

YORK & NORTH YORKSHIRE ECONOMY & SKILLS BOARD

19TH October 2009

MINUTES of the Meeting

PRESENT

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|---------------------------------|--|
| 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

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| 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 and was within 12 miles either side of the M62. 38% of the nations 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 emphasise 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 of 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 experts in. John Watson said he wanted to avoid "interesting" presentations 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.

3.4 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.

3.5 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.

3.6 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.

3.7 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. ANY OTHER BUSINESS

6.1 There was no other business.

Jonathan French

*York & North Yorkshire Partnership Unit
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Future dates (venues to be arranged)

13 January 14.00

18 March 13.00

17 June 14.00

15 September 14.00