

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

To: Councillors Riches (Chair), Watt (Vice-Chair), Burton, Levene, Semlyen, Hyman, D'Agorne and Potter

Date: Tuesday, 27 March 2012

Time: 5.30 pm

Venue: The Guildhall, York

AGENDA

- 1. Declarations of Interest** (Pages 3 - 4)
At this point Members are asked to declare any personal or prejudicial interests they may have in the business on this agenda. A list of general personal interests previously declared are attached.
- 2. Minutes** (Pages 5 - 10)
To approve and sign the minutes of the last meeting of the Economic & City Development Overview & Scrutiny Committee held on **13 March 2012**.
- 3. 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 26 March 2012 at 5.00pm**.
- 4. Proposed Scrutiny Topics** (Pages 11 - 50)
This report presents information on three proposed scrutiny topics. Members are asked to decide which, if any, of these they would like to progress to review.

5. Work Plan 2012 (Pages 51 - 52)
Members are asked to review the Committee's work plan for 2012.

6. Urgent Business
Any other business which the Chair considers urgent under the Local Government Act 1972

Democracy Officer:

Name- Judith Betts
Telephone No. – 01904 551078
E-mail- judith.betts@york.gov.uk

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

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

About City of York Council Meetings

Would you like to speak at this meeting?

If you would, you will need to:

- register by contacting the Democracy Officer (whose name and contact details can be found on the agenda for the meeting) **no later than 5.00 pm** on the last working day before the meeting;
- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
- find out about the rules for public speaking from the Democracy Officer.

A leaflet on public participation is available on the Council's website or from Democratic Services by telephoning York (01904) 551088

Further information about what's being discussed at this meeting

All the reports which Members will be considering are available for viewing online on the Council's website. Alternatively, copies of individual reports or the full agenda are available from Democratic Services. Contact the Democracy Officer whose name and contact details are given on the agenda for the meeting. **Please note a small charge may be made for full copies of the agenda requested to cover administration costs.**

Access Arrangements

We will make every effort to make the meeting accessible to you. The meeting will usually be held in a wheelchair accessible venue with an induction hearing loop. We can provide the agenda or reports in large print, electronically (computer disk or by email), in Braille or on audio tape. Some formats will take longer than others so please give as much notice as possible (at least 48 hours for Braille or audio tape).

If you have any further access requirements such as parking close-by or a sign language interpreter then please let us know. Contact the Democracy Officer whose name and contact details are given on the order of business for the meeting.

Every effort will also be made to make information available in another language, either by providing translated information or an

interpreter providing sufficient advance notice is given. Telephone York (01904) 551550 for this service.

যদি যথেষ্ট আগে থেকে জানানো হয় তাহলে অন্য কোন অর্ধতে তথ্য জানানোর জন্য সব ধরনের চেষ্টা করা হবে, এর জন্য দরকার হলে তথ্য অনুবাদ করে দেয়া হবে অথবা একজন দোভাষী সরবরাহ করা হবে। টেলিফোন নম্বর (01904) 551 550।

Yeteri kadar önceden haber verilmesi koşuluyla, bilgilerin terümesini hazırlatmak ya da bir tercüman bulmak için mümkün olan herşey yapılacaktır. Tel: (01904) 551 550

我們竭力使提供的資訊備有不同語言版本，在有充足時間提前通知的情況下會安排筆譯或口譯服務。電話 (01904) 551 550。

اگر مناسب وقت سے اطلاع دی جاتی ہے تو ہم معلومات کا ترجمہ میا کرنے کی پوری کوشش کریں گے۔ ٹیلی فون (01904) 551 550

Informacja może być dostępna w tłumaczeniu, jeśli dostaniemy zapotrzebowanie z wystarczającym wyprzedzeniem. Tel: (01904) 551 550

Holding the Cabinet to Account

The majority of councillors are not appointed to the Cabinet (39 out of 47). Any 3 non-Cabinet councillors can 'call-in' an item of business from a published Cabinet (or Cabinet Member Decision Session) agenda. The Cabinet 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 Cabinet 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

Who Gets Agenda and Reports for our Meetings?

- Councillors get copies of all agenda and reports for the committees to which they are appointed by the Council;
- Relevant Council Officers get copies of relevant agenda and reports for the committees which they report to;
- Public libraries get copies of **all** public agenda/reports.

MEETING OF ECONOMIC AND CITY DEVELOPMENT OVERVIEW & SCRUTINY COMMITTEE

Agenda item 1: Declarations of interest

The following Members declared standing personal interests.

Councillor D'Agorne- Employee of York College

This page is intentionally left blank

City of York Council

Committee Minutes

MEETING	ECONOMIC & CITY DEVELOPMENT OVERVIEW & SCRUTINY COMMITTEE
DATE	13 MARCH 2012
PRESENT	COUNCILLORS RICHES (CHAIR), WATT (VICE-CHAIR), BURTON, LEVENE, SEMLYEN, HYMAN, D'AGORNE AND POTTER

43. DECLARATIONS OF INTEREST

Members were invited to declare at this point in the meeting any personal or prejudicial interests, other than the standing declarations that they might have in the business on the agenda.

Councillor Potter declared a personal non prejudicial interest in Agenda Item 4 (2011/12 Finance and Performance Monitor 3 Report) in her role as an employee of York Wheels and in her responsibility running the Dial a Ride contract.

Councillor D'Agorne declared a personal interest in Agenda Item 5 (Update on the implementation of recommendations arising from the Water End Councillor Call for Action (CCfA)) as a member of the York Cycle Campaign group.

Councillor Semylen declared a personal interest in Agenda Item 6 (Update Report- 'Reducing the Carbon Footprint in the Privately Rented Sector' Scrutiny Review) as a landlady. It was deemed that as the only decision to be made in the report was when Members might like to recommence the review, that her interest was not prejudicial.

No other interests were declared.

44. MINUTES

RESOLVED: That the minutes of the Economic and City Development Overview and Scrutiny Committee held on 24 January 2012 be agreed as a correct record subject to the following alterations;

Minute Item 41: "The coverage of 20mph speed limit zones in the city and outlying areas", that limit be changed to **limits** and **zones** be deleted.

45. PUBLIC PARTICIPATION

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

46. 2011/12 FINANCE AND PERFORMANCE MONITOR 3 REPORT

Members received a report which provided them with details of the 2011/12 forecast outturn position for finance and performance in City Strategy and Housing Services.

Members raised a number of questions in relation to the Officer's report such as;

- Clarification on the latest data for CO2 per head as 5.4 tonnes (2009 figure) seemed very low in comparison to the national average.
- How the number of small business start-ups in the city were measured.
- What were the reasons for the increase in bus passenger numbers?
- How savings had been achieved in bus concessionary fares.

It was reported that the increase in bus passenger numbers had occurred due to changes that had been made in collecting the information. These figures also included concessionary fares, but it was noted did not include students using the campus shuttle.

In relation to savings that had been made in bus concessionary fares Officers explained that a fixed price deal had been reached with a bus company. This therefore allowed for an ongoing saving against the budget.

RESOLVED: That the report be noted.

REASON: To update the scrutiny committee of the latest finance and performance position.

47. UPDATE ON THE IMPLEMENTATION OF RECOMMENDATIONS ARISING FROM THE WATER END COUNCILLOR CALL FOR ACTION (CCFA)

Members received a report which presented them with an update on progress made in implementing the recommendations arising from the Water End Councillor Call for Action.

Officers informed the Committee that findings from the public consultation that had taken place as a result of the review would be considered by the Cabinet at their meeting in April.

In relation to the outstanding recommendation, some Members pointed out that the consultation only seemed to address the first part namely; *that Council Officers urgently develop new, comprehensive proposals for the Water End junction to improve the current junction*. There was a second part to the outstanding recommendation; *'...and reduce greatly traffic flows in Westminster Road/The Avenue'* and it was not clear that the consultation addressed this.

Officers explained that they felt it better to do the public consultation in a more sequential manner, that is to first ask a question about the alteration of the junction and then to address the monitoring of traffic flows.

It was suggested that a further update report on the implementation of the recommendations be considered by the Committee at a later date, following consideration by Cabinet.

- RESOLVED: (i) That the report be noted.
- (ii) That a further update report be brought to a future meeting of the Committee.

REASON: To raise awareness of recommendations that still need to be implemented.

48. UPDATE REPORT- 'REDUCING THE CARBON FOOTPRINT IN THE PRIVATELY RENTED SECTOR' SCRUTINY REVIEW

Members received a report which set out a summary of information received by the Task Group working on the review and the reasons for why the scrutiny review had been postponed.

Members were informed that a report would be brought back for consideration, once details on the Government's Green Deal had been released.

RESOLVED: That the report be noted.

REASON: To formally inform the Committee of the postponement of this review.

49. WORK PLAN 2012

Members considered a report which presented them with the Committee's work plan for 2012.

Discussion took place on whether to schedule an additional meeting into the work plan to receive an update report on Local Enterprise Partnerships (LEPS) in early May. It was decided that an additional meeting did not need to be scheduled in order to consider this sole item.

RESOLVED: That the work plan be noted and that the following item be added to the Committee's work plan;

- At a date to be confirmed - an update report on the implementation of the

recommendations arising from the Water End Councillor Call for Action (CCfA) following consideration of the matter by the Cabinet at their April meeting.¹

REASON: To keep the Committee's work plan up to date.

Action Required

1. To update the Committee's Work Plan

TW

Councillor Riches, Chair

[The meeting started at 5.35 pm and finished at 6.25 pm].

This page is intentionally left blank



Economic & City Development Overview & Scrutiny Committee

27th March 2012

Report of the Assistant Director Governance & ICT

Proposed Scrutiny Topics

Summary

1. This report presents information on three proposed scrutiny topics. Members are asked to decide which, if any, of these they would like to progress to review.

Background

2. At a meeting of the Committee held on 24th January 2012 it was agreed that briefing notes be provided on two potential scrutiny topics namely;
 - Youth unemployment (how the Council works with partners to maximise employment opportunities for young people in the city)
 - Role of Science City York in Economic Development (more encouragement work to be done to attract people to York in order to maintain its status as a Science City)
3. In addition to this the Vice-Chair of the Committee had raised concerns with the Scrutiny Officer about processes used to bring Section 106 Agreements to a timely completion. The Chair of this Committee agreed to this topic also being added to the list above.
4. Briefing notes have been provided on all three of the proposed topics and are at **Annexes A, B and C** to this report.
5. Officers will be in attendance at the meeting to present their briefing notes and assist Members to choose an appropriate topic or topics for review.

Consultation

6. No consultation has taken place to date. Once a topic has been chosen and a review has commenced consultation will take place with appropriate parties as part of the review process.

Options

7. Members are asked to choose which, if any, of the topics being discussed at today's meeting they would like to progress to review.

Analysis

8. Members should consider what merit there would be in progressing any of the above topics to review. After discussions with officers Members will hopefully be able to identify any gaps in service or any places where improvements can be potentially made in relation to the topics put forward. Discussions should also enable Members to identify a specific focus for any review(s) to be progressed.
9. There are several questions that it might be useful for Members to bear in mind when considering the information presented at today's meeting and when selecting a topic or topics to review namely;
 - Identifying a specific focus and ambition for any review
 - Would progressing this topic to review have an impact on one or more sections of the population?
 - Is it a corporate priority or of concern to the Council's partners?
 - Will the review add value? Will it lead to effective outcomes?
 - Will the review duplicate other work?
 - Is it timely to undertake a review?
10. Members will also be aware that in addition to today's work planning meeting there is a corporate scrutiny work planning event scheduled to take place on 2nd May 2012. This has been arranged to assist in identifying some corporate and collective priorities for scrutiny committees for 2012/13. Some Scrutiny Committees are already planning some work for the coming Municipal Year and this collective work planning event does not prohibit any work being taken forward by individual committees. It does though provide an opportunity for backbench scrutiny Members, Cabinet Members and lead scrutiny officers, including Directors where appropriate, to get together to identify any work for scrutiny which is seen as a priority under the key areas in the Council Plan.

11. Members can, therefore, take with them to the corporate work planning event detailed above, the outcomes of today's meeting.

Council Plan 2011-2015

12. Choosing appropriate and timely topics for scrutiny reviews helps us to fulfil our role as a confident and collaborative organisation. The three potential scrutiny topics put forward at today's meeting fit with the following priorities set out in the Council Plan 2011-2015;
 - Youth unemployment (how the Council works with partners to maximise employment opportunities for young people in the city) – *create jobs and grow the economy*
 - Role of Science City York in Economic Development - *create jobs and grow the economy*
 - Improvements to processes around Section 106 Agreements should contribute to achieving various elements of the Council's Priorities set out in the Council Plan.

Implications

13. There are no known implications associated with the recommendations in this report. Implications may arise if any of the topics are progressed to review and will be addressed as part of the review process.

Risk Management

14. There are no known risks associated with the recommendations within this report.

Recommendations

15. Members are asked to consider which, if any, of the three topics they wish to progress to review.

Reason: In order to begin to identify a topic for review to begin in the new municipal year 2012/13.

Contact Details

Author:

Tracy Wallis
Scrutiny Officer
Scrutiny Services
Tel: 01904 551714

Chief Officer Responsible for the report:

Andrew Docherty
Assistant Director Governance & ICT
Tel: 01904 551004

**Report
Approved**



Date 15.03.2012

Specialist Implications Officer(s) None

Wards Affected:

All



For further information please contact the author of the report

Background Papers:

None

Annexes

Annex A Briefing Youth Employment

Annex B Briefing Science City York

Annex C Briefing Section 106 Agreements

**City of York YorOK Board
16 January 2012**

AGENDA ITEM 8

TITLE: Apprenticeship Developments in York and Programmes Supporting Young People 16-24 into Work

This item relates to the following: (please state)

- CYPF Priorities / Outcome/s:
- Performance Indicators:

1. Summary:

This paper provides an update on apprenticeship development and support for youth unemployment and participation for 16-24 year olds in York.

1.1 Strategic Context

1.1.1 Government funding, structures, statutory legislation and systems for supporting young people aged 16-24 cut across different Government Departments¹ and the age boundaries of 16-18 and 19-24. This subsequently impacts on how Local Authorities, in partnership with other stakeholders, deal with priorities and activity at a local level. Details in this report need to be considered within this strategic context.

1.1.2 **Raising Participation Age - 16-18 year olds.** The Education and Skills Act (2008) places a duty on all young people to participate in education or training until their 18th birthday (or until they achieve a Level 3 qualification). The legislation raises the participation age in two stages, to the end of the academic year in which a young person turns 17 from 2013 and until their 18th birthday from 2015. This does not mean young people must stay in school; they will be able to choose one of the following options:

- full-time education, such as school, college or home education
- an Apprenticeship
- full-time work (or volunteering) with part-time education or

¹ Department for Education (DfE); Department for Work and Pensions (DWP); Business, Innovation and Skills (BIS)

training alongside

1.1.3 **Local authorities** have the **statutory responsibility** to secure education and training in their areas for these **young people aged 16-18** (and up to age 25 for young people subject to a learning difficulty assessment), promote the effective participation in education or training of these young people and make arrangements to identify those not participating.

1.1.4 **In York – the 14-19 Education Team** (John Thompson, Principal Adviser 14-19) lead on this statutory responsibility, working with partners to develop appropriate high quality learning provision through an agreed Local Area Statement of Need (LASN). The LASN also takes account of Council Plan priorities.

1.1.5 **In terms of 19-24 year olds**, Learning City facilitates meetings to bring together key funding agencies (JCP and SFA) with local delivery partners to review Employability and Economic Inclusion priorities and provision for adult residents (19+) who are not in employment. Whilst these meetings have not specifically focused on 19-24 year olds, they have helped to shape and align provision and access funding to support target priority groups and communities e.g.: Job Connect Clifton and working with the GP Health Centre to support adults with mental health issues back into work (£52k). Where priorities, activity or provision cuts across an age range e.g.: Apprenticeships, LCY provides support to the 14-19 Team to ensure that these artificial age boundaries do not impede the city's place-shaping and economic development role of education beyond 19.

1.2 Apprenticeships

1.2.1 Whilst **Apprenticeship starts for 16-18 year olds** have risen in the last 3 years – participation rates with this age group (8.7%) remain well below both the regional rate (14.1%) and that of neighbouring areas (e.g.: East Riding: 15%). Apprenticeship starts and in-learning workforce development for **19-24 year olds** is far higher.

1.2.2 The **employer penetration rate** (October 2011) of 9.5% for new Apprenticeship starts (all ages) and 13.4% of employers

with Apprentices (all ages) in training is higher than both the national and Leeds City Region (LCR) averages and the 5th highest of the 11 Local Authorities in LCR. In order to meet the average targets for LCR of 14% of employers recruiting an apprentice and 20% of employers with apprentices in training by 2016, further work will be required in York to build on recent successful campaigns / activity.

1.3 Young People 18-24 Unemployed and 16-18 NEET

1.3.1 In terms of young people aged 18-24 on out-of-work benefits (3.4%) and those aged 16-18 identified as NEET (5.7%), these figures are significantly lower than both regional and national averages and whilst currently stable, they are not shifting downwards.

1.4 Autumn Statement 2011 – £940 mn Youth Contract Programme for 16-24 year olds

1.4.1 **In terms of unemployed 18-24 year olds** - opportunities include job subsidies for employers, incentives to small businesses to take on apprenticeships, work experience placements and career interviews. Much of this will be administered by DWP's Work Programme Prime Contractors. In York these Contractors are G4S and In-Training.

1.4.2 **In terms of 16-18 year olds** – funding over the next two years will support work experience as part of post-16 learning (through contracts already held by providers); and the small business incentives to take on apprenticeships should also benefit this age range.

1.4.3 It is unlikely that these short-term funding pots will have a significant impact for York, by the time 'allocations' are awarded at a local level.

2. Main body of the report

- Apprenticeships in York - Current Performance, Programmes and Initiatives (See Appendix 1- p4)
- York Young People (18-24) on Out-of-Work Benefits; NEET (16-18 year olds) and Raising Participation Age (16-18) – current situation, programmes & initiatives (See Appendix 2 – p7)

- £940m national Youth Contract Programme (support for 18-24 year olds) (see Appendix 3 – p10)

3. Recommendations

- In light of Youth Contract Programme funding announcements and the recent launch of the **National Participation Strategy for 16–24 year olds**, which will continue to cut across different funding structures, Government Departments and age boundaries, the Council would benefit from reviewing how it strategically co-ordinates and aligns developments both internally (across different Directorates) as well as with external partners in order to maximise the benefit for local residents (16-24) and employers.
- The Council will need to continue to work closely with NAS, YPLA, DWP, JCP, SFA, ESF and Prime Contractors to link these new initiatives to local delivery structures, including Future Prospects, Castlegate, Young People’s Services, All Age Careers Service, schools, colleges and training providers to share and improve labour market intelligence and to effectively plan provision, develop joint ways of working and monitor impact across the city.

Author: Julia Massey, Learning City York, Partnership Manager (Skills | Employment | Enterprise | Lifelong Learning); julia.massey@york.gov.uk; M: 07769 640241

Date: 16 January 2012

Appendix 1

Apprenticeships in York - Current Performance, Programmes and Initiatives

1. Performance

- 1.1 **The number of apprenticeship starts** for all ages reported in York at October 2011 was 1,445, representing a 52.6% increase on figures for 2009/10. This breaks down as 593

starts (41%) for those aged 25+, 555 (38.5%) for 19-24 year olds and 297 (20.5%) for 16-18 year olds. The most significant rise in starts has been amongst the over-25s, due in part to changes in funding for workforce development.

- 1.2 The number of **16-18 year olds** starting apprenticeships has increased from 270 in 2008/09, to 301 in 2009/10 and 302 in 2010/11. The target for 2011/12 is 320 and the current total is running at 297 (as at the end of October). Success rates are well above national regional averages, however, the participation rate for 16-18 year olds (8.7%) remains well below the regional rate (14.1%) and that of neighbouring areas (East Riding : 15%; Leeds : 9.3%).
- 1.3 The number of **19-24 year olds** starting apprenticeships as at October 2011 was 555 (38% of all starts). Whilst some of these will have supported young people back into work, the majority of these 'starts' will be existing employees benefiting from the employers investment in workforce development in partnership with a Government funded training provider.
- 1.4 The **employer penetration rate** (October 2011) of 9.5% for new Apprenticeship starts (all ages) and 13.4% of employers with apprentices in training (all ages) is higher than both the national and Leeds City Region averages (6% and 9% respectively for starts; 9% and 12.8% for Apprentices in training). York currently has the 5th highest penetration rate of the 11 Local Authorities in Leeds City Region. In order to meet the average targets for LCR of 14% of employers recruiting an apprentice and 20% of employers with apprentices in training by 2016, further work will be required in York to build on recent successful campaigns / activity.
- 1.5 In terms of **Apprenticeship providers** - there are currently around 60 different providers that deliver Apprenticeships (to all ages) in York, albeit many only deliver to single figures. In terms of 16-18 year olds, 30% of new starts (90) this year have been delivered by York College.

2. Local Developments & Initiatives

- 2.1 **City-wide strategic developments** for 16-19 and adults 19+, are currently planned through the Apprenticeship Starts

& Development Group (Chaired by Gary Robinson, 14-19 Team) and includes reps from National Apprenticeship Service (NAS), Young People's Services, Economic Development (Learning City York). Apprenticeships feature in the Local Area Statement of Need for 16-19 provision as a priority under "Learner Choice and Sustainability", as well as the new Economic Strategy, the City Strategy and Learning City Strategy.

- 2.2 **City-wide joint activities** with other partners to deliver strategic priorities, raise awareness and promote apprenticeships to both businesses and learners are currently planned and implemented through the York Based Providers' Group (which also has attendees from non-York based providers). This group is facilitated by the 14-19 Team, supported by Learning City York and reps include York Training Centre (CYC), whose manager has chaired the local provider network meetings for many years.
- 2.3 **The York Apprenticeship Challenge**, led by the Council's 14-19 Team in partnership with NAS, Learning City York, the council's Marketing and Communications Department and 9 providers including CYC's York Training Centre, was delivered from June to September 2011 to raise awareness with employers and generate commitments to Apprenticeships (16-18 and 19+/adults). It resulted in 89 businesses generating 199 apprenticeship 'starts', 57% of which were new vacancies for 16-24 years old and 43% were training opportunities for existing staff.
- 2.4 **The Council's corporate apprenticeship programme**, launched through the York Apprenticeship Challenge, offered 36 Apprenticeship vacancies across a number of different service arms. This builds on a much smaller number of Apprentices recruited in 2009/10 and CYC's York Training Centre, has worked closely with HR on the recruitment of these Council apprentices and is the provider of choice for the training of the 19 business admin apprentices.
- 2.5 **York Apprenticeship Graduation at The Minster** – this new initiative aimed to provide a high profile ceremony, as part of York Business Week (November), to celebrate the achievements of York residents (of all ages) that had

completed an Apprenticeship framework in 2011. Led and co-ordinated by York College, with support from NAS, Economic Development and Nick Eggleton (YBW), sponsorship funding was provided by the College, CYC 14-19, The Guilds and other training providers. Of the 600 'completers', circa 70 attended with their employer and family. It is intended to make this an annual event and embed within an Apprenticeship framework with employers and learners from the start of any new programme.

- 2.6 ESF Skills Support for the Unemployed / Apprenticeship Support to SMEs** – For those aged 18-24 claiming JSA / ESA who want to progress to an Apprenticeship within a SME, the provider can draw down a max £2,500 per individual to pass onto the employer to support the individual with their apprenticeship programme. JHP Group hold the contract in York & NY to deliver this programme (May 2011 – end July 2012).

2.7 Further joint activity planned includes:

2.7.1 14-19 Year Old Learner Activity

- 14-19 Team is working with NAS and the Provider group to develop Advice and Guidance packages on apprenticeship pathways for 14-16 year olds and 16-19 year olds (following successful bid by the 14-19 Team to NAS for funding totalling £13k) to drive up awareness, as well as a specific event to engage with A Level students looking at an alternative progression route to HE and with employers seeking Level 3 Apprentices
- Targeted work with providers on pre-apprenticeship programmes for vulnerable learners e.g. with learning difficulties and disabilities through York Training Centre (CYC) and Blueberry Academy, "Place of Change" re-engagement programme for young people presenting as homeless with York College / CYC Housing Operations Manager
- DfE funded Raising the Participation Age locally led delivery project (£75k) looking at jobs without training and working with employers to convert them to apprenticeships, developing pre-apprenticeship pathways

and raising awareness of the pathway amongst young people, parents and employers

2.7.2 19+ Apprenticeships

- Future Prospects is working with JCP on targeted events to raise awareness of Apprenticeship opportunities amongst adults 19+ who are currently seeking to return to employment, for whom 'jobs with training' is an attractive option

2.7.3 Employer Related Activity

- Learning City York is working with NAS, the Key Employer Account Management framework, the York Future Workforce Forum, providers **and Leeds City Region** to strengthen employer engagement, build a bank of Apprenticeship Ambassadors, identify job opportunities and facilitate better support to businesses to enable them to engage with Apprenticeship programmes as a vehicle for recruiting to new vacancies.
- Exploring new ways to drive up employer penetration rates for Apprenticeships and breaking down barriers for SMEs in particular. This includes investigating the potential need / demand and feasibility of establishing an Apprenticeship Training Association (ATA) - a distinct entity established to recruit and employ apprentices to hire out to employers in support of sustainable apprenticeships with those employers

Appendix 2

York Young People (18-24) on Out-of-Work Benefits NEET (16-18 year olds) and Raising Participation Age (16-18)

1. The Statistics

- 1.1 In October 2011, there were 3,438 Job Seeker Allowance (JSA) claimants of all ages in York. Whilst the claimant rate has increased as a result of the recession (circa 1700 in October 2007) the claimant rate of 2.5% is well below the national average of 3.8%. The overall figures have remained fairly stable for some months.
- 1.2 In terms of young people, there were 1,010 JSA claimants **aged 18-24 years** (29% of claimants) and 297 (5.7%) of young people aged **16-18 years** identified as NEET in October 2011. Both these figures are significantly lower than regional and national averages (JSA Claimants 18-24 nationally is 8.0%) and whilst both figures are currently stable neither are shifting downwards.

(Note: NEET is 5.7% compared to 3.7% in 2010. This is mainly due to the changes to the formula based upon residency resulting in a reduction of approx 900 in the overall cohort of young people age 16-18.)

- 1.3 In October 2011, there were 2352 notified vacancies at Jobcentre Plus (2.2% higher than October 2010). The top 5 notified vacancies were for care assistants; sales reps; sales & retail assistants; postal workers and cleaners. The top 5 sought occupations do **not** include caring and there is excess demand for construction jobs.

2. Support for Unemployed 18-24 year olds

- 2.1 **In terms of 18-24 year old JSA Claimants** - The Government's welfare reforms have included the introduction of a single universal benefit; the introduction of Getting Britain Working Measures delivered by Jobcentre Plus; and the Work Programme commissioned through DWP.

2.2 All new benefit claimants are assessed by Jobcentre Plus advisers who will ensure that support is personalised to meet the needs of the individual. **The Get Britain Working measures** support this by providing:

- Work Clubs - to encourage people to share skills and experience (Future Prospects run 3 across the city for all ages)
- Work Together - a way of developing skills through volunteering
- Work Experience - to give people practical, recognizable experience
- Enterprise Allowance - to encourage people into self-employment through greater support and financial help (25 people of all ages are currently on this programme in York, supported by York & NY Business Advice Centre, Clifton Moor)
- Enterprise Clubs – peer to peer support and semi-structured workshops for those looking at self-employment and starting-up a business (Future Prospects are running a club with the Change Foundation and Business Advice Centre in the city centre; York College have an ESF supported programme for those aged 50+)
- Service Academies – launched summer 2011 - linking work experience with tailored skills training for employment opportunities in specific sectors (none in York at present)
- Mandatory Work Activity – targeted to those who continually fail to demonstrate acceptable job search activity

2.3 At a specific point in their claim, if individuals have not secured employment they will be referred to the **Work Programme**. The referral will depend on the type of claimant and will be at any point from 3 to 12 months of their claim. Work Programme providers in York are G4S and In-Training. They have been given the freedom to develop support based on customer need and will be paid on results with greater rewards linked with those furthest away from the labour market. Delivery commenced at the end of June 2011. The Council has a direct relationship with the two Primes in York through Future Prospects.

- 2.4 The Skills Funding Agency also tenders out a number of ESF funded contracts to specifically tackle unemployment. See 2.2.6 for programmes to support 18-24 year olds.
- 2.5 The Council's employment delivery service Future Prospects also delivers IAG, employability workshops and programmes to support young people back into work, as supported through ESF funded contracts and direct funding from the Council.
- 2.6 At a strategic level, Learning City facilitates meetings to bring together key funding agencies (JCP and SFA) with local delivery partners to review Employability and Economic Inclusion priorities and provision for adult residents (19+) in the city, as set out within the Learning City Strategy. Whilst these meetings have not specifically focused on 18-24 year olds, they have resulted in writing successful bids to support targeted programmes for priority groups to better connect vulnerable adults to job opportunities e.g.: Job Connect Clifton and working with the GP Health Centre to support adults with mental health issues back into work (£52k).

3. Support for NEET (16-18 year olds) – Raising Participation

3.1 In terms of current NEET young people (16-18), strategic priorities to raise participation are set out within the York Local Area Statement of Need 14-19 (and to age 25 for young people subject to a learning difficulty assessment). Developments are then brought together with partners through the NEET Strategy Group (facilitated by CYC's Young People's Services), which includes reps from 14-19, Learning City York, JCP, Future Prospects, York CVS, training providers, NYBEP, YOT, Care Leavers. There are several programmes of support available to support young people in York, including:

- **Step up to Progress** – a short roll-on, roll-off 15 week Level 1 / Level 2 employability programme, delivered by York College three times a year
- **Late Start Social Science AS Level programmes** – November start at York College

- **Entrepreneur Diploma** – a Level 3 programme at York College that starts November, enabling students to plan, set up and run their own business
- **Accelerate** – a 12 week entry level programme delivered at Askham Bryan College in areas such as Horticulture, Outdoor Sports and Animal Care
- **ESF Starting Fresh** (managed by Your Consortium) – provides access to a Job / Learning Mentor and a menu of training opportunities to support progression into employment, Apprenticeships or full-time education, including specific support for young people with learning difficulties and disabilities. York delivery partners are Future Prospects, Emovere, BSD, York College, and Blueberry Academy.
- **Routes to Success** - Foundation courses leading to level 1 qualifications including 42 young people formerly NEET, delivered at CYC's York Training Centre. These include 2 LLDD programmes involving a range of partners to deliver bespoke programmes.
- **Care Leavers** - Positive relationships being formed between the officer responsible for progression of children leaving care and York Training Centre to ensure that work-ready care leavers are catered for by appropriate programmes.
- **Care Leavers – Springboard** (Big Lottery funding, managed by Foundation) will support new programmes and positive progression for care leavers in York, Selby & Ryedale from April 2012 – December 2015. Steering Group reps and delivery partners include CYC Care Leavers team, Learning City, Network 2 (Young People's Services), York Cares
- **Information, Advice, Guidance (IAG) and Support** - Continuous work by Young People's Services (including the outgoing Connexions Service) in schools, colleges, local communities and from Castlegate providing young people under 16 at risk of NEET and those age 16 -19 (and up to 25 if a Care Leaver or young person with LDD) on the NEET register with IAG and support in relation to employment preparation programmes and apprenticeships.

Appendix 3

Autumn Review 2011

New Government Announcements to support Young People (16 – 24) and Employers

1. £940mn Youth Contract Programme (support for 18-24 year olds)

- 1.1 The Autumn Statement (November 2011) builds on measures announced earlier in the month by Vince Cable and Nick Clegg of new funding to help address youth unemployment and to help employers gain the skilled workers they need to grow. This will provide opportunities including job subsidies, apprenticeships and work experience placements to 400,000 unemployed younger adults. **Initiatives for 18-24 year olds** will be administered by DWP's Work Programme Prime Contractors. In York these Contractors are G4S and In-Training.
- 1.2 The Youth Contract programme will see wage subsidies worth £2,275 offered to employers to take on **18 to 24 year olds**. It will be available to all young people claiming JSA for at least 9 months and who are on the Work Programme. Participating employers will be expected to pay at least the minimum wage. Anyone rejecting a subsidised job offer will be required to undertake four weeks' mandatory work activity. The programme will begin April 2012 and aim to get young people into a range of employment sectors.
- 1.3 The investment will also fund a further 250,000 work experience places to be provided over the next three years, adding to the 50,000 places announced so far by the Government. The places will be offered to every **18 to 24 year-old** after three months' unemployment, but before they enter the Work Programme.
- 1.4 An improved careers information portal will be created as part of the National Careers Service from April 2012. As part of the Youth Contract, an additional £4.2 million over three years will be provided so that the service can provide careers interviews for **18-24 year olds** who have been on JSA for three months.

2. Youth Contract Programme - Apprenticeship Specific (16-24 year olds)

- 2.1 To encourage small firms that don't currently hire apprentices to take on a young apprentice **aged 16 to 24**, the Government will offer employers with up to 50 employees an incentive payment of up to £1,500. This will support up to 20,000 new Apprenticeships in 2012/13. An initial payment will be made two months after the individual has started their Apprenticeship; the balance will be paid after the Apprenticeship has been completed and the trainee has progressed into sustainable employment.
- 2.2 Processes will be simplified to make it quicker and easier for employers to take on an apprentice. The NAS and training providers will be required to ensure that every employer is in a position to advertise a vacancy within one month of deciding to take on an apprentice. Health and safety requirements will be streamlined so that there are no additional demands on employers that already meet national standards.
- 2.3 There will be a renewed focus on targeting the programme where Apprenticeships deliver greatest value - including on younger adults, new employees, higher level qualifications and particular sectors where they can make the greatest impact.
- 2.4 Apprenticeship providers will be required to offer training in English and Maths up to the standard of a good GCSE (level 2) for all Apprenticeships.
- 2.5 There will be a further opportunity in 2012 for organisations to bid for funding to extend Higher Apprenticeship provision.

3. Other key points that impact upon young people (16-19 year olds):

- 3.1 The Government will invest £4.5 million over the next two years to support work experience as part of post-16 learning (through contracts held by providers with the YPLA);
- 3.2 Work with the Federation of Small Businesses will review regulation impacting on work experience by the end of 2011

and publish a guide to address common misconceptions about work experience.

Note: In York - led by the 14-19 Team – a review of Work Experience for pre and post-16 learners is taking place with schools, colleges, training providers and relevant agencies, in light of both the Wolf review and recent funding announcements.

4. New Participation Strategy for 16-24 year olds

4.1 In December, the Government will be issuing a Participation Strategy for 16-24 year olds that is intended to align policy and programmes from the 3 departments of DfE, DWP and BIS.

5. Conclusions

5.1 In light of these new funding announcements and the imminent launch of the **National Participation Strategy for 16–24 year olds**, which will continue to cut across different funding structures, Departments and age boundaries, the Council would benefit from reviewing how it strategically co-ordinates and aligns developments both internally (across different Directorates) as well as with external partners in order to maximise the benefit for local residents (16-24) and employers.

5.2 The Council will need to continue to work closely with NAS, YPLA, JCP, SFA, ESF and Prime Contractors to link these new initiatives to local delivery structures, including Future Prospects, Castlegate, Young People's Services, schools, colleges and training providers to share and improve labour market intelligence and to effectively plan provision, develop joint ways of working and monitor impact across the city.

This page is intentionally left blank

Report to Economic and City Development Overview and Scrutiny Committee

Background

City of York Council has a service level agreement with Science City York (SCY) to deliver innovation and knowledge transfer aims and ambitions on behalf of the Council and to contribute to the Council's Priority 1: Creating Jobs, Growing the Economy and the York Economic Strategy, 2011 – 15.

Overview

Science City York (SCY) works closely with, and in some ways acts as a critical extension to, the City of York Council's Economic Development Unit in delivering the aims and ambitions of Council Plan Priority 1 and the wider York Economic Strategy, 2011 – 15.

The full range of the SCY offer can be explored in full detail at the following link: <http://scy.co.uk/about>.

Specifically, the SCY team deliver for the Council knowledge transfer and innovation services both to local and regional businesses, but also to the Council itself. It is the principal delivery agent for the city in advising business on innovation, and either providing mentoring, consultancy, financing advice or signposting to further advice.

The SCY team have recently been successful in the winning a contract to be a key delivery partner for the new Business Coaching for Growth contract – a programme funded by Department for Business Innovation and Skills (BIS) for delivering targeted support and advice to potential high growth companies and start ups.

The SCY Contribution to CYC

Over the last 12 months SCY has assisted and interacted with 750 businesses in York. However, the company has assisted more widely more than 100 businesses to start, and have successfully secured more than £23 million investment for clients.

Whether these businesses are located strictly within York boundaries or within the region, the positive impact felt through these businesses will have a positive impact on the York economy through supply

chains. Further the SCY team have successfully attracted a range of ERDF projects that have enhanced the ability of the city to attract further investment over time to the city.

The Service Level Agreement (SLA)

The current SLA for 2011/12 is attached as an appendix. The amount contributed in this year has been £100K base budget and a £53K contribution from the Future Jobs Fund.

A new service level agreement for 2012/13 is being developed currently reflecting a reduction in contribution from CYC by 30% of funding from 2011/12 – totalling £100K for 2012/13. Further work may be contracted of SCY as and when appropriate in addition to this core contribution.

Report author

Katie Stewart
Head of Economic Development
01904 554418
katie.stewart@york.gov.uk



SERVICE (LEVEL) AGREEMENT

Between

**The City of York
Council Economic
Development &
Partnerships,
9 St Leonard's Place
York, YO1 7ET**

and

**Science City York
Enterprise House
Innovation Way
York, YO10 5NY**

DURATION

From the 1st April 2011 to 31st March 2012, subject to annual review.

SUMMARY

This is the Service Level Agreement (SLA) between the Council and Science City York ("SCY"). It defines the activities to be delivered, the expected outcomes and the methodology for assessing performance.

A grant of £153,000 will be paid annually by City of York Council to SCY, subject to it continuing to provide the activities summarised below and complying with the terms and conditions of this agreement.

The Council is fully committed to SCY and views its stakeholder status and major funding for the company as a continuing outstanding opportunity to enhance the economic prosperity of the city.

ORGANISATION ACTIVITIES

Investment from the City of York Council has enabled Science City York (SCY) to drive the creation and growth of business and employment opportunities across York within 3 clusters: bioscience, IT& digital and the creative industries.

These business networks play a critical role in York's future business support plans and are central to new opportunities SCY is currently bidding for the City; such as the new "Business Coaching for Growth" programme, the UNESCO bid for York to be a City of Media Arts and the Technology Innovation Centre. With the imminent closure of Business Link Yorkshire and Yorkshire Forward, the ongoing development of SCY business networks in York is imperative. SCY has a critical role to play as the main innovation asset in the Leeds City Region Local Enterprise Partnership and York and North Yorkshire Local Enterprise Partnership.

The ongoing contribution from the City of York Council (CYC) has enabled SCY to deliver significant value to York businesses.

ACTIVITIES TO BE FUNDED BY CITY OF YORK COUNCIL

The Council's funding provides a contribution towards the activities listed in the section above. Specifically the Council's funding will be used to support three sector networks; Creative York, IT & Digital York and Bioscience York.

Business Support, Networks & Membership

SCY business networks provide businesses with the opportunity to share information with other members and organisations and access to a range of services and benefits including: Business promotion and improving business competitiveness through provision of value-added, sector-specific global market intelligence; building a network of contacts; developing skills in employees; and supply chain opportunities.

The current networks (with the exception of Bioscience) are heavily biased toward micro and proprietor businesses, with many lifestyle businesses featuring in the Creative network.

SCY is currently reviewing the business model and considering a number of service ideas to support businesses including the launch of a new fee-based membership service. This will extend the penetration and number of relationships within Bioscience, Creative and IT&

Digital, and will focus on larger Small and Medium Sized Enterprises (SMEs). There is much scope for development of new networks as SCY widens its sector coverage and expansion of the service offer to the wider Leeds City and Humber regions.

SCY is also looking to expand the remit of the Bioscience York network to include a greater focus on biorenewables, as part of its ongoing strategy to develop York as a world class Centre of Excellence in Biorenewables research, education and commercialisation. This will involve building on the critical mass which is fast developing in and around biorenewables, development of new projects which SCY is working on in partnership with University of York for an industrial wastevalorisation facility and phase 2 of the Biorenewables Development Centre, along with new partnerships SCY has formed with major companies such as Drax and Croda International and strong links that SCY has with other local and national networks within the growing biorenewables and low carbon sector.

SCY marketing strategy and communications plan will include wider dissemination of the value SCY is creating through the networks including strong PR, case-studies and success stories.

Specific work in relation to Innovation Support

Phoenix Centre

Phoenix Phase 11 opened in September 2011. The businesses housed within Phoenix Court have been selected based on their ability to think creatively and innovatively and to develop new ideas and solutions to problems. The Phoenix Centre will not only retain its capacity to house start-up businesses it will also facilitate regular 'Open Innovation' workshops, events and training for businesses both within and out with the centre. SCY has been contracted to facilitate and deliver Open Innovation Workshops between October 2011 and March 2012.

Creative Councils Bid

CYC has recently been successful in its application to National Endowment for Science Technology and the Arts (NESTA), in which SCY played a key role in developing the bid. After having been shortlisted as one of the top 'Creative Councils applicants' in the UK

(in the top 17 out of 137 applicants) through the NESTA Creative Councils project, SCY will deliver a programme of open innovation workshops to CYC departments between X and X.

Specific work in relation to Knowledge Transfer between the Research Base and Businesses

SCY employs a dedicated Knowledge Transfer Specialist to increase the volume and quality of productive interactions between York's academic/research institutions and businesses. The Knowledge Transfer Specialist will:

- work to commercialise the business support available from Higher Education (HE)/ Further Education (FE) to relevant companies. This support includes higher level and managerial training, specialist training, access to facilities and specialised technologies and equipment.
 - work with the research base to widely promote support available to businesses and other support to be defined by the Knowledge Transfer Specialist and HE/FE institutions
 - facilitate the dialogue between academics and businesses
- SCY will continue to work closely with Higher York (HY).

Specific work in relation to green jobs

In addition to plans to develop the biorenewables network which will support the creation and sustainability of green jobs in York, SCY has already invested significant efforts to develop opportunities around biorenewables for the City, and SCY has developed very strong relations with key industry figures in this sector.

SCY is now playing a very influential role in developing York as a world-class centre, and it is a priority area for SCY going forward.

SCY will continue to work with Higher York and the research base to achieve skills targets across York's green sector.

Specific work in relation to Leeds City Region (LCR) and York and North Yorkshire LEPS

SCY is widely recognised as the innovation asset and lead body on the LCR Innovation panel and plays a major role within the LCR Innovation Capital programme.

SCY has recently received endorsement from the LEP to now lead on the development of the new 'Business Coaching for Growth Programme' bid and expects to play a key role as deliverer for the successful contractor when they are appointed later in 2011.

As well as the expansion plans for the business networks within the LCR, and the ongoing delivery in West Yorkshire through the SCY Business Mentor programme, York is increasingly playing a very influential role within both LEPs.

The business intelligence available through SCY business networks of York employers has also helped to inform the set-up and development of the Leeds City Region's Employment and Skills Board (ESB), and SCY has facilitated representation from York employers as part of the consultation for this Board. It is important York employers from the SCY business networks have continued involvement and representation at the Leeds City Region level and SCY will continue to act as a conduit in order York employers have a voice and influence within the LEP.

SCY will also plan to establish links and work closely with the Humber LEP in the future.

Contribution to the Internationalisation Agenda for the City

SCY will work in partnership with CYC and others to develop the international framework and prospectus for the City.

Development of CYC Web Portal

SCY has secured £10k of Yorkshire Forward (YF) funding to support the development of the web portal, to address the gap of local business support provision which is anticipated will emerge with the closure of Business Link. The portal will showcase and provide links to all of the York business support initiatives available and enable all York providers to work more closely together. SCY will provide project management and appoint a Project Manager to oversee the development of the portal working with the CYC team.

Proposed Performance Indicators 2011/2012

1. Production of a marketing strategy and communications plans
2. Production of 4 case studies demonstrating York's USP's within the Creative, IT& Digital, Bioscience & Biorenewables sectors.

3. Business Support

Metric	Annual Target
Referrals and/or Introductions made either Business-to-Business or Business-to-Knowledge Base	100
Number of businesses receiving direct assistance	40
Collaborations achieved	12

4. Reporting

- a) The number of new start ups within SCY sectors inc. biorenewables sector.
- b) The number of new jobs created within SCY sectors inc. biorenewables sector

5. Contribution to Key Account Management (KAM)

To act as Key Account Managers for X companies to be agreed with CYC which will feed into the delivery of CYC KAM programme, reporting to the Head of Economic Development.

6. Events

Metric	Annual Target
SCY events	20
Attendees at SCY events	400
Partner or supported events (SCY contribution recognised on event publicity)	10
Attendees at partner / supported events	300

7. SCY Property Strategy

To develop an action plan in partnership with CYC to follow-up the recommendations as outlined within the DTZ Property Strategic Review.

8. Inward Investment

To play an active role in developing the strategy, to maximise the inward investment opportunities for York.

Analysis of impact of SCY on local economy

SCY will assist with the creation of 20 non-permanent positions (internships, placements etc) within network member companies.

Where permanent positions are created as a result of SCY support, these jobs will be reported.

Sustainability / Green Issues

SCY will actively facilitate and support events with a primary focus on environmental sustainability and/or green issues. SCY will promote these events to and engage with regional or national organisations e.g. Carbon Trust, CO2 Sense.

SUPPORT FOR CITYWIDE AND COUNCIL PRIORITIES

The Council recognises that this project fulfils several of its stated corporate aims. One of the Council's strategic priorities is to enhance the economic prosperity of the City's residents with a focus on minimising income differentials. The Council is committed to working in partnership to achieve its strategic aims through the Local Strategic Partnership, the Economic Development Partnership Board, as well as specific partners such as Science City York. It also works with the Local Strategic Partnership to the aims and performance measures agreed with Government through a Local Area Agreement.

SERVICE STANDARDS, STATUTORY AND POLICY CONDITIONS

SCY will comply with the following general and statutory requirements in delivering the activities covered by this SLA:

- Health and Safety legislation
- Employment legislation
- Equal Opportunities legislation (including the Disability Discrimination Act 1985, Race Relations (Amendment) Act 2000 requirements)
- Arrange Public liability and employers insurance consistent with the range and manner of services provided
- Development and implementation of a Complaints procedure.

SCY will additionally comply where appropriate with the requirements of:

- the Children Act, public entertainment license, First Aid certificates, Under-eights/OFSTED inspections and Criminal Records Bureau checks.
- Any other standards or requirements appropriate to the services provided.

MONITORING CONDITIONS AND ARRANGEMENTS:

The Council will monitor the performance of SCY in carrying out the funded activity. This may include visits, review meetings, inspection of records and financial accounts relating to the funding with 14 days notice.

REPORTING

On a quarterly basis, SCY will provide an accurate and detailed monitoring report to the Council to demonstrate that the funding awarded has been used for service or activity specified above. The report will include quantitative data assessing performance against objectives.

In addition to the performance assessment, the monitoring report to the Council will include information on any additional activity/project work within the City of York area; including for example, involvement in partnership working, forums, involvement in national and regional initiatives.

Failure by SCY to submit satisfactory monitoring reports as indicated and by the dates due may result in the Council withholding funding or terminating the agreement.

ANNUAL REVIEW

The Council will carry out an Annual Review with SCY. This will include a review of performance as set out in the agreement and the continuing need for the service or activity. The results of the Annual Review will be used to inform the Council's decision on the continuation of the agreement into the second and third years of the agreement.

The Council will provide SCY with a record of the Annual Review within 14 days of the Annual Review.

CITY OF YORK COUNCIL CONTRIBUTION

- a) The Council will make an initial payment of £50,000 and then will make July payment £1200.00 and from August 2011 monthly payments of 12,750.00 via BACS transfer into a nominated SCY bank account, making a total annual payment of £153,000.
- b) The Council will make the payment on receipt of the signed agreement.
- c) The Council will pay the same level of funding for each year remaining of the agreement, subject to a satisfactory Annual Review and also having regard to the following paragraphs.
- d) The Council will consider making an additional award for inflation at the end of the first and second years of this agreement.
- e) Please note that whilst the Council is committed to fulfilling its responsibilities under this agreement, maintaining the same level of funding and making additional awards for inflation is subject to the Council's budgetary provision.
- f) In the event of unforeseen and significant reductions in the level of funding available to the Council, the Council may offer either a

lower payment or terminate the agreement at the end of the first or second years.

- g) In the event of either of these circumstances arising the Council's authorised officer will contact SCY as soon as practicably possible to discuss options for maintaining levels of service and minimising disruption to SCY's related operations.

FUNDING CONDITIONS

- a) SCY will:
- submit its quarterly monitoring reports within 30 days of the end of the reporting period
 - inform the Council of any changes to its constitution, management or contact representative as soon as practicably possible.
 - inform the Council of any changes to its staffing arrangements or delivery of the service or activity as soon as practicably possible
- b) The agreement may be terminated immediately if there is a material failure by SCY to fulfil the terms of this agreement.
- c) The Council may require SCY to repay all or part of the funding if:
- the funding is not used for the service or activity specified and by the named organisation only, unless the Council feels able to accept that there are legitimate reasons which have presented the obligations being fully met.
 - SCY is not able to provide the service or activity specified to the agreed standard, unless the Council feels able to accept that there are legitimate reasons which have presented the obligations being fully met.
 - In these circumstances, an Action Plan shall be agreed with the Council and shall be implemented successfully by SCY.
 - SCY is wound up or otherwise ceases to exist

- d) In using public money, SCY must follow the principle of Council procedures in terms of financial probity, equal opportunities and best value practice in delivering projects and in the selection and recruitment of contractors. This will include formally evaluating projects to ensure that best value practices have been used and keeping an audit trail of financial records.
- e) The terms of the agreement may be varied or the agreement terminated by mutual consent of SCY and the Council.

SIGNATURES:

- a) This agreement is accepted on behalf of SCY by the authorised officer:

Position	Signature	Print name
Date		

- b) This agreement is accepted on behalf of the Council by the authorised officer:

Position	Signature	Print name
Date		

This page is intentionally left blank

Briefing Note – Section 106 Agreements.

What is a S106 Agreement?

Section 106 (S106) of the Town and Country Planning Act 1990 allows a local planning authorities to enter into a legally-binding agreement or planning obligation with a landowner / developer in association with the granting of planning permission. The obligation is termed a Section 106 Agreement.

These agreements are a way of delivering or addressing matters that are necessary to make a development acceptable in planning terms and often refer to off-site infrastructure works such as highway improvements or new facilities such as play areas or local education improvements.

They can also be used to support the provision of services such as health improvements or the provision of affordable housing.

The S106 Monitoring Process.

When a planning permission is issued which includes a S106 agreement, an enforcement monitoring case is opened. This requires enforcement officers to monitor development sites with a view to ascertaining if and when development may have commenced and, if the developer does not subsequently discharge the obligations contained within the agreement, seek this accordingly.

Current cases.

We currently have 42 S106 agreements signed more than 12 months ago open as continuing monitoring cases. These vary in size from smaller schemes which require more modest contributions e.g. a development of 4 houses at Strensall which requires an education contribution of £5,297, to much larger developments requiring significant financial contributions, for example the large housing development at Derwenthorpe.

It is acknowledged that some of these cases have been open for several years; however, there are several reasons why this might be the case. Planning permissions are normally valid for up to 3 years so therefore development does not always commence straight away upon the granting of planning permission. S106 cases can therefore be open for

up to 3 years before any construction works even commences. Generally, the vast majority of S106 agreements do not require any contributions to be paid, at the earliest, until construction works commence. Furthermore, many agreements contain different 'trigger points'. These detail when a particular contribution is due to be provided within the lifespan of the development work.

For example, for a large housing development, it is normal that a particular obligation or financial contribution might be required to be met upon occupation of the first dwelling, and then a further obligation is required only upon occupation of the 50th. However officers would keep the enforcement monitoring investigation open until all the obligations of the S106 agreements have been complied with. This can sometimes take several years depending on the size of the development.

Using the Derwenthorpe development as an example, this S106 agreement is dated 4/10/2006 and at that point an enforcement monitoring case was opened. Development did not then commence on site until 2011, 5 years after the S106 agreement was signed. The contributions required and their respective trigger points are as follows:

- i) £160 per dwelling towards car club.
- ii) Affordable housing.
- iii) Education contribution £606,330
- iv) Off site recreational facilities £318, 000
- v) Sustainable Travel £242, 000

Trigger Points:

To pay 1st contribution prior to occupancy of 60 units (Education £206, 330 and recreation facilities £79,500).

2ND contribution prior to occupancy of 150 units (Education £150 000 and recreation £79,500).

3rd contribution prior to occupancy of 400 units (Education £150, 000 and recreation £79,500).

4th contribution prior to occupancy of 500 units (Education £100, 000 and recreation £79,500)

Sustainable travel plan pay £60,000 prior to occupancy and then every year after that until paid.

Therefore, even though it is now more than 5 years since the S106 agreement was signed and construction work has been continuing on site for approximately a year, it is still likely to be many months before the first financial obligation is required to be paid. However the enforcement monitoring case remains open all through that time and will continue to be so until all contributions and requirements of that agreement have been met. This can sometimes be several years. This can lead to the perception that the agreements are not being policed but this is not the case.

Another example is the Hungate development where the agreement was signed in 2006 requiring a series of contributions totalling £6, 453, 437. Due to the various trigger points throughout the construction process, much of that remains still to be paid but is not yet due. However the case has been open for nearly 6 years and remains open for further monitoring.

Monitoring of agreements.

It is acknowledged that due to resource issues within the enforcement section, the agreements have not always been checked and monitored on a constant basis. During this time, and pending the appointment of a temporary enforcement officer to backfill Union facility time, the team leader has largely dealt with monitoring these S106 cases. Visits often have to be paid to individual sites to ascertain where construction is up to and if trigger points have been reached. Officers do this as part of their existing workload when they are out on site together with periodic reviews of outstanding cases.

For Members' information, as well as actual signed S106 agreements, financial contributions have, for several years, also being required for smaller developments e.g. for one house or more. These smaller contributions are almost always dealt with by way of planning conditions imposed on planning permissions and these also require monitoring. There are approximately 170 of these cases.

Whilst the condition is worded to give the applicant/developer the option to enter into a formal S106 agreement if they so wish, most choose to simply pay the required contribution (generally towards Public Open Space provision) direct to the Council by way of a simple discharge of

condition. The trigger point for the payment is often upon occupation of the dwelling and therefore sites required monitoring to check if the house/houses are occupied. This can require multiple visits over several years. If the houses are occupied and the payment has not been received then it is down to officers to chase this in writing using enforcement procedures.

A recent internal audit review was carried out to look at the whole process of S106 agreements. This included the transparency and monitoring of the process from start to finish. The conclusion of this review from a Development Management perspective was that the process was found to be both transparent and working effectively in terms of receiving and distributing the money to the appropriate Directorates but it recognised the resource difficulties in constantly monitoring sites on top of other enforcement priorities. However, as a follow up to this regular meetings now take place with colleagues in the Finance section who hold and distribute any monies paid, to review outstanding cases and update accordingly.

As part of these meetings, Building Control records are being checked and developments are now being revisited to ascertain the up to date position with regard to trigger points on individual sites. It is also intended that letters will be going out to Parish Councils in the very near future seeking their future co-operation in identifying developments where construction work has commenced.

A combination of this and a proposed 'blitz' by officers to visit all older developments within the next 2 months will establish the up to date position on all these cases and where necessary, any enforcement of required contributions will follow.

As mentioned, it is anticipated that the full time enforcement officer post, currently vacant due to the previous post holders being seconded to work as GMB conveners, will be filled shortly. It is intended that this officer will then provide assistance in the checking and monitoring of outstanding S106 contributions.

The Future - The Community Infrastructure Levy.

It is expected that the use of Section 106 agreements will largely be replaced by the Community Infrastructure Levy. This is a new tariff based system depending on the scale of the development that local authorities in England and Wales will charge on new developments in

their area. The money can be used to support development by funding necessary local infrastructure, for example highway schemes, park or play area improvements or a new health centre or school. The system is supposed to simplify the whole process by providing certainty of the amounts to be paid and remove the need for negotiations.

Although it became legislation on the 6th April 2010 through the Community Infrastructure Levy Regulations 2010 it has not been introduced yet in York. The levy requires an evidence base of infrastructure needs to be formulated, and then from the costs are used to inform the tariff schedule. The Council is currently working on infrastructure requirements (in cooperation with adjoining authorities) and is putting the procedures in place to introduce the Levy through the Local Development Framework. It is expected that once established the S106 regime will be effectively phased out.

Officers will be attending the Committee meeting on the 27th March and will be available to answer any questions Members may have on the process and discuss further any points they wish to raise.

Matthew Parkinson
Appeals, Enforcement and S106 Agreements Team Leader
City of York Council.

This page is intentionally left blank

Economic & City Development Overview & Scrutiny Committee Work Plan 2011/2012

Meeting Date	Work Programme
27 March 2012	<ol style="list-style-type: none">1. Presentations on the following Potential Scrutiny Topics:<ul style="list-style-type: none">• Section 106 Agreements (processes for a timely completion)• Science City York & its role in Economic Development• How the Council works with partners to maximise employment opportunities for young people in the city

Items for 2012/2013 Work Plan

July 2012

Six Monthly Update Report on Major Developments within the City of York Council
Six Monthly Update Report on Major Transport Initiatives

Sept/Oct 2012

Update on the implementation of the recommendations arising from the Newgate Market Scrutiny Review

TBC

Reducing the Carbon Footprint in the Privately Rented Sector – Next Steps Report
Update on Local Enterprise Partnerships (LEPS)
Update on the implementation of recommendations arising from the Water End Councillor Call for Action

This page is intentionally left blank