

AGENDA ITEM: 7

YORKSHIRE AND HUMBER ASSEMBLY MEETING: 7 FEBRUARY 2008

YORKSHIRE FORWARD CORPORATE PLAN 2008/11 - CONSULTATION DRAFT

For Discussion:

Members are asked to discuss and agree the attached response to the Yorkshire Forward Corporate Plan 2008/11

- 1.** Yorkshire Forward is required by Government to produce a Corporate Plan covering the period 1 April 2008 – 31 March 2011. The Plan sets out Yorkshire Forward's contribution to delivering the Regional Economic Strategy. It also sets out their response to the Sub National review (SNR). Each year Yorkshire Forward consults the Assembly on its draft Corporate Plan.
- 2.** The full Plan is available to download from www.yorkshire-forward.com. The Executive Summary is attached at **Annex A**.
- 3.** The Regional Executive Board received a presentation of the Plan from Yorkshire Forward at their meeting on 10 January 2008. Subsequently all Members were asked to submit views on the Plan.
- 4.** These views have now been collated into an Assembly response that is attached at **Annex B** for discussion and approval.

Lyndsey Bunn
January 2008

**Yorkshire Forward, Corporate Plan 2008/11
Consultation Draft, December 2007**

Executive Summary

1. This Corporate Plan sets out how Yorkshire Forward will contribute to the region's economic goals set out in the Regional Economic Strategy for Yorkshire and Humber 2006-2015 (RES) during the 2008/11 planning period. The Plan also identifies how the Agency will respond to the changes in regional policy and responsibilities as a result of the Government's recent Sub Nation Review of Economic Development and Regeneration (SNR). In developing this Corporate Plan we have reviewed our key policies and considered how we can strengthen the impact of our interventions by adopting a stronger programme approach to delivery. The Plan is intended to be clearer about what we are going to do and why (the Policy Product Ranges), and where they will have an impact (geographic programmes).

A. Purpose of Yorkshire Forward

2. Yorkshire Forward was set up in 1999 because the Yorkshire and Humber region had undergone major economic upheaval caused by the decline of traditional industry such as coal, steel, textiles, fishing and agriculture. We are one of nine English Regional Development Agencies, arms-length Government bodies charged with improving regional economies. Our role is to produce the RES – a 10-year blueprint to guide the work of public and private agencies to improve the regional economy. We receive Government and EU funds to deliver elements of this Strategy. We cannot deliver the Regional Economic Strategy alone and we will work with public, private and third sector agencies – Team Yorkshire and Humber - to deliver it with us.

B. Economic Challenge

3. Over the last seven years, the Yorkshire and Humber economy has recovered, posting consecutive years of growth above the EU average and even outpacing London at times. With five million people and a £80 billion economy, we are as big as Norway, Singapore or Ireland. Unemployment is close to a 30-year low and improvements have taken place in educational, competitiveness and social performance indicators. We are now a region of economic opportunity, rather than decline.
4. Big challenges remain. We need more people setting up successful businesses, improvements in basic and higher level skills, more investment in infrastructure and our new found prosperity to reach our most deprived communities. Tackling climate change and promoting diversity are no longer "nice to dos", they are "must dos" for businesses that want to compete in global markets. Competing successfully with the new economic powerhouses of China and India, as well as the established ones in the US and Europe demands an even greater collective effort by "Team Yorkshire and Humber" - the key public, private and third sector agencies seeking to improve our economy.
5. The region's economic vision as set out in the RES is to be by 2015:
"a great place to live, work and do business, that fully benefits from a prosperous and sustainable economy"
6. The RES reflects our unique economic geography. The vision does not seek to copy London, rather to capitalise on our proximity less than two hours away from the World's financial capital and our lower cost and, arguably, higher quality of living. It recognises that a local approach to regional economic development is needed in a region that has

half of England's largest ten urban areas, the least number of local authorities and a rural area the size of Northern Ireland.

7. There are new jobs in growing industries like digital media and the thriving financial services sector in the Leeds city region, where more than £3 billion of investment is planned throughout Leeds itself and the cities of Bradford, Wakefield and York. Industries like engineering, chemicals and food are producing leaner manufacturing businesses that can compete on the world stage thanks to stronger links with our nine top class universities. The Sheffield city region is the UK's best performing European Objective One area, and accounts for a higher proportion of the UK's total steel production than it did in the 1960's and 70's. We have the first major commercial airport of its type to open in the UK for 50 years at Doncaster. More exports go to the world through the Hull and Humber Ports than any other UK port complex. And our renaissance programme is building strong market towns in rural areas in North Yorkshire, the East Riding and other areas and delivering bold new visions for towns like Barnsley, Grimsby, Rotherham, Scarborough and Huddersfield.

C. Our Vision and Values: culture change

8. Our own vision is effectively that set out in the RES (see above), and in pursuing that vision we have an ambition for Yorkshire and Humber to be recognised as a world leader in our efforts to adapt our economy to the demands of tackling climate change. The region has a history and knowledge of dealing with the environmental effects of energy production and we want to help others learn from our experiences.
9. Five core values guide the way that we work and how we do business in effect setting a framework for the culture of the organisation:
 - We will achieve **value for money** for taxpayers;
 - We will be **open** about the way we invest and take decisions;
 - We will work as a **team (Team Yorkshire Forward)** and as part of a wider **Team Yorkshire and Humber** to deliver the RES;
 - We will seek **excellence** in the way we operate; and
 - We will strive to be an Agency that promotes **diversity** and celebrates difference.
10. The first letter of the values spell the word **VOTED**. This is to ensure that we and partners understand our role. No one has voted for us, so we have a duty to be open, achieve value for taxpayers' money and account for what we do. Equally, we are deliberately a business-led, nonpolitical, objective organisation with a long term strategy set up to take tough decisions to improve the Yorkshire and Humber economy. The core values exist to drive a culture change in Yorkshire Forward to equip the Agency to deal with our new role as set out by Government. Our latest internal and external surveys show that this culture change is well underway, but there is more work to do.

D. Our Corporate Objectives

11. We have five Corporate Objectives to guide our people and over £300m a year of investment to help deliver the RES:

Objective 1: Championing RES delivery

12. Yorkshire Forward has a unique role as the lead agency in championing the delivery of the RES. We will do so by building strong evidence and regional ownership; influencing key policies and strategies in pursuit of RES goals; leading a partnership approach to prioritisation and investment; utilising our funds in progressing RES goals; and, responding to the implications of the Government's recent review of economic development. In particular, we intend to prepare, produce and sign-off the new Integrated Regional

Strategy in a joint approach with local government. We will also ensure close involvement of business and other public sector leaders.

Objective 2: Helping people to access good jobs, skills and transport

13. This Corporate Objective aims to build 'enabling routes' to jobs. Our approach to **Skills** focuses on raising the aspirations of individuals, stimulating business demand for new skills and developing leadership and management skills. Our approach to **Transport** is characterised by developing evidence, influencing transport operators, working with partners to invest in practical transport improvements and achieving regional consensus on transport priorities. Our priorities for **Economic Inclusion** are working with partners to increase the numbers of people in jobs, promoting economic development in the region's deprived communities, and responding to the changing labour market by promoting diversity equality for all.

Objective 3: Helping businesses to start-up, grow and compete through innovation

14. This Corporate Objective aims to help our existing business base to compete in a global economy and to get more people to set up businesses. Our approach to **Competitiveness** is characterised by a dual focus on business improvement and innovation. **Enterprise and Access to Finance** has three elements, working to stimulate an enterprising culture in the region, a Business Start-Up Programme providing business support to individuals and SMEs and an Access to Finance Programme. In **International Business** we have three priorities; upping our game in Foreign Direct Investment, the promotion of overseas trade activity and Investor Development. Yorkshire Forward will take the lead in the region in promoting the economic case for diversity. We will work to shape business support so that it meets the needs of different minority groups and works to mainstream diversity. All of our investments will be geared to recognising that businesses create wealth and our role is to enable them to do so more effectively.

Objective 4: Regenerating cities, towns and rural communities

15. The Regional Economic Strategy identifies Great Places as central to the economic prosperity of the region. This aims to utilise the full potential of the region's unique physical and environmental assets to achieve an integrated and sustainable economy. Our approach to **Urban Renaissance** is based on four elements - thinking places, designing places, making places and learning and growing places. Through **Rural Renaissance** we aim to strengthen and improve rural economic performance by focusing on enterprise, competitiveness, utilising unique assets and key sectors. Renaissance programmes are delivered in close partnership with Local Government. We aim to move the region towards a **Lower Carbon Economy** by a focus on environmental assets, sustainable consumption and production, taking a lead role on the economic elements of energy and climate change; and low carbon technologies. The role of Yorkshire Forward's **Property** function is principally that of a service to the Agency and partners to overcome market failure. The overarching aim of our work in **Marketing the Region through Tourism and Major Events** is to modernise the image of Yorkshire and Humber specifically to promote the region as a great place to live, work and do business – a strong tourist economy, underpinned by a high profile major event programme is at its core.

Objective 5: Improving Yorkshire Forward's capacity

16. We are proud to be recognised as a strong performing RDA in the recent assessment exercise by the National Audit Office (NAO). We were the only RDA to achieve a top mark for our capacity, but recognise that we need to be better at setting priorities and executing the RES on the ground. The priority will be implementing the improvement plan agreed with the NAO and responding effectively to the Government's review of Economic

Development and Regeneration (SNR). We also recognize the need to get more for less in an era of tightening public spending. Even though Yorkshire Forward is one of the leanest RDAs, we will, through a series of targeted reviews, recycle £30m of expenditure to the direct delivery of our policy priorities.

E. Geographic Programmes

17. Following the development of our policy priorities, geographically focused programmes will be developed. We will work principally with Local Authorities to develop Geographic Programmes, as well as with other key partners such as Local Strategic Partnerships, the Universities, the LSC, Job Centre Plus and the Government Office to ensure that the Geographic Programmes are fully integrated with other investments. These Geographic Programmes will set out Yorkshire Forward's contribution to Local Area Agreements. They will draw heavily from the experience approach of our renaissance work and be based on agreed economic master plans. Each Geographic Programme will have three main elements which will:
- Set out the directly Yorkshire Forward funded elements of the Geographic Programme which will be delivered by the Local Authority;
 - Set out the additional Yorkshire Forward contribution to the Geographic Programme delivered in the locality by intermediaries;
 - Identify the strategic added value the Geographic Programme will deliver to address wider RES targets by influencing the investment and policy decisions of others through Key Account Management of major businesses, partners and public agencies.

F. Resources

18. The Government's review of public expenditure reported during the autumn of 2007, as a result, the Comprehensive Spending Review (CSR) settlement sets out a reduction for Yorkshire Forward of programme funding of £30m in real terms over three years and administration reductions of £0.462m/£0.923m/£0.923m over the Corporate Planning period 08/09 to 10/11. The CSR settlement also sets out additional roles for RDAs including Train to Gain brokerage and a more formal role in responding to economic shocks.
19. This Corporate Plan (see paragraphs 8.4 to 8.5) consults partners on whether to change the current policy split (1/3 / 1/3 / 1/3 business, inclusion and renaissance) and the geographic split (a formula giving 5-year allocations by sub-region based on a balance of indicators of economic need and opportunity). It proposes that these current arrangements are rolled forward for a final year before the start of city-region investment planning in 2009.

G. Measuring Performance

20. The SNR will give us far more flexibility in setting our own outcome targets, but this will need to be balanced with the requirement to demonstrate how each of our objectives and interventions will contribute to an overarching economic growth objective. In addition, we will assess our performance against our core **values**, our goal to be an Agency that promotes **diversity** and celebrates difference, and our aim to embed the principles of **sustainable development** into all our interventions. The Plan includes an "ambition" for each Policy area, the progress against which will be assessed by an internationally renowned research institute in 2009.

H. Accountability

21. Yorkshire Forward is a non-Departmental Public Body governed by a business-led Board of 15 and managed by a Chief Executive and Executive Team of five Directors. Financial accountability is ultimately to Parliament through the Secretary of State for Business, Enterprise and Regulatory Reform and the Agency's Chief Executive is the Accounting Officer. The National Audit Office, our external auditor, conducts the independent assessment of our performance. Our work is scrutinized by the Yorkshire and Humber Assembly and there are plans through the Sub-National Review to strengthen local Government and Parliamentary scrutiny of Yorkshire Forward. We welcome this additional scrutiny.

Response to Yorkshire Forward's Draft Corporate Plan

10 responses were received from officers at:

- Bradford Metropolitan District Council
- Hambleton District Council
- Kingston-upon-Hull City Council
- Kirklees Metropolitan Council
- Leeds City Council
- North Yorkshire County Council
- York and North Yorkshire Partnership Unit
- Environment Agency
- Yorkshire Universities
- Yorkshire and Humber Assembly

The responses provided are members' early thoughts on the draft Corporate Plan. Some members will be submitting their own individual responses to Yorkshire Forward once they have had time to consult their colleagues.

General Comments

Members welcome the clarity that the draft Corporate Plan provides in terms of Yorkshire Forward's role, the activities that Yorkshire Forward will fund, and how Yorkshire Forward will manage its resources.

The move from a cluster approach to a key sector approach is welcomed, and there is broad support for tourism to be defined as a key economic sector for Yorkshire and Humber. It is also felt that the support for the food and drink sector should be retained.

The section on regenerating cities, towns and rural communities needs to emphasise sustainable development, and the roles of culture and green infrastructure in place-shaping and marketing the region needs to be acknowledged across the three corporate objectives. It is also suggested that the regeneration section incorporates social capital and community cohesion principles to ensure that communities actively participate in affecting change in their locality.

There is a need for the project approval and contracting processes to be simplified and streamlined to improve the openness, transparency and efficiency of the Investment Planning process. A reference in the Corporate Plan as to how Local Authorities can work with Yorkshire Forward to agree Investment Planning at a strategic level would be welcomed.

The Corporate Plan needs to acknowledge the impact that global and environmental changes can have on the region's economic growth, and should reference environmental limits as well as environmental assets. Members suggest that environmental limits such as flood risk need to be adequately considered in economic master planning, City-region Investment Planning and geographical programmes.

Geographical Programmes

The move from projects to programmes is welcomed, as is the delivery of geographical programmes through Investment Planning, as this will enable other funds to be leveraged. There is an expectation that local partners will be involved in determining the programmes that will be delivered at a district level. It is felt however, that the Corporate Plan needs to include more detail on how geographical programmes will be determined and delivered. The Corporate Plan also needs to recognise the rural areas that sit outside of the City-regions for their distinctiveness, independence and interdependence from the City-regions.

Yorkshire Forward's Capacity

The draft Corporate Plan does not adequately reference the new duties and responsibilities that Yorkshire Forward will have following SNR, and the new responsibilities and flexibilities that will be granted to Local Authorities. Members would welcome more detail on how the staffing structures within Yorkshire Forward will be reformed as the transition is made, and how expertise and capacity will be built to deliver the new responsibilities for planning in particular. A reference also needs to be included on how the landmark challenges identified in the IRF will be taken forward in the transition to the Single Integrated Regional Strategy. It is also felt that the Corporate Plan needs to identify how Yorkshire Forward relates to other regional bodies, such as Local Government Yorkshire and Humber, Government Office and the emerging Homes and Communities Agency.

Resources

The balance of resources over an equal three way split between economic inclusion, business and renaissance is too simplistic and is not believed to be sustainable. Instead, members agree that resources should be allocated on the basis of need and sound economic evidence for a given geographical area. Further detail on the balance of resources at the local, City-regional, Sub-regional and regional levels, would also be welcomed.

Whilst the emphasis on City-regions for Investment Planning is understood, the Corporate Plan needs to detail how resources will be allocated to the areas which sit outside the City-regions. More clarity is needed on how North Yorkshire specifically, with its complex mix of rural and coastal areas, will continue to receive funding through Investment Planning.

Comments on the Policy Products

Skills – the focus of higher-level skills development in the City-regions is broadly welcomed, as is the emphasis on graduate employability. However, whilst the draft Corporate Plan emphasises the importance of enterprise education, graduate enterprise needs to be more clearly defined. It is also felt that there needs to be more clarity on whether Yorkshire Forward will support skills development at other levels, particularly in terms of raising the skills of the adult workforce in the key sectors, and how Yorkshire Forward's intervention will compliment Train to Gain.

Transport – members agree that the improvement of rail capacity should be a priority activity. In terms of improving transport between Sheffield, Leeds and Manchester, it is felt that another priority activity should be the improvement of transport links between the three City-regions. The Corporate Plan should also explain how Yorkshire Forward's investment will pump-prime or leverage funding from other agencies. Clarification of whether Yorkshire Forward will invest in smaller scale transport initiatives would also be welcomed.

Economic Inclusion –it is clearly the responsibility of other agencies to tackle worklessness, such as Jobcentre Plus and the Local Authorities. However, whilst the references to worklessness in the draft Corporate Plan are commended, it is felt that there needs to be more reference to Yorkshire Forward's role in influencing these agencies to develop activities that will address

worklessness and create employment opportunities. The economic inclusion policy product range must ensure that it supports employment initiatives for individuals who have never worked as well as supporting activities for benefit claimants and those who have previously been employed.

International Business – the specific role for LFSI in helping to co-ordinate inward investment is encouraging, however the role of Local Authorities and district based teams in attracting international investment also needs to be acknowledged in the Corporate Plan and financially supported.

Urban Renaissance – there is a concern that urban renaissance is completely separated from the policy products on skills and enterprise in the draft Corporate Plan, and it is felt that the links between the three policy areas need to be referenced under the urban renaissance policy product to appropriately align place-shaping activities. Culture also needs to be highlighted as it underpins renaissance, and has a key role in place-shaping.

Rural Renaissance – although the general principles of a Rural Capital approach is supported, the Corporate Plan needs to provide more clarity on how the Rural Capitals will be determined, the role of Local Authorities in developing Rural Capitals and how they will relate to the Regional Spatial Strategy. The Corporate Plan also needs to explain how the migration from RMT to Rural Capitals will happen in 2009, in order to ensure that any handover of responsibility to Local Authorities is smooth and gradual, that the commitment of the rural communities involved is not lost and so that the legacy of the RMT programme is secured.

Lower Carbon Economy – this policy product requires more detail and needs to be more ambitious. The carbon challenge for the region needs to be more clearly defined, and there needs to be an explanation of how decoupling principles will be embedded in Investment Planning and innovation, particularly in relation to the issues outlined in Arup's report on regional strategies and climate change. The Corporate Plan could reference how Yorkshire Forward will work with Local Authorities on climate change, sustainable development and carbon sinks. It is also felt that challenging targets need to be set for each key sector.

Marketing the Region – the focus on tourism is welcomed although it is felt that the Corporate Plan needs to make increased references to culture. It is also suggested that the Corporate Plan explains how joint working between the four sub-regional tourism areas will be facilitated to build on the Yorkshire brand. There is a broad agreement that major and one-off events need to be supported through a dedicated vehicle but Yorkshire Forward's role and responsibilities on marketing need to be clearly distinguishable in the Corporate Plan from those of other regional bodies. The Corporate Plan also needs to acknowledge that the plans for attracting major events need to be longer-term, as the allocation of budgets on a year-by-year basis will not be sustainable and will not ensure that the maximum impact on the region is realised.