda include
- Utilising employee and student volunteers from the University of York to provide disadvantaged children with alternative and positive activities which promote learning.
 - Supported work placements and employability programme for care leavers and young people who are not in education, training or employment.
 - Facilitating a multi-agency Volunteering Strategy for the city that will increase the amount of voluntary activity taking place.
 - Employment of a JobCentre Plus Advisor to operate on an outreach basis associated with children's centres to boost jobless parents' employability skills.
 - A City Wide Campaign to Tackle Fuel Poverty
43. A number of other projects which did not meet the criteria for funding as fully as others are unsupported but remain viable and potentially useful schemes. Again, a number have clear relevance to the One City agenda. Support will be offered to unsuccessful applicants to see how proposals may be taken forward.

Skills and Worklessness

44. The Centre for Cities report highlights the importance of skills and enterprise for the future prosperity of York. It recognises that York has a relatively strong skills profile, with good levels of attainment and a high percentage of high level skills. It also notes that high-quality educational provision and a ready workforce are key incentives to attract inward investment and allow York to "punch above its weight" in the knowledge economy. Equally, training and skill development are essential to enable support economic inclusion from all sections of the population of the City. Additional initiatives that are recommended for support through the LABGI monies are:

- Funding to sustain in the next year the prioritised activities of the Learning City Partnership (see attached Annex B), particularly those related to employer engagement in skills and enterprise development
- Funding to extend the work of Higher York, particularly focussed on achieving higher level skills in the workforce
- Funding to support the Skills Fest, planned for June involving a wide range of partners (further details set out in Annex C)
- Seedcorn funding to examine the scope for developing and extending a construction skills academy on the basis of encouraging the development of local labour as part of major development projects in the City such as the University expansion at Heslington East and the HSBC data centre at Monks Cross (further details are set out in Annex D).

Support for this initiatives will be focussed on delivering measurable outcomes in support of LAA targets in relation to NVQ performance as well as increasing the number of local businesses accessing Train2Gain funding. This will also support the achievement of objectives set out in the Council's refreshed corporate strategy.

Options

45. The following initiatives are recommended for consideration by the Executive as part of the Council's further response to the current economic situation, utilising available LABGI monies agreed at the Council budget meeting. In essence, the focus of further short term investment from the Council is centred on: sustaining the economic vitality and viability of the City Centre; further support for those most in need; and pump-priming of skills initiatives to support those seeking new employment opportunities and to ensure that there is a skilled workforce in place to aid a speedy recovery of the local economy from the global recession. If Members decide to commit investment to these recommended options set out below, then it will be necessary to develop firm delivery arrangements to ensure that there are measurable benefits and outcomes from the Council's investment.
- Agree to commit £25,000 to Visit York to enable a research and marketing campaign to attract shoppers from York's hinterland shopping catchment area into the city centre;
 - Agree to commit £20,000 as a one-off contribution to enhance the York in Bloom campaign;
 - Agree to commit an additional £30,000 as a one-off contribution to enhance Christmas lights and Illuminate York;
 - Agree to commit £15,000 to the York shop-front scheme;
 - Agree to commit £30,000 to enable Future Prospects to employ an additional worker for 12 months focussed on providing and co-ordinating debt advice;
 - Agree to commit £20,000 to supporting the action plans of the Learning City partnership to support skills and enterprise;
 - Agree to commit £20,000 to supporting the action plans of Higher York in achieving Higher Level skills in the City's workforce;
 - Agree to commit £ 5,000 to the Skills Fest initiative; and

- Agree to commit £ 5,000 to the development and extension of a construction skills academy in York.
- Agree to commit £50,000 for the establishment of a support and guidance helpline
- Agree to commit to the idea of providing information and support services at supermarket locations pending further work to resolve costs and logistics
- CMT are asked to consider how the activities of the council and its partners might be better co-ordinated in planning services to support individuals through the recession.

Corporate Priorities

46. The actions in this report support the Inclusive City, Learning City and Thriving City elements of the Sustainable Community Strategy and the Council's Corporate Strategy.

Implications

Financial

47. In summary, the options set out above would require the commitment of £170,000 out of the allocation of £186,000 for financial resources to be committed by the Council from the LABGI monies.

Human Resources (HR)

48. The HR implications of this paper relate to the proposed funding for posts as detailed above

Equalities

49. This paper proposes action to support the least well of in York and promotes financial inclusion and economic participation for all.

Legal

50. There are no immediate legal implications.

Crime and Disorder

51. This paper supports the consideration of crime and disorder in the context of deprivation in ward planning as demonstrated by the Kingsway Pilot.

Information Technology (IT)

52. There are no strategic IT implications.

Property

53. The Head of Property Services reports that some businesses within the Council's portfolio are suffering down turn as a result of the prevailing financial climate. Actions to support these businesses are presently being considered.

Risk management

54. A recent paper to the Executive presented a list of corporate risks associated with the recession which have been identified by council officers from across the organisation. These effectively act as the risk assessment associated with this report.

Recommendations

55. Members are asked to consider the options set out from paragraph 45 of this report as the basis of the Council's further response to the impact of the changing economic situation.
56. Members are asked to agree to receive further updates on York's economic climate and assessment of the effectiveness of actions initiated as a result of this report.

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Report Approved

For further information please contact the author of the report

Wards affected – ALL

Specialist implications officer

Financial – Patrick Looker ext 1633

Economic & City Development Overview & Scrutiny Committee Work Plan 2009-10

Meeting Date	Work Programme
14 July 2009	<ol style="list-style-type: none"> 1. Report on Overview & Scrutiny Committees - Terms of Reference 2. 2008/09 Year End Outturn Report 3. Corporate Strategy – Key Performance Indicators & Actions for 2009/10 – Understanding the corporate priorities relevant to the Committee’s ‘terms of reference’ in order to establish a baseline for making proposals for changes to the Corporate Priorities in 2010/11 4. Feasibility Report – Planning Conditions/Highways Adoption 5. Report regarding the Economic Development Programme (Assistant Director, Economic Development)
29 September 2009	<ol style="list-style-type: none"> 1. First Quarter Monitoring Report
8 December 2009	<ol style="list-style-type: none"> 1. Second quarter Monitoring Report 2. Recommendation Tracking – Update on ‘Guidance for Sustainable Development’ Review
26 January 2010	<ol style="list-style-type: none"> 1. Budget Consultation 2. Audit Commission Report on Use of Resources
9 March 2010	<ol style="list-style-type: none"> 1. Third Quarter Monitoring Report 2. Annual Report from relevant Local Strategic Partners

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