

**Decision Session – Executive Member for
Economy and Strategic Planning**

16 March 2020

York Economic Strategy Update

Summary

1. The Executive Member for Economy and Strategic Planning received a paper on the Economic Partnership and Strategy at his decision session on 17th October 2019. This set out a twin track approach to continue our long established focus on developing higher paid jobs in key sectors of the economy while developing a clearer approach to inclusive growth across our economy.
2. The Executive Leader received a report on the Inclusive Growth Fund at his decision session on 15th January 2020, including an evidence base on inclusive growth. An update report was presented to Economy and Place Scrutiny Committee on 12th February 2020, together with a broader consideration of a working definition for inclusive growth.
3. This report updates the Executive Member on:
 - progress on developing the Economic Strategy and Partnership
 - preparations for consultation as part of the strategy development process
 - our proposed approach to higher paid sectors, including work on entrepreneurship and business acceleration
 - the emerging Leeds City Region inclusive growth framework and its synergies with our York approach.

Recommendations

4. The Executive Member is asked to:
 - 1) Note the progress made in developing our economic strategy and partnership

- 2) Approve the allocation of £8,000 towards the costs of a feasibility study to explore a tech-focussed accelerator for York, on the basis that at least two other funders contribute to those costs
- 3) Agree the proposed approach to responding to the WYCA Inclusive Growth Framework consultation and delegate responsibility for finalising and submitting that response to the Assistant Director for Regeneration, Economic Growth and Asset Management in further consultation with the Executive Member

Reason: To support inclusive economic growth in York.

Background

5. York's current [economic strategy](#) was launched in 2016 in the weeks following the Brexit referendum, and covers the period 2016-20. The current Administration has committed to renewing the strategy and relaunching a York economic partnership in 2020, as set out in the paper at Annex A. This commitment to develop a new strategy is part of the Council Plan, [as agreed at Full Council](#) on 31st October 2019.
6. The development of the strategy will seek to:
 - make future growth more inclusive and give voice to the everyday lived experience of those who may not have seen the benefits of York's economic growth
 - build on the success that York has seen in recent years in growing higher paid jobs, developing our key sites, and working with our Universities
 - respond to the low-carbon commitments of the city, along the principles of a just transition, as expressed in the Council Plan
 - shape a new skills plan for York, built around the future needs of businesses and residents
7. A key part of developing the new strategy will be a wide-scale consultation with businesses and residents to ensure that the strategy is effectively responding to opportunities and challenges. A budget to enable that engagement is included in the Inclusive Growth Fund, as set out in decisions made by the Executive Leader on 18th September 2019 and 15th January 2020.

Update on process

8. The development of the new strategy goes hand in hand with the development of a new economic partnership which will oversee the process and ensure that there is a city-wide focus and response. This will be analogous to the Future York group which oversaw the development of the 2007 economic strategy, but will also reflect our inclusive growth ambitions. The partnership itself will thus be more inclusive, seeking to represent the city as a whole, and will, for example, be balanced in gender terms. Membership will be kept under review to ensure that it continues to take account of our changing economy. Initially, it is proposed to draw together key stakeholders including:
 - Business sector representatives
 - Education representatives
 - Business networks – FSB, Chamber
 - Local third sector bodies with practical experience of deprivation (e.g. York CAB, York Financial Inclusion steering group)
 - Joseph Rowntree Foundation
 - Make it York
 - York BID
 - York & North Yorkshire LEP
 - York Central Partnership
9. External consultants are being procured to take the inclusive growth themes, our existing evidence base, and existing consultation material and seek views, ideas and commitments from residents and businesses. A key objective will be to enable positive contributions from people who would not have the available time to be part of an ongoing partnership. Through a co-design approach, we will then develop a draft strategy for further consultation, leading to a final event where all involved can come together and ratify the final document.
10. We have already committed to seek a partner, potentially one of our Universities or social policy organisations, to independently review the inclusive growth aspects of the Strategy.
11. The new economic partnership, having first acted as the stakeholder group for the strategy, will then develop a programme of events and activities to support implementation and further sharing of ideas.

Continuing York's successful growth trajectory

12. The York economy is, in general, doing well. There are more people than ever in work, with higher levels of productivity than the rest of the region. Our knowledge economy is strong and growing, and we have the best qualified workforce of any northern city. A key element of our new Economic Strategy must be to seek to continue this strong performance, working through Make It York to further build sectoral strengths in rail, financial and professional services, creative and digital, and biotech. These sectors are highlighted in proposed changes to the Make It York service level agreement, and also formed the basis of our economic development brief to the York Central Partnership.
13. Further opportunities will also be sought to work with other partners, including our Universities, to promote the growth of these sectors. One such opportunity has recently emerged through a joint initiative between York Science Park, University of York and Whitecap Consulting. These partners are proposing a feasibility study into the establishment of a York-based technology accelerator.
14. Such a facility would bring together emerging and growing technology businesses and aim to accelerate growth through an intensive programme of specialist advice and insight. Accelerators are a tried and tested approach to growth in the tech sector, and are taking place in many cities across the world that have both an appetite for such growth and an ecosystem of businesses. The feasibility study would test whether the right conditions are in place in York.
15. Resources to support economic development are very limited in the Council, and therefore opportunities for match funded or leveraged projects are a priority. The joint initiative identified at paragraph 12 is such an opportunity.
16. Any future work identified in the feasibility study would be subject to separate decisions that would depend on the study outcomes. Any contribution from CYC would also be dependent on at least two other funders contributing to the feasibility study costs, and on that study including work to scope out potential future funding routes which are independent of CYC.
17. It is therefore proposed that the Council make a contribution of £8,000 towards the identified costs of the study.

Working with regional partners on Inclusive Growth

18. Much focus has been placed in recent months on our York approach to Inclusive Growth which comprises:
 - A clear statement of ambition for all York's residents see the benefits of York's strong economy
 - An Inclusive Growth Fund with 8 investments in projects across the city
 - A broad consultation, taking the lived experience of York residents as its starting point
 - Continued work through the Financial Inclusion Steering Group to work with partners around this crucial agenda
19. Beyond York, inclusive growth is a priority for many other Local Authorities and regional bodies. In Leeds City Region, the West Yorkshire Combined Authority (WYCA) has recently launched a consultation around its Inclusive Growth Framework. As an associate member of WYCA, City of York Council has contributed to the development of this framework, which includes references to our Inclusive Growth Fund investments, the York Skills Plan, and the work of the Financial Inclusion Steering Group.
20. Consultation on the Framework is open until the end of March (see <https://www.westyorks-ca.gov.uk/growing-the-economy/inclusive-growth/>) and is structured around the themes of:
 - Good Work, offering good pay, progression opportunities, good working conditions, employee influence, and flexible ways of working that benefit both employer and employee
 - Transferable and Relevant Skills, allowing residents to take up higher skilled work, with opportunities throughout their working lives
 - Connectivity and Accessibility, enabling everyone to access jobs, services and support
 - Wellbeing, linking economic prosperity with health and wellbeing
21. The Framework places these themes within an asset-based community development approach, which strongly aligns with current work in York to develop both our approach to care and our economic strategy. There is

much synergy between the WYCA approach and our work in York, although our city has its own unique challenges for economic inclusion, as set out in previous reports.

22. In order to respond to the draft Framework, it is proposed that Officers focus on current initiatives being led by the Council and develop a response which highlights Inclusive Growth in action in York. The final submission would be finalised and submitted by the Assistant director for Regeneration, Economic Growth and Asset Management in further consultation with the Executive Member for Economy and Strategic Planning.

Consultation

23. The principal objective of the Economic Partnership and the York Peoples' Panel is to create a process and forum for business, communities and specific sector and individual experiences to engage in the development of the Council's economic strategy.

Council Plan

24. The new Council plan identifies eight priorities, five of which are relevant to this work:
 - Good health and wellbeing;
 - Well-paid and an inclusive economy;
 - A better start for children and young people;
 - A greener and cleaner city; and,
 - Safe communities and culture for all.

Implications

- **Financial** – the contribution of £8,000 would come from within the Economic Development budget
- **Human Resources (HR)** – no implications;
- **One Planet Council / Equalities** – the economic strategy will support our equalities commitments
- **Legal** – no implications;
- **Crime and Disorder** – no implications;
- **Information Technology (IT)** – no implications;
- **Property** – no implications.

Risk Management

There are no specific risks identified in respect of the recommendations.

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Report Date 04.10.19
Approved

Wards Affected: List wards or tick box to indicate all

All

For further information please contact the author of the report

Background Papers: none

List of Abbreviations Used in this Report

SIC – Standard Industrial Classification

BME – Black and Minority Ethnic

ICT – Information and Communication Technology