



**Business,  
Growth and  
Skills Hub**



**EAST RIDING**  
OF YORKSHIRE COUNCIL



Hull and East Riding Business Board

Agenda

9.30am on 25 October 2024

C1, The Guildhall

	Item	Reporting Officer	Time
1.	<b>Welcome and Introductions</b>  To welcome Board members and an introduction to the Board.		9.30am
2.	<b>Apologies</b>  To receive apologies.		10.00am
3.	<b>Election of Chair and Deputy</b>  To appoint a Chair and Deputy.		10.00am
4.	<b>Review of Business Board Terms of Reference</b>  To discuss and agree the Business Board Terms of Reference.		10.15am
5.	<b>HEY Economic Framework</b>  To review the draft Economic Framework.		10.45am
6.	<b>Links to other Boards</b>  To discuss whether the Board would like to representatives from the Humber Freeport and Humber Energy Board to attend meetings.		11.15am
7.	<b>Future Meeting Dates</b>  To agree future meetings of the Board proposed as 13 <sup>th</sup> December 2024, 21 <sup>st</sup> February and 25 <sup>th</sup> April 2025.		11.20am
8.	<b>Work Programme</b>  To discuss the future work programme for the Board.		11.25am



## Draft Hull and East Yorkshire Business Board Terms of Reference

### Introduction

The Hull and East Yorkshire Unitary Leaders Board is the democratic governance body which will oversee the development of the proposed future Combined Authority.

To support and advise on this work and provide a diverse, effective, and proactive business voice, the Unitary Leaders Board is looking to appoint the **Hull and East Yorkshire Business Board**. This Board will provide strategic business input to support economic growth, maximising the natural assets of the region's geography, sector strengths and people skills.

The Board will need to recognise the significant strengths of the major sectors in our region, the diversity of our communities and the important role of the VCSE sector, its reach into business and local neighbourhoods and the unique role it plays in delivering transformational change.

**Note:** This board will be one of two new strategic boards that will provide support to the new governance structures of the HEY region, the second being a new Skills Board, which builds on the foundations established over recent years

### Aim

The HEY Business Board will support the Unitary Leader's board's role in the development of a competitive and thriving business environment, where private businesses can start, sustain, and grow thus creating high quality jobs and economic growth for the benefit of the local community. The board will also ensure that local businesses have a voice so they can capitalise on the opportunities presented by the region's strategic growth priorities to drive economic success.

The Business Board will work in close partnership with the Skills Board to ensure alignment and magnification of activity.

### Board Responsibilities and duties

1. To promote the development of a competitive, vibrant, and supportive business environment, creating the right climate for businesses to start, innovate and grow and to create jobs for the benefit of the local community.



2. To consider the make-up of the region's existing business community, its various sizes, reach and challenges and ensure a representative voice is used in all decisions and recommendations.
3. To ensure the region collectively responds to opportunities that arise from government and other initiatives to support economic development.
4. To use convening ability and independence to bring appropriate stakeholders together, when required.
5. To collaborate with local authority partners and the wider business communities including the VCSE sectors in support of the future Mayoral Combined Authority.
6. To feed into and support the development of the new Hull and East Yorkshire Economic Strategy, maximising those opportunities within the proposed devolution deal and ensuring alignment with the economic plans of both the Hull and East Riding Councils. To support public and private sector investment and development activity in Hull and East Yorkshire's key growth sectors, to increase the region's competitiveness and to maximise its natural assets.
7. To provide strategic oversight of the HEY Business Growth Hub, and its programme strands, reviewing its performance and operational outcomes. This will include the receipt of performance reports, business intelligence and the provision of insight to further build on established business support services, e.g., those of the Growth Hub and both LA business support services.
8. To harness the collective strength of partnership working with employer membership organisations, trade & industry bodies and individual businesses. This will be achieved through effective collaborative approaches, providing a cohesive platform for policy lobbying, business engagement and intelligence gathering. This will support the development of HEY key sectors and thereby addressing associated barriers to growth.

## Membership

The membership of the Board will be primarily from businesses, including micro businesses and the VSCE communities and co-opted members from key statutory agencies; the two elected Leaders will also be Board members.

Employer Representative Bodies may be appointed to the Board and/or may be asked to report as appropriate.

All members will be expected to attend meetings. If a member fails to attend for three consecutive meetings without reasonable justification, a



conversation between the Chair and member will take place to review the situation. The final decision on board membership issues rests with the Chair.

Membership will be reviewed initially by the Hull and East Riding Unitary Leaders Board and then by the Mayor once elected. Reviews will then take place on a bi-annual basis and in addition when any major factors or government directives indicate a necessary change such as changes to business policy or when new responsibilities are confirmed.

## **Chair**

The Chair will be elected from board membership following the first meeting of the new Board.

## **Frequency of meetings**

1. The Board will normally meet bi-monthly at dates to be agreed by the Chair in alignment with the HEY Unitary Leaders Board to ensure relevant reports are presented appropriately.
2. The meetings may take place physically or virtually as circumstances determine.

## **Quorum for meetings**

A quorum for meetings will be at least 50% of the current membership but must include the Chair. If the Chair is unable to attend the meeting a deputy will be appointed from the existing members for that meeting.

\*These will be revisited at the first Board meeting and as the Mayoral Combined Authority evolves.



**Report to the**

**Wards: All**

Hull and East Yorkshire Business Board

25 October 2025

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## HEY Economic Framework

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### Report of the Chief Executives of Hull and East Riding of Yorkshire Councils

1. Background

- 1.1 In May 2024 the Finance and Investment Task and Finish group were asked to commence work on the development of an Economic Framework which would build upon existing economic evidence bases and strategies developed by Hull CC, East Riding of Yorkshire of Council and HEY LEP.
- 1.2 It was intended that this framework would be available to the Mayor on his first day of office to communicate the key strategic opportunities and challenges facing the region and it would also be used to assess early applications to the Mayoral Investment Fund. It is considered likely that a new mayor would want to produce Economic Strategy early in his tenure and as this document is only considered framework, however this would bridge the period until the mayor is in place and would also provide a strong, evidence-based document, with which any longer term strategy could be built.
- 1.3 An officer group was convened overseen by the Finance and Investment Task and finish group to undertake this work, which was completed and signed off by the Hull & East Riding Leaders Group in September 2024.
- 1.4 This document includes the early finding from the Transport and Skills Frameworks which are currently in drafting, alongside being sense checked by the consultancy completing the Humber Strategy, which will pick up sub-regional activity such as the Energy Board & Humber Freeport.

**Hull and East Riding of Yorkshire Councils Chief Executives**

Contact Officers:

Kingston upon Hull: Alex Codd  
East Riding of Yorkshire: Claire Watts/Andrew Hewitt

Officer Interests: None

Appendices:

- Report to the Hull and East Riding Unitary Leaders' Board 26 September 2024
- Hull and East Yorkshire Draft Economic Framework



**Report to the**

**Wards: All**

Hull and East Riding Unitary Leaders' Board

26<sup>th</sup> September 2024

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## **Economic Framework for Hull & East Yorkshire MCA**

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### **Report of the Chief Executives of Hull and East Riding of Yorkshire Councils**

1. Purpose of the Report and Summary

- 1.1 This report sets out the final draft form of the structure and wording of the Economic Framework for the Hull & East Yorkshire Mayoral Combined Authority.

2. Recommendations

That the Hull and East Riding Unitary Leaders:

- 2.1 Approve the draft Economic Framework for the purpose of consultation with Hull and East Riding of Yorkshire Councils through their Scrutiny Arrangements.
- 2.2 Bring back the Economic Framework for final approval following consultation.

3. Reasons for Recommendations

- 3.1 The proposed Hull & East Yorkshire Mayoral Combined Authority (MCA) is scheduled to be created in 2024 with a Mayor being elected in May 2025. Producing an Economic Framework will ensure the MCA has a strong strategic direction from its inception and will be able to use the Framework to inform the investment decisions which will be required to be made in respect of the Mayoral Investment Fund.
- 3.2 Whilst acknowledging that a Mayor will want the opportunity to shape development of a long term economic strategy, an Economic Framework will provide initial direction for the MCA and to help with decision-making and prioritisation in advance of the Mayor.

- 3.3 The Economic Framework will create a strategic focus and ensure that the Mayor is elected to a region and Constituent Councils with a shared strategic ambition and established priorities

#### 4. Background

- 4.1 This Economic Framework build upon economic plans, policies and research undertaken by the combined authority's constituent local authorities and the areas former Local Enterprise Partnership. This rich evidence base, developed in partnership with a range of local stakeholders, formed the basis of the bid for devolved power and this document builds further on these foundations.
- 4.2 This document provides a snapshot of the economy of the region, as well as presenting the Combined Authorities four strategic themes for action. Finally, the document outlines the objectives which will be needed to be delivered in order to meet the areas aspiration
- 4.3 The work of the combined authority has four strategic themes which form the bedrock of this Economic Framework. These themes are grounded in aspirations to promote good economic growth; enhanced economic performance; integration with wider economic systems; and a sensitivity to the natural assets which much of our economy is based.
- 4.4 These four strategic themes are:

**Enhance connectivity** to create an integrated low carbon transport network, ensure the continued success of our ports and Freeport and develop our world leading digital capabilities to support collaboration and new ways of working.

**Increase productivity** by providing our workforce with the skills and job opportunities needed for the future as we transition to a zero-carbon economy as well as supporting business innovation and competitiveness.

**Promote inclusivity** with creates economic opportunities for our most deprived communities and provides decent homes for all, addressing the persistent cycle of poverty, poor health, and low aspiration.

**Deliver a sustainable future** through clean energy generation, sustainable development, climate adaptation and resilience, and a strategic approach to harnessing our natural capital assets.

Following on from previous presentation to the Leaders Board in July on the Economic Strategy, a period of consultation with all Devolution Task and Finish Groups and key business and community representative groups has been undertaken. A summary of the external consultation undertaken can be seen in Appendix 1. Consultation has also been held with consultant of Ove Arup Ltd who are currently undertaking work to complete a Humber scale strategy under a commission from Hull City Council.

Overall those consulted felt that document was fit for its stated purposes. There were no issues raised with the structure or content of key themes and

objectives. Comments received pertained mainly to items within the evidence base, which are being addressed by seeking some additional resource to further investigate and resolve, or items of framing of objectives and emphasis. All comments logged on the consultation log above has resulted in alterations on the final document.

The feedback from Ove Arup was that this document accorded with the themes they had uncovered from their early work on the Humber Strategy and that the two documents would be complimentary.

5. Issues for Consideration

5.1 The attached version of the Economic Framework for the Hull and East Yorkshire MCA represents the content and final wording to be adopted. Work to design the appearance of the document will conclude following adoption of MCA and development of branding guidelines.

6. Equalities Impact Information

6.1 No equalities implications are anticipated at this point, as the approval sought from the Joint Committee is on a draft framework, subject to further consultation. The Framework identifies that all activity will need to make a contribution to an overarching ambition around increasing opportunities for all.

7. Options and Risk Assessment

7.1 There are two options in terms of the Development of an Economic Framework at this point, as follows:

7.2 *Option 1 – (Recommended)* Adopt the Economic Framework within the structure of the document attached.

7.3 *Option 2* – Do not adopt the Economic Framework at this point and wait until of the MCA has been agreed by Government

8. Legal Implications and Statutory Officer Comments

8.1 The Economic Framework will establish the scope of activity within which the Joint Committee will operate and in the event that the Joint Committee becomes a combined authority, that combined authority will operate pending the election of a Mayor.

9. Financial Implications and Statutory Officer comments

9.1 No financial implications are anticipated at this point, as the approval sought from the Leaders Board is on a draft framework, subject to further consultation.

## Hull and East Riding of Yorkshire Councils Chief Executives

### Contact Officers:

Kingston upon Hull: Deb Gray – Strategic Development Manager  
East Riding of Yorkshire: Andrew Hewitt – Growth Programmes and Policy  
Manager

Officer Interests: None

### Appendices:

- Final Hull and East Yorkshire MCA Economic Framework (Content & Wording)
- Log of Consultation

### Background Documents:

- N/A

## Appendix 1 – Additional background information for the MCA Business Board re Economic Framework

In May 2024 the Finance and Investment Task and Finish group were asked to commence work on the development of an Economic Framework which would build upon existing economic evidence bases and strategies developed by Hull CC, East Riding of Yorkshire of Council and HEY LEP.

It was intended that this framework would be available to the Mayor on his first day of office to communicate the key strategic opportunities and challenges facing the region and it would also be used to assess early applications to the Mayoral Investment Fund. It is considered likely that a new mayor would want to produce Economic Strategy early in his tenure and as this document is only considered framework, however this would bridge the period until the mayor is in place and would also provide a strong, evidence-based document, with which any longer term strategy could be built.

An officer group was convened overseen by the Finance and Investment Task and finish group to undertake this work, which was completed and signed off by the Hull & East Riding Leaders Group in September 2024.

This document includes the early finding from the Transport and Skills Frameworks which are currently in drafting, alongside being sense checked by the consultancy completing the Humber Strategy, which will pick up sub-regional activity such as the Energy Board & Humber Freeport.

# Hull and East Yorkshire MCA Economic Strategy Framework

September 2024



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## Introduction

### What is the Hull and East Yorkshire Economic Framework?

This is the first economic framework for the Hull and East Yorkshire Mayoral Combined Authority (HEY MCA).

This document provides a snapshot of the economy of the region, as well as presenting the combined authority's (CA) four strategic themes for action. It also outlines the objectives that will be delivered in order to meet the area's aspirations.

This economic framework builds upon economic plans, policies and research undertaken by the CA's constituent local authorities and the area's former Local Enterprise Partnership. This rich evidence base, developed in partnership with a range of local stakeholders, formed the basis of the bid for devolved power and this document builds further on these foundations.

The work of the combined authority has four strategic themes which form the bedrock of this economic framework. These themes are grounded in aspirations to promote good economic growth; enhanced economic performance; integration with wider economic systems; and a sensitivity to the natural assets upon which much of our economy is based.

These four strategic themes are:

**Enhance connectivity** to create an integrated low carbon transport network, ensure the continued success of our ports and Freeport and develop our world-leading digital capabilities to support collaboration and new ways of working.

**Increase productivity** by providing our workforce with the skills and job opportunities needed for the future as we transition to a zero-carbon economy, as well as supporting business innovation and competitiveness.

**Promote inclusivity** which creates economic opportunities for our most deprived communities and provides decent homes for all, addressing the persistent cycle of poverty, poor health and low aspiration.

**Deliver a sustainable future** through clean energy generation, sustainable development, climate adaptation and resilience and a strategic approach to harnessing our natural capital assets.

### What are the key economic opportunities?

This strategy builds upon the key strengths of the Hull and East Yorkshire economy.

Positive opportunities exist within the area's economy to contribute to a national increase in productivity and drive good quality employment. The area has infrastructure strengths and sector specialisms that have high-value growth potential and a great ability to enhance the region's world-leading reputation as a cluster for clean growth activity, and a rapidly growing research and innovation capability in areas such as renewable energy, medi-tech, rail manufacturing and agri-tech.

Indeed, production industries (included in the agriculture, energy, mining and manufacturing sectors) that are critical to the UK economy account for almost 30% of our gross value added (GVA). This is the largest share of total output from these industries of any CA economy and is 1.6 times the UK average.

In short, the Hull and East Yorkshire area is key to the UK's energy and food supply, and there are opportunities to develop these industries further.

The area continues to be a key trade gateway for the UK and through opportunities such as the Freeport programme the Hull and East Yorkshire Combined Authority should seek to enhance this role, developing the area's transport infrastructure in the process.

Developing prospects for rapid manufacturing by utilising the ultrafast fibre network within the digital and automated sectors provides a great opportunity to Hull and East Yorkshire and the surrounding regions.

Taking advantage of the sectoral specialisms in medi-tech and social care also provides exciting opportunities to develop new health and care technologies to meet the needs of the UK's future population.

In short, a multitude of opportunities are waiting to be unlocked with the right governance, relationships and investment mechanisms in place, which can be delivered by the HEY MCA.

## Economic Framework

**Enhance connectivity** to create an integrated low carbon transport network, ensure the continued success of our ports and Freeport and develop our world-leading digital capabilities to support collaboration and new ways of working.

**Increase productivity** by providing our workforce with the skills and job opportunities needed for the future as we transition to a zero-carbon economy, as well as supporting business innovation and competitiveness.

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**Deliver a sustainable future** through clean energy generation, sustainable development, climate adaptation and resilience and a strategic approach to harnessing our natural capital assets.

## Overview of HEY geography

Hull and East Yorkshire are home to over 610,000 people, with a diverse and dynamic economy. The area has a lower working age population (60.6%), compared to any other existing combined authority, except for York and North Yorkshire, which is driven by an older demographic in the East Riding.<sup>1</sup>

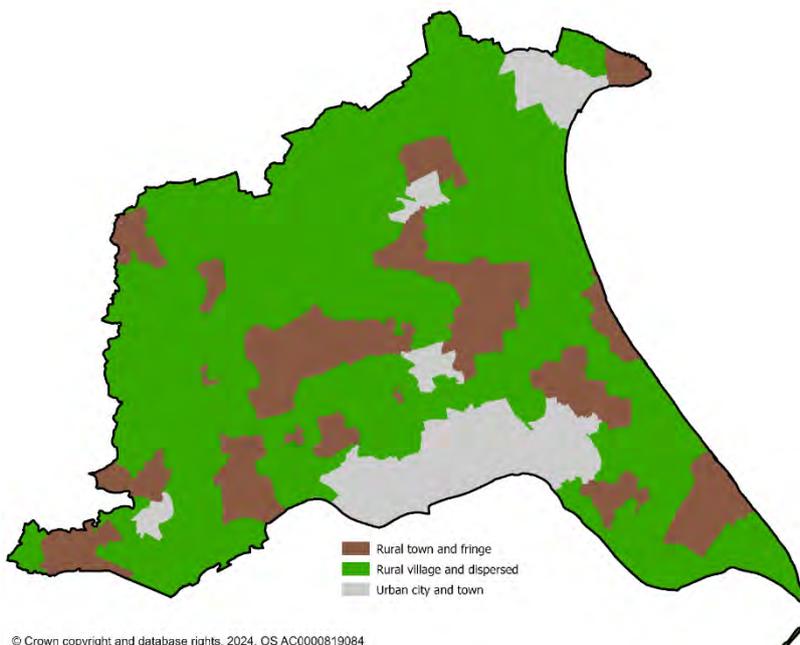
Located on the UK's east coast, Hull and East Yorkshire provide a direct gateway with Europe through the ports, therefore transport connectivity is critical to improving our productivity.

Hull sits at the centre of the area surrounded by the East Riding and the Humber Estuary, with the River Hull connecting its industrial heartlands to the port-related industries. The surrounding rural and coastal setting of East Yorkshire extends some 30 miles to the north, east and west, with the coast and estuary each extending over 50 miles.

Hull connects with the suburban villages within the East Riding's administrative area including Hessle, Kirk Ella, Willerby, Cottingham to the west and Bilton to the east, forming a continuous built-up area. Other key settlements include Bridlington, Beverley, Driffield and Goole.

Hull and East Yorkshire are tightly connected though employment, trade and culture; 87.9% of people in employment live and work in the area.<sup>2</sup> However, it is also an area of significant contrasts. Hull has a high population density and tight urban grain, averaging 3,730 people per square km, making it the 17<sup>th</sup> most densely populated area outside of London. Conversely, the East Riding's population density is much lower with a larger, more rural and coastal geography averaging only 142.4 people per square km. However, even this hides the variations across Hull and East Yorkshire, with 91% of the East Riding geography classed as rural, but 69% of the population living in areas classified as urban.<sup>2</sup> This rural/urban spatial trend across the HEY area is shown in Figure 1.

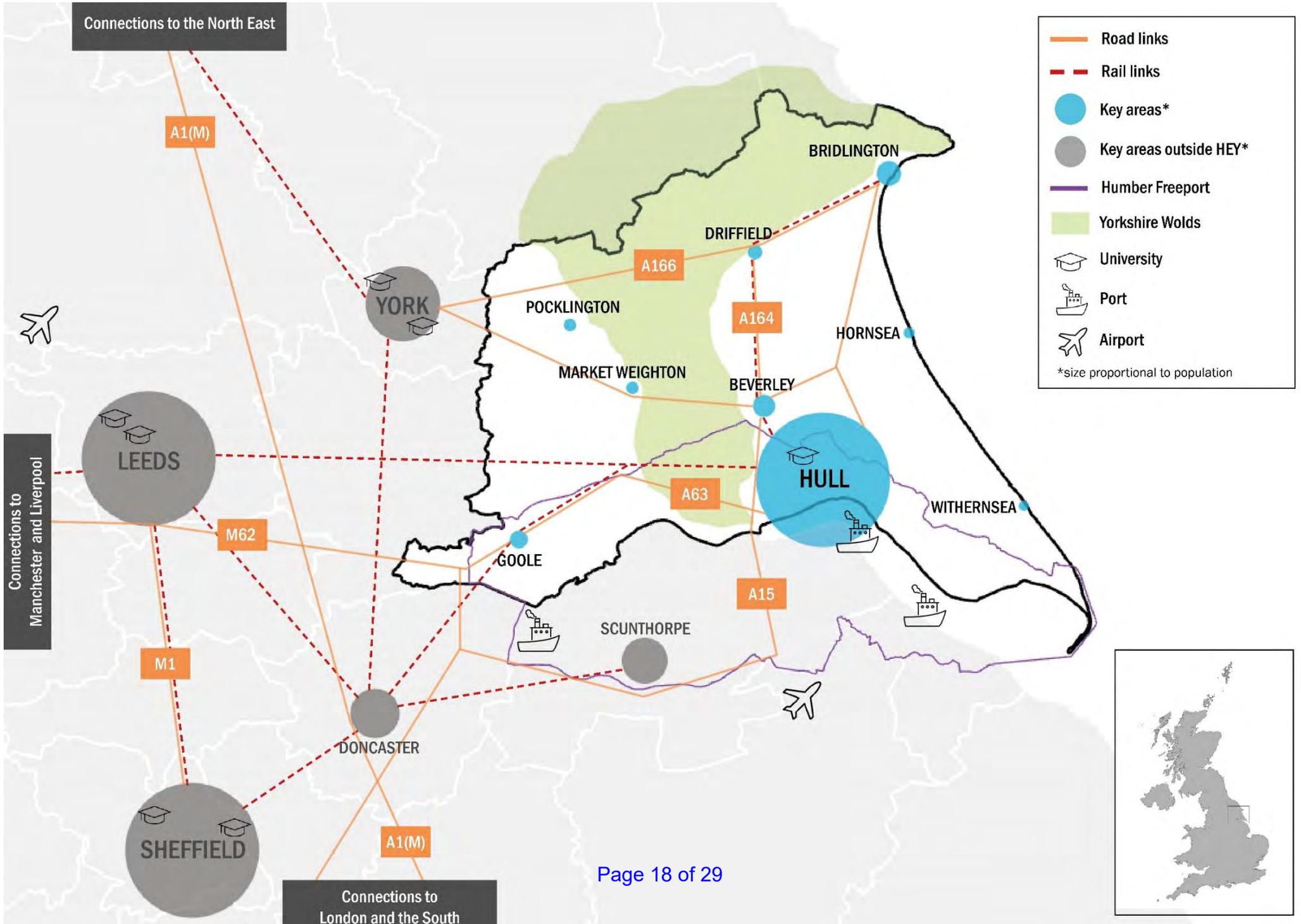
Figure. 1 Hull and East Yorkshire Rural-Urban Classification<sup>3</sup>



<sup>1</sup> Office for National Statistics (ONS), 2022

<sup>2</sup> Census, 2021

<sup>3</sup> Department for the Environment, Food and Rural Affairs (DEFRA), 2011



The HEY area has close economic links with neighbouring regions including York, North Yorkshire, West Yorkshire, South Yorkshire and Greater Lincolnshire, providing strong access to major cities such as Leeds, York and Sheffield as well as access to ports, airports and major universities.

Our economy is home to 20,610 businesses<sup>4</sup> and represents 10.5% of Yorkshire and the Humber region's GVA and 3.7% of the North's output, with an annual GVA output of £15.865bn<sup>1</sup>. Our key sectors punch above their weight across many performance metrics, including their productivity and employment contribution. However, critical challenges remain. Overall productivity in Hull and East Riding of Yorkshire is below the national average, at 87.3% and 87.6%<sup>1</sup> of that average respectively, with rankings of 319<sup>th</sup> and 213<sup>th</sup> (out of 362 localities) respectively in the 2023 UK Competitiveness Index.

Production industries, which include the agriculture, food manufacturing, energy, mining, and advanced manufacturing sectors, are critical to the UK's overall export competitiveness. These sectors account for 26.5% of our GVA – the largest share of any MCA economy and almost two times the UK average (13.3%)<sup>1</sup>.

The area also has a nationally significant concentration of manufacturing, accounting for 21.7% our GVA, which is more than double the UK average (9.4%)<sup>1</sup>. Transport and logistics represent another key sector, reflecting our locational advantages and the importance of the ports of Hull and Goole, which processed 9.91 million tonnes of freight in 2022 (79% inward freight and 21% outward freight)<sup>5</sup>.

Hull and East Yorkshire also support a wide range of innovative agricultural, agri-tech food processing and food manufacturing businesses which are closely linked to the global food system. In productivity terms, the sector is 2.5 times more productive than the UK average (2021). Some of the country's largest food manufacturing and processing businesses are located here, supported by a long and deep supply chain. Agricultural operations vary in size with almost one third of farms being over 100 hectares. Fisheries operations are small, but collectively provide one of the largest shellfish catches in the UK. The tourism and cultural sectors are similarly diverse and are of vital importance to coastal and rural areas. Furthermore, the digital sector is growing rapidly from a base of smaller companies, exploiting the area's digital capability.

The area has seen employment growth in technology-led sectors, such as green energy production and medi-tech, and is home to global names such as Siemens Gamesa, Smith and Nephew and Reckitt. These sectors significantly contribute to the area's productivity and are critical to the UK economy.

Our area has a stable population and workforce, with an employment rate at 75.4%, the fourth highest compared to all other MCA areas<sup>6</sup>. However, the median annual salary for jobs in our area is amongst the lowest of all MCA areas (comparable to the North East), and around 90% of the national average<sup>6</sup>. The relative lack of higher paid job opportunities also limits our ability to retain and attract highly-skilled workers.

We face the structural challenges of a persistent low-skill, low-wage economy in some areas, which are limiting the economic prosperity of our communities. Nearly a third (28%) of lower layer super output areas (LSOAs) in Hull and East Yorkshire are within the 20% most deprived nationally under the

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<sup>4</sup> Inter-Departmental Business Register (IDBR), 2023

<sup>5</sup> Department for Trade (DfT), 2022

<sup>6</sup> ONS, 2023

Index of Multiple Deprivation<sup>7</sup>, and overall qualification levels throughout the MCA area remain below the national average. Only 37.7% of our population is qualified to RQF4+, compared to 46.7% in England and that figure reduces to only 33% in Hull<sup>8</sup>.

Hull and East Yorkshire also face particularly high patterns of deprivation and benefits dependency specifically in Hull, Goole and along our coastline. This is highlighted in Hull, where the average healthy life expectancy of residents is 55.8<sup>9</sup> years, which is significantly below the current state pension age (66 years). With the average life expectancy in Hull at 77.7<sup>Error! Bookmark not defined.</sup>, residents experience around 22 years of ill health, with poor health driven by lifestyle behaviours (e.g., obesity, low levels of physical activity and smoking), and resulting in lifestyle-related illnesses.

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<sup>7</sup> MHCLG, 2019

<sup>8</sup> ONS APS, 2023

<sup>9</sup> ONS 2018-20

## Economic Framework: Strategic Themes

Informed by the existing policy evidence base that has been developed with Humber and Yorkshire partners, the need has been identified for step-change intervention across four, integrated strategic themes which are outlined below.

### Strategic Theme 1: Enhance Connectivity

To create an integrated low carbon transport network, ensure the continued success of our ports and Freeport and develop our world-leading digital capabilities to support collaboration and new ways of working. The main objectives under this strategic theme are to:

- **Enhance transport infrastructure:**
  - o An integrated and efficient transport system within the region is key to increasing productivity, promoting inclusivity and delivering a sustainable future. A transport strategy for the MCA is in development and focuses on delivering a transport network which is distinctive, opportunistic, engaged and maximised. A *distinctive* network requires recognising the area's key features, including the coast, the Freeport, leisure opportunities and the new industries listed above, and supporting these features with elements of a transport network that meet their needs. An *opportunistic* network requires an understanding of changing demographics and technology to alter the way in which we plan, deliver and maintain the transport network to meet our social, environmental and economic objectives. An *engaged* network requires listening to what people want from the transport network and overcoming current barriers to using sustainable transport modes to provide everyone with more choice. A *maximised* network requires managing the network effectively and efficiently, whether this means how to use available space or how to ensure a more resilient network, ensuring that we are considering nature-positive and no-build solutions.
- **Build Digital Infrastructure (broadband and mobile), and accessibility**
  - o Fast and reliable mobile and fixed broadband connectivity is important to all sectors to access markets and boost productivity. Hull was the first full fibre city in the UK with rollout continuing beyond the city. However the benefits of this infrastructure are not experienced everywhere. This needs to be addressed alongside the development of digital skills at all levels to ensure that residents can respond to increasing digital requirements from employers and access online service provision, mitigating issues of digital poverty.

#### Measuring our success:

- Annual daily flow of vehicles by road (Department for Trade (DfT))
- % change in rail usage (Office of Rail and Road (ORR))
- Annual freight tonnage (DfT)
- % of adults that walk/cycle weekly (Office for National Statistics (ONS))
- Bus passenger journeys per head of population (DfT)
- Electric vehicle (EV) charging devices by 100,000 population (DfT)
- EV vehicle ownership as a % of total vehicles (DfT)
- % gigabit broadband availability (thinkbroadband) / % of area covered by 4G/5G (Office of Communications (Ofcom))
- % change in footfall (Connexin/Kingston Communications (KCOMM))

## Strategic Theme 2: Increase Productivity

By providing our workforce with the skills and job opportunities needed for the future as we transition to a zero-carbon economy as well as supporting business innovation and competitiveness. The main objectives under this strategic theme are to:

- **Support key sectors**
  - o The business base in the Hull and East Yorkshire area is diverse: the region's geographical and economic assets provide locational advantages which have driven sector specialism and must be built on in the future. The evidence base developed to underpin this economic framework points to six key sectors which will require their own specific sectoral actions to drive productivity and growth in the region. These sectors are:
    - Medi-Tech
    - Agri-Food (including food manufacture)
    - Ports and logistics
    - Engineering and assembly
    - Digital and Creative
    - Renewable Energy

The MCA and partners will work with business representatives to drive trade and inward investment in these key sectors.
- **Boost higher level skills**
  - o Investment in developing higher level skills continues to be vital to the development of the Hull and East Yorkshire economy. The drive towards high productivity growth requires a labour force that can take up higher-skilled roles to ensure businesses can grow and invest. To realise this aspiration, programmes are needed to deliver the skills required by key sectors and upskill existing workers and residents to provide a modern, fit for purpose workforce for industry whilst providing new, better paid opportunities to attract and retain local talent (including graduates). This activity will expand recent local successes, for example the Skills Bootcamps and the Multiply programme (funded through the UK Shared Prosperity).
- **Support investment and growth in research and innovation**
  - o Innovation is vitally important in driving greater productivity in the Hull and East Yorkshire Economy. It is the engine that drives transformational change within the area businesses. Hull and East Riding have an enviable track record of developing new products, processes and services in their key sectors, including manufacturing, medi-tech, renewable energy and agri-tech. The MCA seeks to support innovation by providing public/private partnerships and resources to support collaboration and foster innovation in all key sectors (including the voluntary, community and social enterprise (VCSE) sector). The MCA also seeks to support the development of new markets for these innovations as well as promoting methods of innovation adoption for small and medium enterprises (SMEs) in the region.
- **Develop a pipeline of employment sites for growth (enhancing opportunities for the Freeport) and addressing viability challenges of bringing forward sites in this area, as well as tackling contaminated land issues.**
  - o Providing good quality employment sites to drive economic growth in the area is key to facilitating indigenous business growth and unlocking inward investment. The

region has a good record of delivering new employment sites for key sectors through interventions such as Greenport Growth and Enterprise Zones, utilising simplified and pro-active planning policies to accelerate development and secure investment. Freeport sites will build on this legacy. However, Hull and East Yorkshire have distinct challenges around high, abnormal costs for development and viability challenges, including tackling contamination and flood risk issues on key brownfield sites.

- **Provide integrated business support and encourage new start ups and entrepreneurialism**
  - o The Hull and East Yorkshire economy is characterised by its prevalence of SME businesses. Micro/small businesses account for 98% of all private sector enterprises in the area. Therefore, a detailed understanding of the barriers to growth for these businesses and delivery of business support interventions to sustain them and help them upscale will be critical to the growth of the area's economy. Allied to this, the entrepreneurial culture present in all parts of the area must be nurtured and sustained. This will involve encouraging enterprise skills and attitudes and recognising the contribution that enterprise activity can make to peoples lives, particularly amongst young people.

*Measuring our success:*

- GVA (ONS)
  - o Total GVA
  - o % growth in GVA
  - o GVA per person employed
- Key sectors employment and enterprise count (Business Register and Employment Survey (BRES) and Inter-Departmental Business Register (IDBR))
- Number of businesses (IDBR)
- % growth in enterprise stock (BRES)
- Enterprise births and deaths as % active enterprises (ONS)
- Enterprise two-year survival rate (ONS)
- Micro businesses as % of total business base (IDBR)
- Total of number of jobs (BRES)
- % employment in high-technology sectors (BRES)
- Intermediate and higher levels skills (% working-age population qualified at NVQ Level 3 and above and higher apprenticeship starts/achievements) (ONS, Department for Education DfE)
- Total number of graduates/enrolments in higher education (Higher Education Statistics Agency (HESA))
- Number of published patents in the area (Intellectual Property Office (IPO))
- Number of Innovate UK grants awarded in the area (Innovate UK)
- New Employment Floorspace (Valuation Office Agency (VOA))

### Strategic Theme 3: Promote Economic Inclusivity

Create economic opportunities for our most deprived communities and provide decent homes for all, addressing the persistent cycle of poverty, poor health and low aspiration. The main objectives under this strategic theme are to:

- **Improve work opportunities for all**

- Boosting the opportunities for everyone to benefit from the economic growth generated in the HEY MCA will help to maximise the potential of the area, enabling people to access higher-paid jobs and increase living standards. Development and delivery of support packages to overcome barriers to work such as skills, health and confidence will be undertaken in all areas including urban and rural locations. Recent trends suggest young people are increasingly experiencing barriers to work and this needs to be tackled as a priority, as should ensuring that the ageing population is supported to remain in the workforce.
- **Promote community inclusion**
  - In order to promote inclusion in our communities and improve the work opportunities for all, a thriving VCSE sector will be key to providing a mechanism for communities, charities and civil society organisations to contribute towards reducing economic and social inequality and fostering economic growth. This should include community learning opportunities to embed people within their local neighbourhoods and opportunities to maintain and build on shared community assets.
- **Accelerate renewal/regeneration of neighbourhoods, towns and city centres**
  - Changes to the role of the high street and use patterns over the last ten years have had a fundamental impact on our neighbourhoods, town and city centres. However, these places and the businesses which operate from them are still key to our area's economic and social performance. Programmes that develop a place-based approach to meeting the housing, infrastructure, employment and local service needs will be required to create sustainable, growing communities. It is also important to provide assistance to the businesses using these places as their key locations for activity and, as such, a broad support package for small enterprises and foundational sectors such as retail and local services (including care) will be developed.
- **Deliver investment in the cultural, heritage and tourism offer**
  - A key element of regenerating our town and city centres is to provide reasons to spend time in these places and attract people from outside the area to visit. The MCA area needs to build on the considerable existing assets, both natural and built, to increase the breadth and depth of the cultural and heritage offer to residents and visitors.
- **Provide affordable, sustainable homes that support economic growth**
  - In order to promote the attractiveness of the region to new and existing residents and provide a reliable and effective workforce to the region's businesses, an effective housing mix must be delivered. Housing must be provided in the right place at the right cost (in both urban and rural locations), must be sustainable and must be of the correct tenure for the need demonstrated. Low land values and high development costs, including a strong requirement to mitigate issues such as flood risk, create barriers to development. These issues need to be addressed in partnership between private and public bodies to develop a housing offer that is fit-for-purpose for the region.

*Measuring our success:*

- Town centre vacancy rates (East Riding of Yorkshire Council (ERYC), Hull City Council (HCC))
- Affordable homes count (Ministry of Housing, Communities and Local Government (MHCLG))
- Number of new homes delivered (ERYC, HCC)

- Housing costs (rental) (VOA)
- House price to income ratio (ONS and Annual Survey of Hours and Earnings (ASHE))
- Employment rate (ONS)
- % in Full-time/part-time employment (BRES)
- % economically inactive and reason for inactivity (ONS)
- Average resident income (ONS)
- Average income for advertised jobs in HEY (Lightcast)
- Average gender pay gap (ONS)
- Gross Disposable Household Income (ONS)
- % of residents claiming out of work benefits (ONS)
- % of households in fuel poverty (Department for Energy Security and Net Zero (DESNZ))
- % of children able to claim free school meals (DfE)
- % achieving GCSE results 9-5 (DfE)
- % of residents with no qualifications (ONS)
- Number of NEETs (DfE)
- % aged 16-64 with a disability (by gender) (ONS)
- Live expectancy at birth/ healthy life expectancy (ONS)
- Number of tourist visitors, day/overnight (VisitEngland)
- Total crimes per 1000 population (Police)

## Strategic Theme 4: Deliver a Sustainable Future

Through clean energy generation, sustainable development, climate adaptation and resilience and a strategic approach to harnessing our natural capital assets. The main objectives under this strategic theme are:

- **Maximise opportunities to drive economic growth through low carbon investment**
  - o The Hull and East Yorkshire area is primed to play a key role in the development of clean growth in the UK. It is in a position to drive clean energy generation. Indeed, wind power has revolutionised clean energy generation, allowing more energy to be generated by renewable sources in the UK than fossil fuels each year since 2020. The Siemens Gamesa

blade factory in Hull has played a large role in this transition. However, the area can play a greater role in the energy generation sector as more offshore wind sites come online. The area is also well-located to work with partners in driving industrial decarbonisation. The Humber Industrial Cluster is the UK's largest CO<sub>2</sub> emitter, releasing 30% more CO<sub>2</sub> than the next highest emitter). It therefore has the potential to contribute greatly to the UK's industrial decarbonisation journey. Delivery of carbon capture and storage and hydrogen production such as that already planned at Saltend can be a key element in this transition and the HEY MCA is in a strong place to deliver on this.

- **Realise the potential of the natural environment**
  - o The natural capital in the Hull and East Yorkshire area is of great importance to its economic prosperity and as such it needs to be managed and invested into like other capital assets. Natural capital is important in several strategic areas from soil health for crops to CO<sub>2</sub> capture, providing natural flood management and facilitating the movement of goods. The MCA will seek to work with a range of industrial partners to deliver biodiversity net gain requirements and find joint approaches to realising the economic potential of the natural environment.
- **Improve climate and flood resilience including Living with Water**
  - o Hull and East Yorkshire are, due to their geographical location, uniquely challenged by climate change. After London, Hull is the most exposed city in the UK to the impacts of flooding. Moreover, parts of the East Riding's coastline are eroding faster than coastal areas in the country. Ongoing investment is required to reduce the impacts of flooding and coastal erosion. In addition, initiatives such as the Living with Water Partnership will be required to ensure that the communities are able to play a full role in the area's climate resilience. Investment in flood infrastructure will be required around population areas to facilitate economic growth. The area's agricultural and fisheries sectors are also significantly impacted by climate change and so innovation activity and business support for these sectors will be important.
- **Delivering a fair climate transition**
  - o Not all businesses will be able to derive economic growth from altering their operations for a more sustainable future. The MCA is aware that businesses will require help and support to redesign processes and ways of working to promote greater sustainability and maintain local operations and jobs. Programmes of support through our business support offer will be developed.

*Measuring our success:*

- CO<sub>2</sub> emissions (DESNZ)
  - o Domestic
  - o Industrial
  - o Transport
- Renewable energy generated (DESNZ)
- Flood risk area/homes in flood risk zones (Environment Agency (EA))
- Coastal erosion rates (ERYC)
- Average EPC rating (ONS)
- Employment in renewable sector (Lightcast)
- EV charging network (DfT)/EV vehicle ownership, % of total vehicles (DfT)

- Number of sustainable drainage systems constructed (ERYC)
- Homes with a reduction in flood risk (EA/ERYC)

## Policy

A number of policies have informed the development of this document. This section provides background on those that have had the greatest impact and influence under each strategic theme. It is not, however, an exhaustive list of all the policies that are of relevance to this strategy. We also acknowledge that, with the change in government in July 2024, some of these documents will be superseded or changed in the coming months.

In addition to the local economic strategies mentioned in the introduction, two national policy documents – the Levelling Up White Paper (2022) and Labour Manifesto (2024) – provide the overarching policy direction for this economic framework. Below is a summary of the content that is most pertinent to the region’s aims and aspirations:

### **Levelling Up White Paper (2022) (relevant to all four strategic themes)**

The Levelling Up White Paper sets out a mission focused on empowering local leaders by rolling out a programme of local devolution in England, introducing County Deals, providing more powers for existing mayors and implementing a new devolution framework. This policy document announced the intention to explore a potential devolution deal with Hull and East Riding, one of only nine areas identified at the time. A Level 3 devolution deal in Hull and East Yorkshire offers the greatest devolution of powers available to the area through the creation of a single institution with a directly elected mayor. Under a Level 3 devolution deal, the power and functions available to the CA could include:

- A long-term investment fund
- Integrated transport settlement including apriority for new rail partnerships
- A strategic role in delivering services locally
- Local control of transport functions
- Devolution of the Adult Education Budget
- Input into Local Skills Improvement Plans
- Homes England compulsory purchase powers
- Ability to introduce mayoral precepts
- Ability to add supplements to business rates
- Specific funding to tackle local problems.

It should be noted that the new Labour government has replaced the term ‘levelling up’ and is focused on delivering ‘national renewal’ over the coming decade.

### **Labours First Steps for change (2024) (relevant to all four strategic themes)**

The Labour Manifesto for the 2024 election intends to ‘kickstart economic growth’. This reiterates the Labour commitment to devolution alongside commitments to deliver a national industrial strategy, ten-year Infrastructure plan and National Wealth Fund. The government proposes to work with local areas to produce local growth plans to set local priorities that drive economic growth. The Labour administration has also undertaken to ‘make Britain a clean energy superpower’ by developing a zero-carbon electricity system by utilising renewable and nuclear sources and creating new high quality jobs. Alongside this are pledges to make the UK flood resilient and to protect the natural environment.

This final section provides a list of other research, policies, strategies and undertakings that are relevant to this economic framework, grouped under each of the four strategic themes.

#### **Strategic Theme 1: Enhance connectivity**

- East Riding and Hull Local Transport Plans
- Network North Strategy
- Transport for the North Strategic Transport Plan

#### **Strategic Theme 2: Increase productivity**

- Humber Freeports Business Plan (2023)
- Visit Hull and East Yorkshire Local Visitor Economy Partnership
- Grow Local, Grow National (Institute for Economic Development, 2023)
- East Riding Local Plan (adopted in 2016, updated in 2024)
- Hull Local Plan (2016 to 2032)
- East Riding Housing Strategy 2023
- Hull Housing Strategy (2017-2020)
- Build Back Better: 17ur Plan for Growth (2021)
- Lifetime Skills Guarantee (2021)
- Innovation Strategy (2021)
- Skills for jobs: Lifelong learning for opportunity and growth (2021)
- Power and Partnerships: Labour's Plan to Power Up Britain (2024)
- Design for Life: The Smart Regeneration Journey to 2030 (Localis, 2024)

#### **Strategic Theme 3: Promote inclusivity**

- Inclusive wellbeing economies
- Hull and East Yorkshire Local Skills Improvement Plan (2024)
- Unleashing Rural Opportunity (2023)
- Social Value Policy (2023)
- Job Entry Targeted Support Scheme (JETS)
- Community Wealth Building (Centre for Local Economic Strategies (CLES))
- Reclaiming our Regions (CLES)

#### **Strategic Theme 4: Deliver a sustainable future**

- A Green Future: Our 25 Year Plan to Improve the Environment (2018)
- The Environment Act (2021)
- Hull and East Yorkshire Local Nature Recovery Strategy (LNRS, in development))
- Net Zero Strategy (2021)
- Changing Coasts East Riding (part of the Government's Flood and Coast Innovation Programme )Agriculture Act (2020)
- UK Clean Growth Strategy 2019
- The Environment Bill (2020)
- Biomass Policy Statement (2021)
- Path to Sustainable Farming Roadmap (2020)
- UK Fisheries Act (2020)
- UK Hydrogen Investor Roadmap (2022\_
- Manufacturing Matters: The Cornerstone of a Competitive Green Economy (Institute for Public Policy Research, 2024)
- East Riding Climate Change Strategy 2022-2023

## Next Steps

The devolution process in Hull and East Riding is still ongoing.

This economic framework communicates to local residents, businesses and other stakeholders the initial set of economic priorities for the proposed Hull and East Yorkshire Mayoral Combined Authority and sits alongside the Transport and Skills Plans that are under development for the region. These documents will be supplemented by a Hull and East Yorkshire Investment and Implementation Plan following the proposed election of a Mayor in May 2025.