

York & North Yorkshire Economy and Skills Board

13 January 2010, 14.00 – 16.00

Congyngnam Hall, Knaresborough

A buffet lunch will be available from 13.30

A G E N D A

Welcome and introductions and Apologies

1. Minutes of the meeting

2. Matters arising

a. Feedback from LGNYY

There was a request for feedback at the last meeting on the Empty Property rates issue from the discussion at LGNYY

3. Yorkshire and Humber Strategy - *To report on the current position on the strategy and the implications for this board including working with the transport , Housing and spatial planning boards towards the development of a sub regional strategy*

4. Economic Assessment of York and North Yorkshire -*One of the principal parts of the agenda namely a progress report on the economic assessment including some early results. The board can feed in their views on the work for the next two months before their next meeting*

5. Cultural Strategy - *To consider the draft cultural strategy and to make observations prior to endorsement at a future meeting.*

6. Leeds City Region Forerunner Pilot - *To provide information and explore connections with the economy and skills aspects of the Leeds City Region forerunner pilot*

7. York and North Yorkshire Work and Skills partnership - *Report of the work of the partnership, the development of private sector engagement and to note the agreed sub regional priorities on skills*

8. European Regional Development Fund (ERDF) – *Report on the issues in implementing the ERDF programme.*

9. Business Support in York and North Yorkshire – *report for information on the issues in taking forward business support in the sub region.*

10. Any Other Business

Future Meetings

18 March 13.00 – Ryedale House

17 June 13.00 – TBC

14 September 14.00 - Congyngnam hall

Jonathan French

York and North Yorkshire Partnership Unit

YORK & NORTH YORKSHIRE ECONOMY & SKILLS BOARD

19TH October 2009

MINUTES of the Meeting

PRESENT

Cllr John Watson	(NYCC)
Cllr Andrew Waller	(City of York Council)
Cllr Richard Foster	(Craven DC)
Cllr Christopher Knowles-Fitton	(Craven DC)
Cllr Tony Hall	(Hambleton DC)
Cllr Mike Gardner	(Harrogate BC)
Cllr Keith Knaggs	(Ryedale DC)
Cllr Brian Percival	(Selby DC)
Cllr Tim Lawn	(North Yorks. Moors)
Cllr Carl Lis	(Yorkshire Dales NPA)
Liz Philip (Principal)	(Askham Bryan College)
Helen Black	(NYFVO)
Anj Handa	(Leeds, York & North Yorks. Chamber of Commerce)
Dorothy Fairburn	(Country Landowners Association)
Thea Stein	(Yorkshire Forward)

IN ATTENDANCE

John Marsden (Chair of Partnership Executive)
Jonathan French (Executive Manager – Y&NY Partnership Unit)

APOLOGIES

Cllr Jimmy Wilson-Petch	(Richmondshire DC)
Cllr Chris Metcalfe	(Regional Work & Skills Partnership; Ex officio)
Brian Cantor	(Vice Chancellor, University of York)
Joanne Fryett	(North East Chamber of Commerce)
Barry Dodd	(Yorkshire Forward)
Julie Hutton	(Yorkshire Forward)

n.b. A representative has not yet been appointed by Scarborough Borough Council.

John Watson welcomed representatives to the first meeting.

He noted this was one of four sub regional boards for York and North Yorkshire, which were themselves replicated in other functional sub regions. It was early days as to how this structure might work or develop and it would be a matter that would be kept under review.

In respect of the role of the Board he noted that influence on the economy was inherently limited, but the importance of the board was to identify specific needs jobs that could be addressed such as infrastructure, connectivity or sites. There was a need to keep these tasks under constant review.

- 1. The Economy of York & North Yorkshire**
- 2. Impact of the downturn**

1.1 Jonathan French introduced the report which sought to promote an open discussion on the economic prospects for York & North Yorkshire in the

context of the proposal to draw up an economic assessment for the sub region.

1.2 The report set out the position in respect of producing an economic assessment for the sub region and also moving forward to statutory economic assessments in 2010.

1.3 The report then addressed the question of "How do we earn our living in 20 years time?" and set out some possible scenarios for business sectors, spatial areas and some other issues.

1.4 Jonathan French also introduced the report on the economic downturn and its effect on the sub region. The main conclusion of this report is whilst we would see unemployment rise, one of the critical issues would be the effect on commercial property investment, particularly in peripheral areas.

1.5 The Board considered these two reports together. The following points were made:

Liz Phillip – observed that 30% of the United Kingdom food processing industry was within 12 miles either side of the M62. 38% of the nation's sheep flock was in Yorkshire and the North East and 28% of the Beef herd. She observed that agriculture and the food and drink industry were becoming much closer together.

Brian Percival – was concerned about the changes in the economy and we would not necessarily see an increasing number of people working in farming but need to understand what the overall effect of agriculture is. We also need a more non food and drink manufacturing.

Dorothy Fairburn – Livestock is currently doing better but arable less so. She was interested that the numbers of agriculture students were higher than expected and there was a higher market demand for land.

John Watson – wondered whether this was the result of demand for production or the sensitivities of agriculture to the exchange rate.

Keith Knaggs – said it was important to look at the uses of rural land and supply chains – but it was less about employment. The supply chain issue was critical as was the importance of bio-mass and food security. He observed that he wanted discussion at the ESB to be relevant and to understand the role of the public sector in supporting infrastructure and not necessarily picking winners. He observed that micro-businesses starting now would be the major businesses of the future and he felt that might be one of the purposes of the Board to support that.

Christopher Knowles-Fitton – One of the critical issues was the future climate and the effect of farming and tourism. He felt that the Board had the potential influence over economic change and it was important to have research which determined the appropriate way forward.

Andrew Waller – He noted that experience from flood defence research showed that climate change would be difficult to predict but clearly there would be a smaller geographic area that could be devoted to agriculture. Flood management could have quite an impact on the future use of land. He emphasised the importance in the business sectors of Science and Technology which presented a whole range of opportunities. He also noted the importance of the growth of Heslington East and stressed the opportunity of the move of Civil Service jobs from London.

Richard Foster – the growth in the population of the world would in itself have an impact on agriculture. He expected that prices would increase but one has to also take into account the changes in the common agricultural policy, particularly after 2013.

Helen Black – supported the importance of the health and social care industry and the impact of demography, heightening the difficulty is attracting young people to work in it. That was also linked to the issue of affordable housing. She also noted that the voluntary and community sector itself employed 10,500 people.

Mike Gardner – he also felt that health and social care was a growth industry. In respect of the purpose of the ESB, he felt that it was about encouraging business but also addressing the problems of housing and transport. He thought the food and drink was a growth industry especially in manufacturing. He was pleased that Yorkshire Forward had given its support for the Harrogate International Centre. He felt that analysis should emphasize the importance of the major towns such as York and Harrogate.

Thea Stein – supported health and social care issues and noted that a third of current vacancies were in that sector. She understood the issue about many small employers. There were significant opportunities in the development of healthcare technology which drove up GDP but did not necessarily increase employment significantly.

Carl Lis – stressed it was important to promote green business and the low carbon economy was a potentially massive growth area.

Anj Handa – emphasised the importance the ICT and telecommunications to provide support to micro businesses and also to support the sub region connecting to global markets. It was difficult to forecast what might be happening in 20 years time.

Brian Percival – was concerned about the continuing problem of empty property rates. He felt that there was significant potential in green industries and working with the University of York. It was important to retain young people which was much more difficult outside the York, Harrogate area.

Tony Hall – Hambleton district – was a net loser of young people. This was one of the products of a high quality education. He noted that young people would have to have a different attitude to work and could have multiple careers in the future.

Andrew Waller – agreed in respect of the issue of empty property rates and the potential for green jobs. In York it was important to keep working on the major sites and to ensure that jobs are created locally to meet local needs. A recent project in Westfield had good examples how it was possible to encourage people to take up employment.

Mike Gardner – in respect of the downturn in Harrogate, finance and business services were still growing and they were still hoping to build on the Hull Colleges presence to develop higher education. The Leeds City Region represented a significant opportunity.

Thea Stein – Yorkshire Forward are lobbying on empty property rates. It was observed that more businesses tend to fail as we came out of recessions rather than as we were going into it. One important aspect of green businesses was a proposed carbon capture scheme which would benefit the southern part of the sub region.

Keith Knaggs – also agreed on the empty property raised issue and also was concerned about the lack of finance to support commercial development. Banks were still shrinking their balance sheets and this was a real problem for the future. He wondered whether credit unions might have a role in addressing some of the gaps in finance.

Tim Lawn – was concerned about young people and observed how they might develop further their training which was often with very confusing patterns.

Liz Philips – Training was important but were sometimes difficult to deliver in the service sector. There is a need to focus on those areas which might benefit those not in education, employment or training (NEETS).

1.6 John Watson summarised the discussion which had raised the issues around the impact of climate change and its effect on farming and tourism. He thought these industries made the local economy more “recession proof” than elsewhere. He noted that high levels of employment were not necessarily the same as high levels of GVA. Certainly, he thought it was important to raise the issue of the empty property rates at Local Government North Yorkshire and York (LGNYY). He noted from his own experience, in terms of investment capital, North Yorkshire firms had not taken up the opportunities created by the PIF and supported by the previous European Union Funding regime. £10 million had been notionally available for the Objective 2 area in the sub region, but only 3 million had been taken up.

3. Terms of Reference for The Board

3.1 Jonathan French introduced a report setting out the proposed terms of reference for the Board which were based on a discussion by LGNYY in June. The Board reports to LGNYY and they will need to approve these terms. Anj Handa wanted to ensure that there was feedback from both LGNYY and any other organisations to which this board would make observations and representations to. John Watson said that certainly there would be feedback and responses to the following meeting of any issues raised.

3.2 Anj Handa also asked whether it might be appropriate to ask relevant parties to give the Board the information we need on specific topics. John Watson said he wanted to avoid “interesting” presentations, a point Anj handa agreed with, and there was a need to consider in more detail what were the areas of influence that the board wished to develop and which of those had a practical benefit. He thought this might include infrastructure, connectivity, transport and education.

3.3 Tony Hall observed it was important to add value and to keep an eye on outcomes. He also observed that it would be difficult for him to supply a substitute that wasn't an officer.

3.4 Thea Stein observed that the world of skills and learning was becoming more complicated especially as the Leeds City Region would be developing commissioning powers for adult skills. There needed to be a reference to that in the terms of reference and also to consider the issue of the emerging regional skills strategy which this board could influence. She felt that under Item I, it was not appropriate to use the term influence on the work of the regional work and skills thematic board as she said that should derive its priorities from below. It was a matter of building up policy and knowledge.

3.5 Andrew Waller said that in respect of Item 'w' he thought it might be appropriate to say issues appertaining to the North Yorkshire Strategic Partnership rather than the County of North Yorkshire which the City of York Council had not been involved in.

3.6 It was agreed that the terms of reference be adopted subject to the suggestions made at the meeting and forwarded to LGNYY for approval.

4. CURRENT ISSUES

4.1 This report dealt with a series of current issues on economic assessments, engagement of the private sector, European Regional Development Fund and Geographic Programmes. There is a brief presentation on each issue and the meeting had a discussion around how ERDF might be managed more

effectively. In particular, how effective would be a reduction of the threshold to £250,000 for individual projects. It was felt that this would give greater flexibility. One of the issues for ERDF was the exchange rate impact actually increasing opportunities. There was a need to bring in smaller projects into the system.

4.2 The reports were noted.

5. FUTURE WORKPLAN

5.1 This report covered the potential workplan for the Board which had already been discussed to some extent in the earlier items.

5.2 John Watson thought it was important at each meeting to discuss the economy and then began to consider what the Board might seek to influence and what were the major issues to take forward. He thought perhaps it would be useful to have a discussion on transport and possibly broadband.

5.3 Tony Hall said that it was important that we didn't duplicate discussions at the local level and addressed matters that added value.

5.4 There was a discussion on the importance of skills and in particular further education. There is a need to be a much more sharing of intelligence to tackle skills shortages for businesses. Liz Philip thought it might be useful to discuss some of these issues more explicitly with FE principals at this meeting.

5.4 John Watson proposed that he and Jonathan French discussed further how we might take forward the Agenda.

6.0 ANY OTHER BUSINESS

6.1 There was no other business.

Jonathan French

*York & North Yorkshire Partnership Unit
01904 477974*

Future dates (venues to be arranged)

13 January 14.00

18 March 13.00

17 June 14.00

15 September 14.00

YORK & NORTH YORKSHIRE ECONOMY AND SKILLS BOARD ITEM 3

13 JANUARY 2010

YORKSHIRE AND HUMBER STRATEGY

Purpose of the Report

1. This report sets out the importance of the work on preparing the Integrated Regional Strategy (IRS) to the objectives of this sub regional board. The IRS is now referred to as the Yorkshire and Humber Strategy. The IRS was a product of the Sub-regional review of economic development and was included in the Local Democracy, Economic Development and Construction Act 2009 which was given Royal Assent in October.

2. It draws together into one document the previously statutory based Regional Spatial Strategy and the non-statutory Regional Economic Strategy. The work on economic development undertaken by local authorities and their partners since the formation of the Regional Development Agencies has been working within the context of the Regional economic Strategy first drafted in 1999. The new strategy will take over that function, including incorporating the regional skills strategy, and link it more effectively to other issues such as transport, housing and spatial planning.

3. This reports sets out the background and some of the issues that may be raised and considers how this board fulfils its role.

Background

4. Responsibility for developing the Yorkshire and Humber Strategy rests with local authorities (working together regionally through Local Government Yorkshire and Humber) and Yorkshire Forward, the Regional Development Agency. The overarching Joint Regional Board (JRB) will oversee the development of, and approve, the Strategy.

5. Six workstreams have been established to bring together key partners and technical expertise from across the region, including all four functional sub regions. These will work together and have strong interrelationships. The workstreams are:

- Economy and Skills
- Transport
- Housing and Regeneration
- Spatial Planning
- Climate change and Environmental Resources
- Quality of Life and Equalities.

6. Transport, housing and regeneration and spatial planning are led by regional thematic boards which are mainly replicated by boards in York and North Yorkshire. This board takes responsibility for economy and skills issues and also regeneration. Regionally the skills strand is dealt with by the regional Work and Skills Board and Yorkshire Forward itself leads on the economy issues.

7. The other two workstreams have a less developed presence and will have a relationship to other structures such as the region's Climate Change Partnership and a new, independent Sustainable Development Board.

8. Within each of these workstreams, 'Key Lines of Enquiry' have been established in consultation with partners. These express the strategic challenges facing the region as a series of questions. They will guide what information and evidence is sought and pulled together to inform the content of the Strategy. The elements for the economy and skills theme are attached in Appendix 2.

9. The Joint Regional Board has agreed that the Yorkshire and Humber Strategy will be more spatially specific, and built from local and functional sub-regional priorities. Functional Sub-Regions have a central role to play in contributing their perspective to the Yorkshire and Humber Strategy.

Initial Steps

10. A Project Plan for the IRS was approved by the Joint Regional Board (JRB) in October. This includes a timetable for IRS development setting out a process for refining understanding of the evidence and the policy implications in a series of incremental steps. The JRB will be the principal decision making structure at regional level and many of the stages in the timetable are structured to inform key decisions that need to be taken by the JRB.

Stage 1: Project Planning & Key Lines of Enquiry, August – October 2009

Stage 2: Initial Evidence & Outcomes, November – December 2009

Stage 3: Further Evidence & Developing Policy Options, January – July 2010

Stage 4: Consulting on Policy Options, August – October 2010

Stage 5: Production of a Draft IRS, November 2010 – January 2011

Stage 6: Statutory Consultation on Draft IRS, February – April 2011

Stage 7: Examination in Public, June - December 2011

Stage 8: Regional Refinement & Finalisation of the IRS, January – October 2012

11. The outcome of the national election may lead to a change in the approach to regional strategy.

12 The Joint Regional Board had a discussion on 18 December on some of the high level outcomes and strategic choices. These are set out in a report to the JRB and reproduced in Appendix 1. The report gives an indication of some of the issues that need to be considered in the preparation of the Strategy.

Issues for this Sub Region

13. The Partnership Unit has facilitated discussions between the sub regional theme officer leads for housing, transport, spatial planning and the economy and that group will start meeting Yorkshire Forward staff from their Chief economists unit, strategy section and the sub regional offices on a regular basis along with a planner from LGYH.

14. In that context Chief Executives in the sub region meeting at the Partnership Executive (for Economy and Skills) considered whether there should be some form of sub regional integrated Strategy. It was felt that this would offer some benefits especially in drawing together the work of the themes and providing an

advocacy position both for the IRS but also in the context of working with Leeds and the Tees valley City Regions. The view was that this might be a 'light' document that might be prepared in the April to July 2010 period to feed into the development of policy options stage of the IRS.

15. For the Economy and Skills Board the initial issue is to ensure that the economic assessment (see next item) properly reflects the opportunities in the sub regional economy and its aspirations. A bottom up approach to the regional strategy will require an effective articulation of the sub regions view.

Regional Improvement and Efficiency Programme (RIEP)

16. The Board needs to be aware that this activity is being supported by RIEP funds of £297,000 made available from LGYH's economy strand. This is supporting

- Preparation of the economic assessment
- Engagement with the private and voluntary sectors
- Support for the spatial planning work
- Joint working in the York sub area
- Preparing a sub regional strategy
- Liaison on climate change and quality of life workstreams
- Coordination of data with CAA work

It is recommended that this report is noted

Jonathan French
York and North Yorkshire Partnership Unit

Appendix 1

JOINT REGIONAL BOARD MEETING: 18 DECEMBER 2009

REPORT BY: TIM FRENNEAUX, LES NEWBY AND RICHARD WOOD

AGENDA ITEM 6: YORKSHIRE & HUMBER STRATEGY - AMBITION AND OUTCOMES

SUMMARY

1. This paper is to inform a discussion about the high level outcomes of and strategic choices made within the Yorkshire and Humber Strategy. The focus at this point is on *what* we are seeking to achieve, rather than on *how* or *where*. Existing evidence informs the content presented here. Equally the priorities from the Joint Regional Board (JRB) will help to direct future evidence work and development of a series of Policy Options from April 2010. A presentation will be given to the JRB which highlights potential outcomes and strategic choices linked to evidence.

PUBLICATION UNDER FREEDOM OF INFORMATION ACT

2. This paper has been made available under the Freedom of Information Act.

BACKGROUND

3. Previously, at its July meeting, the JRB considered initial evidence in relation to the six Workstreams and from the Functional Sub Regions (FSRs). This began to clarify some priority areas such as economic ambition, knowledge performance, land and infrastructure, low carbon challenge and demographics. The JRB supported the goal of delivering Sustainable Economic Growth¹ and agreed on the need to move towards a low carbon economy and that issues around equality and quality of life should be a core part of what the Strategy ultimately delivers. Issues around skills and transport were also prominent.
4. Work is currently underway to further develop and refine the evidence that supports the Strategy, through the six Workstreams, and the FSRs. The FSRs are specifically developing initial Economic Assessments and Spatial Planning Assessments to feed into the evidence base, and are working with all Workstreams. Evidence gathering continues until the end of March 2010, and the interrelationship between Workstreams (e.g. climate change and economy) will be a key area to explore in future evidence work.
5. The choices presented in this paper are informed by the available evidence and the context for the Strategy and will provide a valuable steer on overall direction.

CONTEXT & DRIVERS OF CHANGE

6. Before considering the choices we need to take, it is worth considering the context in which we are developing the Strategy. This includes:
 - Globalisation – with increased economic opportunities and competition;
 - Rapid technological change;
 - Global recession, stimulated by unsustainable debt and a reliance on consumption as an economic driver;
 - Reduced public spending in future years;

¹ Economic growth that *can be sustained* and is *within environmental limits*, but also *enhances the environment* and *social welfare*, and *avoids greater extremes* in future economic cycles

- Climate change with rising temperatures, sea levels and more extreme weather;
- Limited natural resources and rising energy costs, but new market opportunities;
- Household growth and an ageing population with increasing demands (e.g. healthcare) but also opportunities; and
- Inequalities and perceptions of social injustice, in part linked to knowledge economy trends and the growing gap between high skilled jobs that pay best and lower skilled jobs.

OVERALL AMBITION ON SUSTAINABLE ECONOMIC GROWTH

7. Sustainable Economic Growth is not something that the region or others, have fully achieved in the past. Going forward, a strong economy that delivers quality of life and stays within environmental limits will demand new thinking and new priorities, and this will present some tough strategic choices. It is useful to break these down into two phases of discussion, first an overarching one about our ambition on each element of Sustainable Economic Growth, then a consideration of some of the key strategic choices that follow on from this.
8. At the overarching level, it will be important to consider how ambitious the region wants to be on each of the three main elements of sustainable economic growth. Those being:
 - A strong economy that maximises output and **Gross Value Added (GVA)**
 - A **low carbon economy** with radically reduced carbon emissions
 - Societal benefit, with improved **quality of life** and/or reduced inequality
9. One way of considering outcomes on these three elements above, is to provide a steer on how ambitious the Strategy should be on each. To provide a rough gauge, five levels of ambition are suggested as options.

Level 1 - *Neutral ambition* - let events take their course, whether positive or negative

Level 2 - *Prevent decline* - ensure outcomes do not worsen compared to previously

Level 3 - *Steady improvement* year on year, broadly in line with national trends

Level 4 - *Radical progress* closing the gap to national average where we lag

Level 5 - *Transform performance* - potentially enough to become a global leader

10. However much 'win-win' solutions are desirable, it is unlikely that we would be able to achieve 'transformational performance' in more than one area. Equally, given the evidence on change over previous decades and on current challenges, there are some givens that frame choices. For instance, on a narrow assessment of growth, the North has been unable to 'close the GVA gap' with London/the South East over many decades. Doing so would be very challenging or potentially unachievable, and the JRB has previously questioned whether matching the south is the right kind of distinctive vision for the region. If that is accepted, then a level of ambition above 'Level 3' on GVA would be difficult to deliver. On Climate Change, given targets to reduce national emissions by 80% by 2050 and that these are based on scientific evidence, it would be difficult to adopt a level of ambition below 'Level 4' on Low Carbon Economy that is consistent with Sustainable Economic Growth.
11. **The first key discussion for the JRB is to suggest broadly what level of ambition should be set for each of the three issues (a-c) above.**
12. The overall ambition on outcomes and outline vision should be informed by – and has consequences for – a number of key policy choices that the region faces. These are now covered. It is also noted that the ambitions and outcomes (in paragraph 8) are general ones based on what the Yorkshire and Humber Strategy seeks to achieve overall, rather

than where or how it is delivered. Some of these points are raised now they will be explored in more depth later in the Strategy process.

STRATEGIC CHOICES

13. There are a series of strategic choices to make about the approach we wish to follow through the Yorkshire and Humber Strategy. It is simplest to present these as choices between two contrasting approaches. However, in reality it is rarely an 'either/or' decision and there are spectrums of choice between the two opposing poles that are presented. The circumstances and preferences around choices may also vary significantly between FSRs. Annex A outlines some draft spatial outcomes, which suggest some of the anticipated variation across the region. FSRs will also have the opportunity to look in more detail at the issues and priorities within their own areas as the Strategy process develops. At this point, the main thing is to present an overview that stimulates debate and a steer that will help to further build the evidence base and Policy Options based on it.
14. Three Strategic choices are presented below. All of these follow on from the discussion about the choices and implications of Sustainable Economic Growth and often integrate the three main elements that were pulled out earlier. For instance, issues around a low carbon region are covered in the first two choices below:

(a) Resilient Economy v Maximum Growth Fast

This choice is essentially about a focus on short term GVA growth, with the sole aim of boosting output and employment, versus a longer term approach of creating a diverse and rounded economy that is well placed for sustainable (if potentially less spectacular) growth and to withstand future economic shifts and shocks. The term Sustainable Economic Growth tends to infer the latter, and to put more onus on an economy which provides a good quality of life, whilst remaining globally competitive and environmentally responsible. Aspects of a low carbon economy could though potentially play into both the main options. On one side, it is based on a very long term issue and is a response to trends (e.g. energy resources and prices) that will impact on future resilience. However, many argue that there are great growth prospects for low carbon technologies, so low carbon could also be part of a 'maximum growth' strategy.

(b) Planned, Low Carbon Development v Market Led Approach

Different approaches could be adopted in shaping the spatial development of communities and places across Yorkshire and Humber. Whilst all approaches will need to be sustainable to some degree (meeting environmental, social and economic objectives together), the extent and way in which that is achieved could be very different. For physical development, especially housing and transport, a key choice is between a planned approach which seeks to secure the multiple outcomes the region may want or one which goes firmly with market forces and facilitates development where they dictate.

An example of the market led approach would be to focus on a few 'growth poles' with greatest economic potential and to capitalise on those strengths. This approach would focus on the scale and profitability of development and pay less regard to the transport or carbon impacts or to accessibility or affordability needs. In contrast a planned approach would put more emphasis on addressing needs, influencing the market and sharing benefits in order to support regeneration and to avoid overheating in stronger performing areas. It would look more at influencing the distribution, quality and impacts of development. For instance, it may put more focus on access to quality housing, that reduces carbon impacts and fuel poverty, and which is accessible by public transport. A planned approach may also put greater priority on adapting to climate change impacts (e.g. flood risk) and to respecting environmental limits.

(c) Trickle Down v Proactively Tackling Inequalities

In the trickle down model, the key goal is to maximise the total amount of wealth that is created, wherever that may be. The presumption is that growth will eventually feed through to all communities through employment, spending and the multiplier effect. The opposite view is that wealth will not automatically reach those in greatest need, and it is the distribution of wealth and opportunity, as well as the totals and averages that count. The definition of Sustainable Economic Growth puts emphasis on making sure that economic growth benefit members of society and reduces inequalities. However, there is scope for debate about whether a needs or opportunity driven approach best delivers this. This issue relates to areas such as housing and transport and environmental quality as well as to prosperity. It has strong links to 'ladders of opportunity' such as education and skills.

15. Providing a steer on the overall direction within the three policy choices set out above will be valuable in sharpening the focus of future evidence work, and to shaping the Policy Options that are subsequently presented so that they broadly reflect JRB views.

THE YORKSHIRE AND HUMBER LEVEL – RELEVANCE AND INFLUENCE

16. All of the policy choices that have been considered are to a greater or lesser extent, applicable at all geographical levels and are part of the core issues that the JRB (and Government) have previously said that the Strategy should consider. It is also worth considering the influence of the Regional Strategy alongside other forces. Clearly, whilst the Strategy will be designed to help secure desired outcomes, other forces such as the market, other public sector activity, legislation and individual choices will all impact. It is therefore important that we focus on how we can drive change through the implementation of the Strategy. Chiefly this means how we invest public sector resources, how we use the planning system to shape development, and the extent to which we provide leadership which has influence.

RECOMMENDATIONS

- (a) To provide a steer on the overall level of ambition that should be set for key aspects of sustainable economic growth (GVA, low carbon economy and quality of life); and
- (b) To consider the strategic choices and agree a preferred approach to each of the issues set out (on economy, development and inequalities).

Indicative Spatial Outcomes for the Functional Sub Regions

Discussions have been taking in place with each of the Functional Sub Regions on the sub regional spatial planning assessments that will, alongside other work, underpin the development of the Yorkshire and Humber Strategy. These discussions have included potential overall and city/sub region based spatial outcomes, to help provide a starting point for further work.

The Spatial Planning Thematic Board considered the collective implications of these discussions on 14 December 2009. The indicative outcomes that were considered are set out below for the Joint Regional Board for the purpose of providing a sub regional flavour to the discussion on outcomes and ambition. The outcomes are spatially focussed and cover a range of different issues and provide thinking about what we are trying to achieve across the Functional Sub Regions.

The following South Yorkshire indicative spatial outcomes are put forward as a starting point for further strategy work (whilst discussions across the Sheffield City Region have started to identify what could be high level outcomes for the whole of the City Region, the following outcomes are focussed on South Yorkshire in order to feed into preparation of the Yorkshire and Humber Strategy):

- SY1** Urban centre focussed regeneration has transformed the structure of the economy, with higher rates of economic growth achieved whilst climate change challenges have been addressed.
- SY2** More balanced housing markets are meeting needs and providing high quality housing.
- SY3** The roles of Sheffield, Sub-Regional Towns, Principal Towns have been strengthened, particularly in terms of their competitiveness, sustainability, complimentary functions and ability to address social disadvantage.
- SY4** The wider Sheffield City Region is recognised as a key driver of a better performing North of England with strong links with both the Manchester and Leeds City Regions.
- SY5** Connectivity within the sub areas and to other sub areas and adjoining regions has been radically improved through high levels of investment in public transport and through the role of high speed rail connections.
- SY6** Environmental quality of the sub area has been enhanced.

The following Hull and Humber Ports indicative spatial outcomes are put forward as a starting point for further strategy work:

- HH1** The internationally recognised environmental and biodiversity qualities of the Humber Estuary have been protected and enhanced.
- HH2** The regeneration and urban renaissance of Hull has improved its role, performance and quality. Hull has become a strong focus for development opportunities and the provision of services and facilities. The role of Grimsby and Scunthorpe, have been enhanced and urban quality has been improved. Goole, Beverley, Driffield and Bridlington have also been enhanced and their urban quality improved.
- HH3** The potential of the Humber Ports as one of the UK's global gateways has been realised and the sub area's ports and associated activities have been supported significant regeneration and growth. This has been achieved without damage to the quality of the Humber Estuary.

The following Leeds City Region indicative spatial outcomes are put forward as a starting point for further strategy work:

- LCR1** Leeds City Region is the most significant economic driver of the regions economy with long term stability and the benefits of a strong economy are equitably spread

through the city region and wider region. In particular, this has helped to address labour market disparities.

- LCR2** The roles of sub regional cities and towns and principal towns have been strengthened by developing complementary functions and maximising their links and connectivity with each other and to Leeds.
- LCR3** There has been significant shift towards more sustainable modes of transport and connectivity has been radically improved.
- LCR4** The role and function of Leeds City Region sub area complements and supports the role and function of places in the overlapping South Yorkshire and York sub areas.
- LCR5** The environmental quality of the sub region has been protected and enhanced.

The following York and North Yorkshire indicative spatial outcomes are put forward as a starting point for further strategy work:

York Area

- Y&NY1** York's role has been strengthened, achieving significant population, housing and economic growth without detriment to the historic and natural environment of the city.
- Y&NY2** Principal Towns of Selby and Malton have been developed to compliment the role of York and serve the needs of their hinterlands.
- Y&NY3** The role of Local Service Centres has been supported by small scale development to mainly meet local affordable housing needs and economic and business diversification, without detriment to the quality and character of the natural and built environment.

Remoter Rural Areas

- Y&NY4** The sub area's outstanding environmental and built assets have been safeguarded and enhanced through a conservation-led approach
- Y&NY5** There has been diversification of the local economy to one based on predominantly small scale local enterprises and housing provision has focused on meeting local affordable needs.
- Y&NY6** To safeguard the quality of the sub area, facilitate complimentary economic diversification and enable accessibility to opportunities and facilities, there has been an emphasis on establishing links and networks both within this sub area and to adjoining sub areas. This has enhanced the long-term sustainability of communities, services and the sub areas as a whole.

Vales and Tees Areas

- Y&NY7** Growth pressures have been controlled and out-commuting reduced to support urban regeneration in the adjoining city regions and safeguard quality of life, environmental values and the character of the sub area.
- Y&NY8** Within the context of safeguarding the quality and character of the sub area, a more robust and diverse economy has been achieved by supporting the roles of the Principal Towns, building on the potential benefits of a growing Catterick Garrison and maximising the contribution of small scale economic commercial uses
- Y&NY9** Outside the Principal Towns, new housing provision has focused mainly on meeting local housing needs

Coastal Areas

- Y&NY10** The coastal environment, quality and character of the area has been protected and enhanced and its assets have been a driver to improve the quality of places and diversify their economic role.
- Y&NY11** Within the context of safeguarding the quality and character of the area the role of Scarborough and Whitby has been strengthened through an appropriate scale of housing development and economic diversification and the roles of the Local Service Centres have been supported by small scale development, to meet local housing needs and small scale economic diversification.

Appendix 2

The key lines of enquiry in the IRS for the Economy and skills strand are

- What is the global and policy context for economic development and what growth model and aspiration should the region pursue taking this into account alongside current position and opportunities and ambitions for moving towards a low carbon economy? What are the implications that stem from this?
- What are the key economic and employment growth sectors of the future? How can the region best take advantage of these, and what are the issues, threats and opportunities for the business base? What should the sectoral priorities be taking into account issues like growth, employment, skills, and trends in tourism and carbon emissions?
- How can the region maximise business competitiveness and productivity, promoting trade and investment and supporting businesses survival and growth?
- How far should the region be aiming to promote a culture of enterprise and the formation of new businesses? What would be the best ways to achieve that?
- What is the best way to embed recovery from the recession and to safeguard the economy from future downturns, e.g. through resilience and diversity?
- What is the likely nature and scale of the future 'knowledge economy', how is the region positioned regarding this and how can it best promote and take advantage of innovation in processes, technologies and services?
- How can the region enhance its current position on skills? What skills will be most needed by businesses and individuals (generic and subject/sector specific) and what is the role of and connection to education?
- What are future employment opportunities likely to be, and how will working patterns change? How can the quantity and quality of jobs be maximised?
- How can the region address deprivation and worklessness and their links to issues like health, crime and ambitions? How far would market driven economic growth reach the excluded communities, and what additional action is required to make a difference? What role might community economic development play?
- What energy and resources pressures and changes (e.g. Materials, energy, food) are likely and will these affect businesses and future market opportunities?

YORK & NORTH YORKSHIRE ECONOMY AND SKILLS BOARD ITEM 4

13 JANUARY 2010

ECONOMIC ASSESSMENT

Attached to this agenda is an 'Engagement Paper' on the York and North Yorkshire Economic assessment.

This will be the basis of a presentation to the Board at this meeting

The paper is designed to engage partners and interested parties in the work on the assessment. The initial assessment to feed into the regional strategy will be ready by March and work will then commence of the statutory assessments

The purpose in bringing this matter to this meeting is to show members some of the emerging issues, to promote discussion and also to give Board members an opportunity to ask for specific areas to be covered or considered in more depth.

Jonathan French
York and North Yorkshire Partnership Unit

YORK & NORTH YORKSHIRE ECONOMY AND SKILLS BOARD ITEM 5

13 JANUARY 2010

York & North Yorkshire Cultural Partnership & Cultural Strategy

Purpose of the Report

1. There are three main sub regional partnerships that take forward key areas of work within the remit of this Board. They are Culture; Work and Skills; and Business Support. Reports for each are on this agenda.
2. This report looks at Culture and informs the board on the development of the Cultural strategy. The strategy will come back to a future meeting for approval.

The York and North Yorkshire Cultural Partnership

3. The predecessor Board to this meeting, the York and North Yorkshire Development Board agreed in June 2008 to the re-establishment of the Cultural Partnership and that:
 - a. The Cultural Partnership would report formally to this Partnership Executive and through them to this Board
 - b. A financial contribution is made by each local authority, which would form part of the subscription to the Partnership Unit, in order to support the work of the Cultural Partnership.
 - c. The sub regional tourism coordinating group and the existing cultural partnership are integrated into a single Partnership
4. The new Cultural Partnership first met in March 2009, bringing together the tourism and cultural sectors in the sub-region. The new Culture and 2012 team also started at the Partnership Unit at the beginning of March, Emma Hoddinott is the Culture and 2012 Manager and Tania Weston the Culture and 2012 Delivery Officer. These posts have been funded mainly by North Yorkshire County Council and the Arts Council. The subscriptions from Local Authorities cover the secretariat costs for the Partnership.

The York and North Yorkshire Cultural Strategy

5. The Cultural Partnership Executive agreed to refresh the York and North Yorkshire Cultural Strategy which was originally written in 2004. Following a development period of six months, a draft strategy for consultation was launched at the York and North Yorkshire Cultural Conference on 1st October 2009. The draft strategy was produced following research, in-depth interviews with stakeholders, focus groups and workshops with over hundred key partners from the sub-region.
6. The York and North Yorkshire Cultural Strategy focuses on four priorities which emerged from the consultation as areas for better partnership working:
 - Celebrating the culture of York and North Yorkshire,
 - Discovering the Outdoors,
 - Developing our creative and cultural businesses, and
 - Experiencing culture in communities.
7. The strategy also highlights how partnership working can contribute to existing strategies and targets, as well as two underlying areas of the sub-

region's response to London 2012 Olympic and Paralympic Games; and Skills and Business Support.

- **Celebrating the culture of York and North Yorkshire** focuses on our strength of festival and events and makes the distinction between high growth festivals which impact on tourism and smaller community events. The priority also recognises the need for us to package our tourism and cultural experience more effectively.
 - **Discovering the Outdoors** theme looks at how the sub-region can promote outdoor adventure better and in particular looks to exploit our strength in cycling. A key success, however, was the successful bid for Dalby Forest to be the host venue for the 2010 Mountain Bike World Cup. This is a major opportunity for the whole of the sub region and the Partnership will play a crucial role in ensuring that the most is made of this event.
 - **Developing our creative and cultural businesses** has an ambitious aim of establishing a York and North Yorkshire network of creative hubs. This would highlight three areas for collaboration among existing and proposed hubs: capital infrastructure, support and networks and centres of excellence.
 - **Experiencing culture in communities** focuses on cultural participation and in particular widening access to it. Volunteering is also a major aspect of this strand and event volunteering is an opportunity presented by the London 2012 Games.
8. The underlying themes of the London 2012 Games and Skills and Business Support for the cultural and creative sectors are currently being developed through working groups.

Cultural Conference

9. Around 130 delegates attended the York and North Yorkshire Cultural Conference held in Scarborough on 1st October. The consultation strategy was launched by a presentation by Chair of the York and North Yorkshire Cultural Partnership, Richard Flinton. The conference and visit of Charles Allen – chair of the 2012 Nations and Regions Group – to North Yorkshire attracted significant press coverage including Yorkshire Post, Yorkshire Coast Radio, Scarborough Evening News, The Press, Darlington and Stockton Times, Northern Echo, Radio York, Malton and Pickering Mercury and Yorkshire Life.
10. Comments on the strategy were sought from all partners by December. Initial analysis of comments suggests that there is widespread support for the four priority areas and that few substantive amendments are required.
- There was strong feedback that there should be greater recognition of the contribution of the sub-region's museums/libraries and heritage sectors. The consultation also suggested that the non-economic benefits relating to cultural activity should also be fully emphasised, for example, skills, (mental) health and community cohesion. Finally there were requests, considering the sub-region's natural advantage that environmental sustainability is incorporated throughout the document and in actions arising from the Cultural Strategy.
 - A number of partners provided examples of work they are doing already that supports the Cultural Strategy, as well as suggestions for taking forward actions to deliver the strategy.

A final version of the strategy, incorporating changes will be presented to the Cultural Partnership Executive in March 2010 and will be reported back to this Board.

11. Work to implement the strategy is running parallel to the consultation, and working groups are meeting in the next month to pull together action plans for the various themes. These are also testing the feasibility of proposed ideas and will be led by champions within each of the working groups.

2012

12. In terms of 2012 regionally, the Yorkshire Gold strategy was been re-launched and the Committee restructured in spring 2009. This restructure resulted in improved involvement and engagement of partners outside of the five key cities who were the original constituent members. Through the Cultural Partnership and the Culture/2012 Team, North Yorkshire is now better represented and engaged in this process and sits on a number of regional 2012 steering groups. Work continues on various strands of the 2012 agenda to ensure that York and North Yorkshire will make the most from this major cultural and economic opportunity.
13. Work is underway to ensure that there is a strategic approach to realising local 2012 opportunities, though the development of a 2012 action plan for York and North Yorkshire. This is at an advanced stage in York, and a workshop will be held at North Yorkshire County Council in January, with a Beacon Council presentation, to stimulate the process elsewhere. In parallel, opportunities have been realised over the last six months, these include :
 - a. Securing £100,000 of ESF funding to deliver Personal Best in the sub-region. Personal Best is the pre-volunteer programme for the London 2012 Games, which allows qualifications in event volunteering as well as a guaranteed interview to volunteer at the Games. The contract is currently being tendered with launch in April 2010.
 - b. A delegation of five people from York and North Yorkshire will run a coaching conference in the Gambia, for West African athletes in March 2010. This is part of an ongoing dialogue with a number of West African countries to secure a pre-games training camp in York in July 2012. This is also bringing wider partnership benefits, for example, York St, John University are building education links with the University of Gambia.
 - c. A number of local projects have received the Inspire Mark from London 2012. This mark allows projects to officially become part of 2012 through an application process. The flagship project Today's Youth, Tomorrows Leaders was showcased with Charles Allen's (Chair of the LOCOG Nations and Regions Group) visit to Dalby Forest.
 - d. Local companies have won contracts to deliver goods and services to the London 2012 Games. Portakabin in York have won a significant contract to deliver a number of buildings on the London 2012 site. Other companies that have won contracts include Adler & Allan (Harrogate), Stag Security Services (Harrogate) and Fontaine UK (York and Selby). Companies in North Yorkshire are also involved in the construction of the stadium.

The Board is asked to note the report

Jonathan French
York and North Yorkshire Partnership Unit

YORK & NORTH YORKSHIRE ECONOMY AND SKILLS BOARD ITEM 6

13 JANUARY 2010

LEEDS CITY REGION PILOT

Purpose of the Report

1. This report sets out the main components of the Leeds City Region pilot titled "Empowering Local Leadership for Economic Growth" which was formally agreed between the Leeds City Region Partnership and the Government at the Leeds City Region summit meeting on the 27th November 2009. The pilot received national Cabinet clearance on the 25th November.
2. The report looks at the implications for this programme for the York & North Yorkshire Economy and Skills Board.
3. The pre-budget report in November 2008 sought proposals for forerunner city region status which would lead to a more formalised relationship between Government and city region partnerships. The budget in April 2009 announced that both Leeds and Manchester would act as forerunner pilots and the Leeds City Region Partnership developed proposals through a dialogue with Government culminating in the agreement in November 2009.

Empowering Local Leadership for Economic Growth

4. The Leeds City Region pilot programme sets out the critical importance of cities in driving forward economies and the potential within the City Region to achieve higher rates of economic growth.
5. The pilot programme is built around four priorities:-
 - a. Housing and Regeneration
 - b. Innovation
 - c. Transport
 - d. Skills and worklessness
6. This report discusses Innovation and Skills and Worklessness. The commitments for Housing and Transport are included in the appendix.

INNOVATION

7. The main commitments are:-
 1. An Innovation Capital Prospectus and Investment Plan - an agreement with the Government to prepare this plan and co-ordinate and commission investment to create an exemplar innovation eco-system. This involves close working with Yorkshire Forward.
 2. Pilot Revenue Schemes for Accelerating Sustainable Recovery – whilst the innovation plan is being prepared, to work with BIS and Yorkshire Forward to identify additional funding to support enterprises affected by the economic downturn. Yorkshire Forward is to review existing provision in the city regions.

Implications for York and North Yorkshire

8. The innovation strand of the city region pilot supports important and longstanding strategic objectives for the economies of York and North Yorkshire within the Leeds city region. The City region has brought together all eight Universities who will develop with partners an integrated approach to innovation. This could broaden the base for further development of Science City York and help bring forward the opportunities in Selby to attract new investments derived from the Universities' research capacity such as demonstrator plants. It will support the continued development of high growth businesses in Harrogate and Skipton/South Craven.

SKILLS AND WORKLESSNESS

9. The main commitments are:-
 1. An Employment and Skills board – to establish a board that will be co-designed by city region partners and BIS / DWP.
 2. Employment and Skills plan – to prepare an evidenced based plan and to explore with Government whether funds will be available for the development of a statutory based employment and skills plan.
 3. Strategy setting powers – to ensure the above arrangements satisfy the criteria for the granting of a statutory basis to the Employment and Skills Board.
 4. Delivering employability and welfare to work programmes – working with DWP towards closer alignment of the commissioning and delivery of these programmes.
 5. Integration of employment and skills – working with DWP and BIS to improve integration and multi-agency approaches.
 6. Sector Progression and Productivity Pilot – to work with BIS initially examining flexibilities around the accreditation of high level skills in the finance and business services sector.

Implications for York and North Yorkshire

10. It is envisaged that the Employment & Skills Plan will be the primary document for setting out how the Forerunner Proposals for skills and worklessness will be delivered; it will set the priorities for investment and delivery of all employment and skills activity in LCR. The aim is to ensure that the proposed delivery arrangements satisfy the key criteria for the devolution of statutory Section 4 powers by spring 2010.(although these will only apply to the Skills Funding Agency resources for adults). This is however a step forward for local influence and the York and North Yorkshire Work and Skills Partnership is working closely with this process.
11. Work on the Employment and Skills plan will be undertaken by consultants. A draft will be ready by the end of March with a final version by June. Both the Partnership Unit and Learning City York are involved in the officer group overseeing this work.
12. In addition to seeking Section 4/24(A) powers, the LCR Employment and Skills Board will also be working with DWP towards closer alignment of commissioning, contracting and delivery management systems across the City Region through DWP devolution agenda. It is envisaged that the Employment

& Skills Plan will inform the commissioning of DWP employment programmes and thus use of resources

13. A key issue will be to join up 14-19 and Higher Education objectives and programmes with the statutory role for adult skills within the Employment and Skills plan. This sub region places particular importance on high level skills to capitalise on the opportunities created within the City Region. This sub region will also need to ensure that the adult skill issues in areas outside of the primary economic influence of Leeds but within the City Region's administrative area are recognised. This particularly applies to the rural areas in Harrogate and Craven.

Matters for Consideration

14. The Leeds City Region Pilot Programme offers opportunities to Local Authorities and other partners working within the Leeds City Region governance arrangements to have more influence on spending decisions by Government and to seek a greater delegation of responsibility. The agreement between the Government and the Leeds City Region is a step forward in obtaining an influence over some critical funding streams and policies. It provides a structure for further devolution of responsibilities.
15. It begins to address the strategic need to remove barriers to the economic performance of the Leeds City Region which includes significant parts of the York and North Yorkshire economy. That applies not just to those local authorities who are directly involved in the governance arrangements.
16. For the sub region as a whole, the Leeds City Region is both a market for businesses and also an important source of visitor income. The quality of the environmental and cultural offer throughout the York and North Yorkshire is a key component for the attraction of investment, entrepreneurs and highly skilled and educated people to the Leeds City Region.
17. As with regional issues it is important that the sub region and the constituent authorities in the City Region have a clear idea of what they want to achieve and ensure that is reflected in the strategies and programmes.

18. It is proposed that the Board note the report

Jonathan French

York & North Yorkshire Partnership Unit

Appendix

Housing and Regeneration

1. The pilot commitments are: -
 1. Establish a joint housing and regeneration board – constituted as a committee of the Housing and Communities Agency Board which is to establish funding priorities and co-ordinate HCA investments in the City Region, as well as aligning other related funding.
 2. Deliver the Urban Eco-Settlements Programme - ensuring delivery of the programme already agreed focusing upon sites at York Northwest, Leeds Aire Valley, North Kirklees/South Dewsbury, and the Bradford-Shipley Canal Corridor.
 3. Deliver the Domestic Energy Efficiency Programme – to work with Government to explore simplification of delivery and freedoms and flexibilities to delivery the programme.
 4. Pilot funding flexibilities in the Leeds-Bradford corridor – to work with Government on piloting a simplified funding regime around “place”. The initial area proposed is around Laisterdyke, and if successful the pilot will be replicated elsewhere in the City Region and beyond.
 5. Investment in the Private Rented Sector – working with Government to assess mechanisms to attract institutional investment.
 6. Pilot Accelerated Development Zone – if Government decides to proceed with this funding mechanism to develop a scheme in the Aire Valley, Leeds; with a possible later application of the model in areas such as York North West. Under this model Local Authorities may have the freedom and flexibility to borrow funds to finance infrastructure, based on agreement that they could retain a proportion of the resulting increases in business rate income.

TRANSPORT

2. The main commitments are :-
 1. Leeds City Region 20-year transport strategy – an agreement with the Department of Transport and others to prepare a cross-modal twenty year strategy.
 2. Developing new protocols for Highways and Rail – to agree protocols for the Department of Transport to promote collaborative working.
 3. Flexible, long term consolidated funding streams – to align the various funding streams with City Region priorities through a ten year implementation plan.
 4. Pilot devolution of scheme appraisal – to discuss with the Department of Transport “lighter touch” appraisal procedures to accelerate delivery.

YORK & NORTH YORKSHIRE ECONOMY AND SKILLS BOARD ITEM 7

13 JANUARY 2010

YORK AND NORTH YORKSHIRE WORK AND SKILLS PARTNERSHIP (YNYWSP)

Purpose of the Report

1. This report is to provide background on the work of the partnership and its relationship with other partnerships. The report also covers progress on the development of private sector engagement especially around skills and asks the board to note the agreed sub regional priorities on skills

The Work and Skills Partnership

2. The YNYWSP has a dual role, firstly ensuring the needs and views of the sub-region are effectively represented at a regional level and coordinating activity in York and North Yorkshire and, secondly, for the 2-tier County of North Yorkshire, providing strategic support to the district based Work and Skills partnerships, facilitating closer working between them and with the North Yorkshire Strategic Partnership. Learning City York has a direct relationship with the York LSP, York without Walls and is involved in the sub regional partnership as is the City Council.
 - The aims of the YNYWSP are to lead and champion the skills agenda for the sub region, promoting engagement with employers to build business driven demand for skills in order to support the sub region's economy and improve aspirations and opportunities for all. It does this by:
 - maintain and develop as the focus of action the sub regional priorities for skills of raising aspirations, engaging employers in renewing skills and sustaining the high level knowledge base for competitiveness
 - championing skills within the wider partnership structures in the sub region
 - develop and ensure the delivery of an integrated employment and skills strategy

Sub regional priorities

3. Two meetings have been held by the Partnership and they have agreed a set of sub regional work and skills priorities attached as appendix 1. They are a mix of priorities to raise our game and priorities to improve delivery.

Membership

4. The membership of the partnership is primarily public sector and this is shown in appendix 2. It has been established in this way because the partnership has an important role in joining up public sector activity often in a complex structural and funding environment. Such conversations can disengage the private sector and the approach for private sector engagement has been to develop a parallel process. This looks to this Economy and skills board and especially the private sector representatives to play an important part in that.

Private sector/employer engagement

5. It is important that employers are at the forefront of the drive around skills and employment. There are already a number of established processes and

forums that work towards this aim but often acting at a local or industry level. It is important to work with these existing structures and add value to them.

6. Leeds, York & North Yorkshire Chamber of Commerce, a member of the York and North Yorkshire Economy and Skills Board and the Partnership Executive, has agreed to work with the business community (members and non-members) to facilitate engagement and discussion on a number of matters including skills, planning, and housing & transport.
7. A project financed by LGYH Regional Improvement and Efficiency Programme (RIEP) is seeking to establish long term mechanisms. The project provides resources to help manage an engagement process, understand connections, identifying issues and building capacity. It is also about ensuring that private sector views are expressed effectively and heard by the public sector.
8. The initial area of action will be around skills either generally or within certain key sectors. Skills represent the area of greatest interest to the private sector and where private sector involvement in determining priorities is most critical
9. The proposed outcomes are to;
 - Support the activities of the Work and Skills Partnership through increased engagement with the private sector
 - Provide a systematic approach to private sector engagement that is both effective and sustainable in the long term. This will more likely be in the form of a method of operation rather than a structure,
 - Provide a process that links private sector representatives on the York and North Yorkshire Economy and Skills board with private sector interests to inform the representative's contributions to board discussions.
10. The Chamber is proposing that the project will be overseen by a Task and Finish group of private sector membership organisations. The private sector members on the York and North Yorkshire Economy and Skills Board will be invited to join that group.
11. The project will start with an initial review/mapping of current mechanisms for private sector engagement and the areas covered. Whilst the mapping and the task and finish group will guide defining the blocks of subsequent activity, initial thinking on what might be explored include
 - What are the current and future skills and recruitment issues in the food and drink industry differentiating between the needs of large firms and expanding smaller businesses?
 - What support is required for self employed people and micro business especially in the visitor economy?
 - What are the recruitment issues private sector employers face (either general or sector specific)? What might be the effect of a larger number of older workers? What are attitudes to graduates?
 - What are the key infrastructure issues for employers in the context of declining public sector resources?
12. These will be amended in the light of experience gained as the project proceeds.

Regional and City Region Work and Skills Landscape

13. A key role for the Partnership is linking with regional and City Regional structures to ensure sub regional priorities are properly reflected. In part the

new partnership was formed to provide these linkages as the Learning and Skills Council, which had performed that role since its inception, is now going to cease to exist from April 2010 with its functions transferred either to local authorities (for 14-19) or to the Skills Funding Agency(for adults).

14. As a consequence of those changes Yorkshire Forward is now responsible for producing the **Regional Skills Strategy**, which will be set out in the Yorkshire and Humber Strategy (formerly the IRS) and an Investment Plan for the Skills Funding agency.
15. In the first year of the new arrangements Yorkshire Forward is required to articulate a regional priorities statement. This will be build from Sub Regional skills intelligence and plans plus where available local evidence. In order to develop the strategy and priorities statement and ensure that it is demand led a series of employer stakeholder consultation meetings have commenced, facilitated by Yorkshire Forward. Meetings have also been held to understand how demand data from the FE providers can be ascertained. Within Yorkshire Forward resources have been identified to develop the empirical labour market evidence base to underpin the planning.
16. The **Regional Work & Skills Partnership Board (RWSPB)** which reports to the Joint Regional Board has a key role in providing partner input and endorsement of this work. Yorkshire Forward is now responsible for providing the secretariat and support function for this Partnership, taking this role over from the Regional Skills partnership which was funded the LSC. Cllr. Chris Metcalfe is the sub region's representative on the Board. He has agreed to become the chair of the YNYWSP and to be a member of this Economy and skills board in an ex officio capacity.
17. The formation of the **Leeds City Region Employment and Skills Board (ESB)** is one of four employment and skills commitments in the Forerunner Programme approved by the Government. Leeds City Region (LCR) partners will recruit the members of the ESB with a shadow ESB in place by December 2009 and a fully operational ESB by March 2010. The overall purpose of the LCR ESB is to bring together employers of key sectors with Local Authorities and commissioners of employment and skills provision to give collective leadership to the employment and skills agenda in the LCR. The ESB will lead the preparation of an evidence-based LCR Work and Skills Plan that articulates skills needs for the key sectors/drivers. In respect of adult skills this will have a statutory basis in respect of Skills Funding Agency work, although it is not clear how this will operate in terms of reconciling with national priorities.
18. Officer Groups have been convened to support the work of the RWSPB and the LCR ESB and the Partnership Unit is represented on both.
19. Relationships with the Tees Valley City Region are more informal but the partnership Unit has been invited to join discussions on skills issues.
- 20. It is recommended that this report and the Work and Skills priorities are noted**

Jonathan French
York and North Yorkshire Partnership Unit

APPENDIX 1

YORK AND NORTH YORKSHIRE WORK & SKILLS PRIORITIES

SRIP Transformational Theme: Attracting and developing knowledgeable and creative people by

- Raising aspirations
- Increasing the scale and impact of Higher Education
- Sustaining the high level knowledge base for competitiveness
- Engaging employers in renewing skills
- Connecting people to jobs

Priorities to raise our game

1. Raising aspirations of employers and employees (and potential employees) in the hospitality, care and food manufacturing sectors.
2. Building the knowledge base and higher level skills in tourism and cultural sector
3. Securing the impact of skills and employment investment in Scarborough town
4. Developing employment, enterprise and skills initiatives with a focus on deprived communities and other priority groups in order to increase individuals economic potential

Priorities to improve delivery and impact

- A) Ensuring full take up of national and regional programmes in the sub region, with a particular focus on SMEs (including self-employed), reflecting the nature of the York and North Yorkshire economy
- B) Achieving effective engagement of employers
- C) Improving alignment between economic issues and 14-19 curriculum planning – both at a strategic level and an operational level.
- D) Supporting the growth of higher education provision
- E) Disseminating labour and education market intelligence
- F) Coordinated engagement with Leeds and Tees Valley city regions
- G) A holistic approach to the labour market for the wider York area

APPENDIX 2

YORK & NORTH YORKSHIRE WORK & SKILLS PARTNERSHIP

Membership List

Organisation / Sector	Name	Job Title
Chair	Councillor Chris Metcalfe	
NYCC Economic Development	Andrew Harper	Assistant Director - Economic & Rural Services
City of York Economic Development	Roger Ranson	Director of Economic Development
Local Authority Districts	Jim Dillon / Wallace Sampson	Chief Executive of Scarborough BC / Harrogate DC
Local ESP Chairs	Sarah Collison	Chair of Hambleton & Richmondshire WSP
	Craig Gaskell	Chair of North Yorkshire Coast WSP
	Roy Burgin	Chair of Craven WSP
	Julia Davidson	Chair of Harrogate WSP
	Julie Chandler	Chair of Ryedale WSP
	David Sykes	Chair of Selby WSP
City Of York Lifelong Learning Partnership	Julia Massey	Learning City York
Yorkshire Forward	Ruth Adams	Regional Skills Manager
Further Education Colleges	Alan Stewart	Principal of Selby College
Higher Education	Professor Colin Mellors	Pro-Vice-Chancellor University of York
North Yorkshire Learning Consortium	Sue Vasey	Chief Officer
LSC	Liz Burdett & Martin Wynn	Area Director / Economic Development Manager
Leeds & North Yorks. Chamber of Commerce	Anj Handa	Head of Employment and Skills Partnerships
Jobcentre Plus	Steve Guest	Regional External Partnership Manager
Children's Services – NYCC	Chris McGee	Assistant Director Children & Young People
Children's Services – CYC	Jill Hodges	Assistant Director Children & Young People
York & North Yorkshire Partnership Unit	Jonathan French & Julie Chandler	Executive Manager / Y & NY WSP Manager
Providers in Partnership	Christine Maskill	Director
Trade Unions	TBC	
Business Link	Paula Stewart	North Yorkshire Skills Manager

YORK & NORTH YORKSHIRE ECONOMY AND SKILLS BOARD ITEM 8

13 JANUARY 2010

EUROPEAN REGIONAL DEVELOPMENT FUND (ERDF)

Purpose of the report

- This report follows on from the report to the last meeting which discussed the current situation regarding ERDF investment in the sub-region and highlighted concerns about the low level of future projections for ERDF spend in York and North Yorkshire. This report provides an update especially on actions that may be taken regionally.

The current position

- As reported last time, the start of the current ERDF Programme saw some initial successes with large projects attracting substantial investment including the Leeming Bar Food Incubator units and the Science City York/University of York Embedded Workspace project.
- These have been followed by Scarborough Council's Jobs Match project and a further project from Science City York for specialist business support.

Sponsor(s)	Project	£ ERDF
Hambleton DC	Managed Workspace – Northallerton and Leeming Bar	2,446,203
Scarborough BC	Scarborough Job Match	594,000
Science City York, York University, FERA	Embedded business space and technology transfer	19,746,000
Science City York	Specialist Business Services	1,289,654
		£24,075,857

- Regarding projects in the pipeline, Hull University Scarborough Campus development (estimated £3.5m) and the Heart of Malton (estimate £1.0M) have both passed the initial Enquiry Stage for ERDF funding. Discussions are being undertaken on the Coast and Moors Voluntary Action "The Street" project (estimated £500,000), ideas from Hambleton Council (Leeming Bar Electricity Infrastructure) and Scarborough Council (various ideas including Scarborough Enterprise).
- There are other projects/budgets in Geographic Programmes that have a potential for ERDF support and this is estimated at £6 million although this is tenuous and a speculative figure. Most of these projects are in very early stages of development and considerable work will be needed to make these a reality and achieve compliance with ERDF requirements.
- York and North Yorkshire will also benefit from ERDF projects based outside of the sub-region but delivering across the whole region. This share may be estimated at c.£14m. There is also a proposal for a bio-refinery which could be located in the sub region. If so this will deliver a further £5 million of ERDF.
- The table below shows the total amounts of ERDF actually benefiting, or anticipated to benefit the sub-region.

Project	£m ERDF – actual or anticipated	Source of match
Y&NY Contracted projects	24,075,000	SRIP, HE and FERA
Hull Uni. Scarborough Campus	Up to £3.5 m	HE (but also £2.65m from GP supporting other aspects of project via YF Skills Single Pot)
Scarborough “Hub”	Up to £500k	Volcom
Heart of Malton	Up to £1m	Geog. Prog.
Potential benefit from regional projects	14.0	Geog. Prog.
Speculative geographic Programme projects	6.0	Geog. Prog.
TOTAL	c. £49m	c.£24 Million from Geog. Prog.
Yorkshire Bio-refinery (may not come to sub region)	£5m	Geog. Prog.

- This sum of £49 million still falls short of the sub-regional benchmark of around £60-65m which will have set ourselves as a fair share of the programme. There is little sign of any new projects coming forward to bridge the gap
- These issues are not unique to York and North Yorkshire and there are similar issues across the region. The level of activity in general is causing concern that the region as a whole may not achieve full spend on the ERDF Programme.

The evaluation of the programme

- Consultants have been appointed to undertake the strategic evaluation of the Programme and they have made proposals with the aim of increasing the volume and size of ERDF projects going through the system. They have noted improvements to the process but state that a combination of the economic downturn and the availability of public sector match both now and in the future is a cause for concern.
- The consultants do make a number of initial recommendations that are within the control of the region. These include:
 - improvements to the application and appraisal process
 - identifying new sources of match funding
 - the setting of targets for matching a proportion of Yorkshire Forward's Single Pot budget with ERDF
 - a compulsory requirement for projects applying for Single Pot funding to also seek ERDF match, where the project is eligible for this (YF have concerns about making this an imposition on partners)
 - exploring the potential for strategic commissioning of projects
 - increasing the capacity of the ERDF team to undertake project development
- This interim evaluation also recommends that Partners consider the options for the Programme targets and outputs in the light of the current economic

conditions. This will be considered in 2010 as they will need to be discussed and agreed with the EU. Issues include:

14. Should Programme indicators be shifted towards outputs concerned with safeguarding economic activity rather than creating new businesses and jobs?
15. Or should the focus remain on investment in projects with the greatest potential for new business and job creation?

Issues for this partnership

- The Partnership Executive has considered actions to address this issue. These centre on addressing
 - minimum thresholds for projects
 - securing ERDF for the current sub regional project pipeline
 - securing additional match
 - broadening criteria

Minimum thresholds

- A regionally determined minimum investment threshold applies to all projects seeking ERDF support. This is £1m for projects in Priorities 1 and 2 and £500K in Priority 3. Although Yorkshire Forward is keen to stress that there is some flexibility in these thresholds, it is clear that the focus remains firmly on larger scale projects. We have asked Yorkshire Forward to consider reducing the thresholds to a £250K minimum ERDF investment. In our view this would increase the potential number of eligible projects, particularly in market towns, and open routes to other, non-public sector sources of match funding. This would encourage smaller projects more relevant to a rural area, from the voluntary sector and local business support projects using HE and other resources to come forward.

Securing ERDF for the current sub regional project pipeline

- There are opportunities for using ERDF in the current geographic programmes, both for regional and local projects but these need to be brought to fruition. Making these fit with ERDF requires a two way process with flexibility on criteria but also for project sponsors to adjust their plans and outputs. There is a need for a more collective obligation to bring forward ERDF eligible projects both at regional and sub regional level. Over the next year the Partnership Unit will work with partners and Yorkshire Forward to support this work.
-

Securing additional match

- The Geographic Programmes for North Yorkshire and the City of York, setting out how Yorkshire Forward might use its single pot, provide over £62.8m for local projects over 2008-2013, including investment in Scarborough and Selby Urban Renaissance, the City of York, market towns and Enterprising Rural Capitals and £109.7m as a share of regional projects. This analysis might suggest that of the total Geographic Programmes in the sub region of £172.5 million, c. £24m million is actually being used (or has the potential to be used) as match for ERDF. There should be potential to increase this amount especially in the regional projects and Yorkshire Forward is looking into this.
- There is also the need to explore with local authorities, the Voluntary sector and Higher Education institutions the potential for further projects.

- One of the key points in this paper is that this is a collective issue and it is also an issue beyond the remit of individual sub regions. There is a real danger that the region will not achieve the programme and that will have serious implications for any future investment by the EU. These issues have been raised by our sub region at the Joint Regional Board and it is expected that this will be discussed in detail during 2010. The key point is to provide support to Yorkshire Forward in some of the critical decisions they may need to make on priorities.

Broadening criteria

- Compared with previous ERDF Programmes, the eligibility criteria are quite tight, focussing support on the development of innovation and technology-led businesses. While this has benefited Science City and University developments in York, and food business development in Hambleton, it does tend to exclude a more broadly-based strategic support for business in general. Property grants and general business premises support fall outside the remit of the current ERDF Programme as do the major employment sectors in tourism and the visitor economy.
- A wider range of projects is fundable through Priority 3 of the ERDF Programme ("Sustainable Communities"). However funding from this Priority is only available in the most deprived areas of the region and, in York and North Yorkshire, this is restricted to certain parts of Scarborough town.
- It would benefit this sub region if broader business support and investment in a wider range of business property was supportable. No doubt we would also like to include tourism, the visitor economy and culture within the scope of ERDF eligible activities but is highly unlikely that the Commission would agree to this. There may be an opportunity for the region to discuss these points with the Commission in the mid period of 2010. Other regions both in the UK and elsewhere in the EU are facing similar difficulties and there may be a wider policy initiative at that time.

Recommendations

- **The Board is asked to note the report**

Jonathan French
York and North Yorkshire Partnership Unit

YORK & NORTH YORKSHIRE ECONOMY AND SKILLS BOARD ITEM 9

13 JANUARY 2010

BUSINESS SUPPORT

Purpose of the Report

1. This report seeks to provide background on the provision of business support as one of the three areas of concentration of partnership activity along with skills and culture. It is not proposing any specific actions at this stage but seeks to inform the board of the context and issues.
2. The key issue is that most business support is managed by and delivered through regional bodies within the context of a strong government view on the priorities. For sub regional and local partners the concern is to ensure that service is relevant to local needs. It is also generally expected that the resources for business support will reduce in the next spending round.

Solutions for Business

3. The Government has implemented a Business Support Simplification Programme (BSSP) which has sought to significantly reduce the number of programmes. This has consolidated activity into some 30 products and any activity that is funded by Government or the EU needs to align with that approach. The programme is now badged as Solutions for Business. These are accessed through Business Link. It is intended that services offered by local authorities would be aligned with these products and marketed accordingly.
4. The process has promoted clarity and facilitated best practise but can become prescriptive as government funded activity needs to conform to a Treasury view of market failure. Schemes that involve more intensive long term support or involve significant sales and marketing activity have found it difficult to fit in with the products.

Strategy and Delivery

5. **Business Link Yorkshire** is the primary access for business support, offering businesses a primary access point helping them find the help and support they need from whatever source. Business Link offers an information and diagnostic service and facilitates introductions to specialist advice. It is funded by a contract with Yorkshire Forward awarded on a competitive basis.
6. **Yorkshire Forward** is the strategic lead and principal funder of business support. It works through Business Link and other suppliers for the delivery of activity in three policy product ranges; -
 - a. *Enterprise and access to finance* – development of an enterprise culture, support for business start up and finance for business including grants, loans and venture capital
 - b. *Competitiveness (inc. Innovation)* - encouragement of key sectors including food, low carbon industries, digital and advanced manufacturing, support for innovation and business improvement
 - c. *International business* – Investor development through interaction with major firms and support for trade activity

The RDA also has a role in respect of skills for business and delivers the Rural Development Programme for England which provides financial support for rural businesses.

7. **Higher Education Institutions** also support business through formal Knowledge Transfer Partnerships linking HE research capacity with local businesses and facilitating the spinning out of business from the sector. **Further education** plays a de facto role in that it offers skills training but also through its technical training which includes business development plays a supportive role for many local businesses.
8. There are **local enterprise support** activities including managed workspace and Business advice centres. There are proposals to further develop programmes for enterprise development in Scarborough. The North Yorkshire Business Education Partnership (NYBEP) supports enterprise education in schools.
9. **Science City York** provides a range of support, especially networks for the priority areas of bioscience, creative and IT and digital for both York and North Yorkshire. It is tending to move away from direct support although still manages an EU funded programme for mentoring. **Creative North Yorkshire** provides support for the creative sector in the County.

A Sub Regional Perspective

10. Business Link Yorkshire has local partnership managers and continues to play an active part in the sub regional partnership. It is preparing with the relevant local authorities Local Delivery Plans which will set out local priorities for business support.
11. There is a sub regional Business Support Partnership facilitated by the Partnership Unit which seeks to draw together interested parties and provides a forum for Yorkshire Forward and Business Link to discuss issues with local partners. It has focused on areas such as enterprise in deprived areas, social enterprise and business support for the visitor economy where it was felt that the existing provision needed to be enhanced. One of the issues is that the sub region relies on a very large number of small and long established businesses and there is a need to target those businesses as well as start ups and businesses with high growth potential. Business Link is working to ensure that a wide range of businesses see them as relevant to their needs.
12. Up to just under two years ago Business Link was managed at a sub regional level and that provided a focus and capacity to articulate and evidence sub regional priorities. There is a need to understand the extent of the market penetration of what are now regional services into the sub regional customer base and the impact it is having. Both the RDA and Business Link Yorkshire are beginning to provide information that will help measure this. The process of preparing an economic assessment provides a focus to connect this information with what might be the priorities on the ground. There will be a workshop on 1 March to begin to draw together some of these strands.

Economy and skills Board

13. This report has been prepared mainly to provide background information on what might be an issue for the Board during the coming year. It provides an opportunity for the board to set out their initial perspectives.

14. It is proposed that the report be noted

Jonathan French
York and North Yorkshire Partnership unit.