
Economic & City Development Overview and Scrutiny Committee

14 July 2009

Report of the Director of City Strategy

Economic Development Programme

Summary

1. This report seeks to provide Members of the Scrutiny Committee with an overview of the Council's approach to economic development in order that the Committee can consider how they may wish to develop a plan of work in relation to this.

Background

2. The Local Government Act 2000 allows local authorities to do anything they consider likely to promote and improve the economic, social and environmental well-being of their area. This is commonly known as the well-being power. Statutory guidance "Creating Strong, Safe and Prosperous Communities" was issued by the Department of Communities and Local Government in 2008. This sets out the ways in which local authorities should provide strategic and political leadership and involve a full range of stakeholders in developing and delivering a shared vision for the economic, social and environmental well-being of their area through their Sustainable Community Strategy (SCS).
3. More recently, the Government's Sub-National Review of Economic Development (SNR) has set out a series of proposed reforms that would enable regions and local areas to respond better to economic challenges. In order to increase the focus on local economic development, the SNR proposed that a new duty be placed on all counties and unitary authorities to assess the economic conditions of their area. This new duty is currently being taken forward within Part 4 of the Local Democracy, Economic Development and Construction Bill.
4. Traditionally in York, an Economic Development Programme has been prepared on an annual basis set within the strategic framework provided by the Thriving City theme of the Sustainable Community Strategy. In past years, this has been considered by the former Economic Development Partnership Board prior to formal approval by the Executive Member with portfolio responsibility for economic development. It should be noted that the importance of the economy – and therefore of the economic strategy and programme – extends well beyond this particular theme within the SCS. A strong and prosperous economy generating enhanced employment options and incomes contributes to and enables actions in relation to lifelong learning, anti-poverty, social inclusion, anti-social behaviour, housing provision, cultural provision, spatial planning, transport and environmental quality. There are therefore strong linkages with the other themes set out in the SCS.
5. The current economic strategy and programme for York is set out in Annex A. This was prepared in Spring/Summer 2008, in advance of the current economic recession and was considered by the newly established York Economic Partnership at its first meeting held in

December 2008. It is divided into three sections:

Section A – Assessment: to reflect the likely requirement in relation to the proposed new duty for local authorities to assess the economic conditions of their area; essentially, this is based on factual work prepared to support the work of the Future York Group;

Section B – Strategic Context: this is taken directly from York’s Sustainable Community Strategy;

Section C – Programme of Action for the period 2008/09 to 2010/11.

6. Since the preparation of the current economic strategy and programme, two significant reports have been produced in relation to York’s economy. In March 2009 , the Centre for Cities policy institute published its report “York: Prioritising Prosperity” as part of its research programme for unlocking city potential and sustaining city growth. The report, set out in Annex B, has been published on the websites of both the Council and the Without Walls Local Strategic Partnership. In addition, Yorkshire Cities have also commissioned work examining cities within the region which highlighted that York performs well against the indicators that assess economic resilience. These reports have been considered by the York Economic Partnership and work is now under way to consider the implications of these for the economic strategy and programme, particularly in the light of the current economic recession. Members will also be aware of additional initiatives undertaken by the Council through the One City initiative in response to the changing economic situation. These were reported to the Executive in May this year, see Annex C.

Consultation

7. Considerable consultation was undertaken in relation to the preparation of the Sustainable Community Strategy. Aspects of the economic strategy and programme have been the subject of a wide range of consultation through the York Economic Partnership, York Business Forum, Science City York, york-england.com, Visit York, York Professionals, Retailers Forum and Chamber of Commerce, highlighting the close co-operation the Council has with partners in enhancing the city’s prosperity.

Options

8. The economic development programme forms a strategic approach to developing the York economy and meeting the employment needs of both businesses and the community. Action is reviewed on an annual basis to take account of changing circumstances and policy frameworks. Based on the information provided above, Members of the Committee may wish to determine what aspects of the economic strategy and programme are to be examined further.

Corporate Priorities

9. The actions in this report support the Inclusive City, Learning City and Thriving City elements of the Sustainable Community Strategy and the Council’s Corporate Strategy.

Implications

10. Financial, HR, equalities, legal and crime and disorder implications are covered through the Council’s budgeting and service planning processes. There are no direct IT implications.

Risk management

11. Risk management processes cover all aspects of the programme and are set out in the Economic Development and Partnerships service plan.

Recommendations

12. That the Committee determine any work plan for the scrutiny of economic development.

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Wards affected – ALL

Specialist implications officer/None

Background Papers: None

Annexes:

Annex A- Economic Development Strategy and Action Programme 2008/09

Annex B- York: Prioritising Prosperity Report by Centre for Cities March 2009

Annex C- One City-update on Economic position report to the Executive 12 May 2009