

City of York Council
Examination of the City of York Local Plan
2017 – 2033

Phase I Hearings – December 2019

SUBMISSION ON BEHALF OF:
University of York

December 2019

This document includes a Statement by The University's Director of Estates, updating the growth scenarios submitted in Appendix 4 of the Regulation 19 Representations April 2018. A response to the December report by Oxford Economics by Nicol Economics is also included.



Chartered Town Planning Consultants

City of York Council

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Phase 1 Hearings

On Behalf of the University of York

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13.12.19

(Ref: ulp1912a.submitted growth)

1. INTRODUCTION

1.1 This document focuses on the projected growth statistics for the University of York which were revised in November 2019. They are an update on those submitted in Appendix 4 of the Regulation 19 Representations April 2018.

1.2 The statistics cover a range of growth scenarios for student numbers, and growth in academic and non-academic staff follows this increase in students. The range of growth considered is from 0.5% to 4%. Because of the lengthy local plan period to 2033 and on to 2038, Government policy on Higher Education, students' preferences and changing patterns of overseas recruitment will have an impact on this growth rate that cannot be accurately predicted. Suffice to say that the average growth rate in student numbers over the last 10 years has been around 4% per annum, to the higher end of the range considered.

1.3 The second document is a response to the report by Oxford Economics, issued by the Council in the first week of hearings. It is by Nicol Economics, the authors of the submission in Appendix 5 of the Regulation 19 Representations April 2018.

1.4 The conclusion of the report is that: *“what is clear is that OE’s modelling of employment change in the education sector to 2038 cannot possibly take account of likely ranges of growth in the University of York which would lead to several thousand extra jobs in the sector as opposed to a 1% decline that they have forecast.*

Furthermore, it is very unlikely, simply because of the way in which the forecasts are produced, that the OE forecasts take account of the potential wider impacts from the growth on the University on the local economy including productivity, student spend and R&D impacts.”

1.5 The implications of each paper are that it is unlikely that the Council's employment forecasts for growth, and hence employment and financial impact on the local economy, reflect the recent growth rates in student numbers at the University of York.

City of York Local Plan, Update 2019

University of York Growth Rationale for Campus Extension to the South of Campus East, November 2019

Introduction and Summary

1. This report from the University of York's Director of Estates & Campus Services provides an update to the evidence that explains why the entire 26ha (ST27) site to the south of the lake on Campus East is needed as further University campus extension land within the horizon of the City of York Local Plan extended to 2037/8. Developing the land facilitates the growth of the University's own space and the knowledge exchange space that supports the growth of the wider economy.
2. The Local Plan is now in the hands of the Planning Inspectors who are beginning to hear evidence in December of this year. In readiness for these hearings, this report updates the Growth Rationale Report¹ submitted in April 2018 as part of the wider suite of representations made on behalf of the University by O' Neill Associates to the City of York Local Plan.
3. The previous report in 2018 considered growth scenarios (ranging from 0.5% to 4% p.a. in terms of student numbers) and concluded that the entire 26ha site ST27 is needed for development within the Local Plan period to 2032. The Local Plan's alternative smaller allocation is inadequate. This report uses more up to date data and reconfirms this is the case.

The University

4. The University of York is a high quality Russell Group academic institution. Economic analysis carried out in November 2018 by London Economics² evidenced that the total economic impact associated with the University of York's activities in 2016-17 was estimated to be approximately £1,820.5 million. It is the number one Russell Group in the National Student Experience Survey and has the highest possible rating at Gold in the Teaching Excellence Framework. For a University of its size it is also very highly rated in Research with annual research funding of £70m+ that has increased 35% over the last five years and over the last year the University has been awarded a number of highly prestigious grants for research including from the Leverhulme Trust and the UK Research Partnership Investment Fund.

¹ University of York – Growth Rationale for Campus East Extension to the South of the Lake. Submission to the City of York Local Plan. March 2018.

² The Economic, Social, Cultural Impact of the University of York, London Economics. November 2018.

5. In addition to the University's strength in teaching and research, it is also a strong contributor to knowledge exchange. This is in part through its work with knowledge based industries on its existing Science Park, elsewhere on the campus through ERDF funded facilities, as well as with businesses located off campus. Its Science Park has remained at capacity since being built in the early 1990s.

Historic Growth and Scenarios for Future Growth

6. The University started out with 230 students in 1963. By 1993 it had grown to about 8,500 students and by the time it had submitted plans in 2004 for the extension on Campus East it had about 10,000 students. Since then, student numbers have grown by over 80%. To remain successful and sustainable over the medium term the University will need to continue to grow further.
7. The previous report¹ considered six potential scenarios for future growth between 2018 and 2038. These were
 - Scenario 1 - 0.50% per annum, leading to circa 19,100 students by 2038
 - Scenario 2 - 1.00% per annum, leading to circa 21,200 students by 2038
 - Scenario 3 - 1.25% per annum, leading to circa 22,300 students by 2038
 - Scenario 4 - 1.50% per annum, leading to circa 25,500 students by 2038
 - Scenario 5 - 2.00% per annum, leading to circa 26,000 students by 2038
 - Scenario 6 - 4.00% per annum, leading to circa 39,200 students by 2038
8. The following were concluded:
 - The University's growth aspirations in teaching, research and knowledge exchange, Scenario 3 or 4 was the minimum likely scenario for prudent long-term growth planning at this stage of the Local Plan; and
 - That Scenario 5 and 6 were foreseeable given the University's reputation and the fact that these are less than (Scenario 5) or equal (Scenario 6) to the actual growth over the last decade.

Growth Planning Methodology

9. The model prepared in 2018, planned residential space, academic and supporting space needs. Within this the basic building block for the residential element of the model is the University's College system. A College is typically of 600 - 700 student bedrooms built together with the associated social facilities. There are currently nine Colleges, with College 10 and 11 planned for Campus East that open by 2022. An equivalent, in net terms, of College 12 is then allowed for on Campus West once demolition and substitutions have been taken into account. Once this is built, College 13, 14, 15, 16 and so one would be built on Campus East.
10. The assumptions in the model are described more fully in the 2018 report, but by way of summary the model:

- a. Plans each future cluster of development as a series of mixed use neighbourhoods with each comprising College, teaching, research and knowledge exchange space;
- b. distinguished between International Pathway College (IPC), Undergraduate (UG), and Postgraduate (PG) students and between Home/EU and Overseas students;
- c. acknowledged that in line with the University's policy all first year UGs are offered (and should be offered in the future) one of the University's 6,100 bedrooms, along with as many returning UGs and Overseas PGs as possible in the interest of sustainable city planning, of reducing pressure on HMOs and of great student experience;
- d. sought to accommodate the growing number of first years, increase the number of returning UGs able to be accommodated to 15%; and
- e. applied University space policies, norms and empirical experience to calculate the amount of academic, KE, and business space within each future cluster.

2018 Report Conclusions

11. The 2018 modelling calculated the Residential, Academic and Supporting space required in each scenario and compared this with the land available by drawing up an illustrative masterplan³ for the remainder of Campus East and the Extension land to the South. (See Appendix 1). Results are summarised below in Table 1.

Table 1* - Summary of 2018 Modelling, taken from the 2018 Report.

Scenario	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5	Sc 6
Growth Rate to 2038	0.50%	1.00%	1.25%	1.50%	2.00%	4.00%
Student Nos (FTE) at 2038	19,100	21,200	22,300	23,500	26,000	39,200
Extra Students (FTE) vs 2017	1,901	4,000	5,131	6,318	8,876	22,011
% of 26ha of ST27 needed	13%	56%	92%	115%	150%	420%
Ha required	3.5	14.7	23.9	30.0	39.5	110.0
Year when 26ha of ST27 used up			2039	2035	2031	2024

* The full table is given in Appendix 2.

12. The 2018 Report analysis showed that at about 22,500 students, all of the 26ha of ST27 site would be developed. This threshold is reached in Scenario 4, 5 and 6 and substantially reached in Scenario 3.
13. The 2018 Report therefore concludes that even the modest growth outlined in Scenario 3 would require nearly all (92%) of the ST27 site by the end of the Plan Period. Moreover, it

³ University of York Campus East. Development Options for Masterplan for Extension site. March 2018 [Submission to City of York Local Plan]

states with reference to the Nicol 2018 Economic Report⁴ that failing to allocate the entire site as requested by the University will curtail the growth of the University and therefore the economy. Unless the full allocation of ST27 is made, it will:

- a. Limit the growth of the University’s residential and academic space, which limits the University’s direct contribution to the economy.
- b. Limit the expansion of research, associated business and knowledge transfer activities which are so important to growth in biotechnology, agri-tech, renewables, IT and Digital sectors in the local economy.
- c. Constrain the amount of business space for research-led Science Park uses and therefore limit inward investment into the local economy.

Update Since March 2018

14. Over the last 18 months University growth has continued steadily. Student numbers were at 17,200 (FTE) when writing the 2018 report and have grown to 18,100 (FTE) for academic year 2018/19. **This means that average growth in student numbers over the last ten years has been at about 4% per annum.** Overall financial turnover of the University continues to increase from £346m in 2016/17 to £367m in 2017/18.
15. The built estate is continuing to expand as further space is required. A further £250m of investment is being made in the Campus over the next three years. This includes in Science & Medical facilities, and a new Management School facility on Campus West; and two more Residential Colleges (1,480 beds in all), an Energy Centre, a new Nursery and the RPIF funded Robotics building on Campus East.
16. In 2018 Historic England listed some of the original University buildings on Campus West as well as deeming much of the original landscape as a Registered Park & Garden. This will make it harder to redevelop Campus West, requiring less intensive development than was envisaged prior to the listing and will put even more onus on Campus East and the ST27 extension land being developed to facilitate the necessary growth in space.
17. Taking the modelling and updating it to reflect the fact that 2018 student numbers were at 18,112 an increase of about 900 students from the 2017 figure used in the 2018 modelling, leads to Table 2 below.

Table 2 - Summary of 2019 Update to Modelling.

Scenario	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5	Sc 6
Growth Rate to 2038	0.50%	1.00%	1.25%	1.50%	2.00%	4.00%
Student Nos (FTE) at 2038	20,012	22,100	23,220	24,394	26,913	39,686
Extra Students (FTE) vs 2017	2,799	4,887	6,007	7,181	9,700	22,473
% of 26ha of ST27 needed*	40%	85%	100%+	115%+	150%+	420%+

⁴ Economic Benefit from the Expansion of the University of York. April 2019. Nicol Economics. [Submission to City of York Local Plan]

Ha required	10	22	27	33	40	112
Year when 26ha of ST27 used up		2040	2036	2032	2029	2024

**Estimate only, based on modelling given in Appendix 3.*

18. Given that the capacity of the current estate including the land on Campus East and the ST27 Land is 22,500 students, in the revised modelling the ST27 land is used up by 2038 in all Scenarios except Scenario 1 and 2. The University clearly considers that Scenario 1 and 2's low level of growth is highly unlikely.

Development Timing Issues

Land Ownership

19. Halifax Estates is the freeholder of the current Campus East land having granted the University a 300 year leasehold interest. Halifax Estates also own the great majority of the ST27 land.
20. Subject to the case being made for all of the ST27 land being brought out of green belt, the University will purchase the land from Halifax Estates In anticipation of this, negotiations are underway about the transaction, which is likely to result in the University being granted a long leasehold interest. The University has a pre-emptive agreement on the ST27 and also adjoining land to the south and west, which makes it available for University occupation, (see plan in planning statement).

Infrastructure Costs

21. The University has also carried out an assessment of the infrastructure works required to develop the site from its current status as farm land. A report⁵ prepared by the University over the last six months has estimated this infrastructure cost as being in the order of £50m.

Green belt Removal vs Safeguarding of Land

22. There might be a suggestion from objectors or the Planning Inspectors that the whole of ST27 land could be safeguarded for future development rather than taken out of the green belt in the current Local Plan process. From the sequencing described below, it is clear that this would be problematic for the University as it needs to begin the planning all of this future development well within the plan period.

⁵ Heslington (Low Lane South Development) Infrastructure Strategy Report, University of York. September 2018.

Development Sequencing

23. Creation of further Colleges on campus is the critical factor in planning the estate, and there is a significant lead time. Accordingly, the University has begun planning for the equivalent of College 12, through a series of demolitions and smaller scale new build residential schemes on Campus West, which are likely to be created before 2022.
24. As mentioned above, the scale of this development is more constrained now than envisaged in the 2018 submission because of the listing of key buildings and of the original campus landscape. Growth can only really be accommodated on Campus East and the ST27 extension site.
25. The Campus East space is planned to be developed as mixed use neighbourhoods as set out in the earlier assumptions. This means that following completion of the current College 10 and 11 scheme and the RPIF funded Robotics building, Campus East has space for one further College (13) of 800 bedrooms, 16,000 sq m of academic space and 15,000 sqm of knowledge exchange and business space.
26. For illustrative purposes, even if the University moved away from its principles of good design and made the balance of land on Campus East allocated only to Colleges, there is only space for two further Colleges (13 and 14). This would also constrain academic and KE activity, and does not meet the University's objectives.
27. Therefore it is envisaged that the first of the new academic buildings would have to be complete on the ST27 site by the late 2020s for Scenario 1, as the slowest of the growth trajectories. For Scenario 6, as the fastest growth trajectory, the first of the academic buildings on the ST27 site would need to be opened by the mid-2020s.
28. College 13 is required by 2023 in all scenarios, which means with a two year build period and one year procurement process (at best) the University needs to begin planning for this in 2020. College 14 is required by 2025 in all scenarios, which means the University would need to start the procurement process in 2022. Before doing so (in 2020) the University would need to have approved the infrastructure investment for ST27.

Conclusions

29. The University of York has grown in reputation and size since being formed in the 1960s. Between 2009 and 2018 it has grown by 40% to over 18,000 students (2018/19) and continues to be highly successful in teaching, research and knowledge exchange activity, making a wider economic contribution of £1.8bn each year.
30. In order to sustain this economic impact, and to ensure the University remains successful, further growth will be required and is being planned for. The University's design principle is that each cluster remaining to be developed on Campus East and all cluster on the whole of ST27 would have a mix of residential, academic and knowledge exchange development.

31. Using this principle, the original submission to the Local Plan in 2018 used six growth scenarios ranging from 0.5% to 4.0% to evidence that all but the lowest two (Scenario 1 and Scenario 2) required all 26ha of the ST27 site to be developed within the Local Plan period.

32. This report acts as an update on these Scenarios to reflect the most recent student numbers, on-going developments on the estate and current planning information - including the listing of much of the original estate. It shows that given the University's continued growth (4% per annum over recent years) that in the latest modelling all but Scenario 1 and 2 will require the entire 26 ha of the ST27 site to be built out within the plan period. Scenario 2 has now increased to requiring approximately 85% of the ST27 land.

33. This report also makes the point that development of the 26ha of the ST27 site is not only necessary for the longer term planning of the University but becoming more imminent and with current level of growth continuing is likely to be built on from the early to mid-2020s.

Stephen Talboys
Director of Estates & Campus Services
University of York

Appendix 1: Masterplan Map- Extract from Report No 3.

Appendix 2: Summary Table taken from 2018 Growth Report

Appendix 3: Summary of Update to Modelling, November 2019



Summary Table taken from Space Modelling

Scenario	1	2	3	4	5	6
Growth						
Growth Assumption	0.50%	1.00%	1.25%	1.50%	2.00%	4.00%
Student Nos at 2038 (fte) ¹	19,114	21,213	22,344	23,531	26,089	39,224
Additional total student numbers (fte)	1,901	4,000	5,131	6,318	8,876	22,011
Residential Demand vs Supply						
Student Beds needed	8,836	9,807	10,329	10,878	12,061	18,133
Supply to a maximum of 10760 beds on Campus East	8,760	9,760	10,760	10,760	10,760	10,760
No of Colleges needed (each of 600 - 1000 beds)	14	15	16	16	18	25
No of additional Colleges needed	3	4	5	5	7	14
Academic and Supporting Space						
Additional space required for staff to support increase in Student Numbers (NIA meters squared)	1,901	4,000	5,131	6,318	8,876	22,011
Additional teaching space required for increase in Student Numbers (NIA meters squared)	1,855	3,905	5,008	6,167	8,664	21,486
Additional space for central support (Library and central support services)	3,862	8,129	10,426	12,840	18,038	44,731
Additional space for catering	10,379	21,845	28,018	34,503	48,473	120,204
Additional space for commercial/retail	552	1,162	1,490	1,835	2,578	6,394
Additional research space not offices	1,266	2,663	3,416	4,207	5,910	14,656
Additional Lab space not research	2,120	4,462	5,723	7,048	9,901	24,552
NIA	20,587	43,328	55,572	68,435	2,578	238,417
GIA (85% gross to net)	24,220	50,974	65,378	80,512	96,142	280,491
Academic space (sqm) <u>south of lake</u>	0	18,500	31,750	48,000	63,700	248,000
Knowledge exchange space (sqm) <u>south of lake</u>	0	10,800	23,900	36,000 ³	47,000 ³	185,000 ³
Knowledge exchange land area (ha) <u>south of lake</u>	0	1.2	3.4	5.1 ³	6.7 ³	26.4 ³
Knowledge exchange land area (%) <u>south of lake</u> ²	0%	5%	13%	17%	17%	24%
Percentage of 26 ha required	13%	56%	92%	115%	150%	420%
Ha required	3.5	14.7	23.9	30.0	39.5	110.0

Footnotes

1. Overall student FTE projections (excluding visiting students, students in the initial year of the IPC, and Centre for Lifelong Learning)

2. i.e. 5% of the available 26ha, not 5% of 56;

3. N.B. this is taking the assumption that we can create a 'what if' situation, where there is an infinite amount of land to expand into, and the masterplan philosophy of mixed use neighbourhoods can be continued

University of York Growth Rationale for Campus Extension to South of Campus East November 2019

University of York

Update to Student Number Modelling for Local Plan Extension Land Case

Ver 01

Nov 19

Year	16/17	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	33	32	34	35	36	37	38
Student Nos Actual	16,475	17,213	18,112																				
Student Nos Planned MTP																							
Student Growth		738	899																				

2018 Scenarios	Factor	16/17	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	33	32	34	35	36	37	38	% ST27
Sc 1 - 0.50%	1.005		17,213	17,299	17,386	17,472	17,560	17,648	17,736	17,825	17,914	18,003	18,093	18,184	18,275	18,366	18,458	18,550	18,643	18,736	18,830	18,924	19,019	19,114	13%
Sc 2 - 1.00%	1.010		17,213	17,385	17,559	17,735	17,912	18,091	18,272	18,455	18,639	18,826	19,014	19,204	19,396	19,590	19,786	19,984	20,184	20,385	20,589	20,795	21,003	21,213	56%
Sc 3 - 1.25%	1.013		17,213	17,428	17,646	17,867	18,090	18,316	18,545	18,777	19,012	19,249	19,490	19,733	19,980	20,230	20,483	20,739	20,998	21,260	21,526	21,795	22,068	22,344	92%
Sc 4 - 1.50%	1.015		17,213	17,471	17,733	17,999	18,269	18,543	18,821	19,104	19,390	19,681	19,976	20,276	20,580	20,889	21,202	21,520	21,843	22,171	22,503	22,841	23,183	23,531	115%
Sc 5 - 2.00%	1.020		17,213	17,557	17,908	18,267	18,632	19,005	19,385	19,772	20,168	20,571	20,983	21,402	21,830	22,267	22,712	23,166	23,630	24,102	24,584	25,076	25,578	26,089	150%
Sc 6 - 4.00%	1.040		17,213	17,902	18,618	19,362	20,137	20,942	21,780	22,651	23,557	24,499	25,479	26,499	27,559	28,661	29,807	31,000	32,240	33,529	34,870	36,265	37,716	39,224	420%

Run out of land in 2039
Run out of land in 2035
Run out of land in 2031
Run out of land in 2024

2019 Update	Factor	16/17	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	33	32	34	35	36	37	38	%ST27
Sc 1 - 0.50%	1.005		17,213	18,112	18,203	18,294	18,385	18,477	18,569	18,662	18,756	18,849	18,944	19,038	19,133	19,229	19,325	19,422	19,519	19,617	19,715	19,813	19,912	20,012	40%
Sc 2 - 1.00%	1.010		17,213	18,112	18,293	18,476	18,661	18,847	19,036	19,226	19,419	19,613	19,809	20,007	20,207	20,409	20,613	20,819	21,027	21,238	21,450	21,665	21,881	22,100	85%
Sc 3 - 1.25%	1.013		17,213	18,112	18,338	18,568	18,800	19,035	19,273	19,514	19,757	20,004	20,255	20,508	20,764	21,024	21,286	21,552	21,822	22,095	22,371	22,650	22,934	23,220	105%
Sc 4 - 1.50%	1.015		17,213	18,112	18,384	18,659	18,939	19,223	19,512	19,804	20,102	20,403	20,709	21,020	21,335	21,655	21,980	22,310	22,644	22,984	23,329	23,679	24,034	24,394	125%
Sc 5 - 2.00%	1.020		17,213	18,112	18,474	18,844	19,221	19,605	19,997	20,397	20,805	21,221	21,646	22,078	22,520	22,970	23,430	23,898	24,376	24,864	25,361	25,868	26,386	26,913	155%
Sc 6 - 4.00%	1.040		17,213	18,112	18,836	19,590	20,374	21,188	22,036	22,917	23,834	24,788	25,779	26,810	27,883	28,998	30,158	31,364	32,619	33,923	35,280	36,692	38,159	39,686	420%

Estimated
Run out of land by 2040
Run out of land by 2036
Run out of land by 2032
Run out of land by 2029
Run out of land by 2024

1. Note on Economic Forecasts for York

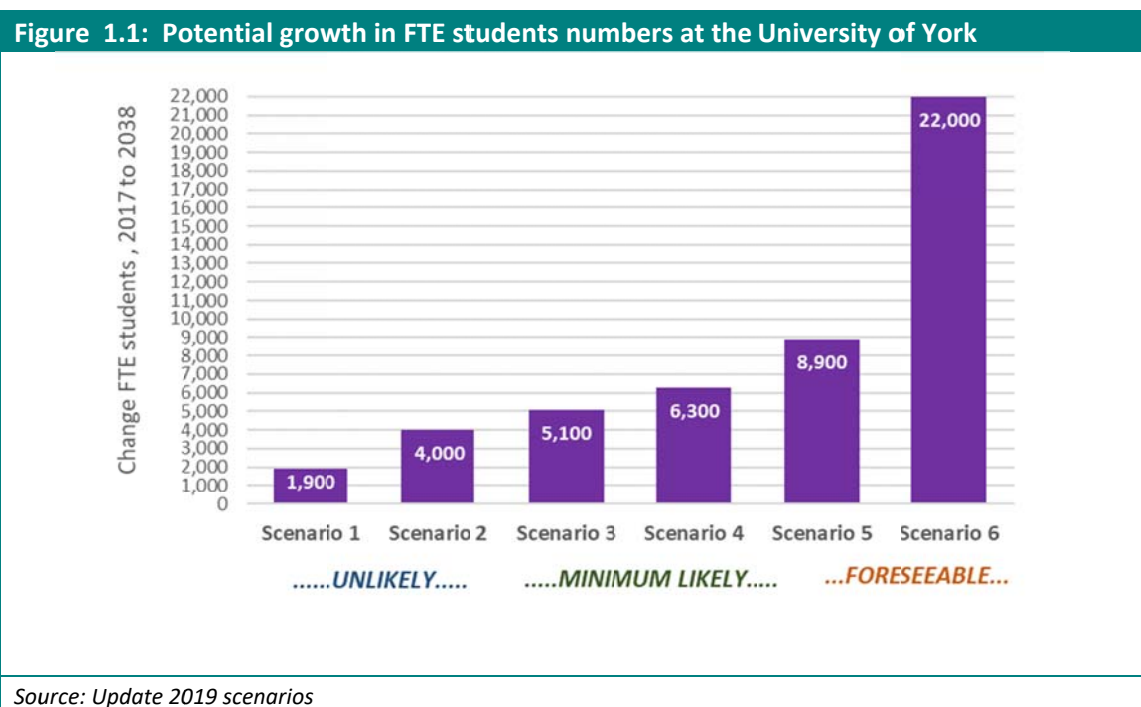
Purpose of this note

1.1 This note has been prepared to consider the **consistency** between the latest forecasts of economic growth in York prepared for the City of York Council (CoYC) and the likely growth path of the University of York as summarised in the recent updated statement by the University on the rationale for its proposed campus expansion¹.

University of York Growth Scenarios

1.2 The latest update on growth scenarios reviews a number of potential growth scenarios for the University applied to the most recent FTE student numbers for 2018/19 (18,100). Six scenarios are considered for the annual average growth rate in full-time equivalent (FTE) student numbers to 2038 (which has been around 4% pa over the last decade).

- Scenarios 1 - 0.5% per annum and 2 - 1.0% per annum. These are described as “*unlikely*”
- Scenarios 3 - 1.25% per annum and 4 - 1.5% per annum. These are described as “*minimum likely scenario for prudent long term growth planning at this stage of the Local Plan*”
- Scenarios 5 - 2.0% per annum and 6 - 4.0% per annum. These are described as “*foreseeable*” given the University’s reputation and the fact that these are scenarios with growth rates either less than (Scenario 5) or equal (Scenario 6) to the actual growth rate over the last decade.



¹ “City of York Local Plan, Update 2019, University of York Growth Rationale for Campus Extension to the South of Campus East,” prepared by Stephen Talboys, Director of Estates & Campus Services, University of York, November 2019

Relationship between student numbers and the economy of York

- 1.3 Earlier work submitted to the Examination reviewed the relationship between changes in student numbers at the University of York, space requirements and the economic impact for the City of York area². This work estimated the total impact of the University’s activities (excluding the Science Park) on employment in York as around 6,600 FTE jobs in 2016/17 or around 6.5% of all employment in the York area.
- 1.4 Subsequent to this report, the University commissioned research by London Economics on the overall UK and regional economic contribution of the University³. The estimates of employment impact for 2016/17 in this report were similar to those used in the April 2019 report⁴ (although no estimates were produced specifically for the City of York area in the London Economics report). The April 2019 report looked at the relationship between FTE student numbers and the economic footprint of the University with the relationship being as shown below in Table 1.1.

Table 1.1 Total jobs per FTE student, 2016/17, University of York	
Direct jobs at the University	0.24
Indirect in supply chain and from student spend	0.11
Direct and Indirect	0.35
Induced	0.03
All local FTE jobs	0.39

Source: Nicol Economics (April 2018) Table 5.2

- 1.5 This relationship is of course an average relationship from one year only and clearly will change over time as the mix of activities at the University changes and as a result of potential productivity and other changes at the University. It is, however, interesting to note that over the 10 years to 2016/17 the growth in FTE student numbers and of FTE staff directly employment by the University was very similar (57% compared to 51%)⁵, suggesting the relationship has remained broadly constant.
- 1.6 If we apply these ratios above to Scenarios 1 to 5 then the potential associated increase in FTE employment in all of York is as shown below in Figure 1.2. We have not considered Scenario 6 as this would imply the total student numbers at the University more than doubling over the next 20 years which is unlikely. This analysis suggests that Scenarios 3, 4 and 5 could lead to, respectively, around 2,000, 2,500 or 3,500 extra FTE jobs in York of which over half would be staff employed by the University (and so in the education sector). In other words, with plausible scenarios for University growth **there could be increase of from 1,200 up to 2,100 in people employed in the education sector in York between 2017 and 2038**, plus a similar number elsewhere in the economy.

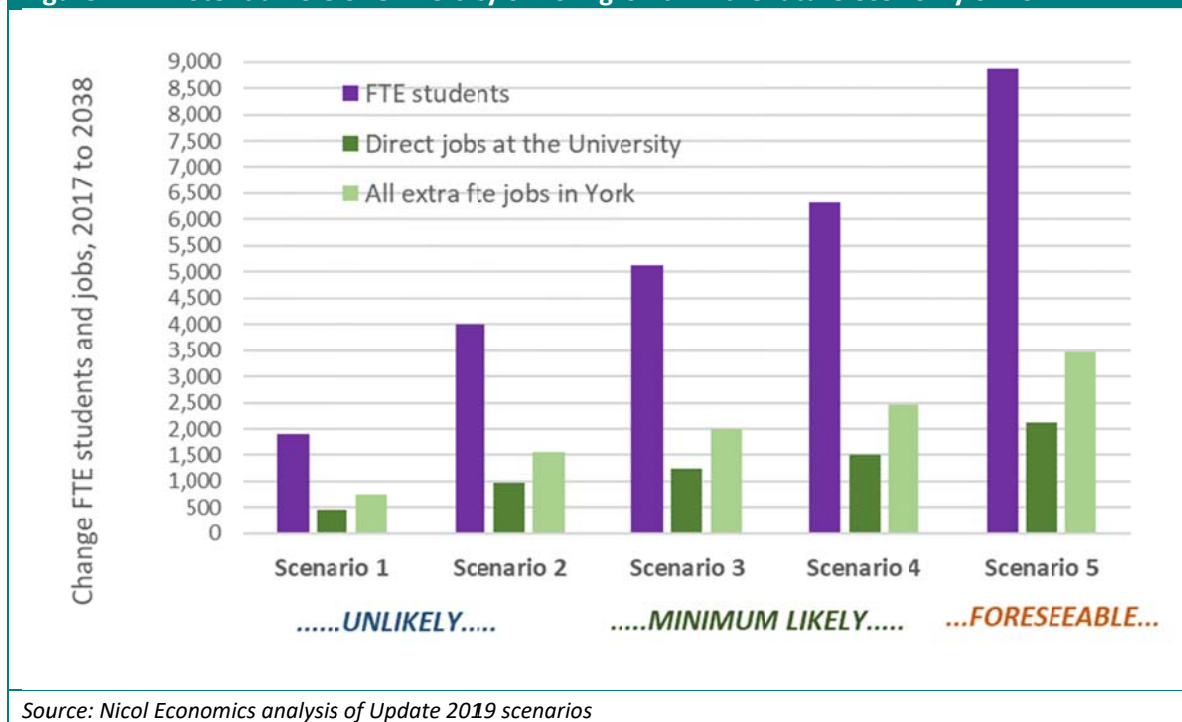
² “Economic Benefit from the Expansion of the University of York”. April 2018, Nicol Economics

³ “The Economic, Social, Cultural Impact of the University of York”, London Economics, November 2018.

⁴ The London Economics reports estimated the contribution at a regional level as 6,325 FTE jobs, the Nicol Economics report estimated the figure for York alone at around 6,400 FTE jobs (excluding construction effects and the impact of the Science Park)

⁵ See Table 3.1 in Nicol Economics, April 2018

Figure 1.2: Potential role of University of York growth in the future economy of York



Oxford Economics latest forecasts

- 1.7 CoYC have recently supplied to the Examination updated economic forecasts prepared for them by Oxford Economics (OE)⁶. Oxford Economics are of course a reputable forecasting house and the forecasts are, largely, based on the application of past trends in data on economic performance at a local level to sectoral forecasts developed at a UK level in their Local Authority District Forecasting Model. The report helpfully explains the model is based:
- *“National/regional outlooks – all the forecasting models we operate are fully consistent with the broader global and national forecasts which are updated on a monthly basis.*
 - *Historical trends in an area (which implicitly factor in supply side factors impinging on demand), augmented where appropriate by local knowledge and understanding of patterns of economic development built up over decades of expertise, and*
 - *Fundamental economic relationships which interlink the various elements of the outlook”.*
- 1.8 They note that the Forecasting Model produces base forecasts, which they say can be used “as a guide to aid commentary or analysis of York”. They emphasise that the base projections are “unconstrained” as they “make no allowance for constraints on development which may be greater than in the past”. It also follows that by the same token the forecasts cannot take account any **future development that are not reflective of past trends or have not been reflected in past data changes.**
- 1.9 In my many years of work on local economic development I have built up a healthy scepticism about the robustness of local area economic forecasts that aim to project forwards several decades. They need to be treated very carefully as indeed do national level long range (or even short range) forecasts.

⁶ “York Economic Outlook: Economic Outlook and Scenario Results for the York Economy”, Oxford Economics, December 2019

- 1.10 The base 2019 OE forecasts for the York economy are for annual average GVA growth of 1.3% pa annum over the period 2017 to 2038. This is faster than the 1.0% pa for the wider Yorkshire and Humber region but slightly lower than OE's forecasts rate for the UK (1.4% pa). In all cases the latest forecasts for GVA growth are considerably down on the previous 2015 forecasts as a result of range of factors including of course Brexit. The most recent baseline forecasts are for a 0.4% pa increase in FTE employment located in York over this period.
- 1.11 The OE report explains that they have revised down their assumed increase in the growth in York's population (OE carry out their own estimates at a UK level of migration and population change and apply these to local areas). In part because of the slower assumed population growth in York, employment growth has been downgraded. It is beyond the scope of this note to explore this relationship in any detail, but it is worth pointing out that if these employment forecasts are used to inform a particular view about housing need these is a large degree of circularity in the argument and data (as the employment forecasts are in part based on a particular view of population change).
- 1.12 The OE report helpfully provides sector by sector estimates of employment growth. These are summarised in Table 1 appended to this report. These forecasts are notable in that they forecast:
- Total employment rising by around 9,500 FTE over the 21-year forecast period or 0.4% pa (around 450 jobs per year)
 - A small fall in employment in the education sector (130 jobs or 1%) and very modest GVA growth in this sector (which of course covers higher education).
- 1.13 OE also produce forecasts for a scenario described as "*reprofiled sectoral growth*" for York. This scenario forecasts marginally higher employment growth compared to the baseline (9% compared to 8%). This is a result of a slightly arbitrary faster assumed growth in higher value business services⁷. However, importantly, this scenario assumes exactly the same growth in the education sector.
- 1.14 OE do not break the education sector down into its components parts. However, we have examined data on employment composition of the education sector in York from the Business Register and Employment Survey BRES⁸. This data suggests that in the total education sector in York around 6,000 jobs (full and part time) are accounted for by higher education (average over 2015 to 2018) or around 50% of the total (12,000), with primary and secondary education accounting for around 40% of total employment in the sector or around 4,800. These figures are based on slightly different data sets than those used by OE but are broadly similar (the OE figure for 2017 is 12,650 FTEs including self-employed). The University of York is not the only university in York (there is also York St John University). It is likely that the University of York's employed staff account for **at least a third of total education sector employment** in York and possibly more⁹.

⁷ 20% faster growth compared to the baseline in the Information & communication, financial & insurance, real estate activities and professional, scientific & technical sectors and 10% slower growth compared to the baseline in & retail trade and accommodation & food services

⁸ open access data available via NOMIS

⁹ The University's report in 2017 indicated that it employed 4,230 FTE staff.

Conclusions

- 1.15 The most recent OE forecasts are based on available local level data for York, past changes in that data applied to national level sectoral forecasts. This process cannot possibly pick up fine-grained changes or influences on York's economy. OE acknowledge that their forecasts are simply "*a guide to aid commentary*". The purpose of this note is not to comment on the overall robustness or appropriateness of the OE forecasts. However, what is clear is that OE's modelling of employment change in the education sector to 2038 cannot possibly take account of likely ranges of growth in the University of York which would lead to several thousand extra jobs in the sector¹⁰ as opposed to a 1% decline that they forecast.
- 1.16 Furthermore it is very unlikely, simply because of the way in which the forecasts are produced, that the OE forecasts take account of the potential wider impacts from the growth in the University on the local economy including productivity, student spend and R&D impacts.

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¹⁰ The only reason why this could be true would be if there was a dramatic fall in primary and secondary education employment over the period to 2038 which is very implausible

Appendix A: Baseline Sectoral Forecast for York, 2019

Sector	Employment (FTE jobs in York)						GVA, £ms 2016 prices					
	Level		Change 2017-2038				Level		Change 2017-2038			
	2017	2038		%	% pa	Share	2017	2038	£ms	%	% pa	Share
Agriculture, forestry & fishing	345	276	-69	-20.0%	-1.1%	-1%	9	7	-2	-22%	-1.2%	0%
Mining & quarrying	0	0	0	#DIV/0!	#DIV/0!	0%	0	0	0	#DIV/0!	#DIV/0!	0%
Manufacturing	4,714	3,032	-1,682	-35.7%	-2.1%	-18%	386	357	-29	-8%	-0.4%	-2%
Electricity, gas, steam & air	83	68	-15	-18.1%	-0.9%	0%	44	52	8	18%	0.8%	0%
Water supply	230	312	82	35.7%	1.5%	1%	39	61	22	56%	2.2%	1%
Construction	5,973	6,328	355	5.9%	0.3%	4%	273	317	44	16%	0.7%	3%
Wholesale & retail trade	19,355	18,189	-1,166	-6.0%	-0.3%	-12%	641	807	167	26%	1.1%	10%
Transportation & storage	5,730	5,350	-380	-6.6%	-0.3%	-4%	217	237	20	9%	0.4%	1%
Accommodation & food service	12,180	14,038	1,858	15.3%	0.7%	19%	223	295	72	32%	1.3%	4%
Information & communication	3,446	5,361	1,915	55.6%	2.1%	20%	163	309	147	90%	3.1%	9%
Financial & insurance	4,395	4,198	-197	-4.5%	-0.2%	-2%	462	597	135	29%	1.2%	8%
Real estate activities	2,150	2,474	324	15.1%	0.7%	3%	790	1,195	406	51%	2.0%	25%
Professional, scientific & Tech	10,624	13,018	2,394	22.5%	1.0%	25%	386	636	250	65%	2.4%	15%
Administrative & support	7,945	10,299	2,354	29.6%	1.2%	25%	166	258	91	55%	2.1%	6%
Public administration & defence	7,280	6,344	-936	-12.9%	-0.7%	-10%	356	324	-31	-9%	-0.4%	-2%
Education	12,653	12,524	-128	-1.0%	0.0%	-1%	420	449	30	7%	0.3%	2%
Human health & social work activities	15,910	19,707	3,797	23.9%	1.0%	40%	539	799	260	48%	1.9%	16%
Arts, entertainment & rec	2,714	3,478	764	28.2%	1.2%	8%	71	77	6	8%	0.4%	0%
Other service activities	3,803	4,066	262	6.9%	0.3%	3%	83	95	12	14%	0.6%	1%
Total	119,531	129,062	9,531	8.0%	0.4%	100%	5,309	6,929	1,620	31%	1.3%	100%

Source: "York Economic Outlook: Economic Outlook and Scenario Results for the York Economy", Oxford Economics, December 2019