

Yorkshire Forward and Economic Development

Learning Legacy Module 1

Economic Strategy



The Region's
Development Agency

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Executive Summary

At their establishment, Regional Development Agencies were tasked to formulate and keep under review a Regional Economic Strategy (RES). This was to guide delivery on the five purposes they had been charged with covering business, employment, skills, regeneration and sustainable development. Various commentators have had their own take on the RDAs role, ranging from delivering specific outputs such as jobs and new businesses to reducing disparities between regions to progressing sustainable economic growth.

Yorkshire Forward (YF) launched the first RES in 2000 and two major 'RES Reviews' led to revised strategies in 2003 and in 2006. Although some of the cornerstones of the RES - aims, objectives and action tables – remained largely consistent, the review process and content of the document became more integrated and involved with each review. Following a Government review, a new Integrated Regional Strategy (IRS) was started, but work on this ceased in 2010.

The RES and its impact were bound with organisational development within Yorkshire Forward, action planning processes and partner relations. This first Module in the Learning Legacy series touches on these interrelationships alongside its focus on the RES. It concludes that the RES catalysed extensive outputs (e.g. jobs, skills, businesses assisted) and that these translated into improved outcomes on many but not all fronts. Yorkshire and Humber has not become the 'world class' region the vision of the first RES aspired to. But the RES has created a foundation that, alongside other factors (not least delivery teams, partners and resources), has helped to catalyse landmark successes. These include the Advanced Manufacturing Park; becoming a low carbon leader in areas such as offshore wind and carbon capture where pivotal investments have been secured; and the transformation of some of its major towns and cities.

From the melting pot of ideas and energy at inception to forging new thinking on sustainable economic development, there has been much learning along the way. Some work was genuinely groundbreaking, other approaches didn't work at all. There was much review and reinvention of strategies and action planning processes over the years, right up to the IRS. That coincided with the death knell for RDAs in 2010 when the changed political landscape meant a RES, and the RDA, no longer had the mandate that was clear at its outset.

Ten key learning points from this journey are:

- a) **With the right leadership, good strategy is possible and valuable.** Whilst strategy is easy to knock, the RES proved that good strategy can engage stakeholders, embed a shared vision and catalyse action. Fusing high level vision with practicalities, co-operative partners, and strategic inputs from a strong and balanced Board helped greatly.
- b) **Engagement beats enforcement.** It is easier to do strategy in a top down way with minimal engagement. But for a strategy covering a wide geography and which involves and relies upon multiple stakeholders, that would undermine buy in and its subsequent impact. Strong relationships and good communications oil the wheels of delivery.
- c) **Good consultation counts.** A range of fairly basic but complementary consultation opportunities meant RES reviews enabled both widespread input and detailed comments

from key partners. These and tailored feedback to participants helped to build ownership of what was the region's, not YF's, strategy.

- d) **Balancing places and themes is difficult, but powerful.** YF's strategy and action planning work tried but struggled to do this well. Often one strand of work or RES section would be focus mainly on thematic issues (e.g. innovation) whilst place based aspects were covered elsewhere. Identifying clear and agreed priorities for specific places would have added to the power of the strategy and its implementation on the ground.
- e) **Be mindful of middle aged spread.** Most strategies face pressures to include a welter of content about specific issues, points and places. These are likely to grow over time. Responding to what are individually often sensible calls or ideas can enhance strategy and gain buy in. But overdoing it can lead to strategy that lacks focus and brevity. Summary versions of strategies can be great resources. And if in doubt, shorter is usually better.
- f) **Prioritising is hard but crucial.** Lack of prioritisation is a common criticism. But when a strategy does focus in, many complain that 'it hasn't included *my* priority'. Getting down to a small number of priorities that will deliver most and which command support is tough. A combination of good evidence, engagement and strong leadership helps to achieve that and to catalyse the benefits that alignment around a handful of clear priorities can bring.
- g) **Good strategy = evidence x preference.** The best strategies and plans do things that are wanted by partners and backed by evidence. The more this is achieved the greater the chance of lasting impact, even if the real world balances will inevitably have to be struck.
- h) **Mind the gap between strategy and delivery.** Sometimes it seems assumed that a strategy will be implemented as a matter of course. The opposite is the norm. Strategy won't be delivered unless the right mechanisms, structures, will and resources are in place. Involvement with those who know about practical delivery at the outset, allocating clear and agreed responsibilities, and monitoring of implementation all help. So does retaining the flexibility to respond to the changes and challenges that will inevitably arise in practice, without this becoming an excuse to veer away from central principles and priorities.
- i) **Combine internal capacity and ideas from outside** – building internal capacity to do strategy work can have major benefits. YF's experience was that a can do culture, ability to engage well and to learn fast were at least as important as specialist expertise in strategy or economics. One risk of having a stable internal team is that it can bring sameness alongside proficiency. Ways of bringing in ideas from outside shouldn't be neglected.
- j) **Genuine integration and sustainable economic development is desirable but difficult.** What economic development is actually for is often assumed rather than stated. Growth, productivity, jobs and other goals such as carbon savings don't always go hand in hand and different approaches are often better at serving some goals than others. Being clear about intended outcomes helps to set priorities and bind elements of a strategy together. GVA growth can seem an obvious target, but it does not always translate into other goals such as jobs, inclusion or carbon savings. Pursuing a sustainable economic development model that combines a healthy economy (with good levels of productivity and employment), environmental goals and improved well being and inclusivity is one alternative.

1. Task and Purpose

RDAs were created by the Regional Development Agencies Act 1998 which gave them the core purpose of producing and delivering a Regional Economic Strategy (RES). Indeed, at the outset, the only specific task an RDA had to fulfil under the Act was to ‘formulate and keep under review a strategy in relation to its purposes’.

It is possible to view the question of what the RDAs and their Strategies were for in a number of ways. At one level the purpose of the RDAs, and by inference their economic strategies, was determined by the **RDAs act which gave them five purposes**:

- to further the economic development and the regeneration of its area;
- to promote business efficiency, investment and competitiveness in its area;
- to promote employment in its area;
- to enhance the development and applications of skills relevant to employment in its area; and
- to contribute to the achievement of sustainable development where relevant to its area.

That set out the terrain for RDAs to cover in broad terms: jobs, business growth, skills and regeneration, bolted together in a broadly sustainable manner. If not clearly defined as such at the time, it translated to a brief to promote *sustainable economic development*. Exactly what that meant, and what was ‘core business’ for RDAs remained a live and evolving issue from their inception to their demise. It is an issue we’ll explore further in this module.

A second take on purpose is in terms of **regional disparities** – the north-south divide as widely described. Certainly, the politics driving the formation of the RDAs was concerned with improving the economies of ‘lagging’ regions such as Yorkshire and Humber. That was partly reinforced in the Government’s PSA Target 2: Regional Economic Performance to “*improve the economic performance of all English regions and reduce the gap in growth rates between regions*”. But crucially, this target was about growth everywhere as well as about gaps.

The more deprived regions had proportionately bigger RDAs (if often smaller than average innovation and transport budgets). However, in reality the RDA budgets were a small cog in the much larger machinery that shapes economic prosperity – including other aspects of government policy and investment. And right from the start Yorkshire Forward (YF) pointed out how its budget was dwarfed by the £52billion regional economy. Given that and the fact that regional disparities have been entrenched over decades, the purpose of RDAs cannot be framed purely in terms of ‘closing the gap’. That certainly applies to those regions with above average economic performance, whose RDAs would somewhat bizarrely have been tasked with making their regions less prosperous compared to lagging neighbours.

A third way of looking at RDAs task is based on **delivering targets and outputs – jobs, businesses created, land reclaimed and the like**. RDAs were given a variety of ‘tasking frameworks’ that evolved over their existence. And on a simple basis, RDAs and their projects could be judged on how (cost) effectively they delivered against these. Early on the output numbers were the core of this, later on the cost element came more the fore, and national impact evaluation looked at the return on investment RDAs offered in different areas of activity.

A fourth way of looking at success was based on the fundamental question of what economic development is actually for. Some of the benefits of growth are self evident as it is linked to jobs, incomes and tax returns that facilitate public investment. But growth doesn't automatically trickle down to deprived communities and can have unintended consequences such as increased CO2 emissions. Increasingly the argument that growth is not an end in its own right but **a means to the end of an improved and environmentally sustainable quality of life** gained traction. The content in this module on the 2006 RES explores this further.

Finally, there is more **governance and functional** based view of why a RES is required. The 2006 RES addressed this directly in its introduction (para 1.3) and spelt out three reasons why Yorkshire and Humber needed an Economic Strategy, based on conviction that:

- a) The UK's centralised economic and political system has not served the region well.
- b) Yorkshire's size and significance means it needs its own strategy to plan its future.
- c) An overview of the whole region reveals a bigger picture that can bring people and agencies together to identify and address shared issues and pinpoint priorities.

Geographic and Partnership Context

With the move from regions to Local Enterprise Partnerships (LEPs) there is debate about what is the right scale (or scales) to deliver economic development. Indeed, city regions might use some of the same arguments YF used about the RES to justify their operation. This is not the place to argue one way or another about what is the 'right' geography. But it is relevant to note that Yorkshire and Humber has enjoyed a generally very good history of partnership working.

Local authorities recognised the benefits of regional cooperation before RDAs were in place. The Regional Assembly for Yorkshire and Humber was created in July 1996 with the agreement of all 22 local authorities and the Yorkshire and Humber Regional Chamber was launched in March 1998, including all local authorities plus wider partners from business, education, health and the voluntary sector. Whilst partnership still demanded effort, having a platform of local leaders who by and large welcomed regional working helped YF in its task.

That is not to say the RDA's work was universally welcomed. Some partners feared that the RDA could intrude on or overshadow their economic functions and felt that in proselytising the RES and its priorities, YF was too centralist and insufficiently flexible. Strategy work has to balance the benefits of sticking to a shared vision with those that responsiveness to local (or other) preferences brings. That was a constant tightrope and one that was even trickier to walk in subsequent action planning exercises where money was clearly at stake. Maintaining strong relationships and good communication ('repeatedly 'rinsing through' with decision makers as one interviewee put it) is vital to achieving that balance.

A focus on cities grew throughout the life of the RDAs. The Core Cities group (of which Sheffield and Leeds were prominent members) led this push and it was reflected in the Urban White Paper of November 2000. The evolution of the RES mirrored this trend, with later RESs putting more emphasis on cities and less on development zones. This was reinforced by the Northern Way which put a strong focus on city regions. Ultimately, the move towards city regions based on 'functional economic areas' was the driver behind the establishment of LEPs.

Assessment of the RDA

Just as the purpose of the RDA was viewed in a number of ways, so was assessment of its success. A culture of performance assessment was prevalent right from 2000, but this grew over time. Ways in which the success of the RDA and the RES have been assessed include:

- Monitoring against long term regional outcome targets and indicators
- Measurement of outputs from RDA activity (jobs, businesses started or assisted, etc.)
- RES Monitoring reports to assess progress and whether actions had been delivered
- Government Office performance assessments of the RDA and its operation
- Scrutiny of the RDA and areas of the RES by the Regional Assembly
- Select Committees
- Independent Audits of the RDAs by the NAO
- Impact Evaluation of RDA activity
- Performance on the National PSA target (on regional economic growth and disparities)
- Yorkshire Futures monitoring of a broad set of agreed of regional headline indicators

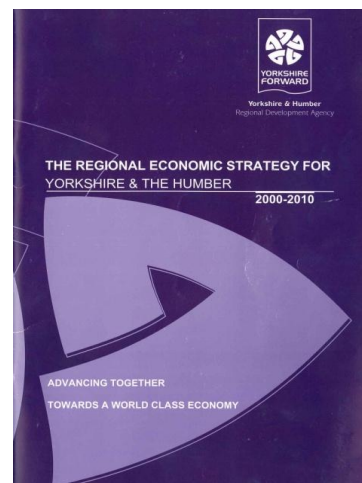
The above is just the formal processes, many of which had different iterations over time. In addition, partners made their own judgements about how far the RES reflected their needs and provided a common direction they could buy into. We'll come back to some of these issues once we've looked at the approaches that were used to produce the strategy.

2. Approach(es) Adopted and Activities

YF produced the first RES in 1999 shortly after its establishment. Two major 'RES Reviews' were undertaken after this, with revised strategies launched in 2003 and in 2006. Although much of the 'superstructure' from the first RES remained in its subsequent iterations, the process and content became more involved and detailed with each review. The approaches and end products are now outlined. The development of an Integrated Regional Strategy in 2009/2010 and the concept of sustainable economic development are also covered.

2.1. The first Yorkshire and Humber RES – 2000-2010

All RDAs had to produce a RES and submit it to Government in 1999. At the time, RDAs had only just been established (Tom Riordan was appointed as Head of the Project Team to create YF in 1998, with Sir Graham Hall appointed as chairman in July 1998). YF was still a small body working frenetically out of cramped office space using whatever mix of staff, secondees, and lead officers from bodies due to transfer into the RDA that it could get hold of.



Producing the RES coincided with the process of YF becoming a 'proper organisation' - appointing its Board and staff, building expertise, and establishing ways of working. The RDA's first Chief Executive, Martin Havenhand, stressed "Strategy-Structure-People" in that order. So it is no surprise that there were connections between the structure of the first RES and that of the nascent YF. Notably, the RES's Objectives bore similarities to YF's new Directorate structure and to the roles of the organisations that merged into the new RDA (the Yorkshire and Humberside Development Agency, regional arms of English Partnerships and the Rural Development Commission, and parts of the Government Office for Yorkshire and Humberside). Hence an issue like Inward Investment became a RES Objective and reflected the previous YHDA role, whilst a Skills Objective was based on a Skills Action Plan that had been developed separately to the RES then edited to make it fit better (see module 11: Skills).

Producing a RES was a challenging process. But it was also an opportunity to engage with partners, set the direction for the future, and in the process make a statement of intent about what both the RDA and the region could do. The box sums up the process.

Summary of the Process for Producing the First RES in 1999/2000

The production of the first RES was based on a quite carefully planned approach, but in the event was characterised as much by energy, flexibility, and dynamically reacting to events as it was by its initial plan. The process was founded on the following stages:

- State of the Region report produced, providing an evidence base and baseline (Jan 1999).
- Vision for the Region document created in April 1999 with input from the new RDA Board.
- Consultation on the Vision undertaken in Spring 1999 to inform strategy writing. 3,000 copies were distributed, and 230 delegates attended four consultation events around the region in May. A further 200 people attended an additional 'sustainable regeneration' focused event¹. 95% of over 200 written responses broadly agreed with the Vision.
- First draft of the RES written in summer and presented to the RDA Board in July.
- Launch of the draft RES in late July with 5,000 copies circulated to partners for consultation. 262 written responses received by the deadline in late September.
- RES refined and submitted to the Deputy Prime Minister at the end of October 1999.
- Joint sustainability appraisal (by ECOTEC²) of the RES and Regional Planning Guidance alongside the launch of the RES, leading to some changes.
- RES endorsed by Government and formally launched in January 2000.
- RES targets agreed shortly after its launch in 2000. Regional action plan plus four sub-regional action plans to guide and monitor delivery agreed between March and June.

¹ The 'Sustainable Regeneration in a World Class Region Event' in Saltaire in May 1999 attracted around 200 delegates. It was, catalysed by Forum for the Future's Local Economy Programme in the region, and delivered as a partnership venture with the RDA, GOYH and the Regional Chamber and Assembly.

² Sustainability Appraisal of the Regional Economic Strategy for Yorkshire and Humber, ECOTEC Research and Consulting in association with Land Use Consultants, October 1999

The RES process engaged with hundreds of organisations through events and written inputs. Many ad hoc presentations to and meetings with organisations also took place as groups requested them. Some of these were more central than others. But whilst the fringe ones could be seen as wasted effort, they did help to build interest and a reputation for partnership.

The challenge and opportunity of producing the RES was amplified by the lack of any similar regional strategy in the preceding decades. The chance to collaborate in defining an economic vision with real resources behind it sparked a certain buzz. For some, at local level especially, this was a precursor to what they saw as the subsequent prize of elected regional government.

At the outset of the process, a major consultancy was commissioned to co-ordinate work on a State of the Region report (most of the work on which was done by academics in the region), produce the regional Vision with the Board, and to write the RES. The value of this work was questioned when the draft RES did not sufficiently reflect partner or internal engagement and was not of the desired standard. Tom Riordan and Simon Foy (the newly appointed Head of Strategy) rewrote this in a matter of days and were able to produce a much stronger strategy which won Board approval. This led to a culture that favoured using internal capacity for strategy work and an aversion to major consultancies who might “*promise the world and delivered rubbish – for a large fee*” as one consultee put it. This internal approach had benefits for responsiveness, quality and cost. But it did depend upon having able, confident staff who could (often learn to) do the job and perhaps risked underutilising ideas and skills from outside.

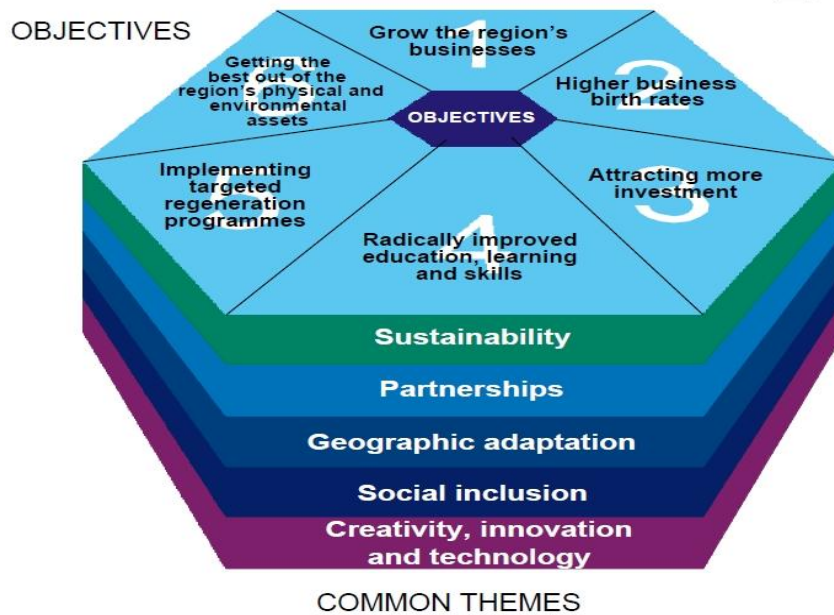
How far the RES was ‘evidence based’ was mixed. A centrepiece State of the Region report³ described the region against indicators and benchmarks and included insights and commentary from academics. In comparison to later evidence base work it was fairly rudimentary. But in other ways it was a landmark document and a prototype for subsequent ‘Progress in the Region’ reports. Its main finding was that Yorkshire and Humber fared poorly on economic indicators and needed to raise its game. It said less about how to do this, or about the reasons behind its performance. Inevitably the content of the RES was as much informed by judgement and the views and priorities of partners and the RDA as it was backed by hard evidence. The centre of YF and its Policy Team were adept at building relationships and partnerships, which helped to oil the wheels of progress and gain support for the RDA and the RES. Whilst one learn is about the value of strong evidence, another is that partner preferences cannot be ignored. Good strategy is a product of both evidence and preferences. Where either part of that formula is not properly represented it is likely to fail – either because it does the wrong things in the wrong ways, or because of a lack of buy in that will undermine delivery.

The content of the RES that emerged was based on some clear building blocks:

- **One Vision** (to become a ‘world class region’)
- **Three Aims** (focusing on Business, People and Environment)
- **Five Cross Cutting Themes** (sustainability, partnership, inclusion, creativity, geographic)
- **Six Objectives** (business growth, enterprise, investment, skills, regeneration, environment)
- **Seven Priorities** (these were broad and could be subdivided further)
- Plus **seven ten year targets** that were defined early in 2000, but were not in the RES itself

³ Yorkshire & The Humber – The State of the Region, Paul Munn, Professor John Shutt, Professor Mike Campbell and Graham Houghton, Leeds Business School and School of the Built Environment, Leeds Metropolitan University, December 1998.

The diagram shows how the **RES Objectives and Themes** fitted together.



The RES' breadth and ambition reflected themes that had emerged in consultation and were important for how it was delivered. The criticisms that emerged over time were that the vision was too general and would not pass the 'tippex test' for regional distinctiveness; the aims were an unnecessary layer; and common themes lacked bite. The targets, whilst strong in providing metrics and in backing up the Vision's ambition, could be criticised for sometimes appearing unrealistic (e.g. doubling business start up rates) or not always being fully thought through (e.g. training three million people in IT skills). Yet it is hard to deny that they did communicate a real sense of direction that tallied with what becoming a world class region might mean in practice – including much increased prosperity and radically reduced deprivation.

One other interesting point on targets was the inclusion of a target to reduce greenhouse gas emissions by at least 20% by 2010. This was a radical move at the time. The RES was the only one nationally to include such a target, and probably one of the first economic strategies in England to make carbon reduction a clear goal. This was distinctive, strengthened in subsequent years and backed by RDA investment – arguably helping the region to build a strong low carbon profile and win investments downstream. A learning point is that it can take a long time to get from strategic intent to delivery, but that the benefits can be great. The same applies to the Advanced Manufacturing Park (see module 9: Sectors and Clusters) which took years to move from concept to full scale reality but is now a nationally valued asset.

One further criticism of the RES was that its priorities were too general and numerous. Again this is not without some validity as the RES covered most the key bases in one way or another. Yet the priorities did follow on from consultation and Board inputs and some partners may have become disenfranchised if 'their priority' had been omitted. Too many aggrieved parties at the start of a long term process that relied upon their support would have been problematic. A number of learning points emerge. One is that keeping a strategy's structure simple pays dividends - so long as it properly covers what it needs to. Another is that no strategy can please all of the people all of the time. Trying to do so risks blandness and lack of focus. Yet not doing so sufficiently risks losing buy in and alienating potential allies.

The core of the first RES was in reality its Objectives and Action Tables. These were concise, practical and straightforward. In proper plain talking Yorkshire style, the tables listed actions to deliver each Objective using columns simply headed 'What', 'How', 'When' and 'Who'. They provided a good idea about what was to be done without the need to refer to other documents. In essence they made the RES a working document rather than one that was destined to sit on a shelf. The approach in the Yorkshire and Humber RES won plaudits in the region and beyond, and the Action Tables remained at the heart of subsequent versions of the RES.

The look and style of the RES was in keeping with this unfussy style. It was a *relatively* short document compared to other RESs, with no photos and a just few fairly basic graphic devices and tables to communicate its content. Its design was rudimentary by today's standards. Its copy was clear and concise. Whether consciously or not, it epitomised the character of the RDA's chairman, its Chief Executive, leaders in the Strategy Team who produced it, and perhaps the region itself.

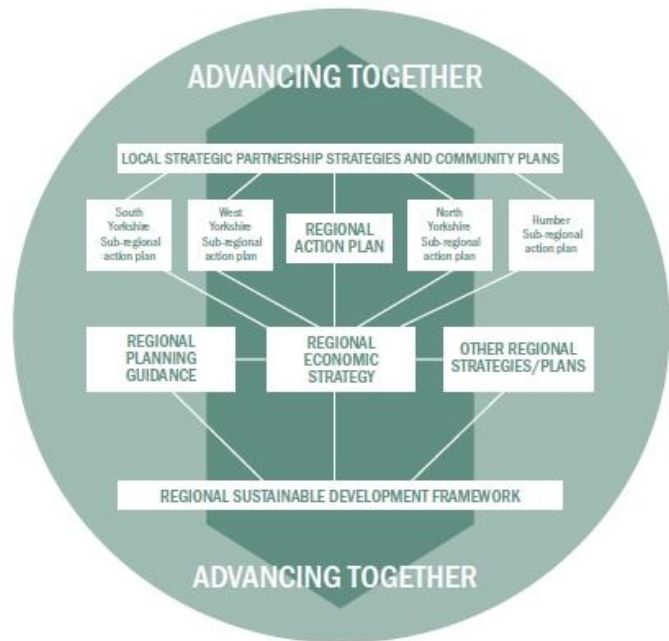
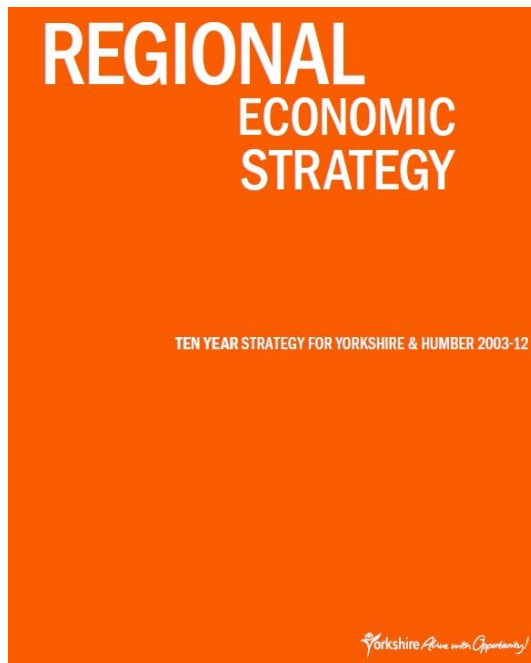
Besides the details already discussed, the main overarching learning point from the first RES was that with the right leadership, a capable team, supportive partners and a bundle of energy and dynamism, a strong economic strategy could be produced with both good partner engagement and on a pretty quick turnaround. That was not the case in every region. It could easily not have been the case in Yorkshire and Humber if the initial major consultancy led RES had been adopted. In the event, a driven Board and a can-do team (only one of whom had any background in strategy or economics) rescued the situation did a better job. As we will see, the strategy development process become more complex and elongated in subsequent years, chiefly driven by central government requirements.

The first RES Review and revised Yorkshire and Humber RES for 2003 – 2012

The Government asked regions to regularly review their economic strategies, typically every three years. This meant that work started on the first review of the RES in early 2002, with submission to Government in October that year and launch early in 2003. This meant work on a full review of the strategy – entailing extensive consultation and a rewrite started only two years after its predecessor had been launched. At the same time Government asked for a separate 'Framework for Regional Employment and Skills Action' (FRESA) to be produced. And within Yorkshire and Humber, a number of other regional strategies and plans were also due to be reviewed during the period of the RES review. This presented a much more complex context than for the original RES and meant a whole lot more joining up was needed.

A steer was provided by Yorkshire Forward's Board and Executive Team that the review should be evolutionary rather than fundamental. The steer was that the framework of aims and objectives and the direct style of the action tables of the first RES remained a good foundation. The decision was also taken to integrate with other process wherever possible, such as those of the overarching 'Advancing Together' document and the Regional Sustainable Development Framework produced by the Regional Assembly. Sustainability appraisal was (sensibly enough) to be carried out before the RES was finalised so its findings could better be incorporated. At the same time, the desire remained to keep the text of the RES punchy, concise and action oriented, whilst raising the design standard to ensure the RES looked suitably professional and contemporary. Hence the challenge was to pack a lot more content

and process into no more space than the 2000 RES. The ‘big arrow’ diagram shows how the RES was positioned amongst other main strategies and plans – and hence the need to join up.



Whilst it added complexity, most of the integration work was logical. Aligning economic policy and investment with that in other areas such as transport, housing, health, education and environment intuitively made sense. In contrast the ‘FRESA’ proved to be the most irksome requirement, as the (unintended) thrust of this seemed more about separation than integration.

YF already saw employment and skills as integral to the economy. They were not separate areas but wholly intertwined. However, the Department for Employment and Skills (DfES) wanted standalone employment and skills strategies produced on the same time line as the RES. To satisfy this requirement the RES maintained an Employment and Skills Objective and additionally inserted employment and skills actions across all its other Objectives. The exact words and actions that covered skills in the emerging RES were then also used in a separate FRESA document. This approach worked and ensured both needs were met. But it took time consuming, meticulous work and the felt more like an exercise in satisfying the edicts of government bureaucracy than in adding value. It illustrated the how the RDA was in spirit and intent a creature of the region, but one that was still bound by a Whitehall where some departments were more supportive of regional (or indeed local) freedoms than others.

The RES review process bore similarities to that used for the first RES. A combination of greater capacity, complexity and expectations just meant it was a wider and more involved process. Annex C is a flow diagram of the process. Good practice points where partnership working, thoughtful planning and a common sense approach paid dividends included:

- There had been potential for confusion between the RES review and concurrent reviews by the Regional Assembly of Regional Planning Guidance and its ‘Advancing Together’ framework. To avoid this, YF and the Assembly held **joint consultation events**, with a RES focus in the morning and other elements in the afternoon. This helped delegates, joined up issues and saved money. The events ran smoothly and were well attended.

- A **consultation pack** to launch the review included a summary of the RES and progress against it, event details and a questionnaire. That provided an easy means for input and complemented opportunities to make more detailed comments in writing or at events. The results made it easier to draft the new RES in a direction that reflected partner views.
- A full **sustainability appraisal** of the RES covering both the draft and final stages and including diversity issues. This was linked with sustainability appraisals of the other strategy reviews as far possible – notably of Regional Planning Guidance.
- Greater use of evidence to guide the strategy, much of it included within a '**RES Companion Document**'. That pulled together economic analysis, linkages, cross cutting themes and case studies material that was too lengthy to go in the core RES document.
- **Tailored feedback letters** to everyone who sent in a RES review response. These set out what (if any) changes had been made to the RES in line with their comments. The process took some graft and relied on the fact that changes had been made to the RES in response to comments from most (although not all) stakeholder, plus a system for tracking these. The rewards outweighed the effort and helped to build buy in and position the RES as 'the region's document'.
- An annex showing how the actions in the RES delivered against other issues and agendas, **helping to the reduce demands to have separate strategies** for many different issues.

YF's Board and staff had their own channels for input. Internal and external, and indeed strategic versus practitioner perspectives needed to be balanced. Often the Strategy & Policy functions within YF were seen as "*the corporate heart of the organisation*". Understandably other parts of the agency wanted to advance their own ideas too. Whilst strategists err towards an outcomes based big picture approach, practitioners often spot an opportunity and want to run with it directly. The knack is to get the best of both worlds so that strategy is informed by practitioner know how and aware of the various options, impacts, and potential linkages. This balance was struck more often than not, and the RES action tables helped to combine strategic and practical angles. However in some areas, such as choices on clusters priorities, there was not always agreement. A strong outcome led approach and time to work issues through and build consensus might have further strengthened connection between strategy and delivery.

There were other changes too. The RES became a much slicker publication (give or take its bright orange cover) and incorporated numerous photos and quotes from stakeholders. Its copy became more concise to prevent it having more pages than the original. A pocket version 'mini-RES' was again produced alongside the main RES to make it accessible, especially to high level and private sector audiences. The mini RES had a brief front end covering Vision, Priorities, Objectives and Themes, followed by two page spreads on each of the six Objectives.

Lastly, whilst its 'superstructure' changed little, the content of the RES continued to evolve. The Strategy was made more distinctive to Yorkshire and Humber (although critics may say it didn't go far enough), it included a stronger and clearer treatment of sustainable development, and backed this up with a more integrated approach and actions as well as words on cross cutting themes. In policy terms, it put more emphasis on indigenous businesses (not just new investors), cities, transport, skills, ICT, social enterprise, and the 'environmental economy'.

Regional and Sub Regional Action plans still complemented the RES and a new discipline of conducting annual RES progress reports monitoring implementation monitoring was introduced.

The second RES Review – culminating in the 2006-2015 RES

The final version of the RES was completed in 2005 and launched in 2006. After the ‘Sub National Review’ in 2008, the RES was set to be replaced by an Integrated Regional Strategy. But as this stalled, the 2006 RES remained in place for longer than envisaged....its influence dimming as economic policy at city region and LEP level started to take hold.



This RES Review started five years after the first RES and at a point when YF’s new chairman, Terry Hodgkinson, was replacing Sir Graham Hall. Fewer members of the Board had been involved with the original RES. That, the passage of time, and external changes meant it was apt to review aspects of the RES that would have been premature previously – such as its vision and ten year targets. The new Chairman also brought his own personality to the review, with a desire to make the publication more innovative and distinctive.

Despite changes at a senior level, there had been noteworthy consistency in the core team involved in writing and reviewing the RES between 1999 and 2006⁴. That contributed to the 2005/6 review process largely mirroring that in 2002/3. Again it used an extensive two stage consultation process, with five centrepiece events, opportunities to comment at all stages, and tailored feedback letters to respondents. Consultation packs were sent to 3,000 people, 800 people attended events and around 180 sent in comments in each consultation round. Additionally, business views were sought via survey questions and there were an array of one off meetings (e.g. with BME communities, chief constables, universities).

If the process remained the same, there were new complications. Whilst the requirement for a FRESA had been quietly dropped, new stipulations from Government had arisen. Guidelines now meant that each consultation phases needed to last for 13 weeks, plus a further 13 weeks sustainability appraisal consultation – nine months in all. Evidence and market failure drivers needed to become more prominent. A multitude of departments wanted their agenda

⁴ A core of Tom Riordan, Simon Foy and Les Newby had between them led the writing of the three RESs, working with Nicky Denison and Paul Munn who also had central roles in supporting consultation, evidence, drafting and running the review process.

representing in certain ways and words. And the requirements for appraisal had grown to include a legally backed and complex 'strategic environmental assessment'. This consumed a lot of time, money and paper but proved less influential than the appraisal processes used in the previous RES review, or the useful many comments from stakeholders during consultation.

At the same time there was a push to reflect the strengthening city region agenda. Alongside new ideas from within YF, that meant the RES and its review process became longer and more involved. Some of the fresh aspects were real strengths. And the accessible writing style and clear action tables remained. Nevertheless the review process – lengthened by sustainability appraisal delays – and the end product felt quite different to the first RES. It had gained in depth, roundedness, stakeholder buy-in and gloss. And the RES production process had gained if not military precision, then certainly a reputation for being well planned and smoothly executed. Yet at the same time, the RES and its review had lost some its energy and directness. In responding to Whitehall guidance things had become more cumbersome. Like the RDA, the RES had grown up. In becoming a more considered, expansive, slower entity it had lost some raw edges but also some of the spark of its youth.

So much for the bureaucracy and the process, but what actually changed? The document itself included new, sometimes groundbreaking, attributes which opened up new avenues and addressed criticisms. Its vision became centred on 'great places' and the renaissance approach was central. With employment high, a focus on 'good jobs' emerged. And the city region and low carbon agendas continued their steady rise to prominence. The diagram shows the RES superstructure whilst the box describes some of its innovative features.



Examples of Changes and Innovations in the 2006-2015 RES included:

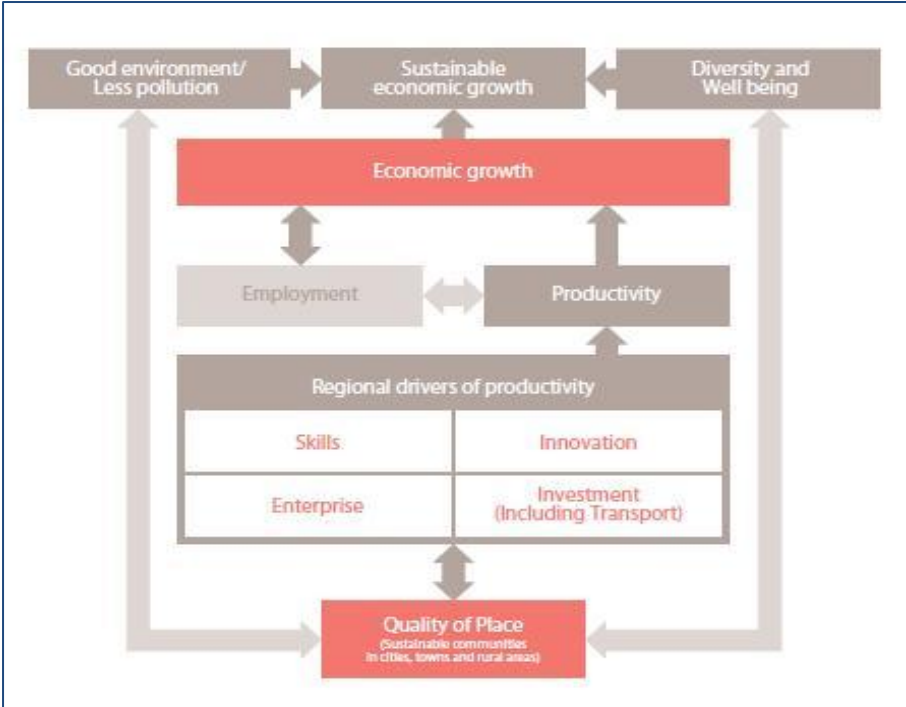
- **Integrated sub regional maps** (see annex C) showed economic and other major planned investments (e.g. in health, housing, education). They illustrated potential for aligning investments to magnify their impact. Renaissance and sub-regional processes were seen as means to pursue this, but never really delivered that as intended.
- A **'Costed RES'**. Whilst costing every aspect of delivery was unrealistic, the RES did include analysis of total public (and to some extent private) sector spend expected in the region, how much of it contributed RES objectives, and how far it might be influenced.
- **'Yorkshire Values'** that characterised the region – diverse, honest, hardworking, welcoming, inventive, proud and ambitious. Advocates thought the values added distinctiveness and signalled its people's strengths. Others were more sceptical.
- Content on **future trends and risks** picked up issues such as rising oil prices and population change and potential responses should there be a downturn in growth. That seemed unlikely at the time, but the annex proved helpful when recession set in.
- Consistent sections in the RES and the region's Spatial and Housing Strategies describing how policies on **economy, planning and housing** were mutually supportive.

One last area where the new RES proved to be quietly radical was its **model of sustainable economic growth**. The text of the RES made the point that economic growth is essentially a means to an end. The Strategy still sought growth, but it did so in a discerning manner:

“The region seeks high quality, sustainable growth that will maximise long term benefits to business, people and the environments” (para i. Executive Summary of the 2006-2015 RES)
“It is because of its massive impact on business, the environment and people’s well being and futures that a strong economy is so important”⁵ (para 1.10, p11)

The Vision of the RES reflects this - its goal of ‘great places’ was inherently a rounded one benefiting people and businesses. Likewise its growth model (set out on p33 of the RES with accompanying targets) was more integrated than most. It distinguished between ‘economic growth’, which is based on employment and the five drivers of productivity, and ‘sustainable economic growth’ which is also dependent upon a *good environment/less pollution* and *diversity and well being*. It further stressed the powerful role of quality of place in attracting and retaining investment and the skilled people that drive enterprise, innovation and economic success. The renaissance process was singled out as an area of distinctive strength.

The RES Model of Sustainable Economic Growth



The look of the RES took off where the previous one left off and adopted a high design standard, with plentiful photos of the region, many of which occupied full pages. To boot the RES featured a poem (‘Northlands’ by Joolz Denby) that ran through the document. An excerpt adorned its front page: *“We can make our own mythologies and our futures, we can be remade by our passion and our dreams”*. The rare combination of economic development and poetry wasn’t up everybody’s street. But its sentiment and imagery, and the way in which art and culture from the region intertwined with the RES, was for others both apt and powerful.

⁵ Regional Economic Strategy for Yorkshire and Humber 2006-2015 (para 1.10, page 11) Yorkshire Forward, 2006

Summing up, the 2006 RES was widely regarded as well written, and its content was acknowledged as well thought through, founded in evidence and widely supported by partners. The process for producing it was wider than ever. It included helpful innovations, looked good, and was the most regionally distinctive by some way. If there was a problem, it was probably overkill. The sum total of all the new photos, content, and additional analysis and graphic devices meant the RES was a lot longer than previously. This reduced its directness and accessibility. The role of the mini RES that accompanied it became all the more important as a communications device.

A Word on Action Planning, Investment Planning and Geographic Programmes

As the RES evolved so did the action planning processes that supported it. These were about getting strategy implemented on the ground, in the process brokering any gaps between what partners would endorse collectively as a strategy, and what they really want in their own patch.

The first framework in 1999 was based on having one **Regional Action Plan and four Sub regional Action Plans** - covering North, South and West Yorkshire and the Humber. These sub regions mirrored partner groupings at the time and YF set up sub-regional offices in each area. YF's 'single pot' resources were split between these plans and the regional action plan. One criticism was that local partners often put forward long 'wish lists', including poorly evidenced pet projects of questionable economic impact. From the opposite perspective, the RDA was criticised for describing too much of its work as 'pan regional'. This could mean that local partners were not sufficiently involved in projects that might be delivered in their backyard.

Action Planning was reviewed as its flaws became evident, and a new '**Investment Planning**' process began in 2004. This used sub regional strategic economic assessments to inform prioritisation and sought greater alignment with investments by other partners to increase leverage and impact. More resources went into sub regions instead of the region-wide pot (the 'Yorkshire Forward Investment Fund') and local partners were more to the fore. The changes were welcomed and led to benefits, if not to the degree that had been hoped for. Evidence was improved (if its impact on prioritisation was sometimes muted). And the degree to which investments were aligned was not as great as hoped. As Sylvia Yates, Executive Director of the Sheffield City Region Executive Team, describes it:

"Investment Planning was a heroic attempt to balance evidence and local preferences...but ultimately doomed".

The third and final iteration of action planning was a move to '**Geographic Programmes**', for each local authority area, conflated with the new YF 'Policy Product Ranges' (PPRs). The Programmes were intended to list prioritised projects for YF to investment in each sub region, based chiefly on local partner proposals and agreed with YF. The PPRs offered a menu of 11 different action areas that YF could help deliver, each split into more detailed intervention types and covering the range of its economic development and regeneration activity.

The new system brought better local input and clarity, although issues remained. The process in effect bypassed the sub-regions, which were by now morphing into city regions. The priorities within Programmes were not always as clear as would be expected. And with greater partner self determination, the evidence for and economic impacts of proposals were sometimes questionable. YF was caught between Whitehall (notably its business department –

BERR, now BIS) and local authorities. The former were pushing for rigid channelling of RDA resources into activities that yielded the best GVA and value for money returns. In contrast local partners wanted to do what they felt was right for their area based more on judgement and strategic added value. Often this translated into 'urban renaissance' projects that BIS (but not other departments) disliked. By 2009/10 this tension was exacerbated by the approaching general election. The Conservative party proposed scrapping RDAs apart from those that were 'popular' with local partners and businesses. RDAs needed to keep local partners on side to have any chance of surviving, but doing so would fly in the face of their parent department in Whitehall. The squeeze between locally led and centrally controlled was never more evident.

Project ideas identified as desirable under any of the action planning type systems over the years then had to be worked up as full proposals and managed to completion under YF's **Performance Management Framework (PMF)**. There were changes and improvements to the system over the years along with substantial learning. The key challenge was to balance pressure (internally or from partners) to get desirable projects approved and implemented as quickly as possible with the sometimes competing imperative of making sure proposals were properly worked up and fit to spend public money. The Strategy Team led a strategic appraisal function that was at the heart of that and chaired weekly strategic appraisal panels which also brought in other directorates and for some years external partners at Government Office and the Regional Assembly. Robust appraisal, judgement, pragmatism and communication were all important. Finance Directorate took the lead on subsequent and more detailed Full Business Plans and matters of output reporting etc. with Strategy involved again at the Evaluation stage.

Like the RES, Government requirements for project appraisal grew over time and the PMF evolved to adopt them. One element of good practice that the region pioneered itself was the merger of separate systems to apply for ERDF and RDA Single Pot resources in Yorkshire and Humber. Whilst not without its complications, this was a major advance that helped applicants and improved alignment. There will be differing lasting impressions of the PMF. For project managers and partners, it could at times seem a long and frustrating process to go through. In contrast, those running the system would point to deficiencies in proposals and the need to correct those before investing large sums in them, as well as to the fact that good projects could progress very swiftly indeed when they needed to. Perhaps a good appraisal system will always generate those two views. And ultimately, despite its basis in systems and procedures, how well it worked was about individual people and projects too.

Moving to an Integrated Regional Strategy...or not.

After a prolonged gestation, the Government launched 'Prosperous Places: taking forward the review of sub-national economic development and regeneration in November 2008'. At its heart, the proposals sought to replace separate economic, planning, housing and transport strategies with a single 'Integrated Regional Strategy' or IRS. Equally importantly, the review recommended that these were jointly produced by RDAs and local government. In effect this meant twin tasks – changing regional governance structures and producing the strategy itself.

Yorkshire and Humber decided to agree its governance structures first as these would then be used in strategy development. The centrepiece was a new **Joint Regional Board (JRB)** bringing together local government leaders (eight nominees) and eight members of Yorkshire Forward's Board (split between business and local government representatives). Chairmanship of the Board alternated between lead RDA and Local Government members. A

series of 'thematic' boards supported the JRB, covering Planning, Transport, Housing and Work and Skills. The latter complemented but did not replace Yorkshire Forward's Board which remained the primary economic development board in the region.

The early meetings of the JRB weren't always smooth. On occasions the discussion felt like two teams were angling to determine how the Board ran and what it should cover. This was rectified when both 'sides' recognised that this would end in failure, and made a conscious effort to change tack. To back this up, agendas for the meeting became more focused on substance. They discussed key issues, trends and potential priorities that might be reflected in the Integrated Regional Strategy (which by this time had been renamed the 'Yorkshire and Humber' Strategy as the 'R Word' was politically sensitive). Against the odds given the national policy and political context, subsequent JRB meetings became much more cooperative and productive. There were still healthy debates. The difference was that these were focused on substance not process. Individuals made their own points as would be expected on any strong Board. But it was hard to tell who was coming from what corner. By the final JRB meeting in March 2010 the Board felt like a balanced and effective institution.

A number of learning points emerged through the work on the JRB and policy issues around it:

- Too much **focus on process nearly killed it**. Giving it the opportunity to focus on the big issues facing localities, future trends and long term priorities generated much more enthusiasm and engagement. Most leaders are interested in vision, issues and decisions. Serving that up to a Board can help it to become a stronger entity and to bond.
- There were challenges for officers supporting the JRB. Those from YF and LGYH had been used to different organisational cultures and expectations from their Board and council members respectively. It took time to **build trust and acceptance** of each others ways of doing things and to operate as a team. When that happened things worked much better.
- Business members on the JRB were less to the fore than those from local government, who were more used to its mode of operation. **Making sure that business members are not overshadowed** on partnership boards where others feel they have the democratic mandate to run things can be a challenge. LEPs have a similar governance structure to RDAs, typically with a private sector chair, 50% business representation and an economic agenda. This should help to ensure that private sector members are central, but culture, intent and support (e.g. briefing), not just structures, are key to getting the best from them.
- YF engaged with the voluntary/community sector and public agencies for spheres such as environment, HE, health and culture. These '**social, economic and environmental partners**' had a strong presence in the structures of the Yorkshire and Humber Assembly which closed in March 2009. New regional structures sidelined them. Although attempts were made to involve them in the IRS process, they were not always fully welcomed because they 'lacked a democratic mandate'. Reduced engagement with them risked losing out on the wider influence, insights and scope for integration they brought.

There was a good start to work on the Yorkshire and Humber Strategy, especially given the challenging context, but this was ultimately abortive. One observation was that in combining regional economic and spatial strategies, the IRS process stipulated by Whitehall retained all the complexity, bureaucracy and long windedness of the previous Regional Spatial Strategy process. It included consulting on and completing project plans, constructing a hefty evidence

base, numerous consultations, examinations in public, and lengthy sign off procedures with government – let alone the job of writing an unprecedentedly extensive strategy. If the RES process had grown over the years, it appeared a slender and elfish creature compared to the lumbering beast that was the IRS. Even with determined efforts in the region to make the process as quick as possible, the timetable for it covered three to four years. Its scale and slowness was an immediate deterrent to getting involved, especially for business. Strategy need not be slow, big and bureaucratic, but the IRS guidelines and process made it seem so.

Working together, YF and LGYH delivered three main achievements on the Yorkshire and Humber Strategy before the process was terminated after the 2010 election:

- A detailed **project plan**⁶ was approved. This set out the strategy's purpose, timetable, 'lines of enquiry', stakeholder engagement mechanisms, and the thematic and sub-regional structures that would drive it. The process ensured openness and planning from the start, although the level of detail seemed over the top compared to RES reviews.
- An extensive **evidence base** was produced and made available covering (most of) the themes of the IRS. YF published the evidence base they completed on Economy and Skills, Low Carbon and Transport in 2010.
- The JRB and the leaders on it received high level presentations and briefing on the key issues in the region. Making the region a world leader in the **low carbon economy** was the one priority they agreed on before the JRB ceased operation.

The team working on the IRS knew that a change of Government would end the process. With that in mind, pre-election work was based on producing outputs (an evidence base) that would be useful to partners whatever the outcome. Whilst some of the IRS process ground to a halt in the run up to the election (e.g. planned 'evidence hearings' with partners), work on evidence continued up to and a few months beyond the election. Ironically, whilst the IRS itself delivered little else, the ideas behind it are progressing in some local areas (e.g. Kirklees). At this level the benefits of integration are even more obvious and there are no centrally set rules to constrain and complicate the task.

⁶ Yorkshire and Humber Integrated Regional Strategy Project Plan, Yorkshire Forward and LGYH, October 2009

3. Resources, Results and Outcomes

Yorkshire Forward's strategy work used a modest core resource given the scale and significance of the task, although it also touched and drew on a very wide number of people in order to get inputs to the process, to manage it, or to provide evidence for it.

Most of the RES production/review and management work was done by a small core of around three people, each devoting around two thirds of their time to the RES over the course of the review period of around a year. That covered the bulk of work to consult on the strategy (e.g. analysing and responding to consultation responses), to collate evidence reports for it, to write the strategy, and to present it to internal and external audiences. That was complemented by shorter and intensive inputs from the Strategy Director at key points during the process; initial evidence and economic forecasting inputs from the Chief Economist's Unit; and additional support on the organisation of events and the design of the RES documents.

As this work is about strategy and influence, not projects and outputs, it is quite hard to directly attribute outcomes to it. It is the combination of Strategy and the investments that follow behind it that make a difference, so it is impossible to wholly attribute the region's success on outcomes like growth, employment or carbon reduction to a strategy itself. However, to give some impression of results, we set out a brief assessment of RDA's strategy work here against some of the tasks and means of assessment introduced at the start of this module.

Performance against the RES 10 Year Vision Targets

The first RES was backed by a set of high level aspirational targets. These were to be used as the test of whether Yorkshire and Humber had become the 'World Class Region' it aspired towards? On that test, despite some real progress, the short answer would be 'it had not'. But equally, as this module has discussed, these targets were highly ambitious and visionary (e.g. halving deprivation and doubling business start ups) rather than realistic ten year goals. The revised targets of the 2006 RES were better suited as stretching but potentially attainable performance measures, but it is premature to measure against those, especially given much of the period following their adoption was characterised by economic downturn and recession.

Performance against the initial 'five purposes of an RDA'

The RDA's strategy included and linked the key goals that RDAs were required to deliver – business improvement, employment and skills as well as broader goals on regeneration and sustainable development. At a strategic level, the RES combined these goals across a broad geography in a way that had not been done before. The strategy was backed with intensive investment in projects across the region that created and assisted businesses, created and safeguarded jobs, enhanced skills, and supported social and physical regeneration.

As with any strategy, there was room for improvement. Integration across some issues could have been stronger still, there remained some gaps between the strategic intent of the RES and the delivery that followed. But at least before its currency waned with the onset of the recession and the Government's protracted sub national review, the RES was that rare beast – a strategy that did not sit on a shelf. It demonstrably succeeded in setting out a shared and coherent vision covering the breadth of the economic challenges and opportunities facing the region and catalysed delivery against its aims.

Independent Qualitative Assessment and Stakeholder Perceptions

Up to 2004/5 regional government offices – the Government Office for Yorkshire and Humber (GOYH) in this instance – were tasked by central Government to annually assess the performance of RDAs. Those reports assessed the RDA's performance across the range of its targets and functions and were informed by GOYH's viewpoint 'in the middle of things' in the region and the strong local and partner relationships they maintained.

The annual reports included standard items as well as those which were of topical or cyclical interest. The 2002/3 report⁷ covered the period in which the 2003-2012 RES was prepared and launched. It included a specific item on 'Effectiveness of Yorkshire Forward's consultation during the revision of the Regional Economic Strategy and the quality of the final product'. This received the top grade of 'Excellent' (against a typical grading for most areas of activity as 'good'). Its commentary stated that:

"The revised RES sets out clear regional priorities...it is shorter than previously, more clearly structured, more regionally specific and backed by further evidence and detail. It has been well received in the region".

By the time the final RES was launched, Government Office reports were to be replaced by more detailed reports by the National Audit Office on a periodic basis. Their 'Independent Performance Report' in 2007⁸ covered the 2006-2015 RES. It awarded YF an overall grade of 'performing strongly' (the highest grade, with a score of 20 out of a possible 24) and rated YF on five specific aspects of performance. Two of these were graded as 'performing strongly' including the 'Ambition' category which covered the RES. The review was very positive about the RES. Whilst noting that its objectives were broad, it mainly identified strengths:

"The structure of the RES is clear...[it] addresses the right issues for the region and sets clear, measurable and challenging targets, and was produced on the basis of thorough consultation leading to a good level of internal and external buy in".

The same review complemented Yorkshire Forward's evidence base and the role of Yorkshire Futures (see module 2: Regional Intelligence & Research) and the fact that regional strategies were well aligned. It was more questioning in the areas of subsequent prioritisation and external understanding of the investment planning process to deliver the RES, in particular the 'Yorkshire Forward Development Fund' to deliver region-wide projects.

Outcomes and Regional Disparities

Yorkshire Forward delivered considerable outputs in areas like jobs, businesses created and assisted, skills, regeneration and greenhouse gas emissions and hit the targets set for it by Government in nearly every instance. Amongst RDAs, YF excelled particularly in relation to creating large numbers of jobs at relatively low cost. In the five years from 2005/6 to 2009/10 it created/safeguarded 121,884 jobs, with an additional 40,812 people assisted to gain employment. In 2010, the RDA calculated that in net terms around 1 in 30 people in the region's workforce were in a job because of its employment outputs over the last five years – some 60,000 people in total and equivalent to a 3% increase in employment rate.

⁷ GOYH, Regional Director's Annual Report (2002/3) on Yorkshire Forward's Performance,

⁸ National Audit Office, Independent Performance Assessment: Yorkshire Forward, March 2007

What is more complex and challenging is how far *outputs* led to improved *outcomes* in Yorkshire and Humber compared to other regions. The picture is mixed and open to interpretation. On a number of important fronts the region did improve both compared to a baseline year and to national averages (at least before the recession). On others the position remained stubbornly static. The table shows areas where outcomes did and did not improve.

Change in Headline Regional Outcomes Indicators 1998 to Current⁹

Areas of Improvement	Mixed Position	No Improvement
<ul style="list-style-type: none"> • Employment rose and at a faster rate than national average to 2008 	<ul style="list-style-type: none"> • GDP growth – the region achieved strong growth before the recession, but did not reduce the gap to national average 	<ul style="list-style-type: none"> • Productivity – levels did not rise compared to, and remained below, national average
<ul style="list-style-type: none"> • Enterprise – new business formation rose by 23% between 1998 and 2007, well above average and the 2nd highest rise of any region 	<ul style="list-style-type: none"> • Skills – rises in the proportion of people with NVQ levels 2, 3 and 4 were all around national average, - no real closing of the gap 	<ul style="list-style-type: none"> • Business R&D Investment – this remained static and below average
<ul style="list-style-type: none"> • Foreign Manufacturing Investment – rose by 22% compared to a fall nationally 	<ul style="list-style-type: none"> • Carbon Emissions – data changes make these hard to assess, but a modest decrease was achieved between 2005 and 2007 despite increasing GDP 	
<ul style="list-style-type: none"> • Deprivation – fell slightly with fewer areas in the most deprived 10% nationally 		
<ul style="list-style-type: none"> • Sustainable Economic Well Being (ISEW) – rose by 40% between 1998 and 2007, compared to 30% nationally 		

There are two crucial points to recognise in drawing conclusions from the outcomes summary. The first is that YF was typically but one modestly scaled force in a much bigger picture. Other drivers and influences such as the global economy, national government policy and investment, the private sector, other public agencies and entrenched cultures, perceptions and industrial structures are powerful in shaping change and outcomes. The RES and YF's economic leadership role provided an opportunity to align and influence forces within the region, but that is still a long way from a position of control. For instance, the spread of Government investment across the UK in many other areas besides economic development (e.g. transport, housing, and science and technology) will also have an impact on regional performance. Yorkshire and Humber did reasonably well in terms of its RDA's budget but poorly in some of these other areas. Secondly it is impossible to say what the counterfactual would have been – i.e. what would have happened if no RDA or RES had been in place. Set against a historic backdrop of widening regional disparities and a need for major industrial restructuring and regeneration, then outcomes may well have been likely to deteriorate rather than just stay level.

Perhaps the final test of the RDA's strategy work is how far it laid the foundation for transformational initiatives and approaches that would fundamentally enhance the region and its economy. This is a subjective area to look at, but certainly some aspects of the Yorkshire Forward's strategy and the initiatives that followed them were groundbreaking and game

⁹ Assessment is using most recent available data in Progress in the Region 2009, Yorkshire Futures, March 2010

changing. In terms of policy, good examples were the prominence given to urban renaissance and to the low carbon economy. Both of these had been seen as marginal to economic development, but increasingly strong RES content on them, backed by serious investment, helped to make them mainstream elements of modern economic development. The transformation of Sheffield is probably the single biggest place based achievement in Yorkshire, and benefited from a combination of high quality vision and leadership, backed by persistent investment and delivery by local partners, ERDF resources and YF.

Other policies that combined an issue and a specific geography appear to have been highly successful in the long term. The implementation of the 'clusters' agenda focused on the Advanced Manufacturing Park between Rotherham and Sheffield have over time made it a national exemplar that has attracted investment by the likes of Boeing. More recently, the announcement of a pioneering European carbon capture and storage plant in Hatfield, and the expected major investment from Siemens in Hull in offshore wind energy show the dividends of a long term approach. These are materialising a decade after the first RES broke new ground in pushing the Humber Ports as a major asset, and several years after the RDA started to seriously highlight the low carbon as a serious issue and an area where the region had distinctive opportunities.

What is clear is that achieving transformational success usually takes longer than people hope and expect it to. Short term political pressures tend to lead to a push for quick wins and repeated changes in policies and structures. That runs counter the consistent strategic vision, leadership and prolonged investment that has delivered the most impressive successes.

4. Insights and Lessons Learned

Ten key areas of insight and learning are:

- a) **With the right leadership, good strategy is possible and valuable.** Whilst strategy is easy to knock, not terribly fashionable and can be done very badly, then the RES proved that it is possible to do strategy in a way that engages stakeholders, embeds a shared vision, and combines strategic thinking with practical action. Whilst each of the RESs had points they could improve upon, all of them had a decent go at doing what the 2003 RES described in its foreword as 'acting wisely' - fusing high level vision, themes and objectives with the detail of who, how, where and what. That helped it to gain respect and have practical value. Having a strong, balanced and strategic Board that worked well with the Executive team helped greatly in that task. They assisted greatly in guiding the strategy at high level and provided rounded insights without delving into inappropriate detail.
- b) **Engagement beats enforcement.** It is quicker and easier to do strategy in a top down way with little engagement outside of a few key players. Whilst in some ways attractive, that has its downsides. Where a strategy involves multiple geographies and stakeholders and its impact relies on gaining their commitment, lack of engagement with them would undermine subsequent impact. Maintaining strong relationships and good communications might take time, effort and compromise, but it oils the wheels of delivery.
- c) **Good consultation counts.** Whilst there is a world of consultation and participation techniques beyond those the RES used, it pulled off the feat of enabling both mass consultation (any group could easily comment – with benefits for openness) and more informed and detailed inputs from key players and groups (enhancing its content and key partnerships). A lot of work went into engaging groups who might otherwise be missed, genuinely taking consultation into account and providing feedback to written inputs. That helped to build buy in and ownership of what was the region's, not YF's strategy.
- d) **Balancing places and themes is difficult, but powerful.** YF's strategy and action planning work tried but struggled to do this well. Often one strand of work or RES section would be mainly thematic (e.g. focusing on issues like innovation, skills, business support, etc.) whilst place based aspects would have their own sections and not say too much about what was to be done in them. With hindsight, identifying clear and agreed priorities for specific places would have added greatly to the power of a strategy and its implementation. That is the perhaps best way of passing the 'tippex test' and ensuring distinctiveness rather than conjuring up something artificially. In reality, many of the same issues do need addressing in lots of different places. Accepting that and doing something about it is more helpful than agonising over whether that falls foul of the tippex test.
- e) **Be mindful of middle aged spread.** Any strategy, and especially one rooted in partnership, will face pressures to include a welter of content about specific issues, points and places. These are likely to grow over time, with demands for more evidence, appraisal, consultation, metrics, geographic distinctiveness, and reflection of the latest government or local initiatives. Internal ideas for improving strategy will also arise. Responding to what are individually often sensible calls or ideas can enhance strategy and gain buy in. But overdoing it can lead to strategy that is lacking focus and bloated. Summary versions of strategies can be great resources. And if in doubt, shorter is usually better.

- f) **Prioritising is hard but crucial.** Lack of prioritisation is a common criticism. But when a strategy does focus in, an equally frequent complaint is that ‘it hasn’t included *my* priority’. Getting down to a small number of priorities for action is tough. Getting to the *right* priorities that will deliver most and command support is even tougher. A combination of good evidence, good engagement and strong leadership helps to achieve that and to catalyse the benefits that alignment around a handful of clear priorities can bring.
- g) **Good strategy = evidence x preference.** The best strategies and action plans do things that are both wanted by partners and backed by evidence. The more this is achieved the greater the likelihood of lasting impact, even if the real world, some balances will inevitably have to be struck. Using evidence that includes but also goes beyond economic indicators is valuable. Surveys, future trends analysis, and ‘what works’ research on how to deliver something (not just the need for it) are examples.
- h) **Mind the gap between strategy and delivery.** “Just as strategy without action is futile, action without strategy or direction behind it rarely succeeds in doing the things that really matter”. Sometimes it seems assumed that a strategy will be implemented as a matter of course. The opposite is the norm. Strategy won’t be delivered unless the right mechanisms, structures, will and resources are in place. Barriers to delivery include partners or colleagues who feel disengaged from a strategy and its priorities, hence the importance of meaningful and internal participation. Talking to practitioners about deliverability during strategy development, allocating clear and agreed responsibilities, and monitoring implementation also help. Equally it is important to retain flexibility to respond to changes and challenges that will inevitably arise in practice without allowing this to become a reason to quietly veer away from the principles and priorities that were agreed up front.
- i) **Internal capacity and ideas from outside** – building internal capacity to do strategy work can have benefits not just for strategy itself, but also for partnership and subsequent delivery and monitoring. Having a bright, flexible, partnership centred team was invaluable to YF. Subcontracting elements of strategy work may make sense at times and can provide a route for bringing in ideas or filling internal capacity gaps that can’t be closed as and when required. If so, confidence about who is doing the work, their knowledge of the area and ability to engage and complete the task properly is key to avoid ‘parachuted in’ criticisms. One risk of having a stable internal team is that it can bring sameness alongside proficiency. Combining it with routes for ideas from outside, including HE, may help.
- j) **Genuine integration and sustainable economic development is desirable but difficult.** What economic development and growth is actually for is often assumed rather than stated. Growth, productivity, jobs and other goals such as carbon savings don’t always go hand in hand and can even work against one another. Different approaches and initiatives are often better at serving some goals than others. Being clear about outcomes helps to set priorities and bind elements of a strategy together. GVA growth is a prime example. It can seem the most obvious overall goal, but on probing, it is clear that whilst GDP links strongly to profitability and tax receipts, it does not always translate into other desired outcomes such as jobs, inclusion or carbon savings. Pursuing a sustainable economic development model is one alternative. That combines a healthy economy (with good levels of productivity and employment), environmental goals and improved well being and inclusivity. It is a more complex but chimes well with what most people and places really want.

Annex A - Experience Elsewhere

The English Regions

Each of the nine English regions (including London) produced their own RES, most with a timetable and number of iterations that was similar to that in Yorkshire and Humber. Despite all starting from the same starting point of a centrally defined task and guidance, there were marked differences as well as the expected similarities between the strategies each produced.

The strategies in the south of England tended to put greater focus on the link with housing and the need for affordable housing in particular. In contrast, in the North East, the focus was more about securing the scale of good quality housing stock it needed. Other regions took on distinctive areas of focus. For instance in the North West sports, events and the marketing of the region was prominent, reflecting its sporting excellence and a concentration of successful premiership football teams. In the East Midlands, the RES was ahead of its time in taking on the form of an embryonic integrated regional strategy, with the goal of sustainable economic well being (measured by an index of sustainable economic well being) at its heart. Strategies also differed greatly in their feel, size and format. Some were based largely on a single document, others put more onus on separate implementation plan documents.

There were of course likenesses too. Most RDAs were accused of concentrating on the same issues and priority sectors. Some of that is inevitable given the size of regions and the challenges that any area will face in a global, knowledge based economy. Whether an area has a relatively strong or weak base, it is hard to imagine that missing out an issue as vital as say innovation or skills would be anything other than a mistake. The same goes for some sectors (e.g. digital and creative) that regions adopted either because they had a genuine strength or because they needed to avoid being too weak in a key growth area. But in other areas that were more niche, in hindsight, some regions may have jumped on bandwagons that were in reality not as large, fast or as skyward set as they had seemed at the time.

The Northern Way

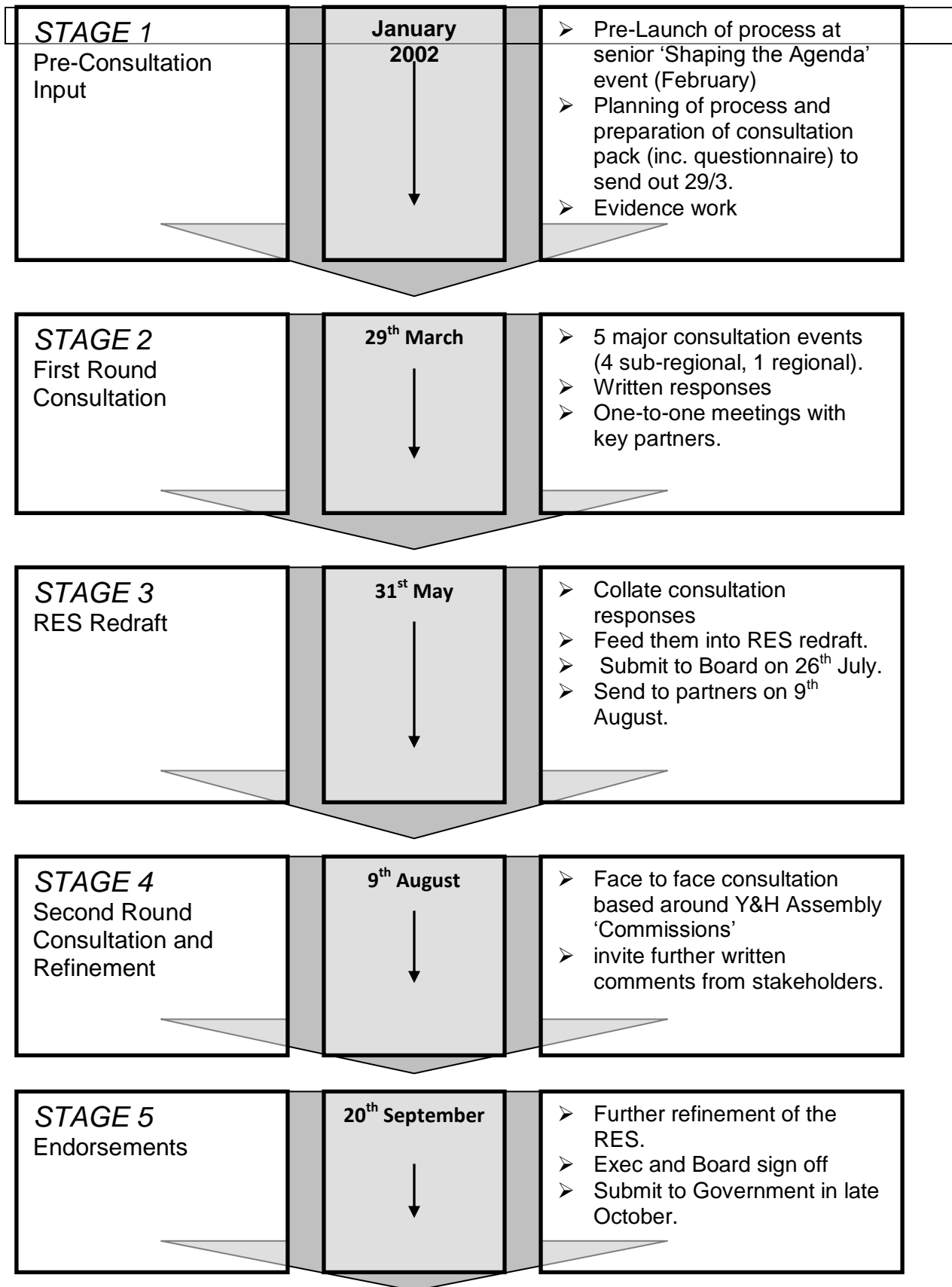
The Northern Way initiative was launched in 2004 and following a frenzy of activity its Growth Strategy was produced later that year¹⁰. Initially that focused on ten Workstreams to deliver its vision to be “*an area of exceptional opportunity, combining a world class economy with a superb quality of life*”. A few years on it became clear that the Northern Way was overstretching itself, with too much focus on delivering activity with its £100m growth fund and not enough on its strategic and influencing role. After a review in 2007, the Northern Way focused down on three areas, including transport where its strengths had been most evident. It ended in March 2011 as RDA funding ended. In depth evaluations of both phases of Northern way were carried out by SQW and a number of websites will continue to host its reports.

Local Level and City Region Strategy

There are a vast array of local economic strategies. Interestingly in Yorkshire, some of these such as in the Leeds City Region and Kirklees have adopted the idea of an Integrated Strategy. That failed to progress at regional level but it may well work much better on a smaller scale with partners fully behind it.

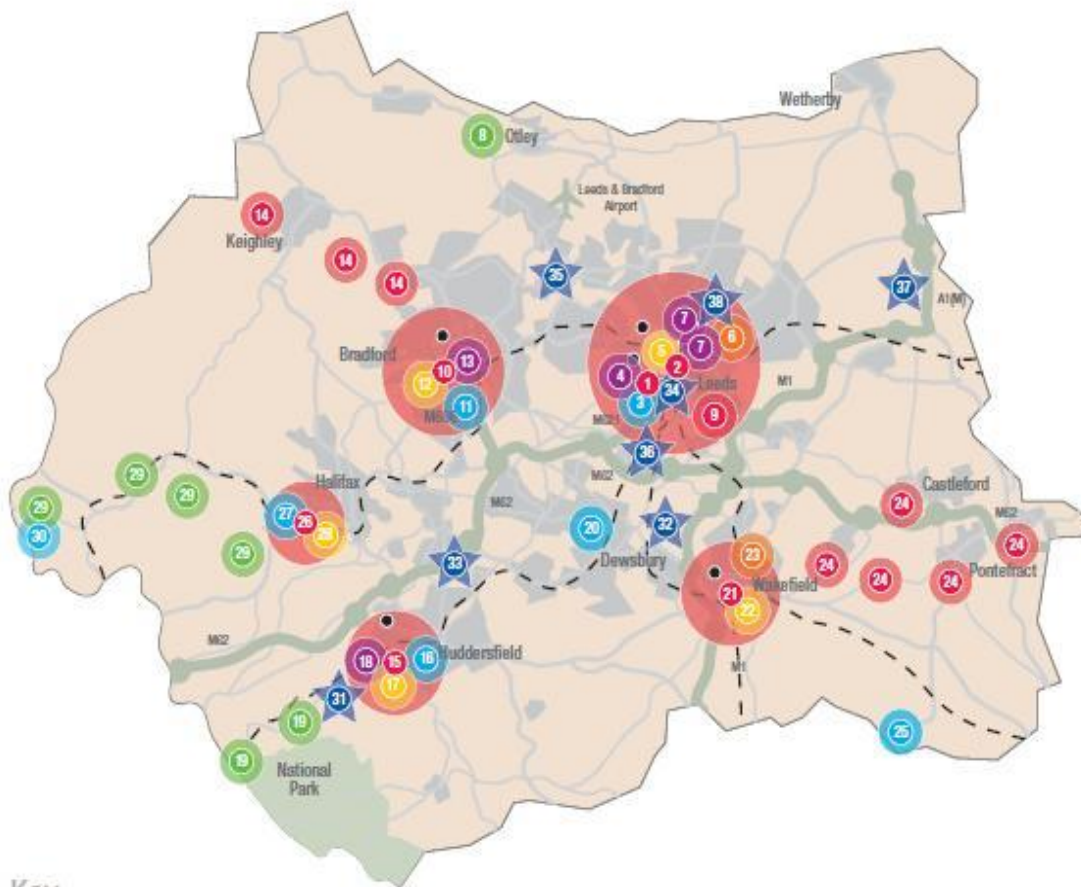
¹⁰ Moving Forward: The Northern Way First Growth Strategy Report, Northern Way Steering Group, 2004

Annex B The RES Review Process 2002/3: Flow Diagram



Annex C – Example Geographic Alignment Map from the RES 2006-2015

Indicative Physical Development Priorities – West Yorkshire



Key

- Public realm and property led development
- Housing led regeneration
- Cultural regeneration
- Health led regeneration
- Education led regeneration
- Rural renaissance
- Cluster led regeneration
- Strategic Transport Priorities
- Community led regeneration
- Main Rail

The map shows indicative priorities, based on the most important future planned and committed developments that renaissance approaches need to join up in each district. Detail will be finalised linked to Investment Plan reviews.

- Leeds Renaissance**
1. Holbeck Village and waterfront
 2. City Centre
 3. Beeston Hill & Holbeck
 4. Academy for Sustainable Communities
 5. Leeds Cultural Infrastructure
 6. St James
 7. Leeds Universities
 8. Otley Market Town
 9. Aire Valley
- Bradford Renaissance**
10. Bradford City Centre
 11. Manningham/Girlington
 12. NMPPT
 13. Bradford University
 14. Airedale

- Kirklees Renaissance**
15. Huddersfield Town
 16. Kirklees/Manchester Rd. Gateway
 17. St George's Quarter
 18. Huddersfield University
 19. Colne Valley
 20. Dewsbury
- Wakefield Renaissance**
21. Wakefield City
 22. Hepworth Gallery
 23. Pinderfields
 24. Five Towns
 25. West End Hemsworth/S.E. Wakefield regeneration area
- Calderdale Renaissance**
26. Halifax Town
 27. West Central Halifax
 28. Piecehall
 29. Upper Calder Valley
 30. Todmorden

- Examples of Key Transport Improvements: Planned or Proposed**
31. Transpennine rail to Manchester
 32. Leeds to Sheffield Rail
 33. M62 Enhancement
 34. Leeds Supertram
 35. Public Transport to Leeds Bradford Airport
 36. Enhanced rail services to London
 37. M1/A1 Improvements
 38. East Leeds Link Road
- + Enhanced bus services in main centres /projects to enhance access & reduce travel

This paper is part of a suite of 'Learning Legacy' reports produced by Yorkshire Forward in 2011. The series is intended, as far as we can, to capture knowledge, achievements and lessons learned from regional economic development. It seeks to pass knowledge on to other bodies who may be able to apply it now or in the future.

We are grateful to all the many partner organisations, businesses and individuals who have contributed to this work over Yorkshire Forward's lifetime.

In addition to an Overview, the full range of modules in the series covers:

- 1: Economic Strategy
- 2: Research, Intelligence and Evaluation
- 3: Responding to Economic Shocks
- 4: Low Carbon Economy
- 5: Enterprise - Helping New Businesses to Start and Survive
- 6: Supporting Existing Businesses
- 7: Access to Finance
- 8: International Trade and Investment
- 9: Sectors and Clusters
- 10: Innovation
- 11: Skills
- 12: Urban Renaissance and Physical Regeneration
- 13: Social Regeneration and Inclusion
- 14: Transport
- 15: Rural Renaissance
- 16: Tourism and Major Events

Useful web links and access points for modules from this series will include:

Leeds City Region LEP <http://www.leedscityregion.gov.uk/LEP.htm>

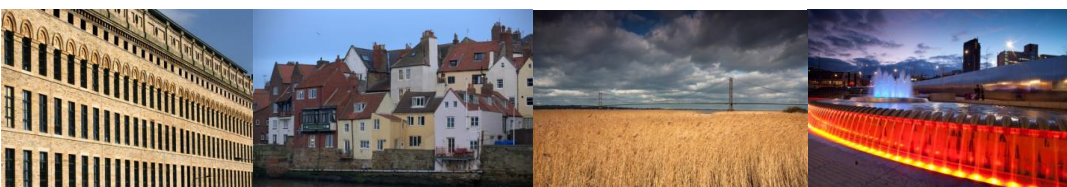
Sheffield City Region LEP www.sheffieldcityregion.org.uk/local-enterprise-partnership

York and North Yorkshire LEP <http://www.ynylep.co.uk/>

Humber LEP (web address to be confirmed)

BIS Local <http://www.bis.gov.uk/policies/economic-development/bis-local-offices>

Yorkshire Forward www.yorkshire-forward.com



The Region's
Development Agency