

REPORT OF THE REVIEW ON JOBS

Summary

1. The report seeks to brief the Executive on the review report on jobs as requested under the Party Protocol.

Background

2. Members have requested that this review covers:
 - (a) **Review to highlight how we can allocate sufficient resources to ensure that job creating planning opportunities are dealt with quickly;**
 - (b) **Review to indicate how a new partnership approach could assist the growth of local small businesses including refinements to the council's purchasing policies (as part of an overall review of procurement to take account of ethical, sustainability and efficiency issues);**
 - (c) **Review report to look at the adequacy and success of local skill training facilities for York workers.**

Some elements of this review overlap with the Future York Group report which was commissioned by the City of York Council to undertake an independent strategic review of the local economy, following a series of announcements regarding job losses in the City. The Group has been chaired by Christopher Garnett and has been well attended at its meetings by the group members. They have received a variety of presentations and background information to enable them to make their conclusions and recommendations. This authoritative report provides a framework for future actions to be undertaken by the City of York Council and partners with regard to promoting the economic well-being of the City. Their final report was launched on 12th June when it was handed over to the City of York Council at a public event at the Mansion House. The initial response to the Future York group report was considered by Executive in July and it is intended to present a more detailed response to Executive in October/November, following consultation.

Consultation

3. The Future York Group report effectively entered the public domain on its handover to the Council on 12th June 2007 and has been made widely available since then. Comments received on the findings of the Future York Group will be collated and reported to a future meeting of the Executive. Formal consultation on the report will

take place through the Without Walls Local Strategic Partnership and its thematic groups. The initial views of the Economic Development Partnership Board were sought at its meeting held on 19th June and will be considered further at its next meeting in September. There will also be the opportunity over the summer/autumn period to consult on the findings of the Future York Group report as part of planned consultation for the review of the Sustainable Community Strategy and the Local Development Framework core strategy. The consultation will enable the City of York Council to formulate a more detailed response to the findings of the Future York Group.

Options

4. The option is to consider this review as set out below. Members may wish to consider if there are other elements to the review not covered in this report.

Analysis

(a) Review to highlight how we can allocate sufficient resources to ensure that job creating planning opportunities are dealt with quickly.

5. There is a request within the Future York Group report for the Council to provide additional resources to allow acceleration of the Local Development Framework so that it may be adopted by 2009. The reasoning behind this recommendation was to enable the statutory planning process to be advanced so that potential job creating planning opportunities would not be missed. The recommendation would require the Council to invest additional resources to bring forward the adoption of the Local Development Framework to 2009. Officers are currently reviewing the opportunities that may exist for delivering to a faster timescale and the additional resources that will be required; this will need to be considered alongside budget setting. A report on the potential to accelerate the process will be taken to members in the Autumn. Whilst there may be some potential the LDF process has certain statutory requirements, including a three stage process, each subject to public consultation. It is likely that the LDF Core strategy can be delivered within 2009 but the other LDF documents would follow in 2010. This is a reasonable period of time to prepare LDF documents under the new system and is substantially faster than under the old system of Local Plans.
6. The Future York Group has also recommended that the Council, as Local Planning Authority, presents a supportive approach to economic development proposals, including a “key contact” for each scheme and taking an integrated “development team” approach to major proposals. Members will be aware that significant changes have been made recently to improve planning performance. The percentage of major planning applications dealt with within 13 weeks had improved. However, because of the volume of major schemes currently submitted, and the loss of experienced, senior staff to other Authorities and through maternity leave, performance on Major applications has declined recently. There are currently 29 major applications requiring significant resources including: -
 - Former Terry’s site
 - Clifton Grain store
 - Barbican revised hotel
 - Hungate reserved matters phase 2
 - Dobbies Garden centre

- York College (360 dwellings)

Imminent applications include:-

- Barbican (hotel at Kent Street)
- Joseph Rowntree School
- Hungate further reserved matters
- University reserved matters
- Germany beck reserved matters
- Metcalfe Lane reserved matters
- New Council Offices at Hungate
- Nestle South

On the horizon :-

- Castle Piccadilly
- York City Football Stadium
- York Central/British Sugar.

7. There are significant and abnormal resource implications on staffing within the City Strategy Directorate in order to respond effectively and timely to the current major development schemes highlighted above. Whilst the Council may wish also to improve its pre-application process in order to continue to improve performance and to respond to the Future York Group recommendations, there are clear resource issues to consider – both in terms of additional funding as well as securing the services of suitable professional staff. Again, similarly to the acceleration of the LDF adoption, this issue will need to be considered as part of the budget setting process of the Council.

(b) Review to indicate how a new partnership approach could assist the growth of local small businesses including refinements to the council's purchasing policies (as part of an overall review of procurement to take account of ethical, sustainability and efficiency issues).

8. The Council is actively engaged with business support to local companies in a number of ways, and does so through partnership working. Direct support is given to the business enterprise agency, YSMBAC (York, Selby and Malton Business Advice Centre) Ltd and the Assistant Director is a Director of this company. The Council has made direct provision of accommodation to assist local business, most notably through the new Eco-Business Centre which is due to commence on site at Clifton Moor. This will be managed initially by YSMBAC. The leading provider of business support is Business Link and again, the Assistant Director is a board member of York and North Yorkshire Business Link. Members will be aware that this franchise has recently been subject to a re-tendering exercise and Yorkshire Forward have announced a preferred bidder, Y&H IDB – a joint venture between Reed in Partnership PLC and Exemplas Holdings Ltd. The successful bidder will take over the Business Link service from April 2008. Meetings are taking place with the preferred bidder to discuss the provision of business support in York, taking account of the issues raised above. Small and emergent Innovative businesses are also assisted through Science City York which is now to become a Company Limited by Guarantee with the City Council alongside the University of York, the major shareholder.

9. With regard to procurement, a comprehensive Corporate Procurement Strategy (CPS) was approved by Executive on 26th June 2007 along with an accompanying 3 year medium term action plan for development and improvement. The CPS has been developed within the framework of a series of key policy 'headlines' and guiding principles which set out the Council's approach to procurement in terms of partnering & collaboration; ethical purchasing; sustainable procurement and the need to help stimulate the market place and support the achievement of community benefits within the locality. The Strategy makes specific reference to the Council's commitment to give preference to small and medium sized enterprises and/or other local suppliers where there is no legal requirement to do otherwise and no VFM detriment to the organisation. Work is now on-going to develop these headline policy commitments into fully fledged policy statements as set out in the 3 year action plan and will be further informed by the development work now taking place across the piece in respect of the wider economic development agenda and social policy commitments of the Council as referenced in this report. The on-going development process will be iterative with annual reviews of the Strategy in the context of the developing policy framework planned over the life-cycle of the Strategy and 3 year action plan.
10. A number of crucial practical initiatives are also taking place within the overall context of the Strategy to support this agenda, principally the adoption and roll out of the Supplier Contract Management System (SCMS) and the development of e-procurement functionality through the replacement of the FMS system in 2008/09. The SCMS solution is a regional initiative, sponsored by the Leeds Centre of Excellence. It provides a robust and joined up system enabling the comprehensive management of letting and clienting Council contracts and providing a single point of communications with and the management of Council suppliers and would-be suppliers. It will allow for the step change improvement in the way in which the Council does both in future years and provides the means by which suppliers across the region will be able to view the Council's contract information, adverts for supply, apply for preferred supplier status etc for the first time. The system also provides a means of managing e-tendering exercises, thereby facilitating efficiencies in the procurement process by for the Council and the suppliers concerned: making the tendering process cheaper, more accessible and more immediate for many SMEs in the York region. As a web-enabled system, SCMS is also configured in such a way as to allow potential suppliers to view contract information and bid for work across all 22 authorities participating in the scheme: providing local businesses with the significant market advantage of being able to review readily business opportunities across the region. The Chamber of Commerce are extremely supportive of this initiative and view it as a very positive step forward in supporting local business needs in York. Joint events with the Chamber are planned throughout autumn and the new year to raise the visibility and understanding of the new scheme arrangements across the local community before it goes fully live across all Council departments in advance of the new financial year.

(c) Review report to look at the adequacy and success of local skill training facilities for York workers.

11. The Council is involved with direct training for York workers in a number of ways, including its own staff in its role as a major employer in the City. Clearly, the Council's involvement in education is also of paramount importance in providing for

the future workforce of the City. There are strong links between our schools and NYBEP North Yorkshire Business and Education Partnership facilitating understanding of the particular skills and attitudes that local employers are seeking. The authority has been successful in gaining national approval for the provision of the new diplomas from 2008 an important element of the drive to seek greater levels of post 16 participation. In addition the authority is opening the Danesgate Skill Centre where pupils will be able to develop specific skills and qualifications on a one or two day release basis from their home school. In July 2007, a 'Raising Expectations' paper was considered by EMAP (19.07.07), outlining the implications of the government's plan to raise the statutory participation age from 16-18 by 2015. This, too, has implications for city-wide 16-19 planning of education and training places and draws attention to the following:

- A significant group of young people who are not in education, employment or training (NEET) would be well served by 'stepping stones' provision – a programme built on close liaison between the school and the proposed new provider.
- There is a need to improve provision and marketing of entry level and level 1 programmes.
- Between 20% and 50% of those young people who currently opt out of education and training at the age of 16, might be persuaded to continue education and training in either a school or college setting if information, advice and guidance is well targeted.
- Specialised diplomas are likely to prove popular for up to 40% learners. However, there is a danger of creating an over supply of places.

12. In terms of direct delivery, York Training Centre (YTC) delivers a wide range of learning opportunities including Apprenticeships and National Vocational Qualifications (NVQs) in a range of occupational areas. Working with local companies, and supported by York Training Centre's experienced staff, people of all ages are given the opportunity to gain valuable work experience, achieve a nationally recognised qualification, and progress into sustainable employment or further learning. The main programmes include:

- Apprenticeships for 16-24 year olds at level 2 and 3.
- E2E (level 1 apprenticeships – either NVQ qualifications at level 1 in certain occupational areas or a generic Preparation for Employment qualification) for 16-18 year olds.
- Work Related Learning for 14-16 year olds in partnership with the majority of York Schools.
- Delivery of first NVQ level 2 qualifications to 40 learners in conjunction with Adult Community Education.
- Delivery of NVQ level 2 and 3 qualifications in Early Years Care and Health and Social Care to learners aged 25+ via an ESF contract with Providers in Partnership (PIP).
- Private training (mainly NVQs) to individuals and employers.

The financial position of YTC remains tight but new contracts are continually sought to improve viability and efficiency. YTC has a small number of apprentices within the council and is working to increase this significantly in the current and future financial years. A contract worth around £60k has recently been secured to work

with young people (predominantly 16-18 years old) currently 'not in employment, education or training' (NEET). This will enhance the E2E work mentioned above. YTC was part of the Adult Learning Inspection carried out last year and received a good assessment as part of this.

13. The Council also plays a leading role in Future Prospects, a partnership involving York College. Future Prospects has achieved continued success in all areas of their service, becoming the only organisation nationally to win the prestigious matrix Excellence award for a second time. This year has seen the further extension of ESF/LSC provision, including an innovative project focused on developing the employability skills of young people who have achieved level 2, 3 or 4 qualifications which has involved the entire Future Prospects team. The core service of advice and guidance has seen the addition of several new skills development initiatives which have now evolved as integral parts of the service. The programmes neatly complement the enrolment services and act as a powerful driver for widening access to learning and supporting new people to enter a changing labour market. Full details can be found in the Annual Report for the financial year 2006/07 at www.futureprospects.org.uk in the "About Us" section. In the past 12 months Future Prospects has completed the following key outcomes:

- 96,584 contacts were made with Future Prospects
- 6,158 enrolments to York College and CoYC Adult Education courses were processed, with an additional 900 enrolments onto other partner provision.
- 23,815 contacts (individual users each day) were made through our website
- 13,057 in-depth advice sessions with 2,834 people entering learning programmes and 497 entered work
- 1,843 doors were knocked
- 7,453 clients attended drop-ins through 1300 sessions both at Future Prospects and in the community
- 109 clients aged under 25 entered work
- 101 disabled clients entered work through the DAWN project
- 681 people accessed the ICT in the Community project
- clients expressed a 98% satisfaction rate with the service.

In terms of significant issues related to skills, the Future York Group report has indicated a number of key recommendations for the Council to consider. These are identified below, together with some initial responses based upon dialogue with the Learning City Partnership and the Learning and Skills Council (LSC) identified in italics:

S1: We recommend that City of York Council work with business and other key partners, and support the work of Learning City York, in analysing the city's skills needs and the spatial mismatches between labour demand and supply. This will enable more specific targeted policy responses to be developed.

Strategies and infrastructures are already in place to respond to this recommendation by building on the Adult Skills Strategy and the 14-19 Strategy for Education & Training. Both strategies need to review progress in light of Future York report and, given new national policies and ministerial changes, there is a need to review the role, responsibility and funding of the Learning City (York's Lifelong Learning Partnership). Currently, the LSC leads on the remit for and funding of adult skills (post-16), with the exception of Higher Education. One of the

biggest risks of the new ministerial changes is that by separating 14-19 funding from adult and HE (with commissioning responsibility for 16-19, as well as pre-16 transferring to the LA), the benefits of education working across all ages may be lost. There is also a risk of losing the benefits and contributions of FE, work-based learning and apprenticeships (all identified as critical to the future of the UK economy by the Leitch report). Conversely, there is an opportunity to strengthen Learning Partnership arrangements in the city for education, training and skills (14-19 and adult) to ensure that the generic skills issues that we need to tackle across all ages are co-ordinated and the learner journey is seamless.

S2: It is essential that all of the city's residents are given the opportunity to develop basic employability skills. We encourage schools, colleges, NYBEP, the LSC and Learning City York to work together to develop this guarantee. We recommend that, given the importance of creativity, enterprise and innovation to York's economic success, partners should work together to ensure these skills are also developed among young people. In addition, we recommend that education providers involve local employers in promoting the qualities that employers are seeking to young people. Employers should be encouraged to participate in these activities.

*Current and proposed initiatives to respond to this recommendation include: **Employability skills (inc. Creativity, enterprise & innovation)** are already picked up through 14-19 Strategy and work that NYBEP is leading on to embed 6 key work-readiness skills within the curriculum. These 6 key employability skills were identified by the Business Forum (group of large local employers who meet with NYBEP to support Business Education Links;*

***Young York Award** concept - Develop a framework that will formally credit the transferable 'life/work' skills that young people acquire through their contribution to society, community participation and volunteering, as well as their programme of education or training*

S4: We recommend that City of York Council support the work of Learning City York, and work with partners, including employers at Science City York to increase the proportion of the workforce with technical skills. We also recommend that more opportunities be developed for graduate placements with relevant employers, to facilitate a greater number of opportunities for both employers and graduates to transfer knowledge and skills.

This is considered within the Adult Skills Strategy – however, there is a need to further develop a specific Science City Skills Strategy for each sector that will underpin the Adult Skills strategy. More multi-agency sector specific initiatives, such as the SRAP funded Creative Opportunities programme that addressed 'technical skills', 'business skills' and 'inspirational' activities for different client groups ie: adult community, graduates, aspiring entrepreneurs, (Learning City managed, working with Science City, Higher York, Future Prospects, York College). This will be developed / co-ordinated by the new SCY Skills Co-ordinator through the Science City Skills Committee & Learning City networks. Yorkshire Forward Higher Level Skills funding should help to support this area.

S5: Innovation and entrepreneurship are vital in sustaining competitive city economies. We recommend that City of York Council and key partners develop a more proactive approach to the development of an entrepreneurial workforce.

*Current initiative to respond to this is the **Entrepreneurship for young people (16-30) scheme** – Business Link has set up an Enterprise Cafe group to develop an action plan to address key priorities that will help to stimulate entrepreneurship*

activity and inspire young people, 16-30. The ad-hoc group (supported by Yorkshire Forward) includes Learning City, Future Prospects, NYBEP, University of York. 9 key priorities have been agreed by the group and these are to be shared with wider stakeholders (inc. CYC) to ensure that the work is co-ordinated. There are also links to the emerging Employer Engagement Strategies through 14-19 & Adult Skills

S7: We recommend that City of York Council work with key partners and relevant stakeholders to ensure that the disparity in incomes within the city does not widen as the economy expands. Positive action is taken to ensure that as many residents and employees as possible can benefit from new economic opportunities. This again links to the *Adult Skills Strategy*; *there is also a proposals to develop a worklessness programme targetted on the most disadvantaged areas of the City, seeking funding through ESF and SRIP – this will aim to engage with employers to provide intermediate labour market opportunities.*

Corporate Priorities

14. The review report relates to the following objectives for the Council, the Economic Development Service Plan and the LSP Without Walls initiatives.

* The “Thriving City” theme of the WOW Community Plan has the following strategic objective:

“To support the progress and success of York’s existing businesses and to encourage new enterprises in order to maintain a prosperous and flourishing economy that will sustain high employment rates.”

* The Economic Development Service Plan sets identifies a number of corporate priorities:

- DIP 5 Increase people’s skills and knowledge to improve future employment prospects.
- DIP 6 Improve the contribution that Science City York makes to economic prosperity.
- DIP 8 Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city.
- DIP12 Improve the way the Council and its partners work together to deliver better services for the people who live in York.

Implications

15. Financial: There will be direct financial implications for the City of York Council in responding to this review report and the findings of the Future York Group report. These have not been costed at present, pending the views of Members on the review report. Any future costed proposals will therefore need to be considered as part of any future reports to the Executive or considered as part of the 2008/09 budget process.

16. Human resources: None directly at present but will need to be considered further as part of any future report.

- 17. Equalities: None
- 18. Legal: None
- 19. Crime and Disorder: None
- 20. Information Technology: None
- 21. Property: None

Risk Management

- 22. In compliance with the council's risk management strategy. There are no risks associated with the recommendations of this report.

Recommendation

- 23. The Executive's input and views on the review report are requested.

Reason: To help shape the effectiveness of future action.

Contact Details

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Report Approved



Date

12/9/07

Specialist Implications Officers: None

Wards Affected:

All



For further information please contact the author of the report

Background Papers: The Future York Group report – an independent strategic review of the York economy, June 2007