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## Economy, Place, Access and Transport Scrutiny Committee

10 December 2024

Report of the interim Director of City Development

### Economy Strategy update

#### Summary

1. This reports provides a summary of activity supporting delivery of the Economic Strategy 2022-2032, together with the Council Plan priority action “A fair and thriving economy for all”. It shares updates about economic development funded by UKSPF, inward investment activity, the council’s proposed response to the regional Local Growth Plan, together with an overview of the key partnerships that support York’s economic growth.
2. An overview of the ‘State of the Economy’ will be available in late Spring when more data is available.

#### Recommendations

3. The Committee is asked to review the attached update and provide comment on the council’s proposed response to the regional Local Growth Plan in **Annex A**.

#### Background

#### Policy environment

4. The 10-Year City Plan reflects the vision set by York’s Economic Strategy 2022-2032 – that York will be “vibrant and inclusive with businesses supported to grow and prosper and talent nurtured, retained and supported. Our economy will be developed to be well balanced with a mix of different sectors providing opportunities for all”.

5. York's Economic Strategy 2022-2032 has five strategic objectives which inform delivery going forward:
  - York as a global city
  - A greener economy
  - A thriving workforce
  - Thriving businesses
  - Driven by good business
6. Over the last few months, York's economic growth plans has been supported by several key regional and national policies:
  - The newly established Combined Authority worked with the council to develop its Regional Economic Framework, approved at the Joint Committee in March 2024.
  - This was then refreshed following election of the Mayor in May 2024 to better align to the mayoral priorities.
  - The newly elected government then invited Mayors to develop Local Growth Plans to accelerate economic growth on a national scale, informing the National Industrial Strategy. In York and North Yorkshire, the refreshed Regional Economic Framework informed regional local growth priorities which informed the national Industrial Strategy.
7. The Local Growth Priorities were developed in collaboration with York and North Yorkshire and based on robust evidence and a demonstration of the region's unique strengths. They were approved at York and North Yorkshire's Combined Authority meeting in October 2024 and broadly reflected in the Industrial Strategy Green Paper. The Industrial Strategy Green Paper was consulted on throughout the autumn, with the council submitting a response to the consultation.
8. York and North Yorkshire Local Growth Priorities are:
  - Increase productivity and innovation within the Food and Farming Sector;
  - Maximise our science, knowledge, innovation and research strengths to drive growth in an Engineering Biology northern cluster;
  - Create economic opportunities through the need to transition to Clean Energy;
  - Enable technological and digital transformation through investment in Digital Infrastructure and Skills;
  - Accelerate Place-based Sustainable Development.

9. Officers have co-developed ambitious proposals that align to these priorities based on the Mayoral Pipeline of Proposals, discussed by scrutiny committees during June and then approved by the Leader in July 2024. The proposals are designed to attract significant government funding to accelerate growth over the next decade.
10. **Annex A** shares these proposals, City of York Council's response to the regional Local Growth Plan for Scrutiny oversight and review. These proposals are mapped to York's Council Plan and key strategies, together with the regional Local Growth Plan priorities.

### UK Shared Prosperity Funding

11. The UK Shared Prosperity Fund was established in 2022 as part of the Levelling UP White Paper. York was awarded an allocation of £5.1m, with funding over three years 2022-2025, and a combination of revenue and capital funded projects. A further allocation of £400k capital through the Rural Prosperity Fund was allocated for the period 2023-2025.
12. As part of the process, councils were required to establish a Partnership Board with representatives from private, public and community organisations to develop an Investment Plan. The Investment Plan was approved by Executive Member Decision Session in October 2022, with approval to award funding delegated to the then Director of Housing, Economy and Regeneration. A summary of the Investment Plan is included as a background paper.
13. The Autumn budget included a commitment to provide a further year of UKSPF funding, worth £900m in total. This is 60% of the total for 2024-25. At time of writing, we are awaiting further detail from government on any allocation for York. It is not clear whether this will come through CYC or the MCA, and there is no information yet on the priorities for funding.
14. Our current programme was designed to support implementation of the Economic Strategy (see overview **Annex B**), with the current position most recently summarised for the UKSPF Partnership Board in November 2024 (**Annex C**). The shared prosperity interventions have been mapped to the Economic Strategy objectives, demonstrating the critical role UKSPF has provided in supporting economic growth in York.

15. The focus of the funding has been a combination of community projects and VCS investment, regeneration projects that will fuel economic growth by increasing footfall, business growth projects that target small to medium businesses and skills development, such as encouraging York's hidden talent to become closer to work.
16. An evaluation of the interventions delivered by York is underway and will report back late Spring 2024, informing future MCA decisions.

## **Skills**

17. The York Skills Plan 2020-2030 was developed by York's Employment and Skills Board and has informed the regional Skills Framework, together with the Local Skills Improvement Plan for York and North Yorkshire.
18. There is growing collaboration with employers and across public sector bodies, exemplified in the Construction Skills Partnership which has launched the [Construction York](#) initiative, with work ongoing with employers and business representatives.
19. This collaborative approach is steering work on apprenticeships, including the use of the Apprenticeship Levy in the region.
20. Proposals are being developed by government to broaden the use of the Levy and to establish a new body, <sup>1</sup>Skills England, to oversee the development of adult skills support.
21. Skills funding such as the Adult Education Budget is beginning to be devolved to the Mayoral Combined Authority, together with employability funding. Again, the successful roll-out of funds will be supported by existing partnership working and business engagement.
22. Targeted work to ensure that employment and skills opportunities are fully open to care leavers and young people with SEND is being funded through York's UKSPF programme.

## **Regeneration**

23. UKSPF has funded improvements to Acomb Front Street. Improvements followed significant consultation with residents, community groups and

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<sup>1</sup> [Skills England - GOV.UK](#)

partners and are designed to encourage increased visitors/footfall to this crucial shopping area, together with enhancing community pride. In addition, the front street improvements will enable activation of the site with temporary markets or events, also designed to encourage footfall.

24. The MCA has awarded CYC £430k Mayoral Investment Funding to deliver a spatial plan for the city centre. The plan sets out to recognise the different competing demands and constraints on the spaces across the city centre and aims to provide clarity about which space should be used for what. At this stage, it is too early to pre-empt the outcome, with the brief currently under development. Progress will be steered by the Economic Partnership City Centre task and finish group and will be informed by significant public consultation and engagement.

### **Business Support Activity**

25. The Inward Investment and Business Growth team continue to support businesses across the City, primarily drawn from the key priority sectors identified in the York Economic Strategy. The team to date have supported over 400 businesses and over the past year have hosted a variety of well received events in the York Business Community including with Google Digital Garage, HSBC, Natwest Women in Business and Enterprise Nation as well as hosting international delegations from Dijon, Japan and Poland linking in with the Department of Business and Trade and YNY MCA.
26. The team continues to work with City stakeholders to boost inward investment and profile-raising opportunities with the goal of creating jobs for local people and Yorks graduates. Recent investments include the expansion of US company Adva into Clifton Moor and creative and tech workspace provider Patch, who are due to open their new site in the Bonding Warehouse in January 2025.
27. The support of the Media arts sector remains a key priority. The team continue to support Aesthetica (UKSPF and with in kind support) to raise the profile of York as destination for Tech and Media Arts through the reignite series of events, Aesthetica Film Festival, the UNESCO City of Media Arts Expo and Film in schools initiative.
28. As a result of engagement with the York Economic Partnership Global City and Thriving Business Task and Finish groups, assets are in development to market the City's unique proposition as a business destination and the support that is available from both CYC and its

partners. These refreshed assets, funded by UKSPF, will raise the business profile of York, attracting businesses to the City with the goal of providing job opportunities for our residents and graduates. Delivery is expected in early Q2 2025. This activity will include the creation of a new web presence and collaterals to market the City as a destination to base and operate a business.

29. Internationally the team supported partners and the former Lord Mayors attendance to New York as part of the YNY Chamber / Minster led delegation. In addition they led a CYC delegation (that was fully funded by partners) to our sister city of Munster at the Sustainable Development Conference, promoting York's leading achievements in this area and exploring greater collaboration opportunities.

## **Partnerships**

30. There are several different partnerships supporting economic growth for the city, operating at a local and regional level. Each has an important, complementary role to play:

## **Mayoral Combined Authority**

31. The key relationship to accelerate business growth across York and across the region is with the Combined Authority. Increasingly, Government is setting a clear ambition that growth leads to economic prosperity and that this is delivered through regional and metro mayors. By remaining sighted on the MCA's agenda and demonstrating our support, the council is best placed to access significant funding to benefit the residents of York.
32. York's response to the Local Growth Plan as in **Annex A**, with Scrutiny invited to provide comment.
33. The MCA has recently announced its new Business Board. The Business Board is comprised of representatives from different sectors and provides the role of critical friend, business intelligence, and is designed to steer the MCA deliver economic growth across the region.

## **City Leaders Group**

34. The City Leaders Group is comprised of representatives from across York's public, private, community and higher education sectors and is designed to support the council resolve strategic challenges. The City

Leaders group advocate for York and are critical in encouraging business growth and inward investment opportunities.

### **Economic Partnership**

35. York's Economic Partnership was initially established to help steer the development and delivery of the Economic Strategy. Comprised of different sector representatives from across York (operating locally, regionally and nationally), the partnership has corralled into different task and finish groups to deliver action in key areas:
- a. The Good Business task and finish group helps to coordinate public, private and education sector initiatives to support social mobility, social enterprise and the Real Living Wage.
  - b. The Global City and Thriving Businesses Task and Finish group provided recommendations to address challenges in promoting York as destination for Business and accessing business support. The advocacy of the Economic Partnership will be instrumental in promoting York in the future
  - c. The City Centre task and finish group meet to support the council develop plans to respond to the city centre vision and steer delivery of the City Centre Spatial Plan, with £430k funding recently approved by the MCA.
36. The Economic Partnership meet quarterly, with a new programme of meetings starting in 2025.

### **Business Intelligence group**

37. The Business intelligence group was initially convened during Covid to help the council understand how best support businesses at risk as a result of lockdown. It is comprised of local business representative groups, including in the tourism, retail and hospitality sectors. The Business Intelligence group continues to meet monthly and provide the council with information about challenges and opportunities across the economic landscape in York.

### **Make It York**

38. The October Make It York shareholder report is included in **Annex D**. Although Make It York no longer has an active role in inward investment

or business growth, they still have a critical role in promoting the city and championing York's interests. This includes promoting the UNESCO Media Arts designation and its importance to the city.

## Consultation

39. York's response to the Local Growth Plan (**Annex A**) has been co-designed with officers across the council. It was initially informed by the mayoral pipeline of proposals which Scrutiny were consulted on earlier in the year, together with discussion with key partners.
40. It has been discussed with several partners, with further discussion planned following Scrutiny's review. The proposals will be presented to the Mayoral Combined Authority for their consideration for inclusion in the Local Growth Plan as it develops.

## Council Plan

41. The report relates to the Council's key priorities, as set out in the Council's Plan 2023-27 (*One City, for all*) "A fair, thriving, green economy for all".

## Implications

This report is for information only. Scrutiny recommendations to inform the pipeline of ambitious proposals have no impact on council officers at this time.

## Risk Management

42. The risk of not providing a clear set of ambitious proposals that align to the Local Growth Plan priorities risks York's interests not being sufficiently represented, with the consequence of funding not being allocated to future local economic growth activities.

## Contact Details

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### Chief Officer Responsible for the report:

Claire Foale  
Interim Director of City Development



Report  
Approved



Date 28/11/24

**Specialist Implications Officer(s)**

Sam Blyth, City Strategy and Partnerships

**Wards Affected:**

All

☐ Yes

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

**Background Papers:**

10-Year City Plan: [York 2032: The 10-Year Plan – City of York Council](#)

York's Economic Strategy 2022-2032: [York Economic Strategy 2022-2032](#)

Council Plan 2023-2027: [Council Plan – City of York Council](#)

Mayoral Pipeline of Proposals

[A York pipeline of projects for the York and North Yorkshire Combined Authority](#)

Regional Economic Framework

[Economic Framework: Guiding Prosperity in York & North Yorkshire](#)

Local Growth Priorities

[241002-YNYCA-Item-5-York-and-North-Yorkshire-Combined-Authority-Strategic-Growth-Priorities.pdf](#)

York's UK Shared Prosperity Fund Investment Plan

[UKSPF 10th October EMDS FINAL.pdf](#)

Acomb Front Street

[Decision - Acomb Front Street Phase 2 - open public engagement on costed designs and ideas for the scheme \(10:32am\)](#)

[Decision - Acomb Front Street – Phase 2 Update](#)

[Decision - Decision Report: Acomb Front Street - Phase 2 Design and Costings](#)

Mayoral Investment Fund – City Centre regeneration

[Agenda for York and North Yorkshire Combined Authority on Wednesday, 2nd October, 2024, 4.00 pm - York and North Yorkshire Combined Authority > Mayoral Combined Authority item 51](#)

## **Annexes**

Annex A: City of York Council's response to the Local Growth Plan priorities

Annex B: UKSPF overview

Annex C: UKSPF Partnership Board Report October 2024

Annex C: MIY Shareholder report

## **List of Abbreviations Used in this Report**

UKSPF – UK Shared Prosperity Fund

MCA – Mayoral Combined Authority