



1. Introduction

- 1.1 We welcome the opportunity to comment on the Review of the Regional Economic Strategy which we recognise as a critical document related to the economic regeneration of Hull and the wider region.
- 1.2 Hull Business Forum is a unique organisation which provides strong business input into the Cityvision Local Strategic Partnership and the regeneration of Hull. Any business in the city is encouraged to play an active role in the Forum and can stand for election by their peers to the Cityvision Board and eight themed sub-boards.
- 1.3 The Forum is funded by the LSP and brings together local businesses, Hull & Humber Chamber of Commerce, the Federation of Small Businesses, Hull City Council Development and Renewal Services and other key organisations working to regenerate the city.
- 1.4 This response has been developed following thorough consultations with hundreds of local businesses. We first make some key comments relating to the RES before addressing the specific questions set out in the RES Review Consultation.

2. Key comments

- 2.1 We believe the RES is generally an excellent document which is clearly evidence based, strategic and ambitious. This review is therefore founded on a strong base. Whilst we understand the need to refresh and renew the strategy to pick up key emerging issues, we would emphasise that the time and energy of Yorkshire Forward and partners should be focused clearly on **delivery**.
- 2.2 The Business Forum is contributing to the development of local/sub-regional strategies this year such as the Community Strategy and Local Transport Plan and is closely observing the Hull & Humber Ports City Region Development Plan. These consultations follow similar work on the Regional Spatial Strategy and many other strategies. Our concern that there is a major risk of '**consultation fatigue**' in 2005. Organisations leading these consultations should be more conscious of this and seek wherever possible to consult jointly, thinking carefully about how to engage businesses and then quickly move to delivery mode.
- 2.3 The Forum has agreed some key priorities which local businesses believe are critical to the development of the city and region over the next decade. We have assessed the socio-economic challenge that Hull faces, primarily a cycle of a lack of jobs, low aspirations, poor education, high crime and poor health. We want to see local and regional strategies tackle causes not symptoms and so our key priorities are **economic improvement** (business growth, enterprise, employment and transport); **education and skills** (GCSE attainment and vocational skills); and **pride in Hull** (self-confidence, image, aspiration and ambition).
- 2.4 We want the RES to continue to 'think big' and be ambitious for the region and the places within it. In particular we therefore strongly welcome the visionary renaissance programmes and in Hull's case the URC. We would like to see issues like the impoundment of the River Hull and the 'cut and cover' solution for Castle Street be highlighted in the RES. We support the emphasis in this review on transport and education/skills which we agree are fundamental to a strong regional economy. However delivery is now the key. Business wants to see these big ideas happen on the ground. **Think big, but deliver.**
- 2.5. The **Humber Trade Zone** was the big idea for the Humber in the original RES. Five years on and progress has been patchy at best. The responsibility for this is not of course solely down to Yorkshire Forward – sub-regional and local partners must take collectively responsibility as well. However, as Yorkshire Forward's flagship Humber initiative, we ultimately expect them to make sure it is working. We still believe that the concept of capturing economic benefit of the Humber ports is absolutely right

and should be persevered with, but the management arrangements, funding and delivery structures could all be improved despite significant recent improvements. The leadership and administration must have a strong business culture to ensure effective delivery. The HTZ also needs to be supported by visible projects large and small. For example, a relatively small amount of money is required to upgrade the rail freight signal system to the port of Hull which would immediately increase capacity. It hasn't yet happened (mainly due to the paralysis in the rail industry). At the other end of the scale, the 'cut and cover' solution for the A63 Castle Street (a scheme of regional and sub-national importance) must happen if the port and region is to thrive. These examples demonstrate the need for delivery now that appropriate strategies are in place. We are relaxed about whether HTZ as an entity continues in light of the Hull & Humber Ports City Region Development Plan. It may not make sense to have both in the Northern Way context, however what is important is that the priority of using the Humber Ports as key regional assets continues and that Yorkshire Forward embraces the Global Gateway concept. From a communications point of view, Yorkshire Forward will have to think carefully if it is seen to abandon the Humber Trade Zone brand, as a lot of its credibility stands on this initiative in the Humber sub-region. The PR as well as the strategy needs to be right.

- 2.6 We support the broad thrust of the priority areas of the new RES around transport and skills (in which we would include education). We also believe that **enterprise** should be a further top priority and we welcome the measures that Yorkshire Forward have taken to date to support this agenda. We would particularly like to see a further emphasis on the promotion of an enterprise culture. This would include measures to promote business engagement in schools, perhaps incentives could be provided to companies that dedicate time and resources to local school, and enterprise being embedded in core curriculum subjects. This theme should then be carried through with practical business support, customised for and communicated clearly to, young people.
- 2.7 We believe that the Hull and East Riding economies have a big opportunity to derive more economic benefit locally from **public sector procurement**. There are big opportunities by working with the local development and construction sector to take advantage of the major capital regeneration spend on schemes such as Building Schools for the Future and Gateway Pathfinder. We support the early work Yorkshire Forward have done with the NHS and hope this is developed and extended to other major purchasers. The VEN concept is also very welcome and we believe it would be possible to deliver smaller, local VEN to help SMEs tap into public procurement. The RES should recognise these opportunities and assess whether the current level of business support is adequate to ensure local business can access these opportunities, especially small businesses who may have less direct opportunity to do business with the public sector given the Gershon agenda, PFI and the move to more strategic procurement.
- 2.8 We accept that Yorkshire Forward has a delicate balance to strike in terms of regional, sub-regional and local engagement. However, we would like to see the RES and Yorkshire Forward more involved in local decision making. If the RES is seen simply as a regional framework which can be variably applied to local decisions, the investment planning approach will not work. More consistent, proactive and positive engagement with Local Strategic Partnerships is therefore recommended to ensure these local partnerships have a sharp economic focus and help deliver the RES.
- 2.9 We recognise and welcome the work that Yorkshire Forward is doing on **Key Cities**. We agree that this regions cities are key economic drivers and we support the investments that Yorkshire Forward are making, for example in Hull Citybuild to regenerate the city centre. We would support further measures in the RES to ensure that the regions cities reach their economic potential.
- 2.10 The RES will of course need to take on board key changes since the last review three years ago. These include the advent of the Northern Way and the accession of the eastern European countries to the EU, both of which more clearly define Hull's unique role in the regional economy. Humber Trade Zone and/or the Hull & Humber Ports CRDP will of course have an important role to play in capturing this economic potential and these initiatives need the funding, expertise and flexibility to make a real difference.

3. Responses to specific consultation questions

- 1Q. Business and public sector leaders agree that reducing traffic congestion and improving public transport would enhance Yorkshire and Humber's economic prospects. How can the region exert more influence

on **transport infrastructure and services** and ensure the right improvements, befitting of a world class region?

- 1A. We agree that transport infrastructure and services are key priorities for the region. The city of Hull's lobby for the A63 Castle Street 'cut and cover' solution is top of our priority list and is supported by Alan Johnson MP, Hull & Humber Chamber of Commerce, ABP, Hull City Council and Hull Citybuild. The city has been waiting nearly 20 years for an improvement scheme and has moved through the painfully slow scheme development process including a multi-modal study. This scheme is fundamental to the successful delivery of the city centre masterplan given that Castle Street severs Hull's waterfront potential from the rest of the central area. A 'cut and cover' solution which meets transport, economic, regeneration and environmental objectives has been agreed locally and yet a decision is awaited and appears now to need to support of the yet to be established Regional Transport Board. Businesses are unconcerned whether the money comes from the Department for Transport, a regional transport pot, regeneration and development agencies or any combination of these. The scheme is fully in line with all sub-national, regional, sub-regional and local strategies about opening access to the port of Hull and using transport as a key regeneration tool. There is growing frustration amongst local businesses that the scheme has yet to be approved. The sooner the solution is agreed, the quicker the much needed economic benefits will be reaped by the city and region. Yorkshire Forward should use the Regional Economic Strategy as a tool to make the scheme happen by making the case to the Department for Transport and if appropriate, the Regional Transport Board.
- 2Q. The Better Deal for Business framework agreed by Yorkshire Forward, Business Links and the local Learning and Skills Councils aims to improve the clarity, efficiency and effectiveness of the region's **business support** network, putting the customer first. Given the Business Links will move out of specialist provision and become the high quality gateway to the network, what should be the unique specialist role of other providers in the network? How can we promote higher levels of enterprise and help more people than ever to set up successful businesses? Which interventions to help businesses are working best? And, is there enough focus on helping indigenous businesses to grow and develop?
- 2A. The original Business Link concept was to be a gateway 'one stop shop' rather than a deliverer, and yet in practice it did not work effectively. We therefore expect real challenges for Yorkshire Forward in making Better Deal for Business work. The key point is that BDFB will only be effective for businesses if it can rationalise delivery agencies and drive more direct resources to the front line business customer. We very much support the need to help businesses grow develop. Business sense tells us that it is easier to do more business with existing customers rather than attract new ones (although inward investment is of course important as well). Local businesses can be helped to grow in several ways – improving skills, improving local infrastructure, getting local procurement right to capture the local benefit of public sector investment. Higher levels of enterprise can be achieved by a much more comprehensive enterprise programme with young people and particularly schools. We believe 'enterprise' should be embedded across the curriculum in many different subject areas, not taught as an occasional or separate area. Once we get the culture right, the two key issues are funding and support. We welcome the steps taken locally and regionally to provide appropriate financial support for new businesses and would like to see this extended where appropriate to give more help to more fledgling businesses. In terms of support, there is probably adequate provision from public and private business support organisations in terms of the mechanics of establishing and running a business. We would however like to see support to encourage existing businesses support new local enterprises. An 'enterprise academy' concept pulling together access to established business support linked to peer group support and informal mentoring by successful local business people would be an attractive concept. The proposal would be equally applicable to social enterprises and community businesses, which could be a significant growth area for the local economy.
- 3Q. **Skills** are vital to the future of the economy. The region's performance has improved in some areas but still lags behind in the UK average. In terms of matching the supply of skilled people to what employers need now and in the future, which interventions are working and which ones are not? What sort of skills are most required, and is there enough emphasis on radically improving higher level skills or more generic skills such as management, communication and creativity?
- 3A. Skills are clearly a vital area for the local and regional economies and closely linked to the next question on education. We are supportive of policies which recognise the different attributes of the regions people, young and old. Academic qualifications are neither stimulating for all young people, nor

necessarily a priority for all employers. A good attitude and work ethic is perhaps more important than qualifications as businesses can train for skills if the attitude is right. The region should ask itself some fundamental questions in the area of skills. In Hull for example, around a third of the adult population are functionally innumerate or illiterate. At a time of limited funding and resources, should we put an emphasis on adult basic skills or focus more on realising the potential of younger people? We believe in a greater emphasis on young people in deprived areas where worklessness is generally embedded. We would also like effort be put into the perceptions around skills and jobs. For example, retail and leisure are growth areas for the economy, particularly in Hull with the St Stephens and Quay West developments. Working in customer services in these industries is generally regarded as low skills. However, we believe that customer service and communicating effectively with customers is a high skill and should be regarded in this way. By changing these perceptions and radically improving customer service not only will the region become a more attractive and friendly place to live and visit, but the greater value on these skills could lead to better wages in these high employing vocations.

- 4Q. Evidence suggests that improving the capacities, aspirations and educational attainment of all of the region's people – especially young people – could have a beneficial effect on employability and enterprise. What practical changes can the region make to improve the impact **education** has on the ambitions and prospects of all of our people and businesses?
- 4A. Enterprise education should be embedded throughout the curriculum and businesses should be encouraged and perhaps supported to do more work with local schools. We very much support the excellent work done by organisations such as Young Enterprise in schools across the region and would like to see more support for such organisations that are already delivering and have the support of local business communities. We accept that there are many demands on schools, but we do believe a higher priority could be given the enterprise. Not only could more to be done to get businesses involved with pupils, but we would like to see more teachers coaxed out of the classroom to understand how businesses and the economy works in order to 'teach' enterprise more effectively. There are some great business stories which could have elements applicable across the curriculum, for example using football club finances and business strategies as a way of making business relevant or tapping into young peoples passion for technology by doing cross-subject work on for example vodafone's development which would have relevance across maths, sciences etc. There are of course broader issues about educational standard across the region, particularly in Hull which is consistently at the 'bottom' of GCSE league tables. As already mentioned, the Forum believes education should be one of the three top priorities for the regeneration of the city. It is simply essential that more young people are given a better life chance and the employees of the future are better equipped to enter the labour force. We would therefore like to see schools be encouraged to develop its enterprise education activities as a core part of their work. Businesses could also be encouraged more to get involved with local schools. Some will get involved simply because they are 'good corporate citizens' but if the region and nation is serious about getting more involved, a financial incentive, possibly a tax break would be an avenue worth exploring.
- 5Q. By the end of the year more than 20 towns and cities will have **rural and urban renaissance** visions and masterplans in place. How do we bring together the right spread of resources and organisational capacity to deliver these? How should we capitalise on and communicate Yorkshire and Humber's pioneering approach, putting civic pride, diversity, quality and unique local identity at the heart of economic development? Can we further link physical development to businesses and skills, making our towns, cities and rural communities quality places that attract and retain skilled people?
- 5A. As already mentioned, we strongly support the renaissance agenda and welcome the fact that Yorkshire Forward are looking seriously about how to deliver. The visioning part of the exercise is in many ways the easy bit – putting the delivery mechanisms in place is something far more challenging. We welcome and support the work of Citybuild, however it still needs to prove itself in terms of delivery. So far, it has not yet found a suitable tenant for Island Wharf, failed to get planning permission for a much needed pedestrian footbridge over Castle Street and it could be argued that the masterplan has thwarted some private sector city centre regeneration in some areas, despite the fact that at the time it didn't have any legal status as a planning framework. Citybuild is the right vehicle and has the potential to succeed, particularly with the excellent team it has in place. We hope it does and will seek to support it to achieve key objectives for the city. We do believe local support could be strengthened for regeneration projects by doing more to help local businesses deliver these projects – either as a main contractor or as part of

the supply chain. Procurement provides a major opportunity to deliver lasting economic benefits from capital investment.

- 6Q. The productivity of the region's businesses depends more and more upon their speed and ability to innovate. What more can be done to encourage higher levels of **innovation** and to commercially exploit the region's strong higher education research base?
- 6A. In Hull, the sale by Yorkshire Forward of the Newlands Science Park does not appear to have supported innovation given that the Science Park concept now appears to be secondary and the site is a more normal managed workspace centre rather than a place for genuine innovation. More positively, the sites developed at The Deep and Shine Knowledge Park are very helpful additions to Hull's capacity in this area and we would like to see the further development of such facilities supported in the future.
- 7Q. Although there is some evidence that income levels in the poorest households are increasing, many parts of the region have concentrated areas of deprivation, with associated health, crime, drugs, housing and employment problems. How can we join up solutions to all these issues and get more people off benefits and into the workforce? What approaches should we adopt to regenerating neighbourhoods, promoting **community economic development** and social enterprise? And with record numbers now in employment in the region, should we aspire to raise the quality and value of jobs as well as to create more jobs?
- 7A. Yes we should seek to increase the quality as well as the quantity of jobs, but the strategy should not lose sight of the fact that many parts of the region, including Hull, still have a major jobs gap, estimated to be 15,000. We therefore believe job creation should continue to be the first priority. We would like to see more Yorkshire Forward engagement in Local Strategic Partnerships as the delivery vehicle for the neighbourhood renewal and wider regeneration agenda at a local level. We accept that there is a difficult balance to strike between local and regional involvement and engagement, however, the expertise of Yorkshire Forward in local regeneration would be a real asset to ensure local as well as regional regeneration retains a sharp economic focus. We would re-emphasise the comments made earlier about the cycle of deprivation, simplified as a lack of jobs, low educational attainment, high crime and poor health. In a strategic sense high crime and poor health are largely symptoms of the weak economic base in places such as Hull. Whilst there should of course be measures to tackle crime and health priorities, the focus should be on tackling the root causes which are poor education and the lack of jobs.
- 8Q. **Climate change** is one of the biggest challenges facing the global economy. How can the region prepare for and mitigate the impact of climate change and promote solutions such as more efficient and sustainable production and consumption? Can we become a world leader in this field, and help our businesses to benefit from new market and trade opportunities?
- 8A. The region can do more to position itself as a leader in environmental technologies and we would support measures to move us in this direction. We also support the promotion of waste management and energy efficiency where there are clear business competitiveness benefits from doing so. The note of caution is taking these measures without compromising our global economic competitiveness, particularly given the fact that manufacturing remains a significant and vital part of the regions economy. Much more could be done for businesses to encourage waste and energy efficiency. The Forum worked closely with the Chamber of Commerce and Hull City Council to introduce a waste paper recycling scheme for which more than 800 local businesses signed up. This was a successful value for money model which could be extended if resources where available. We acknowledge the support Yorkshire Forward has given to the ETCIC at the University of Hull and we would strongly encourage resources to be made available for successful and cost efficient projects which can deliver real benefits.
- 9Q. **The Northern Way** sets out a bold vision to bridge the £33 billion North-South divide. How should Northern Way proposals be included in our new RES? For example, how should the region utilise the city-region concept to add value to the RES and existing sub-regional approaches, and how can we ensure strong and clear links to the 'Regional Spatial Strategy'? Are there any other key geographical considerations, such as for rural areas, and should the RES show how it will make a difference to specific places?

- 9A. The city-region concept is a sensible one, but where does it leave the sub-regional concept? Clearly there are complex geographies involved in the various models for delivery and perhaps Yorkshire Forward should use this RES review to fundamentally look at its geographical delivery structures. Businesses are not really concerned about the who and the how, they are interested in the what and the when. We would also suggest that the development of city-region development plans does not duplicate the work done in consulting on the RSS, RES and the plethora of local strategies. The challenge for the Northern Way at a practical level is demonstrating where it can make a difference to what is or would already happen. At a strategic level, we want to see the Northern Way actively support major infrastructure projects of sub-national and regional significance such as the A63 Castle Street in Hull. Ports development is clearly a key priority area for the Northern Way, particularly the opportunity for the North of England to take advantage of expanding EU markets and by-passing the congested South-East. Talking about this opportunity is not enough, the Northern Way will only be meaningful if it provides the context for key schemes such as Castle Street to go ahead.
- 10Q. Two central themes need to underpin the RES. Firstly, **sustainable development** – integrating economic progress with social and environmental goals. Does the next RES need to ensure that sustainable development principles drive the region's investments even harder? Secondly, Yorkshire and Humber is made up of many diverse and vibrant communities. The unique **diversity** of our people's skills, talents and potential is the key to unlocking our sustainable economic growth. How can we make sure this is reflected in the RES, underpinning everything we do?
- 10A. The Regional Economic Strategy has generally successfully balanced social and environmental goals with its economic objectives. With greater engagement at a local level through Local Strategic Partnerships as recommended earlier, we are confident that the relevance of the RES to social objectives will be more appropriately reflected.
- 11Q. 5 year **Investment Plans** to deliver the RES have been produced for the Humber and North, South and West Yorkshire and the Government is consulting about publishing long term indicative transport, housing and economic development budgets for each region. Would a "costed" RES have more influence and credibility? How can we best link the RES to Investment Plans and the region's other strategies? How should the value of other resources and investments – such as on health and housing – be maximised and aligned? And how should we plan ahead for the likely reductions in European funding?
- 11A. A 'costed' RES may not be practical and may constrain the ambitious thinking that the region needs. Indeed, the current approach about using the RES to make the case for further investments in skills, transport or regeneration seems to be a sensible one. The Investment Planning approach to delivery is in principle a good one which can maximise the total public and in some cases private spend in the region. It should be a key delivery pillar, but strategically separate from the RES. Investment Planning requires a change in culture from lots of organisations in the region. This takes time, patience and determination and we hope that it is ultimately successful. However, it would perhaps be fair to say that the RES delivery structures could be made simpler, quicker and with a lighter touch at sub-regional level in particular.
- 12Q. The situation on **targets** has changed. A set of new "Advancing Together" outcome targets has been agreed by regional partners covering economic, social and environmental goals, and a Government review of RDA performance targets has taken place. How should the RES targets be refined to reflect those changes?
- 12A. RES targets are clearly important for Yorkshire Forward and partners to prove their achievements and value to Government and regional stakeholders. However, in terms of targets businesses will be less interested in what they hear and more in what they see. Will they see any tangible difference in business support as a result of Better Deal for Business? How much of the Hull City Centre Masterplan will be delivered? Do they regard the work of the clusters as relevant to their business? Will they judge Humber Trade Zone to be an initiative which has had a positive impact on either their business or the wider economy? Businesses are unlikely to judge the delivery of the RES in terms of hard targets or output driven approach, successfully achieved or not. They will want to see the impacts and the outcomes. There have been some in the Hull and the Humber area which we certainly welcome, but overall from a business perspective, Yorkshire Forward needs to focus less on targets and more on demonstrating the actual impact these investments have had on businesses and the economy.