

Thanks to Yorkshire Forward's support, We can take on more members and not only increase production of kindling wood to meet demand from local shops and garages, but also develop new openings for people with a wider range of disabilities than the old premises permitted."

DAVID STOCKPORT, CHOPSTICKS

YORKSHIRE FORWARD

CORPORATE PLAN 2008/11

Approved July 2008



The Region's
Development Agency

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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 National 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 to consider the downside risks to the regional economy, in light of current macro-economic uncertainties in the face of the credit-crunch and the volatility of financial markets. 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 by providing economic opportunity for all. This economic uncertainty is accompanied by the increasing impact of global and environmental change, which has manifested itself in recent 'shocks' such as the floods of summer 2007 and the emerging impact of the "credit crunch". 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 in part to stronger links with our nine top class universities. South Yorkshire has been 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. Sheffield and Rotherham have experienced dramatic growth in employment, enterprise and economic output. 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.

8. As part of this Corporate Plan, and in light of recent challenges arising from the recent 'Credit Crunch', Annex K details Yorkshire Forward's potential approach to an economic downturn or other major incident. This also follows on from the formal responsibility announced in CSR07 of RDAs actively managing economic shocks, such as the collapse of Rover or the flooding of Summer 2007.

C. Our Vision and Values: culture change

9. 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.

10. 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.

11. 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, account for what we do and work closely with democratically elected politicians. Equally, we are deliberately a business-led, non-political, 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 Sustainable Development

12. We will continue to embed the principles of **sustainable development** into all of our work; and ensure sustainable practice is incorporated into our internal operations including sustainable construction minimum standards. We want our region to be recognised as a world leader of sustainable development practice. It is our intention to respond to the challenge by setting a regional carbon reduction target at or above 60% by 2030, if Government approves our proposals for carbon capture. This builds on the RES target to reduce greenhouse gas emissions (CO2 equivalents) by 20-25% by 2016.

E. Our Corporate Objectives

13. 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

14. 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, ensuring the delivery of the new EU Programme. However, the key challenge will be to respond effectively 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 and ensure we build the capacity to take on the proposed wider strategic role as Regional Planning Body. We will also ensure close involvement of business, social and environmental partners.

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

15. This Corporate Objective aims to build 'enabling routes' to jobs - skills, transport and economic inclusion are key drivers for ensuring that everyone in the region is able to realise the maximum benefit from, and make the optimum contribution to, economic growth and competitiveness. High levels of employment, a skilled workforce and more effective transport links will ensure that the regional economy has the best possible **foundation** for economic growth. Our approach to **Skills** focuses on raising the aspirations of individuals, stimulating business demand for new skills and developing higher level skills in leadership and management. Our approach to **Transport** is characterised by developing independent advice and evidence, achieving regional consensus on transport priorities, influencing transport operators, and working with partners to invest in practical transport improvements. 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 and equality for all.

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

16. 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. High levels of business start-up, growth and innovation will provide the regional economy with the **capacity** for economic growth. 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

17. 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 goal is to provide the regional economy with an outstanding **environment** for economic growth. 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

18. 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 recognise the need to get more for less in an era of tightening public spending. Even though Yorkshire Forward is one of leanest RDAs, we will, through a series of targeted reviews, identify opportunities for the 'recycling' of expenditure to our key policy priorities.

F. Geographic Programmes

19. 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 Learning and Skills Council, 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 and 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 what key businesses and public agencies can do to help contribute to the collective effort to improve the local economy.

G. Resources

20. 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 over three years and administration reductions of £0.462m/£0.923m/£0.923m over the Corporate Planning period 2008/09 to 2010/11. 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.

21. This Corporate Plan (see paragraphs 8.5 to 8.6) 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.

H. Measuring Performance

22. The SNR will give us far more flexibility in setting our own outcome targets. This provides a greater opportunity to deliver our core economic growth objective in a sustainable way, which meets the region's distinct priorities. 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.

I. Accountability

23. Yorkshire Forward is a non-Departmental Public Body governed by a business-led Board of 15 members 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 scrutinised 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.

1. Introduction

1.1 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 National Review of Economic Development and Regeneration (SNR). In developing this Corporate Plan we have reviewed our policy priorities 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).

Purpose of Yorkshire Forward

1.2 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.

Economic Challenge

1.3 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.

1.4 Big challenges remain. We need to consider the downside risks to the regional economy, in light of current macro-economic uncertainties in the face of the credit-crunch and the volatility of financial markets. 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 by providing economic opportunity for all. This economic uncertainty is accompanied by the increasing impact of global and environmental change, which has manifested itself in recent 'shocks' such as the floods of summer 2007 and the emerging impact of the "credit crunch". Annex K details Yorkshire Forward's potential approach to an economic downturn or other major incident. This also follows on from the formal responsibility announced in CSR07 of RDAs actively managing economic shocks. 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.

1.5 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"

1.6 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 lowest number of local authorities and a rural area the size of Northern Ireland.

1.7 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. South Yorkshire has been 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. Sheffield and Rotherham have experienced dramatic growth in employment, enterprise and economic output. 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. Our renaissance programme is building strong market towns in rural areas such as North Yorkshire and East Riding and delivering bold new visions for towns like Barnsley, Grimsby, Rotherham, Scarborough and Huddersfield.

1.8 This plan sets out how we will work to achieve our ambition to improve the economy of Yorkshire and Humber between 2008 and 2011. We cannot deliver the Regional Economic Strategy alone and work with public, private and third sector agencies – Team Yorkshire and Humber - to deliver it with us.

1.9 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 in adapting to and mitigating climate change.

Our Values: culture change

1.10 Five core values guide the way that we work and how we do business, these values are central to the operation of the Agency:

- We will achieve **value for money** for the 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;
- We will strive to be an Agency that promotes **diversity** and celebrates difference.

1.11 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, account for what we do and work closely with democratically elected politicians. Equally, we are deliberately a business-led, non-political, 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.

1.12 Our values are promoted through internal leadership and corporate development programmes which seek to give participants experience of different leadership styles and team working. At the same time they are promoted through internal communications mechanisms. The newly developed Management Development Programme seeks to ensure that a corporate management style is consistently used across the organisation which promotes openness and values difference and diversity. We have adopted the European Foundation for Quality Management (EFQM) Business Excellence model to encourage an environment in which all employees aspire to excellent performance and the Agency will undergo an external assessment against the model as part of the British Quality Foundation's awards system in 2008.

Sustainable Development

1.13 Pursuing the principle of Sustainable Development within the Yorkshire and Humber region sits at the heart of Yorkshire Forward's business model. We will continue to embed the principles of **sustainable development** into all of our work; and ensure sustainable practice is incorporated in our internal operations. We want our region to be recognised as a world leader of sustainable development practice. The Yorkshire and Humber Regional Economic Strategy includes a target to reduce greenhouse gas emissions (CO2 equivalents) by 20-25% by 2016. It is our intention to respond to the challenge by setting a regional carbon reduction target at or above 60% by 2030, if Government approves our proposals for carbon capture. Yorkshire Forward is committed to both contributing to this target and to meeting the requirements of the Energy White Paper. Further details are set out in the Lower Carbon Economy Policy Product Range and Annex F.

1.14. Yorkshire Forward defines sustainable development in line with the five principles set out in Government's 'securing the future' strategy of March 2005, which are:

- Living within environmental limits;
- Ensuring a strong, healthy and just society;
- Achieving a sustainable economy;
- Using sound science responsibility; and
- Promoting good governance.

1.15 Our pursuit of Sustainable Development is detailed throughout this plan, specifically our ambition for a lower carbon economy. We have 'mainstreamed' sustainable development principles into the specific programmes and policies outlined in this document. For example:

- Yorkshire Forward has a strong stance on climate change and environmental sustainability, including the adoption of stretching consumption based GHG targets - this stance will provide a strong guide in our approach to the development of the new Integrated Regional Strategy;
- We are working closely with our regional partners to ensure that spatial, transport and infrastructure planning is both environmentally sustainable and meets the needs of all of the residents of Yorkshire and Humber. Our target for sustainable construction is that, as a minimum standard, at least 10% of the total value of the materials used on our developments should derive from recycled and reused content in the products and materials selected;
- We lead regionally on the provision of specialist business support through the Business Link network, encouraging resource efficiency, with a focus on new technology, better waste management and renewable energy;
- We lead a range of interventions within our most deprived and disadvantaged communities, reducing barriers to employment and increasing the links between the most economically disconnected and economic opportunity;
- Within our Performance Management Framework, we have integrated a Sustainable Development Toolkit, with each project appraised against key sustainable development principles to meet our cross cutting goal

Our Corporate Objectives

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

- Championing RES delivery;
- Helping people to access good jobs, skills and transport
- Helping businesses to start-up, grow and compete through innovation
- Regenerating cities, towns and rural communities
- Improving Yorkshire Forward's capacity

1.17 The following sections set out the key elements of each objective in turn.

2. Championing RES delivery

2.1 Yorkshire Forward has a unique role as the lead agency in championing the delivery of the RES. We have identified six priorities for the 2008/11 Corporate Planning period:

- Responding to the strategic implications of the SNR;
- Strong evidence and regional ownership;
- Influencing key policies and strategies in pursuit of RES goals;
- Leading a partnership approach to prioritisation and investment - Investment Planning;
- Effective utilisation of the Single Pot – Policy Product Ranges;
- Ensuring the delivery of the new EU Programme 2007/13.

Responding to the strategic implications of the SNR

2.2 The SNR sets out a number of proposals for new arrangements for decision-making and delivery at regional level:

- Subject to legislative change, Yorkshire Forward will have responsibility for regional land-use planning – a function currently carried out by the Regional Assembly;
- Yorkshire Forward will have a new executive responsibility for developing a single Integrated Regional Strategy (IRS) working closely with local authorities in particular, and other partners;
- Yorkshire Forward will develop new arrangements to delegate delivery of the single pot, through programmes aimed at those best placed to deliver economic outcomes, including local Government;
- There will be new arrangements to ensure accountability at the regional level and for scrutiny of the regional strategy and its implementation.

2.3 Yorkshire Forward will need to undergo significant change over the 2008/11 corporate planning period. We will become more strategic, with a Geographic Programme-based, rather than project-based approach to the single pot, thereby facilitating a greater role for Local Authorities in economic development and other partners including the private sector, in delivery of our agenda. Internally we will need to respond to the changes in our role including building capacity in the new areas of responsibility, and facilitating the move from project to programme management. Our Board will also need to respond to this wider strategic remit, whilst at the same time ensuring the continuation of strong business leadership and engagement.

2.4 The development of an IRS will significantly widen Yorkshire Forward's strategic leadership role, both in terms of functional responsibility and increased engagement and partnership responsibility. However at the heart of the move is the opportunity to focus on those issues that truly require a regional response. In developing the IRS we will need to ensure economic development and spatial planning are closely aligned.

2.5 As the body responsible for regional planning, we will be required to play a more significant role in relation to housing, the environment and other issues; as well as engage effectively with a wider group of stakeholders and build on strong partnerships with local government. Delivering the right type of housing, in the right places, represents a vital component of successful economic growth and regeneration. The recent Housing Green Paper outlined the Government's ambition to achieve a target of 2 million new homes by 2016 and 3 million by 2020; ambitious targets that emphasise the importance of effective leadership and strategic planning at a regional level. The Yorkshire and Humber region faces a number of challenges in securing continued economic growth whilst also addressing issues around housing affordability, in which significant regional disparities can be observed.

2.6 Yorkshire Forward will work together with the Homes and Communities Agency, the Yorkshire and Humber Assembly and local authorities to ensure that the region is able to deliver suitable housing to meet its needs; providing good quality, affordable housing in the places people want to live and work, in line with predictions for growth in jobs and businesses, and alongside improved transport infrastructure. Through this process, we will jointly develop a strong evidence base linking the regional economy, demography and housing to support the planned partial review of RSS and the future requirements of a single Integrated Regional Strategy. This will be directly informed through building an effective relationship with the National Housing and Planning Advice Unit and taking into account their independent advice. The work will seek to build on existing monitoring and implementation frameworks, linking economic development and housing needs through an integrated approach.

2.7 At a sub-regional level, Yorkshire Forward will continue to work closely with the Housing Market Renewal Pathfinder in the region to ensure that their strategic plans are in line with wider aspirations for the localities and structured to support economic growth. Local authorities are also able to draw on our economic evidence base in producing their Strategic Housing Market Assessments, which consider the links between housing and the economy. All our work on housing will be underpinned by the cross-cutting theme of Sustainable Development, ensuring that recommendations for housing growth take into account wider environmental issues including sustainable construction, energy efficiency, travel to work patterns and protection of the natural environment.

2.8 Clearly primary legislation will be required to implement the SNR and the consultation process is ongoing with a view to bring in legislation during the 2008/09 parliamentary session, with full implementation by 2010. However, in the interim it will be vitally important to work with the Regional Assembly and Local Government Yorkshire and Humber to ensure an effective transition, not least as there remains a significant body of work in relation to the review of the Regional Spatial Strategy.

2.9 The RDA/local government relationship will be pivotal to economic development. Getting this relationship right is central to our success. Local Government, with its democratic mandate, is our route to local people. We have attempted to build a strong relationship with local government, particularly through our renaissance programme, and will seek to enhance this further complementing their knowledge of local economies and their planning, transport, education and housing responsibilities. Our post-SNR relationship with Local Government has three elements:

- Strategic partnership – including working together to influence national policy and investment decisions through city-region partnerships and a joint approach from the outset to the Integrated Regional Strategy;
- Financial – ongoing delivery relationships and increasing the delegation of appropriate elements of Yorkshire Forward's funding via Geographic Programmes
- Scrutiny – Local Government will have a new role in scrutinising our performance.

2.10 Relationships with other key partners will also be vital. Businesses create wealth and Yorkshire Forward's work will be geared towards the public sector enabling business to operate more effectively.

2.11 The move towards an Integrated Regional Strategy is a welcome step. However, there are a number of detailed implications:

- Adopting the principle of joint-working with our Local Authority partners in developing and agreeing the IRS prior to its submission to Government;
- A wider strategic role for Yorkshire Forward will require us to build sufficient capacity to ensure the effective integration of planning, housing, transport and sustainable economic development. A stronger role for Local Authorities will require partners, with our support, to identify potential gaps in capacity and work together to strengthen capacity where appropriate;
- 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 the IRS' overarching economic growth objective;

- The current RES will not be reviewed as planned for in 2008, rather we will work with partners to begin to collate the economic evidence base for an IRS;
- We need to beware of losing the good practice that exists already. The best example of this is the involvement of social, environmental and economic partners (SEE partners). Renewed regional governance arrangements, in response to the SNR, need to harness the positive contribution of SEE partners, both in terms of the expertise they can offer in the development of the IRS, and their contribution to its delivery;
- The scrutiny of Yorkshire Forward's work will change, passing from the Assembly to local government, and we will need to work with Local Authorities, the new Regional Minister and possible Regional Select Committees to build a constructive and positive approach.

Strong Evidence and Regional Ownership

2.12 Our role is to ensure the RES takes account of macro-economic drivers, that it reflects the economic reality of the Yorkshire and Humber region and that it has the strongest degree of ownership amongst key stakeholders.

2.13 We will continue to drive improvements in the quality of the economic intelligence base used to monitor progress towards the RES, to drive and shape the rationale for our programme interventions and to shape policy responses and prioritisation. Through the Chief Economist's Unit we will focus activity designed to improve our understanding of the region's key businesses (and their needs) and places, improve the quality and responsiveness of our economic forecasting and introduce greater sophistication, relevance and value for money of primary commissioned research in supporting our business priorities.

2.14 We will continue to provide and disseminate robust economic analysis and evaluation and ensure it is used to inform and support other key strategies - Regional Spatial Strategy, Investment Plans, City Region Development Plans and local economic master-plans. We will also build our analytical capacity to take on the proposed wider strategic role as Regional Planning Body

2.15 We will work to strengthen our understanding of the dynamics of economic performance in the region, including the use and development of wider and complementary indicators of economic growth and prosperity – such as quality of life, environmental enhancements, diversity and equality. Our continued support for Yorkshire Futures, the regional intelligence network, is important in this respect. We will also work with partners to better understand the relationships between, and the contribution of, urban and rural areas to better inform the spatial focus of our policy interventions.

2.16 Our Chief Economist's Unit will continue to work with our policy teams to ensure that robust evidence shapes our policy interventions – our evidence should explore how Yorkshire Forward can help the region grow by developing a better understanding of key drivers.

2.17 We will ensure the implementation of Yorkshire Forward's Evaluation Strategy to meet the needs of the Agency and the BERR's RDA Impact Evaluation Framework. We will manage and develop Yorkshire Futures, the region's Intelligence Observatory.

Influencing key policies and strategies in pursuit of RES goals

2.18 This is central to Yorkshire Forward's role as the lead economic agency. The role covers public sector policy ranging from Brussels and Whitehall, through other national, regional and sub-regional partners, to local government and local strategic partnerships. The ultimate aim is to influence the nature of policy and investment decisions in support of the RES. This influencing role also extends to the private sector. All of our policy areas have strong influencing elements to them. These are set out in each of our policy product ranges in Section Three, Four and Five. In addition, there are a number of overarching roles including:

- Contribution to key regional strategies, including the Regional Spatial Strategy and the European ESF and ERDF Operational Programmes
- Contribution to national strategy developments including the implementation of the SNR, our lead role on behalf of all RDAs with HM Treasury and coordinating the regional response to the Regional Funding Allocation (RFA) process;
- Cross-boundary working, including supporting the Northern Way in its role in collating robust evidence regarding the economic potential of the North and influencing Government investment (see Annex A), working with the East Midlands Development Agency in supporting the Sheffield City Region, and contributing to the RDA network, chiefly via our HM Treasury, CBI and TUC lead roles .

2.19 Yorkshire Forward will continue to take forward our lead role with the Treasury. There are three main objectives this year.

(a) Building good working relationships between the Yorkshire Forward and HMT. Following a reorganisation in HMT all of the RDA contacts have moved on to different jobs. This year we need to build relationships with the new team. We have already started this with a regular programme of meetings including organising a day for HMT to visit Yorkshire Forward to give them first hand experience of how an RDA works.

(b) Ensuring continued engagement of HMT in the RDA network programme on the SNR.

(c) Deliver a high quality RDA input to the 2009 Budget. Building on the successful input to the Budget for the last four years, Yorkshire Forward will continue to deliver a strong voice in to the budget process. We will work with HMT to shape the questions that HMT will ask us to respond to. We will provide inclusive and co-ordinated advice to HMT from the regions. We will work with HMT officials to secure a meeting for the RDA Chairs with senior Treasury Ministers.

2.20 We will be using our lead role with CBI to ensure a business input to new RDA roles identified in the Sub National Review relating to housing, planning, transport and business support. In addition we will be working with CBI to share business intelligence and survey information to help shape future policies and programmes.

2.21 In terms of our TUC lead role key actions in the coming year include the establishment of a Memorandum of Understanding between RDAs, BERR and the TUC and work to look at expanding the number of Regional Policy Officers supported by RDAs.

Leading a partnership approach to prioritisation and investment - Investment Planning

2.22 In order for the RES to be effectively implemented, it needs to drive investment decisions and align activity across the region. Yorkshire Forward's funding is only one strand of the total investment necessary for RES delivery. Investment Planning is the region's approach to aligning, and therefore maximising, the impact of public sector investment on the delivery of the RES. The three main objectives of Investment Planning are:

- Prioritisation and alignment – to stimulate a more effective use of taxpayers money;
- Longer-term planning – to pursue key priorities in achieving regional economic goals;
- Stronger partnerships - greater transparency and clearer rationales for prioritisation.

2.23 Our approach to Investment Planning constantly needs to respond to the changing policy environment: in light of the SNR, together with our own review of Investment Planning and the recent Independent Performance Assessment we will strengthen our partnership approach to economic prioritisation and look to boost the scale of our individual investments, based on the following principles:

- Investment planning will move to a City-Region basis for the agreement of economic priorities from March 2009. We must also agree with partners appropriate Investment Planning arrangements for North Yorkshire to ensure continued strong support for our rural and coastal

communities. The strengthening of linkages between our rural and urban areas will be an important element of our approach ;

- Economic prioritisation will be based on robust evidence and analysis. This analysis will be used for Regional and City/Sub Regional Level prioritisation and at a local level through the local economic masterplanning;
- Building stronger and more direct relationships between Yorkshire Forward and Local Authorities through the development of geographic programmes as the basis for Yorkshire Forward's contribution to the delivery of Local Area Agreements. During this corporate planning period we intend to work with Local Authorities and central Government to strengthen the underpinning LAA indicators to better reflect economic performance;
- Yorkshire Forward's contribution to MAAs will primarily be in the form of support for the evidence base and prioritisation – City/Sub Regions will play a central role in developing the IRS, particularly in understanding the dynamics of City/Sub Regional economies and setting strategic priorities;
- Yorkshire Forward's direct financial support to Local Authorities will be via Geographic Programmes. Where Local Authorities wish to collaborate and pool their resources e.g. through MAAs, we will work with them, recognising that some interventions may be better delivered at a City/Sub Regional level;
- We renew our efforts in influencing and aligning the investments of other key agencies through investment planning, including Homes and Communities Agency, Environment Agency, Job Centre+, etc;
- Investment decisions by Yorkshire Forward will be based on our clear set of Policy Products; and
- The establishment of geographic programmes will enable Investment Planning partnerships to focus on outcomes and impact rather than spend and direct delivery.

Effective utilisation of the Single Pot – Policy Product Ranges

2.24 Yorkshire Forward's own investment decisions are vital in levering and influencing the investment of other agencies, both public and private. The priorities for the investment of the Single Pot, should be based a strong economic rationale and where Yorkshire Forward can make a difference and add value.

2.25 The Government's SNR Review sets out proposals to strengthen economic development and deliver neighbourhood renewal. The SNR focuses reforms on four key areas:

- Empower local authorities, via a new statutory economic development role;
- An approach that supports local authorities in working together more effectively;
- Streamlining the regional tier, based on more effective and accountable RDAs with new responsibilities, working closely with local authorities, for preparing a single regional strategy;
- Sharpening the focus of government departments through clearer objectives and responsibilities.

2.26 The SNR will impact on our approach to investing our funds. The SNR will require a significant shift in our approach: in the way we do business; and, in the way we interface with partners. Our recent *Seven Year Review* of our performance confirmed the direction of travel - the need for Yorkshire Forward to strike a better balance between the delivery of Single Pot spend and Strategic Added Value.

2.27 During the 2008/11 Corporate Planning period Yorkshire Forward will adopt an integrated approach to our key policy areas. Policy product ranges will be developed for each of our 11 key policy areas. They are intended to explain the economic rationale for our policy priorities, to clearly articulate the nature of our interventions and begin to set out the method of delivery. These policy product ranges will cover a three-year period - and will be reviewed annually. They provide the basis for all of our policy priorities:

Corporate Objective	Policy Product Range
Helping people to access good jobs, skills transport	Skills Transport Economic Inclusion
Helping businesses to start-up, grow and compete through innovation	Competitiveness Enterprise/Access to Finance International Business
Regenerating cities, towns and rural communities	Urban Renaissance Rural Renaissance Lower Carbon Economy Property Marketing the Region through Tourism and Major events

2.28 Each policy product range will:

- Set out the rationale and key policy priorities we will commission through the Policy Product Range, as well as match-funders and key delivery agencies (i.e. what we will do and why);
- Set out the geographic rationale and priorities for the Policy Product Range (i.e. where we will do it);
- Identify the strategic added value the policy product range will deliver to address wider RES targets by influencing the investment and policy decisions of what others will do to deliver the RES through Key Account Management of major businesses, partners and public agencies (i.e. who do we need to work with)

2.29 We have adopted an approach which looks to strengthen inter-connections between policy product ranges, particularly utilising geographic programmes as the mechanism to do so.

2.30 Following the development of the policy product ranges, geographically focused programmes of our product ranges will be developed (see Section Seven).

Ensuring the delivery of the new EU Programme 2007/13

2.31 The management and accountability for new EU Programme has now moved from the Government Office for Yorkshire and the Humber (GOYH) to Yorkshire Forward. We will manage £394m of European Regional Development Fund (ERDF). The new programme represents a significant reduction in the amount of ERDF funds available to the region, when compared with the previous Objective 1 and 2 programmes. The maximisation of EU funding presents a number of challenges for Yorkshire Forward and the region:

- The requirement to match fund the programme from ourselves and to mobilise partners to draw down the ERDF and maximise the impact it has on the regional economy;
- The scale of this match funding requirement on the single pot will be significant, perhaps in the region of 70% of the Programme;
- The move to larger scale transformational programmes, whilst at the same time ensuring interventions are of the appropriate scale (e.g. smaller interventions in rural areas);
- The need to improve draw-down of additional sources of EU funding, such as the Framework Programme
- The need to achieve N+2 targets.

3. Helping people to access good jobs, skills and transport

3.1 This Corporate Objective aims to build 'enabling routes' to jobs – skills, transport and economic inclusion are key drivers for ensuring that everyone in the region is able to realise the maximum benefit from, and make the optimum contribution to, economic growth and competitiveness. High levels of employment, a skilled workforce and more effective transport links will ensure that the regional economy has the best possible **foundation** for economic growth. Our approach to **Skills** focuses on raising the aspirations of individuals, stimulating business demand for new skills and developing higher level skills in leadership and management. Our approach to **Transport** is characterised by developing independent advice and evidence, achieving regional consensus on transport priorities, influencing transport operators, and working with partners to invest in practical transport improvements. 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. The section summarises the key elements of the Skills, Transport and Economic Inclusion policy product ranges.

Skills Policy Product Range

Ambition: to ensure that businesses and individuals have the skills they need to compete in Europe and the World

Economic Background

3.2 In our global economy skills are increasingly the key determinant of competitive advantage. Skills, or more accurately the lack of them, are also a key barrier to those at most disadvantage accessing economic opportunities.

3.3 Evidence shows that around one fifth of the UK's productivity gap with countries such as France and Germany results from the relatively poor skills of workers in the UK. 70% of the workforce of 2020 is already in the workforce, but in many parts of the region, this workforce has very low levels of skills, or skills which do not match the current or future needs of the regional economy. This is reflected in both poor levels of productivity of regional businesses and in a relatively low wage economy. There is a pressing need to raise the education and skills levels across the workforce within the region and particularly in pockets of the region where this is constraining business development. The region's most disadvantaged communities demonstrate both low levels of skill and low levels of income.

3.4 Higher level skills are vital to a modern economy, the Leitch target aims for the UK to have 40% of its working population qualified to NVQ level four or above. In this region, this will mean that by 2012, if the economy remains as it is today, we will require an additional 600,000 more people to achieve this standard.

3.5 The region is also characterised by a lack of demand for skills from both businesses and individuals. Therefore, the challenge is to improve the demand for skills from individuals and demand from employers to undertake training and skills development with employees to improve business performance. In summary, the key challenges are:

- Too many young people and adults do not aspire to or achieve high standards of education or skills to enable them to contribute to a more knowledge based economy;
- Too many of the region's businesses do not train or develop their employees, nor do they seek the higher levels of skill to respond to emerging competitiveness issues and opportunities;
- A lack understanding of future macro economic opportunities, resulting in an unfocused supply side and ill-informed individuals and businesses.

Policy Product Range

3.6 Yorkshire Forward's Skills product range will focus on the development of demand for skills; this being the demands of a forward-looking economy, the demands of businesses, and the demands of individuals, with the ultimate aim of raising both aspiration and attainment. The policy product range combines three inter-related themes that aim to address the region's key challenges. Yorkshire Forward aims to further strengthen our commitment to working with and through the Regional Skills Partnership (RSP) to deliver the following actions, which add value to other agencies' work within the Partnership:

3.7 Raising Aspirations of Individuals

Yorkshire Forward will play an active role in influencing education and skills policy by seeking to shape future education prioritisation and investments in the region through Local Authorities and the LSC, ensuring priorities within the Children and Young Peoples' plans, align more closely with regional economic and skills needs; we will strengthen business engagement with young people in our schools, to drive up participation and attainment and stimulate increased business start up; we will also work to influence the development of the national adult careers service and HE within the region. With the importance of Science and Maths education and skills within our economy, we will continue to drive the STEM agenda in the region through our leadership role with the Regional STEM board, which will take forward the implementation of the education and skills elements of "Race to Top – the Sainsbury Review of Science and Innovation".

3.8 Stimulate Business demand – Brokerage and Business Solutions

We will continue to provide leadership to meet the needs of the region's business by working with Work and Skills Boards to drive up the demand for skills by businesses. We will promote and support partners in achieving higher levels of sign up to the Skills Pledge and continue our practical engagement with key Sector Skills Councils to meet employer needs in sectors of particular importance in the regional economy. We will scope and articulate the regional workforce and skills offer to businesses; and provide this information to the network of intermediaries, particularly Business Link. We will deliver an integrated business support brokerage service which will be in place by 01st April 2009, ensuring this firmly embeds the principles of aligning business improvement with workforce skills. The integrated business support service will be assigned key performance measures as our planning develops. These will be in line with the Heads of Agreement with DIUS. We will enhance brokerage services where there are gaps, which adversely affect other business ambitions, such as inward investment or language skills linked to international trade. We will utilise the Regional Knowledge System, to support the Regional Skills Partnership in better articulating the demand for skills from the region's business, to providers, we will utilise other key sources of intelligence such as Yorkshire Futures and the Regional Econometric Model, and we will improve business take-up of training through a better informed and connected provider network.

3.9 Developing skills Solutions – Higher-level skills

As the region develops an integrated workforce and skills offer Yorkshire Forward will add value to this by the delivery of higher level skills solutions for businesses and will contribute through a suite of HLS outcomes to the DIUS higher level skills strategy. We will work with the region's HEIs to enhance leadership and innovation capacity and will establish a Graduate Employability programme, covering undergraduates, postgraduates, and researchers, focused predominately on the engineering sector. We will work collaboratively with the LSC and will develop new capacity and enhance the current training infrastructure to deliver niche programmes linked to emerging competitiveness strategies, sectoral opportunities, and renaissance priorities an example being the development of a comprehensive engineering skills programme and a skills programme to capitalise on the opportunities within Holbeck Urban Village. We will strengthen technical programmes to ensure higher skilled workers develop management capability and pilot rising stars programmes to develop regional talent. Where possible we will align the commissioning of this activity with the Train to Gain and the ESF funded Train to Gain enhancement service. This will build on the recognised brand and simplify the regional skills offer.

Delivery

3.10 The wider learning and skills agenda is not the responsibility of Yorkshire Forward alone. However, the influencing and developmental role Yorkshire Forward has cannot be underplayed. Whilst other agencies such as the LSC are also focussing on demand, Yorkshire Forward is in the unique position of being able to contribute better to the articulation of the demand for skills, through the interpretation of intelligence and alignment of competitiveness, enterprise and skills.

3.11 The product range will operate at a variety of geographical levels. Work with young people will be targeted at Local Authority level; higher-level skills will focus primarily on the labour market as the optimal geographical level for intervention and thus will focus on the City region, whilst acknowledging that sector specific challenges. Business demand will align with the regional business support service.

Measuring Achievement

3.12 The main contribution of this programme is to deliver PSA1, productivity. To support this key operational measure will be the numbers of people assisted with skills, however, wider economic outcomes will be developed including;

- Improvements in the higher-level skills of the workforce;
- Incidence of Employers reporting skills gaps
- Contribution to regional investment opportunities and spatial development priorities;
- Graduate employment in higher value jobs and increasing levels of graduate enterprise;
- A more demand-led system of training to bring the learning supply side in closer collaboration with employers and individuals.

3.13 We have developed an econometric model and forecasting tool, which will enable us to evaluate the impact of skills and workforce development outcomes on the GVA of our businesses. We will use this model to measure the ultimate impact of this policy area and disaggregate this at a local authority level to help evidence the impact of geographic programmes and contribution to local economy strategies. In taking forward this work, Yorkshire Forward will also lead on performance monitoring for the RSP.

SKILLS Policy Product Range – key actions			
Product	Activity	Milestones / actions	Outcome
Raising Aspirations of Individuals	Work with two Local Authorities to develop and commission two educational programmes in South Yorkshire - (1) Improving literacy through family learning and improving business engagement in education (2) improving the aspirations of young people to achieve higher grades and progress into higher level skills programmes.	Programmes developed and commissioned by August 2008.	Convergence with regional performance figures at GCSE for both LA areas by an additional 650 students per year achieving 5 A*-C grades including English and Maths.
	Work with Government Office, LSC and Directors of Children's Services to develop approaches for more businesses engaging with education.	Launched May 2008 with further work to implement this commencing June 2008.	Alignment with the new National Apprenticeship Service. Increased employer engagement in developing Diplomas and offering the work based project. More Work and Skills Boards championing apprenticeships.
Stimulate Business demand - Brokerage and Business Solutions	Work with the LSC and Business Link on developing and implementing the transitional plan to move skills brokerage from Train to Gain into an integrated system linked to the IDB service. Other work to develop protocols for Skills Academies, SSC, HE and other proposals to feed into the arrangements.	Transitional brokerage plan to be developed and implemented fully by March 2009.	Streamlined, single service for business achieved and intelligence fed into regional knowledge system. Businesses better able to articulate their demand for skills to which the supply side can respond more meaningfully. (measured by the regional employer survey and customer satisfaction survey of Y&H IDB).
Developing Skills solutions – Higher-level Skills	Commission a demand led higher level skills programme, one specific major theme being a focus on engineering skills.	Limited tenders issued April 2008 main programme to commence commissioning in June 2008	Engineering companies reporting higher level skills gaps reduced by end of programme. Recruitment to Engineering provision in HE and FE in the region increased with provision better responding to business needs
	Work with HE to enhance the offer to the regions businesses based upon business requirements for enhanced management capability skills in order to increase business innovation.	Proposal developed by September 2008.	Increase in the number of business leaders who are able to demonstrate an innovation culture within their business measured through ONA completions and new or enhanced participation with UK knowledge base (i.e. KTPs HEIs, Research Institutes etc.).

Transport Policy Product Range

Ambition: to establish the region as the most innovative and creative in the UK in linking transport and the economy

Economic Background

3.14 Transport is fundamental to economic growth. In simple terms it provides the economy with people, goods and services, without which it would fail. The RES currently identifies several transport priorities as being of regional economic importance. These are:

3.15 *Ensure Government Commitment to the Region's Long-Term Transport Priorities*

- Better, faster rail services between Leeds, Sheffield and Manchester
- Bring forward M62 improvement by incorporating demand management measures
- Improve north-south rail services from the region to London
- Create quality bus frameworks for better services in key urban centres and extend public transport solutions, including light rail in the Sheffield and Leeds city regions.

3.16 *Deliver initial transport schemes of economic priority*

- Improve public transport access from the region to Leeds Bradford, Robin Hood, Manchester and Humberside Airports
- Improve rail and road access to the Humber Ports
- Improve rail capacity in/to the Leeds city region to improve access to a key labour market
- Support innovative schemes to reduce car travel e.g. by using ICT solutions and to link people to jobs in target areas

3.17 The region faces a number of challenges in addressing these priorities:

- Ensuring that Government commitments are delivered, for example improvements to the M1/M62 in South and West Yorkshire;
- There are many delivery agents for transport, in both public and private sectors, with planning and governance arrangements often fragmented;
- Bus services are a private sector responsibility, with legislation framed to encourage competition. This means that scope for co-operation between bus operators, for example on ticket inter-availability, may be restricted
- Congestion on road and rail is increasingly a threat to economic growth;
- In 2006, total Government spending on transport in Yorkshire and Humber was £215 per head, the lowest of any English Region. It can be compared with spending of £614 per head in London and £489 in Scotland;
- Addressing CO2 emissions from transport.

Policy Product Range

3.18 The focus of our transport product is *securing influence*. The direct delivery of the region's transport priorities are almost exclusively the responsibility of others, therefore our approach is to work to influence key agencies and organisations with the aim to address regional priorities. The most important influence is with the Government, which has strategic policy responsibility for transport and controls key funding streams. Others that we will work with closely to influence include the Yorkshire and Humber Assembly, Transport Operators, the three City Regions, Passenger Transport Executives and Local Authorities. We will influence in four key ways:

3.19 *Developing Evidence*

We will work to strengthen the evidence demonstrating the need for transport interventions to support the regional economy, and use this to influence the spending and policy decisions of Government and national delivery agencies – the Highways Agency and Network Rail. This will include considering best practice from the UK, Europe and beyond.

3.20 *Achieving consensus on transport priorities*

The Government has devolved some responsibilities for transport prioritisation to regional level, most notably through the Regional Funding Allocation (RFA) process. A challenge is to agree clear evidenced priorities and to align influence behind them. This involves promoting consensus around realistic priorities that are well evidenced in relation to sustainable economic growth and are fundable and deliverable. Yorkshire Forward is the lead RDA for the Northern Way Transport Activity, which has agreed pan-regional transport priorities.

3.21 *Influence Transport Providers and Operators.*

For example by ensuring that rail and bus operators are fully aware of Yorkshire Forward's priorities and are able to incorporate them into their plans.

3.22 *Working with partners to invest in transport*

In certain circumstances we will consider investing in transport, where there is a clear convincing regional economic rationale for our direct investment, and where our interventions genuinely make something happen that would not otherwise do so. This also offers potential to lever in funding from others.

Delivery

3.23 On transport the focus of Yorkshire Forward's work is influence at the regional level. Much of the policy product is concerned with developing evidence and influencing Government. There are regional priorities in the RES that are addressed by interventions in specific locations, for example by investing in rail bottlenecks around Leeds and those that restrict access to the Humber Ports. We also recognise that the region may benefit from investment in other regions. For example, the rail network in Manchester is important to Yorkshire and Humber as it is this key congested link that restricts more and faster trains to Manchester Airport and more freight on rail. Investment to address this constraint will benefit Yorkshire and Humber and is recognised by the Northern Way as the most important transport issue facing the north of England. Similarly it may be investment to the East Coast Main Line in the south east and east of England that creates capacity for more or faster trains from this region to London.

Measuring Achievement

3.24 Due to the nature of Yorkshire Forward's influencing role, our interventions do not generally produce direct economic outputs other than in some cases by reducing CO2 emissions. It can however contribute significantly in terms promoting alignment and integration including the closer integration of the RES and RSS, by showing that the region can address regional priorities from within its own means. These links between Transport and the wider economy are at the heart of the findings of the Eddington Transport Study, and inform the Government's current thinking on Transport. The projects that Yorkshire Forward, with partners, has funded to provide more trains and to improve rail access to the Humber Ports address regional priorities and have been recognised in national awards. These are examples of the region being able to address its own issues and as demonstration projects contribute towards evidence for other priorities which need Government funding. However, ultimately our approach to transport will be assessed on performance against the regional transport priorities.

TRANSPORT Policy Product Range – key actions				
Product	Activity	Milestones / actions	Timescale - By when	Outcome
Developing Evidence	Strengthen evidence base on Transport.	Strategic transport consultancy appointment made Three year research programme established Response to DfT Transport Green Paper High quality evidence base in place to inform regional propositions for 2012 DfT Output Specification	June 2008 August 2008 October 2008 March 2011	Evidence base that helps to make the case for additional investment
Achieving consensus on transport priorities	Develop regional proposition for 2012 DfT Output Specification as set out in "Towards a sustainable Transport System"	Strategic Direction for Transport in the region developed, supported by partners similar to Northern Way Draft regional propositions for 2012 Output Specification	March 2009 March 2011	Agreed priorities and support from partners and increased share of national transport funding for the region.
Influence Transport Providers and Operators	Raise awareness of transport operators of Yorkshire Forward priorities and secure incorporation in their activity	Regular meetings and communication of evidence to transport operators	Ongoing to March 2011	Alignment between transport operators investment and YF development plans leading to greater collaborative working.
Work with partners to invest in transport	Identify opportunities in the region where our interventions will make a difference to address agreed regional priorities (for example Hull)	More freight trains able to operate to port of Hull Programme of opportunities established Business case development leading to delivery	June 2008 March 2009 March 2009 onwards	Agreed priorities for intervention

Economic Inclusion Policy Product Range

Ambition: to develop an aspiration-raising programme to bring people outside the mainstream economy into jobs.

Economic Background

3.25 Employment, along with productivity, is one of the two key factors that directly drive economic growth. The number of jobs and income levels both make a difference. Recent years have seen the Yorkshire and Humber economy perform well, with unemployment at record lows. However, despite almost unprecedented employment growth, there remain a significant number of people who are not benefiting from this increase in economic performance and who are distant from the labour market. We need to continue to work to tackle the 'two speed economy', where affluent areas with full employment still sit side-by-side with areas that are run down and face a range of interrelated challenges like poor housing and health, low skills, crime, run-down environment, low aspirations and reliance on public sector spending. The economic exclusion of our deprived communities is not only an opportunity cost – i.e. the loss of potential talent from the economy - but also a very real financial cost, with the cost to the regional economy of an estimated 150,000 - 200,000 people not in employment reaching £1.6B per annum.

3.26 Although a number of other agencies have a primary responsibility in addressing the challenge of worklessness, including DWP, Job Centre Plus and the LSC, there remains significant market failure to link people into employment. Hence the focus for Yorkshire Forward, in looking at the adoption of broader more intensive responses, to complement the investments of other key agencies such as the NHS, in reducing the numbers of people not in employment. Yorkshire Forward will aim to play a key investment role in addressing three regional challenges:

- Although regional unemployment is under 3%, rates of economic inactivity are rising, and there are increasingly more people on long-term benefits;
- In those communities which exhibit the highest levels of deprivation, there are also fewer businesses and lower levels of private sector investment. In these circumstances the development of community and social enterprise has provided a local driver for local employment and business opportunities;
- Continued demographic change, specifically an ageing population, put against continued economic growth, clearly make the economic case for diversity.

Policy Product Range

3.27 These policy products focus on increasing the numbers of people into employment and boosting income and employment levels more specifically in areas of greatest deprivation:

3.28 Increasing the Numbers of People into Employment

Yorkshire Forward will work to influence and broker skills and education provision to promote linkages with employer demand; we will invest in the capacity of agencies who work to move people into employment, specifically 'mentoring skills' and jobs brokerage; we will promote good practice and invest where we can add value, for example in local transport initiatives which link to employment and renaissance initiatives; Yorkshire Forward will act as the coordinator in response to large-scale redundancies; finally, we will work with the health sector to co-ordinate links between employment and health agendas, with the ultimate aim of addressing long-term dependency on public sector support in our most deprived areas.

3.29 Local economic development in the more deprived areas

Yorkshire Forward will work to promote the economic role of the Third Sector in the poorest communities in the region by adopting three approaches; we will provide financial support by increasing the impact of Charity Bank strengthening linkages with financial institutions, we will continue to recognise the importance of community organisations, and working with Local Authorities to clarify and actively promote innovative approaches to asset transfers and finance; we will continue

to investigate the issues surrounding third sector procurement and to work to better utilise the third sector as an economic asset; and, we will work to influence other agencies to promote the economic potential of the Third Sector, by understanding the current challenges relating to investment in the Third Sector and making the transition towards a loan environment.

3.30 *Equality and Diversity*

Yorkshire Forward will take the lead in the region in promoting the economic case for diversity. We will work to influence business support in meeting the needs of different minority groups and work to mainstream diversity by promoting employer engagement; develop and adopt a procurement model for Yorkshire Forward, which reflects a broader supply base; and demonstrate the potential for marketing job and career offers, raising aspirations within large companies and SMEs.

Delivery

3.31 Our focus will be on areas where there are the highest levels of deprivation. Our work with large employers may cross local boundaries and will bring together local authorities, city regions, sub regions and where appropriate regional partners.

3.32 Investment will be directly commissioned or go through a lead Local Authority as the accountable body. In all investments there will be flexibility built into the specification for ensuring the products are responsive to different local situations and levels of demand.

Measuring Achievement

3.33 Operational outputs will focus on the number of people supported into employment and the financial sustainability of third sector organisations assisted. However, the overall assessment of the policy product range will be made against longer-term economic outcomes such as; an increase in people into employment within the most deprived areas, stronger economic development through key Third Sector organisations, increases in the level of investment in the most deprived areas, increase in the income levels and employment in the most deprived areas, reductions in benefit dependency and the engagement of the business community in addressing and understanding their local economies.

Economic Inclusion Policy Product Range – key actions				
Product	Activity	Milestones / actions	Timescale - By when	Outcome
Increasing the Numbers of People into Employment	Work with business / employers on key sites / business locations to get local people into work (key partners - Job Centre Plus, local colleges, schools and the local authority)	Directly working with businesses on a minimum of 16 key sites where new businesses are locating.	2008 – 2011 with an assessment of progress and impact	Increased employment for local people and engagement with future workforce by business.
	Develop mentoring and support packages for those who have returned to the labour market to sustain their employment	Programme of mentoring / supervision schemes in place, with large and medium sized employers.	March 2009 then ongoing	Increase in retention of those returning to the labour market.
	Work with businesses in the region to minimise the impact of redundancies on companies and employees.	A co-ordinated response, business to business, to identify and match skills to new business requirements.	March 2009	Increased number of employees finding new jobs.
	Work with the health service to develop new approaches to the healthy workforce agenda linked to economic development.	A regional integrated approach to good practice, in advocating a healthy workforce and developing health technologies.	March 2009	A healthier workforce and better understanding of links to the economy.
Local economic development in the more deprived areas	Broaden the impact of the investment in Charity Bank working with Financial Services Sector and Local Authorities.	A £30m loan fund established.	September 2010	Charity Bank to be the lead bank in expanding the financial services to the 3 rd sector.
	Work closely with the 3 rd sector to enable a move from a grant dependent culture to one of a greater mix of loan and asset-based support.	Investment readiness programme developed Model for asset transfer in place	September 2008 March 2009	Increase in sustainability of 3 rd sector organisations - 1100 businesses assisted to move to a more mixed grant / loan base
	Develop a procurement network model to support 3 rd sector organisations to access, bid for and win public sector contracts.	Procurement event to encourage public sector commissioners and 3 rd sector contractors to share practice, and identify the critical functions for a procurement network.	Conference June 2008	Increase in the number contracts won by 3 rd sector organisations leading to improved long term sustainability
Equality and Diversity	Work with businesses and employers to demonstrate the positive impact of diversity in their organisations i.e. establishing the business case for diversity.	A range of high profile businesses who positively advocate the value of a diverse workforce and the benefits to the company.	March 2009 Roll out 2010/11	More diverse workforce in businesses /companies.
	Mainstream diversity within Business Link Business Support Services.	Diversity targets for Business Link baselined and set.	March 2009	A Regional Business Link Support Service which is increasingly accessed by all communities across the region.
	Further develop our lead role on the national Ethnic Minority Business Taskforce.	BME task force and Enterprise white paper work aligned	March 2009	Increase in the number of BME businesses and growth of existing businesses.

4. Helping businesses to start-up, grow and compete through innovation

4.1 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. High levels of business start-up, growth and innovation will provide the regional economy with the **capacity** for economic growth. 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. We will continue to strengthen our relationship with business, not only through improved services, but also ensuring we have a strong direct interface with businesses including representative organisations such as the CBI and Chambers of Commerce, but also through effective Key Account Management, particularly with our largest businesses. All of our investments will be geared to recognising that businesses create wealth and our role is to enable them to do it more effectively. Our policies also take full account of the need to rationalise provision under the Business Support Simplification Programme (BSSP). All YF funded business support activities will be compliant with the principles of the BSSP framework and in line with the new national portfolio of less than 100 products. This will be achieved by implementing a regional transition plan and ensuring non-proliferation of new products. Business Link will be the single regional gateway offering Information, Diagnostics and Brokerage and the primary access channel for all publicly funded business support. This section summarises the key elements of the Competitiveness, Enterprise and Access to Finance and International Business policy product ranges

4.2 We will continue to prioritise industry sectors which will have the greatest impact on the future economy of the region. Our revised approach is based on providing priority access for businesses to the future Business Link business support programmes, rather than developing bespoke programmes of support for each sector. Our approach will be applied to the following sectors: Food & Drink; Advanced Engineering & Materials; Environmental Technologies; Healthcare Technologies; Digital and New Media Industries, Financial and Business Services and Logistics. Tourism is also a sector of regional significance, the nature of our support for this sector is set out in Section 5.

Competitiveness Policy Product Range

Ambition: Build the next generation of Advanced Manufacturing Parks as emblems of the region's world class science and business base

Economic Background

4.3 The region needs its existing businesses which make up the vast majority of the economy to grow and become even more successful. Strong and modern manufacturing and service sectors will be important, and innovation will be vital to the competitiveness of both in a global economy. Our universities are a huge asset to the region with excellence in key areas of applied research and science. They are essential in growing the region's economy and we need to utilise their knowledge base and transfer it to business. We need to support business in boosting competitiveness through effective use of information and communication technology, strong supply chain linkages, effective processes and industrial collaboration. Innovation and productivity are key drivers of sustainable economic growth and Yorkshire Forward's activity in this area will therefore focus on how the region's businesses, primarily SMEs, can be more innovative, productive and adaptable to economic change. Yorkshire and Humber businesses currently lag behind both national and international competitors on a variety of measures of competitiveness. As examples:

- Our business stock is not made-up of businesses with high R&D spend, which is a proxy for innovation;

- Our business stock does not invest as much in R&D as their peers elsewhere in the UK and Europe;
- The region's businesses do not participate in partnerships which would lead to collaborative business improvement;
- Yorkshire and Humber businesses have low levels of adoption of existing business best practice.

Policy Product Range

4.4 The Competitiveness product range is aimed at increasing regional business competitiveness, primarily SMEs. Through this policy product range we will deliver our commitments to the implementation of the national Enterprise Strategy "Enterprise: unlocking the UK's talent", aligning activities with three of the five enablers of enterprise specifically; Knowledge and Skills; Regulation and Innovation. We are committed to the joined-up delivery of both the Enterprise Strategy and the Innovation Strategy. These products fall into two distinct strands:

4.5 *Business Improvement*

Interventions will be aimed at improving the overall performance of businesses across a number of areas. Business improvement activity will focus on two main areas. The first *Process Improvement* will include the strengthened Manufacturing Advisory Service+; supply chain development programmes; Yorkshire Forward should lead by example and work with regional public sector procurement bodies, and SMEs themselves to increase SME access to public sector contracts; ensuring that design is a core element of our approach, access to London 2012 Olympic and Paralympic Games opportunities through the London 2012 Business Network as well as maximising opportunities linked to other large events.

4.6 Under the second area, *Technological Improvement*, we will partner with public sector agencies on their ICT procurement with the aim of developing better broadband networks for all; we will work with partners to increase SMEs use of ICT; improved resource efficiency and work with businesses in specific sectors and provide access to technology resources such as demonstrators & shared development facilities.

4.7 *Innovation*

The Regional Innovation Strategy developed by Yorkshire Science, the region's Science and Innovation Council, provides a framework for Yorkshire Forward's investment in innovation. We will work to promote innovation to meet challenges within the SME business base, supporting the development of new and different products and processes through stimulating better links to partners such as private sector organisations and maximising the economic benefits of the region's universities who can assist businesses. Our activity will have four inter-related themes: the first, to *Develop a Culture of Innovation* through a range of actions including seminars and awareness programmes, graduate placements and innovation education; the second, will aim to create an *Innovation Environment* where areas of academic and commercial excellence which can be used as hubs of innovation activity, a key element here will be to maximise the benefits of Science City York, which is a major national asset; the third, by promoting *EU and International Engagement* by engaging with the region's universities in order to access links to overseas academic and research institutions; and finally through *Research and Technological Demonstration Development* we will engage with the UK Research Councils, the Technology Strategy Board and UKTI in order to identify opportunities where the region's knowledge base can be commercially exploited.

4.8 Specifically in relation to the Technology Strategy Board partnership with Yorkshire Forward, following the Sainsbury Review of science and innovation policies, Yorkshire Forward and the other English RDAs, the Technology Strategy Board and the Science and Industry Councils have agreed to collaborate to support innovation priorities that deliver the national technology strategy and Regional Economic Strategies. Using the Single Pot and European Structural Funds, each RDA will identify investments to match fund Technology Strategy Board programmes on a case by case basis or as part of a regional prospectus. This will lead to a total investment from the RDA network of £180 million over three years starting in 2008, subject to appropriate projects being identified that benefit the regions.

Delivery

4.9 The Business Improvement product will be delivered via Business Link through brokered providers. The support will be developed from April 2008 onwards with regional consistency but delivered locally. The region's universities, research councils and Business Link will be key in the delivery of the innovation product. A combination of Local authority partners, HE and FE and other research organisations will deliver Innovation Hubs. This policy product range will be vital in ensuring the delivery of Priorities 1 and 2 of the new European programme.

Measuring Achievement

4.10 The Business Improvement product will be assessed against measures such as numbers of businesses assisted, private sector investment and increased sales. The programme will also be assessed against longer-term economic outcomes such as profitability and ultimately increased GVA. The Innovation product will draw on a number of operational outputs including businesses assisted, private sector investment, increased business sales, jobs created and safeguarded, and R&D collaborations. Higher level economic outcomes sought will include the creation of an environment in which adoption of business best practice and active participation in innovation activity will significantly increase.

COMPETITIVENESS Policy Product Range – key actions				
Product	Activity	Actions/milestones	Timescale - By when	Outcome
Business Improvement	Undertake Phase 3 of the Manufacturing Advisory Service (MAS)	MAS in position to deliver against new national guidelines (Sept 08)	Ongoing to 2011	Increased productivity of regional manufacturers including more companies taking a strategic approach to their business
	NHS Regional Opportunities (Key Partners - Business Link & NHS)	Extension of South Yorkshire programme to provide regional coverage.	December 2009	Long term change within NHS procurement recognising the dividends of choosing local SMEs and its impact on health and the economy. More SMEs supplying the NHS base to required standards.
	Digital region	Contract in place with service provider. Network goes live Next generation broadband available	October 2008 2010 2011	Next generation broadband service established in South Yorkshire with open access for all service providers – increased inward investment opportunities and improved environment for business start up.
Innovation	Innovation adviser service (part of RIS) (Key Partners - Business Link & private sector)	Contracted service in place to deliver in depth innovation support for regional SMEs. "First contact" innovation vouchers in place by Dec 08.	December 2008. Ongoing delivery to 2011.	Increased number of regional companies developing new products, processes and services
	First Innovation Hub Award (Part of RIS) (Key partners – LA & Industry partnerships)	Regional centres awarded based on specific sector strength and research capacity – networks, research facilities and knowledge transfer	March 2009. Ongoing delivery to 2011.	Increased number of business to business and business to knowledge base collaborations to develop new products, processes and services
	Develop Enterprise Europe Yorkshire providing a single point of access for SMEs seeking up-to-date information on European directives and technology transfer including FP 7 Support Programme (Part of RIS) (Key partners - Bradford MDC & Private Sector)	Full service in place April 08.	Ongoing delivery to 2011.	Increased regional participation in European programmes leading to increase draw down of EU funds for R&D. Increased number of regional companies exchanging technologies across Europe.
	Encouraging SMEs to invest in Design as a part of their business (Key Partners - Business Link & Design Council)	South Yorkshire trial programme extended to the rest of the region.	March 2009	More companies recognising how Design can be used to add value to their business (leading to new products, new markets and increased turnover).

Enterprise and Access to Finance Policy Product Range

Ambition: to provide the best, most integrated business support service in Europe.

Economic Background

4.11 Enterprise is one of the five drivers of productivity and hence a key driver of regional economic performance. A strong culture of enterprise is essential to achieving a competitive economy. Levels of enterprise in Yorkshire and Humber, although improving, fall behind the national average by some margin. Key challenges facing the region can be characterised by:

- A culture and attitude restricting the number of people who feel confident enough to start their own business;
- Business support provision which has not had the flexibility to provide support from infancy to maturity and take into the account the different dynamics of business growth;
- Barriers to entry to start up such as imperfect information around the best options for financing a business start or subsequently access to that finance.

Policy Product Ranges

4.12 The Enterprise and Access to Finance policy product range aims to promote: business creation; business growth and survivability; and the provision of appropriate start up and growth finance to businesses in the region. The policy product range aims to deliver a long term culture change in the region such that entrepreneurs and enterprise are valued, individuals are encouraged to start up a business and that they have access to appropriate and sufficient levels of finance that allow them to grow their businesses. The policy product range combines three inter-related themes that aim to address the region's key challenges. Our product range supports the implementation of the Enterprise Strategy and the Innovation Strategy. Activities are aligned with the five enablers of enterprise: A Culture of Enterprise; Knowledge and Skills; Access to Finance; Regulation and Innovation as well as taking full account of the wider benefits of enterprise. In conjunction with Business Link, we are taking forward work on the Children's Centres pilots which was a specific commitment in the Enterprise Strategy. The lessons learned in Rotherham will be used in extending the pilots across the region and wider.

4.13 *Stimulating an Enterprising Culture in the region*

The aims of this policy product are wide ranging, on one hand, leading to individuals making the decision to start up their own business, or alternatively, to exhibit greater levels of enterprise as employees of entrepreneurial businesses who contribute to the success of the company where they work. Yorkshire Forward will build on the delivery of its Enterprise Shows, with four Enterprise Shows each year, one in each sub region, with potential to expand their coverage to be more responsive to local conditions. The location of these Enterprise Shows will reflect the needs across the sub-regions, that is, the shows will target areas which have previously demonstrated entrepreneurial behaviour/enterprise awareness. We will work with Local Authorities to ensure that enterprise education becomes a central part of the education curriculum and with Higher and Further Education to embed enterprise awareness as part of future career development. The policy product will be an integral part of the Business Start-Up Programme.

4.14 *A Business Start-Up Programme providing business support to individuals and SMEs*

The Business Start-Up Programme will provide a single programme of start up and incubation support that can successfully diagnose and differentiate the needs and aspirations of potential entrepreneurs. It will be flexible enough to cater for the needs of all types of businesses – as the business grows so does the level of support. Business start ups targeted will fall into three broad types: high growth entrepreneurs, generic business starts and Social Enterprises. Yorkshire Forward will ensure that the Business Link is acknowledged by customers, stakeholders and intermediaries as the pre-eminent brand. The support will be sub-contracted to a range of quality assured providers. The programme will have regional consistency with local access. In establishing Geographic

Programmes we will work with local partners to ensure the regional business support programmes are responsive and tailored to local customer choice and complement local programmes. Certain strands of it will have a geographical focus e.g. 75% of the BAME population of the region live in West Yorkshire therefore the focus of any outreach activity for this particular group would be in West Yorkshire.

4.15 *An Access to Finance Programme*

This programme will provide co-ordinated access to sources of finance and in appropriate cases it will provide finance to entrepreneurs and business owners who have demonstrated a desire to start and grow a business. Specifically, Yorkshire Forward will develop a cohesive approach for start-ups to be "Finance and Investor Ready" by addressing issues of unconvincing business plans, weaknesses in presentation and a lack of credibility in management teams. We will, with partners, bring together existing initiatives to provide entrepreneurs with the opportunity of increasing their investment attractiveness. We will develop a regional Access to Finance Portal, and lead the development of seedcorn capital to fund high risk early stage entrepreneurs. Yorkshire Forward will also lead on the development of a new regional Venture Capital Fund.

Delivery

4.16 The availability of business support and activity in this policy product range will be provided on the basis of market failure and geographical intensity. Given that evidence shows that regionally the generation of new businesses falls behind national targets and expectations, the availability will be region wide, however, greater levels of intensity will be provided to those areas showing greatest disparity. We will continue to support black and minority ethnic (BAME) communities who are under-represented in enterprise, self-employment and business ownership, through our role as co-Chair and secretariat for the national Ethnic Minority Business Task Force. Our ability to pull together all interested parties from the public, private and voluntary sectors puts us in a strong position to deliver coordinated interventions.

4.17 The support will be provided through Business Link, and will be developed from April 2008 on with regional consistency but delivered locally. Other private sector specialists will be involved in provision. Local Authorities, particularly those awarded with Local Enterprise Growth Initiative resources will be integral to a regional approach to this work.

Measuring Achievement

4.18 The operational measurement of the Stimulating an Enterprising Culture policy product will focus on education and training, however longer-term outcomes will be the main focus and include increased educational attainment and employability. The Business Start-Up and Access to Finance programmes will focus on business start-ups, job creation and private sector investment.

ENTERPRISE & ACCESS TO FINANCE Policy Product Range – Key actions				
Product	Activity	Actions/milestones	Timescale - By when	Outcome
Stimulating an Enterprise Culture in the region	Work with partners to improve Enterprise Education in the curriculum (Key Partners - Young Peoples Enterprise Forum (YPEF) with Local Authorities)	Successful “Rotherham Ready” programme rolled out to 4 Local Authorities (2009) increasing to ten (2010).	March 2009 / 10	Increased number of students receiving Enterprise Education.
	Work with LA’s and FE colleges to develop Enterprise teacher training as part of a continuous professional development (CPD).	Enterprise teacher training developed and module implemented. Regional FE enterprise strategy developed.	September 2008, January 2009 then ongoing December 2008.	Increased number of teachers/lecturers fully trained in Enterprise Education
	Develop a robust way of measuring enterprise education activity, working with partners.	Impact assessment and evaluation methodology agreed and in use.	January 2009	Robust and agreed evaluation methodology for activity in place that clearly assesses impact.
Business Start-Up Programme providing business support to individuals and SMEs	Implement and embed a regional approach to the new Business Link service from their own office network, building on the working practices of the previous four Business Link operators and working closely with LA’s with LEGI awards.	Business start-up programme commenced. First year review of programme completed (by March 09), with any learning/programme changes implemented for operational year 2	Business Start-up programme – April 2008 and then ongoing LA’s - December 2008	Regional approach to business support retaining local delivery with rationalised products
Access to Finance Programme	Ensure full investment of Partnership Investment Fund (PIF) and South Yorkshire Investment Fund (SYIF).	c£80m fully invested in PIF and SYIF.	December 2008.	Increased number of companies in the region financed for growth. Increased number of loan and equity deals across the region
	Undertake preparatory work for a Regional Fund to replace PIF and SYIF, working with them and the European Investment Fund (EIF), European Investment Bank (EIB) and fund managers.	Full Business Plan for Regional Fund complete (Sept 08), submission to EU Commission (Dec 08).	Up and running March 2009	Approved Regional Investment Fund delivering increased finance available and number of growing companies.
	Implement Regional Fund to deliver seedcorn, loan and equity finance to companies across the region.	c£60m with another £60m targeted and invested in the fund.	June 2009 then ongoing	Increase in the amount of Venture capital and loan finance available to companies in the region. Increase in the number of deals considered by other venture capital funds.

International Business Policy Product Range

Ambition: to move the region from the bottom to the top quartile of inward investment and international trade in the UK.

Economic Background

4.19 International business has a significant impact on the region's economic performance, with inward investment increasing the region's business stock and stimulating economic performance. Businesses that internationalise their business are more likely to be competitive, be capital intensive, have a higher level of productivity, enjoy higher than average growth rates, employ more people and be able to deal with domestic downturns. Over the last 20 years, the UK has remained the number one location for Foreign Direct Investment (FDI) in Europe. Yorkshire and Humber's performance over this period has been consistently in the lower quartile for UK. Key challenges facing the region can be characterised by:

- Inconsistencies between the region's FDI source markets compared to the rest of Europe and the UK, indicating a failure to target the right markets with the right products;
- A similar picture emerges for trade, where activity takes place on a fragmented basis across the region;
- Large businesses (250+employees) represent just 4% of all firms in Yorkshire and the Humber, but account for over 40% of employment and half of the region's GDP. The investment and restructuring decisions made by these companies can have a significant impact on our economy, in terms of jobs and SME supply chain activity.

Policy Product Range

4.20 The policy product range is designed to attract, retain and embed investment by overseas-owned companies within the region and our largest employers (40% of which are now foreign owned). In addition it will promote more international trade/joint-ventures and strategic alliances by regional businesses in key overseas markets, delivering a year on year improvement in both the value and quality of activity. The range will be delivered through three key products:

4.21 *Foreign Direct Investment*

We will promote our priority sector offerings in Europe, America and key emerging markets to attract inward investment. We will appoint a network of sector specialists in specific markets to promote our regional offering and generate investment opportunities improving in-market penetration, for example, the role of Leeds as a key economic hub in terms of business and professional services. Yorkshire Forward will lead the region's approach to FDI and investor development with UKTI nationally and internationally. We will work with regional partners from local authorities, Chambers of Commerce, universities and sector representatives such as Medilink and LFSI, to co-ordinate inward investment, ensure we have strong propositions to take to market and build 'virtual' teams working proactively with partners, particularly Local Authorities and Universities to maximise their existing international links and local knowledge.

4.22 *Trade activity*

YF will work with UKTI to improve the international competitiveness of regional businesses to ensure UKTI regional activity incorporates RDA priorities. We will adopt a more targeted approach to interventions, through a restructured YF regional Targeted Export Support Scheme (TESS) grant, where market opportunity will be based on objective analysis of current and future market trends and matched against regional sector strengths. We will work with regional partners such as the Chambers of Commerce, UKTI and universities and through the Manufacturing Advisory Service, to co-ordinate trade activity on a regional scale and avoid fragmentation, ensuring the right companies are proactively targeted and maximise business penetration. The World Trade Centre Hull and Humber will provide a hub for developing, promoting and facilitating trade and investment, connecting into a global network of over 300 world trade centres in 85 countries.

4.23 *Investor Development*

Yorkshire Forward will lead and co-ordinate the ongoing implementation of a structured Key Account Management Programme (KAM) to encourage reinvestment within the region from our largest companies, both foreign owned or domestic. This will include our existing top companies. We will maintain a business intelligence system on top companies to facilitate strategic relationships between Local Authority partners and Yorkshire Forward account managers and the companies.

Delivery

4.24 Activity will be targeted at our priority sectors internationally, to attract inward investment and trade where there is clear evidence of market opportunity; as a result our approach will be region-wide. This reflects the commercial need to be more customer-focused as opposed to location-focused, however it is anticipated that impact will reflect areas where concentration of companies in our priority sectors is strongest.

4.25 FDI delivery will be through our core International Team, coordinating delivery through offices in Japan and China and external consultants in Europe, the US/Canada and key emerging markets. Trade delivery will be through International Trade Advisers regionally, via a joint UKTI/Yorkshire Forward contract with new Business link provider. Investor Development will be delivered through our KAM team leading on the top 200 companies and coordinating with Local Authority partners (65) on 400 remaining accounts, with specific delivery vehicles in Wakefield via Wakefield First and YorkEngland.com in North Yorkshire and a South Yorkshire Investment Programme.

Measuring Achievement

4.26 Overall the policy product range focuses on increased GVA growth measured via the new Interdepartmental Business Register from April 2008. More specifically in terms of FDI we aim to deliver year on year increases in performance measured both in terms of the number of FDI projects, and the value of FDI, and also deliver an increase in knowledge based businesses investing in region – target 75% by 2009, from the regional average of 48%. For trade, we also aim to deliver a 10% year on year increase in performance as measured by jobs created and safeguarded, businesses assisted to export, private sector investment and increased turnover. For Investor Development, we will focus on business engagement in our key businesses and private sector investment.

INTERNATIONAL BUSINESS Policy Product Range – key actions				
Product	Activity	Actions/milestones	Timescale - By when	Outcome
Foreign Direct Investment	Review and complete appointment of network specialists in specific markets to promote regional offering.	Regional Business development consultants appointed and working on lead generation in all YF's key overseas markets – e.g Europe, US, Japan, China & India.	March 2009	Deliver a 10% year on year improvement in FDI into the region.
	Work with regional partners and Local authorities to co-ordinate activity, develop strong market propositions and build "virtual" teams to maximise existing international links and knowledge.	Quarterly partners meetings to share best practise and monitor performance, including the launch of an annual 'sales' conference in July 08. Development of a new 'Yorkshire Ambassador' Programme working with key businesses and Universities	March 2009	Co-ordinated partner approach to Inward Investment.
Trade activity	Implement new Trade model working with UKTI.	New Contract with UKTI and Regional Business Link in place to maximise the Targeted Export Support Scheme. Go Global business/meet the buyer event to encourage businesses to internationalise.	April 2008	A year on year increase in both the number of businesses exporting and the value of exports.
	Regional Targeted Export Support Scheme (TESS)	Implement new Regional Targeted Export Support Scheme (TESS) delivered through UKTI and International Trade Advisers located throughout the region.	September 2008	2,720 businesses assisted to export, generating 1,610 new or safeguarded jobs and additional export turnover of £111 million
Investor Development	Focus resource on top 620 regional businesses to encourage reinvestment or expansion and win more contestable business.	YF leading and co-ordinating activity across the region through the YF Key Account Management (KAM) team working with Local Authority partners to ensure all companies are revisited at least once over the next 12 months.	March 2009	Coordinated approach with partners leading to: Jobs created/safeguarded – 3000 businesses assisted – 300 private sector investment attracted - £10m
	Develop new model of delivery with South Yorkshire partners.		May 2008	

5. Regenerating cities, towns and rural communities

5.1 The Regional Economic Strategy identifies Great Places as central to the economic prosperity of the region. This Objective aims to utilise the full potential of the region's unique physical and environmental assets to achieve an integrated and sustainable economy our goal is to provide the regional economy with an outstanding **environment** for economic growth. 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. In progressing these policy priorities it is our intention to address a series of core questions – ambition, capacity and deliverability, learning from experience and maximising sustainable development. This section summarises the key elements of the Urban and Rural Renaissance, Lower Carbon Economy, Property and Marketing the Region through Tourism and Major Events policy product ranges.

Urban Renaissance Policy Product Range

Ambition: to establish renaissance as the best and most effective place-making programme in the World, providing each major town and city with its unique 21st Century economy.

Economic Background

5.2 Our towns and cities are the major economic drivers of the region containing almost 80% of the region's population and producing 85% of the region's economic output. They emerged and grew because of function and location. In many, industrialisation triggered expansion, whilst post-war de-industrialisation triggered decline. Over the last 25 years new service industries have emerged as major employers and more recently knowledge industries have come to the fore. Despite recent economic growth many of our towns and cities have the potential for stronger economic performance.

5.3 The industrial restructuring of the 1970s and 80s did in many cases leave a legacy of social and physical decline. The physical decline, along with a number of other factors such as the emergence of out of town shopping, contributed to the stagnation and decline of many of our urban cores. These cores then became places that had the potential to often hinder rather than promote economic growth. The Urban Renaissance programme aims to address deep-rooted challenges which present barriers to our towns and cities reaching their full economic potential:

- In some localities the sheer scale of the physical decline is a key barrier to investment and growth;
- The lack of appropriate skills and knowledge to progress innovative and sustainable approaches to urban renaissance;
- A lack of resources which has often led to short-term 'quick-fix' and piecemeal interventions.

Policy Product Range

5.4 Yorkshire Forward's Renaissance programme provides a mechanism to address the challenges outlined above. Whilst the focus here is on strengthening the physical elements of place-making, it is vitally important that our Renaissance programme links to our other interventions, in pursuit of sustainable growth. Our ultimate success will be measured on what goes on inside buildings. When we embarked on our Renaissance programme, we recognised that it is a long-term process, requiring a long-term commitment. Our approach set out below seeks to build on the momentum of the first five years of the Programme. Four policy product ranges form the basis to our approach:

5.5 *Thinking Places*

We will build the understanding, rationale and economics of Great Places and their contribution to regional growth - through the Renaissance programme we will enhance our understanding of the economics of place and the impacts that we are able to achieve to inform the place-making process.

5.6 *Designing Places*

We will embed and support great architecture and design across the region. Our design services will be delivered to a range of parties and partners including local authorities, Town Teams, members of the public and developers engaged in Renaissance.

5.7 *Making Places*

Our physical interventions will be divided into three phases: Rethinking - focusing on community and stakeholder engagement and visioning; Remaking – focusing on programming and implementation; and Regaining – focusing on embedding, sustaining and disseminating.

5.8 *Learning & Growing Places*

Here our focus will be on building capacity. This product will consist of the development and delivery of a range of different learning opportunities that will be based around the need to develop and sustain Great Places.

Delivery

5.9 Place-making is a long-term process and our work within the existing Renaissance towns must continue. However, the future location of interventions will be based on a clear economic rationale. We will target activity on those places where there is an opportunity for economic improvement through place-shaping ensuring we do not duplicate or displace the activities of others.

5.10 Place-shaping will continue to be underpinned by a collaborative process that seeks to involve partners and people. It is about adopting a strategic approach within our towns and cities - encompassing aspects of the rethinking, remaking and regaining of place.

5.11 We are keen to ensure that wherever possible greater devolvement and responsibility is transferred to Local Authorities and other partners. Where there is a lack of capacity within our partners we will explore how, through 'Learning and Skills for Places' and 'Integreat Yorkshire', we can best develop place-related skills, capacity and understanding within our partners.

5.12 We are already working closely with Local Authorities in our Coastal Towns on the renaissance programme and will continue to identify priorities through the DCMS "Seachange" programme.

Measuring Achievement

5.13 Operational outputs will include a range of measures – job creation, private sector investment, skills, and brownfield land. Longer term assessments will be made on positive economic outcomes based on stronger alignment of public sector investment, raising the standards of design across our towns and cities, improved perceptions and 'feel' of places, a rediscovery of pride, confidence and aspiration within our town and city centres.

URBAN RENAISSANCE Policy Product Range – key actions				
Product	Activity	Actions/milestones	Timescale - By when	Outcome
Thinking Places	Work with Local Authorities and others partners to ensure that 'Quality of Place' and the attributes connected to it remain a central feature of proposed interventions.	2008/9 – Quarterly Reviews to ensure focus on quality of place. 2008/9 – RTCT Evaluation Findings implementation.	Ongoing to March 2011	More projects seeking support demonstrating effectively how they contribute to the quality of place.
Designing Places	Continue to enable the highest quality of design for projects throughout the region using 13 tools. Including: <ul style="list-style-type: none"> • Hull Fruit Market • Scunthorpe Sports academy • Tower Works, Holbeck 	Hull Fruit Market – Agree development & public realm brief. Tower Works – Planning permission & listed building consent Scunthorpe Sports Academy - final design	2008/9 2008/9 2008/9.	Improvements in the quality of projects and their design Increased capacity of partners to deliver renaissance agenda.
Making Places	Continue to work with partners to support the delivery of town centre activities to achieve the objectives set out in the Strategic Development Frameworks.	St Georges Square Improvements Bridlington Spa Refurbishment Selby Living Streets	Start on Site May 2008. Complete – June 2008 Start on Site – Sep 2008	Prioritised partner projects that contribute to Making Place.
	Work with the partners to establish new projects and programmes of work that will form part of geographic programmes. Examples of major activity are; <ul style="list-style-type: none"> • Establishing a Civic and Cultural Quarter and associated development totalling £300m of investment at Doncaster, • Working with East Riding of Yorkshire Council on the development of a new mixed use town centre scheme at Bridlington and brokering relationships between the Council and the Harbour Commissioners to further proposals for a new marina. 	2008/9 – Quarterly Reviews with local authorities to identify appropriate Renaissance projects.	Ongoing to March 2014	Projects and programmes identified and business case developed.
Learning and Growing Places	Develop and implement a detailed response to address the findings of the Regional Skills Audit.	Skills Audit Completed – May 2008 Action & Implementation Plan – Sept 2008	Implementation commences end 2008/09.	Regional Skills Audit published - skills deficit addressed leading to improved Place Making skills in the region.

Rural Renaissance Policy Product Range

Ambition: to build a modern rural economy based on enterprise, competitiveness and our region's unique assets.

Economic Background

5.14 The rural economy contributes at least 15% of the region's GVA, a reasonable proportion given only 20% of the regions population live in rural areas, but rural areas do more than simply contribute to our GVA. Effective rural land management makes a crucial contribution to the regional environment, both as an attractor of businesses and visitors, and as a key element in the environmental cycle, through aspects such as food production and flood mitigation. Rural areas also face some key challenges in terms of their social and economic sustainability, particularly our coastal areas, remote rural communities and former coalfield communities. We need to support vibrant rural economies to ensure that we are retaining balanced and working communities. Furthermore, there are some significant changes, such as climate change and new technology which will affect economic activity in our rural areas. These changes need to be effectively managed to maximise the opportunities they provide. Key challenges and opportunities facing the region can be characterised by:

- Businesses in our rural areas have the potential to contribute a greater proportion of the region's economy than their current contribution;
- The availability and uptake of technology which breaks down geographic boundaries, the development of the knowledge economy, and the influx of potential entrepreneurs provide key opportunities;
- Similarly policy change and climate change will create both challenges and opportunities in rural areas, which will require strategic management.

Policy Product Ranges

5.15 In responding to these challenges our aim is to strengthen and improve rural economic performance by focusing on enterprise, competitiveness, utilising unique assets and key sectors. In doing so, we will support the growth of the rural economy and ensure that its contribution to regional GVA is at least maintained. This aim will be achieved through four policy products:

5.16 *Renaissance Market Towns Programme (RMT) until 2009*

The RMT product is an integrated approach to intervening in a market town, driven by business and community engagement and visioning process, followed by planning and delivery phases. The entire process is supported by Yorkshire Forward, with Yorkshire Forward also investing to deliver appropriate activity contained in Masterplans. A forward strategy will be agreed with the Local Authority for each RMT programme.

5.17 *Rural capitals Programme from 2009*

This product will be refined following an economic assessment of the region's market towns and their potential. It is anticipated that the programme will focus on creating the conditions for enterprise and growth within specific communities, but also the promotion of linkages between rural and urban areas. This may include the development of business incubator space, local business networks and mentoring programmes or supporting towns to realise the value of renewable technology opportunities, distinctive local produce or tourist assets. It may also provide support to develop skills, capacity and confidence for the local businesses and communities to actively engage in developing thriving towns. The research phase will be carried out in 2008 with implementation carried out from 2009 onwards.

5.18 *Promoting sustainable rural economic development*

This product aims to provide support to rural businesses that deliver quantifiable economic, social and/or environmental benefits. The product will have three elements, rural services, low emissions agriculture and rural estates.

5.19 *Rural Development Programme (RDPE).*

YF is responsible for the delivery of the socio-economic elements of the RDPE in the region and has around £63 million of investment over the next six years that is jointly funded by the EU and the UK Government to deliver this. RDPE support is available for farmers and rural entrepreneurs to support the start up of new businesses and the growth of existing rural enterprises whilst also supporting rural communities through the LEADER programme. It will also play a role in diversifying the economic base of our rural areas, making them more resilient to economic change. The business support elements of the RDPE will fully integrate into the regional business support model and be delivered through Business Link.

Influencing Role

5.20 In addition we have a strong influencing role to play in terms of strategic leadership for rural areas. Certain priorities are the responsibility of other agencies and organisations e.g. housing and land management, and therefore our approach is to influence key agencies to address rural economic priorities. We also have a key influencing role to play in working with the agricultural industry to change the culture of an industry that has been highly dependent on subsidies. We also have a crucial strategic role in shaping and implementing Government's Rural Policy at national, regional and local levels and consequently actively participate with the appropriate governance structures to influence rural policy at all levels.

5.21 Yorkshire Forward take a proactive approach to rural proofing and ensuring rural concerns have appropriate influence within the organisation. Rural activity is mainstreamed throughout the organisation, with the Rural Renaissance Policy Product only containing activity which is specific to rural areas, whilst the rest of the organisation deliver in rural areas as part of mainstream programmes. Mainstream teams are supported to take account of rural needs through a proactive process of engagement by both the Rural Strategy Manager, and rural specialists either embedded in mainstream teams or from the rural team.

5.22 Recent changes in staff structures have reinforced the mainstreaming of rural activity, with RDPE rural business advisers transferring to the Business Directorate from the Rural Renaissance Team, and the Rural Strategy Manager role transferring to the Strategy Directorate.

Delivery

5.23 Local Authorities will be the key delivery partner in the current RMT product and the forthcoming rural capitals programme. Business Link will be the key partner in brokering business support under the promoting sustainable rural economic development product and the RDPE, but other partners such as the National Parks, Natural England and the Post Office will be important.

Measuring Achievement

5.24 Overall the impact of Rural Renaissance will be assessed against a series of economic outcomes including improved rural productivity, enterprise culture and quality of life and environmental assets in rural areas, sustainable rural communities and the management and mitigation of change. A number of operational outputs will be adopted, disaggregated using DEFRA's urban/rural definition. These will include jobs created, business start-ups and private sector investment.

RURAL RENAISSANCE Policy Product Range – key actions				
Product	Activity	Actions/milestones	Timescale - By when	Outcome
Renaissance Market Towns (RMT) until 2009	Develop forward strategy for all RMT towns as part of the transition towards developing a Rural Capitals Programme including the Partnership Skills Programme	Transition approach and timetable agreed with Local Authorities and Town Teams	March 2009	Exit/sustainability strategies agreed for RMT towns
Rural Capitals from 2009	Develop Rural Capitals Programme that could include an: i) Enterprise Rural Capitals product; ii) Low Carbon Economy Rural Capitals product; & iii) Down Town, Small Town product	Transition from RMT to Rural Capitals product completed. Capacity of partners developed as appropriate to help implement this product.	March 2009 Implementation starts 2009/10	Towns to be included in Rural Capitals programme identified Support structures for Rural Capitals in place
Promoting sustainable rural economic development	Develop clear policy rationale for the sustainable rural economic development product focusing on rural services, rural estates and low emissions agriculture	Undertake scoping exercise for a rural resource efficiency scheme primarily examining the potential for reducing emissions	March 2009	Rural resource efficiency programme
		Undertake scoping for a wider rural services programmes	March 2009	Rural services programme designed
		Research commissioned and methodology developed for a Rural Estates scheme with the aim of developing economic masterplans for estates	March 2009	Rural Estates Economic Masterplanning framework in place which increases focus on economy
	Deliver rural economic development programmes, based on previous scoping and research	Implement rural resource efficiency programme	Implementation from April 2009 (at latest)	Reduce emissions from rural businesses Improve rural business productivity through resource efficiency
		Implement rural services programme	Implementation from April 2009 (at latest)	Improve access to education and employment sustain rural businesses providing key services for rural residents
		Rural Estates economic masterplanning support established	Implementation from April 2009 (at latest)	Increase productivity of Rural Estates & associated businesses through masterplanning
Rural Development Programme (RDPE)	Further development of Programme	Land Skills Scheme launched - skills programmes developed.	March 2009	Increase number of rural business start-ups
		Continue to deliver Rural Enterprise Investment Programme (REIP) ongoing	Quarterly panels September 2008	Increased growth of existing rural businesses Improve skills developed in land-based businesses.
		Launch Rural Business Start-Up Scheme.	September 2008	
		Launch Rural Retail Scheme.	March 2009	

Lower Carbon Economy Policy Product Range

Ambition: to establish Yorkshire and Humber as the European hub of next generation lower carbon energy production.

Economic Background

5.25 A lower carbon economy is one in which the emission of carbon has been constrained. The need to move towards a lower carbon economy is now clearly set out in Government targets. Our intention is to respond by setting a regional carbon reduction target at or above 60% by 2030, if Government approves our proposals for carbon capture. This will provide the opportunity for us to become international leaders on this agenda. Current emissions regionally are higher than 1990 levels and emissions from most sectors are still rising (Cambridge Econometrics). The recent Stern Review of the economics of climate change made the case that acting now to stabilise atmospheric CO₂ concentrations would cost far less than dealing with the future consequences. In addition, low carbon technologies are among the fastest growing sectors in Europe. However, the region's share of this market is amongst the lowest in the UK. This all suggests that the region requires a more significant policy response to the lower carbon economy. Yorkshire Forward has a key role to play in both mitigating risk and seizing economic opportunities by:

- Providing leadership via a "Team Yorkshire and Humber" approach - the top businesses and public agencies - towards a lower carbon economy, focusing on energy, innovation in low carbon technologies and techniques, good business practice, and land management;
- Demonstrating how to de-couple economic development from increasing energy and resource use in individual businesses and the wider economy;
- Working with partners to build the resilience of the regional economy by adapting to and mitigating the impacts of climate change;
- Working to an established low carbon approach which reflects national and regional climate change priorities;
- Identifying skills shortages and build organisational capacity to enable the development and deployment of renewable and other low carbon technologies;
- Providing a framework of support, demonstration and commercialisation;
- Ensuring that all Yorkshire Forward activities and interventions maximise opportunities for greenhouse gas emissions reduction or limitation.

Policy Product Range

5.26 We have defined a lower carbon economy (LCE) as:

'A regional economy where, in response to challenging targets, managed programmes of carbon emissions reduction are embedded in organisational practices across the private and public sectors; organisations will have identified and taken responsibility for the full life cycle, supply chain, direct and indirect costs of their carbon emissions; and the economic opportunities presented by low carbon technologies are seized.'

5.27 Our central aim is to increase the importance of the agenda and help prepare the region's businesses for the challenge of climate change. We intend to adopt an innovative approach that maximises opportunities and brings forward significant demonstrator activity linking this policy area with spatial development and business competitiveness, working particularly with Higher Education and business. Four products will support and enable the delivery of an LCE.

5.28 *Environmental Assets*

Primarily by an influencing role with partners we will support activity that demonstrates how the region's key environmental assets can mitigate the impacts of climate change and deliver sustainable economic gain. Our focus will link to the renaissance agenda and include green infrastructure, managing flood risk, land management for carbon and woodland management for wood fuel.

5.29 *Sustainable Consumption and Production*

Through the Regional Business Improvement Programme we will support businesses to deliver products and services with lower environmental impacts across their life cycle and boost competitiveness, focusing on reducing the environmental impact of goods and services, promoting cleaner and more efficient production and processes with reduced raw material, energy and water use and improving regional recycling capacity. Yorkshire Forward worked closely with Business Link in 2007/8 to embed resource efficiency into the mainstream business support agenda. This included training of Business Link advisors on key environmental issues; what to look for when visiting clients; the key benefits for the company of adopting best practice; and better understanding of the specialist support services available. Over 700 companies in Yorkshire and Humber were provided with resource efficiency advice through Business Link between November 2007 and March 2008.

5.30 During 2008/9 Business Link Yorkshire will provide resource efficiency reviews to a minimum of 1000 businesses. A key focus of the new Resource Efficiency Yorkshire programme will be to further build the capacity and competency of Business Link Advisors to discuss resource efficiency and environmental management issues with their clients. Working on best practice from other regions, a specialist diagnostic tool will be developed to support businesses to identify their key resource efficiency opportunities.

5.31 *Energy and Climate Change*

We will take a lead role in the economic elements of the Regional Energy Infrastructure Strategy and supporting business resilience to climate change. Our focus will be on cleaner coal, carbon capture and storage, renewables, bioenergy and heat networks, whilst at the same time understanding the region's role as an exporter of energy.

5.32 *Low Carbon Technologies*

Our aim is to put the region at the centre of the emerging global low carbon economy and capitalise on the economic opportunities that this presents through programmes driven by the Sustainable Futures Company.

Delivery

5.33 In many cases the LCE product range will respond to opportunity and circumstance and influence activity across the region. There are however clear emerging spatial priorities: concentrations of resource intensive business and industry; new energy infrastructure around major cities, towns, the Aire Valley and the Humber Estuary; concentrations of low carbon technologies, for example the Advanced Manufacturing Park in Rotherham; and, uplands, floodplain and wetlands for land management, woodfuels and flood alleviation. Other aspects of the LCE such as the Business Resource Efficiency and Waste programme and forestry/flood risk agendas are region-wide but will be informed by current mapping work.

Measuring Impact

5.34 It is our intention to develop a new target for the Lower Carbon Economy policy product range. Specific operational outputs link directly to each policy product and include business start-ups, private sector investment, reduced greenhouse gas emissions and brown-field land reclaimed. However the overarching programme will be assessed utilising longer-term outcomes, specifically, increased business efficiency and competitiveness, increased security of energy supply and improved energy infrastructure, increased resilience to the impacts of climate change, increased skills provision in the growing low carbon technologies sector, more sustainable patterns of consumption and production in regional businesses and progress towards our regional greenhouse gas emissions reduction target.

5.35 The Yorkshire and Humber Regional Economic Strategy includes a target to reduce greenhouse gas emissions (CO₂ equivalents) by 20-25% by 2016. It is our intention to set a regional carbon reduction target at or above 60% by 2030, if Government approves our proposals for carbon capture. We are continually refining our approach towards estimating the carbon savings associated with our interventions, and will continue to use this to estimate and publish the relevant carbon savings potential for each Corporate Plan period.

5.36 At present we estimate an annual saving of 500,000mt CO2 equivalents for 2008/9 and 2009/10, providing a total carbon saving of 1m tonnes from our interventions by 2010 (see Annex E). In terms of estimated emissions savings by 2020, we will continually adjust our carbon reduction targets in line with the development of new programmes, ongoing improvements regarding calculating emissions savings, and new legislation such as the Climate Change Bill. This will enable us to develop a robust approach to establishing this longer-term target. It will include our proportionate contribution to the regional carbon reduction by 2030. We will work closely with the private sector (particularly energy and transport operations) and local Government. Estimated emissions savings will be reported in our Annual Performance Report.

LOWER CARBON ECONOMY Policy Product Range – key actions				
Product	Activity	Actions/milestones	Timescale - By when	Outcome
Environmental Assets	Promote interventions that demonstrate the economic benefits of Green Infrastructure; mitigating flood risk; land management for carbon sequestration; and woodland management for woodfuel	Green Infrastructure business plan approved Business case for land management for carbon sequestration developed with Natural England	March 2009	Region's environmental assets are better able to mitigate and adapt to the effects of climate change
Sustainable Consumption and Production	Working with environmental business support providers, develop and deliver a 3-year, £9m Resource Efficiency Programme to increase the competitiveness of regional businesses through the widespread adoption of resource efficiency measures	Resource Efficiency centre developed for advice in order to stimulate business to generate increased effort in Resource Efficiency - Policy, Capacity Building, Business Support programmes on Resource Efficiency and separately support to the recycling and environmental support services advising business.	2008-2011	Increased levels of measurable support to businesses. Increased business resource efficiency. Contributes to reduction in green house gas target. 1000 businesses provided with resource efficiency reviews 2008/9 by Business Link Yorkshire.
Energy and Climate Change	Support interventions that deliver the Regional Energy Infrastructure Strategy, including a strong regional woodfuel sector and regional supply chains.	Carbon Capture project developed Pellet Mill business plan approved. Biomass supply chain business plan approved.	2008 Quarter 1 2008/09 Quarter 1 2008/09	Business case developed for investment in CO ₂ transport network Reduction in greenhouse gas emissions and increase in energy security through increased biomass use
Low Carbon Technologies	Further develop the programmes within Sustainable Futures Company, including Recycling Action Yorkshire, Future Energy Yorkshire and Carbon Action Yorkshire, to deliver the aims of the LCE PPR.	Increased working between Carbon Action Yorkshire and top 100 businesses	2008-11	Top 100 companies better understand how to adapt to a low carbon economy

Property Policy Product Range

Ambition: to develop the best-functioning, sustainable commercial property market outside London.

Economic Rationale

5.37 The role of Yorkshire Forward's Strategic Development and Property function is principally that of a service to the Agency and partners within the region. As such the property products are only pursued to support the Agency in its other priorities. The aim of our interventions are principally to overcome market failure, these can be identified as follows:

- Where the costs of upfront infrastructure and/or site remediation is prohibitively high thereby preventing site development or where low final values for completed development which discourage any investment or inappropriate building forms;
- Where unacceptable risks attached to an acquisition or development for the public and private sector prevent investment;
- Where a lack of forward vision and leadership are holding back site development;
- Where a there is a requirement or desire to raise quality standards of construction which can increase costs/risks, but where this does not result in higher end values.

5.38 Overall our actions to overcome market failure provide new or enhanced economic opportunities for the region. These will include:

- Encouraging investment into areas previously overlooked;
- Raising the quality of design and sustainable construction, which can potentially lever in further investment through enhanced surroundings and reduced running costs;
- Improving the quality of our environment by both reclaiming and redeveloping areas of dereliction or providing new areas of public open space. In each case this will assist in encouraging new investment and improve land value and rental levels;
- By acting as a risk taker and where our activities act as a catalyst it can challenge and bring comfort to business – resulting in changes in practice and further investment;
- Where our role supports specialist sectors e.g. Advanced Materials, Digital Media it directly encourages and attracts further business.

Policy Product Range

5.39 In providing support to the Agency and partners the Property product range consists of eight inter-linked areas:

5.40 Supporting the Agency in strategic development and property

A substantial amount of the Agency's activity involve in some way or other physical development and property. Our role is to support, where it is appropriate to do so, or lead where the issues are critical and complex to deliver. In all cases it is intended to secure deals at market value and deliver within budget and programme.

5.41 Seeking to maximise private sector funding and expertise and European funding

We will seek to maximise the amount of private sector funding whilst at the same time deliver a similar or better quality product and programme and achieve an acceptable risk profile for the public sector. We will also seek to capitalise on the expertise of development companies and investment houses. Within the context of the RES, we will seek to take maximum advantage of European funds to further the regions economy. Further to this, "financial wrappers" such as JESSICA will be assessed and implemented where they can add value.

5.42 Funding and/or enabling Strategic Infrastructure

Despite there being a clear economic demand some sites are prevented from being developed due to the extent and/or complexity of servicing the site. Forward funding or the formation of a suitable

“company vehicle” or Special Purpose Vehicle may be undertaken to either accelerate activity or to enable development to become financially and commercially viable.

5.43 *Developing the effectiveness of the Urban Regeneration Companies (URCs)*

Our support for URCs is not just financial; we also provide development and property expertise which engages at a strategic and local delivery level as their business plans shape and form with changing markets and demands. This provides a valuable opportunity for the Agency to influence more fully the design and development of our urban areas.

5.44 *Supporting emerging Economic Development Companies (EDCs)*

The role of the current URCs may potentially develop wider both in geography and content through an EDC. Such changes are supported by Central Government and are the aspiration of some of the Local Authorities and existing URC bodies. Where this is best delivered through an Economic Development Company or similar type of vehicle, we will encourage its formation. However such a structure is unlikely to be an appropriate mechanism within all Local Authority areas.

5.45 *Influencing the Region’s major utilities*

With a growing region the demands on the utility services are substantial. Their importance to the region’s economy cannot be underestimated and as such Yorkshire Forward see it as an important role to seek to understand, influence and align, where possible and necessary, investment with the major utilities in the region. As a matter of policy it is not our intention to invest in utility projects, although there may be circumstances when this is appropriate:

- To improve communications between the main utility companies and the public sector and partners – as this has been traditionally weak;
- To seek to understand more clearly each companies rationale for investment in the region and where possible influence these decisions – where it may impact on the RDA’s activity;
- To seek to promote and influence the main utility companies role in, and delivery of, sustainable energy and construction.

5.46 *Managing the restoration and / or re-development of former coalfield sites*

The Coalfields team, who currently work within Renaissance South Yorkshire (RSY), lead and manage this work, which is funded by English Partnerships. The various sites, which are located principally in the South Yorkshire region, are restored and/or re-developed to improve the region’s economy and environment.

5.47 *Delivering Sustainable Construction*

As a major investor and influencer within the region’s construction industry we seek to work to encourage sustainable approaches throughout our developments, which in turn helps contribute to the global reduction in Carbon Dioxide emissions, to promote a mix of uses and tenures to create lively places to live and work; whilst retaining where appropriate their regional identity and local distinctiveness: and to encourage innovation in design and construction, including energy efficiency, of the built environment to adequately respond to the future business needs of the region.

Delivery

5.48 The Strategic Development and Property team have three main modes of delivery which comply with Government and European procurement legislation - Consultancy Panels, External Partnerships and Direct Development.

Measuring Achievement

5.49 A range of operational outputs will measure our performance including brownfield land, public/private sector leverage, job creation, and greenhouse gas emissions. In terms of longer-term outcomes clearly the majority of our interventions are undertaken to overcome market failure and should over time seek to provide sufficient confidence to the market for property development to continue without public support.

PROPERTY Policy Product Range – key actions			
Product	Activity	Actions/milestones	Outcome
Seek to maximise private sector funding and expertise and European funding.	Linking economic growth with access to land and property.	'Land and Property Study' for the region completed (December 2008).	Improved evidence base to inform future property investments for new and indigenous businesses in the region.
Funding and/or enabling Infrastructure Funding	Identifying innovative ways of funding major infrastructure projects.	Workable models of funding developed with consultants/partners (September 2009)	An increase in major infrastructure projects taking place in the region.
Developing the effectiveness of the URCs and supporting the emerging Economic Development Companies (EDCs)	Work with Hull, Bradford and Sheffield on future plans.	Geographical programmes developed for Hull and Sheffield (March 2009) Delivery option for future programme agreed with Bradford (December 2009)	More holistic development and delivery plans for Hull, Bradford and Sheffield.
Influence the Regions major Utilities	Aligning investments and interventions and exploring common areas of interest in sustainable energy.	Common investment plans developed with utility companies (September 2009). Areas for the development of sustainable energy in the region identified and agreed (December 2009).	More efficient delivery of projects and increased value for money. Increase in supply of sustainable energy in the region and reduction in CO2 emissions.
Managing the restoration and/or re-development of former coalfield sites.	Manage the final stages of the coalfields programme	Transition of coalfields team back into YF from Renaissance South Yorkshire (January 2009) Agree management of key sites with English Partnerships (March 2009)	Clear agreement on management of coalfields portfolio.
Delivering Sustainable Construction	Challenging and informing partners and the private sector on future Sustainable Construction methods.	Sustainable Construction Guide completed and launched (April 2009)	An increase in partners/private sector adopting improved sustainable construction methods into their plans and buildings. Contribution to minimum standard of at least 10% of the total value of the materials used on our developments should derive from recycled and reused content in the products and materials selected

Marketing the Region through Tourism and Major Events Policy Product Ranges

Ambition: to attract people from all over the world to visit Yorkshire and Humber to enjoy world class events and hospitality

Economic Background

5.50 The overarching aim of this policy product range is to modernise the regional image of Yorkshire and Humber specifically to promote the region as a great place to live, work and do business— a strong visitor economy, underpinned by a high profile major event programme is at its core.

5.51 The visitor economy is an important economic sector for the region contributing £4.3bn or 6% of total regional output in 2006, a higher proportion than is the case nationally. This output has grown by 50% over the last 10 years. Yorkshire is a strong regional brand, but we remain in third place in England in terms of awareness and consideration to visit. Geographically the region can be divided into tourism sub-areas. Within each of these areas the challenges vary: in West Yorkshire the dominance of the day visitor market, for both leisure and business purposes and consequently the underdeveloped staying visitor market; South Yorkshire has an underdeveloped visitor economy overall and potential to grow both the business and leisure market on the back of the sub region's changing urban offer; the Humber is similarly an underdeveloped visitor economy with capacity for growth in connection with the city of Hull, its port and the east coast; York is the region's most well known destination and needs to ensure its historic city offer keeps pace with modern competition; and North Yorkshire can be considered as the traditional tourism area of the region, with an identified opportunity to develop its outdoor adventure offer and coastal product, within the context of a unique landscape and tight labour market. Key challenges and opportunities facing the region can be characterised by:

- None of the region's top 100 companies are in the tourism sector, rather it is a fragmented sector characterised by small independent businesses, rarely leading edge and with a high level of public sector involvement both as direct providers of the tourism product and as promoters of their areas;
- Traditionally different parts of the region (usually based on a local authority boundary) worked to develop and promote itself in isolation and even in competition with their neighbours, thereby limiting the overall potential of the region in growing the value of the visitor economy.
- The region currently has limited capacity or resources in the promotion of major events, challenges include a current lack of region-wide coordination and cooperation, relatively low regional profile and limited skills in the promotion and marketing of major events.

Policy Product Range

5.52 The policy product range combines two inter-related themes that aim to address the region's key challenges.

5.53 The Visitor Economy

Yorkshire Forward will focus on three areas: the first is to provide regional leadership, by leading the development of an overarching Regional Tourism Strategy, based on strong intelligence and ensuring stronger alignment of relevant national strategies; the second is to promote innovation, specifically to develop 'the next big thing' for tourism in Yorkshire and Humber, based on the region's assets, culture and opportunities; the third is to encourage quality development of the region's tourism offer and refresh the approach to tourism promotion.

5.54 Marketing the Region through Major Events

Again we will focus on three areas: firstly to deliver a portfolio of major events in the region, together with existing events that can demonstrate growth potential; use these events to showcase and facilitate the development of the region's cultural offer; raise the national and international profile and image of the region, to differentiate Yorkshire and the Humber and attract more visitors and businesses to the region; secondly to influence and enable others such

as Local Authorities, event owners, sporting federations and business, to effectively leverage economic benefit from major events; and finally to build capacity by establishing an experienced and skilled network of public and private sector partners recognised for their excellence and ability to host and deliver memorable major events. Maximising the benefits of the London 2012 Olympic and Paralympic Games for the region is a fundamental strand of activity that runs through this policy product range.

Delivery

5.55 To deliver the Visitor Economy policy product, we will establish a strong regional tourism network to which we will work closely with regional and local partners. For Major Events a similar approach will be taken once options for a dedicated delivery vehicle have been worked through. However, the majority of activity below major regional events will be commissioned via local partners such as Local Authorities, event owners, sporting federations, Yorkshire Culture and the private sector.

Measuring Achievement

5.56 The operational measurement of the Visitor Economy policy products will focus on businesses assisted, skills developed and private sector investment. However, the longer-term goal is to grow the value of the visitor economy by 5% annually to 2013 (compared with the current national target growth rate of just over 3% annually). For Major Events operational outputs focus on job creation, businesses supported and private sector investment. However longer-term economic outcomes are the prime goal, specifically such outcomes as improved national and international brand profile for Yorkshire and Humber; increased inward investment; new opportunities for business growth and competitiveness; improved tourist economy; more enterprise opportunities; new cultural opportunities; skills development; enhanced pride & aspiration; stronger, more inclusive and healthier communities.

MARKETING THE REGION THROUGH TOURISM AND MAJOR EVENTS Policy Product			
Ranges – key actions			
Product	Activity	Actions/milestones	Outcome
Visitor Economy	Develop a Regional Visitor Economy Strategy	Consultation on draft Strategy in May/June 2008 Strategy published July 2008	Identified and agreed priorities for the growth of the visitor economy in the region.
	Join up regional and local level tourism activity through the development of Yorkshire Tourism Network	Ongoing workshops with YTB and TPs to identify best approach to Network development Joint business planning by YTB & TPs by end October 2009	Co-ordinated approach to the delivery of the Regional Visitor Economy Strategy at regional and local level to maximise the impact of interventions for the region as a whole.
	Conduct a Regional Visitor Survey	Commission regional visitor survey April 2008 Surveying begins May 2008 and continues in waves throughout 2008 First annual results by June 2009	Improved regional and local understanding of visitor value and satisfaction to help inform future investment decisions
	Refresh regional tourism promotion	Reconsider regional tourism promotion objectives and agree balance between traditional and new approach by October 2008 Commission new creative by March 2009	Tourism promotion contributing to the development of a more contemporary image of Yorkshire and Humber as a region.
	Support innovation through the development of “the next big thing” for tourism in Y&H	Commission region wide product audit to identify regional strengths against opportunities of market trends With partners agreed development prospectus for visitor economy in Y&H (March 2010)	Agreed vision for the longer term growth of the visitor economy in the region, based on identified strengths and opportunities.
Marketing the Region through Major events	Develop and deliver a portfolio of major/growth events in the Region to raise the national and international profile and promote a positive and contemporary image of the region.	Host the start of the Clipper Round the World Yacht Race / Host the end of the Clipper Round the World Yacht Race -September 2009 / July 2010	New business relationships & FDI which generate new business for local companies contributing to increase in the GVA in the Region
		Host the Great Yorkshire Run - September 2008/ 09/ 10	Increased profile for the region as a world class host for major international events
		Host a leg of the Tour of Britain Cycle Race / Host the Start of the Tour of Britain Cycle Race - September 2008 / September 2009	Increased visitor spend contributing to overall visitor economy target value increase of a 5% increase each year up to 2010
	Host the British University Championships -March 2009/ 10	150 learning opportunities generated	
Collaborative development and delivery of a nationally & internationally recognised and accepted evaluative framework for assessing the impact of events.	Evaluative framework developed by March 2009	Proven ability to measure and evaluate the impact of events, increased credibility and improved decision making in terms of bidding for events	
Build regional capacity to bid for and manage a portfolio of major international events.	Dedicated company vehicle established (December 2009)	Increased credibility of the region, as a world class host for major events, established within the events industry and marketplace. Increased number of major international events bid for and attracted to the Region. Contribution of 6.6% to the annual target to increase the value of the visitor economy by 5% each year	

			up to 2010
	Continue to develop the work of the Regional 2012 Games Steering Group	Business Opportunities System <i>Corporate 4</i> invested in by March 2009.	More businesses in Yorkshire and Humber growing through getting contracts and access to London 2012 Games related business.
	Establish with partners a shared vision and strategy for investment in culture	A shared vision and strategy for investment in culture agreed with partners by March 2009.	Increased engagement of people and businesses in shared cultural activity impacting on GVA in the sector.

6. Improving Yorkshire Forward's capacity

6.1 Yorkshire Forward is proud to be recognised as a strong performing RDA in the recent assessment exercise by the National Audit Office (NAO). We were proud to be the only RDA to achieve a top mark in the capacity section, but recognise that we need to be better at setting priorities and executing the RES on the ground.

6.2 The priority will be implementing the improvement plan agreed with the NAO. The plan sets out our approach to improve performance. Annex B shows actions to be delivered in the 2008/10. Delivery of the plan is actively monitored and regular progress reports are sent to our Board and BERR. We also recognise the need to get more for less in an era of tightening public spending. Even though Yorkshire Forward is one of leanest RDAs, we will, through a series of targeted reviews, identify opportunities for the 'recycling' of expenditure to our key policy priorities.

6.3 The continuous improvement to Team Yorkshire Forward is underpinned by strong internal communications, and high quality support for the Executive team and Board; key elements of our approach to HR are:

- Leading Yorkshire Forward in developing a flexible, motivated and productive workforce recruited and developed with the skills and experience needed to achieve RES and Corporate Plan Objectives in line with our VOTED values;
- Establishing a business case for Diversity including ensuring that the Business Support Review reflects the needs of all;
- Providing a one stop shop for HR advice and guidance and providing relevant, accurate and timely HR information to better manage resources;
- We are setting internal diversity targets and working to set the baseline to ensure we can establish diversity targets for external contracts (e.g. Business Link) by April 2009.

Responding to the Implications of the SNR

6.4 The scale and direction of change signalled by the SNR is the most significant we have encountered as an Agency since we were established in 1999. The SNR confirms our purpose to improve the economy of Yorkshire and Humber, with the establishment of a single overarching GVA objective. The development of an Integrated Regional Strategy will significantly widen our strategic leadership role (see Section 2). The delegation of responsibility for spending to local authorities and/or sub-regions wherever possible will impact on our operational role.

6.5 Clearly the biggest implication in terms of our delivery role will be the expectation that RDAs will delegate responsibility for spending and delivery of outcomes to local authorities and/or city-regions wherever possible, unless there is a case for retaining spending at a regional level. The establishment of policy product ranges and the move to geographic programmes should provide a strong basis for our response to the SNR – key implications include:

- The move towards delegation via programme delivery will require programme management and 'commissioning' skills – specifically, we will need to develop a consistent approach to commissioning. We will also need to ensure we have a strong approach to the agreement and management of contracts and appraisal;
- We will need to consider with partners how we assess capacity. Where capacity is insufficient we will need to work with partners to build it;
- A wider strategic role will require us to build sufficient capacity to ensure the effective integration of planning, housing, transport and sustainable economic development;
- As we have already acknowledged in strengthening our approach to Key Account Management, we will need to further strengthen our relationship with bigger businesses and public sector partners, not only in executing our strategic leadership role, but also in ensuring alignment of delivery programmes with local and sub-regional levels.

Communications

6.6 Effective communications are vital in promoting Team Yorkshire Forward. The principal mechanisms for communicating across the Agency are:

- *OnTrack monthly newsletter* – to publicise and promote team activity across the organisation;
- *Core Team Brief* – monthly briefing on key strategic messages for discussion at monthly team meetings;
- *All staff e-mails* – to keep staff abreast of activities and developments that affect their day to day work;
- *Chief Executive and Directors Surgeries* – monthly ‘open-door’ sessions to ensure senior management and staff have a dialogue on Yorkshire Forward’s direction of travel and concerns and anxieties staff may have;
- *Chief Executive six-monthly road shows* – A six-monthly briefing carried out by the Chief Executive to inform staff about the organisation’s current performance and key developments affecting the Agency’s future.

6.7 In building our capacity we also participate in benchmark activities most notably:

Sunday Times 100 Best Companies to Work for Survey

6.8 In 2006 Yorkshire Forward came 84th out of the top 100 companies identified in the survey, and this year Yorkshire Forward achieved star status. We will utilise this survey to benchmark our performance with top businesses and public agencies.

Business Excellence

6.9 We have adopted the European Foundation for Quality Management (EFQM) Business Excellence model as its principal measure of continuous improvement. Yorkshire Forward undertook an external assessment by British Quality Foundation assessors in 2004 from which a 3-year improvement plan was developed. We are due to undertake a further assessment taking into account the organisational improvement plan already developed as a result of the IPA.

Investors in People

6.10 We first achieved Investors in People accreditation in 2004, and were re-accredited in 2007. We now intend to put the Agency forward for accreditation under the IIP ‘profile’ scheme – seen as the ‘gold standard’ of IIP accreditation.

Environmental and Carbon Management

6.11 We first achieved ISO14001 and EMAS in 2003 and have successfully maintained certification since then. Each year we publish our performance and have achieved top achievement status in regional performance. Environmental impact assessments are an integrated part of project review, a sustainability appraisal is carried out on projects as required and a carbon calculator tool enables us to monitor our performance in reducing carbon emissions. We will be piloting a carbon management decision-making tool in 2008 to enable us to better understand how to accelerate progress towards a lower carbon economy.

IMPROVING YORKSHIRE FORWARDS CAPACITY – Key actions				
Product	Activity	Milestones / actions	Timescale - By when	Outcome
Responding to the implications of SNR	Board Task and Finish group and Project Management group set up to work on change management programme	Change management programme agreed	March 2009	Understanding of implication for Yorkshire Forward and coordinated transition
	Work with Partners to respond to the SNR consultation addressing how we work together, roles and responsibilities, governance structures, transition arrangements, capacity building and resource implications.	Agreed combined response to SNR consultation submitted	June 2008	Agreed single response to consultation from the region.
	Transition	Critical decisions and time line developed	March 2009	Agreed Transitional Plan.
Driving excellence and continuous improvement	Continuous Improvement Plan	2008/09 and 2009/10 Continuous Improvement Plan actions delivered & impact assessed	March 2009, March 2010.	Improved efficiency and effectiveness of YF (measured through Team Y&H Survey).
	Benchmarking YF performance	Times 100 Best Companies to Work For Survey completed and assessed EFQM Business Excellence submission completed and assessed	Annually March 2009	Increased understanding of year on year performance improvements. EFQM feedback assessment report
Delivering efficiencies and VFM	Develop and implement the Corporate Procurement Strategy. Develop and implement the Value for Money strategy.	Strategies agreed and rolled-out	Summer 08 (agreed – rolled out 2008/11)	Improved value for money of direct and indirect procurement activity across the Agency. Agreed methodology and identified VFM savings for CSR07.
Managing culture change in a moving environment	Motivating and retaining staff within the organisation.	Findings from the Remuneration review implemented	Rollout throughout 2008/2009.	Attraction, development and retention of staff.
	Co-ordination of the Diversity alignment schemes to produce a joined up approach to diversity (Gender, Race, Disability schemes) Set internal diversity targets and working to set the baseline to ensure we can establish diversity targets for external contracts (e.g. Business Link)	Actions in the GES, RES and DES monitored and delivered	2009,2010,2011 April 2009	A single diversity policy which improves diversity both externally and internally

	HR function development	<p>Management information improved and delivered.</p> <p>More regular meetings with Directorate management teams held.</p>	Ongoing 2008	HR established as part of individual management teams producing tailored action plans to meet directorate needs.
Effective communications	Internal Communications Strategy	<p>Team/Directorate communication plans in place.</p> <p>Results of Times Team YF survey followed up and communicated.</p>	<p>September 2008</p> <p>March 2009</p>	Improvement in internal communications (measured by Team YF Survey)

7. Geographic Programmes

7.1 The RES identifies Great Places as central to the economic prosperity of the region. A key principle of the SNR is to ensure that decisions are made at the right spatial level. Geographic Programmes will provide the mechanism for the delegation of funding to Local Authorities and the basis to integrate the spatial dimension into delivery of our Corporate Objectives. Our region's success depends on prosperous and attractive cities, towns and rural communities. Our cities, in particular, have a major role to play in driving competitiveness. Innovative and ambitious cities are vital components to a thriving, forward-looking economy. The region needs cities and towns, places that have distinctive feels, a sense of buzz and that people love to live in. We need places where people and businesses enjoy an economy and quality of life that improves year by year.

Economic Diversity

7.2 Boosting the role of our major cities and towns as economic drivers is about improving their competitiveness and making best use of their individual and combined assets. **Leeds** – the region's capital – is the largest economic driver. It has attracted over £3 billion of private investment in ten years and created over 50,000 jobs. It is a strong and diverse economy with one of the UK's largest concentrations of financial and business services. It lies at the heart of a city-region that drives significant economic and jobs growth. Its neighbour, **Bradford** is now beginning to realise its full economic potential. **York** is connected to Leeds and is a city in its own right. Its recipe of superb heritage and Science City status has maintained a strong economy that is moving strongly forward. In **Sheffield**, the city's physical development is evident with new developments branding Sheffield with a stamp of quality and imagination, and developers are being attracted on the back of this and assets like its universities. The Sheffield city-region has recovered economically over the last ten years. **Hull** is building successful developments like the Deep, the KC Stadium and the St Stephen's retail quarter and transport interchange to revitalise the city's role as an economic centre.

7.3 Yorkshire and Humber has a **wealth of sizeable towns** that are also moving forward. In **Doncaster**, the 'Robin Hood Doncaster Sheffield' airport, fast rail connections to London, and a position on the A1, M1 and M18 make it one of the best locations in the UK. **Huddersfield** is the largest town in England and its university and strategic position between Leeds and Manchester are driving growth. The city of **Wakefield's** renaissance makes the most of excellent transport links and retail, health and property led development in its centre, linking innovatively to its strength in logistics and distribution. 'Renaissance' programmes in places like **Barnsley, Rotherham, Scarborough, Halifax, and Scunthorpe** are creating long term visions that make the most of their finest assets and guide future physical and economic development. **The Humber Ports - Hull, Immingham, Grimsby and Goole** - comprise the largest complex in the UK. They handle 15% of the UK's cargo and have potential to play an even larger role.

7.4 Our **rural communities** are home to around 20% of the region's population and have seen steady productivity increases. Over 80% of the region's land area is rural and we have a larger area of National Parks than anywhere in Britain, including the spectacular scenery of the Yorkshire Dales and North York Moors. These together with attractive coastal towns and resorts like Scarborough, Whitby, Bridlington and Cleethorpes are a base for a strong tourism offer and a real asset.

A Programme Approach

7.5 Following the development of our policy priorities as set out under our 11 policy product ranges, geographically focused applications of our policies 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 local business community, the LSC, Job Centre Plus and Universities 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 and will draw heavily from the experience and approach of our renaissance work. The Geographic Programmes will be underpinned by a strong economic analysis in the form of an agreed economic masterplan, and informed by City/Sub Regional Investment Plans. These masterplans could provide a strong input into the economic assessments required by the SNR.

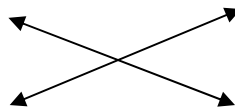
7.6 Each Geographic Programme will have three main elements which will:

- Set out the directly Yorkshire Forward funded elements of the Geographic Programme which will be delivered by the Local Authority. Further work is required to develop the mechanics of this approach – accountability, delegations, output, outcomes, etc (a number of pilot areas have progressed thinking on the potential mechanics of an integrated approach to delivery). The timetable for this will depend upon that set out in the Sub National Review;
- Set out the additional Yorkshire Forward contribution to the Geographic Programme delivered in the locality by intermediaries – rather than directly through Local Authorities (this will set out the outputs and outcomes delivered in the locality, for example from the regional business support programme delivered by Business Link);
- Identify what key businesses and public agencies can do to help contribute to the collective effort to improve the local economy.

7.7 The table below uses the example of Innovation and a Local Authority to present the linkages between the policy product ranges and geographic programmes.

Innovation Policy Product

Yorkshire Forward's policy priorities (In line with RES/Regional Innovation Strategy)	Geographic Priorities (i.e. location of innovation hubs/Centres of Industrial Collaboration)	Team Yorkshire Forward (i.e. how we need to work with the universities across the Agency)
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Geographic Programme

Local economic priorities delivered through local government (i.e. investment delivered directly through Local Authority)	Impact of Yorkshire Forward policy priorities (i.e. output data from Yorkshire Forward programmes delivered by others, such as Business Link)	Team Yorkshire and Humber (i.e. what we want key businesses and agencies to do to deliver policy priorities)
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7.8 The Policy Product Ranges and Geographic Programmes are effectively two different descriptions of the same set of single pot investments. The Policy Product Ranges are designed to ensure a strategic focus on the RES. The Geographic Programmes are designed to ensure transparent and clear accountability and agreement of what Yorkshire forward is delivering at a local level. We will work with partners, particularly Local Authorities during 2008/09, to develop clear and simple processes to support the establishment and delivery of Geographic Programmes. We will seek to reduce duplication and lessen perceived bureaucracy in relation to project approval and contracting. In addition we will utilise the Regional Knowledge System (RKS) to provide Local Authorities with beneficiary information about interventions that impact in their localities, helping to drive the BSSP agenda and setting targets on diversity coverage.

8. Resources

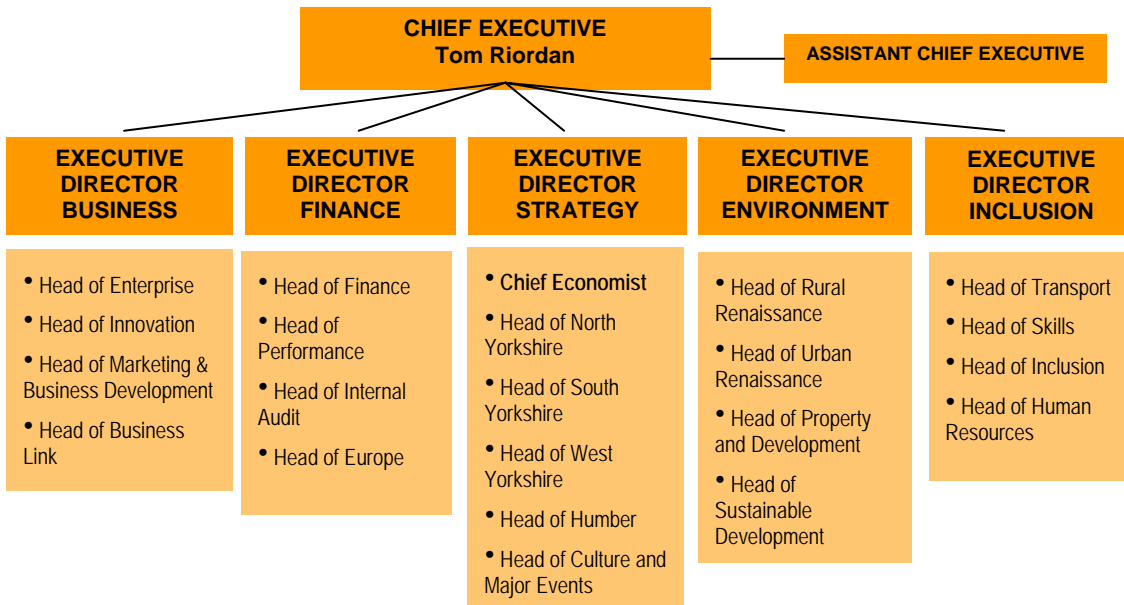
Single Pot Funding 2008/11

8.1 The Comprehensive Spending Review (CSR) settlement sets out a reduction for Yorkshire Forward of programme funding of £30m 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 set out additional roles for RDAs including Train to Gain brokerage and a more formal role in responding to economic shocks.

8.2 A full analysis of our resources for 2008/11 is presented at Annex C.

Staff Resources

8.3 Yorkshire Forward's high level organisational structure is set out below.



Europe

8.4 We will manage £394m of European Regional Development Fund (ERDF) to deliver the Yorkshire and Humber Operational Programme 2007-2013. There is a requirement to match fund the programme from ourselves and partners to draw down the ERDF and maximise the impact it has on the regional economy, the scale of this match funding requirement on the single pot will be significant, perhaps in the region of 70% of the Programme. We intend to move to larger scale transformational programmes, whilst at the same time ensuring interventions are of the appropriate scale (e.g. smaller interventions in rural areas). The new programme represents a significant reduction in the amount of ERDF funds available to the region, when compared with the previous Objective 1 and 2 programmes. Therefore, we also need to maximise the other EU funding available to the region, particularly working with partners to ensure that ESF is aligned to regional goals. In terms of Yorkshire Europe, responsibility for the Brussels office transfers to Yorkshire Forward from the Regional Assembly on 1st April. Its integration into Yorkshire Forward will provide greater synergy, opportunities for further alignment with the RES and provide a stronger platform for the region to maximize on its proximity with the Commission, for example, in accessing additional sources of EU funding, such as the Framework Programme and transnational funding. Yorkshire Forward's strategic role on the previous ERDF Programmes continues with ensuring the successful final close of the Objective 1 and 2 programmes.

Policy and Geographic Allocations

8.5 Since 2004, Yorkshire Forward's Board has agreed an equal split of programme of funding between our three delivery objectives – Helping people to access good jobs, skills and transport; Helping businesses to start-up, grow and compete through innovation; and, Regenerating cities, towns and rural communities – each receiving broadly a third of Yorkshire Forward's programme funding. The advantage of the approach has been twofold, first it ensured a rebalancing of Yorkshire Forward's resources, from the traditional regeneration programmes it inherited in 1999, towards the competitiveness and renaissance agenda, secondly it enabled a flexible approach to be adopted to the resources dedicated to individual policy areas, an important tool in ensuring full spend of our financial allocation from Government each financial year. However, the recent NAO assessment judged this approach to lack prioritisation. We propose to use the transition to policy product ranges to review the balance of resources against policy areas for the 2008/11 period. We will strengthen the extent to which our policy priorities determine the direction and level of spend. However, prioritisation is not simply about financial allocations, as a number of our key policy priorities are focused on influence and brokerage, rather than direct investment.

8.6 In terms of geographic allocations, the introduction of Investment Planning in 2004 saw the introduction of indicative five-year sub-regional allocations. These allocations were based on a formula which took account of population, economic need and opportunity and utilisation of EU funding. The benefit of this approach has been to bring more financial certainty to project development and delivery; however it has also resulted in the focus of Investment Planning being almost exclusively on the Single Pot, rather than all appropriate sources of funding as originally envisaged. This experience, together with the transition to City Regions as the basis for prioritisation via Investment Planning, and the move to Geographic Programmes, raises questions regarding the future approach to geographic allocations.

8.7 As part of our consultation with partners in the development of this Plan we asked for the views on policy and geographic allocations. Specifically;

- the future long-term balance of resources against our operational objectives - inclusion, business and renaissance, which to date have been split evenly between these three areas;
- the long-term geographic allocation of the Single Pot in light of the transition to a City Region basis for Investment Planning and the establishment of geographic programmes.

8.8 In response, there was a strong consensus from partners that the balance of resources to date between inclusion, business and renaissance, although understandable in bringing parity across key policy areas, lacks sophistication and is not sustainable going forward. Rather, it was broadly suggested that a mechanism should be established to assess the contribution of the 11 policy products to sustainable economic growth, and particularly the overarching GVA target. In terms of the geographic allocation any mechanism should be based on a robust evidence base that takes full account of economic needs as well as opportunities. The establishment of Geographic programmes should also be factored in.

8.9 It is our intention to consult with Local Authority partners, during 2008/09 on future options based on this initial consultation feedback, whilst retaining the current arrangements for the next year, as the speed at which we can shift our resource allocations is limited by existing commitments.

Efficiency and Value for Money

8.10. Ensuring value for money is one of the Agency's core values: we delivered the required Gershon Efficiencies over the three years 2005/08. Looking forward, we will be using a framework of targeted value for money reviews to identify opportunities for the 'recycling' of expenditure to the direct delivery of our policy priorities. We will focus on the following activities in our approach to value for money by improving our capacity – ensuring the way the Agency operates is the most efficient and effective; and, via policy products – making sure we invest our resources based on a strong economic rationale to achieve the maximum impact for the region.

8.11 As well as ensuring we deliver the same or improved outcomes for our reduced budget arising from CSR, the targeted value for money reviews will identify opportunities for efficiency in a number of Agency areas, for example:

- Business Support simplification, where a reduction in the number of business support products is anticipated and will be achieved via a regional transition plan;
- the new Business Link contract, which will be delivered from 2008/09;
- the focus of our investment on higher level skills and increasing our influence on key partners to deliver basic skills;
- the continued use of consultancy panels, where ongoing operational savings are anticipated; and,
- the reduction of operational property costs.

8.12 We will co-ordinate our efficiency and value for money activity with One North East in their capacity as the lead RDA in this area and will report efficiency and value for money achievements when this arrangement has been clarified with BERR.

9. Measuring Performance

9.1 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 the IRS' overarching economic growth objective. For the 2008/11 Corporate Planning period, our performance will be judged on:

- achievement of our corporate objectives;
- our impact evaluations;
- the outcomes from our independent performance assessments;
- how we have applied the cross-cutting principles; and
- our strategic added value role (including how we help to drive and coordinate the contributions of our partners at national, regional, sub-regional and local level to the achievement of the overarching growth objective for the region in the context of the UK's economic performance).

9.2 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.

Target Framework

9.3 The SNR also sets out a revised regional target framework which will underpin the IRS. In summary, the new framework requires us to set an overarching regional growth target. The economic growth objective for each region is:

To increase sustainably Yorkshire and Humber's trend rate of growth (measured in terms of GVA per head) in comparison with the region's trend growth over the most recent full economic cycle

9.4 In practical terms Yorkshire Forward will work to support a trend rate of GVA per head growth of 1.8%+ over the Corporate Planning period (2008/2009 to 2011/2012). The overarching target is underpinned by five outcome-focused performance indicators. These are consistent with the drivers of productivity and employment, and are in line with the indicators for the Regional Economic Performance PSA target (REP PSA). As the principal delivery agent for the REP PSA, we will support the regional economic growth objectives through our own direct investment activities and through helping to drive and coordinate the activities of our partners to achieve regional growth consistent with the PSA.

9.5 Although there is no mandatory requirement for us to set and report on output targets as part of the revised framework, we intend to work with partners during 2008/09 to identify output targets and outcome measures which better reflect our policy priorities in Yorkshire and Humber, including wider and complementary indicators of economic growth and prosperity – such as quality of life, environmental enhancements, and specific targets for diversity and equality. In the meantime we are proposing to roll forward our existing output targets in line with our policy product ranges.

9.6 Annex D shows the linkage between regional outcome targets, RES targets and Yorkshire Forward's outputs. Annex E shows the proposed outputs.

Cross-Cutting Principles

9.7 Yorkshire Forward has a statutory responsibility to ensure that the activity it undertakes contributes directly to two critical principles; Sustainable Development and providing Economic Opportunity for All. Annex F sets out how we will pursue these themes.

Evaluation

9.8 Evaluation plays a vital role in ensuring that we can evidence our impacts and learn from what we do. Our Evaluation Strategy was revised in 2006 to take account of BERR's RDA Impact Evaluation Framework. The updated Strategy recognises the need for strategic/programme level as well as project level evaluation, and places greater emphasis on the requirement to evidence net impacts and Strategic Added Value. We have two priorities for the Corporate Planning period. Firstly, we will improve our evidence base on the net impacts of our programmes. Secondly, despite our increased focus on evidencing impact, evaluation should remain, at its core, a tool for learning and improvement. Effective evaluation should inform what we invest in and how we deliver in future. Hence, disseminating lessons derived from evaluation to those formulating and delivering interventions is critical. We are working to improve our communication of findings both internally and to external partners. Much of the external dissemination will be in conjunction with Yorkshire Futures through their 'What Works' database. We will assess our "ambitions" for each Policy Product Range against global best practice through a research study in 2009 (see Annex G).

9.9 In addition, we will continue to use our Regional Econometric Model to model the impact of our and partner interventions; we will undertake research to develop our understanding of disparities in regional economic performance, and we will commission an international research institution to assess our performance against our ambitions.

10. Accountability

10.1 Yorkshire Forward is a non-Departmental Public Body governed by a business-led Board of fifteen. Our Board is made up of a wide mix of senior stakeholders within the region including local Government, the voluntary sector, trade unions as well as local businesses. The Agency is managed by a Chief Executive and Executive team of five Directors – Strategy, Finance, Business, Economic Inclusion and Environment. 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. We submit annual accounts in July each year, setting out our previous year’s performance against output and financial targets. We give evidence to Parliamentary Select Committees as required and hold regular meetings with Government Ministers and senior officials, often together with the other English RDAs.

10.2 The National Audit Office audits our accounts and carries out three-yearly Independent Performance Assessments. Our work is scrutinised 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.

Cross-Boundary Working: the Northern Way

Yorkshire Forward is a core partner in the Northern Way initiative. The Northern Way is a unique partnership between the regions and city-regions of the North of England, dedicated to supporting the growing prosperity of the North towards the level of more prosperous UK regions. In 2004 the three Regional Development Agencies and their partners set out the Northern Way Growth Strategy, setting out the steps required to raise the economic growth of the North. Since the publication of that strategy, and with support from a £100 million Growth Fund, the Northern Way has developed a range of collaborative activities across the North; from pilot programmes to test out new ways of helping people back to work, marketing initiatives to promote investment in the North, collaboration to support innovation and new investment in technology, transport investment to improve the North's connectivity, and collaborative initiatives on skills, enterprise and business clusters. In this region the Northern Way has supported initiatives including:

Improvements to the capacity of the Hull Docks branch line; the creation of the national Academy for Sustainable Communities in Leeds; a series of worklessness pilots including in Hull and Bradford; a pilot study in South Yorkshire on multi-modal travel smartcards – Yorcard – the first of its kind outside of London; and £6 million to form the N8 Group of 8 research-intensive universities – including the Universities of York, Sheffield and Leeds].

The government's Sub-National Review of Economic Development and Regeneration has confirmed the Northern Way's pivotal role in encouraging collaboration at the wider regional level, and the three Regional Development Agencies have stepped up their commitment to the Northern Way's goals. For the next stage of its work, the Northern Way will further develop its policy development, research and evaluation role, to ensure that the North as a whole is able to identify and strongly advocate the distinctive policies needed to promote the prosperity of the North. It will focus on making progress in the areas most clearly benefiting from pan-regional collaboration: transport, innovation in industry, and securing greater levels of private investment, as well as continuing to support the economic and spatial development of city regions. Yorkshire Forward is playing a particular role in leading the Northern Way's transport theme, supporting the Northern Way Transport Compact to develop clear and evidence-based proposals for investment in connectivity across the North.

Continuous Improvement Plan

ANNEX B

CONTINUOUS IMPROVEMENT PLAN							
Key area	Area for Improvement	Action	Outcomes/impacts	Year	Date	Lead	Lead HoS
Ambition	Position the region as a global leader in making the transition to a lower carbon economy	12) Adopt a stronger leadership role on moving the region to a lower carbon economy ensuring buy-in from the regions biggest organisations to deliver the RES target on reducing CO2 emissions. (IPA 13, 7YR 30)	<ul style="list-style-type: none"> Access to larger share of £400 billion environmental technology market 	2008/09	Apr-08	Jan Anderson	Mike Smith
Ambition	Enhance the influence of the RES on key policies and strategies through the Team Yorkshire and Humber concept	2) Deepen relationship with local government through renaissance programme and economic development activity particularly the embryonic City Development Companies. (IPA2, 7YR38)	<ul style="list-style-type: none"> Seamless link between RES and other regional and local strategies including RSS, LAA and LEGI, giving more effective use of resources 	2008/09	Mar-09	Don Stewart	Geographic Heads of Service
Ambition	Enhance the influence of the RES on key policies and strategies through the Team Yorkshire and Humber concept	3) Build stronger relationships with the top 100 businesses on key issues such as diversity, innovation and climate change (IPA 3, 7YR 6)	<ul style="list-style-type: none"> Increased competitiveness of large businesses that make up over half of the economy 	2008/09	Mar-09	Simon Hill	Theresa Lindsay
Ambition	Enhance the influence of the RES on key policies and strategies through the Team Yorkshire and Humber concept	4) Strengthen clarity and focus of relationship with key leaders in the health sector (IPA 4, 7YR 45)	<ul style="list-style-type: none"> Increased influence with public sector investors leading to more local jobs and investment 	2008/09	Mar-09	Thea Stein	Helen Thomson

Prioritisation	Further focus our investments, activities and relationships on the core business of regional economic development	16) Develop a more integrated approach to economic analysis and strategy development that adopts closer co-ordination, integration and alignment of key processes – i.e. the RES review, SEA/Investment Planning approaches, and local renaissance/economic ma	<ul style="list-style-type: none"> Greater impact of the single pot on the economy and alignment of other available resources. 	2008/09	Mar-09	Don Stewart	Simon Foy
Capacity	Improve effectiveness of partnership structures and delivery agencies	29) Review Sub Regional/City Regional Partnership structures and processes (supporting action 7) (IPA 23)	<ul style="list-style-type: none"> YF focused on the things only we can do and the right things being done at the right policy level, leading to greater efficiency. 	2008/09	Mar-09	Don Stewart	Sarah Pearson
Performance Management	Improve the accountability and communication of Yorkshire Forward	48) Lead the adoption of new national accountability arrangements through the RDA network, such as Regional Select Committees (IPA 42)	<ul style="list-style-type: none"> Stronger accountability of YF activities to national and local politicians 	2008/09	Mar-09	Tom Riordan	Ruth Redfern
Performance Management	Improve internal communication and cross-directorate working	52) Develop the management and use of knowledge across YF, including performance management by Executive Team (IPA 47)	<ul style="list-style-type: none"> Improved decision making based on better management information 	2008/09	Mar-09	Trevor Shaw	Rocco Volpe
Ambition	Strengthen Investment Planning as a positive force for integrating funding streams delivering the RES	7) Investment Planning should move from a sub-regional basis to a City Region basis to better reflect the dynamics of the regional economy. Revised partnership arrangements will need to be established for those localities that fall outside our three city regions	<ul style="list-style-type: none"> Greater alignment with regional economy and structures to deliver the RES 	2009/10	Apr-09	Don Stewart	Sarah Pearson

Ambition	Strengthen Investment Planning as a positive force for integrating funding streams delivering the RES	8) Work with partners to integrate all appropriate public sector funding and new European funding programmes into Investment Planning structures and processes (IPA 10, 7YR 5)	<ul style="list-style-type: none"> Greater impact of the single pot on the economy, maximum impact of new EU programmes on the economy 	2009/10	Apr-09	Don Stewart/Trevor Shaw	Sarah Pearson
Ambition	Strengthen Investment Planning as a positive force for integrating funding streams delivering the RES	9) Strengthen Investment Plan prioritisation and decision making processes ensuring alignment with the RES (IPA8, 7YR 5,12)	<ul style="list-style-type: none"> More effective use and alignment of resources in the region 	2009/10	Apr-09	Don Stewart	Sarah Pearson
Ambition	Strengthen Investment Planning as a positive force for integrating funding streams delivering the RES	10) Work to ensure that all appropriate agencies and YF staff are fully engaged in Investment Planning through guidance and training (IPA 9)	<ul style="list-style-type: none"> More effective use of resources 	2009/10	Apr-09	Don Stewart	Sarah Pearson
Ambition	Strengthen Investment Planning as a positive force for integrating funding streams delivering the RES	11) Communicate the purpose and use of the Yorkshire Forward Development Fund (YDF) to partners and develop a more robust mechanism for control of the fund. (IPA 11,12)	<ul style="list-style-type: none"> Greater ownership of Investment Planning by partners 	2009/10	Apr-09	Don Stewart	Sarah Pearson
Achievement	Strengthen our economy through targeted Foreign Direct Investment (FDI) activities	55) Inward Investment and Trade will be integrated into the international business programme and we will seek better ways of working with UKTI (7YR 18)	<ul style="list-style-type: none"> Deliver 10% year on year improvements on the number of FDIs into the region, leading to an increase in business stock. 	2009/10	Apr-09	Simon Hill	Theresa Lindsay

FINANCIAL SUMMARY

Indicative Resources -
2008/11

ANNEX C

	2008/09			2009/10			2010/11			Grand Totals		
	Capital £m	Current £m	Total £m	Capital £m	Current £m	Total £m	Capital £m	Current £m	Total £m	Capital £m	Current £m	Total £m
Income												
Gross Direct Grant in Aid Allocation	151.27	150.59	301.86	150.93	145.87	296.80	143.99	145.78	289.77	446.19	442.24	888.43
EU Income (ERDF & RDPE)	4.16	4.30	8.46	9.07	13.00	22.07	9.07	15.10	24.17	22.30	32.40	54.70
Other receipts	10.76	7.48	18.24	13.64	7.30	20.94	18.56	6.54	25.10	42.96	21.32	64.28
Total Resource Available (TRA)	166.19	162.37	328.56	173.64	166.17	339.81	171.62	167.42	339.04	511.45	495.96	1007.41
Legal commitments												
EU expenditure (ERDF & RDPE)	4.16	4.30	8.46	9.07	13.00	22.07	9.07	15.10	24.17	22.30	32.40	54.70
Administration - Core	0.00	23.14	23.14	0.00	22.67	22.67	0.00	22.67	22.67	0.00	68.48	68.48
Administration - EU (ERDF & RDPE)	0.00	2.61	2.61	0.00	2.61	2.61	0.00	2.61	2.61	0.00	7.83	7.83
Non-cash expenditure	0.00	9.20	9.20	0.00	9.20	9.20	0.00	9.20	9.20	0.00	27.60	27.60
Total Committed Expenditure	119.83	156.06	275.89	102.36	121.95	224.31	27.31	93.40	120.71	249.50	371.41	620.91
Resource available for uncommitted and new projects *	46.36	6.31	52.67	71.28	44.22	115.50	144.31	74.02	218.33	261.95	124.55	386.50

* based on no slippage

FINANCIAL SUMMARY (Continued)

ANNEX
C (i)

Indicative Resources - 2008/11

EU Programme	2008/09			2009/10			2010/11			Grand Totals		
	South Yorks	Rest of region	Total	South Yorks	Rest of region	Total	South Yorks	Rest of region	Total	South Yorks	Rest of region	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Priority 1 - Innovation R&D	3.70	1.99	5.69	8.98	5.14	14.12	7.88	5.82	13.70	20.56	12.95	33.51
Priority 2 - Enterprise	6.64	5.57	12.21	16.11	14.40	30.51	14.14	16.31	30.45	36.89	36.28	73.17
Priority 3 - Community	4.02	1.99	6.01	9.76	5.14	14.90	8.57	5.82	14.39	22.35	12.95	35.30
Priority 4 - Economic Infrastructure	4.95	0.00	4.95	12.00	0.00	12.00	10.54	0.00	10.54	27.49	0.00	27.49
Priority 5 - Technical Assistance	0.80	0.39	1.19	1.95	1.03	2.98	1.71	1.16	2.87	4.46	2.58	7.04
Total	20.11	9.94	30.05	48.80	25.71	74.51	42.84	29.11	71.95	111.75	64.76	176.51

ANNEX D: Regional Target Framework

OVERALL GROWTH OBJECTIVE

To increase sustainably Yorkshire and Humber's trend rate of growth (measured in terms of GVA per head) in comparison with the region's trend growth over the most recent full economic cycle

Outcome-focussed supporting indicators

<p>Productivity GVA per hour indices (source: ONS, Regional Accounts)</p>	<p>Employment - Employment rates, showing proportion of working age population in work (source: ONS, Annual Population Survey)</p>	<p>Skills Percentage of working age population with basic, intermediate and higher level skills attainments (source: ONS, Annual Population Survey)</p>	<p>Innovation Business Gross Domestic Expenditure on R&D as a proportion of GVA (source: ONS, Business Enterprise Research & Development Survey)</p>	<p>Enterprise Number of VAT start-ups per 10,000 resident adults (source: BERR, Analysis of Inter-Departmental Business Register) ** see note below</p>
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RES (2006-15) targets and indicators

<p>Raise GVA per worker by 25-30% from £28,300 in 2003 to between £35,000 - £37,000 (GVA per workforce job)</p>	<p>Raise the ILO Employment rate from 74.4% in 2004 to 78%-80% - equating to around 155,000 – 200,000 net extra jobs</p>	<p>Raise % of people with NVQ level 2 or equivalent or higher to 80% (from 70% in 2004) and the proportion within this total with level 4+ from 37% in 2004 to 45%</p>	<p>Double R& D expenditure from 0.5% of GVA in 2002 to >1% of regional GVA (Business Enterprise R&D all industries, total workplace based)</p>	<p>Increase total business stock by 25% from 32 businesses per 1,000 adults in 2004 to 40 businesses per 1,000 adults – based on VAT registered firms and equating to over 30,000 extra net businesses</p>
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Yorkshire Forward supporting outputs

<p>Job Creation (No. of jobs created or safeguarded)</p>	<p>Employment Support (No. of people assisted to gain employment)</p>	<p>Skills (No. of people assisted in higher level skills)</p>	<p>No. of businesses assisted to collaborate with UK knowledge base Businesses with R&D leveraged by RDA engagement</p>	<p>Business Creation (No. of businesses created) Business Support (No. of businesses assisted) No of Business Assisted (intensive Assists)</p>
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Yorkshire Forward cross cutting outputs

Reduction in Green House Gas emissions - CO2 M tonnes
Regeneration (£m of public/private investment levered)
Private Sector Investment levered £m (exc regen)

**Following the change in Structural Business Statistics Regulation by Eurostat, all member states are required to produce statistics on business births, deaths and survival rates using definitions and methodology determined by Eurostat. The new statistics will include businesses registering for PAYE and not just VAT and so will provide better estimates of new business registrations. We will switch to the new measure as soon as the new statistics becomes available (later this year).

INDICATIVE OUTPUT TARGETS 2008/11

ANNEX E

		INDICATIVE TARGETS *									
		2008/09			2009/10			2010/11			
No.	Indicator	Min	MID POINT	Max	Min	MID POINT	Max	Min	MID POINT	Max	Range
1	Job Creation (No. of jobs created or safeguarded)	19,703	23,180	26,657	20,196	23,760	27,324	20,701	24,354	28,007	15.00%
2	Employment Support (No. of people assisted to gain employment)	5,625	7,500	9,375	5,766	7,688	9,610	5,910	7,880	9,850	25.00%
3	Business Creation (No. of businesses created – surviving 52 weeks)	1,081	1,250	1,419	3,200	3,700	4,200	4,736	5,476	6,216	13.50%
4	Business Support (No. of businesses assisted)	35,200	44,000	52,800	36,800	46,000	55,200	38,400	48,000	57,600	20.00%
4a	No. of businesses assisted to collaborate with UK knowledge base	488	650	813	525	700	875	563	750	938	25.00%
5	Regeneration (£m of public/private investment levered)	161.25	215.00	268.75	165.75	221.00	276.25	169.50	226.00	282.50	25.00%
	% of private sector levered	30%	40%	50%	32%	42%	53%	33%	44%	55%	25.00%
6	Skills (No. of people assisted in higher level skills)	4,800	6,000	7,200	6,000	7,500	9,000	6,800	8,500	10,200	20.00%
7	Sustainable Development - GHG CO2 M tonnes	0.38	0.50	0.63	0.38	0.50	0.63	0.38	0.50	0.63	25.00%
8	Private Sector Investment levered £m (exc regen)	172.50	230.00	287.50	177.00	236.00	295.00	181.50	242.00	302.50	25.00%
9	Businesses with R&D leveraged by RDA engagement	150	200	250	231	308	385	236	315	394	25.00%
10	No of Business Assisted (intensive Assists)	8,320	10,400	12,480	10,000	12,500	15,000	12,000	15,000	18,000	20.00%

Note

* Output targets will be developed during 2008/09 to better reflect activity through the Policy Product Ranges.

Approach to Cross Cutting Principles

Yorkshire Forward has a statutory responsibility to ensure that the activity it undertakes contributes directly to two critical principles; Sustainable Development and providing Economic Opportunity for All. We pursue these two principles by:

Sustainable Development

Pursuing the principle of Sustainable Development within the Yorkshire and Humber region sits at the heart of Yorkshire Forward's business model. Yorkshire Forward defines sustainable development in line with the five principles set out in Government's 'securing the future' strategy of March 2005, which are:

- Living within environmental limits;
- Ensuring a strong, healthy and just society;
- Achieving a sustainable economy;
- Using sound science responsibility; and
- Promoting good governance.

In order to achieve these sound principles, our regional commitment to Sustainable Development begins within the Regional Economic Strategy, where it forms one of the three basic cross cutting themes of Sustainable Development, Diversity and Leadership. These form the fundamental strategic criteria for all activity to be undertaken across the region flowing from the RES.

At a corporate level, adherence to pursuing the goal of Sustainable Development is detailed throughout this plan, specifically our ambition for a lower carbon economy. We have 'mainstreamed' the principle into the specific programmes and policies outlined in this document, with it underlying our overall approach to regional development. In illustration, a range of specific activity has been highlighted which demonstrates this commitment:

Within our Project Management Framework, we have integrated a Sustainable Development Toolkit, with each project appraised against key sustainable development principles to meet our cross cutting goal:

- Within our regional leadership role, Yorkshire Forward has a strong stance on adaption to and mitigation of climate change and environmental sustainability, including leading the development of a stretching consumption based GHG target within the RES, establishing Carbon Action Yorkshire with the region's top businesses, supporting a range of exemplar projects demonstrating the value and deliverability of sustainable development;
- We lead regionally on the provision of specialist business support through the Business Link network, encouraging resource efficiency, with a focus on new technology, better waste management and renewable energy;
- Yorkshire Forward leads a range of interventions within our most deprived and disadvantaged communities, reducing barriers to employment and increasing the links between the most economically disconnected and economic opportunity;
- We are working closely with our regional partners to ensure that spatial, transport and infrastructure planning is both environmentally sustainable and meets the needs of all of the residents of Yorkshire and the Humber.

Yorkshire Forward will continue to develop better methods to implement and monitor the application of sustainable development principles. These will include contracts with specific targets, for example, on the use of recycled materials, internal project reviews which assess all performance on all cross-cutting themes, and the further development of our external evaluation methodology, examining how Yorkshire Forward can better measure and monitor performance on a

range of sustainable development measures. In addition, as part of our work developing Policy Products we have also developed matrices which identify key linkages across all PPRs. The Lower Carbon Economy matrix will be used as a basis to demonstrate and measure how these linkages have been implemented.

Yorkshire Forward is clear that the activity and influencing it undertakes to drive economic development within the region must go hand in hand with efforts to create an inclusive region and to secure a region in which our environmental assets are protected.

The Energy White paper commits the RDAs to: setting carbon reduction targets in their Corporate Plan; publishing an estimate of the carbon we expect to save from policies and programme by 2010 and 2020; and updating the estimates annually.

Yorkshire Forward is committed to both contributing to this target and to meeting the requirements of the Energy White Paper. The Yorkshire and Humber Regional Economic Strategy includes a target to reduce greenhouse gas emissions (CO₂ equivalents) by 20-25% by 2016. We are continually refining our approach towards estimating the carbon savings associated with our interventions, and will continue to use this to estimate and publish the relevant carbon savings potential for each Corporate Plan period. At present we estimate an annual saving of 500,000mt CO₂ equivalents for 2008/9 and 2009/10, providing a total carbon saving of 1m tonnes from our interventions by 2010.

In terms of estimated emissions savings by 2020, we will continually adjust our carbon reduction targets in line with the development of new programmes, ongoing improvements regarding calculating emissions savings, and new legislation such as the Climate Change Bill. This will enable us to develop a robust approach to establishing this longer-term target. It will include our proportionate contribution to a regional carbon reduction target at or above 60% by 2030 if Government approves our proposals for carbon capture.

Economic Opportunities for All

The key objective of Yorkshire and Humber's Regional Economic Strategy is to increase the economic output of the region. However, Yorkshire Forward also recognises that it is a key principle of the cross cutting theme of Sustainable Development within the RES to ensure that economic opportunity is made available to all. This requires Yorkshire Forward to carefully plan, monitor and manage the activity it undertakes to ensure that both principles are achieved.

At the highest level, Yorkshire Forward manages this dual responsibility through working to ensure that all areas and localities within the Yorkshire and Humber region can achieve their potential, through tackling barriers to economic progress, addressing concentrations of deprivation and maximising areas of opportunity. The principle of 'economic opportunity for all', though not formally a separate cross cutting theme within Yorkshire and the Humber, is a key underlying consideration in all our activity.

In order to achieve such an outcome, we adopt a collective and collaborative approach with our regional partners to addressing disparity and deprivation. This includes close linkages and working relationships with those most able to address underlying issues, including our Local Authorities, Jobcentre Plus, regional employers, Trade Unions, Government Departments and communities themselves. A range of programme and project activity is taken forward each year with these vital stakeholders to extend the economic reach and impact of the work we undertake and close the gap between our most deprived and advantaged communities.

Key work streams being pursued to achieve this aim include:

- Skills – Yorkshire Forward works closely with the LSC, other regional and national service providers and employers to ensure suitable provision of training, ensuring those in the most deprived communities have the right skills and profile to enter employment;

- Economic Inclusion – Yorkshire Forward leads, working closely with DWP and Jobcentre Plus, on a range of interventions, aimed at reducing barriers to work, including transport linkages, health related issues and child care provision;
- Transport and Infrastructure – Our transport team work closely with regional stakeholders to ensure that transport provision and infrastructure meet the needs of our most deprived communities, from working with business franchise holders to link new developments to the economic excluded to ensuring national projects meet the widest needs of the regions;
- Regeneration – At the heart of our holistic approach to regeneration is the requirement to ensure that the transformation of our towns cities and rural extends opportunities to all. To achieve this goal, communities are included in the original planning for projects, new employment brought in is helped to connect with the most deprived and development is focused on genuine change within the most disconnected locations;
- Social Enterprise – Yorkshire Forward has led on the wrapping up of SRB over the last 7 years and is now working closely with the Third Sector during the ongoing transition period. Key projects are being undertaken, such as Charity Bank, to improve the sustainability of this activity, whilst also ensuring that the vital outreach activity such partners provide is maintained.

Evaluation Approach: Summary

In the first six months of 2008/9, our priority will be accumulating a comprehensive evidence base to meet the needs of the national RDA impact study. The evidence we will be submitting consists partly of evaluations of major projects and programmes. Particularly significant studies feeding into the impact evaluation include:

Championing RES delivery
Northern Way Public Art Northern Way Tourism
Helping people to access good jobs, skills and transport
Rolling Stock Investment Graduate Retention WY Skills (Interim) STEM (Interim) SY Social Infrastructure (Interim)
Helping business to start-up, grow and compete through innovation
Flood Response Cluster Programme Centres of Industrial Collaboration E Business Unlimited Targeted Export Support Generic and Intermediate Start-Up Programme (South Yorkshire) North Yorkshire Business Support Programme Manufacturing Advisory Service Design Works Science City York Melt (Interim) Large Co R&D
Regenerating cities, towns and rural communities
Renaissance Market Towns Programme Renaissance Towns and Cities Programme Indian International Film Awards Modernising Rural Delivery Programme (Interim)

This programme of evaluation should be completed by the end of June 2008.


In addition to this programme of evaluation we are assembling a wider evidence base of existing sources and new studies to provide a more comprehensive picture of our impact. These include:

- Using GIS to produce a analysis of beneficiary data to assess spatial impact;
- Stakeholder surveys testing perception of RDA impact, particularly in relation to strategic added value;
- A 'counterfactual' business study being undertaken with ONS to assess the performance of businesses supported against average regional business performance;
- Using the Regional Econometric Model to further model impact;
- Testing impacts against Progress in the Region indicators;
- Study of Gross to Net relationships across a sample of projects (new study);
- Strategic added value case studies (new study).

Moving forward, we have embedded evaluation plans that meet the needs of the RDA Impact Evaluation Framework into each of our Policy Product ranges. These will provide a robust basis for evaluating each programme over forthcoming corporate planning period.

RES/Corporate Objectives linkages

		RES Objective (YF Lead)					
Corporate Objective	Policy Product Range	1 – More Businesses that last	2 – Competitive Business	3 – Skilled people – benefiting business	4 – Connecting People to Good Jobs	5 – Transport Infrastructure and Environment	6 – Stronger Cities, Towns and rural Communities
Helping People to access good jobs, skills, transport	Skills	Small contribution	Medium Contribution	Strong Contribution	Small contribution		Small contribution
	Transport		Medium Contribution			Strong Contribution	Small contribution
	Economic Inclusion		Medium Contribution		Strong Contribution		
Helping Businesses to start-up, grow and compete through innovation	Competitiveness	Small contribution	Strong Contribution	Medium Contribution			Medium Contribution
	Enterprise/Access to Finance	Strong Contribution	Small contribution				
	International Business	Strong Contribution	Strong Contribution				Medium Contribution
Regenerating cities, towns and rural communities	Urban Renaissance	Medium Contribution	Medium Contribution		Medium Contribution		Strong Contribution
	Rural Renaissance	Medium Contribution	Medium Contribution		Medium Contribution		Strong Contribution
	Lower Carbon Economy	Medium Contribution	Strong Contribution			Strong Contribution	
	Property					Medium Contribution	Small contribution
	Marketing the region through Tourism and Major Events	Small contribution	Medium Contribution				Medium Contribution

 = Strong Contribution to delivery of RES objective
  = Medium Contribution to delivery of RES objective
  = Small contribution to delivery of RES objective

Summary of Progress on delivery of last Corporate Plan

The 2005/10 Corporate Plan set out Yorkshire Forward's contribution to delivering the RES and was refreshed in 2006/07 to reflect the RES review. Performance against the key priorities has been set out both in our Annual Report and Accounts, in bi-annual performance reports shared with our sponsoring department and in our IPA Self Assessment report published in November 2006. Key elements of our progress are set out below:

Headlines:

- We have delivered and exceeded all our output targets for 2005/06, 2006/07 and are on track to deliver output targets for 2007/08.
- We have achieved all of our expenditure targets for 2005/06, 2006/07 and are on track to deliver targets for 2007/08.
- We have delivered our Efficiency Plan savings for the three year period
- We were assessed as "Performing Strongly" by the National Audit Office in our Independent Performance Assessment and delivery of our Improvement Plan is progressing well.

In terms of our Corporate Objectives some more recent progress and key achievements is outlined below:

Championing RES delivery

- Preparing the Future York Group report on York's economy commissioned on the back of a series of announcements about job losses in the city, following up a meeting with the Prime Minister. We have also worked with Local Authority partners in developing a stronger evidence base for local interventions most notably in Barnsley, Bradford and Sheffield.
- The SNR and CSR have been a prime area of cross regional working. It is also an area in which we have continued to build on our already strong lead role relationship with HM Treasury. This has been vital in ensuring good and consistent communication between the department and the RDA network throughout the review.
- We have taken steps to move away from a project based approach and towards a geographic programme approach which will ideally place the agency in a good position for further delegation to the local level where appropriate.

Helping people to access good jobs, skills and transport

- Successfully negotiating a difficult and complex contract to ensure the upgrade of the port railway in Hull.
- Together with Northern Rail and Metro, we were successful in the partnership category at the National Transport Awards and National Rail Awards for the project that we helped to deliver to increase rail seating capacity in the Leeds City Region
- The launch of Charity Bank in the region, the first of its kind, provides direct loan funding of £10m specifically for the 3rd sector.

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

- Following the review of the region's Foreign Direct Investment (FDI) we have successfully introduced a revised approach to International Business, recording the best FDI results for 7 years, achieving the target of a 10% year on year increase in the Corporate Plan.
- Following a long and rigorous tender process Y&H IDB were selected as the next provider of Business Link services in the region, helping us to radically transform the way in which businesses receive support. Business Link in the region has continued to perform well maintaining its position in the top three nationally, despite the potential disruption to service. We have also made progress in the process of reducing Yorkshire Forward's number of business initiatives from 120 to 7 as part of the national simplification agenda. Yorkshire

Forward is driving forward the Business Support Simplification Programme via a transition plan overseen by the Regional Business Support Partnership.

- We acted swiftly and decisively to address the major disruption suffered by many businesses as a result of the floods in 2007 helping regional businesses recover from the effects with grant schemes

Regenerating cities, towns and rural communities

- The Advanced Manufacturing Park in Rotherham which has received significant national and international acclaim recently saw its first private sector investment from a developer.
- The development of the E-Campus in Sheffield city centre has now commenced on site which adds significant confidence to the investment market in South Yorkshire.
- The Europarc site, near Grimsby has accommodated further occupiers including the Humber Seafood Institute (3,281m²) which commenced construction in June 07.
- Yorkshire Forward has worked closely to support the formation of Creative Sheffield, the UK's first City Development Company (CDC) to deliver the Sheffield masterplan.
- We successfully bid to bring the International Indian Film Awards (IIFA) or 'Bollywood' Awards to the region, showcasing the region to a global audience of 400 million people and generating an estimated £50 million direct impact on the regional economy.
- We established Carbon Action Yorkshire (CAY) and recruited around 80 companies (including 50 of the top 100 companies in the region) to sign up to reduced carbon emissions. Recycling Action Yorkshire (RAY) established by ourselves as the region's focal point on developing the recycling sector and markets for recycled materials, passed the 200 mark in terms of the number of companies it is working with

Improving Yorkshire Forward's capacity

- We were proud to be the only RDA to achieve a top mark in the capacity section in the Independent Performance Assessment carried out by the NAO.
- In 2006 Yorkshire Forward came 84th in the Sunday Times 100 Best Companies to Work for Survey and in 2007 we achieved star status.
- We first achieved Investors in People accreditation in 2004, and were re-accredited in 2007. We now intend to put the Agency forward for accreditation under the IIP 'profile' scheme – seen as the 'gold standard' of IIP accreditation.
- As well as the Gershon efficiencies, in the 2007/10 Corporate Plan the agency set a target of recycling an additional £30m of expenditure to the direct delivery of our key priorities of business, people and places over a three year period. After 2007/08 we are on track to achieve this and delivering the first two years of the CSR2007 efficiencies will see this achieved.

Estates Plan

In 2002 Yorkshire Forward's "Investment Asset" portfolio was sold as it was felt that this was no longer core business and could better managed by the private sector.

Our "Development Asset" portfolio is spread throughout the region, but has significant property holdings in Hull, Bradford and Sheffield through our work with the Urban Regeneration Companies. Other large projects supported by our property holdings include regeneration work around the Holbeck Urban Village and a major redevelopment within Barnsley town centre.

Operationally, Yorkshire Forward's headquarters are based at Victoria Place, Leeds, with four sub-regional offices at Bradford, Hull, York and Wath Upon Dearne. In February 2006, Yorkshire Forward purchased the freehold of 2 Victoria Place with the freehold purchase of 3 Victoria Place taking place in January 2008. The remaining operational properties are held leasehold.

Macro Economic Impacts

Key Economic Risks and Mitigation

Yorkshire Forward recognises that this Corporate Plan comes at a time of economic uncertainty, both nationally and internationally. The ongoing fluctuations within the international economy make it increasingly important to have a view of how Yorkshire Forward would adapt to address such issues. This is particularly pertinent with regards the outcome of the 2007 Comprehensive Spending Review, giving the Regional Development Agencies a further role on handling economic shocks within regional economies.

In light of this, a brief overview is provided in table 1 setting out potential scenarios for the region¹. These highlight a range of risks to the regional economy, their likely economic impact and Yorkshire Forward's suggested policy response. These build upon the broader strategic risk approach set out within the Regional Economic Strategy (pg 120), assessing how the regional approach might adapt to an economic boom or bust scenario.

Monitoring

Yorkshire Forward has always recognised the importance of timely and robust intelligence in identifying the economic risks which might impact Corporate Plan delivery. In assessing the ongoing risks to Corporate Plan delivery from a wide range of macro economic drivers we use a combination of both quantitative and qualitative economic analysis techniques and tools (many bespoke to Yorkshire Forward and designed specifically to support our Board's decision-making).

Yorkshire Forward Macro Economic Impact Monitoring:

1. **Monitoring the Yorkshire Economy** – Yorkshire Forward has developed a series of specific tools to regularly monitor the headline characteristics of the regional economy including the Regional Jobs database and the Yorkshire50 Index. These tools were specifically designed as indicators to capture early macro economic impacts on the Yorkshire economy – this bespoke analytical functionality allows us to understand (very quickly) key pressure points on the regional jobs market and to track and monitor the health of corporate Yorkshire.
2. **Economic Modelling** – Yorkshire Forward uses a series of macro economic assumptions which underpin our forward econometric forecasts of growth. We regularly review these assumptions (they are updated every six months) whilst also having the capacity to independently model a core set of macro economic variables (investment, base rates, CPI and Sterling Trade Weighted) and feed these back into our baseline growth estimates (this macro scenario functionality adds significant economic policy granularity to our corporate plan impact and outcome assessment)
3. **Economic Advocacy** – Yorkshire Forward shares economic intelligence with key regional organisations in order that the regions perspective and monitoring of short run economic risks is “Joined Up” – our work with the Chambers of Commerce, Bank of England, EEF and Yorkshire Forwards own Business Advisory Group (BAG) is a key part of our regular

¹ It should be noted that the scenarios outlined are considered manageable in isolation, though they would provide short term discomfort. However, should several such scenarios arise at once, a further examination of priorities and actions would be required as set out above

economic monitoring of the regions economy within a national macro economic context. Qualitative economic intelligence is used actively to identify likely pressure points on the economy (Yorkshire Forwards recent credit crunch work on impacts on the regional developer and property market has been used to support corporate plan work).

4. **Business Trends** - Yorkshire Forward is the lead RDA in the management and deployment of the RDA National Business Survey (in partnership with IPSOS MORI). The NBS is a unique economic survey (it is the only regular business survey that covers all parts of the economy) and is used by Yorkshire Forward to understand key business drivers and what this means for the organisation in key policy areas directly relevant to businesses (such as skills and the shift to demand led public sector training provision). The survey has been conducted in Yorkshire (its predecessor) for over eight years and has allowed Yorkshire Forward to respond to key business issues with clear and relevant intelligence (the survey is undertaken every six months).
5. **Structural Economic Impacts** – the 2007 floods in Yorkshire and Humber has also shaped the organization ongoing economic impact evidence base and underlines the agencies traditional strengths in not only responding quickly to specific economic events, but also understanding them evidentially (and learning). In 2008-2009 Yorkshire Forward will work with the Environment Agency to develop a new categorization of economic assets (spatial and physical) which we will deploy to monitor and support corporate plan work.

Management

When we are able to identify a clear economic risk to the regional economy, as with the 2008 “Credit Crunch”, Yorkshire Forward is able to use a variety of tools to assist in the management of local and regional economic conditions. Key interventions during the recent economic ‘tremor’ have included:

1. **Key Account Management** – Through our key account management activities, we work closely with the region’s top 600 businesses to recognise and manage issues as they arise. This includes gathering intelligence on their upcoming investment portfolios, skills needs and business support requirements. This close working relationship allows us, in times of macro economic shock, to direct assistance to the most effective level, work directly with companies on the ground and target the most economically significant. During the current credit crunch, we have been working closely with our key business to build intelligence, understanding ‘pinch points’ before they occur and proactively target assistance.
2. **Trade Support Activity** – Yorkshire Forward is able to provide support to businesses who wish to undertake international trade activity. Working closely with UKTI, we offer advice on developing trade strategy, market research and intelligence and a range of small assistance with issues like travel costs, marketing, translation and research. This is proving a particularly pertinent approach in the current environment, with exchange rates making trade an attractive diversification option for regional businesses.
3. **SFI and other Grant Funding** – SFI and our other grant schemes provide a mechanism through which we can help business to grow and develop. With risk being exacerbated by weakened credit markets, SFI and other grants provide comfort for companies still wanting to invest in development and expansion despite worsening borrowing availability. This form of grant support provides a key mechanism in the face of economic uncertainties.
4. **Renaissance and Regeneration Investment** – Yorkshire Forward, as a key public sector investor into property and regeneration, and holding a catalyzing role with other public sector agencies, has a role in maintaining the pace on regeneration and renaissance. To a

degree, with our schemes less effected by the downturn in the financial markets and the issue of credit availability, we are able to offer a foundation for continued investment even in the face of a tightening market. This is an aspect we are keen to stress to partners and the private sector.

5. **Confidence Building and Maintenance** – A key role for Yorkshire Forward is continuing to highlight the underlying economic strength of the Yorkshire and wider national economy. A fundamental risk remains with a lack of confidence leading to a real downturn in consumer and business expenditure. Through advocacy of the economy and its latent strengths, Yorkshire Forward and its partners can provide an important counter balance to more pessimistic media reports.

Table 1: Macro Economic Risks to the Yorkshire and Humber Economy and Suggested Mitigation

<u>Scenario</u>	<u>Economic Impact</u>	<u>Response</u>
1. Flooding	<ul style="list-style-type: none"> • Short term disruption to local economies, primarily affecting capital assets, infrastructure and labour mobility. • Medium term recovery issues with significant lead times on asset replacement. 	<ul style="list-style-type: none"> • Key Account Management and Local Economic Development assets deployed to assess core issues. • Financial flexibilities within Single Pot utilised to provide rapid reaction funding for critical capital infrastructure and costs. • RDA contingency provided over longer periods to ensure sustained support for those businesses most badly affected.
2. Epidemic (e.g. Avian Flu, Foot and Mouth)	<ul style="list-style-type: none"> • Short to medium term disruption to labour force. Disruption to goods and service movement. • Medium to long term impact on perceptions of countryside/image of regions. 	<ul style="list-style-type: none"> • Single Pot flexibility utilised to support businesses hit by short term cash flow issues. • Tourism and marketing assets deployed to maintain visitor and business investment. • Trade development and support activities further aligned to inward investment opportunities to rebuild any lost market share in key sectors.
3. Global Economic Deterioration	<ul style="list-style-type: none"> • International economy slows or enters recession. • International trade slows, purchasing reduced. Manufacturing hit by slowdown. 	<ul style="list-style-type: none"> • Regional model and intelligence used to identify key economic risks. • Single Pot redeployed towards enhancing domestic manufacturing market. Focus put upon lean manufacturing, diversification and added value.

	<ul style="list-style-type: none"> • Liquidity and credit flows reduced. Rationalisation and redeployment by foreign investors. • International service sector (e.g. Financial and Business Services) hit by slowdown. 	<ul style="list-style-type: none"> • Task force provision put in place for major employer closures. Emphasis on re-skilling and redeployment. • RDA focuses regeneration activity on further comfort for developers, providing the foundation for continued investment in core regeneration centres through reducing risk elements. • Focusing further assistance on business in deprived communities and traditionally economically excluded areas; those who are likely to be hit worse by a tightening credit market. • Focus put upon skills and business support in Leeds and those centres likely to be most adversely affected by international conditions.
<p>4. Deterioration in World Trade</p>	<ul style="list-style-type: none"> • Imports and exports slow. Regional cash flows worsen. • FDI markets slow and existing inward investment redeployed. Slowdown or reversal in employment growth as a result. 	<ul style="list-style-type: none"> • Trade support redeployed towards working with domestic market and supply chains/ public sector procurement. • Grant funding utilised to support increasingly demanding rate of return on investment within existing FDIs. • Sector approach redeployed towards diversification and added value. • Task force provision put in place for major inward investor closures. • Emphasis put upon re-skilling, as vulnerable international sectors redeploy capital assets. • New focus on public sector and local supply chain provision, reinforcing financial

<p>5. Increase in Commodity Prices</p>	<ul style="list-style-type: none"> • Regional manufacturing businesses hit by steadily increasing input costs; cash flows tighten; price pressure leads to margin reduction. • Low value businesses begin to close or redeploy assets; outsourcing remains attractive. • Service sector and public sector hit by increasingly wage demands and inflationary pressures. 	<ul style="list-style-type: none"> • Increased focus upon domestic, as international trade becomes progressively more price sensitive. • Focus moved from trade towards added value within domestic market and diversification within existing business stock. • Single Pot flexibility utilised to assist with task force provision for those businesses most adversely affecting, with a focus on skills and redeployment • Further proactive support for businesses involved in research activities and innovation. • Work with Chamber, Bank of England and Government to ensure accurate and timely business data available on market conditions, supporting monetary and fiscal policy making at the centre.
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