

## Executive Summary

1. This revised Corporate Plan sets out how Yorkshire Forward will respond to the challenges the Yorkshire and Humber region faces from the economic downturn. It has a dual focus:

- 2009/10 – responding to the immediate challenges, working with partners to mitigate the negative impacts of the recession on the region’s businesses and individuals
- 2010 and beyond – working to ensure that the regional economy is more resilient and able to respond quickly to the upturn when it comes.

### A. Changing Economic Challenge

2. Between 2000 and 2007, the Yorkshire and Humber economy posted consecutive years of growth above the EU average, even outpacing London at times and now has a more diverse sectoral mix and skilled population. The economy is therefore more resilient to economic downturn, though like all regions is not immune. The UK economy is currently caught up in the midst of a deep-rooted recession which has had a significant within Yorkshire and Humber. The focus of our immediate response has been to keep viable businesses trading, keep as many people in employment or work-related training as possible and to try and maintain the momentum of key regeneration schemes.

### B. Changes to the Corporate Plan

3. The economic and policy context has changed significantly since the previous Corporate Plan was produced in 2008 and this revision provides Yorkshire Forward’s direct response to these different set of circumstances. The key changes that this Corporate Plan introduces are:

- A new set of Corporate Objectives that reflect the post SNR environment and the need to respond to immediate challenges in a way that not only **mitigates the negative impacts of the recession** on the region’s businesses, individuals and communities, but also provides a strong foundation to achieve our longer term aim of **sustainable economic growth**;
- Yorkshire Forward’s approach to take forward the Government’s new industrial policy, as articulated through “New Industries New Jobs”, **focusing on a number of key projects to provide a catalyst for economic growth and work our way out of recession**;
- This Corporate Plan includes **an even stronger emphasis on developing the low carbon economy** by supporting resource efficiency within businesses and supporting renewable and green technologies including Carbon Capture and Storage;
- Ensuring value for money and reprioritising investments – We have demonstrated how will build on the strong additionality from our business competitiveness and development interventions by **maintaining and improving the precision of our investment targeting**.

- We have **re-profiled our work areas to reprioritise activities** that we will be majoring on and those activities that are of less relevance within the current economic climate. We have also assessed the potential impact of each Policy Product Range. This has provided a basis for prioritising investments against those policy areas which will deliver greater economic impact;
- Strengthening our approach to evaluation – **Our evaluation strategy is being revised** in response to lessons learnt from the national impact report. We will be providing further support to project design and development activity to ensure clearer definition of objectives, improving internal and external dissemination from evaluation reports, and provide more detailed identification of market failure being addressed and better options appraisal;
- The Corporate Plan outlines how we will be building on the outcome of the Sub National Review by working through new governance structures, which include **working in closer partnership with local authorities and functional sub-regions, and developing an Integrated Regional Strategy**;
- We have outlined the strategic objectives of Geographic Programmes which detail the spatial articulation of our corporate objectives through a snapshot of our direct and indirect investment in a local area. Moving forward, we have indicated that we will be developing further our relationships with functional sub-regions through their involvement in discussions to set and steer the biggest regional contracts;
- In linking investment priorities to performance management, our revised Corporate Plan sets out two sets of performance measures that we will monitor over the corporate planning period. The standard set of output indicators used previously will continue to be monitored alongside an additional set of Recession Key Performance Indicators (KPIs) to track the progress of our interventions.

### C. Our Vision and Values: culture change

4. Our own vision is for a region that is “a great place to live, work and do business, that fully benefits from a prosperous and sustainable economy” and in pursuing this vision we have an ambition for Yorkshire and Humber to be recognised as a world leader in our efforts to adapt our economy to the demands of tackling climate change.

5. Five core ‘VOTED’ values guide the way that we work with our customers, our partners and ourselves in effect setting a framework for the culture of the organisation:

- We will achieve **V**alue for money for taxpayers;
- We will be **O**pen about the way we invest and take decisions;
- We will work as a **t**eam (**Team Yorkshire Forward**) and as part of a wider **T**eam **Yorkshire and Humber** to deliver the RES and produce the new IRS;
- We will seek **E**xcellence in the way we operate; and
- We will strive to be an Agency that promotes **D**iversity and celebrates difference.

6. The first letter of each of the values spells out the word **VOTED**. This is to ensure that we and partners understand our role. No one has voted for us, so we have a duty to be

open, achieve value for taxpayers' money, account for what we do and work closely with democratically elected politicians. Equally, we are deliberately a business-led, non-political, and objective organisation with a long term strategy set up to take tough decisions to improve the Yorkshire and Humber economy. **Our values exist to drive a culture change in Yorkshire Forward to earn the trust of our customers and partners and are critical to equip the Agency to meet the current economic challenges.**

#### **D. Sustainable Development and Diversity**

7. We will continue to embed the principles of **sustainable development** and **equality of opportunity for all** into all of our work; and ensure sustainable practice is incorporated into our internal operations and externally to drive progress towards a low carbon economy.

8 We see a real competitive edge for our region by moving sustainability and diversity to the fore of our approach to economic development. The region's diversity, such as the 67 different languages spoken within Bradford, brings dynamism, ideas and different perspectives that can drive innovation and business growth. The region has natural assets that can provide a competitive advantage in the national and global economy. For example, we have the biggest and most concentrated cluster of single point carbon sources next to redundant gas fields makes it ideal for Carbon Capture and Storage and a resource in the North Sea capable of supplying the market in renewable energy.

#### **E. Our Corporate Objectives**

9. Set out below are Yorkshire Forward's corporate objectives revised in light of the changing economic challenges and policy context.

##### **Objective 1: Keep as many people as possible in jobs or work-related training in 2009**

10. This revised corporate objective aims to provide a stronger focus on vulnerabilities within local labour markets with particular emphasis on the development of generic and flexible skills. Long-term unemployment not only inhibits the supply potential for the regional economy and the employment prospects of individuals, but also leads to a downward economic spiral for our most disadvantaged communities. Specific key concerns during the downturn are that businesses curtail investment in training and skills development and that those longer-term and newly unemployed individuals acquire the necessary skills to swiftly move back into gainful employment. We will take action to tackle job losses during the recession and to return people to the workplace or training as quickly as possible, including schemes aimed at safeguarding jobs and maximising training opportunities.

##### **Objective 2: Work to maintain and build the number of competitive, innovative and resilient businesses in 2009**

11. This revised corporate objective aims to help maintain our existing business base through the economic downturn, build the competitiveness of the regions businesses in order that they can compete and benefit from an increasingly global economy, and to

encourage more people to start up businesses. We will prioritise resource efficiency and innovation and ensure they are central components of business support. Encouraging these practices within businesses will foster a more resilient, sustainable and lower carbon regional economy. We will take action to increase innovation levels in the region's businesses and will ensure Business Link keeps viable businesses trading through financial health checks, enterprise shows and quality brokerage services. We will adopt a new approach to international business to continue improvements in export performance and inward investment.

**Objective 3: Sustain the momentum of economic renaissance schemes in priority cities and towns (urban and rural) and support business start-ups and growth with a property offer that meets their changing needs.**

12. We will build on and continue to deliver the urban and rural settlement transformational change begun through the renaissance programme. This is essential if the long-term significant economic benefits of our investments are to be achieved, and if Yorkshire and Humber's key cities and towns are themselves to become competitive and innovative. We will also prioritise the needs of existing and potential future businesses in the region, particularly in key sectors, through a better understanding of, and support for, their land, property and infrastructure needs, acquiring strategic sites in support of this activity where justified. In response to the economic downturn and credit crunch we will focus our influencing, enabling and financial resources on de-risking physical development and opening-up development opportunities. This will enable strategic sites to be primed for development when the upturn begins. We will support the development of a stronger regional tourist board and sub-regional destination management structures to increase the value of the region's tourism economy.

**Objective 4: Develop new industries and new jobs**

13. We will take a strategic approach to coordinate regional and pan-regional activity in support of the region's existing and emerging growth industries. We are using research and business intelligence to analyse where the regional economy already has areas of competitive advantage that should be supported and where emerging regional strengths can be developed further, through appropriate intervention with and alongside partners to address market failure. This will build further upon our active competitive strengths in sectors such as financial and business services and advanced manufacturing whilst exploiting latent opportunities presented by structural change in the global economy including the emergence of the low carbon industry and new knowledge intensive technologies. We will lead the Financial Services and Manufacturing Task Force's to minimise job losses and secure each sector's long term future in the region. We will work to ensure that individuals made redundant are equipped with the necessary skills to take advantage of opportunities, and support growth, within businesses and industries that the region's future economic growth will depend. A limited number of major investments will be progressed, ensuring synergy between investment priorities across related areas of policy to provide a catalyst for economic growth. These include:

- Delivering the Digital Region Project in South Yorkshire as a European test-bed for Next Generation Broadband and stimulating a step-change in competitiveness;
- Laying the foundations for an internationally significant low carbon energy sector on the Hull and Humber sub-region;
- Building on the work of the Financial Services Task Force in the Leeds City Region and work with the sector to present a strong commercial case for investment;
- Delivering the major and critical regeneration of Bradford City Centre that will significantly enhance the city's economic performance.
- We will support the development of a stronger regional tourist board, now known as 'Welcome to Yorkshire', and sub-regional destination management structures to increase the value of the region's tourism economy and visitor numbers.

We will continue to ensure that investments in related policy areas are effectively aligned in support of regional competitiveness and, where appropriate, we will support pan-regional collaboration, for example the Northern Way Innovation Programme is a partnership between the North of England's three regional development agencies to promote sustainable economic development.

#### **Objective 5: Establish an agreed Integrated Regional Strategy that is distinctive to Yorkshire and Humber, with a low carbon focus**

14. Yorkshire Forward, working with Local Government, has a pivotal role in championing the development and delivery of the new IRS. The IRS will provide a strategic framework for the region to align economic development, regeneration, spatial planning, transport, and climate change towards the delivery of sustainable economic growth. It will set a clear mandate to work within environmental limits, maximise the opportunities to develop a low carbon economy, and help to ensure that public policy provides the necessary support to achieve these aims. Work on the IRS will commence by establishing a successful evidence-gathering process during 2009/10, working closely with Yorkshire Futures, functional sub-regions and Local Government Yorkshire and Humber (LGYH) and ensuring the ambitious treatment of sustainable development/lower carbon, diversity and equality and economic growth.

#### **Objective 6: Deploy Yorkshire Forward's resources quickly and effectively to help the region get through the economic downturn**

15. Our targeted concern will be to ensure Yorkshire Forward's responses are quick, flexible and underpinned by strong 'market intelligence' and key performance indicators. We will need a 'Team Yorkshire Forward' approach to continue to consolidate a well-motivated, agile and energetic workforce able to respond quickly to the demands of the recession.

### **F. Geographic Programmes**

16. We have worked very closely with Local Authority partners over the last year to develop 15 Geographic Programmes (our investments in the Districts of North Yorkshire are built into an overarching Geographic Programme). Geographic Programmes provide a mechanism to strengthen the close partnership working we have developed with Local

Authorities and strengthen the spatial focus of our Corporate Objectives. They are effectively a business plan to improve the economy of Local Authority areas.

## G. Financial Resources

17. Total financial resources are forecast to fall from £360.24m in 2009/10 to £277.55m in 2010/11, a reduction of £82.69m or 23.9%. This reduction is greater than the Comprehensive Spending Review (CSR) 2007 imposed. The largest reduction in funds relates to the transfer of funds to the Homes and Communities Agency's Home Buy Direct Scheme and is £42.04m, phased over the next two years.

18. The CSR administration reduction of £0.92m is now reflected in a revised Administration budget (a reduction of £0.46m in 2008/9 and £0.46m in 2009/10) and no growth is forecast in future years. The CSR reduction was delivered over two years as opposed to the usual three to assist other members of the RDA network to achieve their targets. The plan shows indicative financial resources for 2008/11 together with the split of resources by PPR/Corporate Objective and the grant in aid split by PVP categories as required by BERR. Further indicative figures are provided for the five year period 2009/14 to tie in with the planning period for our Geographic Programmes and to give our partners line of sight to our longer term plans.

## H. Measuring Performance

19. For the 2008/11 Corporate Planning period, our performance will be judged on:

- achievement of our corporate objectives – specifically how we respond to the recession;
- our impact evaluations;
- the outcomes from our independent performance assessments;
- our strategic added value role
- Delivery of efficiencies in a tight government fiscal environment

20. In addition, we will assess our performance against our core **values**, our goal to be an Agency that promotes **diversity** and celebrates difference, and our aim to embed the principles of **sustainable development** into all our interventions. We have identified key performance indicators (KPIs) and outcome measures which directly assess our revised Corporate Objectives and the effectiveness of our interventions which support them, in responding to the economic downturn. The KPIs include anticipated output ranges based on forecasting that predated the recession making it difficult and inappropriate to predict hard and fast output levels at this stage. A review of output expectations will be completed during 2009.

## Yorkshire Forward investment by Policy Product Range

Policy Product Range	Effect on Business	Ambition	% split of total investment over 5 years	£m investment over 5 years
1. Skills	Direct	To ensure that businesses and individuals have the skills they need to compete in Europe and the World	8%	104
2. Lower Carbon Economy	Direct	To establish Yorkshire and Humber as the European hub of next generation lower carbon energy production.	3%	46
3. Economic Infrastructure	Direct	To develop the best-functioning, sustainable commercial property market outside London.	17%	219
4. Marketing the Region through Tourism and Major events	Direct	To attract people from all over the world to visit Yorkshire and Humber to enjoy world class events and hospitality	6%	72
5. Competitiveness	Direct	Build the next generation of Advanced Manufacturing Parks as emblems of the region's world class science and business base	15%	200
6. Enterprise/Access to Finance	Direct	To provide the best, most integrated business support service in Europe	19%	253
7. International Business	Direct	To move the region from the bottom to the top quartile of inward investment and international trade in the UK.	4%	50
		<b>Direct Sub-total</b>	<b>72%</b>	<b>944</b>
8. Transport	Indirect	To establish the region as the most innovative and creative in the UK in linking transport and the economy	3%	37
9. Employment	Indirect	To keep as many people in work as possible in the region and ensure those out of work are brought back in as swiftly as possible	6%	82
10. Urban Renaissance	Indirect	To establish renaissance as the best and most effective placemaking programme in the World, providing each major town and city with its unique 21st Century economy.	13%	174
11. Rural Renaissance	Indirect	To build a modern rural economy based on enterprise, competitiveness and our region's unique assets	4%	50
12. Capacity building	Indirect		2%	31
		<b>Indirect Sub-total</b>	<b>28%</b>	<b>374</b>
		<b>GRAND TOTAL</b>	<b>100%</b>	<b>1318</b>

**GEOGRAPHIC PROGRAMME - SUMMARY FINANCIAL FORECASTS 2009-14**

Local Authority	Local activity (1)				Regional activity (2)				Grand Total
	Approved & Committed	Currently under appraisal	Future proposals	Sub Total	Approved & Committed	Currently under appraisal	Future proposals	Sub Total	
	£m	£m	£m	£m	£m	£m	£m	£m	
East Riding of Yorkshire	2.5	4.5	11.6	18.6	16.7	7.1	20.1	44.0	62.7
City of Kingston upon Hull	6.9	14.7	18.6	40.1	9.9	3.7	14.5	28.0	68.2
North East Lincolnshire	3.0	17.4	0.3	20.7	7.5	3.1	8.8	19.3	40.0
North Lincolnshire	5.7	4.3	11.0	20.9	7.6	3.4	10.4	21.4	42.3
York	1.2	14.0	12.9	28.1	9.6	6.2	10.2	26.1	54.1
<b>North Yorkshire</b>	<b>5.7</b>	<b>0.0</b>	<b>21.1</b>	<b>26.8</b>	<b>48.5</b>	<b>17.8</b>	<b>25.1</b>	<b>91.4</b>	<b>118.1</b>
Bradford	12.5	5.2	36.5	54.2	19.3	8.0	37.0	64.3	118.4
Calderdale	1.4	2.6	9.5	13.5	9.7	4.7	10.9	25.3	38.7
Kirklees	4.8	11.2	11.2	27.2	15.7	7.5	17.3	40.5	67.8
Leeds	11.7	19.4	10.7	41.8	30.9	20.2	37.0	88.1	129.9
Wakefield	9.6	6.0	9.5	25.2	11.4	5.3	13.0	29.8	55.0
Barnsley	13.7	8.8	14.9	37.4	8.3	11.7	10.3	30.3	67.7
Doncaster	8.4	3.0	27.7	39.1	11.4	33.5	13.1	58.0	97.2
Rotherham	14.4	11.5	26.6	52.5	10.3	12.6	11.1	33.9	86.5
Sheffield	12.8	10.2	25.5	48.5	23.8	34.0	24.5	82.3	130.8
Pan Region	0.0	0.0	0.0	0.0	10.6	9.6	65.3	85.5	85.5
<b>Grand Total</b>	<b>114.4</b>	<b>132.8</b>	<b>247.5</b>	<b>494.5</b>	<b>251.2</b>	<b>188.4</b>	<b>328.5</b>	<b>768.1</b>	<b>1,262.8</b>

Footnote

(1) Forecast activity delivered directly within Local Authority Area

(2) Forecast activity delivered via regional intermediary that directly benefits the Local Authority Area

Figures are rounded