



We can make our own mythologies and our own futures, we can be re-made by our passion and our dreams.

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# Acknowledgements

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# Executive Summary

1.1 The purpose of this report is to examine the progress that has been made in implementing the Regional Economic Strategy (RES) 2006-2015; and ultimately the progress made in achieving the RES' overarching goal growing the Yorkshire and Humber economy faster and better than its main competitors.

## Progress against economic indicators

1.2 There has been a recent slowing in the rate of economic growth posted in the region; and although our growth is forecast to remain behind the UK average in the short term, the outlook beyond 2010 is positive. This however does not detract from the fact that the regional economy continues to benefit from a radical transformation arising from a seven year period of strong growth and record levels of unemployment. Improvements continue to be made on a range of educational, competitiveness and social performance indicators. Challenges of course remain. We still need more people setting up successful businesses, improvements in basic and higher level skills, more investment in infrastructure and our new found prosperity to reach our most deprived communities. Tackling climate change and promoting diversity are now business imperatives.

1.3 Progress here is set against the backdrop of the global economy within which Yorkshire and Humber operates. Key factors that will influence the competitive performance of the region's businesses for the foreseeable future will be the slowdown of the US economy on the one hand and the continued strong performance of the Chinese and Indian economies on the other. Uncertainty in world financial markets, the so-called 'credit crunch', and lower consumer confidence will also play a role.

## Headline RES targets

1.4 The following table illustrates the progress the region has made so far in meeting the targets set out in RES 2006-2015. These targets provide a general picture of the economic performance of the region. On the ground, solid work has been undertaken to move us towards our targets yet overall progress has been mixed. Following a short period of slower growth, the region is expected to again grow above the EU 15 average over the lifetime of the RES. Despite a recent dip in employment, reflected nationally, unemployment is close to a 30 year low and improvements have been seen in educational, competitiveness and social performance indicators. We still need more people setting up businesses, further improvements in basic skills and significant improvements in higher level skills. We also need to see more investment in our infrastructure and to see greater prosperity in our most deprived communities. The latest available data has been used in all cases. More detail is given in Part two and in Annex A of the main report.

Table 1: RES regional outcome targets

Target Area	Targets and indicators – 2016 outcomes	Progress – Are we on target?	
Economic Growth	Increase GDP faster than main competitors (EU 15)	On target. Forecasts as of January 2008 suggest that after a period of growth above the EU average, the short term outlook will see the region achieve year-on-year growth below the EU and UK averages over the next three years. However the outlook beyond 2010 is more positive with the region expected to again grow above the EU15 average for the lifetime of the RES	ON TARGET
Employment	Raise ILO Rate from 74.4% in 2004 to 78-80%	Not on target. The regions current employment rate is 73.4%	NOT ON TARGET
Productivity	Raise GVA per worker by 25-30%	On target. GVA per worker was £28,900 in 2003; it is forecast to be £31,038 in 2007	ON TARGET
Innovation	Double R&D expenditure from 0.5 of GVA in 2002 to > 1% of regional GVA	Not on target. 2004 is the last date for R&D expenditure. In 2004 the R&D figure remains at 0.5%	NOT ON TARGET
Enterprise	Increase total business stock by 25% from 32 businesses per 1000 adults in 2004 to 40 businesses per 1,000 adults – based on VAT registered firms	Making progress but more needs to be done to hit the target. Current business stock was 33.6 in 2007	MAKING PROGRESS BUT MORE NEEDS TO BE DONE TO HIT THE TARGET
Skills	Raise % of people with level 2 or equivalent or higher from 70% in 2004 to 80% and the proportion within this total with level for from 37% in 2004 to 45%.	Level 2 - On target. In 2006 the % of people with level 2 had increased to 71.35	ON TARGET
		Level 4 – Making progress but more needs to be done to hit the target. In 2006 the % of people with level 4 had increased to 38.6	MAKING PROGRESS BUT MORE NEEDS TO BE DONE TO HIT THE TARGET

\*Note the target in the RES states that the region has 16% in the most deprived







	- ON TARGET
	- MAKING PROGRESS BUT MORE NEEDS TO BE DONE TO HIT THE TARGET
	- NOT ON TARGET

Table 1: RES regional outcome targets (continued)

Target Area	Targets and indicators – 2016 outcomes	Progress – Are we on target?	
Investment (transport)	Achieve real term increase in transport investment in the region as a % of regional GVA from 0.9% in 2004/5 to over 1% of GVA	On target. 2006/07 figures show that transport spend in the region has increased by 7.3%. This is still below the England average	ON TARGET
Investment (overall)	Raise total private sector manufacturing and services investment by 50% from £5.3bn in 2002 to £8bn	On target, but lacking recent data. Rolling four year figure for 2001 -2004 was £6,233bn	ON TARGET
Quality of place	Significantly above trend improvement in regional quality of place index for renaissance cities and towns. Based on equal weighting of 12 factors in renaissance cities and towns	On target. Using a basket of 15 indicators, the regions 12 urban renaissance towns have improved by 11% between 2003 and 2006	ON TARGET
Environment (pollution)	Reduce greenhouse gas emissions (CO2 equivalent) by 20-25% over 1990 baseline, based on modelling of energy / resources consumption attributable to Y&H	Not on target. The regions GHG emissions have increased by 87.8m in 1990 to 88.9m in 2004.	NOT ON TARGET
Diversity*	Cut the percentage of local 'super output areas' in the region in the 10% most deprived nationally from 17.4% (in 2004) to 13.7% - halving the gap to the national average	Making progress but more needs to be done to hit the target. The percentage has decreased to 16.7%	MAKING PROGRESS BUT MORE NEEDS TO BE DONE TO HIT THE TARGET

\*Note the target in the RES states that the region has 16% in the most deprived

	- ON TARGET
	- MAKING PROGRESS BUT MORE NEEDS TO BE DONE TO HIT THE TARGET
	- NOT ON TARGET

## Delivery of RES actions

1.5 The report shows that all RES actions have activity being delivered against them. Importantly, the quality of this activity is high and shows good depth and breadth, from large scale regional investment to smaller, more locally focused interventions. Across all of this, there is overwhelming evidence of strong partnership working. Multi-agency groups are working together to deliver activity that achieves multiple goals and outcomes. A good example of this includes joint work by Jobcentre Plus, Yorkshire Forward, the LSC and local authorities to respond to the impact of major firm restructuring on the local and regional economy. It is possible to draw out some of the key activities taking place in each Objective as well as the challenges that remain.

## Objective 1: More Businesses that Last

1.6 There continues to be a wide range of innovative activity in the region focusing on business creation. For example, the region has successfully undertaken two further Enterprise Weeks since the publication of the RES, and has widened enterprise activity within our schools to expose thousands of 14-18 year olds to the opportunities around starting your own business. Delivery of the RES target will require continued concentration on developing an enterprise culture, boosting business start-up rates, and business growth i.e. moving businesses above the VAT registration threshold.

1.7 In the last year, the region has achieved a record level of Foreign Direct Investment (FDI) success, seeing 1,700 new jobs created through new FDI activity, including a £10 million investment from Toyada Goshei in South Yorkshire. This in part has benefited from a new Key Account Management approach actioned by the RDA and its partners, notably the local authorities. Moving forward, continued evidence based targeting of FDI opportunities will be necessary to maintain this momentum and continue to ensure that investment is embedded in the region.

## Objective 2: Competitive Businesses

1.8 The region has seen a great deal of success since the current RES was published on providing the support that our businesses need in order to grow and become more competitive. The Yorkshire and Humber Manufacturing Advisory Service, for instance, has dealt with 24,000 enquiries over the last two years and safeguarded over 8,000 jobs regionally. Our universities have been working through the regional Science and Innovation Council and specific schemes like the Centres of Industrial Collaboration, to maximise the value of our research base for business. Work has also been ongoing to grow business and employment in our key sectors; to simplify the business support offer; and to expand business opportunity linked to supply chain development. Whilst a shift towards greater levels of innovation investment is taking place, levels remain amongst the lowest in England and as such this remains a key challenge for the region.

## Objective 3: Skilled People Benefiting Business

1.9 The RES recognises that a skilled workforce is fundamental to economic success. It makes firm commitment to a multi-agency approach to driving forward the skills agenda. The region is undertaking a range of activity to improve skills provision and achievement. This includes the regional implementation of the national Train to Gain initiative; a wide range of interventions to drive up Science, Technology, Engineering and Maths skills; and ensuring that our young people have access to the support that they need to progress. Yet it remains the case that mixed progress is seeing skills levels in this region continue to lag behind national averages. Higher level skills most notably stand out here. Progress on Level 3 (A' Level or equivalent) and basic skills is also insufficient to close the gap.

## Objective 4: Connecting People to Good Jobs

1.10 Yorkshire Promise, the region's inclusion framework, was launched in November 2007. It sets out how the region can more effectively address issues like crime, health and inequality. It builds upon a range of activity such as Charity Bank that provides sustainable funding for the VCS sector; employability pilots that assist people in deprived communities such as in Hull, Bradford and South Yorkshire to overcome barriers to employment; and joint work to develop Local Area Agreements that provide joined up responses to local priorities. These activities are making a difference, demonstrated by the region's recent low levels of unemployment, but figures relating to the numbers of workless households suggest that more needs to be done to prevent deprivation becoming more concentrated.

## Objective 5: Transport, Infrastructure and Environment

1.11 The RES, alongside other regional strategy documents, makes a strong case in favour of improving regional transport connections and investment to bring about significant economic change. This has since been demonstrated in practise, with interventions such as assisting in the purchase of additional rolling stock for Northern Trains and improving rail access to the Humber ports through investment in small segments of track and signaling having an immediate impact on demand and capacity. Partners must continue to work together to ensure that capacity and investment is secured for the region; to continue to prioritise funding effectively; and to build the evidence base necessary to influence central Government and private sector investment decisions.

1.12 On climate change, individual initiatives – local, sub-regional and regional – are making an impact. Businesses engagement in this area is also increasing, for example, the region has been able to bring its largest companies into the debate through Carbon Action Yorkshire and partners are working with the SME base on issues like energy and waste efficiency. Overall however, the region must take decisive regional and local action if it is to reduce greenhouse gas emissions and meet regional targets.

## Objective 6: Stronger Cities, Towns and Rural Communities

1.13 Renaissance and regeneration activity have progressed strongly across the region over the last two years. Visible and dramatic changes are now immediately apparent in cities like Hull, Sheffield and Bradford, and in towns like Scarborough and Barnsley. Alongside this there has been a real change in terms of organisation and outlook, with the development of the three city-region partnerships, each having an individual development plan signed off by local leaders. Our resurgent centres are also attracting new visitors, supported by events like the IIFA awards and the Welcome to the North Public Art scheme. However, despite recent rapid economic growth, all of our towns and cities have the potential for stronger economic performance.

## The Future

1.14 In moving forward, it is important to acknowledge the evolving strategic framework within which the region operates. The Sub-National Review of Economic Development and Regeneration has recommended that the suite of regional strategies be replaced by an Integrated Regional Strategy. The progress and remaining challenges set out in this report provide a strong input into the development of the Integrated Regional Strategy.

1.15 The region should be proud of its achievements in delivering the actions set out in RES 2006-15. But we must not take our eye off the ball. We must maintain focus on developing and delivering high quality interventions that realise the potential of all of the region's people, that grow existing and new businesses, and that protect and enhance the environment.

# Part One: Introduction

1.1 The **vision** in the Regional Economic Strategy (RES) is for Yorkshire and Humber to be:

**“A great place live, work and do business, that fully benefits from a prosperous and sustainable economy”**

1.2 The RES is the 10 year blueprint to improve our economy faster and better than our main competitors. It sets out a road map for Yorkshire and Humber to become a world leader in transforming our economy. It explains what we need to do, how we will do it and who will be responsible for delivery. This report highlights the progress that has been made across the region to deliver the RES over the last 18 months. It focuses on activities and interventions that have happened under each RES Objective. It is not intended to replace or replicate Progress in the Region, produced each year by Yorkshire Futures.

1.3 The RES attributes lead partners to each action to ensure that clear responsibility is allocated for leading delivery, and it is through the helpful contributions of these lead partners – such as local authorities - that this document has been produced. Every effort has been made to capture and report on the feedback received, although due to space restrictions it has not been possible to include details on all of the activity being undertaken.

1.4 Previous progress reports have been used to inform reviews of the RES; however, given the announcements made through the Sub-National Review of Economic Development and Regeneration, there will not be another iteration of the RES. This piece of work will instead be one of many contextual documents that will provide helpful background information towards the creation of an Integrated Regional Strategy in the next couple of years.

1.5 The following sections outline briefly the main economic and policy changes that have occurred within the last two years. These are important in understanding the landscape in which the RES is being delivered.

## A changing economic environment

1.6 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.

1.7 Big challenges however remain. We need to consider the risks to the regional economy, in light of current macro-economic uncertainties, in the face of the credit-crunch and in the volatility of financial markets. We still 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. 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 public, private and third sector agencies working together to improve our economy.

1.8 The RES reflects our unique economic geography. We do not seek to copy London, but 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.

1.9 The past 10 years have seen 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. The Sheffield city-region is the UK's best performing European Objective One area, and accounts for a higher proportion of the UK's total steel production than it did in the 1960s and 70s. 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.

## A changing national policy environment

1.10 The policy framework in which we are working now has changed from when the RES was put together and launched in 2006. There have been and are going to be some important changes in economic development. The key changes to the landscape of RES delivery are detailed in the 2007 Sub-National Review of Economic Development and Regeneration (SNR).

## Sub National Review of Economic Development and Regeneration

1.11 The recommendations made in the SNR will result in the most significant change to economic policy in the eight years. It gives a greater strategic role to Regional Development Agencies (RDAs), including RDAs becoming the Regional Planning Body, and an increased economic development delivery role to local authorities. Yorkshire Forward will be responsible for developing an integrated strategy for the region which will include the areas previously covered by the RES and the RSS and also, housing and transport.

## Homes and Communities Agency

1.12 The Homes and Communities Agency has been created following the merger of English Partnerships and the Housing Corporation. It will pioneer innovative and efficient ways of working with partners in the public, private and voluntary sector to get better outcomes from public investment in places. The Agency will be a new delivery partner for local authorities; supporting them in strategic place-making and helping to create and shape prosperous and cohesive communities

## Learning Skills Council (LSC)

1.13 Recent announcements (March 2008) have indicated that the LSC in their current form and function will not continue. Two new funding agencies will be established - the Young Peoples Learning Agency and the Skills Funding Agency. The Young Peoples Learning Agency will be responsible for working with local authorities regarding the commissioning of £7 billion of funding on education and training for 14-19 year old people. The Skills Funding Agency will secure provision for adults and will be responsible for performance management of the Further Education sector. From approximately 2010, the new National Apprenticeship Service will become part of the Skills Funding Agency. The local authorities will be brought together regionally to ensure a fit of skills provision with the economic needs of region. RDAs will jointly chair these arrangements.

## EU Operational Programme 2007-13

1.14 The European Operational Programme 2007-13 for this region has been approved and work is underway to ensure its full delivery. Previously undertaken by Government Office in the region, Yorkshire Forward now manages £394m of European Regional Development Fund (ERDF) to deliver the programme. This represents a significant reduction in the amount of ERDF funds available to the region when compared with the previous Objective 1 and 2 programmes and as a result, the region will need to be smarter about the way in which we access EU funding. The reduction in available funding is a result of the success of South Yorkshire, which has moved out of Objective One status, clearly demonstrating the good progress being made.

## Business Support Simplification Programme

1.15 The Business Support Simplification Programme (BSSP) is a cross-government initiative to simplify the publicly funded business support offer available nationally. It focuses on achieving this goal by reducing the number of schemes on offer from an estimated 3,000 to no more than 100 by 2010. This will improve the clarity of products on offer, how they can be accessed and the overall value for money. Yorkshire Forward has a long standing commitment to helping achieve the goals of the BSSP, most directly expressed through the Better Deal for Business framework, outlined in 2003. Key to this programme is a commitment to a 'no wrong door' policy for seeking business support, with business able to source all public (and some private) assistance available, regardless of the route through which they arrive.

# Part Two:

## Progress against RES Regional Outcome Targets 2006-15

2.1 Table 1 on page ii illustrates the progress the region has made so far in meeting the regional outcome targets set out in RES 2006-2015. These targets provide a general picture of the economic performance of the region. A more detailed technical assessment of the targets is contained at Annex 1.

2.2 On the ground, solid work has been undertaken to move us towards our targets yet overall progress has been mixed. Following a short period of slower growth, the region is expected to again grow above the EU 15 average over the lifetime of the RES. Despite a recent dip in employment, reflected nationally, unemployment is close to a 30 year low and improvements have been seen in educational, competitiveness and social performance indicators. We still need more people setting up businesses, further improvements in basic skills and significant improvements in higher level skills. We also need to see more investment in our infrastructure and to see greater prosperity in our most deprived communities. The latest available data has been used in all cases.

# Part Three: Progress against RES Objectives

3.1 The following sections outline the progress the region has made in meeting each RES Objective.

## Objective 1: More Businesses that Last

3.2 Yorkshire and Humber needs more businesses to compete in the global market. Enterprise is a key driver of productivity and we need more start ups by a diverse range of people, higher survival rates, better business support and more investment in the region.

### What we will achieve by 2016:

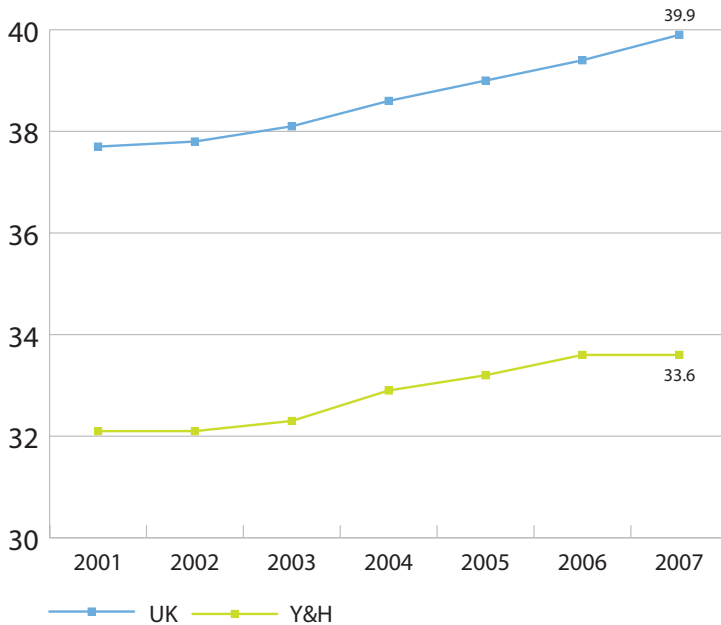
- **Major boost to business formation and survival rates**
- **Move up the enterprise league table**

## Where we are now:

### Major boost to business formation and survival rates

3.3 The proportion of VAT registered businesses per 1,000 resident adults in the region has increased by 4.7% since 2001, compared to an average across the UK of 5.8%, and ranking the region 8th out of nine in terms of improvement since 2001.

Figure 1: VAT Stock per 1,000 Adults



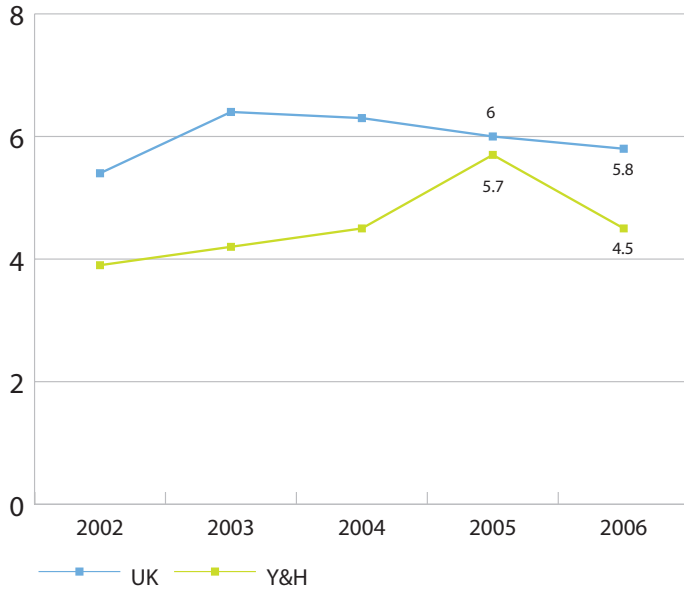
Source: Department for Business, Enterprise and Regulatory Reform, Small Business Service, VAT stock, November 2007.

3.4 Three year business survival rates in the region for businesses registering for VAT in 2002 were 71.8% across Yorkshire and Humber, compared to a UK average of 71.3%, ranking the region 5th out of nine

## Move up the enterprise league table

3.5 Total Entrepreneurship Activity (TEA) as measured by the Global Entrepreneurship Monitor finds the region ranking 8th out of nine for all years except 2005, when the position improved to 4th out of nine.

Figure 2: Total Entrepreneurial Activity



Source: Global Entrepreneurship Monitor UK, 2006. Note: Total Entrepreneurial Activity is calculated based on responses to three questions which focus on currently trying to start a business and currently the owner or manager of a business.

## Policy implications

3.6 Enterprise is one of the five drivers of productivity and economic growth. Although improving, levels of enterprise in Yorkshire and Humber continue to fall behind the national average by some margin.

3.7 Reaching the RES target will require activity in a number of policy areas. It is essential that the region continues to develop an enterprising culture. This is not only about improving the rate of business start-up, but also about improving employee productivity, innovation and skills. It means working in schools to develop our young people (whether that be for work, further education, training or starting their own business); identifying the potential for new businesses; and growing those businesses already in existence above the VAT registration threshold.

## Deliverable A – Encouraging more people to start a business

### Progress against three year actions:

i) Work with teacher training bodies to help teachers apply methods that foster self belief and initiative

3.8 Yorkshire Forward has worked through the Young People's Enterprise Forum (YPEF) to develop a pilot programme in Leeds and Hull to introduce enterprise learning into teacher training courses. Receiving good initial feedback, YPEF are now leading on work to make the certificate available to every teacher training student across the region by September 2008.

ii) More enterprise education in schools, with links between schools and colleges and businesses, and work through the Young Peoples Enterprise Forum

3.9 As part of a drive to encourage entrepreneurship in thousands of school children across the North of England, 115 schools in the region have benefited from the Northern Way's Northern Enterprise in Education programme. These schools have received additional funding to help them develop the enterprise agenda. The result is that for the first time pupils as young as 11 will benefit from activities designed to open their minds to the possibility of starting a business as a realistic career choice and more schools are now ring-fencing government funding for enterprise activities.

3.10 Enterprise Week is also a key tool for targeting enterprise promotion to young people. Likewise the 'Spread like Wildfire' website aimed at people under 18 years old. It links young people who have business ideas with successful young regional entrepreneurs who then provide guidance, advice and motivation to help young people further develop their ideas before they are referred to Business Link. Each month, the site receives 3,200 hits and has 4,700 registered users.

iii) Stronger promotion of enterprise to women, BAME communities, graduates, older people and those at key life points, and in deprived areas.

3.11 A number of initiatives have been run across the region to engage women, BAME communities and those in deprived areas in enterprise activity. In West Yorkshire, eight dedicated business advisors focus on outreach services, working alongside organisations such as the Asian Business Development Network to target these groups. Training courses have been focused on geographic areas of deprivation such as Beeston in Leeds, and South Elmsall and Hemsworth in the Wakefield district.

3.12 There has also been support for the 3rd Age Entrepreneur Programme and the Community Development Finance Institution. Operating in markets where traditional lenders have failed to invest – including deprived and disadvantaged communities that are often seen as too high risk – the programme has a good track record of engaging some of the region's most hard to reach groups in enterprise activity.

3.13 An area of potential development identified in South Yorkshire includes supporting existing businesses under the VAT threshold, enabling them to grow above that threshold and help meet the current shortfall of businesses in the region. In West Yorkshire, future plans include piloting of specialist events to overcome barriers to business start up for vulnerable groups including rural businesses, and the long-term unemployed. This will build on the success of the 'What's Holding You Back' events targeting women interested in starting a business.

iv) Promote enterprise through targeted events and activities including the extension of Enterprise Shows and accessible short courses to starting a business

3.14 There has been a concerted effort to coordinate the activities of organisations involved in the delivery of enterprise activity, to reduce duplication and ensure sustainable programmes of events and activities. Against this backdrop, Enterprise Week continues to grow year on year with strong links between strands of activity being made. Similarly, Enterprise Shows are going from strength to strength with conversion rates (from enquiry to actually starting a business) rising year on year. Last year saw Young People's Days linked to the Enterprise Shows to encourage young people to see starting a business as a valid career option. In 2007 efforts were focused on promoting the 'Spread like Wildfire' website detailed above. Further work is required to target enterprise support in the Further Education sector more strongly.

## Deliverable B - Improve support to help new businesses start up

### Progress against three year actions:

i) Improve entrepreneurial skills for adults

3.15 Business Link has continued to provide a range of coaching and mentoring services to adults to improve their entrepreneurial skills. These services support those planning to start a business and ensure that people have the skills and vision required to sustain and develop their businesses.

3.16 In South Yorkshire, independent external evaluation of enterprise activity has been used to further develop and standardise the support that is given at the post-start/growth stage of a business and to improve the diagnostic business advice offered. In West Yorkshire, coaching and mentoring is offered to aspiring entrepreneurs in order to give them the extra support they need to enable them to make the commitment to self-employment.

ii) Support the specific needs of new social enterprises through mainstream business support

3.17 There is growing interest from the public sector in the added value that social enterprises can deliver. Reflecting this, for the first time in 2006 the Social Enterprise Awards become a region-wide event and for the fifth year running the region played host to 'Footsey 100', the largest and most successful social economy trade fair in the UK. Attended by over 750 delegates, the event saw exhibitors from across the region and beyond come together to display a wide range of products and services, offering advice, expertise and knowledge.

3.18 The Memorandum of Understanding developed between Leeds City Council and the West Yorkshire Enterprise Partnership is being replicated across the region as an effective way for public bodies to work with social enterprises.

iii) Improve business access to finance working with banks and other financial institutions, Finance Yorkshire and investments funds

3.19 Access to finance is vital to allow businesses to develop and grow. Key initiatives including Grant for Research & Development, Selective Finance for Investment, Partnership Investment Finance, the South Yorkshire Investment Fund, and the Regional Venture Capital Fund have continued to develop their portfolio and provide support to businesses in the region.

3.20 Two new interventions are helping to tackle the lack of development funding for pre-commercial ideas, and business finance in deprived areas and for social enterprises.

3.21 Yorkshire Forward has supported the Community Development Finance Institution (CDFI) sector in Yorkshire and Humber to grow and become more financially sustainable, and in doing so, significantly improve the level of enterprise activity within the region's more deprived and disadvantaged communities. More specifically this will involve providing funding and support to the region's existing CDFIs to expand and enhance their enterprise development activities. These activities include financial support via loans to prospective and existing small businesses in the region's most deprived and disadvantaged areas, coupled with 'hands on' business mentoring support to help clients prosper and grow.

3.22 Charity Bank has been specifically set up to provide loan funding for social enterprises and the voluntary and community sector. This sector has not traditionally had the collateral or asset base, or has been perceived to be high risk when borrowing from the high street banks. The investment will work to increase the activity of the Charity Bank in Yorkshire and the Humber, and will be the catalyst as the first region to invest in creating a long term legacy fund. Organisations benefiting to date have included; Voluntary Action Calderdale, a development agency providing infrastructure support to voluntary and community groups who received a £160,000 loan to fund the purchase and renovation of a permanent base to reduce costs; Ripon VCS, who promote develop and support voluntary action in and around Ripon who received a £200,000 loan enabling them to raise a further £1 million; and the Multiple Sclerosis Therapy Centre in Rotherham who received a £50,000 loan to help finance a new therapy centre.

iv) Help businesses to be 'investment ready' and make strong pitches to lenders and increase the uptake of venture capital and investment funds

3.23 The South Yorkshire Seedcorn Fund was launched in April 2007 to assist SMEs going through the process of product development and business growth prior to a product reaching the market place. The fund provides both early stage investment and management support to assist growth at a stage where the risks are considered too high by the private sector. The value of the fund is just over £8m, comprising £5m ERDF Objective 1 funding, £1.5m Single Pot and £1.5m from the private sector. It is aimed at helping more entrepreneurs get their products market ready, to a point where private investors are more interested in the investment opportunity presented.

3.24 Higher Education Institutions operating across the region represent a huge pool of talent and knowledge generating a constant source of new technologies and business possibilities. The Yorkshire Concept - Proof of Commercial Concept Fund (PCCF) aims to capture this potential for the benefit of wealth creation and economic prosperity in the region. PCCF provides initial funding to test new technologies and associated business ideas for their robustness and commercial application. In turn this will lead to new businesses, new jobs and more innovative companies.

v) Assist more sole trader operations and businesses at transition points to grow

3.25 In South Yorkshire, the Generic / Intermediate start-up project has delivered well against its output targets. The project not only supports those at pre-start stage to develop sustainable new businesses; but also enables businesses up to 24 months old to grow and develop through workshops and seminars supplemented by one-to-one advice and guidance. The best elements of this project will be built into the revised regional business start-up offer commencing in April 2008.

3.26 A pilot 'high growth' coaching project has also been successful in targeting those businesses at transition points and setting them on the path to rapid growth.

## Deliverable C - Increase, retain and embed business investment in the region

### Progress against three year actions:

i) Attract, retain and embed Foreign Direct Investment in the region, focusing on investor development programmes and aftercare.

3.27 Following a review of Foreign Direct Investment (FDI) into the region, Yorkshire Forward has developed a new International Business Strategy, and restructured its approach in key markets, including the appointment of a network of FDI specialists to increase the region's penetration of key markets such as the US and Europe.

3.28 The revised approach has helped to achieve record levels of FDI successes, securing employment for over 1700 people in the region. Some of the region's most significant FDIs include Toyoda Gosei, a Japanese company investing £10m to improve its UK operation based in South Yorkshire, safeguarding 150 jobs; and German retailer Aldi setting up a regional logistics centre creating 200 jobs. Local authorities are also continuing to work alongside the RDA and United Kingdom Trade and Investment to attract businesses into their areas.

3.29 Investor development work has also progressed well with the Yorkshire Forward Key Account Management programme running ahead of plan. As a result of this activity, Yorkshire Forward is now working at a more intensive level with a large number of companies on a variety of issues ranging from new investment and expansions to R&D and corporate social responsibility initiatives. The value of this work was clearly demonstrated during the flooding which hit the region in July 2007 when existing relationships built up with the region's businesses enabled a quicker response than would otherwise have been possible, reacting swiftly and decisively to significantly aid business continuity.

3.30 The region needs to continue to build on these successes; however there are some challenges to be overcome. For instance national guidelines around Selective Finance for Investment have, in some instances, led to the region losing investment to overseas competitors. This is primarily around the speed of decision making which appears significantly slower than our competitors and affects the region's ability to provide a streamlined commercial offering to businesses.

ii) Targeted training and employment initiatives to help new and growing businesses access local people with the right skills and aptitudes

3.31 Jobcentre Plus continues to play a key role in promoting the value and necessity of a diverse workforce, working in partnership with key stakeholders to develop tailored employment opportunities. Work underway includes the Fair Cities initiative in Bradford. A ground-breaking initiative, designed by the National Employment Panel, Fair Cities is focused on helping disadvantaged ethnic minorities in Bradford's five most deprived electoral wards to get, stay and advance in work.

3.32 In Hull and North East Lincolnshire, Neighbourhood Renewal Funding is being used to increase employment in the most deprived wards. Activity includes employer subsidies for over 45s, the creation of Intermediate Labour Markets in the Hull wards, introducing a Retail Standard in Hull and intensive promotion of enterprise as a viable alternative in North East Lincolnshire.

3.33 Going forward there is a real opportunity to help local people into employment through the Aire Valley Project in Leeds which is expected to create over 30,000 jobs in the next 20 years.

iii) Improve the profile and image of the region in the UK and abroad to attract entrepreneurs and investors

3.34 A number of high profile campaigns and events have been run, providing a showcase for the region as a leading centre for business. Launched in September 2006 to promote Yorkshire and Humber to business leaders, financial advisors, venture capitalists and property consultants in the UK and overseas the 'Business Comes Naturally' campaign communicated strongly the region's strengths as a dynamic, vibrant centre of commercial innovation as well as a fantastic place to live.

3.35 2006 also saw Yorkshire Forward announce a five year partnership with Clipper Ventures plc. The successful bid has seen a Hull and Humber sponsored yacht take part in the Clipper Round the World Yacht Race in 2007-2008, showcasing the region as it travels over 35,000 miles around five continents. In addition, 2007 saw the region showcased to the global market as it hosted the four day International Indian Film Academy Weekend, broadcast to an estimated TV audience of 500 million, helping secure business links with the emerging Indian economy.

iv) Tackle crime against business, especially in areas with a deficit of businesses

3.36 Crime against business continues to have a negative impact on economic growth, employment and business competitiveness across the region. The recent launch of the Business Crime Reduction Centre in Sheffield is helping to reinforce linkages between business and partnership bodies which offer help and practical support to South Yorkshire businesses including specialist advice on e-commerce security. Similar initiatives operating more widely include the Yorkshire and Humber Fraud Forum, which has been offering its members free training and fraud awareness sessions since November 2006, and 'Yorkshire-Safe' which specifically targets SMEs to build their confidence in e-commerce and reduce their vulnerability to e-attack through training and web-based risk assessments.

# Objective 2: Competitive Businesses

3.37 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 the global economy. Universities are a huge asset to the region and we need to utilise their knowledge base and transfer it to business. High level skills and expertise, and investment in R&D are crucial. There is a need to focus on business sectors and clusters that will have more impact on our economy's future and where we can make a difference. Effective business support and trade are also key to success. Work on competitiveness will correct key market failures – for instance gaps in information and awareness that mean too many businesses do not fully recognise the value of innovation, implement best practice or fully exploit trade opportunities.

## What we will achieve by 2016:

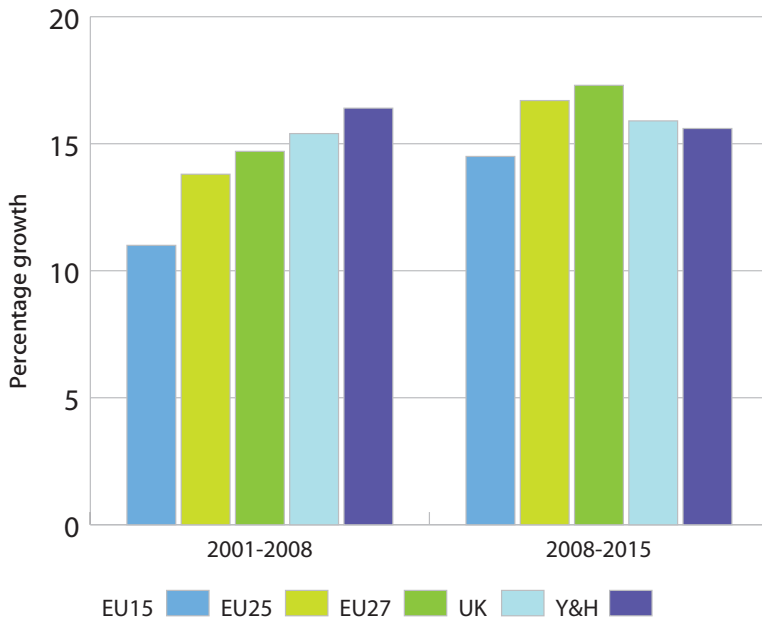
- **Higher and more sustainable economic growth than major competitors**
- **Notable rise in productivity per worker**
- **1% of GVA invested in R&D – doubling innovation investment**

## Where we are now

### Higher and more sustainable economic growth than major competitors

3.38 Forecast data indicates that growth in GDP per head across the Yorkshire and Humber region between 2001 and 2007 has been higher than the UK, EU15 and EU25 averages, at 16.4%. Current forecasts to 2015, suggest this growth will be more in-line with the UK averages.

Figure 3: Growth Forecasts for GDP per Head

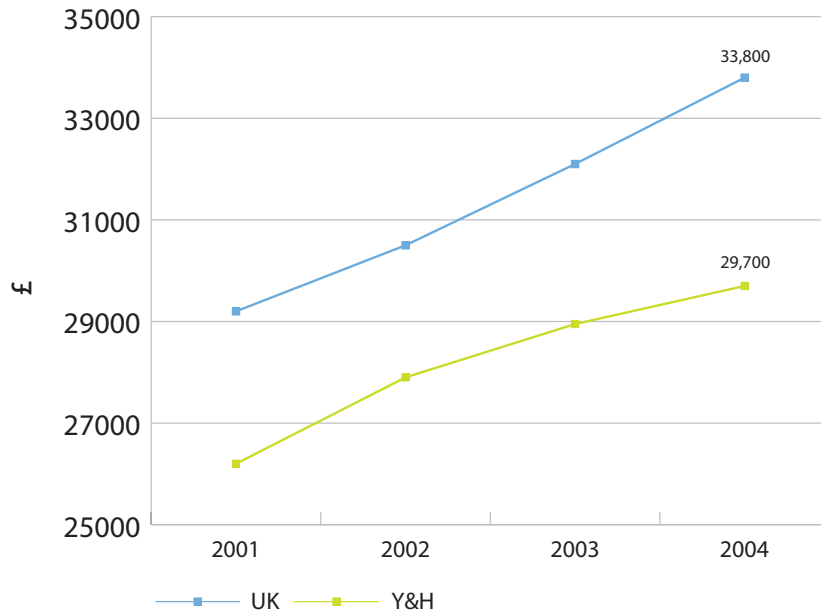


Source: Experian Business Strategies Ltd, Regional Forecasting Service, GDP per head forecasts, autumn/winter 2007. All figures are based on '000s of Euros and to the Purchasing Power Standard (2002 base year).

## Notable rise in productivity per worker

3.39 Office for National Statistics Gross Value Added per workforce job figures show that between 2001 and 2004 productivity per worker grew by 15.8% across England as a whole and 11.2% across the region. Forecasts from Yorkshire Forward's Regional Econometric Model (Autumn 2007) suggest a higher level of productivity per worker in the region, with an estimated forecast growth rate of 26.3% between 2004 and 2015.

Figure 4: Productivity per worker



Source: Office for National Statistics and Department of Business, Enterprise and Regulatory Reform, Gross Value Added per workforce job, 2007 (Regional Competitiveness Indicators, 2007).

## 1% of GVA invested in R&D doubling innovation investment

3.40 Between 1998 and 2004, the region has only ever spent 0.5% of its total GVA on R&D related activities, compared to an England average of 1.4% - 1.6%. Only London and the North East spend less.

3.41 Assuming that R&D expenditure as a percentage of GVA has not changed over more recent years, then in 2007 it is forecast that the region is likely to be spending around £405.9 million on R&D activity, versus a targeted position of £811.7 million.

## Policy implications

3.42 The region needs its existing businesses to grow and become even more successful. Maintaining a focus on sectors that are likely to bring the most return in terms of output and employment in the region will bring more benefit to the region's overall GVA.

3.43 Our universities are a huge asset to the region, with excellence in key areas of applied research and science essential to grow the region's economy. We need to utilise their knowledge base and transfer it to business. The development of innovation in our region's businesses is of particular importance to the region's economy if it is to remain globally competitive in the future. Growing the region's business base through improved R&D links with universities, specialist industrial networks and innovation hubs, and the identification of new and potential markets will be important.

## Deliverable A - Foster innovation to develop new markets and products – including good links between business and HE institutions

### Progress against three year actions:

i) Assist businesses to develop new/better products through the network of businesses and innovation support including the Yorkshire and Humber Manufacturing Advisory Service

3.44 The Yorkshire and Humber Manufacturing Advisory Service has continued to help regional companies to become more efficient and productive through the implementation of manufacturing best practice. Since 2005, it has handled over 24,000 manufacturing enquiries, completed over 500 manufacturing health checks and completed nearly 700 in depth interventions. This has resulted in safeguarding nearly 8,000, regional jobs, and an extra £68m in added value.

3.45 Yorkshire Universities' work throughout the year has contributed to the fostering of innovation in universities, especially through developing good links between businesses and higher education institutions (HEIs). An example of this is through the KnowledgeRICH programme which links businesses and HEIs by providing easy access to databases of regional experts and facilities to help better promote the capabilities of our regional universities to business and help businesses find solutions to their innovation issues. Ten HEIs in the region are involved in the programme and over the last 18 months, 200 businesses have been assisted with the value of current contracts standing at £400,000. An additional 40-50 companies are in the process of conversion to contracts with HEIs and are likely to complete in the next six months.

ii) Better exploit the region's science and research base in business, including through using Centres of Industrial Collaboration

3.46 The Centres of Industrial Collaboration (CICs) continue to serve as key vehicles to promote the benefits of research and development (R&D) and innovation to businesses. Out of the eleven centres accredited in the first two phases, nine CICs continue to operate with no further Yorkshire Forward funding; one which has spun out to form an SME. Three CICs remain within the funded programme, and are on course to operate sustainably from July 2008. Further CICs are expected to be accredited as part of the Regional Innovation Strategy.

3.47 In addition, the Strategic Cluster Champion programme employs a team of five high profile industrialists to broker partnerships and facilitate linkages between cluster businesses and the research base. These linkages have been further developed by the Yorkshire Forward Sponsored Chairs programme, providing knowledge transfer funds to key academics in strategically important research groups in regional universities.

3.48 The Framework Programme 7 (FP7) support scheme helps companies access the European Union's FP7 funding. With a budget of over €50billion, FP7 is the EU's main instrument for funding collaborative R&D and will run for seven years from January 1 2008. The programme acts as the contact point for regional companies looking to take part in collaborative R&D projects, providing up to date information on the latest calls for proposals and help to the region's companies to develop and submit high quality proposals with the objective of increasing the level of R&D funding reaching our region.

iii) Promote knowledge and technology transfer and international strategic alliances in research and development; including through university networks and the Northern Way.

3.49 The Northern Way has been working to strengthen the North's international research capacity and knowledge in particular building stronger links between universities and business.

3.50 The region's Science and Innovation Council is part of a Northern Way Science Council which is tasked with helping to improve and champion innovation in industry across the three northern regions.

iv) Enhance investment, growth and quality in the region's research and science base – including universities and the Science City of York.

3.51 The regional Science and Innovation Council, Yorkshire Science, continues to provide a focus point for innovation activity in the region. The Council has membership from the university sector, the business sector, business intermediary organisations (regional CBI, IoD and EEF), Research Councils UK, Yorkshire Forward, and Government Office Yorkshire and Humber. Its Memorandum of Understanding with Yorkshire Forward provides a framework within which Yorkshire Forward and Yorkshire Science can co-operate to realise mutual benefit. In November 2006, and after extensive consultation across the region, the Council published the Regional Innovation Strategy, and is now working on its implementation. As a consequence of its work, the Council has been cited as an exemplar across both the UK and EU. This has resulted in co-operation and opportunities to exchange good practice.

3.52 Science City York has proven its ability to modernise the economy and improve the competitiveness of York and its reputation. Funded by a range of partners, Science City York has now become a company limited by guarantee providing a range of support services to assist in the creation and growth of technology-based businesses, entrepreneurs and skills development opportunities. The initiative has supported the creation of 2,772 science and technology jobs – a 60% increase in such employment in York. York is now home to over 250 science-based enterprises, which employ 9,000 people (over 10% of York's working population) and employment in these businesses is growing by more than 6.5% per year. Science City York aims to have stimulated £1billion of investment in the region's knowledge base by 2021<sup>1</sup>.

<sup>1</sup>The Future York Group Report, An independent Strategic Review of the York Economy, June 2007

v) Help businesses to continually innovate, to improve products and services, and cut waste through resource productivity

3.53 Funded by DEFRA and co-ordinated by Yorkshire Forward in the region, the Business Resource Efficiency and Waste (BREW) programme aims to accelerate and increase the implementation of resource efficiency improvements in businesses in Yorkshire and the Humber, improving businesses profitability whilst improving their environmental performance. Resource efficiency is being integrated into the Business Link Information, Diagnostic and Brokerage process with Business Link being developed as the gateway for resource efficiency advice. This will increase resource efficiency awareness and take-up within SMEs. BREW provides funding for a number of smaller programmes including the provision of small scale grants averaging £4,000 as a 25% contribution to purchase of capital equipment to reduce waste, energy and/or water usage.

3.54 A regional procurement group has been established and work is being carried out to support local authorities with their procurement policies to improve environmental performance of their supply-chain. Bradford Environmental Action Trust has developed an online waste exchange. By supporting a wide range of business to business exchanges including the provision of waste materials and products from the private sector to the social enterprise and third sector which contributes to their 'business' success, the programme has helped reduced the amount of waste to landfill through waste re-use.

3.55 Whilst business are increasingly engaged, there remains some confusion in the market place on sources and ranges of advice available and the offer must continue to be streamlined to ensure consistency of information.

## Deliverable B - Grow business and employment in knowledge based regional clusters

### Progress against three year actions:

i) Implement action plans for knowledge based regional clusters on a rolling basis

3.56 Work to support the region's key clusters has been underway since 2001, with the delivery of many strategic interventions to ensure the clusters fulfil their potential and contribute fully to improving the region's competitiveness, productivity, employment, and wealth. Following a recent review carried out by Yorkshire Forward, a revised approach to growing the region's businesses will now be taken. The cluster approach will be integrated into a wider focus on priority sectors. Long term strategic interventions and support will be delivered through the new Business Link branded business support programme, rather than developing bespoke programmes of support for each sector. Each sector will have 'Access to Market' industry networks developed to ensure strong linkages to the business support products, and also to provide feedback from industry on the products themselves. These networks will also allow improved connectivity between business sectors and other policy areas. This will happen over the lifetime of the current RES.

3.57 Five high growth sectors have been prioritised for future strategic intervention - Advanced Engineering & Materials; Digital & New Media Industries; Food & Drink; Environmental Technologies; and Healthcare Technologies - and work is now ongoing to develop clear strategies for each of these. Key sub-sectors have also been developed within each priority sector to ensure that interactions are focused on those areas where the greatest economic impact can be delivered. In line with the changing cluster priorities outlined in the RES and the commitment to mainstream key activity into business practice, public sector support for the Chemical and Bioscience sectors is being tapered down. This will allow the lead to pass to industry itself and forward strategies to be implemented once current and planned key interventions have been made.

3.58 The detail below identifies progress made in the current set of regional clusters i.e. activity that has taken place prior to the move to sectors as noted above.

## Advanced engineering & materials (AEM)

3.59 Significant progress on the development and marketing of the Advanced Manufacturing Park (AMP) has been achieved. The Innovation and Technology Centre, a business incubator for advanced engineering technology companies, was opened in August 2006 and has already achieved an occupancy rate of over 60%. A proposal to develop a further business accelerator on the AMP, this time for low carbon energy will be completed in August 2008. Known as the Environmental Energy Technologies Centre it will be the UK's first "carbon neutral" commercial building.

3.60 The three primary R&D centres on the AMP - TWI, AMRC and CTI - have become well established and are being recognised nationally and globally for their work in advanced manufacturing technologies. AMRC has expanded through a new "Factory of the Future" building open in early 2008. This project, in collaboration with Boeing and Rolls Royce and with funding support from

Yorkshire Forward, will quadruple the space available to demonstrate state of the art design, manufacturing and environmental practices. The Yorkshire Forward funded regional Composites and Advanced Materials Technology Centre (CAMTeC) has also opened in South Yorkshire. As part of the National Composites Network, this centre is one of four strategic technology centres for the UK in this area of materials development.

3.61 A major element of the AEM work was implemented with the launch of the Technology Capacity Building Programme. This comprises of four technology development centres for Rapid Manufacturing, Design Modelling & Simulation, Innovative Metals Processing and Surface Engineering. With an associated technology transfer programme, this will ensure regional businesses have access to the latest developments in these areas to drive innovation in new product, process and materials development.

3.62 NAMTeC, the National Metals Technology Centre created by Yorkshire Forward, Objective 1 and the Dti in 2003, has undergone a significant expansion. Forming a partnership with Corus, they now offer regional businesses access to the vast research and development capabilities of Corus laboratories in Rotherham and also provide training, development and conference services from their new location

3.63 The first phase of AEM projects in supply chain development (Competitive Edge) and new product development (Innovation Challenge) were brought to a successful conclusion, both making significant contributions to the rejuvenation of the engineering sector in our region. Work with Northern Defence Industries continues to bring significant business opportunities in the defence equipment market from global prime contractors to regional SMEs.

## Digital industries

3.64 A new strategy has been developed to support the cluster as it continues to be the fastest growing compared to other regions in the UK, with both employment numbers and contribution to GVA continuing to grow.

3.65 A large investment in the TV, Film, Games & Interactive Media sectors has been made through the Digital Media Content Programme, awarded to Screen Yorkshire (the Regional Screen Agency) to help deliver innovation in publishing and digital content development.

3.66 The Advanced Digital Institute (ADI) has been established as an independent R&D institute based in Airedale, West Yorkshire. Offering a key resource for large and small businesses to develop ideas into concepts or prototype products, the ADI will help to improve R&D investment by businesses.

3.67 Acting as a broker between developers and users of the technology, 'Learning Light' was established in Sheffield as a vital support organisation for the e-learning sector. They are also working closely with education and government training organisations, as well as international business contacts and governments.

## Food and drink

3.68 The new Regional Food Group (RFG) has brought together three partners under a renewed agenda more focused on innovation and self sustainability. In line with this focus on innovation, Yorkshire Forward is working closely with six CICs and the Materials Knowledge Transfer Network to develop a 'Bundle', which will provide a one stop shop for all of the food and drink industry's packaging needs.

3.69 Two Northern Way programmes are gaining momentum in the region. This has seen the establishment of NFIIN (the northern role out role out of the CIC model) and the setting up of Europe's first Centre of Food Robotics and Automation (cenFRA). cenFRA aims to help regional companies gain competitive edge through innovation and cost cutting, and slow or halt the relocating of businesses outside the region. To date 15+ companies in the region are engaged with the centre.

3.70 Yorkshire Forward is also working with Business Link to exploit the consumer trend towards knowing the provenance of goods and services, by developing a programme entitled Farexchange that is designed to connect regional manufacturing groups with regional suppliers.

## Environmental technologies

3.71 A mapping report and study on the Environmental Technologies sector in the region has now been completed and will help to shape future strategic interventions. An initiative to develop and support companies in the water and waste water treatment sector is underway and a network forum is being established with SMEs to develop this activity. Responding to the growing and significant business opportunities that exist for environmental and lower carbon energy products and services, Yorkshire Forward is, together with the Sustainable Futures Company, developing a coordinated approach to supporting businesses who can exploit these opportunities, particularly in renewable energy technology, and waste treatment and recycling.

## Healthcare technologies

3.72 A mapping study on the Healthcare Technologies sector has been undertaken, and a sector strategy developed. The strategy focuses on two main areas – leveraging the opportunities afforded by regional strategic partnerships; and increasing the critical mass of businesses in the region. It defines how the proposed activity will augment and complement the considerable existing projects and programmes of work in enterprise, skills and innovation and how we will work proactively to develop or bring to the region activities of national significance.

## Chemicals

3.73 The chemicals strategy and action plan have been revised to take into account changes in the regional environment and external factors affecting the industry. Four priorities for industry support have been identified: world class competitiveness and productivity; creating more value in the business chain; competitive workforce development and attracting and retaining investment. A programme of activity has been developed for each strand with delivery channelled through the two dedicated industry support organisations operating in the region. Yorkshire Chemical Focus is now fully operational with a strong and growing membership base representing the breadth of the chemicals using industry in West Yorkshire, while Humber Chemical Focus, provides a dedicated service to the large scale industry centred on the Humber basin.

3.74 Much needed industry skills development in the region has been given a boost with the formal opening of CATCH (Centre for the Assessment of Technical Competence-Humber), the UK's first dedicated chemical training facility. Available for use by every chemical company in the region, including for their own in-house training and commissioned bespoke programmes, this full scale, mock chemicals plant provides a safe but realistic training environment for both apprentices and existing employees and engineering contractors to produce the highly skilled workforce required by the industry.

## Bioscience

3.75 The region's bioscience capability continues to grow with a strong and competitive company base now anchored in the region.

3.76 There has been extensive work to support and enable entrepreneurs within the region's science base to commercialise their science and to provide bespoke facilities for the resulting enterprises with dedicated incubation facilities now available in York, Sheffield and Bradford. Work has also commenced to provide a health and bioscience innovation hub in Leeds.

3.77 The Bioscience Yorkshire Enterprise Fellowship programme has been designed to provide assistance to post-doctoral scientists seeking to commercialise their research. This 12 month programme provides a comprehensive support package consisting of an R&D grant alongside bespoke training and academic and business mentoring. A total of 29 fellows have now been through this programme resulting in the formation of nine spin out companies. Run alongside this scheme, Bioscience YES (Young Entrepreneurs Scheme) introduces entrepreneurial ideas to younger scientists and provides a business planning scheme for postgraduate scientists.

ii) Incorporate employment, inclusion and resource efficiency goals into all key clusters

3.78 Yorkshire Forward's project development process seeks to incorporate employment, inclusion and resource efficiency goals into all interventions to ensure that the cross cutting themes of sustainable development, diversity and leadership and ambition are achieved.

3.79 The Investors in Diversity award scheme, devised by the Leeds based National Centre for Diversity, helps companies develop their working environment by promoting inclusion, equality, diversity and achievement in the workplace. Yorkshire Forward supports the principle of a diverse workforce, understands the benefits that diversity brings to all organisations, and is itself committed to obtaining accreditation, which will highlight the benefits of a diverse workforce to businesses in key clusters.

3.80 The Business Resource Efficiency and Waste (BREW) programme has been central to effective integration of resource efficiency in key clusters. BREW grant funding is being made available through Yorkshire Forward, with grants for businesses wanting to reduce their waste and energy usage.

3.81 As businesses begin to recognise waste as a valuable resource, the 'Waste Matters' website has been redeveloped with additional features. These include an online forum with specific threads for different business interests, an advice centre with up to date information on legislation and useful resources, and a section that highlights topics and organisations of interest to business.

## Deliverable C - Boost key sectors of regional significance

### Progress against three year actions:

i) Focus on specific needs of key sectors - Financial and Business Services; Construction; and Logistics

3.82 Yorkshire Forward has supported the construction and development of the new Hull Logistics Institute, based at the University of Hull. The Institute aims to attract new regional investment and accelerate economic performance in the region through leading edge research, education, consultancy and technology transfer by direct engagement with the SME business community. 720 businesses have already been supported through a resource centre containing both virtual resources and a library on-site and a business support programme for SMEs. The institute has developed a range of degree courses and other training programmes in subjects related to logistics and a comprehensive seminars and events programme.

3.83 Leeds Financial Services Initiative (LFSI) - a partnership organisation dedicated to supporting businesses working in the financial and professional services sector in Leeds and to assisting those looking for services or seeking to establish a presence in the UK - continues to play an important role in developing the brand of Leeds (and increasingly the wider city-region) as a financial centre both nationally and internationally, promoting Leeds as a key part of the UK financial services industry.

3.84 Key activity to support the financial services sector has focused on meeting the skills needs of the industry required to keep it competitive in the 21st Century. The National Skills Academy for Financial Services Yorkshire and Humber was launched in June 2007. The first of a series of academies across the country, the Academy provides a single source for recruitment, training and education for the sector in the region. The Academy aims to increase numbers of highly skilled people going into the sector; further improve training for existing employees; make training more relevant to business needs; and provide real business benefits for employers in financial services.

3.85 Similarly the National Skills Academy for Construction, led by the Construction Skills SSC, is a new approach to delivering tailored and relevant on-site training in construction skills, recognised as a key need within the industry. Designed to address the strong demand for professional and technical staff and building on the solid foundations laid down by the apprenticeship framework, the Academy aims to increase the skills of construction workers and managers by providing on-site learning for entire project teams including workers down the supply chain. Employer-led, it ensures workers and managers are trained in the skills needed to deliver building projects to standard, on time, and to budget.

ii) Deliver the Strategic Framework for the Visitor Economy and its focus on visitor spend, quality, sustainability and innovation.

3.86 The last 18 months have seen a change of RES lead role with Yorkshire Forward taking on responsibility as the lead organisation for the delivery of the Strategic Framework for the Visitor Economy.

3.87 The framework is successfully focusing a collective regional effort on growth and value in the sector. Structural changes are now in place, establishing Yorkshire Tourist Board (YTB) as the regional tourism marketing agency responsible for bringing visitors to the region.

3.88 Six tourism partnerships have been set up to complement YTB, and bring together local authorities and the private sector to focus on improving the visitor experience. These partnerships facilitate and encourage tourism development, inform and manage visitors, work closely with other partners in their sector and carry out local promotional activity to help achieve the region's aspirational target of 5% annual growth in the value of the visitor economy.

3.89 Partnerships are also working to develop specific actions on sustainable tourism within their area plans (particularly in North Yorkshire), and YTB have implemented a sustainable tourism charter for their members.

3.90 An investment of £2.3m was made in support of the framework, which has led to overseas promotion being delivered by YTB in Belgium, Netherlands and Spain with encouraging results.

iii) Campaign to attract tourists from abroad as part of a North of England initiative, focused on Europe and USA markets

3.91 England's North Country has been working with VisitBritain and their overseas offices representing India, USA, Italy and Germany to undertake a market planning exercise and regional partners have agreed campaign briefs and proposals for activity sharing. A pilot campaign to engage key private sector organisations including BMI, Jet2.com, and P+O ferries was launched in October 2007.

## Deliverable D - Improve business support to support growth and cut red tape

### Progress against three year actions:

i) Use the Better Deal for Business framework to improve the clarity and customer focus of business support, backed by specialist support for innovative/high growth companies in clusters and key sectors

3.92 Yorkshire Forward has undertaken a review of business support in the region, within the context of the Better Deal for Business (BD4B) framework and the RES. The key outcomes of the review were designed to fully embed the principles of BD4B within all business support funded or influenced by Yorkshire Forward. Good progress has been made on transforming business support, with main contractors identified to deliver the new Business Link service and develop a Regional Knowledge System. The programmes of business support are fully developed and operational plans are being worked up.

3.93 A second key element of the business support simplification process was bringing together the various providers of support services into one place. This has been achieved through the new regional Yorkshire and Humber Business Support Partnership. The partnership will oversee the management, delivery and development of business support funded by public bodies as well as: agree regional priorities for business support; ensure that any new initiatives fit with existing provision; ensure that partners and providers operate with the needs of business in mind; and establish a common set of performance measures.

ii) Bring universities into the Better Deal for Business framework for both R&D and higher level skills

3.94 The inclusion of the region's universities within the BD4B framework has been progressed on two fronts - the Regional Innovation Strategy and the implementation of the Business Support Review - clarifying the role for universities in developing the region's businesses and providing a clear rationale for them to be incorporated within the business support network.

iii) Support initiatives to cut the impact of red tape on business, including intelligence and influence on future EU legislation

3.95 The Yorkshire and Humber Chambers of Commerce-led regional Red Tape business support service continues to be delivered. The service has been very well received by business and continues to achieve high levels of customer satisfaction and perceived business benefit. The service which is overseen by a regional advisory group, comprising regulatory bodies and business support organisations includes an award-winning website, regular newsletters and a wide range of legislation fact sheets that are Plain English accredited. Yorkshire Forward has extended the Red Tape project until 1 April 2008 when the new Business Link Regional Gateway will assume responsibility for advice and support on regulatory matters.

## Deliverable E - Apply best practice for business success and to recruit/retain good staff

### Progress against three year actions:

i) Develop a programme of business leadership training and promote best practice management techniques

3.96 The Northern Leadership Academy, established through the Northern Way, has developed a series of innovative online leadership courses which promote best practice management techniques. Courses focus on the concept of 'distributed leadership' in the SME, voluntary and community sector and public sectors, advancing the idea that leadership is a collective, rather than an individual, activity.

ii) Promote healthy and safe workplaces to boost productivity

3.97 A variety of initiatives promoting health and safety at work have taken place in the region, with the support of business and partners.

3.98 Safe manual handling was the focus of an event organised by Bradford Area Occupational Health and Safety Forum, a partnership that includes the Health and Safety Executive (HSE) and representatives from public, private, voluntary and trade union organisations. The event highlighted common problems and solutions to these, including good practice to avoid strains on the body.

3.99 York Council's Environmental Health Department and the HSE promoted a week-long campaign in York to raise awareness of a variety of health and safety issues, combining this with a more rigorous programme of inspections of premises in and around the York area.

3.100 In Doncaster, the HSE and major construction industry firms arranged a Construction Safety, Health and Awareness Day to highlight key issues and give practical advice on how to avoid risks on construction sites. Topics covered included working at height, manual handling, personal protective equipment, risk assessment, and health and lifestyle issues.

iii) Promote Corporate Social Responsibility – including equality/diversity and environmental good practice

3.101 ACAS have delivered over 60 training courses for employers on equality and diversity in the workplace since July 2006, in addition to engaging with senior management on reviewing equality and diversity policies and checking behaviours against equality standards. ACAS have also offered conciliation in discrimination cases and the regional helpline has offered equality advice to over 3,500 callers since July 2006. In a strategic context, they have led a regional conference for HR practitioners and Trade Union officers on diversity in May 2007 and are also leading a national task group on migrant workers.

iv) Promote good practice in employee relations

3.102 The Employee Relations Forum has produced an extensive guide for employers and employee groups on effective joint working and run two successful conferences on employee relations for HR practitioners and academic bodies.

## Deliverable F - Help businesses to win and expand markets through supply chains, trade and procurement

### Progress against three year actions:

i) Develop regional supply chain initiatives and 'Virtual Enterprise Networks' that provide business and employment opportunities in the region

3.103 Supply chain activity over the year has seen a number of developments. Investment in the Logistics Institute in Hull and the creation of the European Centre of Excellence in Automatic Identification and Data Capture (AIDC) in Halifax has positioned the region strongly in the area of new disruptive supply chain technologies. Such technologies are revolutionising supply chain management with the market for Radio Frequency Identification (RFID) alone growing at 30% per annum and expected to reach \$12 billion by 2008.

3.104 Since moving from being a Yorkshire Forward pilot project to become a separate group of companies in 2006, Virtual Enterprise Networks have continued to operate successfully offering SMEs and large procurement customers involved a real competitive advantage.

ii) Develop NHS, local authority and other public sector procurement policies to enhance local business opportunity

3.105 Procurement policy development in the NHS has progressed well over the past 12 months. The Yorkshire and the Humber Commercial Procurement Collaborative (CPC) has been established, consisting of a team of expert buyers and other staff. The CPC has established a number of successful pilots to demonstrate the benefits of local and collaborative procurement. These pilots range from local food procurement to recycling. Where possible the project has worked with partners to utilise their skills and expertise. This policy has led to a greater NHS awareness of projects such as Recycling Action Yorkshire and the potential to work with local businesses to achieve environmental benefits and efficiency savings. Yorkshire Forward are now developing a long term strategic partnership with the CPC to maximise the opportunities for local businesses in NHS procurement.

3.106 The Yorkshire and Humber Centre of Excellence continues to develop collaborative procurement initiatives on behalf of local authorities. An innovative web based Supplier and Contract Management System has been developed to make contracting with local authorities in the region easier and more accessible, ensuring the procurement process is transparent and more open to local businesses.

iii) Promote more trade and international exporting

3.107 Passport to Export and the Targeted Export Support Scheme continue to operate well though Yorkshire and Humber yet companies here still export fewer goods than those in other regions. Work on developing the North of England's only World Trade Centre in Hull has progressed well, with Peter Mandelson – the EU Trade Commissioner - opening the centre in September 2007.

iv) Seize opportunities provided through e-business and good use of ICT and broadband

3.108 The ICT Regional Benchmark Study 2007 commissioned by Yorkshire Forward has shown that the region is making progress in seizing the opportunities presented by e-business. While indicators of adoption have increased in a number of areas, work still needs to be done to move companies beyond basic adoption and into more value added areas such as online trading. Many businesses in the region still do not have an internal ICT resource or provide ICT training to staff, holding back adoption rates as companies lack the internal pressures to adopt and become more competitive. Encouragingly, of the companies surveyed many more were aware of support in the marketplace, with awareness levels rising by 18% from 2005 while there has been a 15% increase in those making use of support.

3.109 The Yorkshire and Humber ICT Partnership brings together a mixture of public and private organisations including Yorkshire Forward, Business Link, BT, Microsoft and Sun to drive ICT adoption rates across the region. Over the past year the group has worked together to establish common ground and to add value to existing public sector work such as e-Business Unlimited delivered by Business Link and the AIDC Centre based in Halifax. The group this year has developed a list of eight priorities that they can all adopt and are working together to achieve them. Over the next 12 months work will be undertaken to align the marketing campaigns of the members to ensure a consistent and regular message is communicated to the region's businesses regarding the business benefits of ICT.

v) Make the most of universities as businesses that trade globally and attract overseas students and investment

3.110 The Centres of Industrial Collaboration (CICs) demonstrated extraordinary success in expanding the activities of universities as businesses. The CICs enabled this expansion by facilitating the transfer of skills and technology from universities to small and large companies, encouraging greater levels of research and development and industrial innovation, which has in turn, led to increased trade and investment being drawn in from overseas. The project has created a network of self-sustaining, business-focused centres from within the region's universities. The culture change within the region's universities has meant that universities have used the CIC model internally to develop their own technology transfer programmes, resulting in faculty business development managers operating in a much more commercial manner.

3.111 The CIC initiative is increasingly being seen as a model of good practice in the UK and internationally, and was recently short-listed for the IRE European Innovation Scheme Award where it was praised for its impact on the region, its future prospects and the sustainability and adaptability for use in other regions across Europe. The success of the programme has also been recognised nationally with the Secretary of State for Education and Skills crediting the CICs as "leading the way in transferring knowledge by promoting much more effective linkages between universities and business".

# Objective 3: Skilled People – Benefitting Business

3.112 The people of Yorkshire and Humber have a unique reputation and they give the region its character. The future prosperity of the region and productivity improvements depends on the skills and aspirations of its people. People with a 'can do will do' attitude to life are vital if we are to have a world class economy. We also need the right skills to meet the demands of modern employers. We need to know what will be needed in the future so we can respond rapidly to the skills needs of employers, and perhaps most importantly we need to increase the skills of our people so they can take full advantage of economic opportunities. This Objective covers all aspects of skills from raising aspirations and achievements for individuals to meeting employer needs and helping individuals to fulfil their potential. It addresses market failure in terms of ensuring individuals and businesses fully appreciate the value of skills and learning, and how education and training can better meet the needs of the region's economy.

## What we will achieve by 2016:

- Many more young people in education or training until age of 19.
- Transformed curriculum and educational performance for young people up to age 19 – closing the gap with national average on GCSE attainment and beyond.
- Big increase in the numbers of people with basic skills and above, with 'Level 2+' as the norm.
- More graduates in the region.
- The economy's skills needs met by improved links between supply and demand and less work without training.

## Where we are now:

Many more young people in education or training until age of 19

3.113 The proportion of 16 and 17 year olds in the region staying on in education and work-based learning has remained broadly the same for the past five years. The range between the best performing region and the worst is generally between four and seven percentage points. The region consistently sits amongst the lowest of the nine English regions.

Table 2: Proportion of 16 and 17 year olds in education and work-based learning

Proportion of 16 and 17 year olds in education and work-based learning					
	2001	2002	2003	2004	2005
England	78	79	79	80	81
Y&H	78	77	77	78	77

Source: Department for Children, Schools and Families, Participation in Education and Training of 16-17 year olds, June 2007.

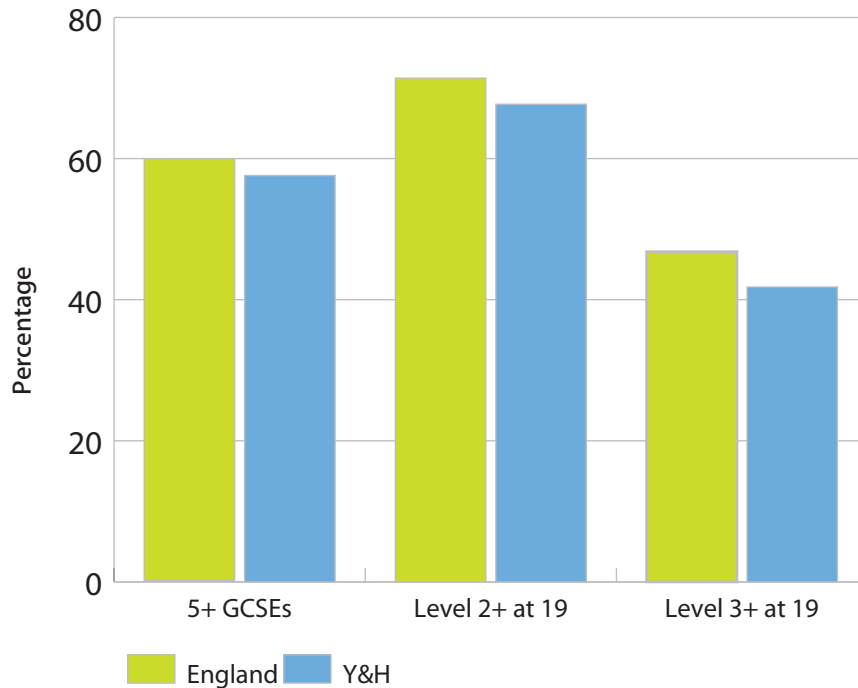
## Transformed curriculum and educational performance for young people up to age 19 – closing the gap with national average on GCSE attainment and beyond

3.114 Between 2001 and 2007 the gap with the England average for attainment of 5+ GCSEs grades A\*-C narrowed from 5.4 percentage points to 2.2 percentage points. The region however still ranks the lowest of the nine English regions with regards to GCSE attainment, a position that is maintained at age 19 for Level 2+ and Level 3 qualifications (where the gap has actually widened since 2004).

## Big increase in the numbers of people with basic skills and above, with 'Level 2+' as the norm

3.115 In 2001, 60.4% of working age people in the region were qualified to Level 2 or above, compared to the England average of 63.3%. By 2006, this had increased to 64.5% (compared to the England average of 67.3%), thus narrowing the gap to the national average by only 0.1 percentage point and representing 1,970,300 working age people.

Figure 5: Young Peoples Attainment at Level 2+ (2007) and 3 (2006)



Source: Department for Children, Schools and Families, GCSE (2006/07 release in Jan 2008) Level 2+ and Level 3 attainment by young people aged to 19, June 2007.

## More graduates in the region

3.116 In 2005/06, the region had 194,485 students studying at HE (at all levels) – 8.3% of the UK total. This breaks down into 112,805 undergraduate students – 8.8% of the UK's total; 36,845 students classified as 'Other Undergraduates' (7.2% of the UK's total); and 44,835 postgraduates (8.2% of the UK's total).

3.117 The region is a net importer of graduates, and the report "Three Years On...A Survey of the Early Career Paths of the Graduates of 2001" from Yorkshire Universities found that by six months after graduation, 64% of students were still living in the Yorkshire and Humber region and 46% were three years later.

3.118 That said, only 22.7% of the region's working age population is qualified to Level 4 or above (compared to the England average of 27.1%) – a gap that has actually widened since 2001.

## The economy's skills needs met by improved links between supply and demand and less work without training

3.119 Broadly, the proportion of people receiving work-related training in the region remains in line with the national average. The region currently ranks 6th out of nine for the proportion of working age people receiving work-related training in the past 13 weeks (compared to 3rd in 2001).

Table 3: Percentage of working-age people receiving job-related training in the past 13 weeks

Percentage of working-age people receiving job-related training in the past 13 weeks							
	2001	2002	2003	2004	2005	2006	2007
England	23.0	23.0	22.3	22.1	22.1	22.3	21.0
Y&H	23.0	23.1	22.8	21.9	22.0	20.5	20.2

Source: Office for National Statistics, Local Labour Force Survey (2001-2003) and Annual Population Survey (2004-2006, Jan - Dec). 2007 figure is for April 2006-March 2007 – latest data).

## Policy implications

3.120 Raising education and skills levels remains a pressing need. The region is making absolute progress on most skills measures. It remains the case however that progress is not sufficient to close gaps with national averages, some of which continue to widen. This is most notable on higher education levels and improvement in educational attainment.

3.121 Poor educational attainment has a significant impact on the economy, and failure at age 16 to reach at least a Level 2 costs the region significantly in 'catch-up' in post-16 provision with knock on effects including impacts on workforce qualifications, high numbers 'not in education, employment or training' (NEET), the cost of youth crime on the region's economy, the cost of benefits, and reduced productivity in the region's businesses.

3.122 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. Understanding current and forecast skills demand and supply will be vital in achieving this and in helping policy makers in the region to ensure that provision of further and higher education moves more in line with what employers are likely to need in the future, thus avoiding skills gaps in some areas and over-supply in others

## Deliverable A - Create a new enthusiasm for learning and increase attainment

### Progress against three year actions:

i) Promote the benefits of learning to children, parents and employers

3.123 Local authorities and schools across the region continue to promote the benefits of learning to children and parents through locally targeted campaigns. Key has been the roll out of the 'Extended Schools' programme to provide a range of services and activities, often beyond the school day, to help meet the needs of pupils, families and the community. This may take the form of out-of-school learning activities, as well as health and social care, childcare, adult education and family learning, leisure activities, and ICT access. A key element of the Government's 'Every Child Matters' framework, the programme is helping to develop a multi-agency approach, developing links and collaboration between organisations such as schools, social services, healthcare professionals, employment agencies and the police. Area Wide Prospectuses are also helping local authorities to provide information and guidance to 14-19 year old learners. In this, Kirklees has attracted national interest through its "Together We'll Succeed" campaign targeting parents and young people; Bradford is one of six LAs invited by DCSF to pilot work on take up of childcare by BAME families; and York's Parenting Early Intervention Pathfinder Project is working with identified groups of vulnerable families.

3.124 Promotion of the 'Train to Gain' service for employers and their employees has been a primary focus for the LSC. Launched in July 2007 and set to run for a minimum of 24 months, the campaign has highlighted the benefits of training to businesses. A major campaign "Our Future, it's in our hands" – was also launched, designed to promote a culture of lifelong learning and progression for existing learners.

3.125 Local authorities have also been active in this area. Calderdale for example has been working with businesses in targeted sectors to promote the benefits of employing a skilled workforce and to support them in accessing skills grants to upskill existing employees. In total 180 employed people have been supported with learning over the period July 2006 - August 2007. Elsewhere, for example East Riding, has worked to develop a multi-agency employer engagement strategy; Sheffield has created an Employer Executive to steer local skills and employment strategies; and Wakefield has held seminars for local businesses.

ii) Apply best practice in teaching that motivates children to learn and perform well beyond primary school

3.126 Local authorities across the region are operating high quality Continuous Professional Development Programmes, applying best practice to ensure teaching achieves the highest quality in schools. National reviews of both frameworks for literacy and mathematics in primary schools, and of the secondary curriculum are also offering opportunities for local authorities to work with schools to drive up teaching standards.

iii) Improve educational and training provision to raise the number of young people gaining qualifications

3.127 Building on a successful model developed in London, the LSC is working with partners in developing the 'Yorkshire Challenge'. This focuses on building "a world class 14-19 education and training regional environment focused within the Every Child Matters' framework." The challenge will seek to engage young people in decisions about their lives; identify where effective strategies have tackled long-standing problems; develop collaboration across education and training providers and employers; and close skills gaps so young people can take up employment opportunities and further learning.

3.128 Created to provide a real alternative to more traditional education and qualifications, the introduction of 'Diplomas' across the region will give young people a real alternative to traditional academic learning and provide a fully rounded qualification, which combines theoretical and practical learning, including functional English, Maths and ICT, to equip them with the skills they need for further or higher education and long-term employability.

3.129 Authorities are also working with schools to tackle barriers to learning and to identify the groups of young people who are under-achieving and to develop targeted support to help them to meet their potential.

iv) Increase take up of subjects linked to economic success – including ICT, Maths, Science, Technology and Major Modern Languages

3.130 Yorkshire Forward has led the development of a Regional Science, Technology, Engineering and Maths (STEM) Board, bringing together all regional strategic and funding organisations to agree and monitor key performance indicators and maximise the impact of all funding for STEM coming into the region. Contracts are now in place to deliver over £9m of investment in STEM related activity. The projects are aimed at increasing the level of student participation, achievement and progression into STEM based subjects and careers.

3.131 Projects underway include the STEM Support Centre for Yorkshire and Humber to bring together information on STEM schemes, events and opportunities;

Space Circus and Space Connections, both using space as a theme for delivering STEM learning; and Crea8te Maths focusing on creating strong curriculum resources for maths teachers. In the sub-regions, Green STEM is using environmental issues as a theme to increase STEM uptake in Humber; WOW is working in West Yorkshire centering on creative and digital technologies; the RA3 project is based on Raising Aspirations, Attitudes and Achievement in South Yorkshire across STEM subjects; and a holistic approach is being taken in North Yorkshire to embed STEM activity in all primary and secondary schools.

3.132 Local authorities are also working in this area. York for example has developed a wide range of STEM initiatives and has worked closely with North Yorkshire's Business Education Partnership to establish opportunities for pupils to access local businesses and resources such as York Science Park, York University, York & Hull Medical School, Yorkshire Museum, and the National Science Learning Centre.

3.133 The Regional Languages Network continues to work with businesses delivering activities to improve the region's language capability. This includes integrating languages into workforce development planning and working closely with partners, businesses and education providers to promote awareness of the value of languages for employability.

v) Reduce the number of young people not in education, employment or training, and improve progression routes into/between all levels of learning

3.134 The Connexions service continues to operate in each sub-region, providing information and advice to young people aged 13-19 and continues to be a key tool to reduce the number of young people not in education, employment or training (NEET).

3.135 The LSC and local authorities also play a vital role in trying to meet challenging targets in this area and a range of actions have taken place to assist in reducing the number of young adults in the NEET category. These have included a regional LSC NEET strategy and multi-agency Economic Wellbeing groups within each local authority area. The majority of areas now have the number of young people in the NEET category as a recognised target within Local Area Agreements and it is reflected in Children and Young People plans across the region. This refined strategic coherence has led to far greater concentrated, multi-agency working to tackle the issue.

3.136 Every school leaver in the region has been given an unconditional offer of training or continued education if they wish to take this option and a wide range of provision is in place including pre-16 flexible vocational activity, particularly aimed at Key Stage 4. Post-16 provision is including Entry to Employment, Entry and Level 1 provision through Further Education and a general expansion in European Social Fund activity.

3.137 Areas that have done particularly well and reduced NEET are Barnsley, North East Lincolnshire, and Sheffield. Bradford has been most successful with NEET figures falling 25% from 2004/05 to 2006/07. However the overall performance against the NEET target in Yorkshire and Humber remains mixed with numerous barriers still in existence. The most significant of these is engaging and re-motivating vulnerable groups with multiple needs and more needs to be done to target more appropriate provision at these groups through a tailored individual offer.

3.138 Future activity to assist in reducing NEET will involve a wholesale evaluation of the NEET group to develop more appropriate provision, a greater focus on activity in local areas involving case conferences and joint action planning, and working with Government Office and the development of a more comprehensive programme to tackle the NEET group called the Foundation Learning Tier.

vi) Make information on job/learning opportunities better integrated and easier to access and understand

3.139 Jobcentre Plus and the LSC are working closely in partnership to ensure employment and training opportunities are delivered in a joined up way. Joint plans are helping to identify gaps, tackle skills issues in the region, and prevent duplication of provision, whilst joint protocols are helping to bring benefits to both parties. Through the protocol, Jobcentre Plus staff are able to refer employers to the Train to Gain brokerage service for advice on training, and in turn brokers refer employers who wish to place a vacancy or to discuss services to Jobcentre Plus. In addition brokers are able to help employers develop vacancies with training that suits Jobcentre Plus priority customers.

3.140 A number of programmes designed to ensure greater accessibility are in operation including schemes targeting lone parents, and ethnic minorities. Outreach programmes designed to target and support those who are not in contact with Jobcentre Plus services and are neither working nor claiming benefit have been established. The Partners Outreach for Ethnic Minorities pilot in West Yorkshire seeks to target non-working partners of low-income families in groups who face particular barriers to employment and are based in areas of disadvantage and high ethnic minority population. The project began in February 2007 and to date 42 customers have enrolled on the programme. ESF co-financed projects are providing job search advice and practical support at the heart of local communities, such as libraries and GP surgeries, making job and learning opportunities more accessible e.g. North Yorkshire's 'Outreach Plus' aims to help unemployed and economically inactive people in rural North Yorkshire to find work.

## Deliverable B - Improve basic skills and skills for everyday work

### Progress against three year actions:

i) Develop basic skills including ESOL, vocational and core employability skills

3.141 The LSC continues to work with Further Education, the Adult and Community Learning Fund, private training providers and Learn Direct to deliver its 'Skills for Life' programme. The LSC is also working to form Joint Investment Frameworks with the NHS and IDeA (the Improvement Development Agency), to ensure that employees receive the skills development they require. Improvement in basic Skills for Life will form a major element of these frameworks.

3.142 'Skills for Jobs' aims to link those looking for work with employers/sectors where vacancies exist. It works to upskill people to be able to attend interview and take up vacant positions. Skills for Jobs will target low skilled adults aged 19+ who are not in work but who want to work and is intended for those who are almost job ready. This will include people who have been made redundant, particularly older people or women returners; people on incapacity benefit who are now ready to return to work, but who may need various types of support to enable them to do so; lone parents, people from BAME communities and ex-offenders.

3.143 The Employability Skills Programme aims to develop employability and basic skills, including basic maths and English. Working with clients referred from Jobcentre Plus, the programme will also provide additional support for job search, addressing personal issues, accessing placements, and accessing sustainable employment.

3.144 English for speakers of other languages (ESOL) continues to be made available for priority groups. Recent policy changes relating to the funding of ESOL programmes are being monitored by the LSC to ensure the region can continue to meet demand.

ii) Encourage the take up of Level 2 qualifications

3.145 Work by the LSC and FE colleges to encourage Level 2 skills extends across the region. Despite a slow start, the 'Train to Gain' programme has been successful in contributing to the take up of Level 2 qualifications.

3.146 In South Yorkshire, over 3,000 adult employees and around 2,700 employers started Level 2 qualifications in 2006/07 through Train to Gain. The numbers of full Level 2 participants that the LSC is funding in FE colleges in South Yorkshire has risen from 5,300 in 2005/06 to over 7,100 in 2007/08. In the Humber, the LSC has agreed stretching Level 2 and Level 3 targets with providers in order to continue raising achievement by age 19. Full Level 2 participation increased in the sub-region by 13% in 2007/08. In West Yorkshire, Train to Gain has been very successful; with 4,672 Level 2 starts between August 2006 and July 2007. The LSC is also supporting initiatives to encourage young people to continue in learning and ultimately work towards Level 2 qualification. These include key stage 4 schools engagement programme, Increased Flexibility Partnerships, and 'Parents to Be' looking at young parents and preparing them for a return to mainstream learning. In North Yorkshire, development of a 'Rural Skills Academy' will offer a range of progression opportunities including Level 2 qualifications in land based and associated skills in the area.

3.147 The Northern Way and Yorkshire Forward have also invested in Level 2 qualifications. Through Northern Way, aligned to Train to Gain, activity is testing different approaches to engaging learners to achieve Level 2 qualifications. Activity in the region has focused on additional ways of delivering to learners in the retail sector. The investment, delivered by Park Lane College in Leeds was deemed very successful and a further 300 Level 2 qualifications in the retail sector have subsequently been commissioned. A further investment in up to 500 Level 2 qualifications, predominantly in food and drink manufacture has been made by Yorkshire Forward. The uptake of NVQ at Level 2 is historically low across the sector and it is estimated that less than 20% of the sector's workforce have achieved a food and drink Level 2 qualification since NVQs became available.

3.148 Led by an active partnership of leading education and skills sector agencies across the region, the Yorkshire and Humber Digital & ICT Skills Action Plan 2005-2009 ('Digital 2010 - Skills for a Connected Region'), sets out a co-ordinated strategy for improving digital skills over the next four years. Now in its second year of roll out, delivery of Digital 2010 is well underway with activity taking place on all 37 recommended actions. An evaluation of work to date has noted that although in its early stages and as such too early to gauge overall impact, implementation is working well and all partners recognise that there is great potential in the plan.

3.149 In schools and colleges, the Digital 2010 Local Authority 14-19 Education Reference Group is working with Skillsset to support the regional consortia selected to run the Creative & Media Diploma from September 2008. Eight consortia of schools and colleges across the region have successfully applied to introduce the new Diploma in IT for 14-19-year-olds from September 2008. Group is working with e-Skills UK to support the consortia as they prepare to deliver the new qualification.

3.150 The Universities of Hull and Sheffield have both introduced the Information Technology Management for Business (ITMB) degree from September 2007, designed to develop the range of technology, business and personal skills employers need. Digital 2010 is currently planning an ITMB showcase to bring the latest developments to the attention of practitioners across the region.

3.151 The Information Technology Qualification (ITQ) is focused on developing the skills of people who use IT in their everyday jobs. Digital 2010 is supporting an ITQ Best Practice Group to bring together a network of people involved in the delivery of ITQ for practical advice and support in how to disseminate and deliver ITQ.

## Deliverable C - Improve skills for technicians, crafts people and managers

### Progress against three year actions:

i) Identify and address priority areas of business where skills shortages are affecting productivity.

3.152 The LSC has led extensive engagement with the twenty five Sector Skills Councils (SSCs) and other organisations, such as the Training and Development Agency for Schools (TDA) to ascertain priority skills areas for the region. A number of key sectors have been identified in line with Sector Skills Agreements and these are also clearly reflected in the sector-based focus of the Train to Gain service in the region.

3.153 Initial work to address this action was slowed due to the lack of specific LSC sector focused data (this is a national situation and does not reflect as just a regional problem) relating to the supply and demand within training and development provision. Work is underway to address these deficiencies through the development of a supply side data analytical tool that is aimed at linking current LSC funded qualifications with SSC footprints.

3.154 Building on the successful Directions Finningley, operation a multi-million pound Airport and Aviation Academy has been launched at Robin Hood Doncaster Sheffield International Airport. Sited in a 55,000 square foot hangar, the Academy is the first of its kind in the country to offer such a wide range of training and employer support in a working airport environment. Managed by a Community Interest Company, set up by Yorkshire Forward in partnership with Doncaster College and North Nottinghamshire College, the facility enables students to undertake a comprehensive range of training courses using state of the art facilities in skills ranging from cabin crew training through to aircraft maintenance.

3.155 As noted under objective 2ci, the National Skills Academy for Financial Services Yorkshire and Humber has been launched and is providing a single source for recruitment, training and education for the sector in the region. The Academy aims to increase numbers of highly skilled people going into the sector; further improve training for existing employees; make training more relevant to business needs; and provide real business benefits for employers in financial services.

ii) Make the most of apprenticeships and pilot apprenticeships in Health and Social Care, Construction and Engineering

3.156 Sector specific Apprenticeship Frameworks are being delivered through Further Education and work based learning, with numbers increasing year on year. Take up of apprenticeship placement is currently greater in the younger age group across Social Care, Construction and Engineering. There is much support from the SSCs to engage with employer groups to share the value of apprenticeships in their workforce and we have seen the recent introduction of Apprenticeship for Adults covering the areas of Health and Social Care, Construction and Engineering.

3.157 Apprenticeships have not traditionally been seen as of value to the workforce within sectors such as Health. This has now changed as a result of an initiative called JIF (Joint Investment Framework) which shares areas of good practice and how apprenticeships can be a valuable part of their Workforce Reform strategy.

3.158 As noted under objective 2ci, the National Skills Academy for Construction, led by the Construction Skills SSC was launched to increase the skills of construction workers and managers by providing on-site learning for entire project teams including workers down the supply chain. Employer-led, it ensures workers and managers are trained in the skills needed to deliver building projects to standard, on time, and to budget.

## Deliverable D - Improve the skills of people already in work and the potential workforce.

### Progress against three year actions:

i) Deliver Train to Gain using the brokerage model within the Better Deal for Business Framework

3.159 Train to Gain in the region has adopted a sector based approach to brokerage. Yorkshire and Humber is the only region to do this. Six specialist brokers are delivering activity across 12 priority sectors through a process that ensures that Better Deal for Business principles apply to all Train to Gain activities. The service is available for all employers across the region irrespective of their sector.

3.160 Initial uptake of the scheme was slow with limited direct marketing activity and a poor performing 'telebrokerage' service. To address this, a Regional Co-ordination Centre was introduced to increase the number of employer leads secured for brokers. This has seen a significant improvement in performance with good progress against targets being made. A major barrier has been that providers, employers and partner organisations have regarded Train to Gain as only being concerned with Level 2 qualifications and much work has been needed to explain the service fully. Responsibility for Train to Gain brokerage services now sits with the RDAs.

ii) Improve the quality flexibility and responsiveness of education and training providers

3.161 A Regional Quality Improvement Partnership (RQIP) has been established to look at the quality, flexibility and responsiveness of education and training providers and to identify the improvement needs and priorities for the region. Meetings of the RQIP are convened and chaired by the LSC. Core members are FE colleges, education and training organisations, the Association of Colleges, the Association of Learning Providers, the Quality Improvement Agency, the Inspectorate, Lifelong Learning UK and Government Office Yorkshire and Humber.

3.162 Improvement priorities include increasing 16-18 participation; addressing those NEET; raising attainment, with particular attention on achievement between ages 16 and 19; and promoting inclusion through learning by raising the achievement of people from disadvantaged backgrounds.

3.163 The focus of the RQIP is to ensure that regional and national skills resources are used effectively to support these improvement priorities; and the RQIP is supporting the integration of a wide range of resources to ensure rapid improvements are made in these areas.

3.164 The development of 'Framework for Excellence' and its implementation in the region will support the work of the RQIP. The Framework has been developed by the LSC to help increase both the quality of FE provision and the way in which that provision meets the needs of all users. It will also simplify the way employers and learners choose the provider best-suited to their needs.

iii) Meet the needs of employers and individuals in growth businesses

3.165 The Train to Gain service has adopted a sector-based focus identifying key sectors<sup>2</sup> in terms of low skill levels and/or size in the region and/or potential for growth in employment or GDP.

3.166 In addition to this, Yorkshire Forward continues to invest in targeted activity to meet the skills needs of the region. One such project aims to identify the emerging technologies needed in the Advanced Engineering and Materials sector over the next ten years and addresses the skills gaps created by these rapidly emerging new technologies. Training is required in areas including powder metallurgy, surface engineering and composites, if the sector is to increase its' international

competitiveness. Industry has been given the opportunity to shape investment and training provision, as well as identify emerging and existing technical skills gaps, and develop solutions to address these needs. The activity includes both accredited and non-accredited training, including post graduate education. A Manufacturing Management Masters course has also been developed offered by the Universities of Leeds, Sheffield and York under the White Rose University Consortium banner .

iv) Work with business, employers and unions to increase employer resources invested in workplace training

3.167 The Train to Gain brokerage role is engaging employers, particularly smaller businesses who have not addressed skill needs in any structured way within the last 12 months, to undertake a full organisation-wide analysis of their skills needs, outlining clearly the training required and which providers can deliver it.

3.168 Relationships between unions, particularly Union Learning Representatives, brokers and providers have been strengthened through formal protocols to ensure that they are involved in discussions on employer needs and can work with providers to support learners in the work place.

<sup>2</sup> Specialist Brokerage is operating in the following sectors: Agriculture, Horticulture and Land-based Industries; Childcare/Early Years; Construction and the Built Environment; Manufacturing; Retail Services; Digital, ICT, Creative and Media; Health & Social Care; Hospitality, Tourism, Sport and Leisure; Ports, Logistics and Distribution; and Voluntary, Community and Faith

## Deliverable E - Improve higher level skills to capture the potential of people with degrees

### Progress against three year actions:

i) Foster excellence in management & leadership skills across the North through, for example, the Leadership Academy

3.169 The Northern Leadership Academy (NLA) has been established through the Northern Way. Created in 2006, the Academy has the task of supporting and stimulating leadership throughout the north. The NLA is supporting the delivery of a range of pilot programmes to promote effective leadership development in public, private and community organisations. With help from additional investment from Yorkshire Forward, the region is building on NLA work to further develop and extend the number of 'NLA Delivery Centres' located in Yorkshire and the Humber. This will extend the existing network of NLA providers to give spatial coverage, and includes representatives from FE, HE and private provision.

3.170 A Leadership and Management (L&M) brokerage service has been developed by the LSC to support the goals of Train to Gain. The specialist service responds to referrals from Train to Gain Brokers where an employer needs more in-depth support to identify and address L&M needs. There has also been the establishment of a Regional L&M Advisory group whose membership includes Yorkshire Forward, the LSC, Chartered Management Institute, Institute of Directors, Providers, West Yorkshire Employers Coalitions, Yorkshire Universities, Train to Gain broker representative, Association of Colleges, Coaching & Mentoring Forum (Sheffield Hallam University) and the SSDA.

3.171 The group, chaired by the Regional Skills Partnership Director aims to use existing L&M expertise to inform the direction and progress of the L&M brokerage, and ensure key stakeholders in the region are informed about the brokerage and other L&M developments.

3.172 Getting employers to contribute financially has been an issue. The grants made available through the L&M Brokerage have not required any element of employer match in an effort to 'kick-start' employer involvement. From 2008/09 available grants will be at a maximum of 50%.

ii) Expand Knowledge Transfer Partnerships that encourage SME's to recruit graduates and apply their skills

3.173 Knowledge Transfer Partnerships (KTPs) have demonstrated continued success in enabling businesses to benefit from the skills of outstanding graduates or highly qualified individuals and the specialist expertise available in the region's knowledge base. KTPs are being supported across the North of England by the Northern Way, covering areas such as Public Health, Energy and Environmental Technologies, Healthcare and Medical Technologies, Creative and Digital Industries and Advanced Materials and Engineering.

3.174 There are many recent examples of KTPs bringing major benefits to businesses in the region through strategic development, business process improvements and the development of new products and services. Leeds City Credit Union and the University of Leeds received the award for the 'Best Application of Management or Social Science' in recognition of the achievements of a two year programme focused on the development of a marketing strategy for Leeds City Credit Union, which has resulted in significant growth in affordable financial services in the city. Sheffield Hallam University and local business Inditherm won a national award for their joint work to develop new heating technology for the construction industry; the University of Huddersfield worked with company Motorworks to develop its IT systems; and the University of York joined with Authentix to develop technology to prevent fuel smuggling and adulteration.

iii) Develop a programme to retain more graduates in the region

3.175 Graduates Yorkshire, Yorkshire Universities' programme to increase the retention of graduates in the region, has gone from strength to strength during the period. It has hosted more than 8,000 jobs from more than 2,000 employers on its website ([www.graduatesyorkshire.co.uk](http://www.graduatesyorkshire.co.uk)), and has 10,000 registered graduates. More than 4,000 careers advice sessions have been delivered and over 70 staff trained in enterprise careers guidance. Work is now underway to ensure that Graduates Yorkshire continues to thrive as a self sustaining organisation from April 2008.

iv) Expand HE provision including Foundation Degrees, and presence in areas such as the Humber South Bank, Doncaster, Barnsley and Scarborough

3.176 Provision of higher education throughout the region has expanded. The University of Huddersfield has developed a university centre in Barnsley, whilst the University of Hull has developed its Scarborough campus, catering for around 1,600 learners. The period has also seen a university centre developed at Doncaster College as part of a new £65m Waterfront campus development, giving students access to some of the best educational facilities in the country. The Hub, as it is known, offers a wide variety of higher and further education courses. The extension of provision at the Grimsby Institute is also providing much needed provision on the Humber South Bank.

3.177 The provision of Foundation Degrees as a gateway into higher education has also increased substantially throughout the region, although it has yet to target all of the areas of skills shortage identified in the RES. An ongoing challenge for HE institutions is to match learner demand with employer demand. There are currently 233 Foundation Degrees running in the region, with the most popular subjects being business, education, health, and art and design. There are approximately 6,750 students on courses, with a full time/part time split of 55:45 representing a 46% increase in Foundation Degree learners from 2005/06 to 2006/07.

## Deliverable F - Use research and evidence on skills needs and business demand to guide action.

### Progress against three year actions:

i) Establish a common regional approach to collect and disseminate intelligence

3.178 A clear regional approach to collection and dissemination of intelligence has been agreed. Yorkshire Futures carry out strategic monitoring of education and skills outcomes whilst the LSC and other relevant partners carry out more detailed co-ordination work on skills research and intelligence.

3.179 In line with this approach, a set of common headline outcome indicators to track progress on skills and intelligence have been agreed by the Regional Skills Partnership. These have since been used to provide a clearer and more focused set of high level indicators monitored and communicated annually through Progress in the Region reports.

3.180 Building on this, Skills and Education has been included as a heading on the Yorkshire Futures 'What Works database' which collates relevant research, evaluations and case studies and allows partners to search for them on [www.yorkshirefutures.com](http://www.yorkshirefutures.com). Major pieces of research have been commissioned exploring young people's aspirations (including on skills, education and careers) and reasons for GCSE underperformance in Yorkshire and Humber and the relative drop in attainment between key Stages 2 and 4 here compared to national average.

# Objective 4: Connecting People to Good Jobs

3.181 Connecting people to opportunity so they can make the most of life is the focus of this Objective. It is about making sure people are not cut off from job opportunities through incapacity, lack of skills, barriers like lack of affordable childcare, or not being able to get to work because there is no public transport – for instance in deprived and rural areas.

## What we will achieve by 2016:

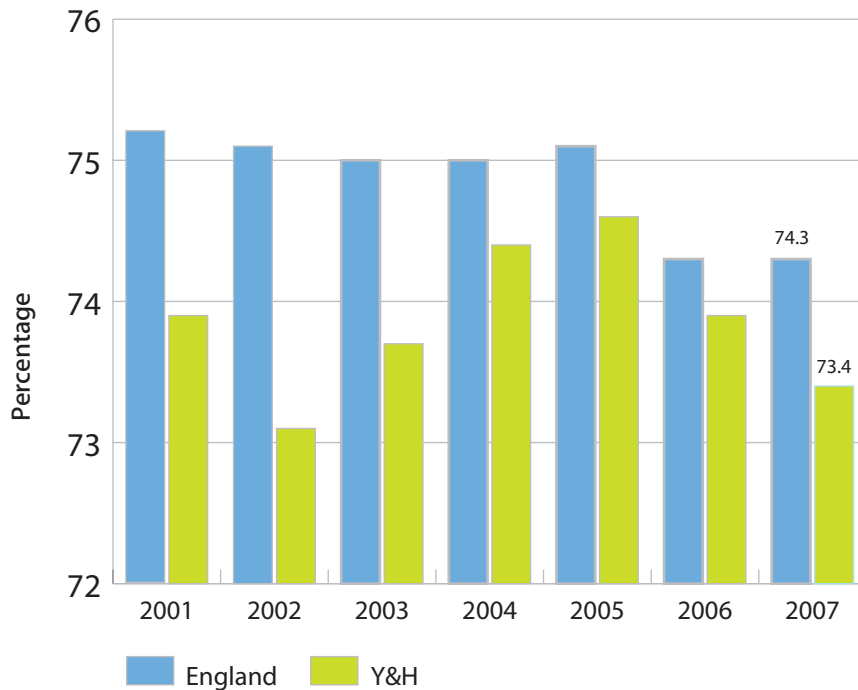
- The goal of full employment in sight
- Made good progress on reducing deprivation, moving over 50 areas out of the most deprived 10% in England.

## Where we are now:

### The goal of full employment in sight

3.182 Employment rates have dropped recently, across England as a whole, and Yorkshire and Humber with 2,242,500 working age people in employment. April 2006 – March 2007 data ranked the region 5th out of the nine English regions for employment levels.

Figure 6: Working age Employment Rates



Source: Office for National Statistics, Labour Force Survey (2001-2005) and Annual Population Survey (2005-2007).

## Made good progress on reducing deprivation, moving over 50 areas out of the most deprived 10% in England

3.183 In 2004, of the 3,248 Super Output Areas (SOAs) in the 10% most deprived in England, 572 were in the Yorkshire and Humber region – 17.4% of the region’s SOAs; where 17.3% of the region’s population lives (860,270 people).

3.184 If the region is to halve the gap to the national average, it will need to reduce the number of SOAs down from 17.4% to 13.7% - a reduction of 121 SOAs in the 10% most deprived.

3.185 In the 2007 update of the Index of Multiple Deprivation, the region had reduced the number of SOAs in the 10% most deprived from 572 to 551 - a reduction of 21. This means that there is now 16.7% of the region’s SOAs in the 10% most deprived, compared to the previous 17.4%.

### Policy implications

3.186 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.

3.187 Better matching people to jobs, and ensuring those people have the right skills and attributes for those jobs, will be a crucial but difficult challenge. It is important that regional and local education, training and careers advice suppliers continue to work with employment focused organisations to support specific groups of people to get them into a work-ready position.

## Deliverable A - Devise and deliver a regional inclusion framework

### Progress against three year actions:

i) Produce a Regional Inclusion Framework in 2006 to identify priority localities to focus on an overall approach plus clear resources and responsibilities

3.188 The Yorkshire and Humber Assembly launched Yorkshire Promise, the Regional Inclusion Framework, on 7 November 2007. The Framework was developed over an eighteen month period in conjunction with Yorkshire Forward, Government Office for Yorkshire and Humber and the Regional Forum, and involved extensive consultation with the voluntary and community sector and local authorities.

3.189 Building upon "Part of the Picture", the region's first report into social inclusion in 2004, Yorkshire Promise restates the regional vision for inclusion, detailing some of the issues faced within Yorkshire and Humber and issuing a challenge to all agencies to be ambitious in their expectations of the level of change that can be achieved. Key challenges identified include inequality, poverty, crime and poor health. Whilst it notes that the extent of deprivation appears to be reducing in the region, it emphasises the need to focus effort on persistent remaining issues.

3.190 In order to meet the inclusion challenge, Yorkshire Promise identifies seven key ingredients for successful intervention; having ambitious targets; embracing diversity; strong leadership skills; involving communities; culture of change; ensuring effective partnership working; and utilising a good model for monitoring progress and effectiveness. With these principles in mind, Yorkshire Promise encourages agencies and groups in the region to develop new and innovative ways of tackling long-term issues of inclusion, emphasising that it is not only what is done that brings about real change, but also the ways in which things are done.

3.191 As part of the roll out, the Assembly, Yorkshire Forward and Government Office will be creating an award scheme that identifies best practice. The Julian Cummins Awards will be created to identify organisations and projects that demonstrate best practice under the seven key ingredients of success. The winning voluntary/ community organisation in each category will receive a bursary of £10,000 to share and develop new and innovative inclusion working practice with others.

## Deliverable B - Develop programmes and projects to tackle worklessness and get more people into good jobs.

### Progress against three year actions:

i) Deliver projects to get people off benefit and into work, including in Hull, Bradford and South Yorkshire

3.192 Jobcentre Plus is engaged in a number of projects designed to reduce the level of worklessness across the region. Projects such as Marks & Starts – the UK's biggest company-led work experience scheme run by Marks & Spencer - are creating opportunities for incapacity benefit claimants region-wide, aligning a high street name with a route back into work. Elsewhere, Local Employer Partnerships and the implementation of 'Pathways to Work' are assisting incapacity benefit claimants back into sustained work and helping to reduce the gap between the percentage of disabled and non-disabled people in work.

3.193 At a sub-regional level, each of the Jobcentre Plus offices in the Bradford, Hull and South Yorkshire districts are working in partnership with local stakeholders to deliver tailored projects aimed at reducing worklessness. In Hull, for instance, the 'Hull Retail Standard' has been developed in partnership with Skillsmart SSC, offering tailored training programmes which ensure recipients achieve a recognised retail standard qualification and receipt of which guarantees an interview with an employer in the sector.

3.194 In Bradford, Fair Cities is an employer-led initiative focused on five of the most deprived wards in the city, aimed at reducing the employment gap between specific Black, Asian and Minority Ethnic Communities (BAMEs) within the city and the national average; whilst the Partner Outreach for Ethnic Minorities programme is designed to engage with partners of employed Pakistani, Somali or Bangladeshi people, helping them into work in Bradford and Leeds.

3.195 In South Yorkshire, the entire sub-region has recently been selected as a City Consortia Pathway, with its four Employment and Skills Boards now established to develop joint employment and skills plans. The consortium has set ambitious targets to increase sub-regional employment rates to 75% by 2010, through

supporting employers, life long learning and those who find it most difficult to access employment, including lone parents and non-workers in low income households.

ii) Use task forces to manage impact of major closures; and work with health, voluntary and private sectors to reduce numbers going onto incapacity benefit

3.196 The restructuring of firms including Birds Eye, Young's Blue Crest, British Sugar, and Nestle have had a significant impact on redundancies in the region.

3.197 Working in conjunction with Yorkshire Forward and the LSC, Jobcentre Plus has developed a Redundancy Strategy, aimed at tackling the impacts of major business closures in the region as they occur and identifying a standard level of service to employers and their employees in redundancy situations.

3.198 Complementing this, the Regional Rapid Response Service (RRS) provides an intensive, flexible and tailored support service to help those facing the impact of job losses through skills transfer analysis and demand-led training. In the last year Jobcentre Plus has managed 12 RRS redundancies, co-ordinating key partners including the RDA and local authorities and setting up taskforces to provide training opportunities and ensure other services are available to affected people. This service is also supported by an Employment Change Manager post based at Yorkshire Forward.

3.199 Jobcentre Plus has also been working closely with the health, voluntary and private sector to identify opportunities for those on incapacity benefit and to assist them into sustainable employment. Examples of ongoing activity include;

- the implementation of Pathways to Work programme, helping Incapacity Benefit recipients into sustained work through tailored support provision and incentives;
- the Able to Work Project, to develop sector based employer engagement activities aimed at increasing vacancy opportunities available to the disabled;
- the Employability Campaign Pilot in Leeds which aims to change employer's attitudes and behaviours towards disabled people and those with long term health conditions; and
- specialist Disability Employment Advisors who work with people who have a health condition or disability and need extra support in finding or keeping a job.

iii) Mainstream employability initiatives in the NHS, targeting areas of deprivation

3.200 The NHS Regional Employability Programme completed its pilot phase in March 2007. Funded by Yorkshire Forward, with the strategic support of other key organisations in the region, including the Yorkshire and Humber Assembly, Jobcentre Plus, Government Office and the LSC, the pilot funded twelve employability sites across the region. These included projects in Leeds, Sheffield, Bradford, York, Scarborough, Halifax, Barnsley, Rotherham, Wakefield and Scunthorpe. A key aim of the programme was to target geographical areas where there were a comparatively high number of economically inactive people, who were also subject to known barriers to employment.

3.201 The programme, the first of its type to be funded by an RDA, has illustrated how an ambitious and challenging policy agenda can be translated into practical action within the NHS itself. Through the support of the 12 pilot sites, partners have been able to innovate, experiment and learn about how employability schemes can be actioned elsewhere and the how the NHS can be utilised to maximise employment. Critically, the project exceeded its targets for both learning opportunities and job outputs, providing 460 job outputs and 1,199 learning opportunities.

3.202 External pressures however have proven challenging in terms of next steps for this specific programme, with the well publicised issues around NHS finances in recent years making a follow up scheme difficult. However, the programme has proven the cost and social benefits that such joint initiatives can bring, fulfilling the potential for future projects elsewhere, and work is ongoing with the NHS around a range of other opportunities.

iv) Use health based, volunteering, cultural, environmental, and 'youthbuild' type projects to provide positive routes into employment

3.203 The voluntary and community sector undertakes a huge amount of valuable work every year across the region delivering projects which help to create pathways to employment through-confidence building, creating social links, opening doors to training, and skills development.

3.204 The Regional Forum, Business in the Community and the Fair Play Partnership continue to work in the region to deliver activity targeted at vulnerable people. In addition, Yorkshire Forward has worked with the Prince's Trust to create a revolving loan fund which the Trust will continue to administrate for the next 10 years.

v) Link young people and local sports teams to assist skills, inclusion, regeneration and health

3.205 Through the Yorkshire Plan for Sport, initially launched in 2004, the region has identified six priorities to take forward to further sport related activity, which include building delivery, performance and capacity in the region to take forward sport related activity; assisting with capital infrastructure; promoting sport; and assisting in integrating sport into planning.

3.206 In response, Sport England and its partner organisations have supported an array of activity within Yorkshire and the Humber over the last two years, with Sport England Yorkshire having been allocated £18,000,000, from the Sport England Community Investment Fund, to distribute over the period 2006-09. Recent projects supported in 2007 include a physical activity programme in Batley for South Asian women and support for sport activity at St Wilfred's Centre in Sheffield. Currently £4.3m has been allocated within the region for sports clubs and coaches through to 2010. Alongside this, other partners are also working on the sports agenda. This includes Yorkshire Forward, which has put in place financial backing to the sum of £100,000 over the next three years for SportsAid, who assist regionally in identifying and supporting budding athletes and helping them deal with the cost of training and competing.

## Deliverable C - Use Local Area Agreements to target resources to improve performance in the most deprived areas

### Progress against three year actions:

i) Local Area Agreements to bring organisations together and say what will be done, by who, and when for the 10% most deprived areas

3.207 Local Area Agreements (LAAs) have been developed across the region since 2006, with all 15 top tier regional local authorities having been involved in one of the three rounds of development to date. At present, local authorities are in the midst of another development cycle for the next round of agreements, with priorities and outcome targets due to be agreed by summer 2008, followed by Ministerial sign off.

3.208 As part of this development process, local authorities have had to clearly set out how they will achieve better outcomes for local people, meeting the requirements around the four underlying LAA blocks<sup>3</sup>. To achieve this, local authorities have bought wide ranging partnerships together in development of their LAAs, which have included participation from partners such as the RDA, the NHS, LSC, Jobcentre Plus, the police, community and other local stakeholders. The inclusion of relevant targets within the forthcoming Comprehensive Area Agreement process and its precursor local authority targetry framework has also ensured that addressing deprivation and its underlying causes, and having a clear plan for who engages where and how, has been an underlying principal of LAA development.

3.209 A revised LAA framework is being developed by Government following the 2006 Local Government White Paper and is currently being taken through pilot districts, of which Leeds and Sheffield are two. This should even more closely align LAA objectives with meeting the needs of local people both in and outside deprived super output areas.

3.210 It is possible to draw on examples of the ways in which LAAs are tackling deprivation. In the East Riding two key strategic challenges have been identified based on the concentration of super output areas within the 10% most deprived nationally - Bridlington and Goole (leading regeneration and tackling disadvantage) and Rural Challenges (access, diversification and protecting our heritage). North Lincolnshire's LAA has been built around the four shared ambitions of an area that is thriving; communities that are confident and caring; individuals see the difference; and everyone works for the benefit of the area. The LAA for Rotherham has four Stretch Targets that focus directly on narrowing the gap of deprivation in the Borough. These are based on reducing the number of 16-18 year olds not in employment education or training; increasing numbers of start up businesses, e.g. through the Enterprise Island Mini-Challenge; increasing the number of adults obtaining skills for life qualifications; and assisting people off incapacity benefit and into sustainable employment. The Stepping Stones project is key here and has been cited by Government Office Yorkshire and Humber as an example of best practice.

ii) Spend more money than average per head in the target areas to improve service delivery and performance – including on education, skills, health, housing, economy, child care and crime

3.211 Government Office Yorkshire and Humber (GOYH) has been working with partners to promote and encourage spend in line with the targets set out in the RES and to agree the strategic frameworks with which they will operate, whether this be through LAAs or through other strategies and business plans so that local, regional and national priorities are addressed.

3.212 Where relevant, GOYH has encouraged partners to address RES priorities and has agreed a key requirement that LAA proposals must be consistent with the RES. In particular in recommending Ministerial sign off for Round 3 LAAs, GOYH ensured compliance with the RES and for those LAAs in Neighbourhood Renewal areas, GOYH ensured an appropriate focus on narrowing the gap, both between wards and between the local authority area and the national average.

<sup>3</sup> The four blocks of LAAs are Children and Young People; Safer and Stronger Communities; Older People and Health; and Economic Development and Enterprise.

### iii) Complete delivery of European Objective 1, 2 and 3 Programmes

3.213 Over £1.1 billion has been invested in the region through the current Objective 1,2, and 3 European Structural Funds Programmes and the Urban II<sup>4</sup> (focused in Halifax) to promote economic growth of the region by stimulating enterprise, supporting the development of first class capital facilities/infrastructure, improving skills levels and tackling deep seated problems of worklessness.

3.214 Significant and real impact has been made across the lifetime of these European programmes. This is demonstrated by over 40,000 jobs created, 20,500 jobs safeguarded in South Yorkshire, almost 16,500 businesses assisted and over 650,000 training interventions supported.

3.215 Some significant high profile physical investments funded through the European programmes are also making a visible difference on the ground. Recent investments include the refurbishment of Sheffield Station, promoting first class design and helping to reinforce perceptions that Yorkshire and Humber is a good place to invest. European funds have also been invested in rural areas, providing facilities such as the Moors National Park Visitor Centre at Danby, helping to boost the appeal and enrich the experience of visitors coming into the North York Moors National Park.

3.216 Moving forward, the region now has in place a new European programme that will provide more than £380m for investment from 2007-13. The programme will be managed by Yorkshire Forward and focuses on the priorities of promoting innovation and research and development; stimulating and supporting successful enterprise; and developing sustainable communities. A fourth priority, economic infrastructure for a competitive economy, provides extra funding for South Yorkshire to ease the transition as it moves out of Objective 1 status.

## Deliverable D - Utilise the voluntary sector to reach local people and improve service delivery

### Progress against three year actions:

i) Utilise and build the capacity of the voluntary sector and social enterprises to deliver appropriate mainstream services

3.217 The Regional Forum, Social Enterprise Yorkshire & Humber and sub-regional voluntary sector consortia are working to develop capacity within the voluntary sector to deliver mainstream services. Examples of this include a Regional Forum/SESC organised conference on mental health commissioning; briefings on children's service commissioning; and work on advancing the health procurement agenda. The Regional Forum has surveyed its members on the activities provided to help the voluntary and community sector (VCS) deliver mainstream services. The main activities are providing information, running training courses, linking VCS organisations to mainstream providers and developing consortia.

3.218 Local providers have encountered some difficulty in furthering this agenda. Where local authorities and other large organisations have tendered for services they have to compete with larger national charities who bid and then sub-contract. Forming consortia is a way of smaller organisations competing directly, however they require time and resource and carry the added risks of running contracts and transaction costs which they cannot always bear.

3.219 In November 2007, Yorkshire Forward launched its £10m investment in Charity Bank to support regional third sector organisations through creating a sustainable source of loan funds, where commercial lenders cannot or will not invest. This investment will improve the resource base for local community enterprise by providing access to loan finance. It will also help to counter the effects of significant reductions in the level of funding available for community economic development.

ii) Support successful development trusts or similar anchor bodies in local communities that give them a voice and a route to improving their areas

3.220 Development of community assets are increasingly used as a means of helping the VCS to ensure financial sustainability. Following the launch of the national Community Asset Fund in December 2006, Yorkshire Forward has contracted with the Development Trust Association (DTA) to test the scope and nature of future support for the VCS to take on and develop an asset base through land or buildings. The approach uses the DTA's expertise in working with community organisations and local authorities to support the successful transfer of assets from the public sector to the community. The work will focus on specific projects linked to LEGI and will also lever in funding from initiatives such as the Adventure Capital Fund and Community Asset Fund wherever possible as well as private sector investment.

3.221 Investment in community anchor organisations has shifted to focus on the role that these bodies can play in supporting the VCS in their area, enabling the sector to play a greater role in connecting communities to economic opportunity. Yorkshire Forward is supporting four large programmes in South Yorkshire and a smaller one in the Humber, all of which support the capacity of these anchor bodies. The programmes in Rotherham and Barnsley include a capital element to provide more suitable working environments for the VCS to deliver support to communities.

## Deliverable E - Improve childcare and remove barriers that prevent people accessing work

### Progress against three year actions:

i) Improve awareness provision and uptake of childcare options and incentives

3.222 The Childcare Act, introduced in 2006, was the first piece of legislation to specifically relate to early years and childcare provision. The Act places responsibility for childcare provision with local authorities, charging them with raising quality, improving delivery, and achieving better results.

3.223 Local authorities in the region are responding to these challenges through strategic planning; reviewing current provision and uptake of childcare in their respective areas; improving local provision and building awareness of the incentives to return to work. In the East Riding for example, the Families Information Service (FISH) coordinates access to affordable, quality childcare. Locality coordinators develop childcare provision to ensure that childcare sufficiency targets can be met. The first generation of Children's Centres, which also provided childcare facilities, were developed in the 20% most deprived areas – Bridlington, Goole and Withernsea. A further five centres have now been provided and at least a further six are planned. These do not provide childcare directly, but signpost parents to the type of care they need and provide outreach information, advice and guidance through Jobcentre Plus etc to enable parents to access work and training. There is a strong focus on disadvantaged households and vulnerable groups.

3.224 The National Early Years Enterprise Centre in Huddersfield is supporting the childcare sector through professional and business development, and assisting in the achievement of the government's Children's Workforce Strategy. The Centre comprises a business unit, an academy, and the UK headquarters of the National Day Nurseries Association.

<sup>4</sup> Urban II was one of four ERDF-funded Community Initiatives to encourage the sustainable economic and social regeneration of troubled towns, cities and suburbs for the period 2000-06. Halifax was one of 11 areas in the UK to be selected and received £9m of ERDF funding as a result.

3.225 The Department for Children, Schools and Families' 'ChildcareLink' service, consisting of a website and helpline, helps parents access childcare and early years information collected from local authorities. The service contributes to the National Childcare Strategy, which aims to help people back into the workplace by removing the childcare barrier.

ii) Encourage location of new jobs in places where communities can easily access them without a car

3.226 As part of the Regional Spatial Strategy, completed in 2007, the region agreed that spatial policy should support and prioritise the location of employment sites within town and city centres and take full advantage of local public transport access as part of a core approach to making spatial patterns of development more sustainable. This includes prioritising development sites within key service centres in rural and coalfield areas, traditionally areas which have suffered with transport linkages issues. This new standard approach will improve the link between communities and economic opportunities, as it feeds into the development of both Local Development Plans, transport strategies and project activity undertaken by local and regional partners.

iii) Apply innovative approaches in rural and deprived areas to connect people to opportunity focusing on transport and access to work on training and ICT solutions

3.227 A range of projects have been undertaken across the region since the publication of the RES, with investment in transport linkages and ICT infrastructure which have supported connections to deprived and rural areas. North Lincolnshire has used Countryside Commission and Rural Bus Challenge grants to introduce two rural bus services centred on the market towns of Brigg and Barton. This year over 40,000 passengers will use the services, many of whom will not have had access to public transport before the services started. A Wakefield Rural Transport Partnership has been established with participation of WY Metro, the district council and parish and community representatives. Bradford has assisted 1,570 people into employment in 2006/07 by using funds such as ESF, ERDF, and LEGL to tackle employment and training needs in deprived and rural areas. The Humber-wide 'Making Opportunities Realistic for Everyone' programme is investing £4m

in economic inclusion projects. The Wheels to Work Project is a key element and offers solutions to transport problems for people going into full-time employment or education and are having difficulty accessing public transport.

3.228 Since its launch in February 2005, North East Lincolnshire Council's "Phone n Ride" bus service has helped to improve access to facilities for hundreds of local residents. The service has so far provided over 33,000 trips and in a recent survey, satisfaction with the service was high with 85% of users rating the service as good or very good. It is available to all, six days per week, enabling those without a car to travel anywhere. For some rural villages, it replaces bus services which ran as few as three days per week, and in urban areas it makes direct links, which hitherto did not exist, between areas of deprivation and sites of employment. At least 40% of registered "Phone n Ride" users are from deprived areas and over 50% of all journeys made have been to employment, health or education facilities.

3.229 In terms of ICT projects, the region recently completed its ongoing programme to ensure 100% broadband availability. The final part of this, which included enabling rural communities, were taken forward by a satellite base solution in mid 2005/06, ensuring that broadband access is now universally available across the region.

iv) Assist employers to ensure people have equal employment and advancement chances regardless of background (e.g. race, gender, age, deafness and disability)

3.230 Business Link has developed an online employment guide with BERR, helping employers to ensure that people's employment and advancement opportunities are unaffected by background factors. The guide provides advice on recruitment and selection and considers job descriptions, advertisements and interview practice. Specific guidance is provided on the main factors employers need to be aware of when developing business processes and making decisions with regard to the employment and promotion of staff. ACAS (Advisory, Conciliation and Arbitration Service) have also published regularly updated information on tackling discrimination and promoting equality in the workplace.

# Objective 5: Transport, Infrastructure & Environment

3.231 Transport, other infrastructure and the wider physical environment provide the foundation for economic development and growth in Yorkshire and Humber. National evidence demonstrates that such externalities have a direct impact on an individual region's productivity and economic success, determining impacts as simple as the speed with which local business can access markets and customers to as complex as global climate change. As such, there is a clear need to incorporate and consider these issues as part of any economic development approach.

3.232 Objective 5 provides this approach within the RES. Its focus is upon protecting the environment, whilst ensuring strong communication and transportation linkages are in place. The Objective outlines actions on developing physical infrastructure and delivering sustainable development. It integrates and aligns the priorities of the region's strategies on housing, planning, transport and sustainable development, allowing the region to meet its economic needs whilst minimising and addressing environmental impacts.

## What we will achieve by 2016:

- **Become a leading edge region in reducing greenhouse gas emissions and decoupling growth and pollution;**
- **Achieve a real terms increases in transport investment against key priorities leading to successful outcomes; and**
- **Take significant steps towards providing unlimited speed broadband access for all.**

## Where we are now:

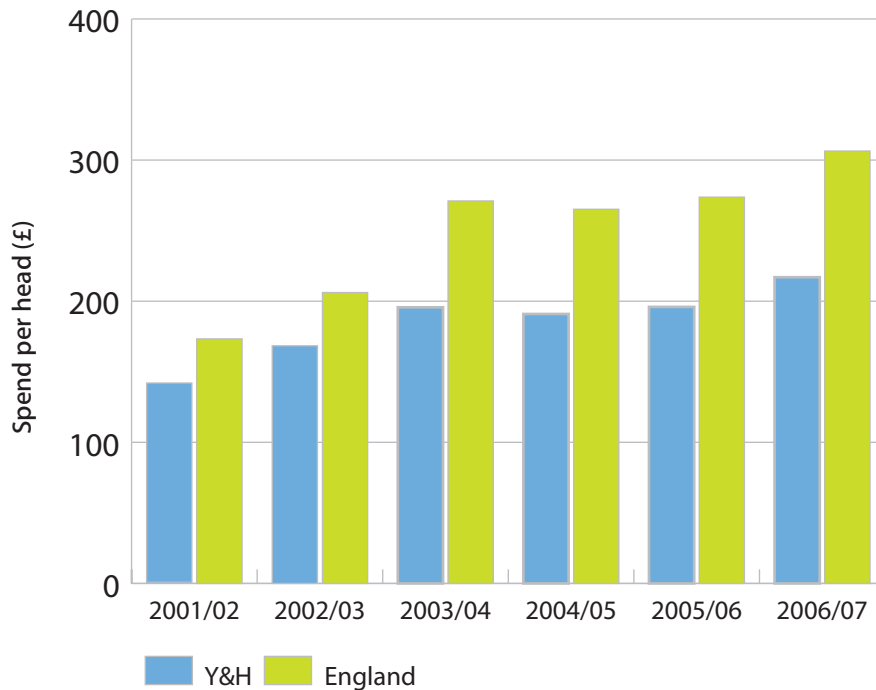
Becoming a leading edge region in reducing greenhouse gas emissions and decoupling growth and pollution

3.233 The RES headline target challenges the region to reduce greenhouse gas emissions by 20 – 25% on the 1990 baseline, which stood at 87.8 million tonnes of CO<sub>2</sub> equivalent. By 2004, however, the region's emissions had actually gone up to 88.9 million tonnes of CO<sub>2</sub> equivalent. Much of this regression can be accounted for through increased power generation, which went from 51.7% of emissions in 1990 to 62% by 2004.

## Achieve a real terms increases in transport investment against key priorities leading to successful outcomes

3.234 Transport investment spend remains significantly lower per head of population than within the rest of England, at only 70% of the national average in 2006/07. Expenditure also continues to rise at a slower rate than elsewhere in the country, with overall English expenditure per head rising 2% per annum faster than that of Yorkshire and the Humber. Given the lead times involved with transport investment projects, however, and the wider potential for individual projects to yet change the direction of travel upon this key indicator, results are as yet inconclusive.

Figure 7: Transport spend per Head



Source: HM Treasury, Public Expenditure Statistical Analyses 2007, Chapter 9, Analysis of Public Expenditure by Country and Region.

## Take significant steps towards providing unlimited speed broadband available to all.

3.235 All telecom exchanges in the region are now broadband enabled, with Yorkshire and the Humber having achieved 100% broadband coverage in 2006.

3.236 In 2007, 53.9% of households in the region actually utilised internet access, compared to 58.7% across England as a whole. However, of those that had access, 85.1% were now using broadband, compared to 74.4% in 2006. This compared favorably with the English averages of 86.5% and 77.3% respectively. There was also some evidence that despite lower usage levels remaining a factor for the region; take up rates of broadband were actually higher than the English average over the last three years, with user numbers having increased 30% since 2005.

## Policy implications

3.237 National evidence has demonstrated the significant risks posed by climate change. The recent Stern Review suggests that unless international communities are able to address climate change and limit its impact, up to 20% of worldwide GDP may be at risk. There is therefore a tangible economic rationale for taking early action to limit greenhouse gas (GHG) emissions and invest in early adopter technologies and the environment sector if we are to avoid future economic challenges.

3.238 As a region therefore, Yorkshire and the Humber must continue to move forward on tackling climate change. Through strategies like the region's Climate Change Action Plan, the region has begun to align agencies and the private sector behind national ambitions to become a low carbon economy. Through working with our top regional businesses, other key GHG producers (like the power generation sector) and with Government, the region will be able to take progressive steps to reach its 20% reduction by 2016, whilst also making a valuable contribution towards wider international efforts to address climate change.

3.239 Transport is fundamental to economic growth. In simple terms, it provides the economy with the people, goods and services it requires to operate. If these economic necessities can not reach markets, economic activity is undermined. The serious risk to the regional economy at present is that lack of capacity on our transport network and congestion will adversely affect our future growth potential. There is evidence to suggest that current investment levels will not meet the needs of the region and thus this challenge will exacerbate over time.

3.240 In response, there is a need to ensure that capacity and investment is secured for the region. This will require agencies such as the Yorkshire and Humber Assembly, Yorkshire Forward, transport operators, passenger transport executives and local authorities to work closely together in collaboration. Partners will need to continue to prioritise funding effectively, whilst building a stronger evidence base to influence central Government and private sector investment decisions.

3.241 As the indicator suggests, Yorkshire and Humber has made some progress on broadband take-up and provision in recent years. The challenge for the region will be ensuring that take up levels continue to grow (catching up with the rest of England and the EU), whilst provision expands to offer newer and faster services. As the knowledge economy continues to grow, access to internationally competitive technologies and infrastructure (particularly that relating to next generation ICT) will differentiate individual regions and provide the basis for new market opportunities.

3.242 To achieve this, the region will need to continue to work together closely, with agencies like Yorkshire Forward and local authorities working with the private sector to both demonstrate new technology and make the case demonstrating how such provision can provide genuine competitive advantage.

## Deliverable A - Ensure Government commitment to the region's long term transport priorities

### Progress against three year actions:

i) Work through the Regional Transport Board and Northern Transport Compact to make the case for priority improvements

3.243 The Northern Way Transport Compact (with input from Yorkshire Forward) developed the 'Strategic Direction for Transport' in 2006. The document set out an initial view of the most appropriate investment interventions for the North, taking into consideration key drivers such as timescales and policy coherence, as well fundamental issues like cost, need and economic rationale. Used to inform the transport elements of the Northern Way's submission to the Government's Comprehensive Spending Review, the strategic direction was intended as a broad framework for transport interventions in the North, a first in recent decades.

3.244 The Compact has since followed up this submission with a further document in 2007, outlining in more detail short, medium and long term priorities. This follow up attempts to refine the core pan-regional transport priorities already identified, through determining which of them will impact the most significantly upon the economic growth of the North. Utilising more sophisticated modelling and analysis, the report provides additional supporting evidence and gap analysis, allowing for more intelligent and evidence based identification of schemes and programmes. Key issues highlighted include improving road access to the ports through schemes like the A63, implementing the M62 route action plan, working with rail stakeholders to develop a transpennine rail strategy and working on the development of Northern Smartcards.

3.245 At a regional level, the Government Office for Yorkshire and the Humber working in partnership with the Yorkshire and Humber Assembly, Yorkshire Forward and other regional stakeholders, has utilised the Regional Transport Board to develop regional recommendations on transport prioritisation. This has included developing and signing off the framework for the Regional Transport Strategy incorporated into the Regional Spatial Strategy, working with local partners to input into their respective local transport plans and working with regional agencies to identify and develop further evidence on transport provision and priorities. In mid 2007, the Regional Transport Board also undertook a review of existing priorities emerging from the 2005 Regional Funding Allocations exercise. This allowed for a further refinement of regional transport priorities in light of changing costs and pressures upon existing programmes.

ii) Focus effort to secure faster progress on 4 key long term regional priorities; these being: 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

3.246 Steady progress had been made on all four headline transport priorities identified by the end of 2007.

3.247 Work on expansion and improvement of the M62 began in late 2007, with the Highways Agency due to take forward a range of capacity increases. This has been complemented by ongoing work by the Northern Way into a M62 utilisation plan, examining the potential for further future developments on the transpennine road corridor like road charging, intelligent traffic management and other 'next step' congestion measures. Yorkshire Forward and the Northern Way, working closely with the Highways Agency, are also currently funding a pilot 'high occupancy lane' on the M62 between Bradford and Leeds.

3.248 New rail franchises were selected on both the Sheffield and Leeds/York to London routes in 2007, with East Midlands Trains and National Express being successful respectively. Both operators have taken on new deals having agreed to enhance and expand services, with more trains and new rolling stock. Early work is also ongoing on the potential of improving North/South linkages, following initial signals of interest from Government in the most recent Rail White Paper.

3.249 The Northern Way and Yorkshire Forward have worked progressively with regional partners and operators to demonstrate the economic case for improved transpennine and other local rail services. A highly successful pilot investment of £8 million assisted Northern Rail to purchase further rail rolling stock on key lines in 2006/07, demonstrating the potential of regional/private co-operation in improving overall rail provision and capacity, as well as making a stronger economic case for such actions. As a result, the North has since been able to make a more coherent case for the lengthening of 22 of the Transpennine Express fleet to four cars, actually securing a commitment to provide more trains for this route in the Rail White Paper of July 2007. Regional work to demonstrate the economic case for replacing 55 of Northern Rail's 'pacer' railbuses with new trains has also been equally influential, securing a commitment to provide further new trains for northern cities at the same time.

3.250 The Regional Transport Board has prioritised new bus rapid transit programmes, strongly recommending them to Government for support. This includes a significant scheme in Leeds which is currently under review, building on the rejection of the Leeds Supertram in early 2007. Leeds city-region is also currently exploring the potential with Government and wider partners for a future tram/train programme. Far wider than the initial tram scheme considered in the city, this would incorporate access to a wider array of towns and cities within the city-region, reflecting the wider access needs of the real economy.

## Deliverable B - Deliver initial transport schemes of economic priority

### Progress against three year actions:

i) Work with public and private partners to establish funding and deliver on four priorities swiftly; these being: 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 pilot schemes to reduce car travel, e.g. by using ICT solutions and to link people to jobs in target areas

3.251 Steady progress had been made on all four initial delivery priorities by the end of 2007.

3.252 'York Aircoach' is now providing an hourly direct coach between York and Leeds Bradford International Airport. The service is operated by First Group on a commercial basis as a result of work by City of York Council, the airport and Yorkshire Forward to demonstrate a business case to show that a commercial proposition existed. This complements existing services already in use, including the current route running from Leeds Station to Leeds Bradford Airport and from Doncaster/Sheffield to Robin Hood Airport.

3.253 Yorkshire Forward and Network Rail have signed a contract which will result in a significant increase in rail capacity to the port of Hull, with train numbers increasing from 10 to 22 trains per day. This is being complemented by additional investment by Associated British Ports in their own rail infrastructure, expected to finish in 2008, increasing overall access through new signalling facilities and other localised improvement. Work is also ongoing on developing schemes for both the A64 and A160/180, with each having now been prioritised by the Regional Transport Board and Northern Transport Compact.

3.254 A package of investment from several key partners has funded the provision of six additional trains to strengthen rail seating capacity in the Leeds city-region, working with Northern Trains. These trains provide much needed peak hour seating capacity and are due to remain in service to the end of the Northern Franchise in 2013. The project has been recognised as best practice in winning the partnership awards at both the National Transport Awards and National Rail Awards.

3.255 Since 2006, car clubs have been established in Sheffield and York, and are currently being planned in Bradford and Hull/Beverley. These build on the success of the Whizzgo Car Club that is now well established in Leeds. Further supporting public transport, local authorities in West Yorkshire are operating the 'Travel for Work' Partnership, providing travel advice to businesses and jobseekers and helping to promote more sustainable travel. It also includes provision of discounted travel tickets, assisting people to access interviews through joint working with Jobcentre Plus.

## Deliverable C - Ensure effective energy, utilities and broadband investment

### Progress against three year actions:

i) Make the most of private sector utilities and infrastructure development – including broadband/ ICT, water and energy – and join it up to renaissance programmes

3.256 Broadband infrastructure development has continued at a pace over the last two years, with the four local authorities of South Yorkshire developing 'Digital Region', a next generation wholesale telecoms platform for the sub-region. The programme will enable individuals, businesses and public sector organisations in South Yorkshire to benefit from services delivered over a world-class broadband infrastructure, with connection speeds up to three times those currently available. The project will provide benefits to South Yorkshire's economy, giving users the benefits of early adopter status as well as significant additional capacity. The project will also complement the knowledge economy focus of much of the renaissance activity in South Yorkshire.

3.257 On other infrastructure development, Yorkshire Forward and its partners have supported the development of an industry-led regional forum for companies operating in the water and waste water treatment sector, the 'Water Industry Forum Yorkshire and Humber'. The forum provides an information hub for businesses in the sector, helping facilitate linkages and supporting the strong growth potential in an already well established water and wastewater treatment sector within the region. Work is ongoing with the forum to help businesses find the support they need to export goods and knowledge to new markets; develop new products and processes; meet necessary legislative requirements; find new business partners and locate new contract opportunities. The development of the network is seen as a first step towards establishing the region as a global exporter of knowledge and expertise in the water and waste sectors.

3.258 The Regional Energy Forum, led by Yorkshire Forward and the Yorkshire and Humber Assembly, has also recently published the Regional Energy Infrastructure Strategy. The Strategy outlines a joined up approach to future development, balancing the need for energy security against the need to move towards a low carbon production model. It specifically highlights the need as part of both of these drivers to modify individual behaviours to use energy more efficiently.

ii) Promote energy security and reduced fossil fuel dependency by more energy efficiency and clean and renewable energy generation

3.259 Work to promote more efficient, clean, secure and renewable energy generation is evident in both strategic planning and project activity. The Regional Energy Infrastructure Strategy outlined above, sets out a long term vision to better secure our energy needs, whilst also reducing the requirement for carbon intensive solutions. This has recently been complemented by the 'Vision for Biomass', which outlines plans for an extensive biomass infrastructure in the region over the next three years. Other key actions include:

- Yorkshire Forward has worked closely with the North York Moors National Park to produce renewable energy plans for four communities within the National Park;
- Integrated within its ongoing renaissance programme, a business plan for a combined heat and power system for Holbeck Urban Village has been developed;
- At a project level, work has continued with the South Yorkshire Partnership to develop the UK's largest integrated biomass heat cluster; and
- In Kirklees a 'Renewable Energy Toolkit' for architects, engineers and developers has been produced in partnership with the local authority.

iii) Stimulate demand for broadband to drive competitive, high quality provision

3.260 Continued investment by Yorkshire Forward, local stakeholders and other partners into the broadband infrastructure of the region is beginning to make a real difference to demand, with usage levels amongst existing internet users now over 80%. Several programmes are currently being run to further improve this statistic, with Broadband Gap, a programme to broadband enable 24 exchanges identified by the telecoms sector as not economically viable, having seen 20% increases in usage figures in its effected areas alone.

3.261 Complementing this, in February 2007, 'NYnet' was officially founded as a joint public/private sector commercial venture. Created by North Yorkshire County Council, the project has established a communications network that is capable of delivering multiple services to individuals, businesses and public sector organisations within the North Yorkshire area, a first in piloting public sector provision of services.

## Deliverable D - Protect, enhance and utilise the environment and natural resources

### Progress against three year actions:

i) Deliver projects that reduce and mitigate greenhouse gas emissions and enhance economic performance

3.262 A range of projects that aim to mitigate greenhouse gas emissions in the region have been rolled out since 2006, building on the strengthened commitments within the RES. This has included the establishment of Future Energy Yorkshire (a new business unit of the Yorkshire and Humber Sustainable Futures Company), the formation of a Regional Carbon Capture and Storage Partnership (working with the main regional energy companies to win support from the government for a carbon capture and storage demonstration project within the region) and Carbon Action Yorkshire. This project is working with the region's top businesses and public sector organisations to accelerate the achievement of a low carbon economy, securing and agreeing quantifiable reductions in GHG output for 2007.

3.263 Progress is also being made on this crucial area within the voluntary and community sector. Community Energy Solutions is working across the sustainability and inclusion agendas to address fuel poverty in 20 of the region's most vulnerable communities, utilising renewable energy techniques to find new lower cost solutions for those most in need.

ii) Deliver 'waste to work' projects to create jobs and growth through recycling and re-use

3.264 Recycling Action Yorkshire ('RAY') continues to stimulate the market for recycled materials, which in turn is delivering significant economic benefits for the region. Since July 2006, the RAY programme has directly created 30 new jobs, supported the creation of two new businesses and attracted £1.3m private sector finance. Perhaps more importantly however, it has allowed 120 SMEs to receive advice on recycling, resulting in a 23,310 tonnes increase in levels of recycled material (with a connected reduction in regional greenhouse gas emissions of 18,694 tonnes). Disappointingly, some delays have been experienced within project activity as businesses have found it difficult to gain the required planning and licensing for appropriate waste facilities. However, progress to date had been positive.

iii) Harness the potential of the natural and built environment, including sustainable approaches to tourism, farming and forestry

3.265 The Environmental Assets Programme is demonstrating how the region's key environmental assets can mitigate the impacts of climate change and deliver sustainable economic and social gain. Recent project activity, for instance, with the Forestry Commission on investing in a sustainable and low carbon visitor centre had demonstrated considerable economic value of utilising our environmental assets through sustainable approaches. Yorkshire Forward is currently examining how it can further encourage economic activity that utilises environmental assets in such a way that helps the region to adapt to and build resilience against the impacts of climate change and takes full advantage of the region's ecological benefits.

iv) Analyse and respond to flood risks associated with climate change (e.g. in Humber Estuary and renaissance programmes)

3.266 Following the flooding in Yorkshire and the Humber in summer 2007, Yorkshire Forward and the Environment Agency have been working closely with partners to respond to flood risk in the region. Initial work is focusing upon a phased study of the potential impacts of flooding upon the region's economy, providing a picture of where the most severe flood risks lie. An upcoming assessment will detail how these risks might impact on critical infrastructure that is essential to the regional economy, such as energy generation points and transport nodes, and what actions the region may need to consider in the future. The outcomes will then be used to inform both strategy development and more immediate interventions. This action comes alongside and complements previous announcements by the Environment Agency on its intention to improve flood defences along the Ouse and Humber Estuary, with funding secured on these critical actions through to 2011 in the most recent Comprehensive Spending Review.

v) Apply shared, high quality design and environmental standards for all developments receiving public sector support

3.267 A range of partners region-wide clearly have a role to play in improving the overall quality of developments sourced by the public sector. Given its leading role on development, however, Yorkshire Forward believes it has a specific role to play on this action, setting high standards for design quality and environmental standards and ensuring they are adopted by its partners and stakeholders through its use of Single Pot funding. To date, this has been reflected by a movement to adopting BREAM standards on all capital build programmes, modifying Yorkshire Forward contracting arrangements to encourage the use of recycled material and sustainable supply chains, and continuing to deliver upon the region's commitment to developing on existing brownfield sites. Yorkshire Forward has also been involved in the construction of several low carbon exemplar projects to date, including York Ecodepot, Thorpe Park Sustainable Office and the Dalby Forest Visitors Centre, with further projects planned for the future.

# Objective 6: Stronger Cities, Towns and Rural Communities

3.268 Our region's success depends on creating and maintaining prosperous and attractive cities, towns and rural communities. These provide the places in which people wish to live, visit and invest. Distinctive places, with strong social, economic and environmental assets, lie at the heart of all of the world's most successful economies, with evidence suggesting that places have a very real impact on economic performance.

3.269 Objective 6 therefore concerns how we integrate the spatial dimension into delivery of the RES. It focuses on getting the best out of our places. Given their economic prominence, our region's three city-regions have a significant role to play, with collaboration between our major cities and towns vital if we are to realise their true economic potential. It is primarily within these places that the region will be able to generate the sustainable economic growth outlined elsewhere in the RES. It will also be vital to ensure that other localities are equally addressed, building on their strengths and the complementarity of their offer to the overall regional economy.

## What we will achieve by 2016:

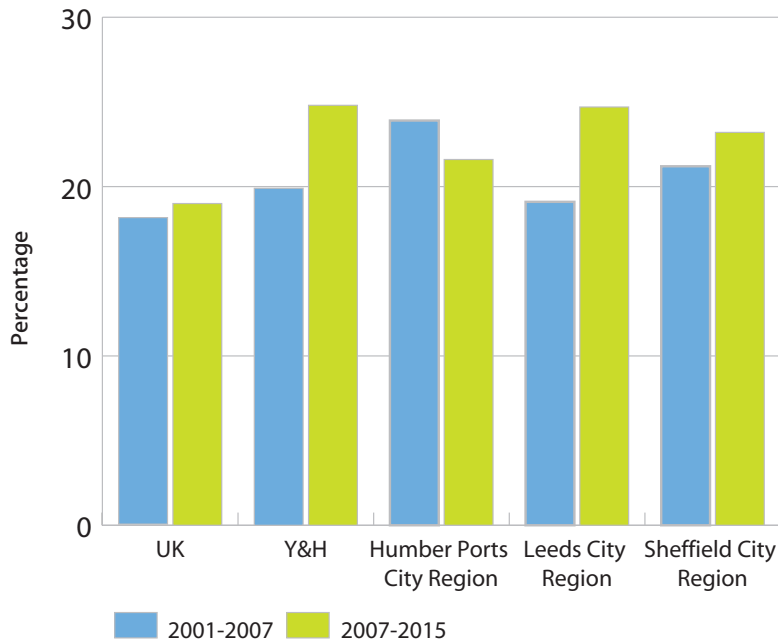
- Strong city-regions, performing well and contributing significantly to the economy;
- Delivery of urban and rural renaissance programmes, which have led to better places with stronger economies; and
- Strong linkages made between the economy, physical and wider social issues, which will pay dividends through renaissance programmes.

## Where we are now:

Strong city-regions performing well and contributing significantly to the economy.

3.270 Economic performance of the key cities and their respective city-regions remains encouraging. Between 2001 and 2007, output from the Yorkshire and Humber region overall increased by 19.9%, a favorable comparison to the UK average of 18.1%. All three city-regions improved output as part of this, achieving a similar or higher rate than the regional average. Sheffield and Leeds in particular demonstrated significant resilience to wider regional economic trends. Forecasts for the period between 2007 and 2015 currently suggest that output will continue to grow at a rate above the scale of average UK predicted growth.

Figure 8: Percentage Increase in Output 2001-2007 and 2007-2015

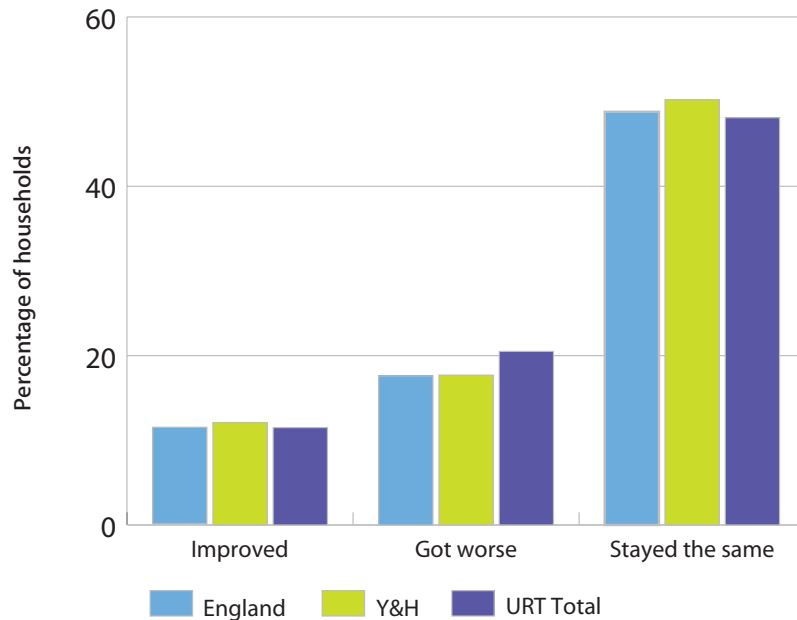


Source: Yorkshire Forward/Experian Business Strategies Ltd/Office for National Statistics, Regional Econometric Model, autumn 2007.

## Delivery of urban and rural renaissance programmes, which have led to better places with stronger economies

3,271 Individual indicators selected for measuring the success of the renaissance approach suggest mixed results. The proportion of Yorkshire and Humber households which think their neighbourhood has improved over the past three years is now slightly higher (12.1%) than the England average (11.4%). However, the proportion of households that like the neighbourhood they live in has actually dropped marginally since 2004, from 90.8% of households in 2004 to 88.9% in 2007. There was also increased feeling that local people still didn't have enough of a say in local matters, with 24% of households in the region in 2007 agreeing to the statement. Encouragingly though, results from urban renaissance areas in the region were better overall, suggesting existing activity was having an impact.

Figure 9: Neighbourhood Perceptions



Source: © Acxiom UK Ltd. Research Opinion Poll (2007). All rights in the data contained in this data belong to Acxiom UK Ltd and may not be used or reproduced without the express permission of Acxiom UK Ltd.

## Strong linkages made between the economy, physical and wider social issues will pay dividends through renaissance programmes.

3.272 The Urban Renaissance Measurement Framework is built from a basket of 15 indicators (of which eleven are currently in use) and attempts to capture the holistic impact regeneration and renaissance activity is having in the region. They take a baseline scenario and attempt to separate out actual impact from regional activity from background economic changes.

3.273 To date, the basket suggests that the region's urban renaissance towns have shown an overall improvement of 11% against the 2003 baseline, compared to the England average of 6% and the Yorkshire and Humber average of 8% (December 2007 update of the Model)<sup>5</sup>.

## Policy implications

3.274 Yorkshire and Humber's 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. If this definition is expanded to city-regions, the coverage is nearer to 90 and 95% respectively. Over the last 25 years, these urban centres have served as the focus for rapid economic growth, with new service industries emerging as major employers and, more recently, becoming centres for wider knowledge industries.

3.275 However, despite recent rapid economic growth, all of our towns and cities have the potential for stronger economic performance. Compared to both the UK and EU comparators, our cities remain firmly mid table in overall GVA per head performance levels and significantly behind on issues like innovation, enterprise and skill attainment. There also remain fundamental issues with perceptions of the region's places, with even the major cities, which have benefited so dramatically from new investment, remaining disproportionately undervalued.

3.276 The challenge for policy makers is therefore to address these issues, working to improve the quality, impact and outlook of our cities, towns and rural communities. Public realm improvements are already achieving much under the renaissance agenda, translating into improved perceptions and higher local participation in civic affairs. These improvements though will need to be further developed into more comprehensive sustainable economic development agendas. Policy decision-makers will need to ensure that they link up the renaissance agenda with economic development and masterplanning processes, as well as incorporating the concerns and ambitions of other plans like those of the city-regions.

3.277 Some thought also needs to be given to what differentiates places from each other. To achieve this goal, the region will also need to build a clearer evidence base of each place's strengths, weaknesses, opportunities and threats. This will allow regional stakeholders to better understand the places in which they make their interventions and plan for the future.

<sup>5</sup> The model is still in testing and development stages and results are subject to change as it is updated, refined and reweighted.

## Deliverable A - Boost the role of city-regions as economic drivers

### Progress against three year actions:

i) Utilise city-region development programmes developed under the Northern Way to identify transformational initiatives, including on transport and competitiveness

3.278 Yorkshire Forward and other stakeholders have been working closely with the city-region partnerships since the publication of the RES in 2006, building upon the themes outlined in the second iteration of the city-region development plans (CRDPs). One development to have emerged as part of this process has been the decision to move from a sub-regional to city-regional basis for Yorkshire Forward's investment planning activity by March 2009. This has tallied with both the recent outcomes of the Sub-National Review of Economic Development and Regeneration (SNR) and development of the city-region's partnership units by local authorities.

3.279 On specific initiatives on transport and competitiveness emerging from the CRDPs, Yorkshire Forward is currently supporting an array of complementary activity. This includes the development of increased rail access into Hull Docks through improving signalling and track capacity, examining the possibility for further track improvement across the Pennines and to the south of the region, investing in further rolling stock within West Yorkshire to increase city-regional capacity and increasing access to Manchester Airport to improve international air linkages.

Yorkshire Forward is also working on a range of projects with York Science City and the university community with the Northern Way, building on the knowledge economy priorities set out within each of the region's three CRDPs.

ii) Encourage collaboration and good practice sharing between cities and major towns in line with outcome of stock take of ODPM work in relation to urban areas

3.280 The 'Yorkshire Cities' collaboration has recently expanded beyond its original membership of five, to include nine local authorities representing the region's key urban centres. Now comprised of Leeds, Bradford, York, Sheffield, Hull, Wakefield, Kirklees, Calderdale and Doncaster, the collaboration acts as an important mechanism for authorities to share knowledge on major policy issues, as well as work together to make joint policy responses on issues affecting urban areas, tailor projects, develop further evidence and thinking on key priorities like skills, housing or transport and communicate more effectively with regional and national partners. As part of this approach Yorkshire Cities has been involved in an array of complementary activity, including the EU COMPETE programme.

## Deliverable B - Deliver integrated renaissance programmes in major cities and towns

### Progress against three year actions:

i) Deliver high quality, integrated renaissance programmes in all our major cities and towns - integrating social, business, environmental and cultural aspects

3.281 The last 12 months have seen significant progress across the region's renaissance towns and cities, with physical transformation now happening on the ground in a range of locales. Specific examples of progress include:

- The Transport Interchange and Digital Media Centre have now been completed in Barnsley, with work continuing on the Civic and Mandela Gardens. Planning permission is also now in place for the £130m redevelopment of Barnsley Markets, creating a strengthened retail offer in the town.
- Key developments have been finished in both Sheffield and Hull, with the Train Station approach and St Stephen's respectively. St Stephen's in particular represents a £200 million investment on a 40 acre site, the second largest mixed use regeneration project in the UK.
- In Huddersfield, the Elsie Whiteley Innovation Centre has now opened, providing a central location for hi-tech businesses. Consultation is continuing with local stakeholders on how to optimise the Hopwood Lane Gateway site.
- In Rotherham, new development plans are currently being finalised, which will include a new leisure, commercial, civic and retail facility. Activity in and around the town centre will be carried out over the next decade.
- Yorkshire Forward is currently involved in providing design advice and guidance for a range of developments including the Fruit Market in Hull, Temple Works in Holbeck and a detailed design review and guidance for St George's Square Huddersfield.

3.282 Alongside physical regeneration activity, Strategic Development Frameworks are now in place in all of the renaissance towns – reflecting the future ambitions of local people and stakeholders.

ii) Improve leadership, knowledge and capacity to deliver renaissance and support the national Academy for Sustainable Communities in Leeds

3.283 Progress with the Academy of Sustainable Communities (ASC) has been steady over the last two years. Key achievements include:

- Partnering 11 major professional institutes (e.g. Royal Town Planning Institute, Royals Institute of British Architects) and other bodies to positively influence the learning of 100,000 professionals;
- Developing a suite of new learning products, with delivery piloted to 1,500 professionals;
- Working with 1,000 teachers in 600 schools, who have been supported through new curriculum and careers materials to engage 20,000 young people.

3.284 The Academy has also recognised that the key to building the capacity of renaissance programmes is engaging communities themselves. This has been taken forward through the academy sponsoring 150 community leaders to attend learning and networking events, as well as learning programmes, to share cross sector knowledge and experience.

3.285 Alongside the ASC, Integreat Yorkshire (the Regeneration Regional Centre of Excellence) has also been a key partner in delivering this important agenda. Focusing on the need to improve overall capacity for delivering renaissance activity, Integreat has recently been established as part of the Sustainable Future Company, with a dedicated programme director and project staff to take forward building capacity and ensuring that projects are aligned to regional needs.

## Deliverable C - Secure a strong and diverse rural economy

### Progress against three year actions:

i) Deliver integrated rural renaissance programmes in the Dearne Valley and prioritised market towns, these being: Bedale, Boroughbridge, Brigg, Catterick Garrison, Colne Valley, Helmsley, Howdenshire, Hornsea, Isle of Axeholme, Kirkbymoorside, Knaresborough, Malton & Norton, Market Weighton, Northallerton, Otley, Pately Bridge, Penistone, Pickering, Richmond, Settle, Skipton, Thirsk, Upper Calder Valley, and Whitby

3.286 Substantial progress has been made on rural renaissance programmes since the publication of the RES, with the last 18 months seeing the development of long term strategic plans and development of a number of transformational projects. Key developments include:

- The Upper Calder Valley, which has seen the completion of the Hebden Bridge Streetworks scheme, the redevelopment of Fielden Wharf, and the re-siting and reopening of Sowerby Bridge Market. The sustainability element of the new market at Sowerby Bridge will be greatly enhanced by the addition of 72 solar panels enabled through the Yorkshire Forward contribution to capital costs and DTI match funding through the Low Carbon Building Phase II programme. Over £1 million of Yorkshire Forward funding has now been allocated in the Upper Calder Valley, matched by over £1.7 million of investment from other sources, primarily local authority funding.
- Progress has been made in Hornsea on the development of a long term town plan; an integrated vision for the future of the town. Initial feasibility and design work has been carried out on the replacement for the Floral Hall cultural centre and the completion of the Transpennine Trail marker.
- In Market Weighton, the Development Trust is taking forward the Market Weighton Resource Centre project, and the local partnership has made good use of the Rural Target Fund.

- In Howdenshire, the Rural Market Towns Strategic Development Framework has been prioritised through partnership workshops and public consultation. Progress is being made on feasibility studies and initial business planning for key projects such as the Shire Hall and the proposed Digital Media Centre.
- Plans to redevelop Crowle Town Centre as a major renaissance scheme are taking shape, with a focus on the regeneration of the town centre and enhancement of service provision for the large rural community.
- Opportunities to complement economic priority areas in the Dearne Valley and Colne Valley Renaissance Market Town have been taken. Regional Housing Investment funding has been secured to tackle the housing issues that have emerged from the Colne Valley visioning, mainly around the affordability and decency of homes.

ii) Promote sustainable economic development in remote rural areas and drive change to support sustainable tourism, farming and land based industries, including in the National Parks

3.287 Yorkshire Forward has worked with the National Parks to produce the 'Prosperity and Protection' research, which examines whether National Parks help or hinder economic development in their area. The research showed that businesses located in the region's National Parks and in towns nearby benefit both from the quality of the protected landscapes and from the Park designation itself.

3.288 The Rural Development Plan for England will promote a sustainable approach to economic development in remote rural areas whilst driving change to support rural business. Whilst this is yet to be launched, the focus will be on helping rural businesses stay in business and grow, not just on starting new businesses, as rural areas already benefit from high rates of start up. It will also focus on support for the development of new tourist attractions and activities, which will have a consequential benefits for tourism service providers such as hospitality and accommodation sectors.

3.289 Yorkshire Forward has continued to provide support for the future of farming and the land based sector by supporting the Growing Routes agricultural entrepreneurs project, which helps farm based young people living in Yorkshire and Humber to start new businesses.

### iii) Tackle access to transport, services and affordable housing

3.290 Access to transport, services and affordable housing remain key issues. Regionally activity includes:

- A series of interventions aimed at assisting those outside of work to access public transport for interviews, training and to get to work itself;
- Subsidy of bus routes between key employment sites and deprived communities, better targeting assistance to;
- Working with bus and train companies to allow for better access to the key regional economic assets (such as airports and ports);
- Working with Government on new schemes around key worker housing and shared equity, as well as continuing to develop the case for future housing number requirements; and
- Joining up, through the upcoming Integrated Regional Strategy, housing, transport and planning with economic development, to allow for more effective decision making.

3.291 There is much activity at a local level. The West Yorkshire Rural Partnership has developed programmes that tackle sub-regional rural issues. Activity includes a Transport and Accessibility Officer post and investment through delegated revenue and capital funds. In Bradford, the Bradford Rural Transport Forum is working with rural communities and the voluntary sector to find solutions and is expanding the innovative 'Wheels to Work' programme for young people. The Council is also supporting the co-location of facilities to assist people to access services.

3.292 The Humber Rural Pathfinder has worked with regional partners, to launch a Regional Access to Services Framework and an easy to use guide for practitioners. It has also developed cost effective community transport services, many of which have now been incorporated into mainstream local authority provision, and others are being further developed by voluntary sector partners with a view to establishment of successful social enterprise approach to delivery.

3.293 East Riding local authority and the Local Strategic Partnership are taking a proactive approach with the Post Office to identify new opportunities to sustain rural and urban post offices. The council is also working with the East Riding Rural Housing Enabler Project and a number of Registered Social Landlords to develop additional affordable homes in a number of rural settlements. North Lincolnshire has secured over 60 new affordable homes since July 2006, of which almost 50% were built in market towns or rural settlements. Rotherham's Transport Unit is working to guide the Housing Market Renewal masterplans to ensure transport is built into them, and the borough has launched a Living over the Shop complex that has brought back in to use accommodation that has been empty for over twenty years.

## Deliverable D - Capitalise on housing and health and other private sector investment to support renaissance

### Progress against three year actions:

i) Use NHS capital investment in its buildings to support renaissance, the economy and sustainable development

3.294 In 2006/07, the NHS invested £110.6m into capital assets across the region, including new facilities in Leeds, Hull and Bradford. Work has been undertaken as part of these programmes to create community facilities and improve local access to new centres. This has including the building of a specific community garden as part of one recent development.

3.295 In terms of wider linkages to renaissance, sustainable development and the economy, regional partners have also strengthened the Regional Health Forum, working with the NHS and aligned services to maximise its impact across key areas, like employability, skills, investment and procurement. Work is ongoing to jointly develop activity where circumstances permit.

ii) Join up housing and economic planning and investment in all renaissance programmes

3.296 Following the SNR announcements in 2007, Yorkshire Forward will consult with local authorities and other key stakeholders in developing a single Integrated Regional Strategy that sets out plans for housing growth to meets the needs of the region. This growth will be closely tied to wider economic planning and investment priorities, establishing a more coherent strategic framework for economic development and regeneration, and ensuring that renaissance programmes bring about sustainable communities.

3.297 Economic Development and Urban Regeneration Companies have performed an important role in translating the existing strategic framework into locally focused plans to effectively integrate housing, economic planning and investment. Organisations such as Creative Sheffield and Bradford Urban Regeneration Company are delivering ambitious masterplan visions which recognise local challenges and provide a joined up response.

3.298 Many of the projects being undertaken form part of wider programmes of renaissance activity. In Doncaster, the £250 million development of Frenchgate Interchange has brought together a public transport hub and shopping centre in a single complex. The interchange accommodates over 120 shops and a 30 stand bus station, and links directly to the railway station, providing an excellent example delivery through an integrated approach to planning and investment.

iii) Capitalise on public investment in education and transport and 'Lyons Review' Government department relocations in renaissance programmes

3.299 Early progress has already been made on capitalising on investment in transport and education, through a variety of schemes. Perhaps the most prominent has been the integration of Sheffield station's £60m refurbishment into the city's wider renaissance programme. Providing the anchor for a series of gateway projects, the station has acted as a catalyst in regenerating a previously deteriorating area of the city. It has also acted to complement existing plans for the redevelopment of the city's bus station and e-campus development. The region has also been able to take full advantage of private sector leverage on transport activity, through utilising limited public sector investment. The recent investment into Hull docks' rail infrastructure in particular saw a 4:1 public to private investment ratio.

## Deliverable E - Use culture to contribute to the economy, renaissance and profile

### Progress against three year actions:

i) Put culture at the heart of renaissance programmes and strengthen their image and media profile

3.300 Yorkshire Forward is working closely with regional partners to ensure that cultural and major events are a fundamental part of the region's renaissance programme, capturing the need to incorporate the region's cultural diversity and strength into any holistic regeneration approach. Key activity to date has included support for new cultural facilities in Leeds, Scarborough, Bradford and Sheffield as part of ongoing renaissance programmes, the establishment of a new team within Yorkshire Forward to align and develop relevant cultural activity, and the sponsorship of a host of major events within the region, better highlighting the regional offer as well as having a tangible economic impact. This approach is bolstered by the array of local activity undertaken across the region aimed at both engaging communities and promoting local cultural strengths, like the successful 'Mela' events in Leeds and Bradford or the recent bicentennial celebrations in Hull for William Wilberforce.

ii) Develop and co-ordinate cultural assets, attractions and events to make the region a more attractive place to locate or visit

3.301 Yorkshire Forward, Yorkshire Culture, the Yorkshire Tourist Board and other partners have brought forward an array of events and cultural activity over the last two years aimed at marketing and improving perceptions of the region. Significant events have included the Indian International Film Awards, Royal Ascot at York, the Clipper Boat Race and the 'Tour of Britain' cycle race. Other projects of note have included investment in new museum and theatre facilities in Leeds and Scarborough, a contribution towards the ongoing work on the Crucible in Sheffield and in the expansion of the NMFP in Bradford.

3.302 The region is also taking a proactive approach to the 2012 Olympics, with the establishment of the regional 2012 committee, focusing on the Cultural

Olympiad. This has been complemented by the publication of 'Yorkshire Gold', the region's strategic approach to the 2012 games and maximising the benefits it may provide.

iii) Use new public art to improve profile, perception and sense of place including as part of the 'Welcome to the North' campaign

3.303 The Northern Way initiative, working closely with the Arts Council and the Regional Cultural Consortium, has brought forward a programme of high quality public art for the North of England. Comprising five major pieces (and assisting in a range of aligned projects), the programme has seen the successful purchase of Anthony Gormley's 'Another Place' for Sefton Beach in Merseyside, the construction and operation of 'Turning the Place Over' as part of Liverpool: Capital of Culture, and will see a new gateway project for Leeds in 2008.

3.304 In addition to the major public art programme, Yorkshire Forward has also been working closely with Yorkshire Culture to deliver a high level advocacy group for the work across three regions. This panel, recruited nationally, is now working through a programme to place the new pieces of public art within a wider context and to raise the overall sense of the North of England as a contemporary place to live, work and invest. This will be complemented by ongoing activity by the RDAs to integrate the pieces as part of their mainstream marketing activity in future years. A programme of evaluation is also to be undertaken over the next year to judge impact of the pieces purchased.

iv) Launch 'Yorkshire Gold' initiative in 2006 to maximise the economic benefit of sport and the 2012 Olympics

3.305 The launch of the 'Yorkshire Gold' strategy was carried out in May 2007, aimed at seizing the opportunities afforded by the London 2012 Olympic Games and Paralympic Games. With buy in from the public and private sector, the strategy seeks to increase the region's participation in sport and physical activity, connecting local communities to teams and nations across the world, improving the region's status as a cultural and tourist destination and ensuring our businesses have the best chance to win some of the thousands of contracts on offer. Work to deliver the strategy is underway, with projects such as 'CompeteFor' being initiated.

# Part Four: Driving up Quality - Implementing Cross Cutting Themes

## Cross cutting themes

4.1 We have sought to ensure the cross cutting themes of Sustainable Development, Diversity and Leadership and Ambition have been embedded in all activity to deliver the RES. The following section seeks to highlight just some of the good work undertaken to drive up the quality of all projects and programmes whether they be; establishing new businesses, nurturing the ambitions of our existing businesses to grow and succeed, helping people realise their potential through skills, connecting people to good jobs, improving the regions transport, infrastructure and environment or unlocking the potential of our towns and cities through renaissance.

## Sustainable development

4.2 The region aspires to sustainable economic development that decouples economic growth from environmental damage and has made progress in some areas. However, the region is relatively waste and energy intensive and a strong focus on resource efficiency is needed for long term environmental and competitiveness reasons. The section below details some of the ways in which sustainability is being addressed across the spectrum of RES objectives. Another key tool

in monitoring progress in implementing sustainable development ambitions is the Sustainability Appraisal Framework. Progress against the key actions identified as part of the RES review and development process carried out in 2006 is detailed in Annex 2.

4.3 Sound environmental management, advice and support is being embedded into business support practices across the region, including a real focus on low carbon, energy and resource efficiency with work underway through the BREW (Business Resource Efficiency and Waste) Programme, as well as the activities of the Sustainable Futures Company.

4.4 Whilst there is a need to continue to identify skills shortages and build organisational capacity in relation to sustainable development, there are considerable opportunities for skills development in the waste, renewables and recycling sectors, which could be met through bespoke course provision, or by ensuring that existing workers acquire new skills to access the new opportunities that sustainable development presents.

4.5 High energy and environmental standards, including resource efficiency and renewable energy generation have been integrated within a number of RES interventions, with waste and energy management also being stimulated at the community level, reducing fuel poverty and providing new economic opportunities.

4.6 Efforts are being made to better link the physical and natural environments, including protecting and enhancing our natural assets. Examples include the creation of woodland for community use at Wombwell, near Doncaster, and the development of better links between the forestry and renaissance agendas.

## Diversity

4.7 Yorkshire Forward aims to lead the way in establishing the economic case for diversity, helping the region to recognise the importance of ensuring that all people and businesses are able to realise their potential and contribute to a stronger regional economy. Yorkshire Forward and local authorities have themselves made progress on this agenda, aiming to become exemplars in developing recruitment practices and more flexible ways of working which promote diversity. Innovative projects have also been developed, often through consultation and partnership with third sector organisations, which promote diversity and economic inclusion.

4.8 The national Ethnic Minority Business Task Force, launched in June 2007, is co-chaired by Yorkshire Forward's Chief Executive. Yorkshire Forward has been able to utilise learning and best practice from its own experience of managing business support to influence government policy and the priorities of Regional Development Agencies, business support providers as well as national enterprise policy through BERR. Its objectives include ensuring that business support is accessible to, and meets the needs of, all groups, opening up access to procurement opportunities, and overcoming barriers around access to finance. In each of these areas the particular barriers and unique needs of ethnic minority businesses are examined, with resulting policy recommendations then developed by the task force.

4.9 Economic inclusion is the core principle running across the diversity agenda, synonymous with the belief that society and the economy will benefit most from ensuring economic participation of the greatest number of people in the region. The Regional Diversity Framework, funded through and led by Yorkshire Forward, will involve a programme that engages delivery partners in a range of targeted interventions aiming to encourage the participation of diverse communities in the region's economy. Its focus will be on demand side interventions demonstrating to employers the benefits of a diverse workforce.

4.10 On skills, regional universities are working to change the focus of diversity through their courses, making the business case for diversity in MBA programmes and other leadership development courses. A number of other initiatives have been established by businesses and third sector organisations, such as apprenticeships specifically promoted to women and ethnic minorities, with the aim of achieving greater representation in industry sectors which may be barriers to entry or which have traditionally not been perceived as viable choices.

4.11 Community engagement and consultation is an increasingly important area of policy for urban renaissance and development of regeneration programmes. Investment in previous initiatives in the region has often struggled to adequately develop methodologies for engaging diverse communities. Investor confidence and the reputation of publicly funded bodies are linked closely to the way in which regeneration expenditure is perceived by different groups within communities, which in turn can lead to substantially different economic outcomes for an area. Yorkshire Forward is currently undertaking an assessment of opinions from Holbeck and the Holbeck Urban Village to better understand the perceptions and realities of regeneration investment at a local level on the diverse groups within society. This will be the start of a process of learning and understanding how engagement needs to take place.

4.12 Finally, the new Business Link service will work to provide better access to business support services by diverse communities, capitalising on opportunities and taking into account specific needs within mainstream provision to ensure the highest quality business support provision is available to all groups, irrespective of background.

## Leadership and ambition

4.13 The RES is now well embedded and provides a clear framework for sustainable economic growth in Yorkshire and Humber. It represents the coherent shared vision of partners across the region on both individual and collective action, driving ambition and helping organisations to seize opportunities and respond effectively to our changing economic and demographic landscape. Regional leadership is being provided by initiatives tackling some of the central issues of sustainable economic growth, including collaboration and best practice sharing between urban areas, corporate social responsibility in business and progress towards a lower carbon economy.

4.14 'Yorkshire Cities' now brings together ten local authorities representing the region's major towns and cities, in a network of urban authorities working together to develop, influence and promote urban policy through innovative collaboration, targeted research, and sharing of best practice in order to improve the economic competitiveness of the region and its cities. It additionally provides a valuable platform for engagement with local authorities providing the capacity to co-ordinate activity across the three city-regions and address and respond to common issues.

4.15 A new leadership group aiming to highlight the issue of community engagement and Corporate Social Responsibility within business in Yorkshire and Humber was announced at the Yorkshire Forward Building Better Businesses and Communities Conference held in Leeds in November 2007. The group is made up of some of the region's industry leaders including: KPMG, BP, Eversheds, Kelda Group, Conoco Phillips, Northern Gas Networks, Symmetry Thornton, Empire Direct, Gaz de France, Pinsent Masons and Evans Property Group.

4.16 Carbon Action Yorkshire is Yorkshire Forward's programme to lead the development of a lower carbon economy in the region. It brings together the private and public sectors to cost effectively reduce carbon emissions in line with national and regional targets.

The programme also works with its partners to stimulate the development and take up of low carbon products and services. The region has the potential to become a leader in the shift towards a low carbon economy through the development of new low carbon products, services, technologies, energy generation facilities and the use of carbon markets.



### Economic Growth:

Increase GDP faster than main competitors (e.g. EU 15).

#### Starting point:

In 2005, forecasts suggest that Y&H has a GDP per head of 22,726 Euros (PPS) – below the average for the EU15 and above the EU25 and EU27.

Forecasts for 2005 GDP per head		Euros PPS
	Y&H	22,726
	UK	26,489
	EU 15	26,446
	EU 25	22,601
	EU 27	21,684

#### Target to 2015:

Forecasts for 2015 GDP per head		Euros PPS
	Y&H	27,751
	UK	32,728
	EU 15	29,853
	EU 25	28,470
	EU 27	27,549




#### Technical information:

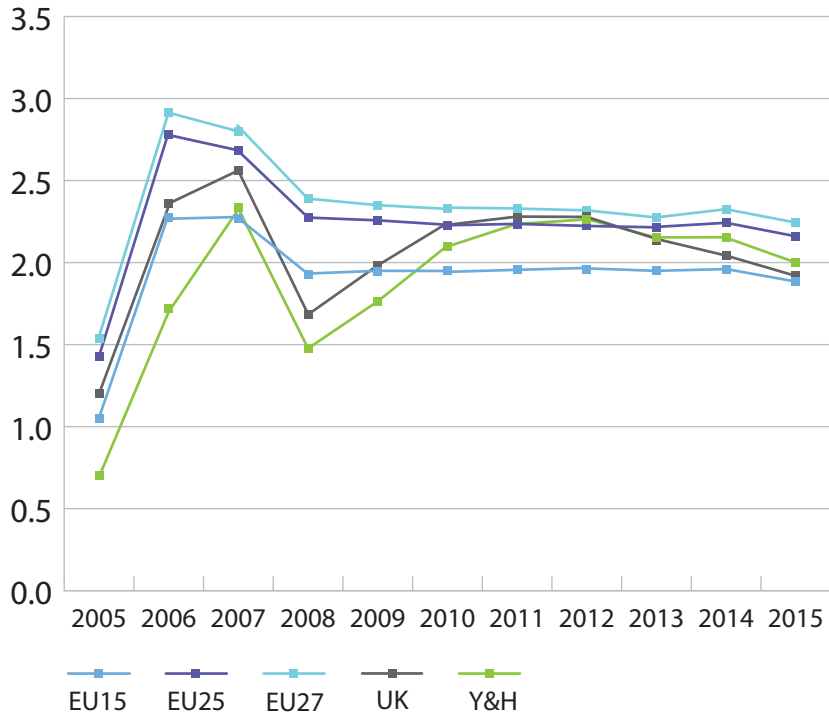
Forecast GDP per head of resident population figures from Experian Business Strategies Ltd's European Regional Forecasting Service are used to measure progress against this target. Updates are released annually.

In order to compare against the EU15, EU25 and EU27, all figures are based in '000s of Euros and to the Purchasing Power Standard base year of 2002 (PPS). PPS is an artificial currency that reflects differences in national price levels that are not taken into account by exchange rates. This unit makes it easier to compare data across countries.

#### Further comment:

The forward view of the region's performance on the RES economic growth target in the short-term is less optimistic; in part reflecting poor GVA growth in the region in 2005 (only 0.7% growth in GDP per head between 2004 and 2005). Lower growth is also expected in the region and UK in 2008 as a result of recent financial sector uncertainties and rising house prices, but both are expected to recover faster than the EU15, with good growth forecast from 2010.

-  - Data/forecasts suggest that the region has a good chance of achieving against this target.
-  - Unsure whether the region will achieve target at this point in time/not enough data yet available.
-  - Data suggest that without strong intervention, the region will not achieve this target.



Source: Experian Business Strategies Ltd, Regional Forecasting Service, GDP per head forecasts, autumn/winter 2007.

Forecasts as of January 2008 suggest that after a period of growth above the EU average, the region will achieve year-on-year growth below the EU and UK averages over the next three years, when in 2010/11 it is forecast to increase above the EU15 average to be more in line with the UK and EU25 and EU27 averages, with a possible GDP per head of 27,751 (Euros PPS).

All figures shown in the graph are forecasts, not actuals. They do get updated year on year and are provided to give an estimate of how this target may perform, rather than how it will definitely perform.

### Employment:



Raise the ILO Employment Rate from 74.4% in 2004 to 78% - 80% - equating to around 155,000 – 200,000 net extra jobs.

#### Starting point:

In 2004, the region had just over 3 million people of working age. Of these, 2,256,000 were in employment - 74.4%. By early 2007, this had declined slightly to 2,242,500 – 73.4%.

In comparison, the employment rate across England in 2004 was 75%, and in 2006 it was 74.3%.

#### Target to 2015:

In order to achieve the RES target, based on current working age population, the region would need to attract an additional 139,200 - 200,400 people into employment by 2015.

Yorkshire Forward's Regional Econometric Model is currently forecasting an additional 92,150 increase in total employment in the region between 2007 and 2015– not enough to say we have achieved the target.

**HOWEVER**, this does not take account of potential population migrations, immigrations, growth/decline in the working age population or unknown economic impacts.

#### Technical information:

Each year, estimates of the total working age population are made. These are influenced by migration, immigration and a decline/growth in working age population. Immigration especially will influence how this target performs over the next ten years.

#### Further comment:

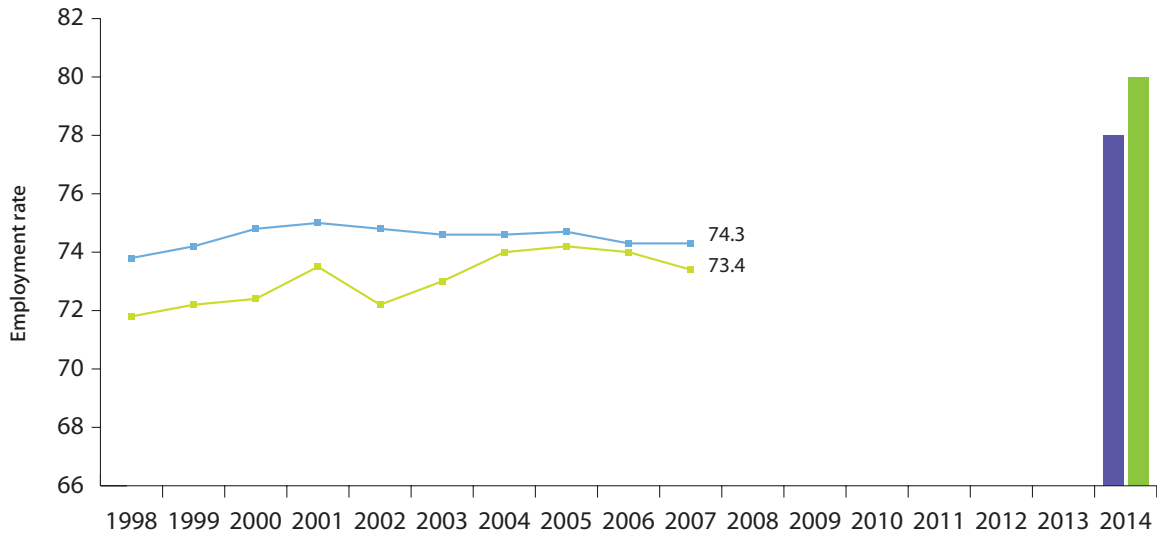
Our current baseline assumptions of the ILO employment rate reflect less robust employment growth between 2007 and 2015 (the time-frame of the RES target). Our forward view of full-time equivalent jobs growth suggests the region will grow less quickly than the national average but that this will still be sufficient to play “catch up” in the long-term relative to England. In our long-term forecasts we are taking a more robust view of the potential for net new jobs (on top of those we are already forecasting) flowing from strong growth in economic migrants (reflecting strong underlying demand-side drivers from key sectors in the region). The added stimulus of public sector interventions, especially through the City Region Development Plans also suggests the potential to drive higher employment growth than currently captured in the chart above. This may mean that the 78% target may be achievable.

Going forward, the key challenge of connecting existing communities to new employment opportunities may be more pronounced, given the nature of the labour market drivers hinted at above (both demographically and sectorally).

✓ - Data/forecasts suggest that the region has a good chance of achieving against this target.

? - Unsure whether the region will achieve target at this point in time/not enough data yet available.

X - Data suggest that without strong intervention, the region will not achieve this target.



Based on historical trends only. No migration, immigration, working age population growth/decline is taken into account here. This picture may look vary different in a year's time.

—■— England      ■ Target - 78%  
 —■— Y&H            ■ Target - 80%

Source: Office for National Statistics, Quarterly Labour Force Survey (LFS) – four quarter averages up to 2005, and Annual Population Survey (APS) for 2006 and 2007. The APS is a product of the LFS and the results are comparable.

### Productivity:

Raise GVA per worker by 25-30% from £28,300 in 2003 to between £35,000 - £37,000 (GVA per workforce job).

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#### Starting point:

GVA per worker across the Y&H region was £28,900 in 2003 (see Technical Information). This compares to an average of £32,200 across England and £32,400 across the UK as a whole.

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#### Target to 2015:

Based on applying the forecast percentage increases from Experian (see Technical Information), the region is forecast to achieve GVA per worker of £37,243 by 2015, whilst the UK is forecast to achieve £42,577.

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#### Technical information:

In July 2007, the Office for National Statistics updated their GVA figures. This means that for 2003, the baseline GVA per worker for the Yorkshire and Humber region is now £28,900 not £28,300 as quoted in the RES (based on previous estimates available at the time the RES was written).

The ONS does not provide forecasts for GVA per worker, whilst Experian Business Strategies Ltd does. However, the two sets of figures are different, with Experian's figures being higher than the historical figures provided by ONS.

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#### Technical information:




In order to work to both sets of figures (and therefore provide regular updates and forecasts against this target) the following approach has been taken:

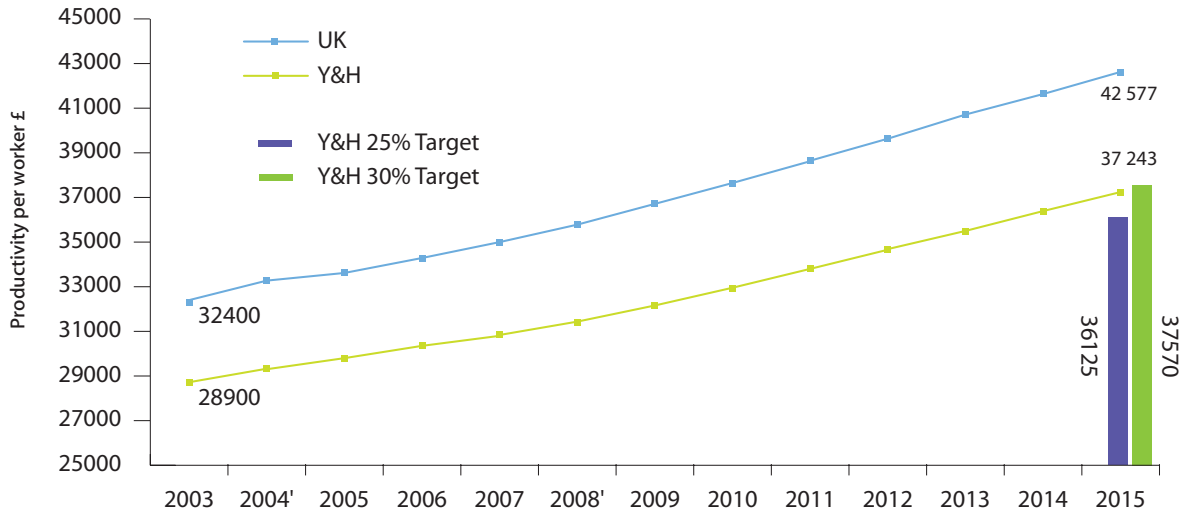
- 1) Use the GVA per workforce job figure as provided for 2003 in the July 2007 Regional Competitiveness Indicators (RCI). This relates to the ONS updated figure of £28,900.
- 2) Use the percentage increases year-on-year that are forecast using the Experian data.
- 3) Apply these percentage increases to the RCI baseline figure for the region.

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#### Further comment:

The inter-relationships between the RES employment, skills and productivity targets are critical, and put starkly, the additional employment (an extra 168,600 total jobs) that is forecast to be created in the region over the time-frame of RES is at the lower end of the skills spectrum compared to that seen nationally (in part exacerbating the forecast gap to the UK average). Those sectors in the region which tend to have higher value-added will also grow less quickly than their counterparts nationally, again widening the productivity gap.

-  - Data/forecasts suggest that the region has a good chance of achieving against this target.
-  - Unsure whether the region will achieve target at this point in time/not enough data yet available.
-  - Data suggest that without strong intervention, the region will not achieve this target.



Sources: Department for Business, Enterprise and Regulatory Reform, Regional Competitiveness Indicators, July 2007 (taken from Office for National Statistics, GVA per worker figures). Yorkshire Forward/Experian Business Strategies Ltd, Regional Econometric Model, autumn 2007 for the GVA per worker forecasts, rebased to 2003 Regional Competitiveness Indicator figure for GVA per worker at £28,900.

Figures are based on forecasts from 2004 onwards, and are therefore subject to change in the future.

Based on the methodology described opposite, the region needs to aim for a 'productivity per workforce job' of between £36,125 and £37,570 (between 25 - 30% increase on the 2003 baseline. At the moment, it is forecast that the region is likely to achieve against the top end range of this target. However, the gap between the region and the UK is forecast to increase from a gap of £3,500 per workforce job in 2003 to a forecast gap to the UK average of £5,334 by 2015.

### Innovation:



Double R&D expenditure from 0.5% of GVA in 2002 to >1% of regional GVA (Business Enterprise R&D in all industries, total workplace based).

#### Starting point:

In 2002, the region's business base spent 0.5% of GVA on R&D activity – this equates to £358.450 million. In comparison, the England average was a business R&D expenditure of 1.5% of GVA

#### Target to 2015:

A minimum business R&D expenditure of 1% of the region's GVA. By 2015, GVA is forecast to increase to around £98.647 billion. To achieve this target, the region's businesses would need to be spending £986.471 million on R&D activity by then.

#### Technical information:

Business R&D expenditure as a proportion of GVA is available via the Department for Business, Enterprise and Regulatory Reform's Regional Competitiveness Indicators, taken from Office for National Statistics. It is based on GVA figures taken from the Office for National Statistics (ONS).

However, in order to forecast forwards, GVA forecast figures have been used from the Yorkshire Forward/ Experian Business Strategies Ltd Regional Econometric Model. To date, these figures are very similar to the ONS figures for the historical data, and the difference between the two is unlikely to make a significant issue in the future. However, both data sources are annually reviewed against each other for any anomalies.

#### Further comment:

There are a number of clear and pragmatic interventions that could contribute to this target, for example; by targeting Foreign Direct Investment activity exclusively on R&D projects the region could win, would 'buy in' innovation. This is a high risk strategy that would need considerable resources and would not deliver immediate results but does tie in with UKTI and PSA policy to target R&D investments for FDI activity.

However, driving up innovation activity is as much about delivering a cultural change in both business and individual attitudes, and has strong links with the enterprise and skills agendas. Developing a sector approach to business support, by identifying those sectors that will not only grow in terms of output and employment in the region, in the future, but may also give the region a competitive advantage in the global market is also extremely important to the innovation agenda.

The region has excellent Higher Education facilities, and the culture shift is now starting to take place on a larger scale, as a result of earlier policy that has proactively harnessed HE and business collaboration.

- ✓ - Data/forecasts suggest that the region has a good chance of achieving against this target.
- ? - Unsure whether the region will achieve target at this point in time/not enough data yet available.
- X - Data suggest that without strong intervention, the region will not achieve this target.

Business R&D expenditure target as a % of GVA

Target as a % of GVA	1	1.1	1.2	1.3	1.4	1.5
Target expenditure on Business R&D (£ million)	986.471	1,085.119	1,183.766	1,282.413	1,381.060	1,479.707
Shortfall based on no change to 0.5% of GVA expenditure on R&D (£ million)	493.236	591.883	690.530	789.177	887.824	986.471

Yorkshire Forward/Experian Business Strategies Ltd, Regional Econometric Model, autumn 2007

GVA figures are based on forecasts and will therefore likely change/update in the future. They are provided to give an indication of the scale of the task of achieving this target.

In 2004 (year of the latest R&D expenditure data), the Y&H R&D expenditure as a proportion of GVA remained at 0.5%, whilst the overall figure for England had declined slightly to 1.4%.

The challenge inherent in the target concerns the propensity with which private sector firms invest in their business to drive up resource efficiency and increase turnover and value-added through such investment – the target is articulated by the “measurable” of £’s invested in R&D.

### Enterprise: ?

Increase total VAT registered business stock by 25% from 32 businesses per 1,000 adults in 2004 to 40 businesses per 1,000 adults.

#### Starting point:

The VAT registered business stock at the start of 2004 across Y&H was 132,005 – 32.9 businesses per 1,000 resident adults. This VAT stock represents 8.4% of the England total VAT stock. For the region to be punching its weight, this needs to be nearer 10%. In comparison, in 2004, the England VAT stock per 1,000 resident adults was 39.3.

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#### Target to 2015:

Total VAT business stock needs to increase to 165,000 in order to achieve this target – an additional 33,000 VAT registered businesses – bigger than the whole of North Yorkshire's current VAT stock of businesses.

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#### Technical information:

VAT stock data from the Inter-Departmental Business Register (summarised by the Small Business Service analytical unit) will be used to measure progress against this target.

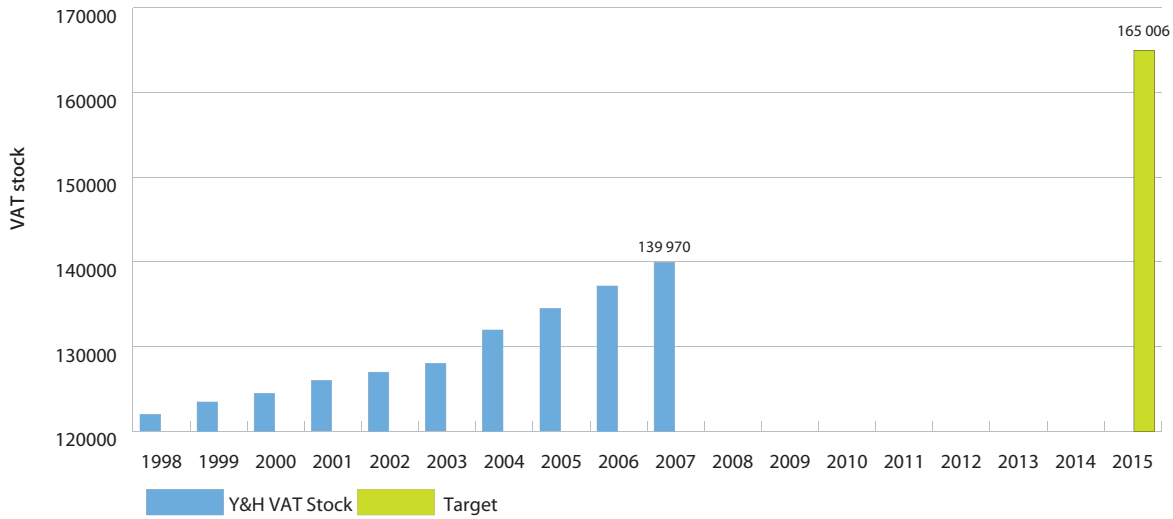
The VAT threshold is raised each year. For 2006, it was a turnover of £61,000 or more in any twelve month period. This is the point where it is compulsory for a business to register for VAT. Businesses may register before reaching this point if they desire. Similarly, they can de-register if their turnover drops below the threshold.

#### Further comment:

Since 1998, the average annual growth rate of VAT stock in the region has been 1.52%. In order to achieve the RES enterprise target by 2015, this will need to increase from now on to 2.1%. However, growth in VAT stock since 2004 has been above the average trend at 2.12%, so; we may be about to experience an exponential growth curve. We may also now be reaping the returns from our interventions in the early 2000s. However, we may also simply be riding on the current economic high and what if there's a saturation point after which the VAT stock will not grow anymore, no matter on the level of intervention?

The delivery of the enterprise RES target will need to focus on three key policy areas: i) developing an enterprise culture ii) business start-up and iii) business growth. The challenge lies with ensuring that all enterprise interventions aspire towards these three key target audiences, whilst the development and subsequent delivery of the new regional Business Link is fit for purpose.

- ✓ - Data/forecasts suggest that the region has a good chance of achieving against this target.
- ? - Unsure whether the region will achieve target at this point in time/not enough data yet available.
- X - Data suggest that without strong intervention, the region will not achieve this target.



Source: VAT Stock at the start of year, Small Business Service, November 2007.

By the start of 2007, the VAT stock for the region had increased to 139,970 – 33.6 VAT registered businesses for every 1,000 resident adults, compared to an England average of 40.7. By projecting forward historical trends, the region is likely to experience a shortfall of around 7,082 in VAT stock.

### Skills:



Raise the % 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% to 45%.

#### Starting point:

Across the region in 2004 there were nearly 1.7 million people with a Level 2+ qualification - 70.1% of all economically active people in the region and 623,000 people with a Level 4+ qualification - 27.7%.

In comparison, the England averages were 71.6% and 30.4% for Level 2+ and 4+ respectively.

#### Target to 2015:

In order to achieve the skills Level 2+ target of 80% by 2015, an additional 207,660 people will need to gain qualifications to at least Level 2 (based on current economically active population figures). If historical trends are projected forwards, the region should achieve its Level 2+ target.

In order to achieve the nested Level 4+ target, the region will need to qualify an additional 202,887 people at Level 4+ (based on current economically active population figures). If historical trends are projected forwards, with no intervention, the region will slightly under-achieve against its Level 4+ target.

#### Technical information:

The source of this data is the Department for Education and Skills analysis of the Office for National Statistics Annual Population Survey. At regional and sub-regional level, these figures are fairly robust, however, at local authority level; caution needs to be taken, especially in some of the more rural, sparsely populated districts, where the confidence level of the results is not as strong.

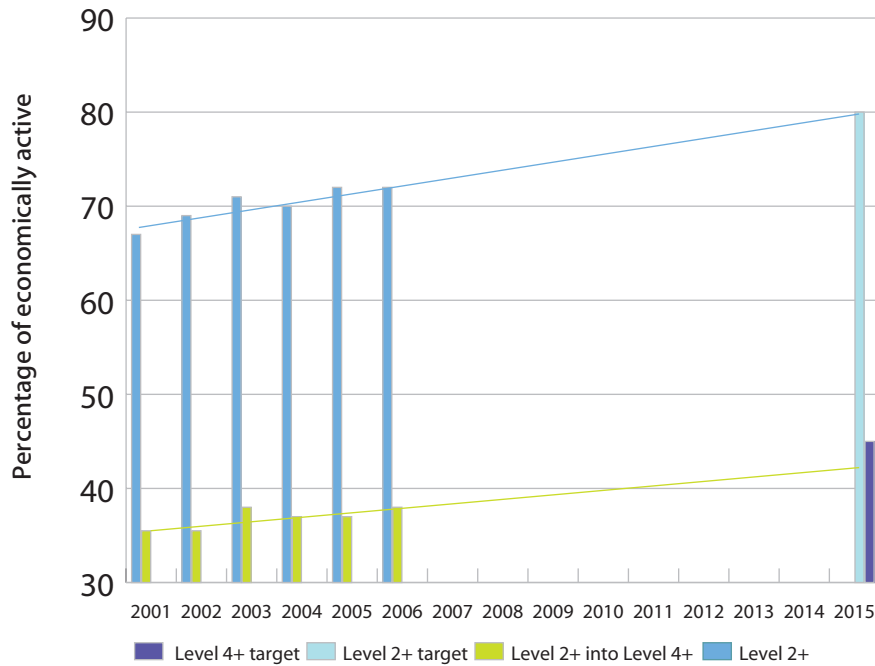
#### Further comment:

The importance of this target cannot be underestimated. It places emphasis on a greater rate of growth in higher level skills in the context of rising (and above current trend) performance for Level 2. The reality of Yorkshire and Humber's recent job creation success (2001 to 2004) is that the economy has been generating net new jobs growth MOSTLY at Level 2 (on the NVQ comparison scale) – with little “catch up” played at Levels 3 and 4 (nationally and with the South). Ensuring that supply meets future forecast business demand, and that resource is most effectively deployed to develop the supply side sufficiently and in the right occupational areas will be an important role for the Regional Skills Partnership in supporting the delivery of this target.

✓ - Data/forecasts suggest that the region has a good chance of achieving against this target.

? - Unsure whether the region will achieve target at this point in time/not enough data yet available.

X - Data suggest that without strong intervention, the region will not achieve this target.



Source: Regional Competitiveness Indicators and the Department for Education and Skills analyses of the Office for National Statistics Labour Force Survey. Quarter 2 and Quarter 4 results used for projections forwards to 2015.

**NOTE:** Projections take no account of any migration, immigration or other population growth/decline issues. They are based on current economically active population figures only, and are provided to give an indication of the possible performance against this target, based on existing knowledge.

### Investment (transport):

Achieve real terms increase in transport investment in the region as a % of regional GVA.

#### Starting point:

This target expresses an increase in transport investment in the region as a % of regional GVA from 0.9% in 2004/05 to over 1% of GVA.

However, the latest figures released from the Public Expenditure Statistical Analyses, 2007, from HM Treasury, suggest that current and capital transport expenditure across the region in 2004/05 was £964 million (7.2% of the England total transport expenditure) and represented 1.26% of the region's GVA in 2004.

#### Target to 2015:

The original target suggests an 11% increase in transport expenditure as a function of the region's GVA (0.9% > 1%). Based on this '11% increase' going forwards, transport expenditure as a function of GVA would require a target of 1.4% of the region's GVA by 2015 to be spent on transport investment. This is not a particularly stretching target and needs to be re-considered.




#### Technical information:

Transport expenditure has been taken from the HM Treasury's Public Expenditure Statistical Analyses (PESA), 2007, Chapter 9 – Analysis of Public Expenditure by Country and Region. It needs to be noted that these figures are updated annually so historical figures do change year-on-year.

GVA figures are taken from Experian Business Strategies Ltd/Yorkshire Forward's Regional Econometric Model, which provides forecasts to 2015 on GVA. Again, these figures are periodically reviewed and updated, so figures often change in the future.

#### Further comment:

Matching transport plans and investment to those areas of the region that are forecast to show the greatest increase in total employment is particularly important in supporting the growth of the region's economy. There are concerns that the region's major employment areas are being, and will be affected in the future by congestion problems, insufficient public transport and increasing greenhouse gas emissions. This will affect output, productivity, general quality of life and might lead to the re-location of some of the region's biggest employers, if profits are affected. Increasing home building on brownfield city centre sites may also go some way to offsetting this squeeze.

-  - Data/forecasts suggest that the region has a good chance of achieving against this target.
-  - Unsure whether the region will achieve target at this point in time/not enough data yet available.
-  - Data suggest that without strong intervention, the region will not achieve this target.

	2002	2003	2004	2005	2006	Possible forecast to 2015
Y&H GVA in billions	71,690	73,352	76,392	77,642	79,491	98,647
Transport expenditure in millions	831	979	964	990	1,096	1,735
Transport expenditure as a proportion of GVA	1.16	1.33	1.26	1.28	1.38	1.76

Source: HM Treasury, 2007 PESA and Experian Business Strategies Ltd/ Yorkshire Forward, Regional Econometric Model, autumn 2007.

In 2006/07, capital and current transport expenditure in the region was reported as £1,096 million – representing 1.38% of the region’s GVA (forecast). Hence, potentially, the target has already been achieved.

Based on projecting forward historical transport expenditure and using current forecasts for GVA by 2015, it would be feasible to suggest that assuming no cuts in budget; that by 2015, transport expenditure as a function of GVA could reach 1.76%.

That said, expenditure per head on transport tells a more somber tale. In 2004/05 expenditure per head on transport in the region was £191 compared to an England average of £267. By 2006/07 this expenditure was estimated to have increased to £215 per head, compared to an England average of £305. If transport expenditure is to increase in real terms, it will also need to increase the rate of spending per head of population. So, between

2004/05 and 2006/07, transport expenditure per head had increased by 7.3% in the region, compared to 14.2% across England, and the region is starting from a much lower base.

Taking the numbers above on face value, we are likely to deliver on the RES target, but going forward we have a number of issues and concerns about the way PESA data captures real terms investment growth in transport spend. The overarching ambition flowing from the RES target is that the Government spends more on transport (net new money) to reflect the growth of our economy. Going forward we feel the target would be better measured using PESA data on identified transport spend on a per head basis, this way Government spend (in its totality, regardless of the phasing or not of projects) can be more effectively matched to needs of our economy as it grows, as the data above shows.

### Investment (overall):



Raise total private sector manufacturing and services investment by 50% from £5.3 billions in 2002 to £8 billions.

#### Starting point:

A figure of £5,778 billions will be used for the baseline of this target instead. The original figure of £5.3 billion in the new RES was based on a previous release of the Annual Business Inquiry Net Capital Expenditure and was a rolling four year average across 1999 – 2002.

This new baseline is a rolling average of net capital expenditure for the period 1999 – 2002.

#### Target to 2015:

Increase net capital expenditure to £8 billion across the region. This means an average annual percentage increase in expenditure of 2.3% each year.

In 2004, the net capital expenditure figure was £6,537 billion, which gives a rolling four year figure for 2001 – 2004 of £6,233 billion (shown in the graph).

Based on historical trend, this target is potentially achievable

#### Technical information:

The Office for National Statistics, Annual Business Inquiry, Net Capital Expenditure by region is used to measure this target.

For measurement of this target going forwards, a rolling average of four years' worth of data will be taken i.e. so for 2004, the overall figure will be made up of an average of 2001, 2002, 2003 and 2004 data etc. etc.

Historical data is typically updated on an annual basis with this data set.

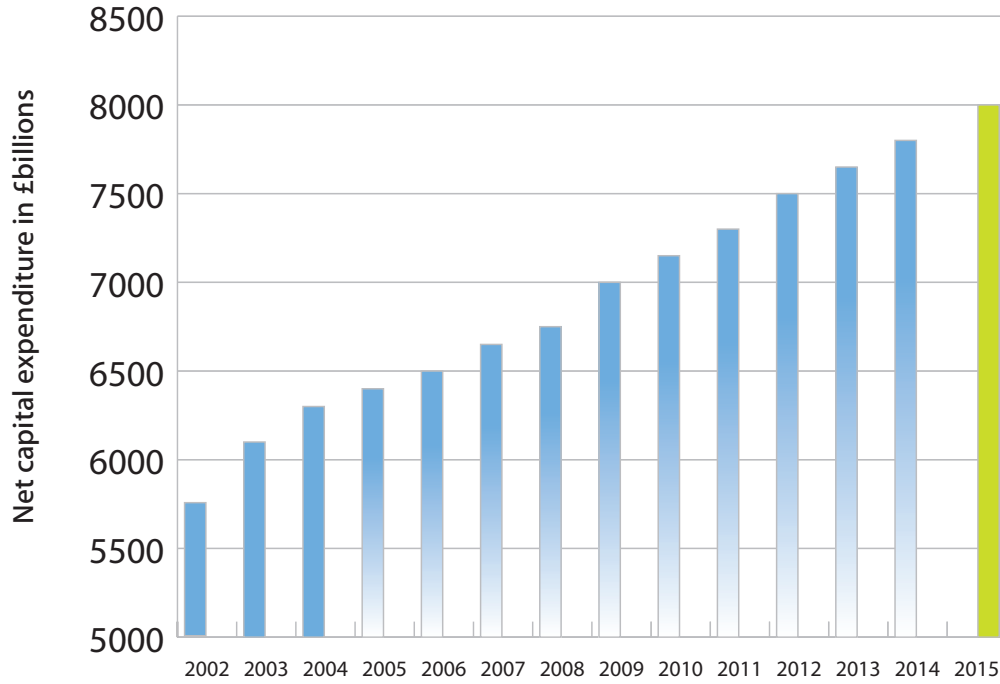
#### Further comment:

It should be noted that this target is a measure of unit (firm) level investment. It is not a measure of global investment into Yorkshire and Humber (so excludes equity based investment at initial point of consumption). The state of the national economy will clearly have a bearing on the volume of investment as will the increasing tendency for regional businesses to locate more and more productive capacity to lower cost emerging markets.

Of importance now to the Yorkshire and Humber economy is to ensure that it is clear where its industry sector strengths and opportunities lie in the future; and to seek to support the development of those sectors where the region can gain a competitive advantage in the global arena. Raising the culture of, and driving forward innovation is critical to this, as is building the most appropriate skills base to support the business requirements of the future.

- ✓ - Data/forecasts suggest that the region has a good chance of achieving against this target.
- ? - Unsure whether the region will achieve target at this point in time/not enough data yet available.
- X - Data suggest that without strong intervention, the region will not achieve this target.

Overall investment in firms in Yorkshire and Humber 2002-2015



Source: Regional Competitiveness Indicators and the Department for Education and Skills analyses of the Office for National Statistics Labour Force Survey. Quarter 2 and Quarter 4 results used for projections forwards to 2015.

### Quality of place:

Significantly above trend improvements in regional quality of place index for renaissance cities and towns.

#### Starting point:

Yorkshire Forward has developed its own model of indicators to measure progress in the urban renaissance towns (URT).

Each town and the comparison geographies start with their own baseline of 1 in 2006 and progress is measured going forwards.

However, an example using 2003 as a baseline is shown in the graph – using eleven of the fifteen indicators for which data is currently available in time-series. In the example, the URT towns as a whole have improved by 11% between 2003 and 2006, compared to the England average of 6% and the Y&H average of 8%.

#### Target to 2015:

The target is for URT towns to show a level of improvement that is above the England average. Although an actual target for improvement is not specified, one could be proposed and progress measured against it once the model is fully populated with data.

#### Technical information:


The model comprises of three baskets of indicators:


- 1) Measurement of Place – seven indicators, of which all are included in the current example model.
- 2) Measurement of Perceptions of Place – three indicators, all of which are new from 2006 and not currently represented in the example model as there is currently no time-series.
- 3) Measurement of Engagement in Place – five indicators, of which four are included in the model currently.

All indicators are weighted equally under each of the three overall measures, but the three broad indicators are weighted 50% towards measurement of place, and 25% each for perceptions and engagement in place.

#### Further comment:

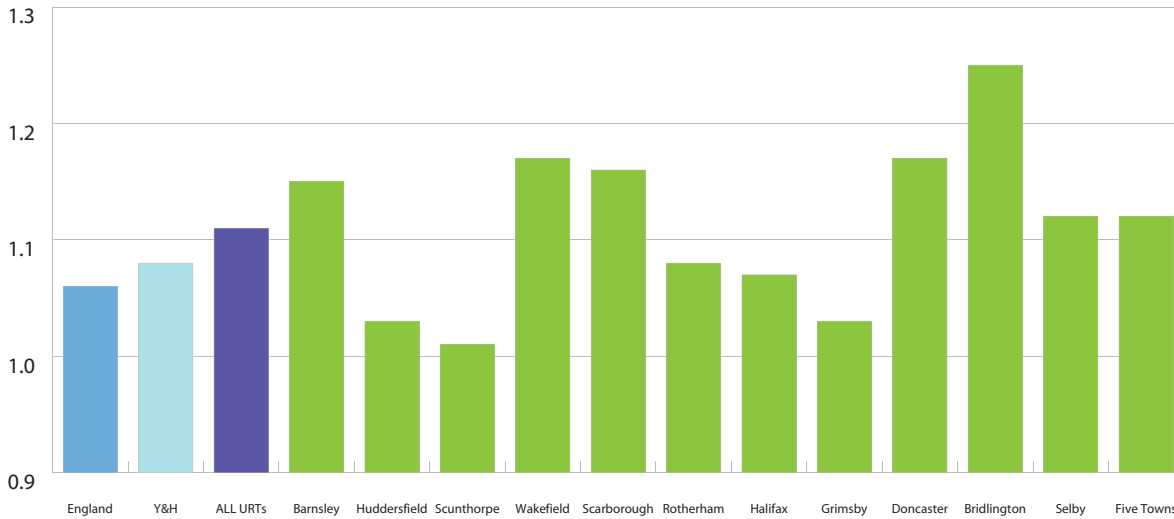
Policy decision-makers now need to ensure that they link up the renaissance agenda with the local authorities' Economic Development/Masterplanning processes and city-region development plans. The public realm improvements already achieved under the renaissance agenda are beginning to translate into improved perceptions and local participation in the civic agenda. These improvements now need to be further developed into sustainable economic development agendas for the region's towns and cities, based on clear evidence of each place's strengths, weaknesses, opportunities and threats.

 - Data/forecasts suggest that the region has a good chance of achieving against this target.

 - Unsure whether the region will achieve target at this point in time/not enough data yet available.

 - Data suggest that without strong intervention, the region will not achieve this target.

## Percentage improvement on 2003 baseline to 2006



Source: Information team, Chief Economist Unit, Yorkshire Forward, January 2008.

All indicators used within the model will be available on an annual basis from 2006 onwards and in due course, 2006 will be re-set as the baseline year 1. Ten of the fifteen indicators use data that is collected at the town level, whilst the other five are only robust enough/available at district level.

Although the Model has still to go through a number of refinements, is still in its testing stage and not all data for its fifteen indicators is currently available; it is sufficiently well developed for us to be certain that between 2003 and 2006, the region's urban renaissance towns as a whole have shown improvement that is over and above the England average (even if the figures change with future iterations in the testing stage of the Model).

### Environment:



Reduce greenhouse gas emissions (CO<sub>2</sub> equivalent) by 20 – 25% over 1990 baseline, based on modelling of energy/resources consumption attributable to Y&H.

#### Starting point:

In 1990, the region produced 87.8 million tonnes of CO<sub>2</sub> equivalent greenhouse gas emissions. This was 11.9% of all UK GHG emissions. Of this total, 51.7% was from power generation, compared to the UK average of 37.7%.

By 2004, the region's GHG emissions had gone up to 88.9 million tonnes of CO<sub>2</sub> equivalent, after a reduction of 1.9% between 1990 and 2000. By 2004, power generation accounted for 62% of emissions in Y&H compared to a UK average of 40%.

#### Target to 2015:

If the region is to achieve its target of a 20 – 25% reduction in GHG emissions on the 1990 baseline, it will need to cut emissions down to between 65.87 million tonnes and 70.26 million tonnes of CO<sub>2</sub> equivalent.

#### Technical information:

The figures used to measure progress against this target come from the two-yearly commissioned work that Yorkshire Forward undertakes with Cambridge Econometrics to update the 1990 baseline GHG emissions estimates for the region. The next update of this report will likely be undertaken in spring 2008.

#### Further comment:

Since 1990, the region has increased its Carbon Dioxide (CO<sub>2</sub>) emissions as a proportion of the overall regional GHG emissions by 10 percentage points. Across the UK as a whole, CO<sub>2</sub> emissions have increased by 7.7 percentage points as a proportion of overall emissions. Reductions have been achieved across all other greenhouse gases, especially Methane, as the coal and agricultural industries have declined (see table opposite).

The region has a handful of some of the UK's most emissive sites in the energy generation sector. Yorkshire Forward is now taking a clear strategy of intervention with Drax, Eggborough and Ferrybridge to support an 85% drop in their CO<sub>2</sub> emissions over the medium-term. This will give a significant positive impact against this target.

- ✓ - Data/forecasts suggest that the region has a good chance of achieving against this target.
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		Emission Reduction Rates (%)		
		1990 - 2000	2000 - 2004	1990 - 2004
UK	Including power generation	-13.2	2.4	-11.1
	Excluding power generation	-12.9	-2.1	-14.7
Y&H	Including power generation	-1.9	3.3	1.3
	Excluding power generation	-16.2	-5.0	-20.4

Gas	Proportion of UK emissions (2004)	Main source
Carbon Dioxide (CO <sub>2</sub> )	86.09%	Combustion of fossil fuels in power generation.
Methane (CH <sub>4</sub> )	5.87%	Landfill sites, livestock and coal mines.
Nitrous oxide (N <sub>2</sub> O)	6.09%	Fertilisers in agriculture and the natural release from soil by nitrifying bacteria.
Hydrofluorocarbons (HFCs)	1.66%	Refrigeration, air conditioning, aerosols and fire-fighting fluids.
Perfluorocarbons (PFCs)	0.06%	A by-product of aluminium smelting; also used in the manufacture of electronics equipment, refrigerators and the cushioning in the soles of trainers.
Sulphur hexafluoride (SF <sub>6</sub> )	0.24%	Manufacture of magnesium, trainers and electronics equipment.

Gas	Proportion of greenhouse gases emitted in the Y&H region		
	1990	2004	Change 1990 - 2004
CO <sub>2</sub>	81.42	91.38	+9.96
CH <sub>4</sub>	10.53	3.80	-6.72
N <sub>2</sub> O	6.31	3.48	-2.84
HFCs	1.53	1.21	-0.32
PFCs	0.13	0.02	-0.11
SF <sub>6</sub>	0.08	0.11	+0.04
Total	87.8 m tonnes	88.9 m tonnes	+1.1 m tonnes

Source: Yorkshire Forward/Cambridge Econometrics, Greenhouse Gas Emissions Monitoring Study (Update), March 2006.

### Diversity:

Cut the percentage of local 'super output areas' in the region in the 10% most deprived nationally from 17.4% (in 2004) to 13.7% - halving the gap to the national average.

#### Starting point:

In 2004, there were 3,248 super output areas (SOAs) in the 10% most deprived in England. Of these, 572 were in the Yorkshire and Humber region.

This means that of Y&H's 3,293 SOAs overall, 17.4% (572) are in the 10% most deprived in the country.

There are 860,270 people living in the 17.4% of SOAs in the region that are classed as being in the 10% most deprived in England (17.3% of the region's population).

#### Target to 2015:

In order to halve the gap to the national average, the region needs to reduce the number of SOAs in the 10% most deprived by 121 – bringing the total in the 10% most deprived down to no more than 451.




In the 2007 update of the IMD, the region had reduced the number of SOAs in the 10% most deprived down from 572 to 551 - a reduction of 21. This means that there is now 16.7% of the region's SOAs in the 10% most deprived, compared to the previous 17.4%.

#### Technical information:

An update in the original 2004 Index of Multiple Deprivation data has changed this target slightly from the figures highlighted in the RES (16% down to 13%) to 17.4% down to 13.7%.

#### Further comment:

Decisions focusing on further reducing the number of SOAs in the region out of the 10% most deprived areas in England should address the key drivers of deprivation in each area. For example, the major issues for the region in terms of deprivation are 'Education, Skills and Training' where 84% of the region's SOAs in the 10% most deprived in England also score in the bottom 10% for this domain. Employment (77%), Income (72%) and Health (69%) are the other key deprivation issues for the region where the region's deprived areas score badly compared to the England IMD overall (IMD 2004). Attention should also be paid to ensuring that those areas in the bottom 20% most deprived, near the borderline with the 10%, don't drop below the 10% threshold due to lack of investment or focus.

-  - Data/forecasts suggest that the region has a good chance of achieving against this target.
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	No of SOAs in 10% most deprived	No of SOAs in 10% most deprived	% share of region's most deprived	Target no of SOAs to reduce out of 10% most deprived based on share of region's most deprived
Bracketed figures are for 2004. Figures not in brackets are for 2007.				
West Yorkshire	262 (270)	19.0	47.5	49 (57)
Bradford	90 (93)	29.3	16.3	17 (20)
Calderdale	13 (15)	10.1	2.4	1 (3)
Kirklees	34 (33)	13.1	6.2	8 (7)
Leeds	95 (100)	20.0	17.2	16 (21)
Wakefield	30 (29)	14.4	5.4	7 (6)
South Yorkshire	168 (181)	19.9	30.5	25 (38)
Barnsley	27 (34)	18.4	4.9	0 (7)
Doncaster	41 (50)	21.2	7.4	2 (11)
Rotherham	19 (19)	11.4	3.4	4 (4)
Sheffield	81 (78)	23.9	14.7	20 (17)
Humber	113 (114)	19.5	20.5	23 (24)
Kingston-upon-Hull	72 (76)	44.2	13.1	12 (16)
East Riding	6 (4)	2.9	1.1	3 (1)
North East Lincolnshire	26 (26)	24.3	4.7	6 (6)
North Lincolnshire	9 (8)	9.0	1.6	3 (2)
North Yorkshire	8 (7)	1.6	1.5	2 (1)
Scarborough	7 (7)	9.9	1.2	1 (1)
York	1 (0)	0.8	0.2	1 (0)
Yorkshire and Humber	(572)	16.7	100.0	100 (121)

Source: Office for Deputy Prime Minister, Index of Multiple Deprivation, 2004 and Department for Communities and Local Government, Index of Multiple Deprivation, 2007.



Sustainability Appraisal (SA) is a process that examines the extent to which plans contribute to the achievement of a full range of objectives covering economic, social, environmental and natural resource considerations. SA uses objectives independent of the plan being appraised but that reflect the local situation (for example the Regional Sustainable Development Framework objectives). Strategic Environmental Assessment (SEA) is meanwhile a process to incorporate environmental considerations into decision-making at an early stage and in an integrated way.

Both SA and SEA are intended to improve the contribution that a strategy makes to the achievement of sustainable development and to the minimisation of environmental impacts. Sustainable development was integral to the development of the RES from the start, with the SEA/SA process complementing other sources including the regional evidence base, in-house expertise and general RES consultation responses to ensure that sustainability and environmental considerations were incorporated at each stage.

Monitoring the environmental effects of RES delivery is a key part of the SEA/SA process. It aims to answer the following questions:

- Were the assessment's predictions of environmental effects accurate?
- Is the plan contributing to the achievement of desired environmental objectives?
- Are mitigation measures performing as well as expected?
- Are there any unforeseen adverse environmental effects?
- Are these within acceptable limits, or is remedial action required?

Although actions relating to RES delivery are only one of multiple factors that may affect the environment, data was collated at the outset of the SEA/SA process to assess the current state of the environment, identify future trends and predict what effect the RES policies might have. The monitoring strategy set out here focuses on a number of key indicators relating most directly to both the RES and the SEA/SA recommendations and aims to give a flavour of progress against the overall SEA/SA principles (Table 1). This data will also help to inform decisions on any action that is required to correct unforeseen adverse effects, i.e. what is needed to trigger an alternative course of action.

A series of recommendations on how the RES can make a positive contribution to sustainable development were also identified by the SEA/SA. These are detailed in full within the RES Sustainability Report (2006). Whilst some recommendations related to the content of the RES itself, others were relevant to how the RES would be delivered. Table 5 sets out the relevant recommendations and information on how delivering the RES has taken these on board, in some cases setting out further steps that Yorkshire Forward and partners will take to ensure the recommendations are carried through into RES delivery. This may include a new course of action or mitigating measure, or giving feedback to the lead partners responsible for delivering the relevant RES actions.

Table 4: RES SEA/SA indicators and commentary

Indicator	Baseline	Latest Information and Trends	Commentary
% of journey to work by walk/cycle/public transport	31%	27% - down 4%	The figures include a slight drop in the number of people using bus or coach and a corresponding rise in the number of people walking. However, the car remains the main mode of transport to work, accounting for 73% of journeys. This suggests a need to investigate effectiveness of actions under RES Objective 4 and ensure they connect people to opportunity.
Car and taxi traffic volume (1,000 vehicles per day)	3.3	3.6 – up 9.1%	The trends include a higher rate of increase in absolute traffic levels in some of the more rural districts. This again suggests a need to investigate the effectiveness of actions under RES Objective 4 and ensure they connect people to opportunity.
Percentage of land stock that is derelict/contaminated	5,830ha (2005)	6,250ha (previously developed land up 7% since 2002; vacant and derelict land up 1% since 2002)	The increase in derelict/contaminated land stock suggests a need to review physical developments arising from the RES to ensure that redevelopment of brownfield sites is maximised.
Days when air pollution is moderate or higher (urban/rural)	Urban 33 Rural 36	Urban 41 (up 8) Rural 48 (up 12)	Relatively poor air quality was experienced in 2006 as a result of the hot dry summer. The main cause of the poor air quality was road traffic, which is a concern if hot weather conditions increase with climate change and road traffic continues to rise. There is a need to assess the extent to which economic development has affected the target, identify contributing factors and ensure suitable mitigation measures are included within RES delivery.
CO2 emissions per head (kg)	No per capita baseline is available as, although figures are available for 2003 and 2004, the methodology has changed.	10,900kg per head	Although no trend information is available, recent studies have indicated that the regional economic and spatial strategies are unlikely to deliver the reductions in greenhouse gas emissions required by current targets. Even with proactive policy interventions, a likely increase in emissions of 0.5% per year up to 2010 is expected. This suggests a need to assess the extent to which economic development has affected emissions and ensure that economic development is decoupled from the causes of climate change.

Table 4: RES SEA/SA indicators and commentary (continued)

Indicator	Baseline	Latest Information and Trends	Commentary
Number of properties at risk of flooding	N/A	325,000 properties at risk in total (0.1% probability of flooding)  294,000 of these are in Flood Zone 3 (i.e. 1% fluvial, 0.5% tidal)	The events of summer 2007 have highlighted the need to look at both the siting of new development and infrastructure as well as the resilience of existing infrastructure. Work is ongoing to assess the links between economic development and flood risk, and future studies are planned to help ensure there are measures to manage and reduce the risk (including action on climate change).
Energy produced from renewable sources as a proportion of regional energy consumption (%)	N/A (time series data is not available due to changes in methodology)	0.63%.	The regional figure compares with 0.81% for England as a whole. Evaluation work is planned to assess the extent to which economic development has encouraged renewable generation and end use, and to ensure further growth in renewables. Future interventions also take place in line with the Regional Energy Infrastructure Strategy.
Regional energy consumption billed to end-user (GwH)	N/A (time series data is not available due to changes in methodology)	992,420 GwH	The region's relatively high energy consumption reflects the high levels of commercial and industrial activity and large manufacturing base. It also suggests a need to continue efforts to decouple energy consumption from economic growth and further promote energy efficiency within RES delivery.
Rates of commercial and industrial waste generation	An Environment Agency survey of commercial and industrial waste identified this region as the biggest producer at 17%, linked to the large proportion of manufacturing industry in the region.	7.8 million tonnes of waste were disposed of in landfill sites and 7.2 million tonnes went to transfer and treatment facilities in 2005. Waste disposed to landfill decreased by 7% between 2004/05 and 2005 whilst inputs to transfer facilities also decreased by 2%. Waste through treatment facilities increased by 17% to nearly 2.7 million tonnes.	Regional partners including Yorkshire Forward, the Environment Agency, and Assembly are working to improve data on commercial and industrial waste arisings. This will help to assess the extent to which the RES has encouraged decoupling of resource use/waste generation from economic growth and inform the development of waste to work projects.

Table 5: Progress against SEA/SA recommendations

Recommendation	Progress/Action
<p>The nature of activities supported by the region should be able to contribute to social development and environmental enhancement, as well as economic growth. The RES should specifically avoid attracting any other activities which may lead to serious detrimental environmental effects.</p>	<p>The sustainability implications of Single Pot interventions are assessed through a mandatory sustainability assessment and greenhouse gas forecasting and inventory tool, whilst additional detailed sustainability appraisals are undertaken on projects where appropriate. Both tools are used to identify opportunities to improve the contribution of a project to sustainable development, identify challenges, and raise awareness of the importance of complying with sustainable development principles.</p>
<p>The risk of growth strategies impacting on greenhouse gas emissions targets should be closely monitored.</p>	<p>The RES strongly supports the goal of reducing greenhouse gas emissions, and acknowledges the need for continuing monitoring of greenhouse gas emissions, based on modelling of energy and resource consumption attributable to Yorkshire and the Humber. Methods of assessing the greenhouse gas savings resulting from our interventions are continually refined, and the emissions inventory of all Single Pot projects approved in 2006/7 is currently being assessed.</p> <p>Data on regional CO2 emissions, combined with ongoing modelling using tools such as the Regional Economy-Environment Input-Output model (REEIO), should meanwhile help to assess the extent to which economic development has affected emissions, identify contributing factors and promote further measures to ensure that economic development is decoupled from increasing greenhouse gas emissions.</p>
<p>The RES needs to clearly acknowledge what effect climate change may have on the region's water resources and should promote measures to alleviate this wherever possible.</p>	<p>Stakeholders from across the region, including Yorkshire Forward, are continuing to work in partnership with the Environment Agency and others to develop and implement the regional approach to delivering the Water Framework Directive. The Humber River Basin District Liaison Panel is engaging people in preparing draft River Basin Management Plans, which will set out the actions we will take in our river basin district to meet the objectives we set for our water environment.</p>

Table 5: Progress against SEA/SA recommendations (continued)

Recommendation	Progress/Action
<p>Where assistance is to be offered to businesses in terms of developing new processes, assistance should also be offered to develop and adopt sustainable manufacturing processes and products, waste minimisation and recycling action plans and carbon reduction action plans.</p>	<p>Sound environmental management, including a focus on low carbon, energy and resource efficient business activity, is a key means of delivering Corporate Social Responsibility. Work on the Business Resource Efficiency and Waste (BREW) programme has improved joint working both within Yorkshire Forward and across a range of partners to ensure that environmental business support is both available and relevant through the wider business support programmes managed by the Business Links. There are a range of waste to work projects and activities to decouple waste growth from economic growth, and Recycling Action Yorkshire is also providing support to the recycling sector to improve collections, reprocessing and use of recycled materials.</p> <p>The Business Resource Efficiency and Waste (BREW) programme is funded by DEFRA. Yorkshire Forward's role is to co-ordinate programmes at a regional level, and fill gaps in business support through funding additional projects and programmes, the aim being to accelerate and increase the implementation of resource efficiency improvements in businesses in Yorkshire and the Humber, improving businesses profitability and environmental performance. Details of some of the specific programmes are listed below:</p> <p><b>Small Scale Capital Grants:</b> Provision of small scale grants averaging £4,000 as a 25% contribution to purchase of capital equipment to reduce waste, energy and/or water usage. The project supported 55 regional businesses and resulted in 7,000 tonnes of waste diverted from landfill, 8,000 tonnes CO2 reductions and attracted £1.9million of private sector investment.</p> <p><b>Whywaste:</b> Funding was provided to Bradford Environmental Action Trust to develop an online waste exchange. Promoted at a regional level and through sub-regional networks, this has reduced the amount of waste to landfill through waste re-use. The programme has supported a wide range of business to business exchanges. In addition, provision of waste materials and products from the private sector to the social enterprise/ third sector has contributed to their business success.</p>

Table 5: Progress against SEA/SA recommendations (continued)

Recommendation	Progress/Action
<p>The RES should promote the development of emissions trading schemes for businesses that are involved in high volumes of international trade or travel.</p>	<p><b>Green Business Support Organisation Network (GBSO):</b>            Funding has been provided for the ongoing activity of the network, aimed at increasing the capacity/provision of high quality and professional environmental business support and consultancy within the region. Membership has increased from 200 to 250 (as of September 2007). In addition to events, newsletters and networking, training grants are provided to increase the quality of support through achievement of accredited environmental courses which will increase skills and contribute to continued professional development.</p> <p><b>Local Authority Trade Waste:</b>            Funding has been provided to 4 local authorities to establish or expand commercial waste collections. A pilot study which was aimed to increase recycling in areas where either private sector collections were not operating due to low quantities of waste produced or because businesses were situated in harder to reach rural locations.</p> <p><b>Community Recycling Network – Regional Officer:</b>            BREW funding has supported the provision of a regional CRN officer, CRN being a key organisation in providing support to recycling businesses within the third sector. This has assisted a number of third sector recycling businesses to develop their knowledge and skills within the recycling industry, and given support to develop business ideas and encourage relationships with the wider recycling community.</p> <p><b>Recycling Action Yorkshire – Capital grants and Procurement project:</b>            A fund of £450,000 has been provided to RAY for the provision of grants to increase the capacity of recyclers in the Yorkshire &amp; Humber region. This supports the wider RAY programme funded via Single Pot. BREW funding also contributes to the work on increasing procurement of recycled products. With a regional procurement group established and work being carried out to support local authorities with their procurement policies to improve environmental performance of their supply-chain.</p>

Table 5: Progress against SEA/SA recommendations (continued)

Recommendation	Progress/Action
<p>The RES should promote the development of emissions trading schemes for businesses that are involved in high volumes of international trade or travel.</p>	<p><b>Capacity Building/Co-ordination of Environmental Support</b>  – <b>Business Link</b> Training on sustainable development and resource efficiency has been delivered to 20 of the region’s Business Link advisers and gateway officers. Resource efficiency is being integrated into Business Link Information, Diagnostic and Brokerage process, with Business Link being developed as the gateway for resource efficiency advice. Resource efficiency is being incrementally embedded within the core diagnostic to increase resource efficiency awareness and take-up within the SME audience.</p> <p>In addition, work is ongoing with the Manufacturing Advisory Service to increase business resource efficiency, alongside Yorkshire Forward’s work to develop a strategic partnership with the Carbon Trust.</p>
<p>The RES should promote the development of emissions trading schemes for businesses that are involved in high volumes of international trade or travel.</p>	<p>The RES pays regard to the likelihood of changes to policies and market and taxations shifts in response to climate change. Carbon Action Yorkshire (CAY) is Yorkshire Forward’s new programme to accelerate development of a low carbon economy in the region. It will bring together the private and public sectors to cost effectively reduce carbon emissions in line with national and regional targets. The programme will also work with its partners to stimulate the development and take up of low carbon products and services. The main activities of CAY will be to:</p> <ul style="list-style-type: none"> <li>• Secure organisation commitment to quantifiable carbon reduction targets</li> <li>• Work with partner organisations to calculate their baseline carbon emissions and benchmark emissions reductions and</li> <li>• Characterise markets for low carbon products and services and test these with partner organisations.</li> <li>• Potential for regional trading schemes is being investigated.</li> </ul>
<p>Urban and rural renaissance programmes and local area agreements must be drawn up in the context of the RSS.</p>	<p>The renaissance of our cities and towns is a shared priority for the RES and RSS, emphasising the need for integrated investment and development. Strong links between investment plans and strategies and Local Area Agreements aim to ensure that this happens. Within Yorkshire Forward, the planning function liaises closely with the renaissance teams and responds to both renaissance plans and local planning initiatives, so that sustainability aims can be integrated at the earliest stage.</p>

Table 5: Progress against SEA/SA recommendations (continued)

Recommendation	Progress/Action
<p>Maximise the sensitive use of brownfield sites for employment land, in the context of the RSS, and in such a way as to reduce the need to travel, i.e. close to working populations.</p>	<p>The sustainable development implications of Single Pot projects are assessed as they are developed, including opportunities for improving access. Yorkshire Forward also seeks to influence the location of new development, including making best use of brownfield sites, through our planning function.</p>
<p>All developmental activity undertaken as a result of the RES needs to be consistent with the SA objectives and contribute to achieving targets set by it and other regional strategies, for instance the Climate Change Action Plan and Biodiversity Action Plan.</p>	<p>Contractors signing up to the Single Programme Agreement must comply with sustainable development principles, including a commitment to sustainable procurement. Yorkshire Forward provides guidance and support on these issues.</p>
<p>Advocate open sharing and knowledge transfer of best practice in clean technologies and EMS techniques.</p>	<p>Environmental technologies are a key growth sector for the economy, and will play a key role in driving technology developments and innovation to encourage environmental best practice. The environmental technologies sector is continuing to be developed as a key cluster for RES delivery. Environmental best practice is meanwhile being disseminated to businesses through the BREW programme and the work of the Sustainable Futures Company.</p>
<p>Incorporate environmental and sustainability awareness into all educational and skills development programmes supported by the RES, and for all age groups.</p>	<p>The Regional Education for Sustainable Development programme is ongoing and is connected with other regional skills and education initiatives, such as the STEM (Science, Technology, Engineering and Maths) programme, which has actively promoted sustainable development. A Sustainable School Food post has also been created to achieve the following objectives:</p> <ul style="list-style-type: none"> <li>• Co-ordinate an area based partnership of schools working on food related curriculum issues and looking at a whole school approach to local food procurement.</li> <li>• Deliver and influence training and development of teachers and other professionals in schools.</li> <li>• Work across a range of regional and national initiatives to embed sustainable development within mainstream food education programmes.</li> </ul>

Table 5: Progress against SEA/SA recommendations (continued)

Recommendation	Progress/Action
<p>All industrial activities supported by the RES should comply with highest environmental standards (pollution, process, waste and building).</p>	<p>The transition to a low carbon economy is being supported through high resource efficiency, energy, environmental and design standards, with environmental advice and good practice built into start-up assistance and business practice. Advice on sustainable construction is provided to all Single Pot-funded capital building and refurbishment programmes, with the aim of achieving BREEAM Very Good or Excellent standards, and Code for Sustainable Homes Level 3. The BREW programme is meanwhile ensuring that businesses have access to appropriate environmental advice and support.</p>
<p>All regeneration activity should pursue every opportunity to contribute in some way to environmental enhancement.</p>	<p>The role of the environment in delivering renaissance and quality of place aspirations is recognised. Links are being made with the forestry agenda in particular so that the role of the environment in creating a sense of place is maximised.</p>
<p>Forward Planning by local authorities needs to include adaptation to climate change, such as energy efficiency and awareness / avoidance of flood risk.</p>	<p>Responding to climate change is a key regional objective and challenge for the future. Yorkshire Forward's Planning function takes a long-term perspective when responding to local planning initiatives, for example in safeguarding against future climate change. This also links to the RSS which will support goals such as higher environmental standards and renewable energy generation. A study to assess the economic impacts of flood risk is also underway and the results will be used to inform the forthcoming Regional Strategic Flood Risk Assessment.</p>
<p>The RES should fully commit to not supporting or funding any developments that will directly or indirectly adversely affect designated sites of international, European, national or local biodiversity importance. Partners will need to demonstrate how this will be achieved when YF appraises new RES projects, through either existing or new mechanisms.</p>	<p>All Single Pot projects complete a sustainability assessment which indicates whether environmental damage is likely. Any adverse effects are likely to be identified when projects are seeking planning permission, and Yorkshire Forward is developing its approach to help partners reach satisfactory solutions and identify sustainable alternatives.</p>
<p>Prioritise public transport improvements between areas of social deprivation and economic growth. These may be within sub-regions, as well as between or into them.</p>	<p>Transport and accessibility continues to be a key feature of the renaissance and economic inclusion agendas in order to connect people to economic opportunity and ensure that jobs are, as far as practicable, located in areas accessible by public transport. Sustainable transport solutions are being promoted in line with RTS objectives.</p>

Table 5: Progress against SEA/SA recommendations (continued)

Recommendation	Progress/Action
<p>Prioritise public transport improvements in areas under pressure from visitor activity.</p>	<p>As above. This is particularly important in North Yorkshire where transport and tourism will be addressed in tandem.</p>
<p>Promote more sustainable transport solutions, including cleaner technologies in public transport, online study, teleworking, car pooling, variable congestion charging, workplace car park charging and local sourcing of goods and services.</p>	<p>As above. The role of ICT and other innovative solutions in reducing the need to travel is being progressed to bring about a change in home and business life.</p>
<p>The RES should recognise the importance of the region's rivers and canals to its distinctiveness and image, and link this with an activity to identify and enhance the region's green infrastructure.</p>	<p>Water has a key role in delivering the region's physical development priorities. Many renaissance initiatives aim to show how the combination of natural and built environment can contribute to sustainable communities. Work is also ongoing with regional partners including Natural England, and local authorities to develop and deliver green infrastructure programmes, both regionally and sub-regionally (such as West Yorkshire). Rivers and canals are meanwhile being considered in terms of potential alternatives to road for freight, e.g. for the transport of biomass.</p>
<p>Measures to deliver enhancement could include restoration of upland areas to improve water storage capacity, protected habitats and address the risk of flooding in lowland areas, or restoration of floodplain habitats to deliver biodiversity, flood risk and environment-led regeneration gains.</p>	<p>Partnerships and pilot projects are being developed to investigate the economic and social as well as environmental benefits of changes in land management. Examples include the Humberhead Levels carbon management programme and the potential redevelopment of the St Aidan's opencast mining site in the Aire Valley.</p>





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