

## **YORK & NORTH YORKSHIRE DEVELOPMENT BOARD**

### **Minutes of the Meeting Held at Congyngham Hall, Knaresborough**

**9 March 2009**

#### **PRESENT**

Andrew Waller (City of York Council – Chair)  
John Weighell (North Yorkshire C.C.)  
Brian Phillips (Hambleton D.C.)  
Mike Gardner (Harrogate Borough Council)  
Fleur Butler (Richmondshire D.C.)  
Tom Fox (Scarborough Borough Council)

Barry Dodd (Yorkshire Forward)  
Keith Knaggs (Ryedale D.C.)  
Malcolm Shornley (North York Moor National Park)  
Maureen Vevers (Learning & Skills Council)  
Brian Cantor (University of York)

#### **In Attendance**

John Marsden (Chair – York and North Yorkshire Partnership Executive)  
Julie Hutton (Yorkshire Forward)

Jonathan French (YNYPU)  
Patrick Bowes (Yorkshire Forward)  
Janet Waggott (Ryedale District Council)

#### **Apologies**

David Dickson (Garbutt & Elliot)  
Kevin Lancaster (Malcolm Shornley substituting)  
David Frazer (GOYH)

Christine Bainton (NYFVO)  
David Crawford (Craven District Council)

#### **Welcome**

The Chairman welcomed Fleur Butler to her first meeting.

#### **1. Minutes of the Last Meeting (18<sup>th</sup> June 2008)**

1.1 These were approved.

#### **2. Matters Arising**

2.1 Keith Knaggs raised the issue in paragraph 3.2 as to whether the Chief Executives were invited to join the Partnership Executive. John Marsden confirmed that that had been the case.

#### **3. Current Economic Conditions**

3.1 This agenda item commenced with a presentation by Patrick Bowes, Chief Economist of Yorkshire Forward, on the current economic conditions. He noted that we were now into the fourth continuous quarter of a contraction to the national economy. The regional economy may contract by 3% in 2009. One of the biggest impacts was in manufacturing. Of the 30,000 regional jobs they expect to be at risk, 12,000 were in that sector.

3.2 The RDA research into 450 businesses had discovered that 62% of businesses relationships to the Banks' had not changed and up to 78% had not sought new finance.

3.3 Manufacturing had contracted rapidly in the last three months. There is some evidence that rapid de-stocking in the short-term was beginning to come to an end. The claimant count had risen in January 2009 although the pace of change had fallen a little bit from January 2008.

3.4 Yorkshire Forward wanted to see a balanced debate on the downturn. It was noted the jobs market was not collapsing and there were still vacancies. More had left the claimant register in January 2009 compared to January 2008. However, it was expected that the Yorkshire economy might not recover in terms of growth until 2011. In some areas it would take a substantial number of years to return to their previous levels of employment growth.

3.5 In respect of business confidence – large companies were more pessimistic than smaller ones and those in retail and distribution more pessimistic than manufacturing. In respect of domestic orders 28% of companies feared a reduction whilst only 4% feared a reduction in export orders. At a local level businesses in North Yorkshire were more optimistic than firms elsewhere in the region. It is expected that jobs in York may drop by 4,000 between 2007-2011 but may recover overall by 2020.

3.6 Job losses in North Yorkshire might drop by 10,000, from a level of 355,000 in 2007 but might recover to those levels by 2016 and continue to grow. Brian Cantor commented that the expectation of job losses was not as great as people thought. Barry Dodd commented that the level of wages in North Yorkshire was quite low and it was quite difficult to attract people with higher skills. John Weighell emphasised the importance of large numbers of self employed.

3.7 Fleur Butler emphasised the effect of the Tees Valley on the Northern part of the County and whether that was included in the figures. Patrick Bowes said there was need to take further account of that.

3.8 Brian Cantor said that there was clearly a problem about over pessimism although individual businesses had significant problems deriving from the credit crunch. There was however a danger of talking ourselves into a recession. Patrick Bowes thought that banks had to deal with riskier businesses at this time. There was a general liquidity issue for SME's many of which will be using corporate savings to keep going. Andrew Waller noted it was important to ensure we keep on top of company's experience of the banking sector.

3.9 Mike Gardner commented that the 'EKOS' study for the Leeds City region had shown that Harrogate was one of the most resilient economies in the country. Local employment information was very encouraging.

### **3.10 The chair thanked Patrick Bowes for his presentation**

## **4. Implementing the Sub National Review**

4.1 Jonathan French introduced the report, which set out the Governments announcement on the outcome of the consultation on the Sub National Review (SNR). The report provided an update on the current position on legislation resulting from the review and the implications this had in terms of the proposals for the new Integrated Regional Strategy and the preparation of Economic Assessments. The report emphasised the need to develop a structured approach to support representatives of the sub region on the regional Leaders Board and Thematic Partnerships. A detailed Economic Assessment will be prepared during 2009 to feed into the preparation of the new strategy.

4.2 John Marsden updated the Board on proposals for replicating these arrangements in the sub region with appropriate sub-regional partnerships which would mirror the regional bodies, focusing on key themes, such as work and skills, housing, transport and planning. It was important to establish strong relationships between different parts of the sub region. He noted the local concerns about moves towards an Economic Prosperity Board for the Leeds City region.

4.3 John Weighell said that it was an important concern as how to link this sub region into the regional issues and also how the Development Board links into the

work of the Association of the North Yorkshire Council's (ANYC). He was not in favour of establishing an Economic Prosperity Board for the Leeds City region which would cover half of North Yorkshire leaving the remaining part out in the cold. He would support one for York and North Yorkshire which would work closely with a Board for West Yorkshire.

4.4 Keith Knaggs felt that the issue of an Economic Prosperity Board was a "red herring" at this stage as he did not expect the Leeds City region to become a successful pilot. He supported a proposal for a Board for North Yorkshire. It was important that the current Development Board played an effective role in the competition for resources. He felt that it needed to be a much more active participant in these processes rather than acting (in effect) as an observer. It needed a structure for making decisions and it was important to involve other stakeholders.

4.5 Mike Gardner noted the Government's commitment to the city regions and functional economies and the issue was how both sub regions could work together.

4.6. John Weighell said that a further issue for the Development Board was that whilst the ANYC is a Board for Leaders they need to consider whether they should bring stakeholders into their discussions. There is a need for a greater feed-in from sub regional bodies into regional bodies. It might be appropriate for the Development Board representation to come from cabinet members for the economy who could work closely with stakeholders.

4.7 Barry Dodd said that it was very important there was clarity about any potential Economic Prosperity Board as to its purpose. Brian Cantor felt that the Development Board needed to have much more representation from economic generators as well as political representatives although he understood the difficulties with such a large number of political bodies involved.

4.9 Andrew Waller felt that there were quite difficult issues for the City of York Council which identified closely with the York & North Yorkshire Sub region on some economic issues. It was difficult for them to choose between the Leeds City region and the York & North Yorkshire arrangement.

#### **4.10 The report was noted**

### **5. Geographic Programmes**

5.1 Jonathan French introduced a report giving information on the Geographic Programmes for both York and North Yorkshire. The report went on to discuss the areas including Rural Renaissance Market Towns, Rural Enterprise and Environmental Programmes where Yorkshire Forward is proposing that the Partnership Executive take greater responsibility for decision making.

5.2 He stated that the Partnership Executive would be considering at their next meeting how this might be managed and this in turn would need to be considered by the Development Board. The report went on to discuss the sorts of mechanisms which might be put in place to both monitor the investment plan, the North Yorkshire Geographic Programme and to produce a delivery plan around those programme areas requiring decisions.

5.2 Julie Hutton said that Yorkshire Forward would be confirming their position on a formal basis at the March meeting of its Board. She was working with Jonathan French on how the process would work in North Yorkshire and in particular to see how more information on regional activity in Yorkshire Forward could be brought to future meetings.

5.3 John Weighell expressed concerns that whilst North Yorkshire receives a large amount of money, £118 million pounds, this was quite a relatively small amount

on a per capita basis with a very heavy emphasis on regional rather than local projects. Julie Hutton commented that over time that some regional activity may become more locally based.

5.4 Keith Knaggs felt that the recommendation needed to be more dynamic and there was a need for some form of task and finish group which would set out new arrangements for a completely new system including possible Economic Prosperity Boards. It should look at the terms of reference of the Development Board or a successor Board and if it began to take decisions it would need to look at the legal basis for that. There is also the need to have the right people around the table and an active agenda which was appropriate for them. He felt that there may be a case for involving more Chief Executives on the Board.

5.5 John Weighell said that he felt that the Partnership Executive fulfilled that task and finish group role and he agreed that it was important to take a more proactive stance. He noted that neither himself or Barry actually represented the Development Board on the Yorkshire Forward Board as they were there to represent the whole region.

**5.6 It was agreed the proposals would be brought back to the next meeting of the Development Board and the Partnership Executive as to future constitutional arrangements.**

## **6. North Yorkshire Partnership – Role and Budget**

6.1 Jonathan French represented the report setting out the future role of the York and North Yorkshire Partnership and the proposed responsibilities, budget and sources of income for the York & North Yorkshire Partnership Unit.

6.2 Andrew Waller felt that there may be an issue from the City of York Council about its capacity to contribute to the Cultural aspects of the Partnership.

6.3 **The Board agreed the**

- a) Roles of the York & North Yorkshire Partnership as set out in the report should form the basis for future working.**
- b) Proposals for the role and work of the Partnership Unit are appropriate for the basis of future business planning**
- c) Proposed levels for financial support which should be sought from Partners.**

## **7. Progress Report**

7.1 Jonathan French gave a brief introduction to this report which was largely for information. He particularly emphasised the concerns around the lack of sub regional projects in the ERDF pipeline and the need for action to address that.

7.2 Mike Gardner felt that there were opportunities that may come forward from the Leeds City region economic innovation panel.

7.3 John Weighell felt that the problem was that there was a need to join together a number of projects to bring them within the thresholds of ERDF funding. He noted that there was a need for more collaboration although match funding will remain a difficulty.

## **8. Any Other Business**

There was none.

### **Jonathan French**

York & North Yorkshire Partnership Unit