

# York Economic Partnership

## Response to the Centre for Cities report

### INTRODUCTION

Earlier this year, the independent “think tank” Centre for Cities produced a report commissioned by the City of York Council entitled “York: Prioritising Prosperity”. The report has been circulated widely and a presentation was given by Centre for Cities on the report to the meeting of the York Economic Partnership held in June. Some specific points made by partners are appended as Annex A. This note sets out recommended actions as the response of the York Economic Partnership to the presentation and report.

The strategic approach to economic prosperity in York is set out in the Sustainable Community Strategy. The vision is for the city of York to:

- build confident, creative and inclusive communities
- be a leading environmentally-friendly city
- be at the forefront of innovation and change with a prosperous and thriving economy
- be a world class centre for education and learning for all
- celebrate our historic past whilst creating a successful and thriving future.

There is an explicit ambition in the Sustainable Community Strategy to balance physical growth and environmental sustainability by making responsible choices in respect to climatic and environmental challenges. The Thriving City theme of the Sustainable Community Strategy (SCS) sets the strategic context for initiatives to enhance the prosperity of the City – thus providing the main focus for the work of the York Economic Partnership. In doing so, it is generally recognised that enhancing prosperity is important not just for the economy but also for the wellbeing of the city as a whole. A strong and prosperous economy generating enhanced employment options and incomes contributes to and enables actions in relation to lifelong learning, anti-poverty, better health, 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.

### **SPECIFIC PARTNERSHIP ACTIONS RECOMMENDED TO BE TAKEN IN RESPONSE TO THE REPORT**

#### **1. Sustainable growth**

It is recognised by the Council and the York Economic Partnership that there is a need to embrace change in a managed way within the City and to deliver the infrastructure required to support sustainable economic growth.

- a. LDF: The Centre for Cities report highlights the crucial importance of planning processes in York providing as much certainty as possible to the development

industry, particularly through the provision of a statutorily adopted development plan for the city. Work is underway to achieve this through the Local Development Framework, with the latest stage being consultation on the Core Strategy Preferred options report in the summer of this year.

***Partnership Key Action: To maintain an overview of progress with the Local Development Framework for York to ensure this is delivered on time and fulfils the test of soundness.***

b. York Central/York Northwest: The Partnership would wish to reaffirm the finding from the Centre for Cities report that York should prioritise policy support in progressing the development of York Northwest on the basis that this scheme can make the greatest impact on the future of the local economy. In doing so, the Partnership recognises the inherent difficulties of bringing this site forward. Considerable public investment is likely to be required to invest in appropriate infrastructure to achieve a planned development on this site. Whilst the Council will need to determine the level of resource required to ensure that the planning of this site progresses in a satisfactory manner, the Partnership has a role to play in highlighting the significance of York Northwest to the city's economic future and in supporting any new initiatives, such as tax incentive schemes, which would address the issue of financing the necessary infrastructure improvements.

***Partnership Key Action: To act as a champion for the York Northwest development scheme in view of its importance to the city's economic future, particularly in lobbying for investment in the necessary infrastructure to bring forward development.***

c. York Renaissance Team: The Centre for Cities report highlights the importance of bringing forward developments on other major sites in the city, with the role that positive planning processes can play in ensuring effective working arrangements with developers. Further discussions have taken place between the council and Yorkshire Forward regarding this specific issue and these are now well advanced to support investment in an economic visioning/masterplanning exercise for the city (taking account of the strategic objectives already set out in the Sustainable Community Strategy) together with the establishment of a renaissance team to ensure sufficient capacity and resource to maximise the value of major development sites in the city and ensure that these are brought forward in a timely way.

***Partnership Key Action: That the Partnership supports the establishment of a York Renaissance Team, and is directly involved in the overview of the team's work through the involvement of the Chair of the Partnership in the strategic board to be established for this project.***

d. Climate change: The Centre for Cities report does not particularly address the issue of climate change and the impact this will have on the economy. There are two distinct aspects to this: (a) the impact and requirements of the Climate Change Act which sets ambitious targets to dramatically reduce carbon emissions and cut the use of fossil fuels; and (b) the potential opportunities to develop a low carbon economy through creating new business and job opportunities. With respect to (a) work is underway within the Council and the Local Strategic Partnership to complete a Climate Change and Sustainability Action Plan which will be in place by early

2010. With respect to (b), increasing evidence suggests that new employment opportunities will be created in the next few years within environmental industries. The Government's "Low Carbon Industrial Strategy" suggests that up to 400,000 new jobs could be created nationally over the next 8 years in environmental industries. York is well placed through existing and new initiatives to act as a significant centre for such new employment opportunities, and therefore the Partnership should consider this further as part of the economic development strategy for the city.

The council has established the Green Jobs Taskforce to consider how best to develop a low carbon economy in York. The recommendations from the Taskforce will be reported back to the Council in the Autumn and will then need to be considered by the York Economic Partnership. The Taskforce has used the Local Government Association publication "Creating Green Jobs; developing low-carbon economies" as a guide in shaping these recommendations.

***Partnership Key Action: To consider the recommendations of the Green Jobs Taskforce established by the Council in seeking to encouraging "green jobs" through the development of a low carbon economy for York.***

## **2. Science City York**

The Partnership agrees with the major recommendation from the Centre for Cities report for key organisations - particularly the Council, the University of York, Science City York and Yorkshire Forward – to increase the focus on building up the city's science and technology sector as the best means of carving a niche in the modern economy which will enhance prosperity in the city. A number of detailed responses to the Centre for Cities report are outlined in Annex A. The critical document in driving this initiative forward will be a new business plan for Science City York which will guide its action over the next 3 years. This business plan should take account of the Centre for Cities report and be considered by the Partnership.

***Partnership Key Action: To consider the emerging business plan for Science City York and keep this under regular review.***

## **3. Skills and enterprise**

The Centre for Cities report acknowledges that the overall level of skills is an important focus for the city to improve its economic performance. The City already has a skilled population, and the continued improvement of the city's skills profile will be important in enhancing the position of York among the UK's successful cities. A continued emphasis on close working between the Economic Partnership and the Learning City Partnership will need to be maintained in order to co-ordinate the skills offer, understand employer needs, identify gaps and ensure provision is targeted to meet demand. While there is scope for further work across the skills spectrum, the Partnership would concur with the report that York would benefit from developing an enterprise strategy which would improve the coherence of existing entrepreneurship education and support for newly established businesses, linked to the skills agenda.

***Partnership Key Action: To establish a new task and finish group to oversee the development of a coherent enterprise strategy for the city, working with others.***

#### **4. Worklessness**

There remain pockets of worklessness within the City and the importance of addressing these is already highlighted within the Sustainable Community Strategy. The Centre for Cities report does not believe that worklessness, however, is a major barrier to improving the economic performance of the city. Pilot work is underway to examine the deprivation in the Kingsway West neighbourhood and there is excellent independent employment advice and guidance available through Future Prospects.

***Partnership Key Action: To consider the outcome from the Kingsway West project with a view rolling out good practice in a targeted way across the City.***

#### **5. Partnership working beyond the City to help achieve our aspirations**

The Centre for Cities report notes the importance of the complementary sectors of employment between York and the Leeds City Region (LCR) , and recognises that York needs to continue to work with the LCR to not only improve the local economy in York but to act as an economic driver within the LCR. Since the report was prepared, the LCR has been awarded forerunner status by the Government and the implications of this for improving the economic performance of the city will need to be considered by the Partnership, as the benefits emerge that this new status will bring.

***Partnership Key Action: To receive a presentation on what the Leeds City Region forerunner status will mean for improving the economic performance of the city.***

In addition, the report highlights the importance of the “eastern arc” surrounding the city in contributing to the city’s workforce. It is proposed that the Council explores these links further with neighbouring local authorities, particularly the East Riding Council.

## **ANNEX A: SPECIFIC POINTS ARISING FROM THE REPORT MADE BY PARTNERS**

### **1. General points**

- a. The report makes little reference to the York and North Yorkshire Sub-Region and implies that only the Leeds City Region is of economic relevance to York, although the economic relevance of the East Riding is acknowledged in the report.
- b. The report also makes little reference to climate change and the need to develop a low carbon economy in York.

### **2. Points about the University of York**

- a. The report understates the importance of the University as an economic generator directly (in addition to its work of education, research and innovation)
- b. The report understates the economic significance of the Heslington East development for the City, Sub-Region and Region
- c. The report says that internationally, the University is less competitive (than it is nationally) - referring to its position in the Jiao Tong ranking. It is recognized that the University needs to work to increase further its international links and recognition; work is underway to address this but it is believed that the report underestimates the current position. The University of York is ranked 81st in the world by the Times Higher of London - the ranking most commonly referred to in the UK and based largely on the recognition of universities' standing amongst faculty around the world. This suggests that the University already has a significant international standing.
- d. The report suggests that the University is small and that this is problem for York and Science City York. It is acknowledged that it is important that the University continues to grow and to work in partnerships with the White Rose Universities and others. Whilst student numbers are relatively small by UK standards, it is misleading to call the University small in the context of the main focus of this report. The University is ranked 18th in the United Kingdom for the amount of funding it receives from the research councils - confirming that it is therefore one of the larger research universities in the UK.
- e. The report says that the number of spin-outs from the University is lower than would be expected for a University with such a standing in research. Clearly, it would be beneficial to see more spin-outs from the University and work is underway to address this; however, the HEFCE Higher Education Business and Community Interaction Survey ranks the University of York 19th amongst UK universities for the number of spin-outs created, and this can be built upon.

### **3. Points about Science City York**

- a. The report discusses University spin-outs at length but says relatively little about spin-ins and non-University start-ups. Spin-outs help to create successful University-led clusters, but in most such clusters in the UK and around the world, spin-in and non-university start-ups outnumber spin-outs substantially.
- b. The report advises focusing on the IT cluster. It is recognised that there is scope to grow this further, but the report misses the exciting potential for the burgeoning bioscience cluster around York to develop further as FERA increases its standing and Yorkshire Forward supported work on Low Carbon Futures, Biorefining and the environmental and renewables sectors expands over the next few years.

#### **4. Points about potential growth sectors**

- a. Sectors for growth: The Centre for Cities recognises that the growth of higher value jobs is essential to the future economic success of the city. The implication of this for science and technology is examined further in the main body of this response. Some partners took issue with the Centre for Cities report regarding its conclusion that financial and related business services may only offer limited growth potential. The future development of this sector in the city is closely aligned to the employment opportunities that can be created through on the York Northwest development in particular but are also a key feature in other major development sites in the city, conclusions reached in an independent report commissioned by Yorkshire Forward. The work of the York Renaissance Team will examine how key employment can come forward for development and following the proposed visioning/masterplanning work, it should be possible to confirm the potential of this sector to grow further in York. The Centre for Cities report also highlights that tourism is often an important source for lower skilled jobs in the city. Whilst this may generally be the case, tourism does provide a range of job opportunities across the skills base; the aim of Visit York to grow this sector still further in the city.