



Hull: The Pioneering City

‘ENTERPRISING BRITAIN’ – BRITISH CAPITAL OF ENTERPRISE
 A submission from Hull Cityeconomy and partners

Hull CityEconomy partners include



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Introduction

Hull is a truly pioneering city. Enterprise has been at the very core of the city's economic, social and environmental development for centuries. This bid puts forward the case about why we, as key partners in Hull believe that Hull should be the first ever British Capital of Enterprise. The city has:

- A truly enterprising history.
- A renewed commitment to match economic and neighbourhood renewal.
- World class businesses and entrepreneurs.
- A culture of partnership working to transform Hull's economy.

City Economy, Hull's Local Strategic Partnership (LSP) sub-board charged with 'Rejuvenating the City's Economy' is pleased to submit this proposal on behalf of the city of Hull.

The submission sets out the main issues and challenges facing Hull, what has been developed and introduced to address these and how this has been achieved through successful partnership working in the city. What is noticeable and a trend which gives everybody tremendous optimism is that progress is being made, initiatives are having a positive effect and this is now being borne out of statistical data. However, our bid is not founded in Hull's statistical profile, it is based on our ambition to make Hull a top ten city and the best location to set up and grow a business. The Enterprising Britain competition provides an excellent way of establishing that status.

"A City Vision. Kingston upon Hull is a confident, dynamic and inclusive City, where people want to live, learn, work, visit and invest."

The development of a pioneering city

Hull is a vibrant riverside city with an inescapable maritime heritage.

Everywhere you look you will see the legacy of our long association with the sea. Contrast the stunning outline of The Deep - the world's only submerium - to the Hull Maritime Museum, with its distinctive domes, visible across the city centre skyline. See the maritime traditions come alive at the annual Sea Fever sea shanty festival, set against the atmospheric backdrop of the Hull Marina and the developing waterfront. These days, the pioneering spirit is to be found right across Hull as it transforms itself from one of Britain's best kept secrets into an innovative destination.

Hull has pioneers of both past and present who reflect our entrepreneurial spirit:

- William Wilberforce - the city's most renowned son who worked tirelessly and successfully to bring about the abolition of the slave trade.
- Amy Johnson - the first woman to fly solo to Australia. A prolific record breaker, with non-stop flights from England to Japan, Cape Town, the United States and India.
- Ground breaking design and development is celebrated in the Humber Bridge - this magnificent piece of civil engineering took over nine years to build and is one of the world's longest single span suspension bridges.

Hull is a major European City/Port, centrally located on the UK's east coast. Occupying a prime location on busy trade routes this has created an outward looking city, generating wealth and employment. The historic city of Hull is one of the smallest city's by area in the country, covering just 71 sq km it has a population of 243,589. Given Hull's 'under bounding', its relationship with the sub-region and region is critical to its success.

Of its 23 electoral wards, Hull has around half in decline, requiring fundamental renewal (falling into the 10% most deprived wards nationally), several more vulnerable to decline, requiring partial renewal (falling into the 11-30% most deprived wards nationally) and 2 susceptible to population drift requiring targeted action (falling into the 31-50% most deprived wards nationally). Economic disadvantage is exacerbated by high crime rates,

unacceptable levels of social disorder, poor and unpopular housing and facilities and marked differences in health and life expectancy.

Hull has set its sights on being a top ten city in all aspects of city life. This means building confidence in Hull and not accepting second best. Very simply this means raising our standards, always striving to be among the best. Whether in our street, our community, our city, our country, or even in the world. We want Hull to be up there. We want Hull to be top ten.

Whatever we do, we try to make sure Hull is pioneering. We look outwards for inspiration, learning from the past and improving on what's been done. Our pioneering spirit will help us become a top ten city.

The development of an enterprising city

Through the centuries Hull's economy has been based on its geographical position as a key UK port. International trade and fishing have served the city well down the years and provided employment which sustained a rich and distinguished maritime history for the city. However, Hull's economy was forced into major transition following the demise of the fishing industry in the 1970's and has since struggled to find its role in an ever changing globalising economy.

Hull's enterprising spirit is reflected in today's modern economy with a number of the country's leading companies having their roots in the city.

Isaac Reckitt founded Reckitt & Sons Ltd in Hull in 1840 and in future years the company became **Reckitt Benckiser**, the world's leading manufacturer of household cleaning products behind brands such as Dettol, Calgon and Finish. Reckitts continue to make a huge contribution to Hull including significant support for the Children's University, the pioneering initiative linking schools and businesses to improve educational standards in the city.

Thomas Robinson Ferens rose from being James Reckitt's clerk to become Chairman of Reckitts and Liberal MP for the current Deputy Prime Minister's constituency of East Hull. In the best traditions of Hull's great benefactors, Ferens supported both culture and learning in the city providing the funds to found the Ferens Art Gallery and in 1927 Hull's University. Bringing history to the present, Ferensway, the road which took his name is home to one of the UK's largest city centre regeneration schemes, St Stephens, which is now underway.

T.J. Smith founded **Smith & Nephew**, one of country's leading healthcare companies which led the way in fighting TB in the 1930's and remains one of the UK's most innovative companies, as well as one of Hull's major employers. Smith & Nephew continue to invest considerable energy in a range of good causes in the city and its President, Jim Dick, leads Cityimage the pioneering marketing partnership organisation for Hull. One of Smith & Nephew's senior executives, Noel Waters, has been elected by the business community to represent them on the Cityvision Local Strategic Partnership Board which seeks to entwine economic regeneration with neighbourhood renewal.

Hull's most recent high profile business story began in 1851 when **William Jacksons** opened a small convenience store in Scale Lane in Hull which 150 years later grew to become a chain of 114 outlets covering an area from Harrogate to Leicester and from the east coast to Bradford and Halifax. Apart from its thriving retail business - which helped pioneer the convenience store concept in Britain - William Jacksons also operates a major bakery providing sandwich bread to premium sandwich makers in the UK and Europe and other specialist products for the food service sector. This dynamic company now employs almost 3,000 people and Jacksons Stores can rightly claim to be leading the way for convenience shoppers - a fact perfectly demonstrated in the 2000 when the company's Princes Avenue Store in Hull won the Top Shop Convenience Store of the Year Award. In 2004 they won the prestigious Grocer Gold Award and have recently sold the business to retail giant Sainsbury's reflecting their huge success in the marketplace, although the Jacksons name will live on.

The city's great business leaders have made huge contributions in shaping Hull, a large number as Presidents of the Chamber of Commerce & Shipping, which itself is one of the oldest Chambers in the UK founded in 1837. The Hull Chamber is the only one in the vast global Chamber family to carry the word 'Shipping' in its title reflecting the rich maritime heritage of Hull. This tradition burns strongly today. Hull is a proud port city on

which many businesses and jobs depend. The port of Hull is critical to our history, our present and to our future economic well being.

Early in the 20th century, the Hull Telephone Department, later to become Kingston Communications, became the only local authority controlled telecommunications provider in the UK. More than half of the company was floated on the stock exchange in 1999 giving the city of Hull capital receipts of circa £250m which amongst other things kickstarted the sporting renaissance of the city with the construction of the renowned KC Stadium, which is pioneering in its commitment to linking sport with community and learning elements. Kingston Communications also has given Hull a telecommunications infrastructure which provides a golden opportunity to thrive in the new digital age and a partnership company, Hull Citydigital, has been established to maximise these opportunities and is determined to develop new enterprises in the coming years.

This enterprising history is evident today in Britain's leading companies with roots and presence in Hull including BP Amoco, Northern Foods, Ideal Standard and Seven Seas in addition to those already mentioned.

Building an enterprising future

The city does not live in the past. Whilst proud of its entrepreneurial history Hull is enterprising its future.

Hull's Local Strategic Partnership, Cityvision is a private/public voluntary and community based partnership with a main board and eight themed sub-boards. It also has eight strategic themes which are detailed in the Hull Community Strategy.

'Business confidence has never been stronger and there is tremendous momentum across the city'
Jim Dick, President of Smith & Nephew, Wound Management

CityEconomy is the sub-board charged with 'Rejuvenating the City's Economy' ensuring that benefits of increased wealth are available to all in terms of improved and sustained employment opportunities and securing longer term prosperity.

The high level objectives of CityEconomy are:

- Contribute to the **Urban Renaissance** of the City by promoting an economic and employment profile representative of a city occupying a position as a sub-regional/regional centre.
- Seek to **generate additional business and personal wealth**, thereby contributing to a culturally diverse and sustainable city.
- Promote the growth of **social and community enterprise** as a major contribution to economic and personal development.
- Ensure the positive **economic impact of investments** in the City and the sub-region and that such investments contribute to raising the health and welfare of the population.
- Create a **culture of achievement and aspiration** within the City, its economy and individuals promoting attainment of opportunity as an attribute.

The Economic Regeneration Strategy and Action Plan for Kingston upon Hull focuses upon what Cityvision and its partners need to do to secure a sustainable improvement in the city's economic prosperity and how that will be translated into wider socio-economic benefits. The strategy is fully aligned to the Regional Economic Strategy (RES) and the sub-regional plans managed by the Humber Forum, ensuring that the city's agreed way forward for economic regeneration is prioritised and aligned with opportunity.

Specific partnership targets by 2010 for Enterprise are:

- Increase the number of VAT registered businesses by 1600;
- Increase new jobs by 15,000;

These specific targets are set out in 'Growing and Connecting Hull: Economic Regeneration Strategy and Action Plan.' This effectively sets out the way forward over a 15-20 year time span. Produced collectively, it has been adopted by Cityvision as the plan for regenerating the local economy.

In addition to the Boards and partnerships every city will have, Hull is pioneering the new partnerships it believes will deliver future success:

- Hull Business Development Fund - businesses across the city, but particularly in the most deprived areas, will shortly be able to benefit from the ground breaking Hull Business Development Fund which will provide millions of pounds worth of finance for local entrepreneurs and businesses, funded by Hull City Council and delivered by the private sector through Hull & Humber Chamber of Commerce.
- Youth Enterprise - a Hull Youth Enterprise partnership has been formed and its strategy is all about promoting an entrepreneurial culture amongst young people. The partnership are currently developing this and a mapping exercise is underway. A consultation document for schools, colleges and deliverers of services has also been developed. The group is currently planning a Conference of youth activity as part of National Enterprise Week in November. NRF money has been attracted and has established The John Cracknell Youth Enterprise 'one stop shop' on Bransholme.
- Graduate incubation project - a range of partners have started a pilot project in the last 6 months which aims to make it much easier for graduates to start their own business. They are offered lots of intensive support and subsidised accommodation. It's a pilot at this stage which hopefully will be rolled out with external funding as appropriate.
- Cityimage - a unique, independent non-profit making marketing organisation working with the public, private, voluntary and community sectors to promote a positive perception of Hull as a city where people want to live, learn, work, visit and invest, and championing the vision and aspirations of Hull becoming a top ten city.
- Hull Business Forum – a unique initiative nurtured in embryonic form by Hull City Council and now managed by the Chamber of Commerce which gives every business in Hull the chance to shape the city's future through the Local Strategic Partnership. The Forum has places on the main Cityvision LSP Board and all sub-boards covering economy, image, education, health, community safety, transport etc, and openly elects business representatives. No other LSP in the country engage business in this positive way.
- Enterprise Action Group – formed several years ago as a partnership of business support providers, it seeks to shape business support policy and ensure what is required is delivered in a joined up fashion. Many of the members put a joint bid together for SRB and ERDF funding 3 years ago and they are still running the very successful HELP programme which is a great example of local partners who are often competitors working collaboratively.
- Hull/East Riding inward investment partnership – the new partnership reflects the fact that the city/region composed of the local authority areas of Hull and the East Riding of Yorkshire are jointly a hugely attractive proposition from inward investment.

The area is also one of only two areas of the country in which Business Link services are being delivered by a private sector company, Action 4 Employment, who have built strong local links with key partners to deliver innovative services to start up and grow businesses. Business Link delivers these services through a number of focused and quality driven programmes and initiatives, utilising several different funding streams ranging from DTI core funding through to European Objective 2 support and Yorkshire Forward's "Single Pot". All of Business Link's support to SMEs in Hull is prefaced by a detailed diagnostic undertaken by a SFEDI quality assured advisor and followed by an in depth, individually tailored action plan.

Hull Area Business Advice Centre Ltd (HABAC) is a DTI registered Enterprise Agency formed 22 years ago at the instigation of Hull City Council. Over its history HABAC has dealt with tens of thousands of clients, and helped start thousands of new businesses and jobs. For example in 2003, HABAC advised 632 new clients, carried out over 900 one to one sessions & over 400 workshop training sessions, and helped start 143 new businesses with 178 new jobs created. So far in 2004, these figures are holding up at similar levels. HABAC receives consummate praise from its clients for its work, the positive 'can do' attitude of its advisers and the quality of its completely impartial advice.

Signs of progress

The city's focus on the enterprise agenda is showing signs of real promise. These include:

- **MKM Building Supplies** – winner of 2003 Inner City 100 award. The Chairman, David Kilburn, is actively contributing to the city's progress as an elected Hull Business Forum member on the Cityvision Local Strategic Partnership Board.
- **KH Smilers** – the Young Enterprise company from Year 10 at Kelvin Hall School in Hull who this year have won through four rounds of local, sub-regional and regional awards to win national acclaim at the Savoy finals this summer. They have done more than most to demonstrate that enterprise can be found in Hull secondary schools.
- **David Meyers** – winner of the 2004 Yorkshire Young Entrepreneur of the Year at the Heart of Yorkshire Awards for building up Axis Telecom from nothing to 70 employees in less than three years.

Hull is ensuring that its ongoing £1bn regeneration integrates culture, enterprise, learning, image and research, the best example of which is The Deep, the world's largest submerium. The Deep is one of the country's most successful Millennium projects and is a tourist attraction of growing international renown exceeding its visitor estimates by more than 400%. But it is far more than a tourist attraction. The Deep has a world class research centre linked to the University of Hull, strong learning components and crucially a high quality business centre attracting investment from leading edge companies in key growth clusters. Nurturing these enterprises is a priority for the city. The Deep is a classic example of a 'can do' culture linking enterprise with culture and learning based on the city's proud maritime traditions.

The city is also fortunate that our key local newspaper, the Hull Daily Mail, Yorkshire's Newspaper of the Year, is committed to supporting this regeneration and enterprise agenda. In an age where communication is critical, the Hull Daily Mail plays a leading role in explaining progress and issues to the city's residents and businesses as well as campaigning on key issues for the city such as improvement in standards of education and for transport investment in the city.

Enterprising Hull

Education (1)...**The Children's University** is a successful project which helps 7-11 year olds fulfill their learning potential through a pioneering mentoring scheme linking education to business, sport, music, drama and other real life experiences. It creates role models for young people and builds their self-esteem through out of school learning experiences.

Education (2)...**Victoria Dock Primary School** is the first school in the UK to be funded through a Private Finance Initiative (PFI). The initiative allowed Victoria Dock Primary to be built in partnership with the East Hull construction firm, Sewell Group, who funded the construction and now maintain and manage the building and lease it back to the local authority.

Young People...enterprise education is critical not only to the future economy but also to help raise educational attainment in Hull. **Young Enterprise** flourishes in the city and are delivering a range of programmes which benefited 4000 young people locally last year bringing together key agencies and businesses to promote an entrepreneurial culture. The **Princes Trust** is also experimenting with new ways of working in Hull with an Enterprise Manager and Outreach Co-ordinator working closely resulting in a doubling of the number of young people starting businesses.

University of Hull...as well as being an excellent seat of learning and research, enterprise is important to the University's agenda. Amongst the most notable achievements was that **Liquid Crystal Display** (LCD) technology was pioneered in Hull which today of course has countless applications across the world. The University is also working closely with local associates to pioneer the research and development of Radio Frequency Identification technology which has huge potential for existing businesses and 'spin outs'.

Social enterprise...is a vibrant and key dynamic in the regeneration of Hull's deprived communities. This growing sector employs nearly 1000 people across 55 differing organisations. The Goodwin Development Trust

based on the inner city Thornton estate is Britain's pre-eminent deliverer of Community Warden Services. This was recently acknowledged when Goodwin took 4 of the 8 awards for excellence at the 2004 national conference. Goodwin's diverse business base covers architectural design to a community pub and conference services to community transport. It currently employs 200 staff and has an annual turnover of £6m. All profits are reinvested to encourage growth, employment and local prosperity. Elsewhere PROBE in East Hull is an important partner with Jobcentre plus and the City Council in delivering the city's Employment Strategy thus enabling long term jobless to access employment.

Transport...at a time of real uncertainty in the rail industry Hull is home to perhaps the UK's most entrepreneurial train company. Previously served by one GNER direct Hull-London service each way per day, **Hull Trains** spotted a gap in the market, engaged the city to lobby for track access and is now successfully running five direct and high quality services to London each day. The model for Hull Trains is genuinely enterprising and has brought real benefits to the city.

Community regeneration...**Preston Road New Deal for Communities** has had considerable success in promoting an entrepreneurial spirit since its establishment in 2000. Several specific initiatives have targeted 'hard to reach' groups and promoted self-employment as a realistic option. This has led to 24 new businesses being created.

Government priorities...Hull is responding positively to the Government's initiatives for enterprise promotion and economic development. It is a pilot area for **Business Improvement Districts** which aim to engage businesses in the improvement of the city centre. Hull is also exploring how it can develop the **Enterprise Areas** concept which aims to tackle barriers to enterprise in the most deprived communities. Ten wards in Hull qualify for Enterprise Area status. Hull is also pioneering the **Housing Market Renewal Pathfinder** and an **Urban Regeneration Company** concepts. The URC, Citybuild, is a joint venture, backed by substantial investment, between Hull City Council, Yorkshire Forward and English Partnerships which has developed an exciting City Centre Masterplan to rejuvenate the central area of Hull. The city is also looking forward to playing a full role in the **Northern Way** initiative which we believe has genuine potential to support the entrepreneurship and business competitiveness agendas at the heart of sustainable communities.

Key Challenges

Is Hull therefore Britain's most enterprising place? By official statistics the answer is no. The city's key partners recognise that the city has major problems and has a poor socio-economic profile. The key challenges and issues facing Hull are generally agreed as;

- Higher than national unemployment rates;
- Lower economic activity rates than UK;
- Low level of business stock;
- Low skills base;
- Low levels of employment in growth areas;
- High levels of deprivation in pockets around the city;
- One of lowest educational attainment records;
- Low rates of home ownership/low property prices (one of major factors in business birth rate).

Whilst in part these figures reflect the fact that Hull has extremely tight boundaries around the inner city urban area which can distort the statistics, the partners in Hull recognise there are big issues to address. That is why the enterprising strategy set out above is so important to us. It is why the city is investing its intellectual and financial resources to support an economy led regeneration creating better opportunities for the city and its people. We recognise that Hull has some distance to travel, but are committed to change and believe that the British Capital of Enterprise award would give us the impetus to take us to the next level of our development, building on the truly pioneering approach of linking enterprise with neighbourhood renewal and wider Government policy objectives.

The city recognises the importance of shaping its business support services to meet the needs of the city's entrepreneurs and aspiring entrepreneurs. Business Link Humber, Hull City Council, Hull's enterprise agency HABAC and other key businesses support partners are working closely to develop a range of products for start ups and business competitiveness. For start-ups, Hull's business centres are becoming incubation centres to

give an easy start option for entrepreneurs with 'easy in, easy out' terms backed up by comprehensive business support packages. For business competitiveness, Hull City Council and East Riding of Yorkshire Council acknowledge that local authority boundaries do not apply to the local economy, and have therefore developed a range of joint initiatives such as Procurement 1,2,3 and Meet the Buyer to grow existing local companies.

A key thrust of Hull's approach has been around clusters, not simply the regional clusters identified in the RES but also adding the local dimension to reflect the strengths of Hull's economy. Private sector led partnerships have been established in these key clusters to drive forward a range of activities.

The city also wants to challenge the perceptions about Hull. It is often idly thought by those who know Hull by its statistical profile rather than the city itself that Hull is not a 'business' city. However, surveys regularly demonstrate how happy businesses are to be in Hull:

- **Royal Mail Business Barometer** research in 2004 suggested that Hull was the second hottest 'hot spot' for company relocations in the UK with 183 new companies setting up with a growth rate of 3.3%.
- **Britains Best Cities 2003-4** (Omis Research) famously put Hull at the bottom of the league table for the best locations for business in the UK, however the same survey revealed that Hull came fourth best in terms of the satisfaction of local businesses with their locations. Leeds which came top overall, came third from bottom by levels of business satisfaction.

The message is that statistics only ever tell part of a story, particularly in relation to enterprise which is a culture that cannot be measured by league tables.

Track Record

Hull's statistical profile demonstrates the challenge the city faces in terms of enterprise promotion. The city has recognised that it currently has a jobs gap and lack of growing businesses – leading in part to low aspirations, poor educational attainment, high crime and poor health cycle demonstrated in deprivation indices.

These activities are bearing fruit. Local businesses are feeling more positive about the city's regeneration and the commitment to put enterprise at the top of Hull's agenda. Moreover, official statistics, whilst still below other cities, are showing real improvements. Latest figures show that VAT registrations increased substantially in 2003 and are outstripping regional and national trends per head of population.

Socio-economic overview

- Gross Domestic Product (GDP) per head £11,850 (£12,564 UK)
- Employment is 65% (25th lowest in Country) (75% for England)
- Unemployment is 4.9% (2.3 % in the UK)
- Average income £20,400

Enterprise

- Self employed as % of economically active (16-74, 2001 Census)

England & Wales	8.28%
Yorkshire & Humber	7.24%
Hull	4.20%

- Business stock:

	VAT registered business	Registered for rates
2000	4120	7361
2001	4020	7330
2002	3950	7214
2003	4305	7405

- VAT registered per 10,000 population

	2000	2001	2002
Hull	21	22	24
Yorkshire & Humber	30	29	31
UK	39	37	37

- Net Change in businesses registered for VAT, 1994 – 2002 (Source SBS)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	Net Change	% Change
East Riding of Yorkshire	-95	-165	-25	5	125	30	-10	-135	-10	-280	-2.8%
Kingston upon Hull	-95	-80	-20	75	15	40	20	5	65	25	0.6%
North East Lincolnshire	-35	-90	-30	25	0	10	20	10	-45	-135	-4.0%
North Lincolnshire	-35	-55	0	45	35	-20	0	-35	20	-45	-1.1%
Humber	-265	-390	-75	155	175	70	25	-150	25	-430	-2.0%
Yorkshire and Humber	-925	-1,180	435	1,035	1,135	550	635	-350	-200	1,135	0.9%
Great Britain	-6,135	1,845	15,835	35,005	33,505	20,950	18,815	7,360	-530	126,650	8.0%

Conclusion: Rising to the challenge

Our key aim is about rising to the challenges of the enterprise agenda and changing the perception that Hull is not an entrepreneurial city. We believe Hull has the traditions and culture, the current business support infrastructure and crucially the ambition to be Britain's Capital of Enterprise.

It is said Hull is not an enterprising city. Hull has a unique tradition of entrepreneurs with a new generation of entrepreneurs coming through.

It is said that Hull is not a 'business' city. Yet it is home to world class global companies and a significant number of innovative and growing SME's.

It was said that The Deep would never happen. It did and has prospered.

It was said Hull's young people lacked aspiration and entrepreneurial zeal. KH Smilers and the thousands of others benefiting from Young Enterprise show this is not true.

Ultimately, an entrepreneurial capital for Britain is about far more than bald statistics. It is about a culture matched by ambition. Hull aspires to be top ten and we believe this can be realised by being the first British Capital of Enterprise.

Mike Egar
Chair
Hull CityEconomy