



Evidence submission to Leeds City Council Scrutiny Board November 2009

Introduction

To give the scrutiny committee a flavour of the work we undertake this submission will cover three areas: How we will work to produce and deliver, with the region, the new Integrated Regional Strategy, how we have dealt with and deal with 'economic shocks' and finally the work we have undertaken as part of our People and Places agenda. It will then give a short overview of a selection of Yorkshire Forward funded work in the Leeds area.

Integrated Regional Strategy

Yorkshire Forward is embracing the challenge of developing the new Integrated Regional Strategy (IRS), recognising the huge potential that exists from better integration of economic development, and associated housing, transport and regeneration developments with the statutory planning system. We also very much welcome the opportunity to frame activity on economic development in the overall context of improving quality of life for our region's residents.

Yorkshire Forward has experience of drafting and delivering three Regional Economic Strategies. This has furnished us with an excellent understanding of how to go about generating ownership and agreement of the strategic priorities for the region. Our role and experience in providing strategic leadership to the region will be all the more important as we begin to develop the IRS.

The evidence gathering phase is crucial to achieving buy-in and support, and again Yorkshire Forward has significant experience and considerable capacity in this field. Recently we have been devoting significant efforts to ensuring that our in house expertise is strongly supporting the work of all our partners in the region, and not just seen as an internal resource. Further bolstering regional capacity for evidence gathering, we continue to support and resource Yorkshire Futures, who will have a key role to play establishing the evidence on which the IRS is based.

The lead role activity that Yorkshire Forward will assume as a result of the new regional governance structures includes:

- leading and supporting the Transport and Regional Work and Skills Partnership Boards
- providing secretariat support to the Joint Regional Board
- organising significant regional events on behalf of the Joint Regional Board

We have significant experience of managing and supporting our own Boards and a strong track record of organising and running professional events that make a real difference. This expertise will be used during the development of the IRS to ensure the governance structures receive excellent support enabling them to achieve their ambitions. We have a strong Transport team, and have in the past provided significant knowledge and financial support to the transport elements of the Regional Funding Allocation (RFA). We have developed this capacity, and taken the lead on transport as we recognise that particularly in our region, there are very strong links between transport and economic development.

We developed the regional governance arrangements quite early during the Government consultation on SNR in 2008, based on the strong understanding and partnership approach that exists between the RDA and Local Authorities in the region. Continuing and developing this close working relationship will be key to the success of the IRS. Through the Joint Regional Board, Yorkshire Forward Board Members and Local Authority Leaders are improving and

developing this relationship, recognising that both sides have a distinctive contribution to the joint approach to the development of the IRS.

Economic shocks

A key element of Yorkshire Forward's work is dealing with regional economic shocks. We have a proven record of stepping in quickly and effectively to support business when national, regional or local economic conditions become particularly challenging. There are 3 specific examples of this; Foot and Mouth in 2001, the floods in 2007 and the economic downturn in 2008-to the present.

We are able to intervene quickly and flexibly because of our regional nature and the expertise we have of dealing with large scale economic difficulties.

Foot and Mouth

On 21 February 2001 the European Commission banned milk, meat and livestock export from Britain following a foot and mouth outbreak at a UK abattoir. Just a few weeks later there had been outbreaks all across the country.

By the end of March as the Ministry of Agriculture Fisheries and Food (MAFF) was still dealing with the outbreaks, we were able to release £600,000 for a recovery fund to help rural communities in Yorkshire and Humber with the economic impact of the disease. In June we launched a Foot and Mouth Recovery Programme with initial hardship grants of £2,000 each. The grants were paid directly into bank accounts to help businesses overcome the short-term impact of the crisis. The second phase of the plan in July, made payments to non-agricultural businesses affected by foot and mouth.

This was quickly followed by the third and final stage, which sought ideas from business associations and other umbrella organisations to help boost the rural economy. The total Recovery Fund was £2.5m and the final £500,000 was made available to be used for collaborative projects which deliver an added value to individual businesses.

Evaluation of the project showed that more than 5000 jobs were safeguarded or created and more than 900 businesses created or supported through Yorkshire Forward's interventions.

The Floods 2007

Our region was particularly hard-hit by the floods of summer 2007, but Yorkshire Forward responded quickly, setting up a helpline within four days of the floods and establishing a £5m business recovery fund to help affected businesses to begin trading again as soon as possible. South Yorkshire and Hull businesses were particularly hard hit, but areas across the region suffered flooding.

The funding was split between 3 initiatives:

- Small Business Recovery Scheme (including farms)
- Medium/Large Business Recovery Scheme
- Very large businesses bespoke support

The funds helped a huge range of businesses from childminders working out of their own home to very large international firms. The funds were accessed through a one page form and we worked with our local authority and business support partners to identify businesses in need of support.

Within seven days of the fund being set up, the first payment was made to a Rotherham-based company and over the course of the next nine months Yorkshire Forward awarded more than £4 million to 1180 small, medium and large companies.

Economic downturn

Yorkshire Forward's current priority is our economic downturn work. Our work centres around supporting businesses to work through the recession, stepping in to manage large scale redundancies and working with the region's financial services both to manage their own possible restructuring and their lending to business. Our work in the region is strategic, proactive and reactive – a combination we believe will best enable the region to weather the current economic climate.

Strategic

Financial Services Taskforce

Just days after HBOS/Lloyds and Bradford & Bingley announcements were made; Yorkshire Forward established a high level task force charged with developing a plan of support for the region's Financial Services sector. The group includes Yorkshire Forward, Leeds Financial Services Initiative, local authority leaders, industry representatives and skills partners. An action plan has been agreed by the taskforce with priorities of developing new training courses to ensure the region's workforce is primed to deal with the current financial situation and a scheme to encourage redundant industry workers to set up their own businesses.

The priorities have been informed by a report commissioned by the taskforce. The report looks at the opportunities and challenges facing the region's financial services sector and potential opportunities to strengthen it for the future. Having identified these priorities and signed off the final report, a copy and its recommendations for the immediate and longer term were sent to the Chancellor, to inform Government thinking on the current situation in the Financial Services industry.

We are working at both a strategic and practical level with the region's banks to understand how we can collectively work with them to help the regions businesses secure the finance they need.

At a strategic level, senior level discussions continue with the regional directors of the banks chaired by Leeds Financial Services Initiative. This provides a platform for open and frank discussions around the current issues in the banking sector.

Manufacturing Taskforce

A regional taskforce has been established in the region by Yorkshire Forward to support our manufacturing industry. We invited key representatives from regional industry, including the Engineering Employers Federation (EFF) and Manufacturing Advisory Service (MAS), as well as regional business leaders, to form a taskforce that will feed into Government the key issues and opportunities currently facing the regional industry.

The taskforce is chaired by Richard Wright, CEO of regionally based Intertius Ltd and former President of the Sheffield Chamber of Commerce. It is focusing on identifying the key measures that can support the regional industry in the grip of the economic downturn, such as innovation and training, whilst also addressing its future opportunities for growth.

Proactive

At a practical level, a Financial Healthcheck has been developed, accessed through Business Link, to review businesses performance and business plans and to provide banks with management information to support to lending applications. We already have real examples of where this has enabled banks to turn a rejection into a positive lending decision, with more than 1,000 Financial Healthchecks completed by May 2009.

In addition, agreement has been reached for every bank manager in the region to have a personal Business Link Advisor relationship. This will improve the relationship between banks and Business Link, improve the banks understanding of support available and allow them to introduce it into their customers.

In quarter two of 2009 Business Link had assisted businesses in the region almost 60,000 times.

Reactive

A key feature of our work this year has been is our Employment Support Group with the LSC and JobCentre Plus. We work together with local companies to help people back into work quickly following large scale redundancies. The group is alsoworking with the regions Local Authorities to increase the capacity of the Employment Support Group. By May this year 68 Businesses had accessed the Redundancy Support Programme assisting 2544 individuals under notice of redundancy. In addition nine Employment Support Groups have been formed for large scale redundancies:

- Corus
- Burberry
- HBOS
- VION
- Bradford & Bingley
- Otto Grattan
- Huntsman Tioxide
- Mariner Bakkavor
- ITV

In addition we have a planned reskilling and retaining of redundant workers programme to encourage companies who are recruiting to work with companies making redundancies to identify opportunities to match redundant workers with new job opportunities. This includes a job retention subsidy of £1000 per person up to £500,000 if a new investor takes on otherwise redundant employees.

People and Place

Great places continue to be at the core of Yorkshire and Humber's Regional Economic Strategy. 'Place', and the attributes that constitute it are key drivers of the region's economic success, both now and in the future.

The industrial decline, witnessed across much of the region through the 1970's and 1980's, left deep social, physical and economic scars in many of the region's towns and cities. Those problems were compounded by an over-reliance on a small number of industries. The need to attract, develop and retain a more diversified business base is a core element of our renaissance and property programmes.

80% of our region is rural and Yorkshire Forward is committed to ensuring that those areas are able to compete against larger commercial centres, at home and abroad.

The achievements across the region are the result of intensive partnership working with local councils, communities and many others. The scale of challenge across the region requires a focus on ensuring that projects act as a catalyst for other activity.

Renaissance Process

Central to Yorkshire Forward's Renaissance Programme are the local 'Town Teams' that draw local people into creating the future for their places. These teams have been set up across the region and played a crucial role in developing master-plans which detail each place's ambition and aspiration. The master-plans sought to 'Reawaken the Sleeping Beauty' that is Scarborough; imagined Barnsley as a 'Tuscan Hill Village' and wove the five towns of the Upper Calder Valley together through the 'Flying Shuttle'.

Similar master-plans have been developed in Sheffield, Hull, Wakefield and Bradford to drive the Renaissance of our region's cities. All of them acknowledge the critical importance of our urban and rural cores and seek to join-up interventions, optimising their impact.

The current economic climate has created additional challenges for the ambitious plans already developed across the Region – including the redevelopment of central Bradford, a Cultural and Civic Quarter within Doncaster, new shopping facilities at Barnsley Markets and the potential of a visitor and leisure attraction of Lincolnshire Lakes in Scunthorpe - but we continue to work to drive these projects forward.

Renaissance Projects

The success of this approach is evident across many of our towns and cities. The Renaissance of **Scarborough**, and the specific role of the Town Team, the local community and local business culminated, earlier this year, with the town being named Britain's Most Enterprising Place. A number of projects have contributed to the transformation of the town, with £30 million of public investment leading to a further £200 million from the private sector.

In **Leeds**, the City's public realm has been improved with infrastructure and environmental improvement works at Albion Place, Park Square, Briggate, Merrion Gardens and, more recently, Neville Street. The **Holbeck Urban Village** will join Leeds City Centre with the relatively deprived ward of Beeston. Completed projects, such as the Round Foundry Media Centre, and planned projects, such as Tower Works, provide a much needed boost to Holbeck, complemented by better links to the City Centre.

Yorkshire Forward Work in Leeds

Tower Works

The Tower Works site is strategically important to the delivery of Holbeck Urban Village (HUV). This site comprises 2.83 acres, fronting the river. It currently accommodates several listed buildings, including the landmark Italianate towers.

As a result, Yorkshire Forward has taken a decision to support the delivery of a flagship scheme at the site, in order to help facilitate the vision for the rest of HUV. The site has planning consent for a 284,000 sq. ft scheme, incorporating residential, office and leisure uses.

Yorkshire Forward's acquisition of Tower Works will set the tone for the wider redevelopment of the area, as well as releasing a key site for development that would otherwise take years to progress.

Planning approval was agreed in principle in February 2009 and we are now, with the preferred development partner, ISIS, intending to complete phase 1A, converting the very dilapidated building C into office accommodation and creating a new extension. In addition, the public realm will be connected to the canal, providing a new gateway opportunity to connect the City Centre and Holbeck.

This important landmark site will be upgraded whilst ensuring that the scheme moves ahead quickly, demonstrating confidence in the site during a difficult period for the sector.

Round Foundry Media Centre

Since December 2003, the Round Foundry Media Centre (RFMC) has supported over 350 digital media and creative industries companies (including virtual services), creating 305 new jobs and 185 new companies. We estimate that in total around 1,200 jobs have been supported through employment or regular freelance activity at RFMC in the last 5½ years. It has successfully spun out new medium sized (10-25 person) businesses into the local economy and has had a failure rate (within businesses based in the centre) of less than 2% of businesses per year: very substantially better than regional and national averages for early years (1-3) businesses.

RFMC has acted as a key resource for the Leeds City Region and has been visited by senior politicians and international delegations from all over the world. It is known across the UK as a leading cluster of digital businesses and has attracted relocations from London as well as international businesses setting up UK headquarters. It continues to be regularly visited by delegations from across the UK (Edinburgh, Cardiff, Nottingham, London, Colchester) as well as from international cities such as Bilbao, Bucharest and Paris (all of which have occurred during 2009).

Despite the challenges of the recession, RFMC is continuing to maintain high occupancies (between 85% and 95%), continuing to attract growing businesses (14 have expanded during 2009, taking on new staff and occupying larger offices) and to play a leading role in the regional economy as a driver of the creative and digital sector.

The Carnegie Pavilion

Yorkshire Forward is providing £4 million of gap funding for The Carnegie Pavilion, which will enable Yorkshire County Cricket Club to retain major events, in terms of test matches, within the region. It will also provide a shared facility with Leeds Metropolitan University allowing the facility to be shared and provide an educational facility that will integrate with the sports club. Works have commenced and are due to complete for the next cricket season.

Marketing Leeds

This project will support Marketing Leeds as the lead body for promoting the region's capital city as a strong modern business city. Yorkshire Forward funding will match that raised within the City and will facilitate a joining up of agendas within Leeds under 'Welcome to Yorkshire'.

YF funding will support:

1. Efficient and effective promotion of Leeds as a city;
2. Clear, unified messages, adopted widely, about Leeds, including development and promotion of the 'Leeds Live It Love It' brand.;
3. Proactive business PR and marketing communications to improve national, and international, levels of recognition of Leeds;
4. Consolidation of the promotion of Leeds within Destination Yorkshire;
5. A productive working relationship on regional/sub-regional tourism;
6. Networking and Leeds Champions from all key businesses in the City.

Leeds-Bradford International Airport (LBIA) Aviation Academy

The Aviation Academy (AA) is part of the 'Centre for Travel and Tourism Studies' at Craven College (although the majority of the College's other activities take place in the Skipton area). The AA was developed in conjunction with private aircraft company, Multiflight, supported by the Learning and Skills Council & Yorkshire Forward. The AA already holds interim Centre of Vocational Excellence (CoVE) status.

Craven College has been offering aviation and business courses at LBIA for the past 7 years but the AA was a new build facility, opened in September 2005 and purpose designed to support the high quality training of aviation specialists to support the industry.