

Scrutiny of the Northern Way Opportunities

June 2006 - Scrutiny 9



Contents

Assembly's Scrutiny Role	4
Assembly's Scrutiny Panel	5
Executive Summary	6
Background on the Northern Way	8
Introduction	9
Theme 1: Connectivity	10
Theme 2: Innovation	14
Theme 3: Marketing the North	18
Conclusions	21
Next Steps	21
Appendix 1: Action Plan in Response to Scrutiny Enquiry 9	23
Appendix 2: Yorkshire Forward Panel	26



Foreword

A common phrase used throughout this review was, “The Northern Way is a marathon, not a sprint”. This is true. The Northern Way Growth Strategy is a long-term vision for addressing the productivity gap between the North and the South. We are still in the early days of the strategy, but I feel that the outcomes from this review will support Yorkshire Forward, the North West Development Agency and One North East in moving the Northern Way forward.

The review has acknowledged the unique advantages that the Northern Way offers the three Northern regions, but it has also identified where opportunities need to be maximised for the benefit of Yorkshire and Humber. Yorkshire Forward wanted this review to provide them with constructive views on how the Northern Way is working. I believe that the review has achieved this in the recommendations that the Scrutiny Panel has made.

I would like to thank my colleagues on the Assembly Scrutiny Panel, and the Yorkshire Forward Panel, for their time and commitment to this scrutiny review. I would also like to thank all of the partner organisations across the region for contributing their views and comments on the opportunities offered by the Northern Way.

A handwritten signature in black ink, appearing to read 'Paul Jagger'. The signature is fluid and cursive, with the first name 'Paul' being larger and more prominent than the last name 'Jagger'.

Paul Jagger
Deputy Chair of Yorkshire and Humber Assembly

Assembly's Scrutiny Role

‘In May 2005, the members of the Assembly requested an evaluation of the process used in conducting scrutiny reviews, to identify how effective the process was, and to consider how it could be improved.’

Yorkshire and Humber Assembly (YHA) has a statutory responsibility to scrutinise how Yorkshire Forward spends its money. Each year we undertake detailed scrutiny reviews on a specific part of the Regional Economic Strategy. The purpose of these reviews is to ensure that Yorkshire Forward is accountable to the region, and that it is achieving the best possible results for the region's economy.

Since 2001, we have completed eight scrutiny reviews on behalf of the region. These reviews have been similar to the 'select committees' used by Government, and have involved the gathering of evidence and a Hearing. In May 2005, the members of the Assembly requested an evaluation of the process used in conducting scrutiny reviews, to identify how effective the process was, and to consider how it could be improved. Following an independent study, the members of the Assembly agreed that the scrutiny process should be shorter, more focussed and less formal, and that it should be a positive process that would lead to better delivery by Yorkshire Forward.

The members of the Assembly recommended that we try two different ways of conducting scrutiny, to identify the best method. This scrutiny review has used the first of the two alternative methods. Further information on the process used in this review can be found on the CD accompanying this report.

Assembly's Scrutiny Panel

Paul Jagger MBE

Deputy Chair of Yorkshire and Humber Assembly

Paul is Chair of the South Yorkshire Learning and Skills Council, and was the Regional Secretary for TUC, Yorkshire and the Humber until November 2005.

Paul is Pro Chancellor and Chair of Council at Bradford University, and is a representative on the Rotherham Strategic Partnership. Paul is the Chair of the Yorkshire and Humber Assembly Scrutiny Panel.

Frank Carter MCIT AMIRTE

Yorkshire and Humber Chambers of Commerce

Frank is currently the president of Yorkshire & Humber Chamber of Commerce and a past president of Barnsley Chamber. Frank has held a number of middle and senior management roles in engineering. In 1987 he became Chairman and Managing Director of the Yorkshire Traction Company, and went on to form the Traction Group of bus companies, which he recently sold.

Cllr. Shelagh Marshall

North Yorkshire County Council

Shelagh is County Councillor for Mid-Craven. She is a non-executive Director of the North and East Yorkshire and North Lincolnshire Strategic Health Authority (NEYNL), and is the nominated representative for Public Health on the Assembly. Shelagh is Chair of the Regional Forum on Ageing. She is also a member of the Regional Rural Affairs Forum.

Professor Christopher Malcolm Taylor

University of Bradford

Chris is Vice Chancellor of the University of Bradford and is the Chair of Yorkshire Universities. He is a Chartered Engineer and a Fellow of both the Institution of Mechanical Engineers and Royal Academy of Engineering. Chris is also a Board Member of the Bradford Centre Regeneration, Bradford Vision, Bradford District Economic Partnership and Bradford Fair Cities.

Cllr. Philip Dobson

Wakefield Metropolitan District Council

Phil is the Deputy Leader of Wakefield Council and Cabinet Member for Regeneration, representing Wrenthorpe and Outwood West. He is a member of the Labour Party. Phil is a Director of Leeds-Bradford Airport, and declared a prejudicial interest in the discussions on airports and withdrew from Scrutiny Panel meetings when airports were discussed.

Executive Summary

This scrutiny review has considered the opportunities offered to the region by the Northern Way Growth Strategy, and how Yorkshire and Humber can make the most of the opportunities on offer. The Scrutiny Panel chose to look at three priority areas of the Northern Way; Connectivity, Innovation and the Marketing of the North to the World.

Connectivity

The Scrutiny Panel looked at transport issues across the North. Partners generally believe that the Northern Way is a combination of transport priorities from the Regional Economic Strategies and Regional Spatial Strategies of the three regions. The Scrutiny Panel recommend that Yorkshire Forward clearly identify the economic benefits that the Northern Way adds to the region's transport infrastructure.

The Northern Way will argue the case for additional public spending on transport across the North, through the gathering of robust evidence. Partners appreciate the opportunity that the Northern Way provides the three Regional Development Agencies (RDAs) in influencing the Government's decisions on transport. The Scrutiny Panel recognised that the first key test for the Northern Way's ability to argue effectively, will be the Comprehensive Spending Review 2007.

Although there was concern that the Northern Way's focus on Manchester Airport could be detrimental to the growth potential of the region's airports, the Scrutiny Panel understood that this reflected the current status of Manchester Airport, and that development of the regional airports was best addressed through the Regional Economic Strategy.

The Humber ports are a gateway to Europe for the majority of the North, and bring in a third of UK traffic. Public and trade access to the ports is severely affected by congestion and worsening road conditions. The Scrutiny Panel regard the development of the road and rail infrastructure of the ports as the big priority for the region in the Northern Way. The Scrutiny Panel therefore recommend that Yorkshire Forward and the Northern Way argue the case for additional investment for infrastructure development, through a Northern Ports Strategy.

The review identified communication issues between the Northern Way and public, private and voluntary sector partners. The Scrutiny Panel recommend the development and delivery of a Regional Communications Strategy for the Northern Way, to resolve these issues.

Innovation

The Scrutiny Panel considered the added value that the Northern Way provides to the region's existing initiatives on innovation. Knowledge Transfer Partnerships between universities and businesses, and initiatives which place graduates in businesses, are regarded as key innovation programmes in the Northern Way. However, the Scrutiny Panel were keen for the Northern Way to avoid saturating the market with too many initiatives. The Scrutiny Panel recommend that Yorkshire Forward urges the other two RDAs to simplify and reduce the number of innovation programmes in the Northern Way. The Scrutiny Panel will review innovation further in a future scrutiny review.

The review identified that whilst businesses have a positive perception of Yorkshire Forward, they generally feel disengaged from the Northern Way. The Scrutiny Panel recommend that Yorkshire Forward develop a pathway for businesses to illustrate how they can link in to the Northern Way and take advantage of the North's collective opportunities for innovation.

Although the Northern Way seeks to help businesses to innovate through Centres of Excellence, partners are cautious about the value which they offer businesses. The review identified a lack of suitable premises which can accommodate the growth of small businesses. The Scrutiny Panel recommend that Yorkshire Forward commission research on the capacity of the region's existing incubator and 'graduation' premises, to grow and support innovative and high-growth businesses.

Marketing the North

The Scrutiny Panel looked at the added benefits of the Northern Way for the promotion of Yorkshire and Humber. Whilst statistics confirm that the number of inward investments into the United Kingdom has declined, the RDAs collaboration on marketing has yielded an increase in investment enquiries of four hundred per cent across the North. The review concluded that the increase could be due to the Northern Way's enhancement of the RDAs budgets for international promotion, as they have been able to invest in high profile promotional activities in America and Australia.

An important emerging issue for the United Kingdom is the 2012 Olympics. The Scrutiny Panel recognised that there are benefits from the Olympics for the North, in terms of increased business and tourism. The Scrutiny Panel recommend that Yorkshire Forward develop a proposition for how the Northern Way will maximise the opportunities from the Olympics, and promote the North's assets as a whole.

The Scrutiny Panel acknowledged that promotion of individual towns and cities is best done by local level organisations, with the Northern Way promoting the North of the England. The review identified that progress had been slow on the development of a brand identity for the North. The Scrutiny Panel recommend that Yorkshire Forward establish a common brand identity for the North, that presents the three regions as 'one voice' and identifies the values, attributes and key strengths of the North.

The Scrutiny Panel has made a total of 8 recommendations on how Yorkshire and Humber can benefit from the opportunities of the Northern Way.

‘The Northern Way does not over-arch or replace the regional strategies of each of the three regions.’

Background on the Northern Way

In February 2004, the three Northern Regional Development Agencies (RDAs) were asked by the Deputy Prime Minister to show how faster economic growth could be achieved in the North, to bridge a £30 billion output gap between the North and the rest of England. The RDAs responded to the Government’s request by developing The Northern Way Growth Strategy. Yorkshire Forward is one of the three Regional Development Agencies responsible for the delivery of the Northern Way. However, the control of the Northern Way ultimately rests with the Office of the Deputy Prime Minister (ODPM).

The Northern Way Growth Strategy identifies ten priority areas where financial investment should be made to make the North more productive and more competitive. These are:

1. Bring more people into employment
2. Strengthen the knowledge base
3. Build a more entrepreneurial North
4. Capture a larger share of global trade
5. Meet employers’ skills needs
6. Develop an Airports Priorities Plan and improve surface access to key airports
7. Improve access to sea ports
8. Establish premier transit systems in each city-region and build stronger linkages between city-regions
9. Create truly sustainable communities
10. Market the North to the world

All three RDAs are undertaking activity across all ten priorities. However, each of the investment priorities has an RDA lead. Yorkshire Forward leads on connectivity (priorities 6, 7 and 8) and promotion of the North (priority 10). A £100 million Growth Fund was established to fund projects under each of the investment priorities between April 2005 and March 2008. The RDAs have contributed £50 million to this fund, with ODPM providing the remainder. The development and delivery of the Northern Way is managed by a Steering Group and supported by the Northern Way Secretariat.

The Northern Way does not over-arch or replace the regional strategies of each of the three regions. Each region still has their own Regional Economic Strategy (RES) and Regional Spatial Strategy (RSS), with their own individual priorities for development of their regional economy. The Northern Way is complimentary to the regional strategies by identifying the common priorities for development of the North’s economy.

Introduction

This scrutiny review has considered the opportunities offered to the region by the Northern Way Growth Strategy, and how Yorkshire and Humber can make the most of the opportunities on offer.

The Scrutiny Panel chose to look specifically at three of the priority areas of the Northern Way; Connectivity, Innovation and the Marketing of the North to the World. The next three sections of this report look at each of these three themes in turn. Each of the themes include the findings from desk research, the views of partner organisations, and the outcome of discussions with Yorkshire Forward and individuals directly involved in the development and delivery of the Northern Way. The conclusions made in this report are based on the information and comments gathered during the review.

Yorkshire Forward is one of three RDAs accountable for the Northern Way, and is not solely responsible for its development and delivery. The Scrutiny Panel took this into consideration throughout the review, and the recommendations that they make in this report, are changes which they believe Yorkshire Forward can implement.

‘The Scrutiny Panel chose to look specifically at three of the priority areas of the Northern Way; Connectivity, Innovation and the Marketing of the North to the World.’

Theme 1: Connectivity

The Scrutiny Panel looked at the big priorities for transport in the Regional Economic Strategy, and how these relate to the Northern Way. The focus of the review was on transport issues across the North, rather than local transport issues within Yorkshire and Humber.

Priorities

The transport priorities in the Northern Way are focused, and the identified early win projects are relatively small in terms of funding. Partners generally believe that the Northern Way is based on the existing transport priorities of each of the three regions, and that the connectivity priorities in the Northern Way, are not new. The Northern Way enhances the case for these priorities and it is clear that the strategy has provided additional funding to the region for specific activity.

Arguing the Case for the Region

The Yorkshire and Humber region receives less public spending per head on transport than most other regions. The Northern Way aims to argue the case for additional public spending per head on transport across the North, but it is recognised that the Northern Way's objectives are reliant on regional and local transport improvement. Partners appreciate the opportunity that the Northern Way provides the three RDAs in influencing the Government's decisions on transport, and enabling them to argue collectively for the North. There is a perception that the Northern Way is listened to by Government, with the RDAs in the best position to shape Government thinking. Rather than increase the transport budget, the Government established the Transport Innovation Fund to address issues of congestion and productivity. The RDAs lead on productivity whilst Local Authorities are responsible for congestion. Yorkshire and Humber will need to fully maximise the Transport Innovation Fund, and reconcile differences of opinion over priorities. If the Northern Way does not address the Government's priorities for the fund, the region will lose out. Yorkshire Forward should work closely with Local Authorities on the fund, to ensure that local, regional and Northern transport priorities are aligned with the fund's priorities.

Evidence Gathering

The critical role of the Northern Way is to gather evidence which proves the added value that specific transport schemes will provide. The Northern Transport Compact has been established to help develop this evidence base, and advise the Northern Way on transport priorities that will help close the productivity gap. Yorkshire Forward are clear that this is the only logical way in which the North can influence the Government's decisions on transport, and maximise the resources into the North. This view is shared by partners.

Recommendation 1

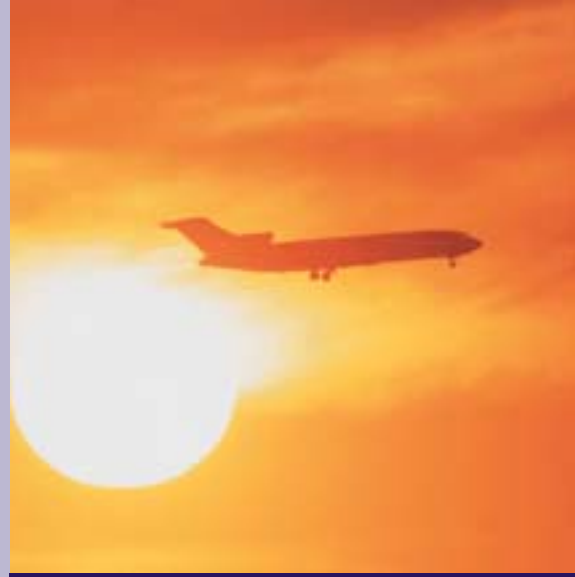
‘Partners need to be convinced that Yorkshire Forward is committed to fully engaging them in the Northern Way transport priorities, and that they are also committed to gaining advantage for the region out of the Northern Way. The Scrutiny Panel recommend that Yorkshire Forward clearly identify to partners, the economic benefits that the Northern Way adds to the region's transport infrastructure.’

The first key test for this approach will be the Comprehensive Spending Review (CSR) 2007. The Northern Way will present a case for CSR 2007 to the Cabinet based on the evidence that the Northern Transport Compact collect. The outcome will not be known until the 2007/8 financial year, and it is uncertain as to whether this approach will be successful. As the Northern Way is a long-term strategy, it will face similar tests in the future.

Partners are also hoping that the Northern Way will have the added benefit of encouraging those who make transport decisions to link with the decision makers on economic development. Unless the Northern Way's priorities for transport address productivity and economic issues, the Northern Way will not fill the output gap. The work on the Regional Funding Allocations for Yorkshire and Humber, and the role of the Regional Transport Board, was praised by partner organisations for its inclusive approach, and for aligning transport priorities with economic development objectives in the region.

Airports

The Northern Way has focussed on Manchester Airport as the most significant airport in the North. The Scrutiny Panel understood that this reflected the current status of Manchester Airport in comparison to the North's other regional airports. However, there was concern that the focus on Manchester could be detrimental to the growth potential of airports in Yorkshire and Humber. Yorkshire Forward and its partners are still investing significant sums of money in the region's three airports. The Scrutiny Panel felt that the development of the regional airports was best addressed through the Regional Economic Strategy. One way in which the Northern Way could add value to Robin Hood Airport, however, is through the development of evidence to justify why the airport should be given Fifth Freedom Rights.





Recommendation 2

‘The Scrutiny Panel recommend that Yorkshire Forward and the Northern Way argue the case for additional investment to develop the transport infrastructure to and from the Humber ports. The case for additional support should be justified through the development of a Northern Ports Strategy that includes productivity measures such as the percentage of GDP associated with the ports, and the potential GDP resulting from improved road and rail access.’

Rail

The region’s transpennine train service may also benefit from the Northern Way’s influence over Network Rail and the Manchester Passenger Transport Executive, to address the bottleneck caused for trains at the Manchester Rail Hub. The Scrutiny Panel were concerned by the Rail Regulator’s decision to block additional lines from Leeds to London on the East Coast Mainline, and were keen to understand the Northern Way’s perspective and influence over this and similar issues.

Access to Sea Ports

The Humber ports are a gateway to Europe for the majority of the North, and bring in a third of UK traffic. They are the largest ports in the country, and are the fourth largest in Northern Europe. Statistics for the Regional Freight Strategy show that the Humber ports saw steady annual increases in trade between 1998 and 2004, whilst trade decreased in other UK ports. Progress in the Region 2005 predicts further growth. This sustained increase has generated additional traffic causing congestion and worsening road conditions.

Whilst the Regional Transport Strategy has identified the Immingham By-pass as a priority, the capacity constraints of the roads and rail lines are already affecting public and trade access to and from the ports. Whilst partners recognise the efforts that have already been made by Yorkshire Forward, and the Northern Way, there is a belief that the Northern Way should advance it further, as the ports are critical to the future productivity and competitiveness of the North.

The Scrutiny Panel recognised that Manchester Airport is the big aviation priority for the North because it is the most significant airport



for the three regions. However, the Scrutiny Panel felt strongly that the development of infrastructure around the Humber Ports should also be the big sea port priority for the North because all three regions are heavily dependent on it for European trade.

Communication and Linkages

There are issues about linkages and communication between the Northern Way and public, private and voluntary sector partners. Businesses and communities who are not connected into the Northern Way are at a disadvantage, and the opportunities presented by the Northern Way cannot be realised without effective partnership. Whilst the Northern Way Summit in February 2006 was a useful way of disseminating information to partners, there is a need for increased communication on the Northern Way.

Recommendation 3

‘In order to engage partners across the region in the Northern Way, the Scrutiny Panel recommend that Yorkshire Forward develop and deliver a Regional Communications Strategy for the Northern Way. The strategy should outline how public, private and voluntary sector organisations will be informed of progress and the role which they can have in delivering the Northern Way.’

Theme 2: Innovation

The Scrutiny Panel looked at where the Northern Way adds value to the region's large number of existing initiatives on innovation and knowledge transfer that Yorkshire Forward support. The Northern Way identifies innovation and research and development as the key to wealth creation. The Northern Way also maintains that if productivity and jobs are to be created, universities need to pass their knowledge and skills onto businesses.

High-Level Skills

Innovation is regarded as a driver of productivity. With £10 billion of the £30 billion productivity output gap attributed to skills, the Scrutiny Panel recognised the crucial importance of skills in developing innovation. As skills policy was reviewed in the previous scrutiny enquiry, the Scrutiny Panel focussed on the opportunities available for developing skills at NVQ level 4 and above. Higher Education Institutions are working with individuals and businesses to encourage them to undertake high-level learning programmes. It is essential however, that these programmes are specific to the development of new technology and new practice.

The Scrutiny Panel acknowledged the fact that Yorkshire Forward had improved their relationship with the region's universities in recent years, and recognised the success that the knowledge transfer initiatives, the Graduate Enterprise and Graduates Yorkshire programmes have had in the region. The Panel also felt that Yorkshire Forward understand why innovation is important, and how they can engage others in promoting innovation.





Yorkshire Forward believes that an advantage of the Northern Way is the ability of the North's universities to compete more effectively with Oxford, Cambridge and London. Although there is an indication that the North's universities can offer a greater range of graduate programmes, progress on university collaboration across the North has been slow. The Northern Way will address this by working with colleges and universities on a graduate and further education programme. Yorkshire attracts a larger proportion of graduates from outside the region, and graduate retention and graduate enterprise are vitally important to economic performance. Whilst the North produces a high volume of graduates with high-level skills, there is still a demand from businesses for low-level skills. A lack of high-level job opportunities in the region is resulting in graduates moving to other regions.

Innovation Programmes

The importance of Knowledge Transfer Partnerships between universities and businesses, and initiatives which place graduates in businesses, are regarded as key innovation programmes in the Northern Way. There is an impression that the Northern Way builds on what has already been developed in the region. However, the Scrutiny Panel were unsure as to how the Northern Way is providing anything above and beyond the RDAs normal innovation activities. The region could benefit from the Northern Way's efforts to further develop the interaction with the Department of Trade and Industry (DTI). As the DTI is the main sponsor of Knowledge Transfer Partnerships, there is an opportunity for the Northern Way to influence further how knowledge transfer is delivered.

The Scrutiny Panel were keen for the Northern Way to avoid saturating the market with initiatives connected with innovation. Individuals and businesses can be confused and deterred by the volume of innovation programmes both within the region and the Northern Way. As recommended in the previous scrutiny review on skills policy, there is a role for partners across the region to streamline and simplify the initiatives on offer.

Recommendation 4

‘The Northern Way should simplify and reduce the number of innovation initiatives on offer in the North. The Scrutiny Panel recommend that Yorkshire Forward urges the other two RDAs to streamline the number of innovation programmes in the Northern Way. The Scrutiny Panel will review innovation further in a future scrutiny review.’

Recommendation 5

‘Despite a strengthening link between Yorkshire Forward, the universities and business, there are connection issues between businesses and the Northern Way. The Scrutiny Panel recommend that Yorkshire Forward develop a pathway that illustrates how innovative companies can link in to the Northern Way and take advantage of the North’s collective opportunities for innovation.’

Business Engagement

The review identified that businesses generally feel disengaged from the Northern Way, despite a general willingness amongst businesses to participate. The perception that businesses have of Yorkshire Forward is more positive, with many believing that Yorkshire Forward is interested in the business voice and is business-friendly in comparison to other RDAs.

Business organisations are imperative to ensuring that the Northern Way meets its economic objectives. Out of nine regions, Yorkshire and Humber has the eighth lowest number of business start-ups, and has been below the national average rate since 1998. The North West and North East are ranked seventh and ninth respectively. Although progress has been made on increasing the number of business start-ups, efforts will have to be increased across the North if the rates are to significantly improve.

There is a concern that the Northern Way is focussed on attracting investment into the region, with insufficient emphasis on growing small businesses. The Northern Way aims to extend Knowledge Transfer Partnerships into small businesses, but communication with businesses on the Northern Way needs to improve if this is to happen.

Links between universities and businesses in the region are regarded as continuously improving, and this has been helped by universities consulting businesses on their needs, rather than developing academic programmes which businesses do not want. Partners reported that whilst they are pleased with the Northern Way’s emphasis on innovation, they are not convinced by the assertion that innovation always comes from universities, as a significant proportion of innovation evolves from the ideas of businesses themselves.



Many businesses understand that they need to change their products and services, or adapt their production processes, in order to meet the needs of their customers and improve their productivity. However, they need business support to guide them. The Scrutiny Panel were keen to understand how the Northern Way would help businesses to acquire the skills, knowledge and support that they need in order to implement innovation.

Centres of Excellence

The Northern Way intends to help businesses to innovate through three new Centres of Research and Innovation, and Centres of Professional Excellence. This activity builds on the Centres of Industrial Collaboration (CIC) which Yorkshire Forward established to encourage greater business involvement with universities. Partners are cautious about the value which Centres of Excellence can offer businesses. Yorkshire and Humber's businesses spend below the national average on research and development. The success of the Northern Way's Centres of Excellence will to some extent be determined by changes in business expenditure on research and development.

Barriers

The review found that there are barriers to innovation which the Northern Way could help to address. Businesses may be re-locating outside of Yorkshire and Humber because they feel that they should be based with similar companies in the South. Another reason for re-location may be the lack of 'graduation' premises for successful start-up businesses needing to expand. Some business incubators in the region offer short-term premises for micro businesses, but there are few premises for small growing businesses. The North should promote itself as the place where innovation can be grown and developed, so as to attract and retain innovative businesses.

Recommendation 6

‘The Scrutiny Panel recommend that Yorkshire Forward commission research on the capacity of the region's existing incubator and 'graduation' premises to grow and support innovative businesses, and assess business demand for premises. It is recommended that this research includes a feasibility study for a high profile and highly specialised facility for the region that can house and support innovative companies.’

Theme 3: Marketing the North

The Scrutiny Panel looked at the benefit that the Northern Way can have for the promotion of Yorkshire and Humber.

The three RDAs had worked together to promote the North before the Northern Way Growth Strategy was developed. Much of this promotion was focussed on America and Australia, and the Northern Way is continuing to market the North to these two countries. The three regions are being advertised under the 'North' umbrella as opposed to being marketed as individual regions with their own unique selling points for potential investors and tourists.

Inward Investment

Progress in the Region 2005 confirms that the number of companies wishing to locate their business operations in the United Kingdom has generally declined. Yorkshire Forward identified however, that the collaboration on marketing across the North had yielded an increase in the number of inward investments into the North, in comparison to other regions. Statistics show that the number of inward investment enquiries across the North, has increased by four hundred per cent, with about 18% of these predicted to result in actual inward investment.

This increase could have been caused by several factors. There is value in the Northern Way promoting the whole of the North as one 'region', as it offers diversity to potential investors and tourists alike that other regions may be unable to offer. The increase in inward investment enquiries could also be due to the three RDAs being able to undertake a greater volume of international marketing in comparison to other RDAs, due to the additional budget from the Northern Way.



Prior to the Northern Way, the RDAs were not allocating a great amount of money to overseas marketing activities. The Northern Way has enabled the RDAs to significantly increase the budget for promotion of the North, and a total of £2 million has so far been invested in high profile promotional activities in America and Australia. Advertising campaigns in high profile business publications such as the Wall Street Journal, Fortune and The Economist have been supported with electronic newsletters, radio advertisements and improvements to the 'North of England' website. It is evident that the volume and nature of the North's promotion is not happening in other regions.

Competition

The Panel were keen to understand how the collaboration between the three RDAs was affecting the ability of each of the three regions to compete with each other for investors and tourists. The RDAs have joint offices in Sydney, America and Japan, and have a joint mission statement on attracting investment into the North. The three RDAs collectively market the North to potential investors through the joint offices. After initial contact has been made with the investors, each of the RDAs then promote and 'sell' specific sites within their own region. Yorkshire Forward is continuing to promote the region under the 'Yorkshire Alive with Opportunity' brand through this work.

The Scrutiny Panel considered whether Yorkshire Forward had been able to learn anything from the promotional activities of the other two RDAs. Although Yorkshire Forward had reviewed how the Northwest Development Agency was marketing itself at Manchester Airport, and is currently observing the successful promotional activities of the North East, Yorkshire Forward is confident in their own marketing approach. There will shortly be a launch of a regional marketing campaign in Dusseldorf in Germany, which operates flights into the region.

Culture and Tourism

Although it is clear that the three regions are collaborating on the promotion of the North to potential investors, comments suggest that the three regions are working separately when it comes to promoting the cultural offer of the North. If tourism across the North is to increase, it is essential that the three RDAs combine their efforts on the marketing of the North's cultural assets. At the moment, it would appear that the opportunity for increased tourism under the Northern Way, is not being realised. This is mainly due to the fact that the Northern Way's activity on culture and tourism marketing is working on a radical approach and only began in late 2005.

An important emerging issue for the United Kingdom is the 2012 Olympics. Yorkshire Forward supported the Olympic bid, and there are benefits to be had for the North from the Olympics, such as the production of sports textiles and equipment, the provision of training facilities, the possibility of hosting events at the North's world-class sporting facilities, and attracting increased visitors to the North as a result of increased tourism for the Olympics.

Recommendation 7

‘The 2012 Olympics offer an opportunity for the United Kingdom, and it is important that the Northern Way is prepared to take advantage of the benefits on offer. Whilst the Scrutiny Panel recognise that each region may prefer to develop their own offer, it is recommended that Yorkshire Forward develop a Northern proposition for how the Northern Way will respond to the Olympics to promote the North's assets as a whole and maximise the opportunities for increased business and tourism.’





Recommendation 8

‘Although the Scrutiny Panel recognise the importance of regional branding, it is recommended that Yorkshire Forward make a step change as the lead RDA on ‘Marketing the North’, by establishing a common brand identity for the North, that presents the three regions as ‘one voice’. The brand should identify the values, attributes and key strengths that the North has to offer.’

Levels of Marketing

The Scrutiny Panel recognised the advantage in marketing the North to America and Australia on the basis that overseas companies and individuals who have investment to make in the United Kingdom, may not know where Yorkshire is situated. Partner organisations seem to understand the responsibility that they have in promoting the region, and there appears to be a degree of willingness amongst partners to promote both the region and the North through their own corporate marketing activities.

It would be inappropriate for the Northern Way to promote individual towns and cities, as this is best done by local level organisations, such as Local Authorities and Destination Management Organisations, who have the local knowledge and expertise. Similarly, regional bodies like Yorkshire Tourism and Yorkshire Culture are the most appropriate organisations to promote the opportunities offered by the Yorkshire and Humber region. Partners believe that the Northern Way should concentrate on promoting the North to other countries, as people outside of the United Kingdom can more readily recognise where ‘the North’ is.

Brand Identity

The issue of branding was considered in the Assembly’s scrutiny of Marketing and Inward Investment in June 2005. This enquiry identified that the regional brand of ‘Yorkshire Alive with Opportunity’ was concerned with promoting the region’s values, attributes and key strengths. Partners were consulted in the development of the region’s brand identity, and awareness of the brand improved, the more it was promoted.

Although effort has been made on re-vamping the ‘North of England’ website, slow progress has been made on the branding for the North. Yorkshire Forward and their partners could apply their experience of the development of the regional brand to establish a common brand identity for the North. The clarity of the message under ‘Marketing the North’, may have been lost because the Northern Way is trying to focus attention on too many priorities. The development of a brand identity which promotes the North’s values and strengths would help to address this issue. The brand identity for the North therefore needs to be pushed, and the work needs to be accelerated by Yorkshire Forward as the workstream lead.

Conclusions

The Scrutiny Panel were clear about Yorkshire Forward's position on the opportunities offered to the region by the Northern Way. The review did not take a view on the position of the other two RDAs. However, the Scrutiny Panel believe that the North West and North East regions may also be interested in reviewing the opportunities of the Northern Way for their regions.

The review has identified that the key benefit offered by the Northern Way is the opportunity to argue the case to Government, influence their investment decisions through the provision of a strong evidence base, and shape their thinking. With Ministers keeping a close eye on the development and delivery of the Northern Way, there is a question over whether the RDAs are maximising the powerful position that the Northern Way occupies.

The Comprehensive Spending Review 2007 is of vital importance and it is crucial that the Northern Way is not seen as just being the three Northern RDAs. It is imperative that Government view the Northern Way as a broad cohesive partnership with the firm support of public, private and voluntary sector partners behind it.

There is a potential role for the three Regional Assemblies and the three Government Offices to add further weight to the Northern Way. The process that the region went through in developing the guidance to Government on Regional Funding Allocations (RFA) was a first step in the three regional agencies collaborating on priority action. The Comprehensive Spending Review is just one step on from RFA. If we are to influence future spending in the region, it seems logical for the Assembly and Government Office to be more involved in supporting Yorkshire Forward on the Northern Way.

Although the Northern Way is still recognised by partners as being in its early stages, the communication between the Northern Way and partners across the North needs to be improved. Despite widespread awareness of the Northern Way, partners have no deep interest in it, and many find it hard to grasp how the Northern Way differs from the Regional Economic Strategy. If productivity across the North is to be improved, partner organisations need to understand that their strategies and activities should support both the Regional Economic Strategy and the Northern Way. Partners also need to know where and how they link in to the Northern Way, and how they can support its delivery.

Next Steps

The Scrutiny Panel has made 8 recommendations on how Yorkshire and Humber can benefit from the opportunities offered by the Northern

‘It is imperative that Government view the Northern Way as a broad cohesive partnership with the firm support of public, private and voluntary sector partners behind it.’

Way, and how partners within the region can more effectively support the activity of the Northern Way. Yorkshire Forward has developed an Action Plan which outlines how they will take these recommendations forward with their partners. A copy of the Action Plan is on page 21, under Appendix 1.

The Scrutiny Panel will monitor the delivery of the Action Plan on a quarterly basis to ensure that the recommendations in this report are delivered. Yorkshire Forward will produce two written updates on progress made each year. The Scrutiny Panel will then present six monthly reports to the Assembly's Executive Board, based on the updates received from Yorkshire Forward.

As we piloted an alternative way of conducting scrutiny through this review, we have evaluated the process we used. The Scrutiny Panel, Yorkshire Forward and partners across the region have provided their views and suggestions on how the scrutiny process could be further improved.

We will hold Public Discussions in future reviews as partners feel that they can provide greater accountability. The Scrutiny Panel strongly believe that Public Discussions should engage the public in debate and that they are a way of obtaining views and comments from as wide an audience as possible.

The Assembly and Yorkshire Forward are committed to ensuring that scrutiny is a robust and positive process, which involves all regional partners, so that improvements can be identified and delivered for the benefit of the Yorkshire and Humber region.



Appendix 1: Action Plan in Response to Scrutiny Enquiry 9 - The Northern Way

	Recommendation	Actions	Timescale
Connectivity	<p>Recommendation 1</p> <p>Partners need to be convinced that Yorkshire Forward is committed to fully engaging them in the Northern Way transport priorities, and that they are also committed to gaining advantage for the region out of the Northern Way. The Scrutiny Panel recommend that Yorkshire Forward clearly identify to partners, the economic benefits that the Northern Way adds to the region's transport infrastructure.</p>	<p>Yorkshire Forward will speak to the YHA to identify which partners in the region are not clear on the economic benefits of the Northern Way. Yorkshire Forward will work directly with these partners to increase their knowledge and understanding, as it has been proven in the past that general communications are not as effective.</p>	December 2006
Connectivity	<p>Recommendation 2</p> <p>The Scrutiny Panel recommend that Yorkshire Forward and the Northern Way argue the case for additional investment to develop the transport infrastructure to and from the Humber ports. The case for additional support should be justified through the development of a Northern Ports Strategy that includes productivity measures such as the percentage of GDP associated with the ports, and the potential GDP resulting from improved road and rail access.</p>	<p>The Northern Way Growth Strategy and the Hull and Humber Ports City Region Development Plan already address issues surrounding transport infrastructure to and from the Humber Ports.</p> <p>The Northern Way Transport Investment Priority has recently completed a piece of work on the evidence base for the Northern Ports, within which the Humber Ports appear strongly.</p> <p>The Northern Way will also submit evidence to the Government's Ports Policy Review.</p> <p>The Northern Transport Compact has been established to advise the Northern Way Steering Group about transport priorities linked to closing the £30 billion output gap and will inform the Steering Group's submission to Government on CSR 2007.</p>	<p>-</p> <p>Report to be completed by August 2006</p> <p>Submit to Review by 1 September 2006</p>

	Recommendation	Actions	Timescale
Connectivity	<p>Recommendation 3</p> <p>In order to engage partners across the region in the Northern Way, the Scrutiny Panel recommends that Yorkshire Forward develop and deliver a Regional Communications Strategy for the Northern Way. The strategy should outline how public, private and voluntary sector organisations will be informed of progress and the role which they can have in delivering the Northern Way.</p>	<p>The Northern Way Communications Strategy is currently being rewritten to take on board the outcomes of the strategic stocktake.</p> <p>Yorkshire Forward will work with the YHA to implement this Strategy in the region.</p>	<p>Strategy to be completed by September 2006</p> <p>Programme of communications to be developed with YHA and roll out commenced by November 2006</p>
Innovation	<p>Recommendation 4</p> <p>The Northern Way should simplify and reduce the number of innovation initiatives on offer in the North. The Scrutiny Panel recommend that Yorkshire Forward urges the other two RDAs to streamline the number of innovation programmes in the Northern Way. The Scrutiny Panel will review innovation further in a future scrutiny review.</p>	<p>Yorkshire Forward supports this recommendation. We are looking at this issue through the Business Support Review and we are likely to adopt this approach in the region. We will discuss this with the two other Northern RDAs but cannot guarantee any action.</p> <p>Yorkshire Forward is currently working on bringing the three Northern Science Councils together as this will be a good vehicle to work through, particularly for high level lobbying.</p> <p>Yorkshire Forward is happy for there to be a scrutiny on Innovation programmes, particularly as a region-wide innovation strategy is being developed at the moment.</p>	<p>Business Support Review to report by October 2006</p> <p>December 2006</p> <p>-</p>
Innovation	<p>Recommendation 5</p> <p>Despite a strengthening link between Yorkshire Forward, the universities and business, there are connection issues between businesses and the Northern Way. The Scrutiny Panel recommend that Yorkshire Forward develop a pathway that illustrates how innovative companies can link in to the Northern Way and take advantage of the North's collective opportunities for innovation.</p>	<p>Yorkshire Forward is already working on a simplified pathway to innovation support as part of the Regional Innovation Strategy.</p> <p>Yorkshire Forward will share this approach with the other two Northern RDAs through the Northern Science Councils to encourage them to adopt a similar approach.</p>	<p>September 2006</p> <p>September 2006</p>

	Recommendation	Actions	Timescale
Innovation	<p>Recommendation 6</p> <p>The Scrutiny Panel recommend that Yorkshire Forward commission research on the capacity of the region's existing incubator and 'graduation' premises to grow and support innovative businesses, and assess business demand for premises. It is recommended that this research includes a feasibility study for a high profile and highly specialised facility for the region that can house and support innovative companies.</p>	<p>Yorkshire Forward, through Business Link West Yorkshire, is currently undertaking a review of incubation in the sub-region. It is focussing on existing incubation before it looks into demand, and how this can be rolled out regionally. This review will look towards creating an incubation (not incubators) strategy.</p>	<p>Report on existing incubation in West Yorkshire to be reported by August 2006</p>
Marketing the North	<p>Recommendation 7</p> <p>The 2012 Olympics offer an opportunity for the United Kingdom, and it is important that the Northern Way is prepared to take advantage of the benefits on offer. Whilst the Scrutiny Panel recognise that each region may prefer to develop their own offer, it is recommended that Yorkshire Forward develop a Northern proposition for how the Northern Way will respond to the Olympics to promote the North's assets as a whole and maximise the opportunities for increased business and tourism.</p>	<p>Yorkshire Forward will not be pursuing this recommendation as it is not in line with what the 2012 Nations and Regions Group have asked the regions to do.</p>	-
Marketing the North	<p>Recommendation 8</p> <p>Although the Scrutiny Panel recognise the importance of regional branding, it is recommended that Yorkshire Forward make a step change as the lead RDA on 'Marketing the North', by establishing a common brand identity for the North, that presents the three regions as 'one voice'. The brand should identify the values, attributes and key strengths that the North has to offer.</p>	<p>This issue was raised by Yorkshire Forward early on in the Northern Way processes and it was not welcomed by the two other Northern RDAs as they are committed to their regional brands.</p> <p>Some Northern brands are already in place e.g. England's North Country, North of England for overseas investment. We are surprised that the YHA wants to see the value of the 'Yorkshire' brand diluted through suggesting a 'Northern' brand.</p>	-

Appendix 2: Yorkshire Forward Panel

Cllr. Nic Dakin

Deputy Chair of Yorkshire Forward

Nic is currently Deputy Principal of John Leggott College in Scunthorpe and was the Leader of North Lincolnshire Council from 1997 to 2003. He has a support role for the Humber sub-region and is a member of the Humberside Learning and Skills Council. Nic is the Chair of the Yorkshire Forward Scrutiny Panel.

Martin Havenhand

Outgoing Chief Executive at Yorkshire Forward

Martin has been the Chief Executive of Yorkshire Forward since 1999. During this time he has been the Regional Development Agency national lead for the Treasury, CBI and TUC. Prior to joining Yorkshire Forward, Martin worked in local Government for over 20 years in the South Yorkshire, Greater Manchester and North Nottinghamshire areas.

Don Stewart

Executive Director, Strategy at Yorkshire Forward

Don is one of the founder Directors of Yorkshire Forward. His role covers the Regional Economic Strategy, Investment Planning, Northern Way, and the Yorkshire Forward Development Fund. During his career, Don has worked for the Departments of State for Environment, Housing, Training and Employment, and the Government Offices in Manchester and Leeds.

Jan Anderson

Executive Director, Environment at Yorkshire Forward

Jan was appointed in March 2004. Her role covers the rural economy, sustainable development and urban renaissance. Prior to joining Yorkshire Forward Jan worked for the Office of the Deputy Prime Minister (ODPM) where she supported Sir John Egan on the 'Egan Review of Skills'. Jan has also worked for the Department of the Environment and Government Office for London.

John Jarvis

Transport Director for the Northern Way

John has been on secondment from the Government Office Yorkshire and Humber since February 2005. During his career at the Government Office he has worked in regeneration, regional affairs and planning and transport. John has also represented the three Northern Government Offices on the Northern Way Task Group since its establishment.

**YORKSHIRE
AND
HUMBER
ASSEMBLY**
Voice of the region

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