

## **Report to Economic and City Development Overview and Scrutiny Committee**

### **Background**

City of York Council has a service level agreement with Science City York (SCY) to deliver innovation and knowledge transfer aims and ambitions on behalf of the Council and to contribute to the Council's Priority 1: Creating Jobs, Growing the Economy and the York Economic Strategy, 2011 – 15.

### **Overview**

Science City York (SCY) works closely with, and in some ways acts as a critical extension to, the City of York Council's Economic Development Unit in delivering the aims and ambitions of Council Plan Priority 1 and the wider York Economic Strategy, 2011 – 15.

The full range of the SCY offer can be explored in full detail at the following link: <http://scy.co.uk/about>.

Specifically, the SCY team deliver for the Council knowledge transfer and innovation services both to local and regional businesses, but also to the Council itself. It is the principal delivery agent for the city in advising business on innovation, and either providing mentoring, consultancy, financing advice or signposting to further advice.

The SCY team have recently been successful in the winning a contract to be a key delivery partner for the new Business Coaching for Growth contract – a programme funded by Department for Business Innovation and Skills (BIS) for delivering targeted support and advice to potential high growth companies and start ups.

### **The SCY Contribution to CYC**

Over the last 12 months SCY has assisted and interacted with 750 businesses in York. However, the company has assisted more widely more than 100 businesses to start, and have successfully secured more than £23 million investment for clients.

Whether these businesses are located strictly within York boundaries or within the region, the positive impact felt through these businesses will have a positive impact on the York economy through supply

chains. Further the SCY team have successfully attracted a range of ERDF projects that have enhanced the ability of the city to attract further investment over time to the city.

### **The Service Level Agreement (SLA)**

The current SLA for 2011/12 is attached as an appendix. The amount contributed in this year has been £100K base budget and a £53K contribution from the Future Jobs Fund.

A new service level agreement for 2012/13 is being developed currently reflecting a reduction in contribution from CYC by 30% of funding from 2011/12 – totalling £100K for 2012/13. Further work may be contracted of SCY as and when appropriate in addition to this core contribution.

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**SERVICE (LEVEL) AGREEMENT**

*Between*

**The City of York  
Council Economic  
Development &  
Partnerships,  
9 St Leonard's Place  
York, YO1 7ET**

*and*

**Science City York  
Enterprise House  
Innovation Way  
York, YO10 5NY**

**DURATION**

From the 1st April 2011 to 31st March 2012, subject to annual review.

**SUMMARY**

This is the Service Level Agreement (SLA) between the Council and Science City York ("SCY"). It defines the activities to be delivered, the expected outcomes and the methodology for assessing performance.

A grant of £153,000 will be paid annually by City of York Council to SCY, subject to it continuing to provide the activities summarised below and complying with the terms and conditions of this agreement.

The Council is fully committed to SCY and views its stakeholder status and major funding for the company as a continuing outstanding opportunity to enhance the economic prosperity of the city.

### **ORGANISATION ACTIVITIES**

Investment from the City of York Council has enabled Science City York (SCY) to drive the creation and growth of business and employment opportunities across York within 3 clusters: bioscience, IT& digital and the creative industries.

These business networks play a critical role in York's future business support plans and are central to new opportunities SCY is currently bidding for the City; such as the new "Business Coaching for Growth" programme, the UNESCO bid for York to be a City of Media Arts and the Technology Innovation Centre. With the imminent closure of Business Link Yorkshire and Yorkshire Forward, the ongoing development of SCY business networks in York is imperative. SCY has a critical role to play as the main innovation asset in the Leeds City Region Local Enterprise Partnership and York and North Yorkshire Local Enterprise Partnership.

*The ongoing contribution from the City of York Council (CYC) has enabled SCY to deliver significant value to York businesses.*

### **ACTIVITIES TO BE FUNDED BY CITY OF YORK COUNCIL**

The Council's funding provides a contribution towards the activities listed in the section above. Specifically the Council's funding will be used to support three sector networks; Creative York, IT & Digital York and Bioscience York.

#### **Business Support, Networks & Membership**

SCY business networks provide businesses with the opportunity to share information with other members and organisations and access to a range of services and benefits including: Business promotion and improving business competitiveness through provision of value-added, sector-specific global market intelligence; building a network of contacts; developing skills in employees; and supply chain opportunities.

The current networks (with the exception of Bioscience) are heavily biased toward micro and proprietor businesses, with many lifestyle businesses featuring in the Creative network.

SCY is currently reviewing the business model and considering a number of service ideas to support businesses including the launch of a new fee-based membership service. This will extend the penetration and number of relationships within Bioscience, Creative and IT&

Digital, and will focus on larger Small and Medium Sized Enterprises (SMEs). There is much scope for development of new networks as SCY widens its sector coverage and expansion of the service offer to the wider Leeds City and Humber regions.

SCY is also looking to expand the remit of the Bioscience York network to include a greater focus on biorenewables, as part of its ongoing strategy to develop York as a world class Centre of Excellence in Biorenewables research, education and commercialisation. This will involve building on the critical mass which is fast developing in and around biorenewables, development of new projects which SCY is working on in partnership with University of York for an industrial wastevalorisation facility and phase 2 of the Biorenewables Development Centre, along with new partnerships SCY has formed with major companies such as Drax and Croda International and strong links that SCY has with other local and national networks within the growing biorenewables and low carbon sector.

SCY marketing strategy and communications plan will include wider dissemination of the value SCY is creating through the networks including strong PR, case-studies and success stories.

### **Specific work in relation to Innovation Support**

#### **Phoenix Centre**

Phoenix Phase 11 opened in September 2011. The businesses housed within Phoenix Court have been selected based on their ability to think creatively and innovatively and to develop new ideas and solutions to problems. The Phoenix Centre will not only retain its capacity to house start-up businesses it will also facilitate regular 'Open Innovation' workshops, events and training for businesses both within and out with the centre. SCY has been contracted to facilitate and deliver Open Innovation Workshops between October 2011 and March 2012.

#### **Creative Councils Bid**

CYC has recently been successful in its application to National Endowment for Science Technology and the Arts (NESTA), in which SCY played a key role in developing the bid. After having been shortlisted as one of the top 'Creative Councils applicants' in the UK

(in the top 17 out of 137 applicants) through the NESTA Creative Councils project, SCY will deliver a programme of open innovation workshops to CYC departments between X and X.

### **Specific work in relation to Knowledge Transfer between the Research Base and Businesses**

SCY employs a dedicated Knowledge Transfer Specialist to increase the volume and quality of productive interactions between York's academic/research institutions and businesses. The Knowledge Transfer Specialist will:

- work to commercialise the business support available from Higher Education (HE)/ Further Education (FE) to relevant companies. This support includes higher level and managerial training, specialist training, access to facilities and specialised technologies and equipment.
  - work with the research base to widely promote support available to businesses and other support to be defined by the Knowledge Transfer Specialist and HE/FE institutions
  - facilitate the dialogue between academics and businesses
- SCY will continue to work closely with Higher York (HY).

### **Specific work in relation to green jobs**

In addition to plans to develop the biorenewables network which will support the creation and sustainability of green jobs in York, SCY has already invested significant efforts to develop opportunities around biorenewables for the City, and SCY has developed very strong relations with key industry figures in this sector.

SCY is now playing a very influential role in developing York as a world-class centre, and it is a priority area for SCY going forward.

SCY will continue to work with Higher York and the research base to achieve skills targets across York's green sector.

### **Specific work in relation to Leeds City Region (LCR) and York and North Yorkshire LEPS**

SCY is widely recognised as the innovation asset and lead body on the LCR Innovation panel and plays a major role within the LCR Innovation Capital programme.

SCY has recently received endorsement from the LEP to now lead on the development of the new 'Business Coaching for Growth Programme' bid and expects to play a key role as deliverer for the successful contractor when they are appointed later in 2011.

As well as the expansion plans for the business networks within the LCR, and the ongoing delivery in West Yorkshire through the SCY Business Mentor programme, York is increasingly playing a very influential role within both LEPs.

The business intelligence available through SCY business networks of York employers has also helped to inform the set-up and development of the Leeds City Region's Employment and Skills Board (ESB), and SCY has facilitated representation from York employers as part of the consultation for this Board. It is important York employers from the SCY business networks have continued involvement and representation at the Leeds City Region level and SCY will continue to act as a conduit in order York employers have a voice and influence within the LEP.

SCY will also plan to establish links and work closely with the Humber LEP in the future.

### **Contribution to the Internationalisation Agenda for the City**

SCY will work in partnership with CYC and others to develop the international framework and prospectus for the City.

### **Development of CYC Web Portal**

SCY has secured £10k of Yorkshire Forward (YF) funding to support the development of the web portal, to address the gap of local business support provision which is anticipated will emerge with the closure of Business Link. The portal will showcase and provide links to all of the York business support initiatives available and enable all York providers to work more closely together. SCY will provide project management and appoint a Project Manager to oversee the development of the portal working with the CYC team.

## Proposed Performance Indicators 2011/2012

1. Production of a marketing strategy and communications plans
2. Production of 4 case studies demonstrating York's USP's within the Creative, IT& Digital, Bioscience & Biorenewables sectors.

### 3. Business Support

<b>Metric</b>	<b>Annual Target</b>
Referrals and/or Introductions made either Business-to-Business or Business-to-Knowledge Base	100
Number of businesses receiving direct assistance	40
Collaborations achieved	12

### 4. Reporting

- a) The number of new start ups within SCY sectors inc. biorenewables sector.
- b) The number of new jobs created within SCY sectors inc. biorenewables sector

### 5. Contribution to Key Account Management (KAM)

To act as Key Account Managers for X companies to be agreed with CYC which will feed into the delivery of CYC KAM programme, reporting to the Head of Economic Development.

### 6. Events

<b>Metric</b>	<b>Annual Target</b>
SCY events	20
Attendees at SCY events	400
Partner or supported events (SCY contribution recognised on event publicity)	10
Attendees at partner / supported events	300



**7. SCY Property Strategy**

To develop an action plan in partnership with CYC to follow-up the recommendations as outlined within the DTZ Property Strategic Review.

**8. Inward Investment**

To play an active role in developing the strategy, to maximise the inward investment opportunities for York.

**Analysis of impact of SCY on local economy**

SCY will assist with the creation of 20 non-permanent positions (internships, placements etc) within network member companies.

Where permanent positions are created as a result of SCY support, these jobs will be reported.

**Sustainability / Green Issues**

SCY will actively facilitate and support events with a primary focus on environmental sustainability and/or green issues. SCY will promote these events to and engage with regional or national organisations e.g. Carbon Trust, CO2 Sense.

**SUPPORT FOR CITYWIDE AND COUNCIL PRIORITIES**

The Council recognises that this project fulfils several of its stated corporate aims. One of the Council's strategic priorities is to enhance the economic prosperity of the City's residents with a focus on minimising income differentials. The Council is committed to working in partnership to achieve its strategic aims through the Local Strategic Partnership, the Economic Development Partnership Board, as well as specific partners such as Science City York. It also works with the Local Strategic Partnership to the aims and performance measures agreed with Government through a Local Area Agreement.

## **SERVICE STANDARDS, STATUTORY AND POLICY CONDITIONS**

SCY will comply with the following general and statutory requirements in delivering the activities covered by this SLA:

- Health and Safety legislation
- Employment legislation
- Equal Opportunities legislation (including the Disability Discrimination Act 1985, Race Relations (Amendment) Act 2000 requirements)
- Arrange Public liability and employers insurance consistent with the range and manner of services provided
- Development and implementation of a Complaints procedure.

SCY will additionally comply where appropriate with the requirements of:

- the Children Act, public entertainment license, First Aid certificates, Under-eights/OFSTED inspections and Criminal Records Bureau checks.
- Any other standards or requirements appropriate to the services provided.

## **MONITORING CONDITIONS AND ARRANGEMENTS:**

The Council will monitor the performance of SCY in carrying out the funded activity. This may include visits, review meetings, inspection of records and financial accounts relating to the funding with 14 days notice.

## **REPORTING**

On a quarterly basis, SCY will provide an accurate and detailed monitoring report to the Council to demonstrate that the funding awarded has been used for service or activity specified above. The report will include quantitative data assessing performance against objectives.

In addition to the performance assessment, the monitoring report to the Council will include information on any additional activity/project work within the City of York area; including for example, involvement in partnership working, forums, involvement in national and regional initiatives.

Failure by SCY to submit satisfactory monitoring reports as indicated and by the dates due may result in the Council withholding funding or terminating the agreement.

## **ANNUAL REVIEW**

The Council will carry out an Annual Review with SCY. This will include a review of performance as set out in the agreement and the continuing need for the service or activity. The results of the Annual Review will be used to inform the Council's decision on the continuation of the agreement into the second and third years of the agreement.

The Council will provide SCY with a record of the Annual Review within 14 days of the Annual Review.

## **CITY OF YORK COUNCIL CONTRIBUTION**

- a) The Council will make an initial payment of £50,000 and then will make July payment £1200.00 and from August 2011 monthly payments of 12,750.00 via BACS transfer into a nominated SCY bank account, making a total annual payment of £153,000.
- b) The Council will make the payment on receipt of the signed agreement.
- c) The Council will pay the same level of funding for each year remaining of the agreement, subject to a satisfactory Annual Review and also having regard to the following paragraphs.
- d) The Council will consider making an additional award for inflation at the end of the first and second years of this agreement.
- e) Please note that whilst the Council is committed to fulfilling its responsibilities under this agreement, maintaining the same level of funding and making additional awards for inflation is subject to the Council's budgetary provision.
- f) In the event of unforeseen and significant reductions in the level of funding available to the Council, the Council may offer either a

lower payment or terminate the agreement at the end of the first or second years.

- g) In the event of either of these circumstances arising the Council's authorised officer will contact SCY as soon as practicably possible to discuss options for maintaining levels of service and minimising disruption to SCY's related operations.

## **FUNDING CONDITIONS**

- a) SCY will:
- submit its quarterly monitoring reports within 30 days of the end of the reporting period
  - inform the Council of any changes to its constitution, management or contact representative as soon as practicably possible.
  - inform the Council of any changes to its staffing arrangements or delivery of the service or activity as soon as practicably possible
- b) The agreement may be terminated immediately if there is a material failure by SCY to fulfil the terms of this agreement.
- c) The Council may require SCY to repay all or part of the funding if:
- the funding is not used for the service or activity specified and by the named organisation only, unless the Council feels able to accept that there are legitimate reasons which have presented the obligations being fully met.
  - SCY is not able to provide the service or activity specified to the agreed standard, unless the Council feels able to accept that there are legitimate reasons which have presented the obligations being fully met.
  - In these circumstances, an Action Plan shall be agreed with the Council and shall be implemented successfully by SCY.
  - SCY is wound up or otherwise ceases to exist

- d) In using public money, SCY must follow the principle of Council procedures in terms of financial probity, equal opportunities and best value practice in delivering projects and in the selection and recruitment of contractors. This will include formally evaluating projects to ensure that best value practices have been used and keeping an audit trail of financial records.
- e) The terms of the agreement may be varied or the agreement terminated by mutual consent of SCY and the Council.

**SIGNATURES:**

- a) This agreement is accepted on behalf of SCY by the authorised officer:

Position	Signature	Print name
Date		

- b) This agreement is accepted on behalf of the Council by the authorised officer:

Position	Signature	Print name
Date		