



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

- To:** Councillors Semlyen (Chair), Watt (Vice-Chair), Barnes, Burton, D'Agorne, Riches and Hyman
- Date:** Tuesday, 24 September 2013
- Time:** 5.00pm
- Venue:** The George Hudson Board Room (F045) – 1<sup>st</sup> Floor, West Offices, York

**AGENDA**

- 1. Declarations of Interest** (Pages 3 - 4)  
At this point in the meeting, Members are asked to declare:
- any personal interests not included on the Register of Interests
  - any prejudicial interests or
  - any disclosable pecuniary interests
- which they may have in respect of business on this agenda.
- 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 Tuesday 23 July 2013.

**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 by 5pm the working day before the meeting, in this case **5pm on Monday 23 September**.

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

**4. Attendance of the Cabinet Member for Transport, Planning & Sustainability**

The Cabinet Member for Transport, Planning & Sustainability will update Members of the Committee on the priorities within his portfolio area.

**5. First Quarter CYC Finance & Performance Monitoring Report** (Pages 11 - 14)

This report provides details of the 2013/14 forecast outturn position for both finance and performance in City & Environmental Services and Housing Services.

**6. Update on Implementation of Recommendations from Out of Hours Childcare Scrutiny Review** (Pages 15 - 22)

This report provides Members with their first update on the implementation of the recommendations arising from the previously completed Out of Hours Childcare Scrutiny Review which falls within the remit of the Economic & City Development Overview and Scrutiny Committee.

**7. External Funding Scrutiny Review Draft Final Report** (Pages 23 - 52)

This report presents the findings and recommendations of the External Funding Scrutiny Review Task Group, and asks the Economic & City Development Overview & Scrutiny Committee to agree any required amendments / additions to the report prior to its future presentation at a meeting of Cabinet.

**8. Green Travel Plans (Businesses) (Pages 53 - 56)**  
**Overview/Progress Report**

Members will receive an update on the key focus areas for the Councils i-Travel York (ITY) programme aimed at businesses engagement through travel planning.

**9. Presentation Update on Grand Depart**

The Director of Communities & Neighbourhoods will provide a presentation update on preparations for Grand Depart, the second leg of the 2014 Tour de France which starts in York.

**10. Work Plan 2013-14 (Pages 57 - 58)**

Members are asked to consider the Committee's work plan for the municipal year 2013/2014.

**11. Urgent Business**

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

**Democracy Officer:**

Name- Judith Betts

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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 on the agenda
- Any special arrangements
- Copies of reports

Contact details are set out above.

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### **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 following a Cabinet meeting or publication of a Cabinet Member decision. A specially convened Corporate and Scrutiny Management Committee (CSMC) will then make its recommendations to the next scheduled Cabinet meeting, 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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<http://democracy.york.gov.uk/ieDocHome.aspx?bcr=1>

## **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

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City of York Council

Committee Minutes

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Meeting	Economic & City Development Overview & Scrutiny Committee
Date	23 July 2013
Present	Councillors Semlyen (Chair), Watt (Vice-Chair), Barnes, Burton, D'Agorne, Riches and Hyman
In Attendance	Councillor McIlveen

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**10. DECLARATIONS OF INTEREST**

Members were asked to declare any personal, prejudicial or disclosable pecuniary interests, other than those listed on the standing declarations attached to the agenda, that they may have in the business on the agenda. None were declared.

**11. MINUTES**

Resolved: That the minutes of the meeting of the Economic and City Development Overview and Scrutiny Committee held on 18 June 2013 be approved and signed by the Chair as a correct record.

**12. PUBLIC PARTICIPATION**

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

**13. 2012/13 FINANCE AND PERFORMANCE OUTTURN REPORT**

Members considered a report that provided details of the 2012/13 outturn for both finance and performance in City and Environmental Services (excluding Highways, Waste and Fleet), Economic Development and Housing Services.

Discussion took place in respect of some of the factors as to why car parking income was £258k below budget. Issues such as the bad weather during last summer, the continued effect of the economic downturn, the closure of parking at St Leonards and the temporary closure of Haymarket car park had all had an impact. Officers explained how the overspend had been offset

by savings elsewhere, including reduced use of taxi cards and an underspend on employee costs within School Crossing Patrols and Drainage and Network Management.

Resolved: That the report be noted.

Reason: To update the Committee on the latest finance and performance position.

**14. BRIEFING NOTES ON POTENTIAL REVIEW TOPICS FOR THE MUNICIPAL YEAR 2013/14**

Members considered briefing notes on the following topics:

- Construction Skills
- Night-time Economy
- Supporting Online Working

Members were asked to decide which of the topics they would wish to progress during this municipal year.

(i) Construction Skills

Consideration was given to a briefing note on Construction Skills. The Chair suggested that the review should look at how City of York Council and its partners could work together to ensure that local York people were able to support the city's ambition for housing and construction growth that is predicted to require over 4,000 building jobs within the next two years. The Committee recognised the national and particularly, northern England shortage of skilled builders and agreed that the review should focus on what the Council and its partners could do to address that skills gap, particularly where it might generate work and prospects for local young unemployed people.

(ii) Improving the City's Night-time Economy

Members noted that the Corporate and Scrutiny Management Committee had requested that each scrutiny committee carry out a scrutiny review related to improving the city's night-time economy. The intention was that the Corporate and Scrutiny Management Committee would collate the findings and recommendations from these reviews into one report that would be presented to Cabinet for consideration. A paper was tabled which gave

examples of key areas that each overview and scrutiny committee could review. (A copy of the paper is attached to the on-line agenda for this meeting).

Members suggested that the following topics could form the basis of a scrutiny review:

- Night-time transport (including bus services and car parking)
- Later retail opening hours

It was noted that a scrutiny review on the night-time economy had been carried out several years ago. It was suggested that the report that had been published would provide useful background information when carrying out the forthcoming review.

(iii) Supporting Online Working

Consideration was given to a briefing note on “York as a Super-Connected City – the Economic Impact and Potential of Enhancing York’s Digital Capacity” and to a progress report on super-connected cities that had been considered by Cabinet on 4 June 2013.

Members’ attention was drawn to the following possible topics for scrutiny:

- How City of York Council can support all businesses to take advantage of faster broadband to stimulate business growth (and jobs) in York.
- How CYC can help residents further with online skills so that they have the skills to apply for jobs online and consider opportunities for working from home “on-line”. Members suggested that this topic could also incorporate issues such as whether council tenancy agreements deterred on-line working.

- Resolved:
- (i) That the Construction Skills Review be undertaken first, followed by the Night-time Economy Review.
  - (ii) That the remit of the Construction Skills scrutiny review, as circulated by the Chair, be approved.

- (iii) That the members of the Construction Skills scrutiny review task group be Councillors D'Agorne, McIlveen and Watt.
- (iv) That a remit for the Night-time Economy review, focussing on transport and later retail opening hours be drafted and circulated to the review task group.
- (v) That the members of the Night-time Economy Task Group be Councillors Semlyen, Barnes, D'Agorne and Hyman.
- (vi) That, prior to a decision being taken on the proposed review of on-line working, a further report evidencing any barriers to on-line business, be presented to the Committee.

- Reasons:
- (i)-(iii) To progress the scrutiny review on construction skills.
  - (iv)-(v) To progress the scrutiny review on the night-time economy.
  - (vi) To enable the Committee to make an informed decision as to whether to proceed with a review in respect of on-line business and, if so, the remit for such a review.

**15. UPDATE ON THE IMPLEMENTATION OF RECOMMENDATIONS ARISING FROM THE SCRUTINY TASK GROUP E-PLANNING FACILITIES**

Members considered a report that provided an update on the implementation of recommendations arising from the E-Planning Scrutiny Review.

Members requested further information as to when Parish Councils would cease to have paper copies of planning applications sent to them. They also requested further details of the charging arrangements in respect of room hire.

Resolved: (i) That a further update on recommendations (iv) and (v) be presented to the Committee.<sup>1</sup>

(ii) That the remaining recommendations in respect of the E-Planning Scrutiny Review be formally signed off as complete.

Reason: To enable the Committee to monitor progress in the implementation of the recommendations.

Action Required

1. Include on Work Plan

MC

**16. CYC WELFARE REFORMS- IMPACT OF ' THE SPARE ROOM SUBSIDY'**

Members considered a report that advised them of the current position in York of the effects of the welfare reforms and the actions that had been taken to mitigate the impacts on those who were affected.

Statistics were provided on the number of residents who were affected and the impact of the changes on rent arrears. Officers detailed the type of support that was being provided, as outlined in paragraph 10 of the report. Members noted the arrangements that were in place in respect of home moves through direct exchange or via transfer where suitable accommodation was available.

Resolved: That the report be noted.

Reason: In order for the Committee to recognise the current position and the actions taken to mitigate the impact for those who are affected by welfare reforms in York.

**17. BI-ANNUAL UPDATE REPORT- MAJOR TRANSPORT INITIATIVES**

Members considered a report that provided an overview and update in relation to the major transport initiatives in the city currently being progressed.

Resolved: That the present position in relation to major transport initiatives in the city be noted.

Reason: To ensure that the Committee is kept up to date with progress.

**18. BI-ANNUAL UPDATE REPORT- MAJOR DEVELOPMENTS SCHEMES WITHIN THE CITY OF YORK COUNCIL**

Members considered a report that provided an overview and update in relation to the major development and planning proposals in the city at this time.

Resolved: That the present position in relation to major developments and planning applications in the city be noted.

Reason: To ensure that the Committee is kept updated on progress.

**19. WORK PLAN 2013-14**

Members considered the Committee's work plan for the municipal year 2013/2014.

Resolved: That, subject to the following amendments, the Committee's work plan for 2013/14 be approved:

- Meeting of 24 September 2013:
  - agenda item on External Funding Scrutiny Review to be placed above the item on the Out of Hours Childcare Scrutiny Review
  - agenda item to provide update on night-time economy scrutiny review
  - agenda item on Grand Depart to be given higher priority
- Meeting of 19 November 2013
  - include an agenda item on report on Construction Skills scrutiny review

Reason: To progress the work of the Committee.



## Economic and City Development Overview and Scrutiny Committee

24 September 2013

### Report of the Director of City & Environmental Services

#### 2013/14 Finance Monitor 1 Report

##### Summary

1. This report provides details of the 2013/14 forecast outturn position for both finance and performance in City & Environmental Services and Housing Services.

##### Analysis

##### Finance – forecast outturn overview General Fund

2. The current outturn position within the City & Environmental Directorate (excluding Highways, Waste & Fleet) is a projected overspend of £45k on a total net budget of £1,842k. Economic Development has a budget of £769k and is expected to outturn on budget. The Housing General Fund has a budget of £884k and is expected to underspend by £43k. Service Plan Variations by service plan are shown below:

	Net Budget £'000	Projected Outturn £'000	Variance £'000
<b>City &amp; Environmental Services</b>			
Strategic Planning & Transport	312	410	+98
City Development & Sustainability	907	857	-50
Director's Group	623	620	-3
<b>Total</b>	<b>1,842</b>	<b>1,887</b>	<b>+45</b>
<b>Economic Development</b>	769	769	0
<b>Housing Services</b>			
Housing General Fund	884	841	-43

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.

Strategic Planning and Transport (£+98k)

4. Car Parking income is forecast to be £283k below budget which is made up of £143k short stay, £142k standard stay, £37k on-street and £39k surplus on Respark and season tickets. The shortfall equates to 4%.
5. There is expected to be £115k saving from concessionary fares and reduced use of taxi cards, shortfall of £45k on park & ride income, an underspend of £15k on employee costs within School Crossing Patrols where a number of posts are unfilled. Income from transport projects is expected to be £50k higher than expected.
6. Additional income from utilities (£50k) and saving in signal electricity (£10k) is offset by an expected shortfall in income from providing shared CCTV and traffic systems.

Planning and Sustainable Development (£-50k)

7. Income from planning applications, building control and land charges have recovered following an increase in activity by developers and in the housing market. Latest forecasts indicate that income will be on budget.
8. The Development Projects Team has £58k saving from a vacancy and from adoption leave, offset by £8k redundancy cost.

Economic Development (£nil)

9. The current forecast is that Economic Development will outturn on budget.

Housing Services (£-43k)

10. The review of the Housing Services General Fund budgets indicates at monitor 1 that the service will be £43k under budget. This is due to additional income and staff vacancies in Housing Options (£87k), miscellaneous savings (£11k). There is a projected deficit on the building maintenance account of £55k (1%).



Finance Housing Revenue Account (HRA) - Non General Fund account

11. The budgeted working balance at 31<sup>st</sup> March 2014 on the HRA is £12,073k and this first review indicates a net underspend of £195k, leaving a projected working balance of £12,268k. The underspend included £62k from vacancies and utilities savings, £49k from additional rents and £84k from higher management fees, leaseholder administration and works recharges.

**Implications**

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

**Risk Management**

13. The report provides Members with updates on finance and service performance and therefore there are no significant risks in the content of the report.

**Recommendations**

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

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

**Author:**

**Patrick Looker**  
**Finance Manager**  
Tel: 551633

**Chief Officers responsible for the report:**

Sally Burns  
Director of Communities and Neighbourhoods

Darren Richardson  
Director of City and Environmental Services

**Report  
Approved**



**Date** 13 September  
2013

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## Economic & City Development Overview & Scrutiny Committee

24 September 2013

Report of the Assistant Director, Governance & ICT

### Update on the Implementation of Approved Recommendations arising from the Out of Hours Childcare Scrutiny Review

#### Summary

1. This report provides Members with their first update on the implementation of the recommendations arising from the previously completed Out of Hours Childcare Scrutiny Review which falls within the remit of the Economic & City Development Overview and Scrutiny Committee.

#### Background

2. At a meeting of Economic and City Development Overview and Scrutiny Committee held on 24 July 2012 Members considered a topic around '*women working in York: impact of lack of childcare or independent care*' which had been proposed at a scrutiny work planning event earlier in the year. The Committee agreed to move the focus to out of hours childcare and the impact that a lack of this had on those working outside of standard hours.

#### Aim

3. The intention was to look at the Council's information about Out of Hours childcare provision so that parents were better able to access work outside of standard hours and to look at ways of improving the quality of information provided and the way that it was marketed.
4. The Task Group gathered evidence which led to the recommendations set out in **Appendix A**.

5. In March 2013, the Cabinet approved the recommendations arising from the review.

### **Consultation**

6. The Family Information Service Manager has provided the update information contained within the annex and will be present at this meeting to answer any questions arising.

### **Options**

7. Members may decide to sign off any individual recommendations where implementation has been completed, and can:
  - a. request further updates and the attendance of the relevant officers at a future meeting to clarify any outstanding recommendations relating to the above reviews or;
  - b. agree to receive no further updates on the review

### **Council Plan**

8. This is linked with the create jobs and grow the economy priority set out in the Council Plan 2011-15 which states 'all of the city's residents will enjoy the opportunity to achieve their potential within York's economy'.

### **Implications**

9. There are no known Financial, Human Resources, Equalities, Legal, ITT or other implications associated with the recommendation made in this report.

### **Risk Management**

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

### **Recommendations**

11. Members are asked to note the contents of this report and sign off all recommendations that have been fully implemented.

Reason: To raise awareness of those recommendations which are still to be fully implemented.

**Contact Details**

**Author:**

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**Chief Officer Responsible for the report:**

Andrew Docherty  
Assistant Director  
Legal, Civic, Democratic and IT  
TEL: 01904 551004

**Report Approved**  **Date** 24 Sept 2013

**Wards Affected:**

**All**



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

**Background Papers:** None

**Annex**

Annex A – Update Information on Out of Hours Childcare Review

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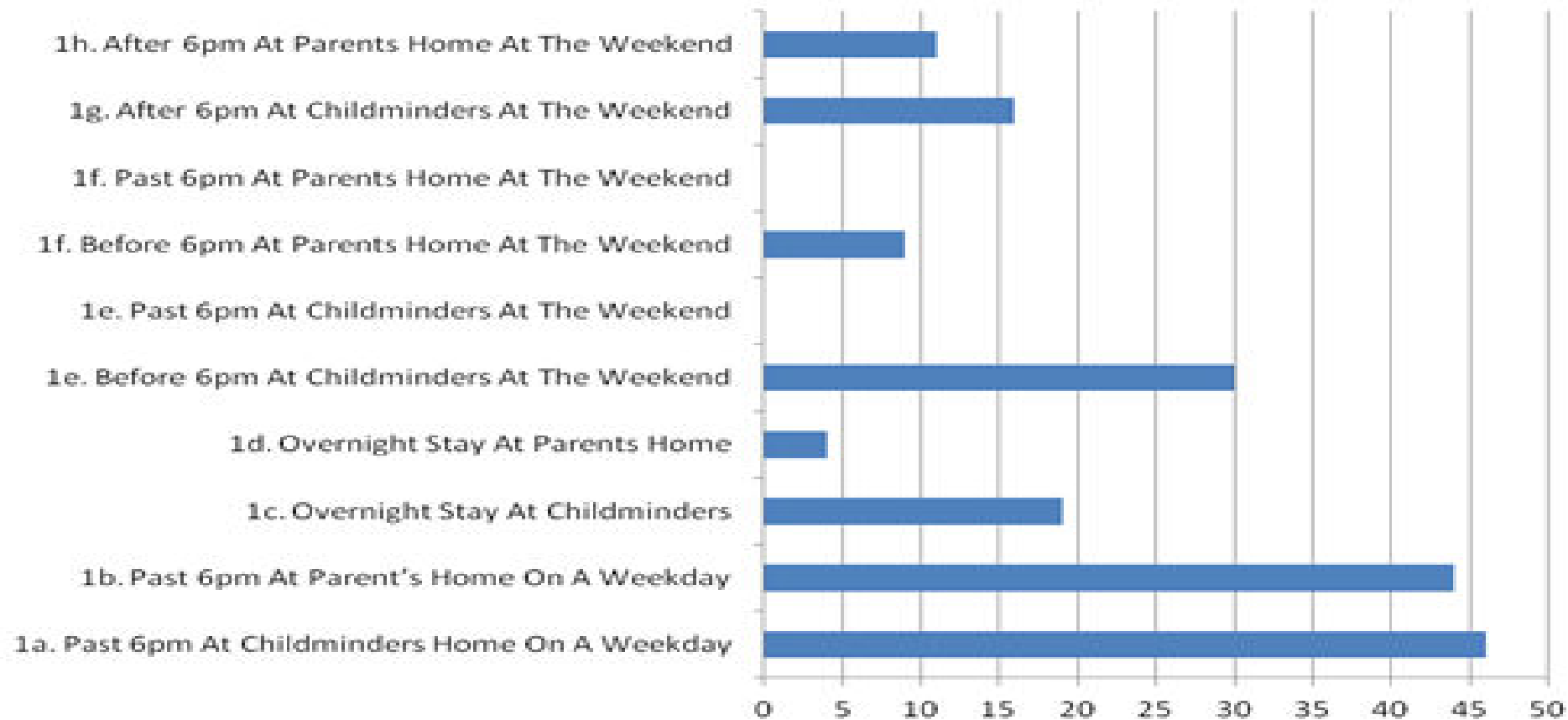
**Update on Implementation of Approved Recommendations  
Arising From Out of Hours Childcare Scrutiny Review**

<b>Scrutiny Recommendations Approved by Cabinet in March 2013</b>	<b>Update on Implementation Provided September 2013</b>
<p>1. That the Family Information Service Manager, by means of the childcare audit, audit childcare providers to gather more detailed information on their out of hours availability</p>	<p>This action has been completed. As part of the 2013 annual childcare audit the following questions were asked:</p> <ul style="list-style-type: none"> <li>• 1a. Past 6pm At Childminders Home On A Weekday</li> <li>• 1b. Past 6pm At Parent's Home On A Weekday</li> <li>• 1c. Overnight Stay At Childminders</li> <li>• 1d. Overnight Stay At Parents Home</li> <li>• 1e. Before 6pm At Childminders At The Weekend</li> <li>• 1e. Past 6pm At Childminders At The Weekend</li> <li>• 1f. Before 6pm At Parents Home At The Weekend</li> <li>• 1f. Past 6pm At Parents Home At The Weekend</li> <li>• 1g. After 6pm At Childminders At The Weekend</li> <li>• 1h. After 6pm At Parents Home At The Weekend</li> </ul> <p>The chart shown below shows the profile of respondents to these questions. NB: The questions will be repeated in the 2014 childcare audit.</p>
<p>2. That the Family Information Service Manager update search routes online to:</p> <ul style="list-style-type: none"> <li>• Allow families to search for out of hours or flexible childcare</li> <li>• Introduce an advanced search feature allowing families to specify required windows of time</li> </ul>	<p>Search routes have been developed over the Summer of 2013. These have been tested and will be launched on the 20th September. Search routes will be available via <a href="http://www.yor-ok.org.uk/childcare">www.yor-ok.org.uk/childcare</a>.</p>

<p>3. That the Family Information Service Manager ensures that a new page be created on the YorOK website providing parents with advice on finding informal childcare/babysitters</p>	<p>This is live and can be found by visiting <a href="http://www.yor-ok.org.uk/babysitters">www.yor-ok.org.uk/babysitters</a>. Since launching this page in January 2013 it has been viewed by 288 people.</p>
<p>4. That as the Council has recently taken back in house the work relating to the recruitment of childminders the Family Information Service Manager ensures that future work targets existing and potential child carers in key areas to highlight the need for some out of hours and flexible childcare.</p>	<p>Promotional materials to encourage people to consider becoming a childminder has now been adapted to encourage people to look at offering out of hours and flexible childcare.</p> <p>Initial information sessions for prospective childminders encourage them to consider the possibility of offering out of hours childcare and to build this into their business planning. Existing childcare providers have also been approached to encourage them to offer more flexible provision.</p> <p>In May 2013 a new day nursery opened in central York offering extended opening hours of 06.30 – 20.00 Monday to Friday and 08.00 – 18.00 on a Saturday. This extended offer compliments other forms of flexible childcare including provision offered by childminders detailed above.</p>
<p>5. That the Family Information Service Manager incorporates into the Family Information Service's Awareness Strategy support options around out of hours childcare to:</p> <ul style="list-style-type: none"> <li>• parents and carers</li> <li>• potential providers of flexible childcare</li> </ul>	<p>The work to raise awareness to potential providers of flexible childcare is detailed in the response to recommendations 1 and 4.</p> <p>The work to raise awareness of support amongst families is highlighted against actions 3 and 6.</p>
<p>6. That the Family Information Service promote and market the additional information and search functions on out of hours childcare on its website to parents and carers through press releases and additions to any</p>	<p>From October to December families will be consulted on their childcare needs and this will be used to map how well childcare matches demand. This consultation exercise takes place once every three years.</p>



<p>printed information such as leaflets and posters</p>	<p>The new online flexible childcare search will be promoted alongside this via:</p> <ul style="list-style-type: none"> <li>• Through Local Link Magazine (editorial and advert)</li> <li>• Through Evening Press (advert and editorial)</li> <li>• Press release through Marketing and Communications</li> <li>• Through YorOK newsletter</li> <li>• At No Wrong Door conference</li> <li>• Through libraries</li> <li>• Through childcare providers</li> <li>• Online through the CYC website, YorOK website, Social Networking Sites, Genius website.</li> <li>• Through Children’s Centres</li> <li>• Through Schools</li> <li>• Through any other key partners</li> </ul> <p>Through registered families with myFIS, myFIS+ and CYC “do-it online”.</p>
<p>7 That the Family Information Service Manager organise a further event for employers around being family friendly as identified in option 3 at paragraph 16 of this report.</p>	<p>This session is yet to be held. The intention is to hold the session following consulting with families as part of the Childcare Sufficiency Assessment. The feedback from families on this consultation will inform how the session is designed and targeted.</p>
<p>8 That the Family Information Service Manager report back to Economic and City Development Overview and Scrutiny Committee after the next Annual Childcare Audit to give an update on the outcomes of the audit and progress on the implementation of the recommendations arising from this review</p>	<p>This document forms that update. Further detail can be provided if required.</p>

**Chart in support of update on Recommendation 1.****Scrutiny Comments on Update Received September 2013**



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**Economic and City Development Overview & Scrutiny Committee****24 September 2013**

Report of the External Funding Scrutiny Task Group

**Draft Final Report - External Funding Scrutiny Review****Summary**

1. This report presents the findings and recommendations of the External Funding Scrutiny Review Task Group, and asks the Economic & City Development Overview & Scrutiny Committee to agree any required amendments / additions to the report prior to its future presentation at a meeting of Cabinet.

**Introduction**

2. At a meeting of the Economic and City Development Overview and Scrutiny Committee (ECDOSC) held in September 2012 Members received an initial briefing note (Annex A refers) on a potential scrutiny review that had been put forward by Councillor Semlyen. The basic premise for the suggested review was to unlock the potential of external funding for economic development and regeneration projects.
3. The briefing note said that *'At a time when Council budgets are being increasingly reduced, there is a real and growing need to attract new forms of investment – whether private or public. Whilst there may be less public funding available than in previous years, there remains significant opportunities in the form of European Regional Development Funding, Growing Places Funding and other opportunities such as the Regional Growth Fund...'*
4. In light of this the Committee suggested that any remit for the review should focus on identifying a more systematic approach to securing external funding and investment for York in order to maximise the amount received .

5. The Committee agreed that this review should go ahead and set up a Task Group to carry out the review on their behalf, comprising of the following four Members of the Committee:

Councillor Stephen Burton (Task Group Chair)

Councillor Neil Barnes

Councillor Andrew D'Agorne

Councillor Anna Semlyen

6. The Task Group agreed that any funding available should be accessed for York's top investment priorities and felt there was work to be done around the process of promoting York's key investment priorities within the Leeds City Region Local Enterprise Partnership (LEP) in particular.
7. In January 2013 The Task Group reported back on their initial findings and ECDOSC agreed a remit for the review together with a number of objectives. However, as work on the scrutiny review progressed, ECDOSC were asked to agree some minor changes to the objectives set, to allow the Task Group slightly more flexibility within their review. Work on the review then progressed based on the following remit and objectives:

#### Aim

To be more effective and systematic in securing external funding and investment for York

#### Key Objectives

- i) To assess how Leeds City Region are articulating investment priorities, including looking at the case of the LEP European Regional Development Funding Programme and broader funding priorities.
- ii) To assess what resources are available to City of York Council (CYC) to effectively identify and successfully secure funding (resources in this instance including CYC staff, additional or temporary staff, partnership staff, ability to provide match funding, up-skilling and training)
- iii) To develop a plan for presenting a strong case to attract funding for York's top investment priorities.

## Consultation

8. In support of Objective (iii) the Task Group held a meeting with external partners from Network Rail and Leeds City Region LEP, alongside colleagues from CYC Development Control and the Economic Development Unit.

**Objective (i): To assess how Leeds City region are articulating investment priorities, including European funding and broader funding priorities**

## Information Gathered

9. At Meetings in February and March 2013 the Task Group learnt that funding channelled through the Leeds City Region LEP was critical to the future economic growth of York.
10. The driving force behind all funding accessed through the Leeds City Region will be the **City Region Strategy** and **Investment Plan** through which there is currently a proposal to create a **Single Investment Fund** and most importantly a **Single Assessment Framework** - combining and aligning different monies (ideally including European monies) under one single 'fund of funds'.
11. Whilst Leeds City Region LEP has an overarching strategy already in place, the key point to note is that what sits beneath the current corporate plan is emerging and constantly changing. Leeds City Region LEP are refining their approach in response to the new European funding programme 2014-2020 and emerging Government initiatives such as the single local growth fund. As a result it is imperative that City of York Council moves with, and keeps track of, these changes - ensuring continuous alignment between the strategic priorities of the City and the wider LEP.
12. With specific regards to European funding the Task Group learned that the next tranche of the England's EU funding allocation from 2014-2020 will largely be distributed via Local Enterprise Partnerships (including Leeds City Region LEP) in order to ensure that European projects and initiatives are strongly aligned with local socio-economic needs and priorities.

13. However, officers advised the Task Group that the Government is still some way from determining precisely how the EU funding will be administered on a day to day operational basis. Whilst it appears LEPs will be ceded responsibility for strategy setting and delivery of outcomes, central government will retain responsibility as the ultimate managing authority. Further details are outlined at Annex B.
14. This throws up a number of pragmatic questions around where final investment decisions for European funded projects will be made / approved. Further guidance is promised during the course of 2013 which may potentially shed further light on this issue.
15. Clarity is also required from central government with regards to Leeds City Region LEP's notional European funding allocation. Without this it is impossible to begin any meaningful prioritisation of specific projects and initiatives.
16. The Task Group was also informed about future Government funding plans for the LEPs including the creation of a Single Local Growth fund from 2015 onwards. At their final meeting in July 2013 the Task Group received further information on the Single Local Growth Fund which had emerged as part of the June Spending Review i.e.:
  - Creating a Single Local Growth Fund (SLGF) with over £2 billion of budgets from skills, housing and transport for 2015-16;
  - Making a further commitment of £5 billion of transport funding in the SLGF from 2016-17 to 2020-21 to enable long-term planning of priority infrastructure while also committing to maintain the SLGF at a total of at least £2 billion each year in the next Parliament; and
  - Giving LEPs responsibility for how €6.2 billion (£5.3 billion) of EU Structural and Investment Funds is spent, bringing resources under the strategic influence of LEPs of at least £20 billion in the years to 2021.

## **Conclusions**

17. From the information and evidence presented above the Task Group concluded it was too early to identify specific projects to 'put forward' to Leeds City Region LEP for European or indeed other forms of LEP devolved funding.

18. An essential first step would be to develop a clear 'Investment Plan' for the Council and the wider City - identifying the top priorities for investment, innovation and business growth and translating those into viable investment propositions.
19. The Task Group agreed that York would have to identify its strengths, identify sectors where it already has a competitive advantage or where emerging strengths will provide a competitive edge in the future - developing capacity around key industry clusters for example.
20. Investment in hard infrastructure and development sites was regarded as another major priority. In York's case this included various sites across the City (not just council owned sites), including York Central, Heslington East, Hungate, Castle Piccadilly, Terry, Nestle South etc. Prioritising key sites, determining the most appropriate usage of those sites and assembling attractive investment propositions were very much seen as a precursor to securing LEP or indeed other forms of funding.
21. The Task Group concluded that once York's major investment priorities and projects had been clearly defined it would be essential that they dovetail with the strategic priorities of the City Region. This would ensure that York is in a strong position to influence their inclusion in the key strategies produced at the LEP level.
22. The Task Group therefore agreed to make the following overall **strategic recommendations**:
23. Recommendation (i) - EDU to develop and publish on the web an 'Investment Plan' that will highlight key growth priorities for CYC and wider City, and identify specific projects to take these priorities forward, and match them to the most relevant sources of finance (with an appropriate forward scanning function to achieve this). To be completed by December 2013.
24. Recommendation (ii) – To identify suitably ambitious measurable targets as part of the development of the investment plan in order to gauge its impact (those targets to be presented at a future meeting of the Economic & City Development Overview & Scrutiny Committee).

### **Objective (i) Recommendations**

25. Recommendation (iii) - The priorities of the City to be aligned with broader regional priorities, particularly those contained within the Leeds City Region LEP Investment Plan.
26. Recommendation (iv) - The Council to be proactive in engaging the Leeds City Region and other potential partners to ensure that York's key investment targets are prioritised effectively in regional and national investment plans by formally:
  - a) Submitting the council's Investment Plan to Leeds City Region LEP so that it may be included in their strategic Assessment Framework.
  - b) Developing the relationship between officer and Members at Leeds City Region level.
27. Recommendation (v) – Provide regular bi-annual updates to the Economic & City Development Overview & Scrutiny Committee on York's key investment priorities, including progress with specific bids to be communicated to Leeds City Region, Science City York and other relevant partners who either need or wish to be informed of specific bids.

**Objective (ii): To assess what resources are available to City of York Council to effectively identify and successfully secure external funding**

### **Information Gathered**

28. During the course of the scrutiny review the Task Group learned of an economic modelling tool - the Regional Econometric Model (REM) which was the key evidence gathering, economic modelling tool in use across the Yorkshire and Humber region, and nationally.
29. The REM allows subscribers to run a variety of 'scenarios of productivity'. In other words, it will predict the amount of value generated by a specific development site (e.g. were housing to be built on it or whether it be used for different industrial purposes) and therefore helps to identify the best outcome for York and the wider region in terms of GVA, FTE jobs etc. The cost of a REM licence is £4000 per annum, including training and on-going support for the duration of the subscription.



30. Having identified that CYC was currently commissioning work externally from other authorities who subscribed to the REM (at a cost of £700 per day), the Task Group discussed the benefits of the REM for the Council and City as a whole.
31. The agreed that the REM's ability to assist in calculating scenarios of productivity, job growth etc dependant on the proposed usage of a particular development site would significantly strengthen and lend weight / credence to the development of 'oven ready propositions' to put to funders.
32. It would also help support their scrutiny review, having been advised that it would be very difficult, both time wise and financially to achieve an outcome without accessing REM. The Task Group acknowledged they could commission some external work and spend £700 doing so; however they agreed it would not be cost effective.

### **Conclusions**

33. The Task Group concluded it would not be viable or sustainable to continue commissioning externally. And, if CYC were to hold a licence for the REM directly, then it could quite quickly make considerable savings.
34. In regard to objective (ii) of the review, the Task Group agreed that there was a gap in the resources the Council had for undertaking that type of work and therefore recommended to ECDOSC that they contribute their £1000 allocation from the scrutiny budget to the in-year purchase of a REM licence.
35. The contribution of £1000 from the scrutiny budget towards the cost of the REM was subsequently agreed by the Economic and City Development Overview and Scrutiny Committee at their meeting held on 26 March 2013.
36. As a test case, the Economic Development Unit was able to use the REM to develop their bid for the council's York Central project. Although that bid proved unsuccessful, the REM has since been used to develop figures for other key sites which will be fed into the council's Investment Plan.
37. The Task Group also concluded that if CYC were to hold a REM licence on a longer term basis it would bring ongoing benefits in terms of

maximising the future productivity of the economy, and future FTE growth. They agreed that calculating economic impact in that way would significantly strengthen and underpin future funding applications – providing a strong, solid evidence base of need and demand.

### **Objective (ii) Recommendations**

38. Recommendation (vi) - CYC to continue to subscribe annually to the REM licence and budget for it as a core expenditure, in order to utilise the REM to evidence the overall economic impact of every project or initiative (where a clearer understanding of the broader economic impact forms part of the bid criteria) thereby clearly articulating and strengthening the evidence base for all funding applications.
39. Recommendation (vii) - CYC to explore, under the licence agreement the benefit of, using the REM and sharing the data produced by the REM – and how we involve/engage citywide partners in making the most of the modelling software. Aim to produce an agreed REM user plan by December 2013.

**Objective (iii): To develop a plan for presenting a strong case to attract funding for York's top investment priorities**

### **Information Gathered**

40. Discussions at the Task Group meetings in February and March outlined the importance of developing a clear 'Investment Plan' for the Council and the wider City - identifying the top priorities for investment, innovation and business growth and translating those priorities into viable investment propositions. The importance of aligning York's priorities with those of regional partners such as Leeds City Region LEP was also identified.
41. Following on from previous meetings the Task Group felt there would be merit in scrutinising officers' efforts to develop 'oven ready' investment propositions for specific schemes, namely the York Central site and the proposed Digital, Media and Creative Centre.
42. In April and May 2013 the Task Group therefore met again to consider detailed information on the top two priorities that the authority would be putting forward to receive funding from the Leeds City Region LEP and other sources.

43. York Central: Phase 1, Queen Street Quarter

The Task Group learnt that York Central is a 37 hectare brownfield site adjacent to York City Centre and the City's rail station. The site is largely owned by Network Rail, who are currently rationalising its current uses to allow for redevelopment. The first phase is a 2.9 hectare mixed use development accommodating 40,000m<sup>2</sup> of new and converted floor space including improved transport interchange facilities.

44. On completion it is estimated that the redeveloped York Central site will create in the region of 1663 gross jobs (plus 580 temporary construction jobs), by March 2016 – producing £69m GVA (Gross Value Added) per annum thereafter. In addition, the first phase of York Central will set in motion the potential for two further phases of development. In total the site offers the potential, on completion of the three phases, for an additional c. £247m GVA per annum and a net 4,750 jobs.
45. York Central is therefore clearly a major strategic project for the city and the wider region. However, there are considerable barriers and obstacles to development, largely associated with abnormal infrastructure costs. Key issues involve the reclamation and re-assembly of land that is partly used as an operational rail/freight site, and obtaining site road access. In phase one the 'stacking' of an existing car park into a multi storey facility is also a necessity to gain access to the site.
46. In May 2013 the Task Group held a specific meeting with some key representatives involved in the redevelopment of the site, both within CYC and externally. External partners at the meeting included representation from Network Rail and Leeds Local Enterprise Partnership, alongside colleagues from CYC Development Control and the Economic Development Unit.
47. CYC officers provided a brief presentation on progress to date regarding the development of a Masterplan for York Central, and the submission of a £9 million bid to the Regional Growth Fund.
48. Councillors asked questions in order to identify the most effective, efficient process by which to secure future investment in the site and bring the development to fruition.
49. Evidence presented at the meeting indicated that the timescales involved in turning a site such as York Central into a viable investment proposition

were substantial (i.e. fully developing and costing a masterplan, liaising with investors and partners etc).

50. Although still early in the masterplanning process for York Central, potential sources of finance were outlined to the Task Group - these included:

- The Leeds City Region Local Economic Partnership (LCR LEP) – Funding channelled through the LCR LEP is critical to the future economic growth of York. The driving force behind all the funding accessed via the Leeds City Region will be the City Region Strategy and Investment Plan through which there is a proposal to create a single Investment Fund combining and aligning different monies (ideally including European monies).
- Central Government – Regional Growth Fund – The government's main financial instrument for investing in private sector and public/private projects that will stimulate growth and create additional employment. It is another key funding avenue that is being actively explored at present. CYC and Network Rail have submitted a bid of £9 million to support site infrastructure and enabling works for Phase 1 of the York Central site.
- New Models of Loan Finance – The most likely forms of future public sector funding (particularly to support infrastructure schemes) are likely to include various forms of loan finance – including Tax Increment Finance and the potential issuing of local authority bonds.
- Developer Finance – The majority of external funding and investment (particularly around key infrastructure sites) is likely to flow from private sector finance such as commercial and residential property developers.

51. The Task Group also received further detail around potential funding sources to support York's Key Investment Priorities - see Annex C.

52. York Digital, Media and Creative Centre (DMCC)

The Task Group learnt that the establishment of a Digital, Media and Creative Centre is a major ambition for the City. The intention is to provide a new home for growing creative, digital and technology companies within York. Its creation has been a long-time ambition for the City of York. York is already a creative and digital hub for Yorkshire with inspiring architecture and a heritage that inspires creative talent.

53. Creative and digital companies in the City would greatly benefit from a central nucleus within this inspiring environment to grow their businesses and community. The intention is for the DMCC to provide around 20,000 sq. ft. of managed office accommodation for small to medium sized enterprises (SMEs) within the creative, digital and technology sectors, and to encourage and support the growth and development of these sectors within York.
54. In particular the DMCC aims to increase the capacity of the city to provide flexible space and to increase opportunities for retaining and networking talent and enterprise across the city. The centre could provide high quality office space with offices ranging from around 58 sq. ft. suitable for sole traders, up to circa 1500 sq. ft. which will house companies of around 9-12 employees each.
55. The Task Group was informed that an outline feasibility study had been undertaken by Science City York investigating several possible sites and the challenges associated with each. They also considered some more specific information on the York Central site and a proposal for the DMCC to be sited on a specific site. However, that information was classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006) and is therefore not included within this report.
56. In regard to the DMCC, the Task Group learnt that an outline expression of interest for £2 million Growing Places funding had been submitted to the Leeds City Region Local Economic Partnership (LCR LEP). Also that further bids were planned, but prior to that it is likely that additional resource will be required to employ an officer to fully develop the business case for the DMCC.
57. The Task Group noted that as with York Central, the timescales involved in developing a detailed business model for the Digital, Media and Creative Centre would be substantial and resource intensive.

## **Conclusions**

58. Evidence presented at the above meetings led members to conclude that in an effort to achieve the council's priority to 'create jobs and grow the economy', considerable resource / officer time would be required to

develop key flagship projects and business cases of suitable robustness, to attract significant funding and investment.

59. For each individual project the financial, economic, social and environmental return on investment must be carefully calculated and concisely presented, in order to make projects relevant to a range of audiences and potential investors.
60. Since the majority of external funding and investment (particularly around key infrastructure sites) is likely to flow from private sector finance, the Task Group concluded that raising awareness of key sites in York such as York Central, and highlighting their potential to a range of private sector developers and investors, was essential. Members also concluded that actively reaching out to commercial and residential private property developers was also of vital importance.

### **Objective (iii) Recommendations**

61. Recommendation (viii) - CYC to draw upon relevant officer expertise, and ensure that sufficient officer time and resource is made available to build and develop business cases of suitable robustness, in order to maximise significant funding and investment into those major flagship projects featured in the Investment Plan .
62. Recommendation (ix) – CYC to develop a plan for the ‘yorkmeansbusiness’ website in order to fully integrate it into York’s business network.
63. Recommendation (x) - CYC to develop a clear inward investment menu or offer on the ‘yorkmeansbusiness’ website, setting out the various support services available to potential investors. This should draw on the support made available as part of recent successes in attracting inward investment e.g. Hiscox. The development of an initial webpage to be completed by October 2013.
64. Recommendation (xi) - CYC to maintain a presence at the relevant high profile international events to attract developer and investor finance for key sites in the City. Every lead from such events should be followed up and invited to York to meet with relevant senior CYC officers.

## Options

65. There are no direct options associated with the recommendations in this report. Members are asked to consider the report and its associated recommendations and indicate any amendments they may wish to make prior to them being submitted to Cabinet for consideration.

## Council Plan 2011-15

66. The work on this review and its arising recommendations support the *'create jobs and grow the economy'* element of the Council Plan 201-15.

## Implications

67. **Legal – There** are no legal implications
68. **Financial** – Recommendations vi has financial recommendations for the Council if it were to be accepted i.e. the Council's commitment to subscribe annually to the REM licence (at a cost of £5,000 per annum) and to budget for it as core expenditure.
69. It should be noted that the Council already incurs significant costs each time it wishes to use the REM by commissioning work externally from other authorities who subscribe to the REM (at a cost of £700 per day).
70. It should also be noted that without regular access to the REM modelling software the Council may be unable to adequately calculate scenarios of productivity for key development sites. This in turn could affect the ability to develop 'oven ready' funding applications, ultimately resulting in fewer successful bids and a potential financial loss to the authority.
71. Furthermore, it will be possible to generate income from the REM software by charging other partners in the City for the usage of the model.
72. Recommendation viii (CYC to draw upon relevant officer expertise, and ensure that sufficient officer time and resource is made available to build and develop business cases of suitable robustness) could have financial implications for the Council.
73. It is not possible to clearly define the financial implications at this stage. On some occasions CYC is likely to be able to achieve this through more effective management and reallocation of existing resources. On other

occasions, it may be the case that this objective cannot be met through existing budgets - and that additional financial resource may need to be made available.

74. Recommendation xii (CYC to maintain a presence at relevant high profile international events to attract developer and investor finance for key sites in the City) also holds financial implications, although it is not possible to define to precise implications at this stage. It should be noted that the lack of a Council presence at these high profile events could mean that CYC misses valuable opportunities to attract developer finance to key infrastructure sites in the City, which and could again prove financially detrimental to the authority in terms of missed funding opportunities.
75. **HR** – Recommendation viii (CYC to draw upon relevant officer expertise, and ensure that sufficient officer time and resource is made available to build and develop business cases of suitable robustness) could have HR implications for the Council. On some occasions this objective could be met through the more effective utilisation of existing staff. On other occasions (depending on the nature and complexity of the project in question) it may mean that the Council needs to recruit for the relevant resource – on either a temporary or permanent basis.
76. **Other Implications** – There are no other implications associated with the recommendations arising from this review.

### **Risk Management**

77. The risk associated with the Council failing to attract significant levels of external funding and finance is it will be unable to deliver against the priorities and strategic projects as defined within the Investment Plan.
78. The review have identified that this risk could be mitigated by careful horizon scanning and targeting of appropriate funding opportunities, supported by drawing together skilled and experienced project teams to develop 'oven ready' business plans and submit well prepared and funding applications – supported by a strong evidence base.

### **Report Recommendation**

79. Having considered the information provided in this report and its annexes, Members are asked to endorse the draft recommendations arising from this review i.e.:



- Two strategic recommendations shown at paragraph 23 & 24
- Recommendations in support of Objective (i), shown at paragraphs 25-27.
- Recommendations in support of Objective (ii), shown at paragraphs 38-39.
- Recommendations in support of Objective (iii), shown at paragraphs 61-64.

Reason: To conclude the work on this review in line with scrutiny procedures and protocols and to enable this review final report to be presented at a future meeting of Cabinet.

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**Report Approved**  **Date** 17 July 2013

### Specialist Implications Officer(s)

**Wards Affected:**

All



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

**Background Papers:** N/A

### Annexes

**Annex A** – Scrutiny Topic Proposal

**Annex B** – Future of European Funding Programmes 2014-2020

**Annex C** – Potential Funding Sources to Support York's Key Investment Priorities

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**Topic:** Unlocking the potential of external funding for economic development and regeneration projects

**Date:** 25 September 2012

*Proposed by Cllr Anna Semlyen*

## **Background**

At a time when Council budgets are being increasingly reduced, there is a real and growing need to attract new forms of investment – whether private or public. Whilst there may be less public funding available than in previous years, there remain significant opportunities in the form of European Regional Development Funding, Growing Places Funding and other opportunities – such as Regional Growth Fund should further opportunities such as this be made available. Further, funding bodies like Arts Council and Heritage Lottery Fund all offer opportunities for some of our city centre regeneration and support for creative industries.

## **Scope**

This topic would enable the Committee to input a view on both the need and potential for systematically monitoring, reviewing, and effectively responding to funding opportunities as and when available and relevant.

The Committee would particularly be asked to look at the ERDF programme for 2014-2020 to be released shortly, and a review of Growing Places funding and other opportunities as are currently emerging.

The group could review models of how other Councils support this type of activity, and review best practice for learning lessons for CYC.

The scope of the project would need to be limited to the remit of the committee – so economic and city development funding if possible – although some reference to wider coordination of funding would be beneficial.

**Partners**

This topic could and should involve partners including Science City York, which has a particular expertise in funding and has successfully attracted funding already. Other partners may be sought such as the business networks in the city and other bodies involved in the economic development agenda.

**Timescales**

The project would sensibly be timed to coincide with the availability of staff resource coming into EDU to review funding potential for the city in October/November 2012 if possible. This will enable sufficient officer support for the Committee in exploring this topic.

## A) Future of European Funding Programmes 2014-2020 Consultation Process - priorities for the City of York

### Introduction

- The European Commission has recently published outline proposals for Structural and Cohesion Funds 2014-2020. Each EU Member State will have a partnership agreement which will set out its strategy and rationale for how the Funds are to be deployed to complement the EU 2020 strategy and domestic initiatives for sustainable jobs and growth.
- Approximately one third of the EU's budget - €376 billion - will focus on high-impact growth and jobs programmes such as developing the skills of local workforces, encouraging entrepreneurship, improving infrastructure and protecting the environment. The UK is likely to receive £12 billion through a **Partnership Agreement** which will set out overarching spending plans / priorities nationally, regionally and locally.
- Success in meeting these goals will greatly depend on decisions taken at local and regional level, therefore local authorities and partners have an essential role to play in influencing the UK Partnership Agreement. Local Authorities understand the opportunities for growth in their areas, and are perfectly placed to work with and support third and private sector organisations to make it happen.

### Background / Consultation

- The Government will use evidence from the forthcoming round of Department of Business, Innovation and Skills (BIS) consultation events to inform the UK's draft Partnership Agreement. The draft agreement will be published in Spring 2013, with 3 months further formal consultation taking place thereafter.
- The UK Government will need to ensure that it concentrates and aligns investment flexibly where it will make the greatest economic impact. A sensible dialogue and a proactive approach to lobbying Government will need to be taken **before** the publication of the draft Partnership Agreement in Spring 2013.
- In an era of austerity and declining funds it is essential that City of York Council positions itself to respond appropriately (both

individually, and collectively through the European Officers Network), to ensure that the resources which will come into our area are used in the most efficient manner for maximum impact and growth.

- The Department for Business, Innovation and Skills will also hold two formal consultations with Yorkshire and Humber local authorities and partners on 4 & 5 December 2012. Input into this consultation is essential.

### **Key Issues Raised to date by Local Authorities**

Preliminary consultation events were held in spring 2012. Typical responses from partners in Yorkshire and the Humber included the following:

- **Geographic Boundaries / Place Based Programmes:** It is essential that the UK Programme's geographic boundaries are tailored to provide the most efficient and effective economic and environmental impact. There is a general desire to operate EU funds at the geography of the 'local area' – **if this is deemed as the City Region level or at potential combined authority levels needs to be given some serious consideration.**
- In Yorkshire and the Humber there is a strong call for funds to be deployed / contracted at a City Region Level - with Leeds City Region Economic Development Plan as the key driver of spend. There is strong support towards a devolved sub-programme for the City Region, combining all key EU funds, within an Operational Programme at a wider level.
- If any City Region approach on the future of the European programme is to be progressed then a lead should be identified, and methods of reporting, influencing and updating need to be made clear. The Yorkshire and Humber European Officers Group is a key vehicle for CYC and York based partners to influence.
- As far as possible within the constraints of EU law, many other local authorities feel that programmes should operate through commissioning rather than bidding allowing for a more **Place based Programming approach** – allowing funds to be deployed through an investment fund for an area, where it can be combined with other national and local funds, thus hugely simplifying match funding

problems. This also aligns with the issue raised above to ensure it is strategically driven against a set of local priorities rather than approving bids. If this approach is adopted it is imperative that flagship schemes and initiatives from York are considered.

- **Matched Funding:** Funds from European programmes must be match-funded in order to be accessed by projects. Sufficient availability of match-funding is crucial for the successful implementation of programmes; and there are a range of potential sources. In the past a large proportion of match-funding had been awarded by Government to managing agencies, for example ERDF was often matched by Regional Development Agency single pots, and ESF through the co-financing organisations. In addition a good deal of matched-funding has been sourced locally; from local authorities, universities, and the third and private sectors.
- Privately sourced match-funding is likely to be more sought after given that public sector sources can be expected to be lower in the future, and local partners may be in a good position to help access private sector sources locally. It is believed that leverage of very significant increased level of private sector match could be found, were the rules on “profit” to be firstly clarified, secondly eased.
- It is also important that City Regions and LEPs start to consider how they might realistically identify, encourage and use local public and private sources of match-funding, while also helping maximise the value of sources from central Government (Regional Growth Fund, Growing Places Fund). City Deals need to be broadened and preparation needs to start now to put an infrastructure in place which align better the pooling and matching of resources.
- The default position should be that Government departmental expenditure is available for match. Better central government planning to align their priorities with local programmes would help, as would more creative use of alternative local sources of funding, such as the introduction of tax increment financing, retention of business rates, recognition of volunteer time as valid match and further exploitation of private sector funding.
- Given the interest by the Commission in Financial Engineering Instruments like Jessica, Jeremie (such as venture capital funds,

guarantee funds, loan funds and urban development funds) will be an opportunity lost if we do not start to plan for these types of funding vehicles. However they are complicated and resource intensive in their implementation.

- **Reduced Administrative Burden:** One of the biggest frustrations with EU funding is the bureaucracy and poor administration of the funds. A standardised approach to application, timescales and selection procedures is essential; including simplified management and audit procedures; integrated systems for aligned projects and shorter time frames for decisions, authorisation and disbursement of payments.
- **Integrated and aligned programmes:** A degree of integrated programming, in particular in relation to ERDF and ESF, to enable more aligned support for business development alongside skills development, is vitally important.

### Recommendations

- Ultimately the Government's intention is that 'spending decisions for any funds provided to England for this period should be taken at a more local level, with a strong role potentially for LEPs/City Region where they are established. This means that authorities in the Leeds City Region have an opportunity to play a role in shaping the next EU programme to ensure that funding is aligned and local priorities are met.
- After December 2012 this will be followed up by a direct response from Leeds City Region authorities to BIS, echoing similar sentiments, before the draft Partnership Agreement is released for comment in Spring 2013.
- A list of key responses compiled from local authorities and key partners in Yorkshire and Humber to the EU funding consultation process is shown below. The intention of the Yorkshire and Humber European Officer's Group is to submit these responses to the Department of Business, Innovation and Skills (BIS) prior to their formal regional consultation meetings in December 2012.



## **B) Suggested Principles Priorities and Ambitions for EU Funds 2014 – 2020 for the Leeds and Sheffield City Regions**

1. Decision making should be in the hands of local decision makers
2. Funds should be deployed / contracted at city region level.
3. Operational programme geography likely to be a number of adjoining LEP areas.
  - All funding streams with an economic purpose should at the least be aligned and ideally conjoined – the Heseltine Review makes this suggestion as well, in combination with other national and local funds should deliver the LEP.
  - Funding should be deployed strategically against key priorities – in Leeds CR the Economic Development Plan should be the key driver for identifying this although the support to Cities should not be at the expense of others areas in the CRs
  - Funding focused on outcomes rather than outputs
  - Funding streams with an economic purpose should be deployed at the level of functional economic spaces
  - Both the CRs are eligible to receive funding from each of the key funds - ERDF, ESF and EAFRD (although EAFRD is only eligible in certain smaller areas). Whilst each CR has been developing a City Region Investment Fund this could also be used as a key vehicle to access funds to deliver the economic growth agenda.
4. Overarching priorities:
  - Growth (increased GVA),
  - Jobs (numbers and quality),
  - Physical and environmental regeneration.
  - Inclusion.
  - Reduced worklessness and poverty.
5. Priority Sectors - each CR will need to clearly articulate what its key priority sectors are based on its economic strategy. Suggestions would include ;

- Advanced manufacturing;
- Healthcare technologies;
- Low carbon;
- Construction;
- Creative and digital.

Also, aviation; tourism; culture, leisure & sport; retail and logistics maybe considered – although traditionally sectors like leisure and sport, retail and tourism traditionally have not been key sectors supported through eg. ERDF. Recognition of the key role that professional and business services play in fostering growth in all sectors, as well as being a potential growth sector in itself also needs to be acknowledged.

6. Particular priorities for ESF - Promotion of greater inclusion, reduction of worklessness and reduction of poverty.
  - a. Continuing investment in skills development for unemployed people, particularly for vulnerable groups.
  - b. Workforce development support for SME's
  - c. Minimising numbers of young people who are NEET
7. Preparing for and implementing changes to support the raising of the participation age in education.
  - a. Supporting vocational education outside schools.
  - b. Supporting schools engagement with and understanding of the labour market.
  - c. Supporting young people's transition at 18 to adult support and other services.
  - d. Pre-apprenticeship programme and a programme to help the young unemployed become more work ready

### **Principal work-streams for EU funds to support:**

Economic Growth Plans for the Leeds CR and Sheffield CR (currently under development) must frame the use of EU funds. Whilst Sheffield CR have already started to lobby Government with regard to Transition areas they have also started to articulate what their priorities would be for the Sheffield CR to fund using EU funds.

Growth (increased GVA), jobs (numbers and quality) and physical and environmental regeneration are all important to the city region, and we

must seek to deliver them all in combination, and to the benefit of the whole of the city region.

- Thematic focus. We believe that most of what we would want to do can be contained within the European Commission's eleven themes, provided that interpretation is sufficiently flexible and that the MA does not adopt an unreasonably risk averse approach.

As for the required minimum spend on four of them, we do not believe that such high level prescription is helpful, although we do not think that it will unduly constrain or distort delivery against our ambitions.

- Work stream focus. As a LEP we have identified a number of principal work streams, and insofar as they meet eligibility requirements, we would deploy EU funds to support these.
- Complementarily with City Deal plans and priorities:
- Where Enterprise Zone plans are in place ensure the maximum leverage of both.
- Knowledge Transfer – DoDs are in need of a discussion with the city region's universities to how best benefits can be shared of their often world class work to the benefit of the city region's businesses and wider economy
- SME competitiveness which would include amongst others.
  - a range of programmes to support start-up
  - social enterprise support
  - export programmes
  - supply chain development
  - facilitating access to public sector procurement
- Marketing and inward investment programme for the city region (where eligible and not displacement).
- Skills- in line with City Deal Skills Plan, emphasise the importance of higher level skills, linked to business need and key sectors.
- Entrepreneurship – with low levels of aspiration in many of the CRs more deprived post-industrial communities, target pro-entrepreneurship actions in those communities.

- Inclusion, worklessness, poverty – with all the evidence, as well as through experience, shows that this is best tackled at a very local level. Suggest enhancing ATA type models to support the unemployed as well as more intensive programmes to help the young unemployed become more work ready, as well as continuing, deepening and broadening the many successful programmes already underway in different parts of the city region.
- Economic infrastructure – whilst in the current Y & H ERDF Programme this has been limited only to the Objective 1 area (ie South Yorkshire) lobby for this to be more flexibly available across both CR areas – making the area attractive to knowledge and advanced industries.
- Transport schemes that are essential to unlock growth or create jobs should be funded. Also schemes which connect excluded communities/ individuals to jobs.
- A programme of urban transport low carbon actions.
- Broadband connectivity – building on work undertaken in the current programme to make sure the use of new technologies eg. 4G, multi device options, are made accessible to all areas.
- Rural - ensuring that rural communities are fully connected to the urban economy.

## External Funding Scrutiny Review

### Leeds City Region Local Economic Partnership (LCR LEP)

1. Funding channelled through Leeds City Region LEP will be critical to the future economic growth of York.
2. The driving force behind all funding accessed via the Leeds City Region will be the **City Region Strategy and Investment Plan**, through which there is a proposal to create a single front door **Investment Fund** - combining or aligning different monies (e.g. the Regional Growth Fund, Growing Places Funding, European monies, Green Investment Bank etc.) which will be 'matched together at source' by the LEP.
3. Local authorities are being encouraged in the first instance to identify flagship initiatives for inclusion within the **Leeds City Region Investment Plan**. Leeds LEP then intends to support these initiatives through the proposed single **Investment Fund** (In reality piecing together elements of European, Region Growth fund, Growing Places monies in support of an individual scheme 'behind the scenes').
4. Ensuring as many York initiatives as possible feature prominently within the City Region Investment Plan and are eligible to receive support from the **LCR Investment Fund** is a natural priority for CYC.
5. Some funders (particularly Europe) may not be keen for their funding to be merged at source with other grant / loan schemes by the LEP. As a result CYC is also preparing a list of flagship projects which are particularly suited to attracting European funding, which will form part of a Leeds LEP European prospectus.
6. **Leeds LEP - European Funding: 2014-2020**
7. The proposed delivery mechanism for European funding 2014-2020 is the European Regional Development Fund, European Social Fund and European Agricultural Funding for Rural Development. These will be brought together into an EU Growth Programme with a Single Governance Structure. The Growth Programme's top priorities will be innovation, research and development, support for SMEs, skills, low carbon, employment and social inclusion.

8. The funds available in the EU Growth Programme will be notionally allocated to LEP areas. Each LEP will lead the development of an EU Investment Strategy which will complement the Local Enterprise Partnership's wider economic / strategic plan.
9. Leeds LEP will therefore receive a tranche of European monies in the next round of Structural Funding 2014-2020. The amount of funding Leeds LEP will receive has yet to be determined, although the funding priorities for European monies have already been made clear and further detail will be released in the final week of March 2013.
10. Leeds LEP will then be compelled to produce a high level 'European brochure' by September 2013, giving an outline of the type of flagship schemes that European monies might be spent on in their region. Again, both York Central and the Digital creative centre are expected to feature prominently in these brochures - but due to the nature of European funding regulations, it may be that very specific elements of both schemes are highlighted e.g., greenspace/low carbon elements of the York Central development or specific training schemes/apprenticeships associated with the Digital Media Centre.
11. It remains to be seen whether Leeds LEP will be able to merge their European monies into the planned Single Investment Fund or not. What is certain, however, is that the European monies allocated to Leeds LEP could be used for a broad range of projects and initiatives in York, (not just the York Central and Digital Media Centre schemes).
12. The Task Group may wish to consider looking at the detail of the European funding regulations when they emerge, to see if any other flagship schemes from York could be identified as being eligible for Leeds LEP European monies.

### **York, North Yorkshire and East Riding Local Economic Partnership (YNYER LEP)**

13. YNYER LEP has access to fewer resources than Leeds LEP but it is still important to acknowledge that funding opportunities may still be accessed via this partnership, in particular through the **Growing Places Fund**.
14. £730 million Growing Places funding has been allocated to Local Enterprise Partnerships (LEPs) to generate economic activity in the short

term by addressing immediate infrastructure and site constraints and promoting the delivery of jobs and housing.

15. Both Leeds City Region and YNYER LEP have Growing Places Funding still available (despite the deadline having officially passed) which both are predominantly administering on a loan basis. Both LEPs (particularly YNYER LEP) have found it difficult to identify viable projects and would be keen to hear from potential York schemes that could generate employment predominantly through loan funding.
16. There is also the potential that YNYER LEP will decide to back York Central as their main infrastructure priority and ask to Government in their Growth Strategy. This again would take the form of a loan - but a low interest loan, with a 0.5% discount off the PWLB loan rate (our prudential rate) for a proportion of the overall infrastructure funding required for the site.

### **Central Government - Regional Growth Fund**

17. The **Regional Growth Fund** is the government's main financial instrument for investing in private sector and public/private projects that will stimulate growth and create additional employment, and is another key funding avenue that is being actively explored at present.
18. The intention is to give companies the confidence to invest, hire and grow. The fund predominantly supports SMEs to expand, through investment in premises, technology and equipment which will in turn lead to long term job creation, and typically supports 20% of the costs of investment. The threshold for bids is £1 million.
19. Bids for funding from private bodies and public-private partnerships across England on a challenge basis are accepted - the majority of bidding partnerships will include a combination of large private sector players, SMEs and social enterprises working together with public partners. Local Enterprise Partnerships (LEPs) play a role (alongside councils) in coordinating across areas and communities, and in bidding for the Fund.
20. Round 4 of the Regional Growth Fund will close to applications on 20th March 2013, with successful bidders announced within 6 months. Successful bids must demonstrate the potential for creating long-term, private-sector led economic growth and employment, and also evidence a significant private sector matched funding contribution - circa 80%.

21. CYC have already submitted an expression of interest for our flagship development site, York Central, and are also working to support individual York based firms with the calibre to bid to the fund directly.
22. It should also be noted that Leeds City Region LEP successfully secured a tranche of funding through Round 3 of the Regional Growth Fund which it has used to create a sub fund for SMEs in the Leeds City Region area. York firms are eligible to apply. In this case the maximum amount of funding available is £1 million per project (although most grants are likely to be in the region of £100,000 or less). Again CYC is actively supporting a number of York firms in key growth sectors to submit bids to this fund.

### **Work of the Economic Development Team**

23. Having identified major investment priorities and ambitions for the City, and the primary sources of funding through which to bring them to fruition, the Economic Development Team will be actively pursuing the above funding opportunities over forthcoming months.
24. The Economic Development Team also intends to explore ad hoc funding opportunities as and when they arise. This includes new and sometimes radical funding models to unlock key development sites and kick-start other growth initiatives in the City via municipal bonds, crowd funding and social impact bonds.
25. To support this, it is important for the City to harness the energy, ideas and expertise of its residents, businesses and academics, working with the Local Authority to lever in investment, develop new ideas for the future and become more proactive in seizing opportunities as they arise.
26. Other key events to report in recent weeks include a successful Funding and Finance Business Breakfast hosted by the Economic Development Team in the Mansion House and attended by 60 people. The funding pages of the York Means Business website are also in the process of being overhauled.





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**Economic & City Development Overview & Scrutiny Committee****24 September 2013**

Report of the AD Transport, Highways &amp; Waste

**Briefing on Green Travel Plans****Summary**

1. The term 'Green Travel Plans' is now refined to just 'travel plans'. This note covers one of the key focus areas for the Councils i-Travel York (ITY) programme aimed at businesses engagement through travel planning.
2. The iTravel York programme will deliver integrated projects covering personal, business and school travel planning, combined with targeted infrastructure enhancements to increase people's travel choices. The primary focus of infrastructure changes will be the Northern Quadrant of the city where there are high numbers of short car trips to employment and retail destinations.
3. A dedicated Travel Planning coordinator was appointed in June 2012 with a specific remit to engage with businesses and organisations to promote sustainable travel planning. Since that time the following products/services have been delivered:
  - Delivery of a web based Travel plan management tool, ionTravel providing effective management of travel plans, interventions and measures against targets. Providing income generation opportunities by offering a full travel planning consultancy service, (paper being prepared for Corporate Management Team).
  - Delivery of stand alone iTravel York web site providing a 'one stop shop' for all travel needs and options including a specific section for businesses.

- Establishment of business Travel Plan network. Successfully delivering a series of business breakfast meetings themed on sustainable travel options for businesses.
- Developing an effective social media strategy which has included the delivery of a series of YouTube video clips promoting sustainable commuter travel options.
- In the process of delivering a Social media Business commuter travel campaign in partnership with Diva Creative.
- Delivery of an Electric car show event attracting national media including TV attention. Working with businesses re installation of electric charging points and electric vehicle trials with a view to integrating e vehicles with business fleets.
- Scheme to provide incentives for taxi drivers to trade in their polluting diesel cabs for hybrid low emission vehicles in partnership with Toyota and DEFRA.
- Match funding for the provision of staff cycle parking with major York employers including Nestle, York NHS Trust and University of York
- Delivery of business Cycle Challenge 2013, resulting in the most successful challenge to date with 71 businesses taking part and participants cycling the equivalent of 5 times round the world in the 3 week period of the challenge.
- Promotion of competition to find the business with 'Best Sustainable Travel Initiative' in partnership with local press organisation. 2013 has seen a 100% increase in entrants which are of a very high standard resulting in a short list of three worthy finalists, TSYS, The York Marriott Hotel and York NHS Teaching Hospital.

4. Other work includes:

- Building further on media and other partnership relations, including the 'environment forum', Stockholm Environment Institute at the University of York and the ITS Leeds University. The ITS is carrying out research into travel behaviour change in relation to workplace relocation, using the CYC transition to West Offices and Hazel Court as a case study. This £1m research project is at zero cost to the authority and yet we will benefit from the research findings which will help inform travel interventions and strategies to support staff and which we can use to inform interventions with businesses.
- Working closely with Monks Cross and planning, joint working with the Economic Development Unit.
- All schools and up to 80 businesses engaged through the 'Bike It' project in partnership with Sustrans
- Delivery of Park & Pedal scheme to encourage commuters to cycle to work from park & ride sites on the periphery of the City. The first such scheme in the UK.

**Council Plan 2011-15**

5. The iTravel York programme directly feeds into and supports the City of York Council key objective to 'Get York Moving'.

**Implications**

6. *Financial* – iTravel York is funded by LSTF until March 2015 with the likelihood of funding to be extended by central government beyond 2015 and allocated on a bids basis via the LEPs
7. *Human Resources, Equalities, Legal, Crime and Disorder, Information Technology, Property & Other* – there are no other known implications

**Risk Management**

- 8. There are no risks to consider as the programme is on schedule and within budget. Progress and monitoring is managed by the iTravel York Steering Group chaired by Cllr. Merrett.

**Recommendations**

- 9. The Committee is asked to note the report.

Reason: To keep the committee up to date on the key focus areas for the Councils i-Travel York (ITY) programme.

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**Chief Officer Responsible for the report:**

Richard Wood  
AD Transport, Highways & Waste

Report Approved  Date 28 August 2013

Wards Affected:

All

**Background Papers: n/a**

**Annexes: n/a**

## Economic & City Development Overview & Scrutiny Committee Work Plan 2013/2014

Meeting Date	Work Programme
18 June 2013 @ 5pm	<ol style="list-style-type: none"> <li>1. Attendance of the Leader (to include information on the City Team)</li> <li>2. CVS Briefing– Volunteering opportunities for under 16s and York Charter for Volunteering</li> <li>3. Verbal Update on Implementation of Recommendations Arising from the Scrutiny Task Group E-Planning Facilities – Reasons for Being Behind Schedule</li> <li>4. Update report – Local Enterprise Partnerships</li> <li>5. External Funding Scrutiny Review Interim Report</li> <li>6. Workplan 2013/14</li> </ol>
23 July 2013 @ 5pm	<ol style="list-style-type: none"> <li>1. Year End CYC Finance &amp; Performance Monitoring Report</li> <li>2. Briefing notes on Potential Review Topics for the municipal year 2013/14 (Building Skills &amp; Supporting Online Working)</li> <li>3. Update on Implementation of Recommendations Arising from the Scrutiny Task Group E-Planning Facilities</li> <li>4. CYC Welfare Reforms - Impact of the 'The Spare Room Subsidy'</li> <li>5. Biannual Update Report - Major Transport Initiatives</li> <li>6. Bi-annual Update Report - Major Developments within the City of York Council</li> <li>7. Workplan 2013/14</li> </ol>
24 September 2013 @ 5pm	<ol style="list-style-type: none"> <li>1. Attendance of the Cabinet Member for Transport, Planning &amp; Sustainability</li> <li>2. First Quarter CYC Finance &amp; Performance Monitoring Report</li> <li>3. External Funding Scrutiny Review Draft Final Report</li> <li>4. Implementation Update on Previously Completed Out of Hours Childcare Scrutiny Review</li> <li>5. Presentation Update on Grand Depart</li> <li>6. Green Travel Plans (Businesses) Overview/Progress Report</li> <li>7. Workplan 2013/14</li> </ol>

19 November 2013 @ 5pm	<ol style="list-style-type: none"> <li>1. Attendance of the Cabinet Member for Health, Housing &amp; Adult Social Services</li> <li>2. Second Quarter CYC Finance &amp; Performance Monitoring Report</li> <li>3. Construction Skills Scrutiny Review – Draft Final Report</li> <li>4. Night-time Economy Scrutiny Review – Scoping Report &amp; Draft Remit</li> <li>5. Update on Newgate Market - success of improvements, EIF bid &amp; information on footfall</li> <li>6. Implementation Update on Previously Completed Youth Unemployment Scrutiny Review</li> <li>7. Workplan 2013/14</li> </ol>
28 January 2014 @ 5pm	<ol style="list-style-type: none"> <li>1. Implementation Update on Previously Completed E-Planning Facilities Scrutiny Review</li> <li>2. Six Monthly Update Report on Major Transport Initiatives</li> <li>3. Six Monthly Update Report on Major Developments within the City of York Council</li> <li>4. Workplan 2013/14</li> </ol>
25 <sup>th</sup> March 2014 @ 5pm	<ol style="list-style-type: none"> <li>1. Third Quarter CYC Finance &amp; Performance Monitoring Report</li> <li>2. Workplan 2013/14</li> </ol>
29 <sup>th</sup> April 2014 @ 5pm	<ol style="list-style-type: none"> <li>1. Workplan 2013/14</li> </ol>