

Overview of the process for renewing the Council's contract with Make it York

Introduction

1. This paper concerns the process for entering into a new contract between the Council and Make it York (MIY) for the period 2018-21.

Recommendations

2. The committee is invited to provide feedback about any issues that it would like to see considered within the process for negotiating a new contract with MIY.

Background

3. In entering into a negotiation with MIY for a new contract the Council will have the following objectives:
 - To retain MIY's Teckal company status
 - For MIY to continue to provide tourism, city centre and markets, culture and events functions broadly as now
 - To have a recalibrated relationship between CYC and MIY in those activity areas that deliver actions and exert influence on York's Economy:
 - Ensuring that the Council plays the strategic leadership role that its place-making role demands in respect of both the economy and culture
 - Making sure that the respective responsibilities of CYC and MIY are well understood in the city and by those interested in investing in the city
 - To ask MIY to recast itself first and foremost as builder of entrepreneurial partnerships and project animator

- To reduce its financial contribution to MIY by a further £100k from April 2018 (following a reduction of £100k in 17/18)
- To ask MIY to identify the potential for further subsidy reduction over the life of the contract
- To clarify MIY's governance arrangements

Economic Development

4. The Council wishes the new service specification for the contract, (often referred to informally as the “service level agreement” or “SLA”), to reflect the Council's lead role in a new economic and cultural model which will involve the Council in:
 - Co-ordinating shared strategic ambition / vision, action and partnerships
 - Addressing areas of market failure
 - Creating a conducive business environment
5. At the same time it will give MIY complementary delivery capacity to act as a conduit to assist the Council in the above roles as well as to facilitate and deliver day to day activity on behalf of the city, as determined by the city's agreed policy context.
6. In this model, the Council's internal economic function (with 3 officers and a small revenue budget) will be responsible for:
 - Setting the overall strategic direction, working with the Corporate Management Team and the Executive procuring specialist advice as necessary.
 - Leading operational relationships with key delivery partners (e.g. LEPs, BID) using its limited revenue budget to leverage in third party funds.
 - Coordinating economic policy and investment opportunities where they relate to Council functions, e.g. supporting Local Plan, Major Projects, economic input into Local Plan; transport; major projects
 - Supporting Council services' engagement with businesses
 - Assembling business cases for a city investment pipeline of priority projects
 - Identifying required interventions to address the big issues e.g. graduate retention, inclusive growth, sectoral interventions, university led growth, lobbying for investment

7. MIY's role will be to add value to this by animating sector-led activity or bringing together partners to develop proposals and business cases. This approach will make best use of resources, harnessing the significant expertise, ability and willingness of people and organisations in the city to achieve outcomes otherwise not possible. The Ambassadors programme is a good example of this, and it is hoped that more could be done in this way.
8. MIY's staff capacity in the areas of business development, Science City, culture and events will be responsible for:
 - a. Taking the adopted city strategies such as the Economic Strategy and determine with the sectors as appropriate subordinate strategies such as Culture, Creative Industries and Tourism including delivery plans and mechanisms to facilitate the agreed strategic objectives
 - b. Facilitating cross-organisational activity around agreed strategic priorities
 - c. Signposting of business enquiries to the Council / city
 - d. Brokerage and 'making sense' of business support from a range of sources (part funded by Growth Hub)
 - e. Identifying and agreeing interventions to address agreed strategic objectives e.g. graduate retention, university led growth, lobbying for investment
 - f. Promoting inward investment into York in accordance with agreed strategic objectives and priorities, generating leads through Ambassadors programme, and targeted intermediaries
 - g. Web-based promotion of the city in accordance with strategic objectives and the business and inward investment offer
 - h. Facilitating the strategically important key account relationships across the City, and inward investment leads
 - i. An example of a specific commission of which there may be more is the Unesco programme of activity and development of York's "creative cluster". The Council or other partners may commission and fund MIY to deliver specific commissions in line with strategic objectives and the company's business plan.

Ways of Working

9. It must be stressed that the Council is seeking not merely to carve up a particular area of work slightly differently but rather to signal a more

fundamental shift in the way that MIY is perceived in the city. The Council believes that MIY should be seen first and foremost as a “builder of entrepreneurial partnerships and project animator”. In thinking about this the following hierarchy (drawing on that traditionally used in the world of emergency planning) has proved helpful in bringing a sense of clarity and simplicity:



10. The Gold level represents the highest leadership function of defining strategy, priorities, and areas for focus. This is the “strategic space” that the Council needs to ‘reoccupy’.
11. The Silver level is about putting together the coalitions to make things happen, co-ordinating partnership activity, assembling the necessary funding. This recognises that many of the outcomes desired will only be achieved through the efforts and inputs of others beyond the Council and Make it York, such as the Universities, Chamber of Commerce, business support organisations, LEPs, funders, businesses and cultural organisations. It is about spearheading the drive on the strategically agreed priorities, and translating it into detailed operational plans or projects.
12. Bronze is operational. For much of this, there will be a range of delivery organisations, with those best qualified to deliver being commissioned to do the work. For example, in the case of putting on large-scale cultural events, existing cultural providers in the city should do the work; neither the Council nor MIY need to set up duplicate events functions. However, there are particular elements of this, e.g.

working with inward investment leads or articulating York's pitch, that need to be delivered by the Council or MIY in order to harness what others are able to offer.

13. The Council wishes to see a refreshed focus on partnership building and tactical interventions, with MIY leading in this 'silver' territory. The aim should be to harness and coordinate resources and contributions beyond simply the Council or Make it York acting as one of many delivery organisations.

Next Steps

14. The Council has asked the MIY board to make an initial response to the proposed direction of travel, as reflected in this paper, with regard to:
 - a. The key activity areas that the board would want to see incorporated in the specification to reflect the brief set out above
 - b. How it will formulate its business plan to take account of the reduced Council funding
15. This response will be received at the end of January 2018. The Council will then enter into a detailed negotiation with MIY, involving the newly appointed Head of Economic Growth and other key officers as appropriate, to flesh out these areas and to agree key outcomes to be achieved and developed into the service specification.
16. The outline of the service specification will then be presented to the Executive on 15 March, 2018.
17. The fully detailed specification, once negotiated, will be approved by the Executive Member for Economy and Community Engagement.
18. MIY's business plan will be presented to the Shareholder Committee in March 2018 (accepting that the service specification will not be fully formulated at that point). The second annual meeting of the Shareholder Committee will take place in early November 2018.
19. The main contract between the Council will also need to be reviewed (as a fresh contract will need to be entered into), and key issues outlined for approval by the Executive as part of the March report.

Governance

20. The new contract, reflecting the way of working described above, will represent a significant shift for MIY, moving the organisation away from seeing itself primarily as a doer and instead recreating itself as an entrepreneurial facilitator of collaborative partnership working. This, in turn, will make it very important to have sound performance management arrangements in place within the new contract.
21. A more facilitative, partnership building role for MIY will, of course, make it harder to measure the discrete outputs of the company: it will be impossible to ascribe success to any one organisation within the partnership. The relationship with CYC will therefore need to rely more on trust. In these circumstances the key elements with respect to performance management, in order to provide a good balance of collaboration and control, should be:
 - A strong and proactive client relationship, covering the whole service specification. This would be convened by the Assistant Director (Communities & Equalities) but strongly playing in the Head of Economic Growth through regular client meetings as well as ongoing project work.
 - A strengthened relationship between MIY and the council's Executive Member with regular meetings and a formal annual sign-off of any updates to the service specification and MIY's activity plan in response to the specification
 - Annual review of the specification and performance against it.
22. Existing arrangements will remain whereby:
 - The Shareholder Committee exercises a general oversight of MIY's performance and approves the annual business plan. Meetings of the Shareholder Committee will be held in March and November
 - MIY reports to the two relevant scrutiny committees twice each per year
23. The Council recognises that the MIY board will need to review its staffing structures at all levels to take account of:
 - the fundamental shift in way of working that the Council seeks
 - the revised arrangements in the area of economic development
 - the £100k reduction in Council financial contribution

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