

# **Yorkshire Forward**

## **Annual Report and Accounts 2009/10**

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### **2009/10**

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Regional Development Agencies Act 1998.

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# 1 Introduction from our chair

The global recession that developed in 2008/09 lasted much of this financial year, but whilst Yorkshire & Humber's economy certainly felt the effects of this, we are already emerging into a brighter future.

Our region's businesses have been reporting increased activity since the summer and our projections for 2010 indicate that we will see growth in the economy. This is no mean feat and is testament to the diversity of our region's economy, the grit and tenacity of its people and for our part, in the leadership and support we've provided to the region over the past 18 months.

Whilst we must remember that coming out of a recession can be as much of a risk to businesses as going in, we can take the lessons learned this year and continue to adjust our support activity in meeting any new challenges head on.

And we practice what we preach. Wherever possible we are; continuing to invest in new industries and maintain our support for existing sectors; ensuring regeneration continues, in order that the physical landscape we are developing supports our economy appropriately; and working closely with our partners, whether these are businesses, knowledge centres or public bodies, to make Yorkshire and the Humber a dynamic base for industry and commerce to thrive.

My extended term will come to an end this year and it holds an important transition for me, but more importantly the organisation will be facing its own changes. Without doubt the next 12 months will see Yorkshire Forward evolve and adapt to new market needs and expectations.

In my seven years in office I have seen the region grow and develop. The value of this organisation and the difference it has made and people within it cannot be underestimated.

This organisation still has a critical role to play and it has much to achieve, whatever economic landscape forms over the coming year under the new government.

We are committed to doing what we can to maintain the level and intensity of our support throughout these times to ensure that the region's businesses are able to grow and take advantage of new opportunities.

I held a clear objective coming into post; to further strengthen the partnerships between Yorkshire Forward and the region's local authorities, knowledge centres, support bodies and business organisations. I am proud of the great journey we have travelled and feel we have made significant progress together in developing and maturing these relationships.

I would like to thank my deputy, Linda Pollard and the Board of Yorkshire Forward for their incredible support this year, which has been vital to tackling the challenges we have faced as an organisation.

Finally, at the centre of all Yorkshire Forward achieves, I would like to thank my CEO Tom Riordan, the Executive Directors and all our staff at Yorkshire Forward for their unstinting commitment and sheer hard work towards making a difference, and they have. I continue to be impressed by their incredible energy, passion, knowledge and skills, directed into making this organisation “simply the best” it can be, (in the words of a famous singer), so that it can have the greatest impact on the development of our region’s economy.

## 2 Introduction from our chief executive

This year has undoubtedly been the toughest 12 months in Yorkshire Forward’s existence. The economic downturn which sent shockwaves the world over has meant our role, in supporting the growth of Yorkshire & Humber’s economy, has never been more important or more tested.

The recessions of the 1970’s, 80’s and 90’s left a lasting mark on the economic landscape of this region, which we took decades to recover from. This time however, a more diverse economy coupled with Yorkshire Forward’s flexible resources and active leadership, has meant that we have faced some of our greatest challenges and achieved some of our greatest successes.

We have worked hard on the ground with companies such as Corus and Lloyds Banking Group, ensuring that the Yorkshire region remains a significant base for these companies. In personally leading a Taskforce of business and public sector leaders, for both the Manufacturing and Financial industries, we have made sure that the region’s skills base is supported and that these industries can grow long-term.

Our Business Link Yorkshire service has provided over 100,000 customers with support in the last year and delivered over 1,500 financial health checks to help them survive and grow.

We have maintained a consistent approach in ensuring, wherever possible, we are working with public and private partners to ensure physical regeneration continues in the region; Tower Works in Leeds has seen the first phase of development start this year and on its way to becoming investor ready; the River Hull Footbridge and Bradford’s City Park will become important regional landmarks and act as catalysts for further regeneration; and Sheffield city centre and Scarborough seafront have been completely transformed.

We have cemented Yorkshire & Humber’s position as the driving force for Advanced Manufacturing; through our continued support of the world class Advanced Manufacturing Park in Rotherham and in attracting the new Nuclear Advanced Manufacturing Research Centre (NAMRC) and the Rolls Royce planned Civil Nuclear Facility to South Yorkshire.

Building on this boost for innovation and new industries, we have invested in groundbreaking projects which are laying the foundations for the future growth of our economy; 'Digital Region' will make South Yorkshire a test-bed for super-fast broadband provision and our bid for carbon capture and storage will not only create thousands of jobs, but it will reduce the region's and indeed the UK's carbon emissions.

We have continued to invest significantly in supporting business growth and training with the launch of Finance Yorkshire, a £90 million venture and capital loan fund which will fill in those funding gaps left by conventional sources for our region's SME's and ensure that access to finance isn't a barrier to growth.

On a personal level, this year has brought the most difficult decision I have ever had to make to leave Yorkshire Forward to become the new Chief Executive of Leeds City Council. I have worked to build this agency since its inception and am proud of its achievements and the difference it has made to the region in the good and bad times.

Whilst I will miss both the work and the people here, I know that I am leaving the Agency in good hands with our new Interim Chief Executive, Thea Stein. Thea brings with her invaluable experience of the unique role of a CEO, current and detailed knowledge of Yorkshire Forward and extensive work with partners across the region. She is the right person to manage what will continue to be a rapidly changing environment, both for the economy and for the organisation over the next 12 months and I wish her well.

I would like to thank our Chair, Terry Hodgkinson, the Board, our partners and all of our hardworking and talented staff for the achievements this year, and indeed the last 10 years.

## 3 Management commentary

In this section we describe what we do, and how and why we do it. We detail the initiatives we put in place to meet our objectives; explain how we're governed; and look at the value we deliver for taxpayers. We summarise some of our major achievements for 2009-10, particularly in supporting the region's economy through the recession. Finally, we take a look into the future for Yorkshire Forward and the region.

### 3.1 How we work

#### 3.1.1 A new economic strategy for Yorkshire & Humber

Together with our partner organisations, we have begun work on the new Yorkshire & Humber Strategy. This integrates and replaces the existing Regional Economic Strategy (RES) and the Regional Spatial Strategy (infrastructure and the built environment), and will drive our work in the medium to long term.

As part of this, we've been looking at how we can achieve more sustainable economic growth. As with the RES, we want to ensure that our economic development work reflects the current context—which includes responding to climate change and developing an economy more able to withstand economic shocks. This demands a better understanding of the environmental limits to economic activity, ensuring that the economy provides benefits to society.

Yorkshire Forward is still formally responsible for the RES. This year, we've set out how a light-touch assessment of the RES will ensure that it takes sufficient account of the changing economic circumstances brought about by the recession.

### **3.1.2 Our corporate objectives**

Our five corporate objectives were revised in 2009 to specifically respond to the impact of the recession and lay the foundations for the upturn. These guide our people and our investments and provide a strategic framework for achieving long-term sustainable economic growth, while providing the capacity to respond to immediate challenges in a way which provides a strong foundation for the future.

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

Long-term unemployment not only inhibits the supply potential of the economy and the employment prospects of individuals, but also leads to a downward economic spiral for our most disadvantaged communities. It is therefore essential to keep as many people in work or training as possible.

We have worked with businesses and regional partners (such as Job Centre Plus, ACAS, Trade Unions and local authorities) to reduce the number of redundancies, or where redundancies have been unavoidable, we have worked with partners to assist individuals back into work or work related training as quickly as possible.

We can claim some major successes here, and have helped to safeguard significant numbers of jobs. By targeting the major employers in local areas, we've avoided some of the more devastating impacts of previous economic change. Working with partners, we have coordinated a number of high profile Regional Employment Events which have attracted hundreds of people to provide advice and assistance once redundancy announcements have been made. We have also established a £50m Train to Gain Enhancement Fund in partnership with the LSC to allow businesses to continue to invest in their staff and have supported companies to implement short time working as an alternative to redundancies.

- **Objective 2: Maintain and build the number of competitive, innovative and resilient businesses**

Working alongside our partners, particularly Business Link Yorkshire, we've been proactive in supporting businesses through the tough economic conditions. In particular, we developed the opportunity for businesses to get a free financial health-check, helping them to better understand their own position as well as the potential impacts of the recession.

Our evidence shows that those businesses which received support from Business Link have a much more positive view of their future. To maximise the number of firms which take up the help on offer, therefore, we

worked with Business Link Yorkshire on a major region-wide promotional campaign which has significantly increased the number of businesses seeking support.

Access to finance is a critical issue for business growth, competitiveness and resilience. We have therefore assisted companies experiencing working capital difficulties associated with the crisis in the banking sector through a £5m Transitional Loan Fund and have invested in funds to provide capital for early stage high growth business. To drive product and process innovation we have increased the flexibility of grant and support schemes, increased the flexibility of the Manufacturing Advice Service, and have introduced innovation vouchers to support synergy between SME's and the knowledge base.

Recognising the benefits of international trade to the region's economy, we employed a new approach to international business to continue improvements in export performance and inward investment.

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

One of the major impacts of the recession was the sudden, dramatic withdrawal of private-sector finance from regeneration projects. Yorkshire Forward support has been sought for developments that did not previously require public sector assistance.

We have worked with public- and private-sector partners to prioritise our finances towards supporting the most appropriate projects. We have intervened to remove, where justified, upfront costs and other risks (such as by pursuing planning approvals) in order to make sites more attractive to development partners when market conditions improve. We have undertaken strategic land acquisitions and site assembly where it will assist our renaissance objectives. We have also supported a number of high profile developments that ran into trouble that we have not previously been involved in.

We have continued to develop economic evidence for those market failures which necessitate public-sector investments in renaissance. This approach has highlighted our ability to persuade central government of the rationale for some significant investments.

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

The future dynamism and resilience of the region's economy is dependent upon our competitive and comparative strengths. We have therefore sought to make the most of these attributes working to build new business opportunities and jobs in emerging growth sectors such as the low carbon economy, healthcare technologies, digital and multi-media technologies, and advanced engineering and materials. For example, we've facilitated the development of a globally significant carbon capture and storage initiative in our region. This will make Yorkshire & Humber an attractive place to do business; create direct employment; deliver substantial knock-on benefits through indirect employment and the export of our knowledge as well as reducing the carbon footprint of some of the region's largest industrial emitters of CO<sub>2</sub>.

Building on another of the region's assets, we have continued to support the Advanced Manufacturing Park in attracting major new investments into the region. Our support led to the region's designation as a low-carbon economic area specialising in the civil nuclear supply chain and Yorkshire Forward and Government investment in a new Nuclear Advanced Manufacturing Research Centre.

- **Objective 5: Establish an agreed Integrated Regional Strategy which is distinctive to Yorkshire & Humber and has a low-carbon focus**

Working with colleagues from across the region, in particular the Government Office Yorkshire & Humber we've made good progress in developing the new Integrated Regional Strategy - Yorkshire & Humber's Strategy. A key part of this has been the development of a project plan outlining how to develop the strategy within the region, and work is well under way to build a strong and comprehensive supporting evidence base.

### **3.1.3 Our policy product ranges**

Yorkshire Forward's policy product ranges (PPRs) and geographic programmes were developed in consultation with regional partners and form the building blocks for our way of working to deliver the RES. The policy product ranges cover our 11 key policy areas (split between our 3 delivery directorates and include:

#### Economic Inclusion

- Skills
- Transport
- Employment

#### Business

- Competitiveness
- Enterprise and Access to Finance
- International Business
- Low-carbon Economy

#### Environment

- Urban Renaissance
- Rural Renaissance
- Economic Infrastructure
- Marketing the Region through Tourism and Major Events

The delivery of these policy product ranges involves working closely with our delivery partners, particularly local authorities, but also with regional bodies such as Business Link Yorkshire or CO2Sense Yorkshire.

### **3.1.4 Our Geographic programmes**

Geographic programmes were approved at our board meeting in January 2009, and became a way of working on 1 April 2009. They set out where and how we will invest in each of the region's local authority areas and are

developed in close collaboration with local authority partners, ensuring that our investments help to address differing local priorities and needs.

There are 15 geographic programmes corresponding to the first tier local authority areas with our region; Leeds, Bradford, Calderdale, Kirklees, Wakefield, Barnsley, Sheffield, Doncaster, Rotherham, North Lincolnshire, North East Lincolnshire, East Riding of Yorkshire, City of Kingston upon Hull, York and North Yorkshire.

Geographic programmes include locally contracted activities (such as investments which support the renaissance agenda) as well as regionally contracted activities (such as skills or business-support interventions). Providing each area with detailed information about our work at a local level helps to give transparency and accountability to our interventions.

As part of our approach to continuous improvement, an initial evaluation of geographic programmes was commissioned during the year and reported to our board in January 2010. The lessons learnt have been built into an action plan.

The board confirmed geographic programmes as the correct approach moving forward, and regular meetings will continue to be held with local authorities and partners to discuss and agree shifting priorities as the economic climate continues to change.

### **3.1.5 Our Cross-cutting themes**

Our cross cutting themes are principles and approaches which underpin all of our activity, right across objectives and directorates. Our delivery against them has been revised and updated, to ensure that they remain current and effective cross the full range of our work.

#### *Equality for all*

Working closely with local authorities, Business Link Yorkshire and third-sector organisations (voluntary, community and faith) continues to be important because of their involvement in the delivery of the Single Equality Scheme. In 2010, we move from separate equality schemes to one comprehensive scheme which is being incorporated into internal Yorkshire Forward applications and externally through procurement, partnerships, and Single Pot and ERDF investments.

#### *Sustainable development: environmental management system (EMS)*

Yorkshire Forward's EMS provides a structured way to manage our own environmental performance and responsibilities. During 2009-10, we took the opportunity to refresh our approach, updating our policies and developing an online toolkit to promote environmental best practice, ensuring that all staff are aware of EMS requirements.

An external audit of our EMS in July 2009 noted that we had demonstrated “a good level of commitment to the requirements of the EMS within all of the facilities visited”, with staff “openly and positively demonstrating their understanding and support for the [EMS]”.

#### *Sustainable development: performance-management framework (PMF) review*

The PMF is the framework we use to ensure that all our projects are developed, appraised, approved, delivered, monitored and evaluated in line with government guidance.

During 2009-10, a review of the PMF has helped to better incorporate sustainable development principles into our project management and investment decision-making processes. The rationale for intervention on equity grounds is now covered in more depth in the guidance for project managers. Social and environmental factors are now integral to the development and assessment of project options, which should help to ensure that our activities deliver long-term and sustainable economic growth.

### **3.1.6 Our core values**

Yorkshire Forward’s core values govern how we do business with our staff, our partners and the people of Yorkshire & Humber. The values are summarised by the acronym VOTED, which reminds us that no one voted for Yorkshire Forward, its board or its executive directors; instead, they are appointed by government to do the best they can to develop our region’s economy. We are always mindful that we are investing taxpayers’ money in the process. Our values are therefore to:

- Achieve **value** for money for taxpayers  
(we’ve put into place a robust performance-management framework to ensure that we properly appraise applications for funding and that we invest taxpayers’ money wisely)
- Be **open** about the way we invest and take decisions  
(Our website publishes details on how we reach investment decisions)
- Work as **Team** Yorkshire Forward and as part of a wider **Team** Yorkshire & Humber to deliver the Regional Economic Strategy  
(We work in cross-directorate, multi-functional teams with our partners, and consult with our stakeholders, so as to develop those projects and programmes which we have all identified as vital to promoting economic development at local and regional levels)
- Seek **excellence** in the way we operate  
(We have developed a continuous improvement programme which drives how we improve our processes and results)
- Strive to promote **diversity** and celebrate difference  
(We exploit the unique diversity of Yorkshire & Humber - its places, people and cultures to differentiate our offer to those interested in investing, living and working here).

We constantly remind ourselves of the central part played by our core values in our work. They are promoted to our people from the moment of their employment induction right through to the chief executive’s quarterly staff briefings, the annual staff conference, the in-house newsletter, our intranet and a host of other mechanisms.

We measure whether we're living the values through our annual staff survey, and where we can do better, we put in place actions for improvement and then monitor and report our progress.

### **3.1.7 Managing the Yorkshire & Humber Competitiveness and Employment Programme 2007-13 (ERDF)**

By 2015, the programme will have invested €583m from the European Regional Development Fund (ERDF) in our region's economic development. The scheme is managed by Yorkshire Forward on behalf of the government, the European Commission and the region.

The programme monitoring committee (PMC) is the partnership body which governs the programme and its delivery. Chaired by the regional director of Government Office, PMC draws its membership from government departments, the European Commission and partners representing the four sub-regions, different sectors and organisations in the region. Yorkshire Forward's Executive Director of Finance is a member of PMC.

We support programme delivery through an ERDF Secretariat, which in turn supports the PMC and manages the programme on a day-to-day basis. Partnership working is crucial to the successful delivery of the ERDF in our region, and our partners are involved in managing, monitoring and evaluating the programme, including the selection of projects to be supported.

In addition to the Programme Monitoring Committee, there are partnership bodies overseeing various areas of programme activity—including two performance-management boards, a cross-cutting themes sub-committee, an access-to-finance sub-committee, and an evaluation steering group.

## **3.2 The Recession and the Yorkshire and Humber region**

### **3.2.1 The recession**

Following a severe and sharp contraction in activity in the fourth quarter of 2008, the first half of 2009 was perhaps the most difficult six months the region's businesses have faced in the last 20 years. However, in many ways the global, national and regional economic narratives of the latter half of the year have been much more positive.

Globally, all of the emerging economies came out of the recession in the third quarter; even South Africa and Russia posted growth. The rebound in these emerging markets also signalled the strategic and global significance of Chinese and Indian output in counterbalancing the contraction in demand in the developed economies.

**GLOBAL & REGIONAL REAL GDP GROWTH**

	2009f	2010f	2011f	2012f
World	-1.9	2.8	3.2	3.7
Developed States	-3.4	1.5	1.9	2.2
Emerging Asia	5.2	6.9	6.4	7.2
Latin America	-2.2	2.8	3.4	3.2
Emerging Europe	-5.7	3.0	4.2	4.5
Sub-Saharan Africa	1.6	4.8	5.4	5.8
Middle East & North Africa	1.7	3.5	4.3	4.8

Source: Global Macro Monitor, Business Monitor, February 2010

World output contracted by 1.9% in 2009, but the prospects for growth in 2010 (supported by GDP data in the third and fourth quarters) look considerably more robust. Indeed, the IMF twice revised its 2010 growth forecast upwards:

**GLOBAL ASSUMPTIONS**

	2009f	2010f	2011f	2012f	2013f	2014f
<b>Real GDP Growth (%)</b>						
USA	-2.5	2.4	1.8	2.3	2.3	2.3
Eurozone	-3.9	0.6	1.7	1.9	1.9	1.9
Japan	-5.5	1.2	1.6	1.5	1.5	1.4
China	8.4	8.8	7.5	8.6	7.6	7.1
World	-1.9	2.8	3.2	3.7	3.7	3.6

Source: Global Macro Monitor, Business Monitor, February 2010

The US surprised many with the strength of its growth in the fourth quarter, despite a weak consumer market. The manufacturing sector there has benefited significantly from fiscal stimulus measures (in a way not seen in the UK or euro zone), which have also helped to stimulate corporate capital investment.

Euro zone prospects for 2010 suggest a period of further steady consolidation of economic activity. The central challenge for euro zone policymakers is the major disparity in growth and recovery prospects across the area. For example, the German economy has grown strongly and benefited significantly from fiscal stimulus measures in other countries, while Spain, Greece and Ireland face fundamental structural challenges.

National macro-economic performance in the fourth quarter of 2009 was further boosted by the upward revision of GDP growth in the final quarter: from 0.1% to 0.3% (Office for National Statistics). Whilst these numbers technically mean that the UK emerged from recession in 2009, there is still no discernible pattern of sustained private-sector demand.

Stimulating private-sector demand in 2010 is a key priority both nationally and in our region. Seizing opportunities for growth outside of the UK would be the most obvious way to achieve this in the face of weak or diminishing domestic demand (especially from the public sector).

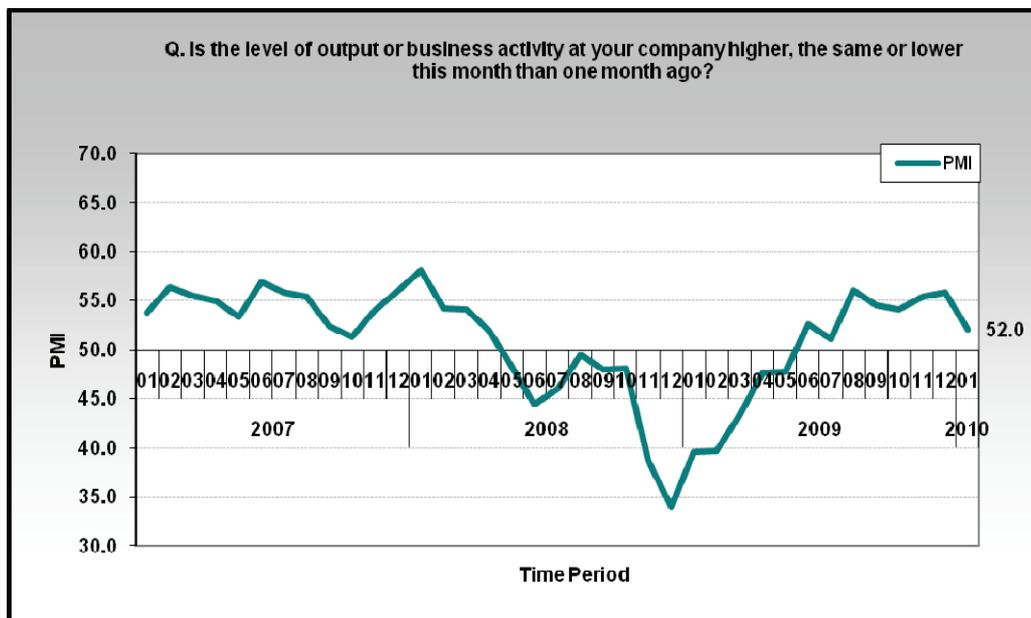
The UK economy contracted by 3.3% in 2009 and, unlike the US, we have not yet seen a rebound in business investment, which fell by 5.8% in the fourth quarter and by 24% for the whole of 2009.

At the regional level, the contraction in output has been more pronounced. We estimate that the output of the economy in Yorkshire & Humber shrank by 5.4% in 2009. The sustained improvement in private-sector activity will translate into net growth in output in 2010 of up to 0.8%. Employment prospects will improve more slowly in the short- to medium-term, reflecting the lag between rising levels of activity, capacity utilisation (which has historically been low), and employers' hiring intentions. Employment contracted by 2.8% in 2009, although the rate of contraction will slow in 2010 (1.2%) with net employment growth not visible until 2011 (a discrete 0.3% net growth in the year).

*Key economic themes of 2009 in Yorkshire & Humber*

- **Continued expansion in private sector activity**

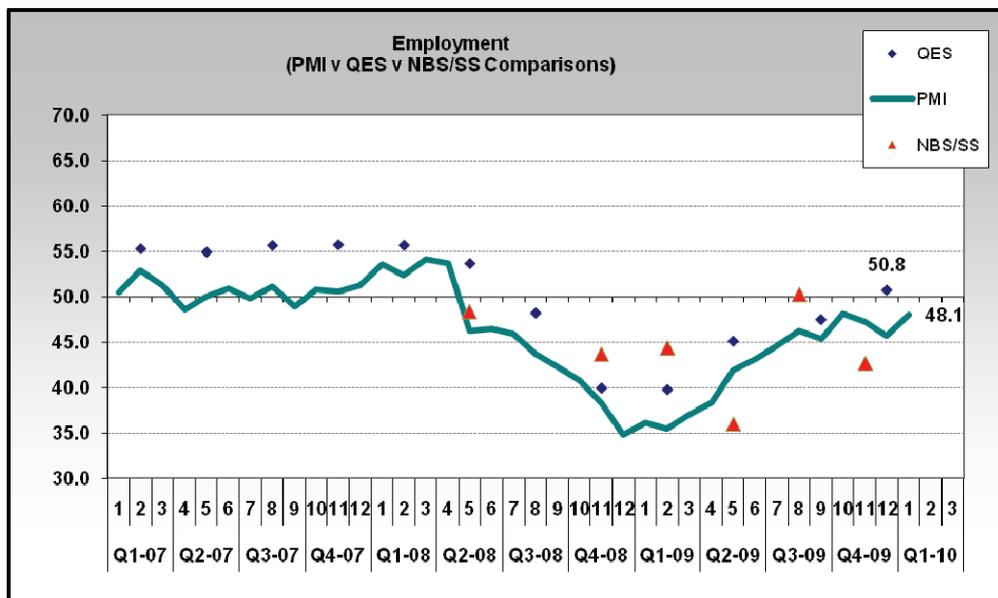
This is shown by the regional Purchasing Managers' Index (PMI), which suggests that the region's private sector has been expanding, albeit slowly, from July 2009 onwards.



- **The lag between economic growth/rise in business activity levels and transmission into the jobs market**

It will take some time for the regional jobs market to consolidate to the point where we see positive net employment growth. We recognise that 2010 will be a tough year for jobs, but we also believe that employer hiring prospects have recovered to a point where they can support jobs growth in 2011. As the

following graph shows, all key regional business surveys have demonstrated a steady, consistent and, we believe, sustained improvement in employer hiring intentions:



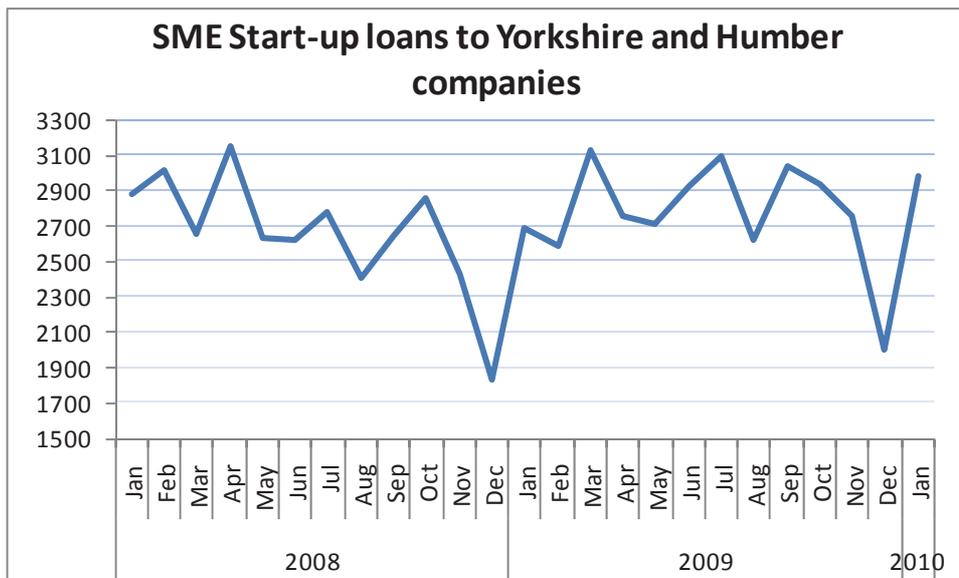
Source: Yorkshire Forward (National Business Survey), Market Economics (Purchasing Managers' Index) and BCC (Yorkshire & Humber Quarterly Economic Survey).

- Yorkshire Forward recognises the challenges faced by the region's labour market throughout 2009, but it is important to note where we've come from**

The jobs market has stabilised; vacancy levels have risen; and at-risk jobs have fallen. While headline employment data still highlight the significant challenges faced by the jobs market, we believe the regional labour market is beginning to operate much more efficiently. This is reflected in rising vacancy levels and a higher proportion of people coming off Jobseeker's Allowance compared to those going onto it. Clearly, the recession has had significant structural effects on the jobs market, such as the marked decline in male employment relative to female employment, which we recognise and which we are weaving into our support for learning and skills provision.

- Credit, lending and liquidity**

We're confident that the supply of new business start-up finance has recovered from its recession low-point and stabilised close to pre-recession levels. We recognise that, as the economy starts to expand, liquidity will remain a problem—especially in relation to cash flow. We understand that many companies will have to rearrange long-term financing through the banks towards the latter part of 2010, and we are therefore working closely with lenders.



Source: Bank Search, January 2010 (SME start-up loans made by main clearing banks).

### 3.2.2 Our response to the recession

As far as possible, our focus in responding to the recession has remained on helping viable businesses to survive and on safeguarding jobs. We have continued to re-evaluate our activity and realign our resources in support of those objectives, amending our Corporate Objectives to:

- Keep as many people as possible in jobs or work-related training
- Maintain and build the number of competitive, innovative and resilient businesses
- Sustain the momentum of economic renaissance schemes in priority cities and towns (urban and rural), and support business start-ups and growth with a property offer which meets their changing needs

We've worked hard to help viable businesses survive the downturn and to keep them investing. This will ensure that they're best-placed to take advantage of opportunities as we emerge from recession. Where redundancies have been unavoidable, we've worked with partners to ensure that those affected get the support they need to get back into work as quickly as possible.

Alongside this, we've retained our focus on the long-term vision for the region, focusing on key opportunities (in particular, where they support the national policy New Industries, New Jobs). Our key role has included;

- Providing a strategic lead for the manufacturing and financial services sectors, including developing industry-led strategies and focusing on future opportunities
- Positioning our Chief Economist's Unit as the hub of regional intelligence, supporting Yorkshire Forward and our partners in identifying future priorities
- Promoting Business Link Yorkshire as the place to access the full range of support
- Helping businesses access the finance they need to survive and grow
- Making businesses more competitive by improving productivity
- Launching Innovation Vouchers to encourage businesses to engage with the knowledge base
- Working with partners to support those affected by redundancy.

Businesses have benefited from improved access to, and the increased flexibility of our support:

- 10,282 businesses underwent a health-check through Business Link Yorkshire
- 507 financial health-checks and 160 strategic business reviews have been completed through the region's accountants
- 200 businesses have linked to the knowledge base through our Innovation Vouchers
- 115 companies are receiving investment through the Transition Loan Fund, safeguarding 1500 jobs
- Over 2000 jobs have been safeguarded and £346.8m of private-sector capital expenditure attracted using grant support as leverage
- Over 1,600 businesses have accessed training support through the Train to Gain Enhancement Fund (developed in conjunction with the Learning and Skills Council)
- 68 businesses have accessed retraining for 2,544 individuals under notice of redundancy
- £23m has been invested in a fiscal stimulus package for the region's regeneration.

Retaining our focus on the long-term vision for the region has been essential in preparing us for the upturn. In support of New Industries, New Jobs we have begun several initiatives aimed at building on the region's assets and providing competitive advantage in the coming years. These include:

- Launching a £90m Regional Venture Capital & Loan Fund to provide access to capital for growth-oriented businesses
- Developing an internationally significant low-carbon economy based upon industrial attributes in carbon capture and storage, off-shore wind, bio-renewables and civil nuclear power, focused around the existing expertise in the Hull & Humber and South Yorkshire
- Attracting increasing investment into the Advanced Manufacturing Park, including the UK's new Nuclear Advanced Manufacturing Research Centre
- Enhancing the support for innovation through the appointment of innovation specialists to work with high-growth-potential businesses
- Investing in Welcome to Yorkshire to enhance and promote the region's tourism offer
- Launching a manufacturing strategy which sets out our vision for the next 20 years.

So 2009 has been a tough year—but we're proud of the leadership and support we've provided to the region. However, history tells us that coming out of recession can be as much of a risk as going in. We're committed to continuing our support, managing severe budget cuts to ensure that the region's businesses are supported to be able to grow and take advantage of future opportunities.

### **3.3 What we have achieved in 2009-10**

#### **3.3.1 Headline outputs**

In 2009-10 we have:

- Created or safeguarded 27,161 jobs
- Created 1,831 new businesses and provided assistance to improve the performance of 58,013 businesses
- Assisted 10,458 people to gain employment
- Attracted £163.27m of regeneration investment, of which 60% comes from the private sector
- Supported 4,913 people in their skills development (Level 4+)

Further details about our outputs can be found on page 63.

### **3.3.2 Case studies by policy product range**

#### *Employment*

##### Mitigating the effect of redundancy

Long-term unemployment has a significant negative impact not only on individuals, but also on our economy as a whole, which is why we acted quickly to mitigate the effects on the local economy, using our funding to help meet the needs of businesses and communities across the region. Our response programme helped to keep thousands of people in work and provided targeted support for communities particularly hard-hit by their dependence on a single major employer.

Our Response to Redundancies Fund was originally designed to support companies undergoing restructuring or to incentivise other companies to take on redundant workers but as we moved deeper into recession, it became clear that we needed to adjust our activity. So we expanded the programme to include capital investment projects which other schemes couldn't support, which would safeguard employment and help position companies for the upturn. Over the course of the year we have committed over £2m in grants to companies in our region, safeguarding over 2,300 jobs. This included working with Vion (a meat factory in Malton, North Yorkshire) which was facing significant redundancies. A £200,000 grant to support costs associated with their change-management process, including benchmarking and business-change notification, has safeguarded 950 jobs. In addition we have worked with the company to support R&D activities with the aim of turning the Malton factory into a centre of excellence for the whole Vion group.

We have also provided support to large organisations forced to cut significant numbers from their workforces (including Outokumpu, Mariner Bakkover and Doncaster College) in order to minimise or eradicate the amount of time any individual spends on the unemployment register. We have supported a number of events designed to introduce employees to agencies which can help with skills transferral and signposting to funding for training.

As part of our Response to Redundancies programme, we've been working with ACAS, who (besides their arbitration and conciliation services) help companies with restructuring and redundancies. With support from Yorkshire Forward, they now offer a two-day workshop, free of charge, to support businesses which have had to make redundancies.

**Partners:** Businesses in the region

**Investment:** £2m from Yorkshire Forward

#### Bringing the unemployed and employers together

Where redundancies have been unavoidable, we have worked in partnership with local authorities, Jobcentre Plus, the Learning and Skills Council and employers to help people back into work as quickly as possible. One of the ways we've done this is through high profile Regional Employment Events, attracting thousands of individuals and businesses seeking advice and guidance.

For example, in September 2009 we sponsored a jobs fair in Hull: around 4,500 members of the public attended and 60 exhibitors: 50% of these were recruiting; the remaining 50% were universities, colleges and training providers, plus local authorities and a few third-sector organisations there to offer support. The Response to Redundancies programme also supported a jobs fair in Leeds (attracting over 1,700 members of the public) and another Calderdale which attracted 1,400 people. A 'beat the recession' event in Scarborough attracted 46 companies, including the RAF and Royal Navy, offering training and career advice.

**Partners:** Jobcentre Plus; HMRC (re tax credits); Debt Advice Network; Business Link Yorkshire; local colleges; the Learning and Skills Council; learndirect; ACAS; and local authorities

**Investment:** £185,000 from Yorkshire Forward.

#### Supporting communities through the Corus redundancies

Some communities are heavily dependent on large employers, where large redundancies can have devastating effects for generations to come. When the news broke in January 2009 that Corus sites in Rotherham would lose up to 713 jobs, we joined forces with our local partners to maximise the support available to the company and the individuals affected. As a result of this intervention, 3,000 jobs have been safeguarded across the three sites in Yorkshire & Humber along with a further 1,200 jobs in the supply chain and over 1,500 Corus employees have been helped to undertake new skills training.

In response to the announcement, we helped to set up an on-site resource centre at Aldwarke, using staff from Jobcentre Plus, to offer training, career advice, job searches, and support on CV-writing and self-employment. This support was extended to cover the Scunthorpe, Rotherham & Stocksbridge sites when a further 1,600 redundancies in Yorkshire & Humber were announced in June. At this point, we partnered with ONE North East and Corus' senior management team to support the business during its restructuring.

Discussions between the Secretary of State for Business and the Chief Executive of Corus were followed by two meetings in July with senior representatives from the Department of Business, Innovation and Skills, Yorkshire Forward, ONE North East and Corus to discuss how a support package for wages and training could best assist the company. The greatest need was felt to be a mitigation of the salary cost of the apprentices and graduates in the third quarter, in order to meet bank covenants.

Analysis had shown that, due to severe cutbacks, there was insufficient training planned—preventing Corus from satisfying state-aid requirements. A combination of training and R&D activities were therefore initiated to satisfy requirements and attract funding. Yorkshire Forward helped to develop the project plans (which were approved in time to allow the transfer of the £2.5m from the regional development agencies to Corus) and funded a resource link at Corus ensuring support was coordinated across our region and the North East.

Work continues with mapping and developing sustainable qualifications which will be fit for the future of the steel industry and which will attract the £2.5m support package from the Department for Business Innovation and Skills.

**Partners:** BIS, One North East and NES, plus Jobcentre Plus, the Learning and Skills Council, Rotherham Metropolitan Borough Council, Barnsley & Rotherham Chamber of Commerce, Business Link Yorkshire, and Communitas (the training and learning arm of Community, the trades union).

**Investment:** £1.5m from Yorkshire Forward and £1m from ONE North East plus £2.5m from DBIS' Train to Gain.

#### Creating Better Futures Awards

We believe in working with a wide range of partners to support community-based economic development. We began the Creating Better Futures Awards programme in 2007 to inspire the private sector and voluntary, community and faith (VCF) organisations to get together for the benefit of both the community and the region's economy. The awards showcase the work of successful partnerships and demonstrate the business benefits which can be derived.

Despite the recession, more than twice as many businesses entered in 2009 compared with 2008.

Out of 100 entrants, seven winners went on to be profiled in the regional press and on Yorkshire Forward's website. Reviewing the entries has helped to determine and disseminate best practice.

**Partners:** Businesses across the region including Zurich Commercial, RSA Group, HBOS, Marshalls, Pennine Housing, Calderdale College, Addleshaw Goddard, Urban Splash, and NG Bailey.

**Investment:** £120,000 from Yorkshire Forward

## *Rural Renaissance*

### Supporting the dairy-farming supply chain

In 2009, Dairy Farmers of Britain (DFoB) went into administration—seriously impacting on 264 farmers in Yorkshire & Humber, who lost their customer base as well as payments for recently supplied milk. We acted quickly to offer support to all of these farmers, as businesses in rural areas are vital not only to the social fabric of rural communities but also to the region's wider economy. We want rural businesses to be in the best position to survive the recession and also to expand or improve in a way which will lend a competitive edge in the upturn.

The DFoB co-operative had been responsible for 10% of the UK's milk production, with its 1,800 members supplying over a billion litres of milk a year. Following the administration announcement, it was clear that members across the UK would not be paid for the £19.4m of milk they supplied in May/June 2009. They also lost £63.6m of capital investment. Many producers, especially the smaller and more isolated farms, were not able to find an alternative buyer; many had to sell it to the receiver for 10p/litre (below the cost of production).

Yorkshire Forward reacted quickly by managing communications between the DFoB and the affected farming community. We also got together with key dairy-farming stakeholders to form a working party.

The 264 farmers were all contacted and offered one-to-one advice clinics, especially around sourcing alternative supply chains, which were held in July and August in the three worst-affected areas. Of these, 78 of the worst-affected farmers were contacted by letter and offered three days of advice and guidance.

30 farmers took up the offer, and one group of seven farmers collaborated to support a small dairy processor in Keighley. 44 people undertook training to identify business opportunities.

**Partners:** NFU, the Rural Affairs Forum, the English Farming and Food Partnership, Government Office Yorkshire & Humber and Farexchange.

**Investment:** £72,000 from Yorkshire Forward through the RDPE.

### Funding an award-winning community hub

Yorkshire Forward has co-funded a community hub in Whitby which has raised local confidence and aspirations, helping local businesses to flourish, and creating employment opportunities.

The Green Lane Centre in Whitby provides a high quality community facility for local businesses, voluntary and charity groups. It has since won the Regeneration and Renewal, Neighbourhood Renewal Project of the Year in 2009.

The initiative came about in 2003 when Yorkshire Forward, Scarborough Borough Council and Whitby Voluntary Action worked with local residents to develop the new centre. Yorkshire Forward was involved in getting the project up and running in the early stages, developed the project with key partners, and provided a grant towards the capital works.

After consultation, design and construction the building was handed over to Coast and Moors Voluntary Action in summer 2008, since which time the community/stakeholder input into the design process has proved its worth.

Suggestions from local people led to a design which incorporates IT facilities, training rooms, eight small business units, a community hall, a gallery/conference room and a garden play area. The centre also has state-of-the-art environmental features such as geothermal heating, a 'green' roof, and insulation to a very high standard.

Seven jobs have been created; over 100 people have been helped to get a job, over 500 people have been supported with skills development and over 70 businesses supported.

**Partners:** North Yorkshire County Council, ERDF, Scarborough Borough Council and Coast & Moors Voluntary Action.

**Investment:** £594,000 from Yorkshire Forward, plus funding from the ERDF and North Yorkshire County Council.

### *Marketing the Region through and Major Events*

#### Securing the growth of our tourism sector

The visitor economy, which includes tourism and major events, makes a vital contribution to our region's economy, employing nearly quarter of a million people and generating over £6bn of our output.

We have made it our goal to continue growing this sector by 5% every year. As the strategic lead body for tourism in Yorkshire & Humber, we're in an excellent position to drive and structure the work required to achieve this ambitious objective and have increased our spend in this area by 59% over 2009-2012 to make sure it happens.

Yorkshire Forward secured a three-year regional tourism programme with a £30m package of funding. This investment, which began in April 2009, will be channelled through Welcome to Yorkshire (formerly Yorkshire Tourist Board) and is expected to result in a £300m increase in visitor spend year on year.

As part of the increased investment, the tourism network in the region was reorganised to provide a more joined up approach to tourism delivery, reducing duplication. The network of six sub-regional and local tourism partnerships is led by Welcome to Yorkshire.

The increased level of Yorkshire Forward investment has enabled the development of a new, high-profile promotional campaign which reached 93% of the UK's adults' equivalent to 16.3 million people. 'A weekend in Yorkshire isn't long enough' has reached 11m people; 9m have seen adverts in top newspapers and magazines; and 4.5m seen poster campaigns in London's main stations.

2.3m people have visited the new website, [www.yorkshire.com](http://www.yorkshire.com), since April 2009—up 144% from 2008.

Early indications show that, despite the recession, the leisure and tourism industry in Yorkshire & Humber had a comparatively successful year in 2009. The final outcome will be available in mid-2010 through the Regional Tourism Economic Impact Model, commissioned by Yorkshire Forward as one element of the ongoing evaluation process for the regional tourism programme.

Welcome to Yorkshire has won:

- Best Tourism Website (TravelMole Awards, 2009)
- Most Innovative Marketing Campaign (International Business Forum, September 2009)
- Most Effective Public Sector Campaign (Northern Marketing Awards, December 2009).

**Partners:** Welcome to Yorkshire

**Investment:** £33.3m from Yorkshire Forward over two years.

#### Putting Yorkshire & Humber on the world map

In an initiative which will increase the region's international trade, boost tourism and raise the profile of Yorkshire & Humber around the world, this year we once again sponsored the Hull & Humber Yacht in the Clipper 09-10 Round the World Yacht Race and arranged for Hull to host the Race Start and Finish.

In September, 150,000 people lined the banks of the River Humber in Hull to bid farewell to the fleet of ten yachts and to experience the Freedom Festival. These events helped to correct the negative prejudices held by many visitors to the city; almost two thirds of the visitors asked said that Hull had made a 'better than expected' impression, and all of the businesses surveyed reported that the event was 'good for the city'. The race has helped to improve the image of Hull's waterfront, leading to a rise in sales at Lime Properties' site at Freedom Quay and the reopening of the Minerva Pub on Nelson Street.

During the first 44 days of the race, the region's yacht received 113 items of broadcast/online coverage, and print coverage reached an estimated 2.2m potential readers. Trade promotion activity is planned for four stopovers for the Clipper: in Cape Town, Qingdao, New York and Cape Breton.

**Partners:** Hull City Council, Welcome to Yorkshire, Visit Hull and East Yorkshire, Hull & Humber Chamber of Commerce.

**Investment:** £1.3m from Yorkshire Forward for the Race Start and Hull and Humber Yacht sponsorship.

## *Competitiveness*

### Establishing Yorkshire as a leader in nuclear technology

The Advanced Manufacturing Park (AMP) in South Yorkshire is the UK's premier advanced manufacturing technology park, providing world-class advanced solutions for industry. In December 2009, the AMP became the base for the UK's new multi million pound Nuclear Advanced Manufacturing Research Centre (NAMRC), putting the region at the very heart of the UK's energy sector.

South Yorkshire was chosen, following a successful bid by the University of Sheffield and Yorkshire Forward to establish the NAMRC on the AMP. The centre, which will be led by the University of Sheffield in partnership with the University of Manchester, with Rolls-Royce as lead industrial partner, makes Yorkshire the UK centre for manufacturing for the next generation of nuclear power stations, with a global market worth £1,700bn over the next 20 years.

The NAMRC will create 130 jobs and support 110 businesses in the region, and forms part of our strategy for a low-carbon economy, providing a focal point for the bulk of the UK's civil nuclear manufacturing industry supply chain. This will play a key role in helping UK manufacturers to compete for nuclear new builds around the world. Over 100 of the region's companies are already engaged in nuclear activity, and NAMRC has recruited the two most significant global vendors of nuclear reactors as founder members.

The civil nuclear sector is one of the key low-carbon industries where the UK has the potential for job creation, economic growth and engineering and manufacturing excellence, with the capacity to create a greener, smarter, more skilled and more balanced economy. This landmark investment by the Government puts the region at the very heart of this sector.

**Partners:** University of Sheffield, NAMTeC University of Manchester, RIDO, Rolls-Royce.

**Investment:** £7m contracted from Yorkshire Forward (2011/12) and £15m from BIS (2010/11).

### Rolls-Royce chooses South Yorkshire for civil nuclear facility

In a further boost to the region's manufacturing strength, Rolls-Royce announced plans to build a new civil nuclear manufacturing facility in South Yorkshire, despite strong international competition. The facility will manufacture, assemble and test high quality components to meet the requirements of the planned new civil nuclear power plants across the UK, worth in excess of £1bn a year.

This £70m investment in high-value engineering manufacturing recognises the cutting edge facilities and the quality of our academic and business skills base in the region. Yorkshire Forward's investment into both the Nuclear Advanced Manufacturing Research Centre and Rolls-Royce's new manufacturing facility firmly puts the region at the very heart of the UK's energy sector. This cements our position as a centre of excellence for manufacturing to a global marketplace, securing and creating jobs now and in the future. This investment alone

will create more than 300 jobs, with hundreds more expected to be made throughout industry supply chains, across the region.

**Partners:** South Yorkshire local authorities

**Investment:** £6m from Yorkshire Forward over 3 years

#### Stimulating collaboration for innovation

We believe that a greater exchange of ideas in areas of technical and commercial innovation will improve our region's gross value-added, R&D investment levels and competitiveness. This year, therefore, we launched three new Innovation Networks (INs) to encourage more business-to-business and business-to-academic collaboration.

INs are business led organisations and bring together companies with the potential to grow through innovation and experts from the regional knowledge base. The three new networks include the Advanced Engineering and Materials (AEM) IN, the Intelligent Formulation IN (chemicals and pharmaceuticals), and the Yorkshire Healthcare IN.

The INs will encourage an increasing number of regional companies developing new products and processes into market and a higher level of participation in regional, national and European schemes to encourage innovation and fund collaborative R&D.

**Partners:** Intelligent Formulation Ltd, TWI Ltd and NAMTEC Ltd

**Investment:** £458k from Yorkshire Forward.

#### Tapping into university expertise to help businesses innovate

In competitive markets, it's more important than ever to have products which stand out. So to help SMEs in our region grow and compete by finding new ways of thinking, working and problem-solving, we're helping them to collaborate with Yorkshire's universities and other academic institutions. We're offering businesses 'Innovation Vouchers' up to the value of £3,000 to be redeemed against the cost of practical knowledge and expertise. This year, we've awarded over 630 vouchers worth a total of £1.9m.

The scheme, which is accessed through Business Link Yorkshire, helps businesses in the region to work with experts to develop new and improved products, services and practices. This can include research into a company's markets, finding new materials and products to solve a problem, or exploiting new technologies.

The vouchers have proved so successful that the scheme will now run until the end of 2011. All of the universities in Yorkshire & Humber, plus numerous colleges and research organisations, have signed up to the initiative.

**Partners:** Business Link Yorkshire.

**Investment:** £5.75m for the entire scheme from Yorkshire Forward.

#### Putting the brand at the heart of business strategy

We've been helping businesses in our region to better position themselves to bid for bigger market opportunities by enabling them to create a better brand image.

The Design Council's Designing Demand programme, which we fund in our region, helps companies understand how to use design to boost performance, accelerate growth and become more profitable—all by putting the brand at the heart of business strategy.

We've already assisted 386 SMEs and helped 157 business advisors to understand the benefits of design. Businesses can attend workshops about how design fits into business planning to get results, and management teams also get hands-on support and mentoring. Intensive services, usually working closely with a design associate, then bring top-level expertise direct to the boardroom, looking for opportunities for growth and competitiveness; 110 SMEs in our region have gone on to work with a design associate to undertake a major project.

The design associates are Design Council-approved experts selected for their outstanding track record solving business problems with global brands from Virgin Atlantic and Proctor & Gamble to BT and Unilever.

**Partners:** Business Link Yorkshire, Design Council.

**Investment:** £3m from Yorkshire Forward over four years

#### Rewarding and showcasing the region's innovation talent

This year we raised the region's profile among potential investors with another round of our annual awards scheme, Innovator/10. The awards attracted 120 entries from the region's businesses and research organisations, showcasing Yorkshire & Humber as a rich source of talent and skills.

The awards recognise companies and individuals who have embraced innovation and, either alone or in partnership, have developed new ideas, products, technologies or ways of working which improve their businesses. University departments and industrial collaboration facilities are also invited to enter since they too, work to overcome the challenges of today's increasingly competitive markets.

The scheme celebrates organisations and individuals who demonstrate the benefits of innovation and collaboration with the region's knowledge base. Prizes of £3,000 each are awarded in six categories: Innovation Catalyst; International Innovation; Knowledge Exploitation; Open Innovation; Product/Process/Service

Innovation; and Innovative Young Company. The prize money can be spent on innovation activities including R&D, training and team-building, and culture-related activities.

**Partners:** IoD, CBI, Technology Strategy Board, Research Councils UK, UKTI, Business Link Yorkshire.

**Investment:** £70,000 from Yorkshire Forward.

### *Low-carbon Economy*

#### A UK first in capturing and storing carbon

Yorkshire Forward is actively working with the region's businesses and other partners to build new business opportunities in emerging growth sectors such as the low carbon economy, including a ground-breaking carbon capture and storage (CCS) programme.

Several major announcements during the year provided a significant boost for the region and firmly established Yorkshire & Humber as the centre for low carbon energy in the UK.

The first was the announcement that Yorkshire Forward, working with the region's businesses and other partners including CO2Sense, had beaten off competition from across Europe to secure a carbon capture and storage (CCS) network—the first to be built in the UK. Powerfuel Power Ltd and National Grid secured a £165m grant from the European Commission, with the support of Yorkshire Forward, for the development of a 900MW coal gasification plant with full CCS at Hatfield, Doncaster.

Securing the first project is a vital step towards developing a cluster of CCS sites across the region—which has the potential to store up to 10% of the UK's carbon emissions and could cut the region's CO2 emissions by up to 60m tonnes by 2030.

The pilot site, at Hatfield near Doncaster will incorporate the UK's first commercial CCS technology, using supplies of coal from Hatfield colliery. Yorkshire & Humber has a competitive advantage in CCS because of our proximity to a large number of power stations which are sited close to both depleted North-Sea gas fields and disused underground mines, where carbon can be safely stored.

Yorkshire Forward has been working closely with Powerfuel and the National Grid to build a network of CO2 pipelines linking power stations and major industrial plants. It is estimated that construction of a CO2 transport network serving all of the major emitters in the region could bring 55,000 jobs and £2bn investment. It could also play a key role in helping the UK meet its climate change targets – preventing around 60 Million tonnes of CO2 from entering the atmosphere annually.

Two more announcements towards the end of the year confirmed our region's position as industry leader in this sector. The Government's decision to designate Yorkshire & Humber a Low Carbon Economic Area (LCEA) for Carbon Capture and Storage (CCS) as part of Government plans to transform the UK into a low-carbon, which

closely followed an announcement by the Department of Energy and Climate Change (DECC) that £6.3 million will be awarded to Scottish and Southern Energy's 100 tonne per day capture pilot project at Ferrybridge, which will further stimulate CCS development within the region.

**Partners:** Powerfuel, National Grid, Doncaster MBC Centre for Low Carbon Futures, ConocoPhillips, Corus, Amec, Drax and CO2 Sense.

**Investment:** £165m from EU funding

#### Capitalising on our strengths

Working with Yorkshire Universities, we have launched the Centre for Low-Carbon Futures. The centre is the first to bring together world-leading research expertise based within Yorkshire & Humber to help build a competitive, sustainable and carbon-efficient regional economy, while providing climate change solutions of national and international significance.

A joint initiative between Yorkshire Forward and Yorkshire Universities, the centre will be led by the universities of Hull, Leeds, Sheffield and York, and will draw on the research strengths of all of the region's higher education institutions.

Adopting a multidisciplinary and cross-university approach across the sciences, social sciences and engineering, the centre will improve our understanding of the impact and costs of climate change, and identify ways in which organisations and communities can adapt to meet these challenges.

The centre will also develop innovative technologies and methodologies for carbon reduction in partnership with regional business and industry, helping the region to meet its own emission-reduction targets and exploit opportunities available as world economies change to a low-carbon model.

Our investment kick-started the centre's development and growth, and four pilot projects are now under way. A further £45m is expected to come from other public and private funds in the first five years of operation.

**Partners:** The Universities of Hull, Leeds, Sheffield and York, Yorkshire Universities, CO2Sense Yorkshire, the White Rose Consortium.

**Investment:** £5.7m from Yorkshire Forward throughout the initiative

#### *Enterprise and access to finance*

##### Providing working-capital support through the recession

Over the last year we've provided vital working capital to our region's businesses to help them weather the recession and keep trading, when the banks were unable to lend. We've provided 115 loans worth a total of £4.43m, securing over 1,500 jobs through our £5m Transition Loan Fund (TLF) launched at the start of 2009.

The fund offered financial support to viable businesses experiencing a working capital shortfall due to the hardening stance of traditional lenders.

An evaluation report on the TLF concluded "Overall, very positive about the impacts of TLF on employment, sales and turnover figures. At a gross level, the additionality of the fund appears to be significant, with considerable impacts anticipated now and in the forthcoming years".

In March, Yorkshire Forward launched a new £90 million venture capital and loan fund specifically to help small and medium businesses to meet the gaps in funding they need for growth. The fund will provide valuable seedcorn, loan and equity linked investments to hundreds of small and medium-sized businesses and start-ups, creating thousands of new jobs. Finance Yorkshire builds on the success of the now fully invested Partnership Investment Finance (PIF), which invested £42 million and the South Yorkshire Investment Fund (SYIF), which invested £60 million in South Yorkshire.

**Partners:** YFM Group, The Community Development Financial Association (through their member community development financial institutions), Viking Loan Fund,

**Investment:** Transition Loan Fund - £5m from Yorkshire Forward over 1 year

Finance Yorkshire - £15m from Yorkshire Forward, £30m from European Regional Development Fund and £45m from the JEREMIE initiative from the European Investment Bank

#### Scarborough: officially 'the most enterprising place in Europe'

Scarborough has seen off over 350 other entries to be named the Most Enterprising Place in Europe 2009, after winning the regional and national competitions. This has attracted massive media attention across the region, the UK and Europe.

Since 2002, we have been investing in Scarborough's economic development through our flagship Renaissance programme, which has achieved very significant improvements in the physical infrastructure of the town. This includes the creative and digital business centre Woodend, the Rotunda Museum, and marina developments.

Scarborough has seen a dramatic change in business and community confidence as a result, and the ongoing commitment to Scarborough helps to ensure that the town's economic development is sustainable.

Yorkshire Forward was responsible for organising the regional competition, which involved working with partners to develop entries; forming a judging panel; developing Scarborough's entry in readiness for the national and European competitions, and regional and national press relationships.

Yorkshire & Humber still has many strong contenders for future years' competitions.

**Partners:** Local authorities, Enterprise UK, Business Link Yorkshire.

#### Stimulating R&D through grant awards

Technological innovation is essential for many businesses to improve productivity and competitiveness, and to stimulate business growth. Yorkshire Forward administers R&D grants funded by the UK government and the European Commission. We operate the Grants for Research and Development scheme (for individuals and SMEs); the Yorkshire Forward Industrial R&D Awards (for large companies); and FP7, the European Commission's framework for funding collaborative R&D.

Hundreds of our region's businesses have been able to introduce new products or processes as a result of our grants including **Cambridge Correlators Ltd**, which received a grant of over £71,000 and leveraged a further £64,000 of private-sector investment. The company wanted to find a way to use an optical processing system to work with large numerical simulations (which could otherwise take months to compute), and which would extend the data sets far beyond the capabilities of current state-of-the-art electronic processor arrays and supercomputers. This would be useful in such fields as computational fluid dynamics. The successful project led to the development of a prototype optical parallel-computing concept, and routes to commercialisation are being explored.

**Partners:** Business Link Yorkshire.

#### *International Business*

##### Working with the region's largest employers

The recession has been challenging for all businesses and our larger companies are no exception. The difficult economic climate has been seen by many as a catalyst for change, and an opportunity to restructure to better position themselves for the future. Our Key Account Managers (KAMs) have provided the vital link between the public and private sector to develop timely and commercially effective bespoke support packages to ensure that we retain this existing investment and employment in our region.

This year, Key Account Managers from Yorkshire Forward and the region's local authority business development units have helped over 330 of our largest companies, helped to create or safeguard 2,740 jobs, and helped to attract over £15m of investment into the region. Some examples of our KAM work include:

- **Birkbys Plastics** was hit hard by the downturn in UK car manufacturing in 2008/09—dropping from an average daily turnover of £140,000 to just £60,000. Identified as an 'at-risk' business, Birkby's was already engaged with our KAM team and a project was identified which would help them establish alternative income streams. Their bank had advised them to withdraw from the automotive assistance scheme but, with support from Yorkshire Forward and the local authority, a case was made to obtain funds and a rates holiday. The business has since re-established a positive cash position, and despite

four rounds of redundancies (with help from Job Centre Plus), Birkby's has worked with their account managers to cut costs in a sustainable way for future capability.

Although our KAM team has worked with many businesses in difficulty, we have also been determined to ensure that we continue to back winners. We have been working with Morphy Richards, a significant inward investor in South Yorkshire, to help them research and develop new household appliances which use lower amounts of energy with financial support through our Research and Development scheme for Large Companies. If successful, the project will both preserve a significant centre of R & D expertise in the region and give the company a competitive advantage in their product offer in an extremely competitive market place.

**Partners:** Local authorities

**Investment:** £1.3m from Yorkshire Forward

### Attracting Global Investment

Despite the global downturn, Yorkshire Forward worked hard with partners nationally and internationally to attract major investments from world-class industry names, which has seen the highest rates of investment into the region in the last decade.

This year, Yorkshire Forward has created and safeguarded thousands of high value jobs, and investment in advanced technology which puts our region at the forefront of development in key growth sectors.

The region attracted a record number of Foreign Direct Investments this year – 147 -compared to 125 last year. Yorkshire Forward was directly involved in bringing in 60% of these investments, some of the largest the region has seen in recent years, creating or safeguarding over 3,000 jobs and attracting over £165m of private-sector investment.

Some of these notable investments include Rolls-Royce which has chosen to build its civil nuclear facility in South Yorkshire (see page xxx), and Sandvik Medical will be spending £7.5m on developing the Sandvik European Centre of Excellence in Sheffield. Mitsubishi Heavy Industries' sales/service division will also have its European headquarters in Leeds.

In addition, a £25m purpose-built development and demonstration facility at BP's Saltend site, near Hull, will be built for Kingston Research, a joint venture between BP and DuPont. The centre will work on the commercialisation of biobutanol, an advanced biofuel technology which can be made from the same crops as bioethanol. Biobutanol can be blended into petrol and, in the future, bioethanol refineries could be converted to produce biobutanol, allowing the industry to make an even larger contribution to meeting the world's energy needs.

This investment further enhances our region's reputation for attracting vital R&D operations, particularly for the low-carbon economy.

The BP site at Hull is also home to Vivergo Fuels, a joint venture between BP, British Sugar and DuPont. The world-scale bioethanol facility will begin production in 2010, employing around 70 people.

To ensure we remained on the radar of key decision makers in our priority sectors internationally, we ran an awareness and lead generation marketing campaign in our core markets during 09/10 to maximise reach among key decision makers in our top markets/sectors. This included extensive online activity and PR in key pan European and US media and industry specific channels. The campaign reached over 9m key decision makers, increased traffic to [www.investinyorkshire.com](http://www.investinyorkshire.com) by 250% and achieved double the industry average click through rates.

This has put us in a good position for 2010/11 with a strong pipeline of potential investments in renewable / low carbon technologies (nuclear, offshore, CCS) underpinned by a strong AEM base (Forgemasters, Davy Markham, Siemens VAI, Cooper & Turner, Bradken etc) reflecting the region's strong competitive position in these sectors.

Our success in attracting FDI was formerly recognised this year, when Yorkshire Forward won the Best UK FDI Strategy in Northern Europe and Top UK Region (out of the top 10 largest regions, based on *FDi* magazine's future rankings of 223 European cities and 142 European regions).

**Partners:** The region's local authorities, key intermediaries and UKTI internationally

**Investment:** £1.7m from Yorkshire Forward.

#### Boosting international trade

As domestic orders dropped in the last year, we stepped up our efforts to help our region's businesses to adapt fast and see exporting as a way to maintain and grow their business.

Although the upsides of going international are clear in terms of stronger profit and better stability, many businesses have a perception that international trade is more difficult than it actually is. Our job is to make this easier and ensure that wherever our businesses want to go, we provide the practical help to get them there.

In March 2009 in partnership with UKTI, we organised 'Going Global', the biggest meet-the-buyer event of its kind in the UK.

We brought nearly 100 prequalified buyers into the region, from some of the largest trading markets in the world, including the USA, Canada, Brazil, Israel, Thailand, Mexico, China, Japan, India, Germany and France and matched them with regional companies looking to supply into new markets. Nearly 1,000 meetings took place during the event, with 70% of buyers stating that they are likely to do business now or in the future with the regional companies they met on the day and 100% were interested in attending another Yorkshire Forward "Going Global Meet the Buyer Event".

During 09/10 we also ran a marketing campaign to raise awareness of the benefits of trading overseas demonstrating that continual growth is possible in today's market and that exporting is a viable route to business growth. The campaign built on the previous year's activity and ensured regional businesses (especially in Yorkshire Forward's priority sectors) were able to effectively exploit opportunities in overseas markets and take advantage of the extensive range of support available. We contacted over 20,000 of the region's businesses, generating around 670 leads and increasing the number of calls to UKTI by 83%.

**Partners:** UKTI

**Investment:** £240k from Yorkshire Forward

#### Targeted Export Support Scheme (TESS)

The Targeted Export Support Scheme (TESS) helps companies which would like to begin or develop their export strategy. It combines advice and support from an international trade adviser with access to funding from the appropriate regional development agency: we will subsidise up to 50% of an export strategy plan.

TESS can offer support with travel and exhibitions, research, training and consultancy, publicity materials and website development, translation and interpreting. This support helps to kick-start a company's export turnover, while access to skills and expert advice increase its chances of success. Additional jobs are created locally as the company grows.

In Yorkshire & Humber, TESS has supported many companies' export strategies, via anything from market development visits to revamped websites which enhance their international profile. Some of this year's success stories include Macalloy Ltd, James Love Legal, Omerta Games, Grandma Wilds, and AAK (see [www.tradeyorkshire.com](http://www.tradeyorkshire.com)).

We believe that the grant support scheme has not only helped companies to survive the economic downturn, but has increased their international sales. By February, we had allocated just under £1.5 million across Yorkshire, assisting 559 businesses and creating 219 jobs while safeguarding a further 394. Exports increased by £45m, leveraging private-sector investment of over £2m.

**Partners:** UKTI, Business Link Yorkshire.

**Investment:** £1.6m from Yorkshire Forward.

#### *Urban Renaissance & Economic Infrastructure*

##### Keeping Urban regeneration moving

Where private-sector projects within our urban centres have stalled as a result of the recession, we've considered how best, by working with our partners, to intervene and provide support. We've identified a number of projects which would otherwise either be jeopardised or remain unfinished, but which, if completed, would be vital catalysts for local economic development. Failure to intervene would result in unfinished projects, the loss of jobs and local economic growth, plus a blight on the local area and damage to the reputations of our towns and cities.

This year's recession and accompanying credit crunch have made it much more difficult for businesses to access the finance they need to survive and grow—which has a significant impact on the viability of existing and planned large-scale capital projects in both the public and private sectors. So we have provided support, including financial contributions, to close gaps where bank finding has been withdrawn; to assist in the negotiation process with banks; and to help with land assembly. Specific projects which have received our support include:

- £2.7m for Broad Street, Halifax (190 construction jobs safeguarded)
- £5m for Trinity Walk, Wakefield (£30m of public/private-sector investment leveraged)
- £1.7m for South Gate, Bradford (320 construction jobs safeguarded)
- £6.34m for Waterfront, Huddersfield (330 construction jobs safeguarded)
- City Lofts, Sheffield (£28m of public/private-sector investment leveraged).

**Partners:** Local authorities across the region, banks and private-sector developers.

#### Defining best practice in advanced environmental technology

This year, we opened Yorkshire Forward's Environmental Energy Technology Centre (EETC), a beacon of low-carbon best practice which will inform similar projects around the region and the UK. The centre represents a strategic resource for Yorkshire & Humber and will be a catalyst for seizing the opportunities presented by the move to a low-carbon economy.

The EETC offers 3,500m<sup>2</sup> of office and workshop accommodation for enterprises in the expanding low-carbon energy sector, and the first tenants have already located 43 jobs here. The facility incorporates the UK's first wind-to-hydrogen-energy mini-grid, powering the centre with a 225kW wind turbine and storing excess energy for use during periods of low wind-speed.

The EETC adjoins our existing Innovation Technology Centre at the Advanced Manufacturing Park (AMP) in South Yorkshire. The AMP is a joint venture between Yorkshire Forward and UK Coal, set up in 2002 as an international centre of excellence for advanced manufacturing.

Our support included the design, build, operation and marketing of the facility. We also continue to fund infrastructure works necessary to develop the site, and to promote the location within the research and manufacturing sectors.

**Partners:** Rotherham Metropolitan Borough Council, Sheffield City Council, UK Coal.

**Investment:** £8.6m from Yorkshire Forward, (including £2.7m from the ERDF).

#### Reclaiming former coalfields

This year we've reclaimed three former coalfields, delivering 182 hectares of public open space and nine hectares of land destined for housing. We have also facilitated the acquisition of the beneficial interest in 75 hectares of land for industrial and commercial development, and for 18 hectares of land to be serviced.

The Coalfield Programme removes the environmental blight resulting from mining activities, leading to the development of high-quality public open space. The reclaimed space is used by the community or for commercial and residential property development, resulting in employment opportunities and new homes. Over the lifetime of the coalfield programme, 1,200 hectares of derelict and contaminated land have been returned to use.

The £170m, 15-year programme, which will conclude in 2012, is funded by the Homes & Communities Agency (HCA) and delivered in our region by Yorkshire Forward. Despite concerns over whether its targets will be achieved nationally, we are pleased to report that we are on target for Yorkshire.

The majority of our work this year has involved the delivery of three projects for the local authority in Wakefield. The reclamation of the former Frickley Colliery in South Elmsall and the former Wheldale & Fryston Collieries in Castleford are now complete, and the reclamation of the former Monckton Colliery & Royston Drift Mine at Rabbit Ings in Barnsley has now begun. The Castleford scheme achieved a Civil Engineering Environmental Quality Assessment and award scheme (CEEQUAL) award of Excellent, and the Rabbit Ings project is on target to achieve the same.

**Partners:** HCA and Wakefield Council.

**Investment:** £10m in 2009-10 from the HCA; £14.5m for the acquisition of HCA's beneficial interest; £1.6m to service land at Dinnington.

#### Urban renaissance: towns

We're working to ensure that our urban areas are places where people want to live, work and invest, because they are key economic drivers for our region. Working with communities, partners and stakeholders, we're helping to make our urban areas stronger and more competitive, thanks to the advantages of good design and management, good connections and high levels of accessibility.

Our work in our Renaissance towns continues; interventions take place over the long-term, and the full benefits will only be apparent at a much later date. Our work here is driven by strategic development frameworks, which seek to deliver the 'great places' at the heart of the Regional Economic Strategy. New Renaissance towns are being brought into the programme, with strategic development frameworks guiding regeneration activity in Cleethorpes, Dewsbury and Goole.

The following are some of the significant achievements this year, although it should be noted that each of these is part of a greater whole within individual towns and contributes to a far broader renaissance:

- Investing £2.58m in Bridlington Spa Gardens and helping the local authority to secure an additional £3m funding from the government's Sea-Change initiative.
- Injected £1.9m (to date) into St Georges Square, Huddersfield, which opened in October. Just over £14.7m more came from the public/private sector, and more is expected to be catalysed.
- The development of The Pods, a state-of-the-art leisure centre for Scunthorpe, which has created 23 jobs, created two businesses, helped 20 people to find work, and assisted 34 people with skills. We invested just under £6m (to date), with £15.5 m further from the public/private sector.
- The opening of the Goole Junction Arts Centre in November, incorporating a theatre, cinema, workshop area and office space. We invested £1.7m and a further £1.1m came from the public/private sector.
- The completion in Summer 2009 of Linear Park and Abbey Precinct, Selby. These have enhanced the public realm around the Abbey and along the town's waterfront, and Linear Park has regenerated one hectare of brownfield land. We invested £930,000 in Selby Linear Park and £1.2m in Selby Abbey Precinct. The latter attracted £517,000 of public/private-sector investment.

**Partners:** Local authorities, the Commission for Architecture and the Built Environment, the Arts Council, the Sports Council, the Renaissance town teams and regeneration partnerships.

**Investment:** £14.3m from Yorkshire Forward.

#### Urban renaissance: cities

Interventions to stimulate, support and sustain economic growth within our cities are vital if we are to generate long-term economic growth across the region. Within our cities, our regeneration programmes are working to overcome social exclusion, empower local people and raise levels of aspiration and ambition.

Cities are places where people want to visit, live, work and invest. Offering better lifestyles, they're more likely to attract people who have more choices and higher levels of income, education and skills. They also attract new, knowledge-based sectors, such as the creative industries, which are making such an important contribution to our economy.

The following represent catalyst projects which will help to stimulate other activity and further strengthen and sustain our cities:

- We invested £6m in The Crucible's refurbishment programme, Sheffield, with improvements to the theatre and the surrounding public realm. The Crucible now makes 10 tonnes of greenhouse-gas savings each year.
- We put another £2.7m into the Electric Works, Sheffield, which is now complete. This impressive building, close to the railway station, provides valuable new space for the digital and creative industries. £5.9m of public/private sector investment was also leveraged; 115 jobs created; seven businesses attracted to the region; and 32 businesses created.

- We invested £2m in Sheffield's Moor Markets, now on-site. The economic infrastructure works will enable the markets to move to the Moor, freeing the current site and helping to deliver a key element of the city's Masterplan. 13 construction jobs have been created.
- We have put £2.1m into Hull Truck Theatre. The new state-of-the-art facility is now complete, providing performance, leisure and community facilities in the centre of Hull.
- We have invested £518,000 in 'Park at the Heart', Bradford. Demolition is now underway to clear buildings for the creation of new, world-class public realm at the heart of Bradford's retail, leisure and commercial centre.
- We have invested £140,000 in York Renaissance (with a further £1.26m planned over the next three years), which has now begun. Strategic visioning for the city is under way, and a team is being set up to drive the Renaissance process forward. £50m of public/private sector investment has been leveraged and six hectares of brownfield land regenerated.
- We have put £1.4m into Legibility Leeds and £2.21m into Neville Street Leeds, both of which are due to complete this year. New lighting and improvements to Neville Street will improve the gateway to the emerging Holbeck Urban Village, while Legibility Leeds project will enable visitors to navigate the city more effectively. Public/private sector investments have been leveraged: £800k for Neville Street and £490k for Legibility Leeds

**Partners:** The local authorities, the Arts Council, Hull Truck Theatre.

**Investment:** £15m from Yorkshire Forward.

## *Skills*

### Developing high-level skills in manufacturing

Even without the recent recession, manufacturing would be facing some significant challenges; overseas competition presents a major threat, and productivity levels could be higher. To sustain the manufacturing industries, this year we continued to support the Manufacturing Masters programme—helping businesses to survive and compete through the recession and beyond.

Manufacturing plays a huge role in our region's economy; it's one of the highest-exporting sectors in Yorkshire & Humber, and contributes over £13bn every year and employing some 300,000 people.

We recognise the need to enhance the skills of existing manufacturing employees who might be operating at a high level but who, due to their relatively low level of qualifications, faced barriers to progression. The programme encourages employees to seek out and apply efficiency improvements at their place of work, offering a range of learning opportunities, at all levels, to equip people to handle change and contribute to their company's future. This translates into immediate cost savings for businesses and a very high return on investment.

The programme includes an MSc in Manufacturing Leadership, a Postgraduate Certificate in Manufacturing Excellence and a number of City & Guilds Licentiateship Modules. Each level combines on-the-job learning and in-company project work to give employees the knowledge and confidence to tackle real-life problems and handle strategic change. This year, the project recruited 18 learners onto the MSc (15 of which were funded by Yorkshire Forward); 15 onto the PGC; and 120 learners onto City & Guilds qualifications.

**Partners:** Manufacturing Advisory Service, University of Leeds.

**Investment:** £397,000 this year; £1.2m over three years.

#### Using training to lower IT costs

We've worked with partners in the region to help businesses make the most of open source technology in order to benefit from lower-cost IT solutions.

Open Source for Business is a joint venture between Yorkshire Forward and the Northern Technology Institute (nti) Leeds, which trains businesses in how to take advantage of open source software. This year, 98 people took part, with 40% of the cost being levered from the private sector. There is also now a vibrant regional open-source network and an enhanced skills base within the region.

Open source' is software for which the source code and certain other rights—normally reserved for copyright holders—are provided under an open licence, permitting the user to use, change and improve the software and redistribute or reuse it.

**Partners:** nti Leeds.

**Investment:** £65,000 this year from Yorkshire Forward; (£315,000 over three years).

#### Using training to help businesses adapt and grow

We've helped to support many of those at risk of recession-induced redundancy through the Train to Gain Enhancement Fund, which helps to fill the gaps in skills and workforce development which can't be funded through the standard Train to Gain service. During the year, we used the scheme to support 1,677 businesses and 7,350 individuals.

The scheme provides a grant of up to 60% (to a maximum of £20,000) to support training which will help companies change and grow, ensuring that business leaders and employees are skilled and knowledgeable enough to respond effectively to challenges and changes in economic and market needs.

The £50m Train to Gain Enhancement Fund was set up in August 2008 as a joint Learning and Skills Council/Yorkshire Forward initiative. It has encouraged employers to invest over £13m in staff training, £3m of which is attributable to Yorkshire Forward's investment.

We also launched 'Sustain and Train' to help companies implement short-time working as an alternative to redundancies. We were able to do this swiftly by re-directing money already earmarked for higher-level skills support in key sectors. The result has been more flexible, simpler access to skills help in our region than anywhere else in England.

**Partners:** Learning and Skills Council, Calderdale College.

**Investment:** £4.83m from Yorkshire Forward in 2009-2010, plus £40m from the European Social Fund.

#### Integrating skills brokerage into Business Link Yorkshire

On 1 April 2009, we successfully transferred the Skills Brokerage Service (from the Learning and Skills Council and its sub-contractors) to our own contractor, Business Link Yorkshire, with no break in delivery and no significant TUPE issues. During the year, we helped over 4,000 businesses with their skills needs, referring 220,000 individuals to over 3,000 training courses worth more than £12m.

The Skills Brokerage Service helps businesses to find appropriate training and development, identifies sources of funding, and helps them develop their business through the broader Business Link offer. Integrating the service with wider business support is already delivering a service more directly linked to the bottom line, where the links between training and competitiveness are more apparent.

The single point of contact has simplified business support and improved the experience for customers. Yorkshire Forward is now also collating higher-quality management information, detailing trends in training, referral destinations and outcomes, analysed by sector, size and geography. This data will be invaluable in informing future strategy development at local, city-regional and regional level.

**Partners:** Learning and Skills Council, Business Link Yorkshire.

**Investment:** £3m from Yorkshire Forward.

#### Supporting graduates through the downturn

We're helping graduates take the first step towards a great career by putting in place an internship programme which provides paid placements of three to 12 months with top employers in the region. The scheme offers the opportunity to gain valuable work experience at a time when the recruitment market is less buoyant, and provides added extras such as courses in presentation skills and commercial awareness.

The internship programme forms part of the seven Economic Challenge Investment fund (ECIF) projects which are being part-funded by Yorkshire Forward. It is being made available through the region's universities and through the social enterprise website Graduates Yorkshire, which acts as a link between graduates and employers.

28 internship placements have been secured directly through the universities, and we're on track to deliver 60 further places through Graduates Yorkshire by 31 March 2010. 80% of these internships are translating into permanent graduate posts.

**Partners:** Higher Education Funding Council for England, Yorkshire Universities, Graduates Yorkshire.

**Investment:** £400k to Graduates Yorkshire for the Internship Programme.

## *Transport*

### Connecting Sheffield to London

We've helped to double the number of trains linking Sheffield with the capital, helping to improve South Yorkshire's competitiveness and bring new jobs and investment into the region. The changes address a key transport priority identified by the Sheffield city-region; better access to London is important in attracting inward investment, particularly for capitalising on the relocation of government functions away from London.

Sheffield had been under-served by rail connections and, with only one departure to London every hour, was the only major English city without at least two London trains every hour. This made it difficult for South Yorkshire to compete effectively with other major cities and regions.

The new timetable, which began in December, has provided an additional 24 trains a day to the capital, with the fastest ones reaching London St Pancras in just over two hours. There has also been a significant uplift in the service at Chesterfield, and new direct links between Sheffield and stations in the East Midlands.

We prioritised this project at a time of cutbacks because of its importance to the regional economy and, with our partners, worked persistently through complex rail-industry processes in order to achieve our objective. The changes are expected to add £2m-£3m per year in non-transport-related wider economic benefits for the region.

**Partners:** South Yorkshire Passenger Transport Executive, East Midlands Trains.

**Investment:** £6.05m from Yorkshire Forward and just over £1m from Sheffield City Region.

### Agreeing the region's position on high-speed rail

Yorkshire Forward led the Northern Way's work on agreeing the region's position on high-speed rail, which has widespread support across the region. The position has been brokered by through debate, influence and consensus through the Regional Transport Advisory Board.

The Northern Way is a partnership between ourselves, the Northwest Regional Development Agency and One North East, and was extremely influential in helping the Yorkshire & Humber position.

The region's position statement was agreed by Yorkshire Forward and Local Government Yorkshire & Humber through the Joint Regional Board, and communicated to the Secretary of State for Transport, the Region's

Minister and the Chairman of High Speed 2 Limited (the company set up by the government to consider the case for new high-speed rail services between London and Scotland). The document has been used by others, such as city-regions, in support of their own influencing activity.

**Partners:** Northern Way, Regional Transport Advisory Board, Local Government Yorkshire & Humber, the city-regions.

#### Working to resolve serious rail-capacity problems

As part of the Northern Way (the partnership between the North's three regional development agencies), Yorkshire Forward, as the organisation's lead on transport, has advanced the idea of the Northern Hub. The Northern Way has given the concept the highest pan-regional priority because it offers a comprehensive solution to serious rail-capacity issues. The hub would enhance pan-regional links, allowing direct services between Bradford/Halifax and Manchester Airport, and more, faster trains between Sheffield/Leeds and Manchester.

Further to an evidence-gathering exercise to substantiate the benefits such a solution would bring, the idea has gathered significant momentum with politicians. For example, although the idea was not included in the 2007 Rail White Paper, the outgoing government authorised a study just a few months later.

Network Rail has recently completed a value-for-money assessment for the scheme, projecting a capital cost of £530m to carry 3.5 million more passengers per year on 700 more trains every day.

**Partners:** Northern Way (a partnership of One North East, the Northwest Regional Development Agency and Yorkshire Forward), the Department for Transport, Network Rail, Greater Manchester Integrated Transport Authority, rail operators, city-regions across the North.

#### Helping the jobless back to work—on public transport

Encouraging greater use of public transport, and making it more accessible, is a key priority for improving the region's economy and environment.

Our Travel for Work Partnership was a three-year project aimed at helping jobseekers overcome travel barriers and therefore ease their path back into employment. 65% of people remained in employment up to 13 weeks after receiving support; 85% of those still in work are continuing to use public transport as a result.

This, the final year, has seen some significant successes, including:

- Working with West-Yorkshire employers to reduce by 20,000 tonnes the CO<sub>2</sub> emissions resulting from work-related travel
- Providing the funding for five members of staff to work with employers to provide travel information for job-seekers
- Funding free monthly Metrocards for over 4000 priority job-seekers (in partnership with Job Centre Plus)
- Increasing the membership of the West Yorkshire Travel Plan Network to over 160 employers with more than 215,000 employees.

**Partners:** West Yorkshire Passenger Transport Executive (working with the five district councils in West Yorkshire), and Jobcentre Plus.

**Investment:** £326,000 from Yorkshire Forward.

### 3.3.3 Evaluation

This year, the Yorkshire Forward evaluation strategy has been revised to take account of:

- the lessons learned from participation in the National RDA Impact Evaluation exercise 2008/9
- the external evaluation of approaches to evaluation of the East Midlands Development Agency, ONE North East and Yorkshire Forward (jointly commissioned by the three RDAs in 2008)
- internal reflections on our strengths and weaknesses.

The new strategy reinforces Yorkshire Forward's greater commitment to evaluation, with an even stronger focus on learning from the past and improved management of evaluation information.

In 2009-10, 61 independent external evaluations of our projects and programmes were undertaken, commissioned through the Yorkshire Forward evaluation team. This included interim phases of a number of strategic evaluations, including:

- the ERDF programme
- our geographic programmes
- our policy product ranges
- our response to the recession.

The other 57 evaluations are spread across Yorkshire Forward's delivery directorates (16 in Economic Inclusion, 28 in Business, 10 in Environment) and 3 in the strategy directorate.

Both the strategic-level and project-level evaluations provide important information about the ways in which we and our delivery partners have performed, by reporting on:

- whether or not objectives are being met
- the net economic impact of interventions
- social and environmental impacts
- value for money, including return on investment
- strategic added value
- effectiveness and efficiency of delivery
- lessons learned and good practice to share.

Steps have been taken this year to improve internal and external communications from the evaluation team. As a result, the evaluation page on our intranet has been redesigned to provide easy access to evaluation policy, guidance and reports, grouped by policy product range. An evaluation update is now produced quarterly, informing colleagues of findings and news.

Our evaluation findings have been discussed at regional and national seminars and conferences this year, including the national conference of the UK Evaluation Society and its regional seminars; the Institute of Economic Development's regional seminars; and seminars run by Leeds Metropolitan University and Sheffield Hallam University.

Projects and programmes which have had external evaluation commissioned in 2009-10

<p><b>Economic inclusion</b></p> <p><i>Findings and uses of evaluations in the Economic Inclusion Directorate:</i> Longitudinal evaluations have helped to shape the delivery of economic inclusion projects and programmes, ensuring they are focused on beneficiary need in order to maximise impact. This has been vital, as many of the projects were developed prior to the recession. A general finding for economic inclusion projects is that it's important to develop both soft and hard skills in order to increase beneficiaries' resilience and employability in the future.</p>
<p><b>Skills</b></p> <p>Directions Finningley, West Yorkshire Skills, Sustain and Train, Rugby Football League, Enhancement Fund, Franklin Covey 7 Habits for Effective Teenagers, Skills for Clusters, STEM (science, technology, engineering and maths), Regional Language Network, West Yorkshire Skills.</p>
<p><b>Employment</b></p> <p>Charity Bank, Employability Programme, Prince's Trust, South Yorkshire Social Infrastructure Programme, More Opportunities Realistic for Everyone (MORE), Access to Employment.</p>
<p><b>Business</b></p> <p><i>Findings and uses of evaluations in the Business Directorate:</i> Evaluations have helped to inform the development and delivery of future projects and programmes and to inform decision-making on continuation funding. Evaluation findings indicate that additionality in the Business Directorate continues to be high, thanks to effective targeting of interventions to specific groups of businesses. The Business Link Yorkshire interim evaluation is encouraging, with good potential impacts indicated.</p>
<p><b>Competitiveness</b></p> <p>Digital Region, Enterprising Barnsley, Designing Demand Immerse, Food and Drink Programme, Knowledge Rich, Science City York Nurturing, Virtual Enterprise Network, Seafood Cluster, Automatic Identification Data Capture, Innovation Vouchers, Innovation Awards, Enterprise Europe Network.</p>
<p><b>International business</b></p> <p>Investment in South Yorkshire.</p>
<p><b>Enterprise and access to finance</b></p> <p>Embedding Enterprise in Education, Young People's Enterprise Forum, Transitional Loan Fund,</p>

<p>Regional Knowledge System, Social Enterprise Mentoring Programme, Grants for R&amp;D, Large Grants for R&amp;D, Rotherham Ready, Graduate Entrepreneurship, Rotherham Enterprise, Venturefest, Business Link Yorkshire.</p>
<p><b>Low-carbon economy</b></p> <p>Resource Efficiency Yorkshire, Centre for Low Carbon Futures, SFCo/CAY/ FEY.</p>
<p><b>Environment</b></p> <p><i>Findings and uses of evaluations in the Environment Directorate:</i> Evaluations, particularly from the Environment Directorate (but also from the Business Directorate) have contributed to a national evaluation report by SQW on the impact of RDAs on Defra-related objectives. Evaluations of our economic infrastructure and tourism/events projects and programmes are contributing to national discussions on evaluation methodology.</p>
<p><b>Rural renaissance</b></p> <p>Renaissance Market Towns, Rural Opportunities for Self-Employment, Modernising Rural Delivery.</p>
<p><b>Urban renaissance and property</b></p> <p>Bradford Business Forest, Sheffield Barker's Pool &amp; Heart of the City, Integreat Regeneration Academy Pilot.</p>
<p><b>Tourism and major events</b></p> <p>Clipper 2009-10, Headingley Stadium, Regional Tourism Programme, British University and Colleges Sports Championships 2010.</p>
<p><b>Strategy</b></p> <p><i>Findings and uses of evaluations in the Environment Directorate:</i> Strategic-level evaluations are at an early stage but are already proving useful. The ERDF programme evaluation has fed into the performance-management framework review and has informed the ERDF programme monitoring committee for strategic decision-making. The geographic programmes evaluation has supported the approach we have taken and has highlighted ways in which the programmes can be improved, particularly around better planning and clearer communications between ourselves and local authorities.</p>
<p><b>High Level Skills Policy, Y&amp;H European Office, ONS Regional Presence 2009</b></p> <p>Strategic level evaluations: Policy product ranges, geographic programmes, response to the recession, ERDF programme.</p>

### 3.3.4 Efficiency summary

Within an increasingly challenging fiscal environment, we strive to achieve an excellent return on investment for the taxpayer with value for money representing the first of our five core values.

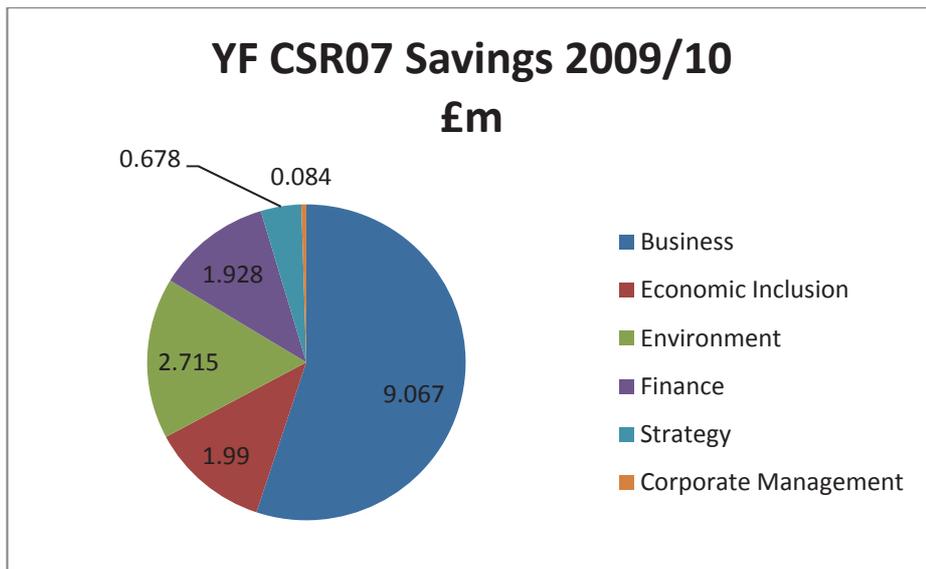
The 2007 Comprehensive Spending Review (CSR) reduced our budget by 2.3% year-on-year over the period 2008 to 2011. We are also required to achieve both administration and programme savings of £47.378m to

release cash to our priority areas of delivery. These cash releasing savings are being evidenced not only by delivering savings but also by improving our performance efficiency.

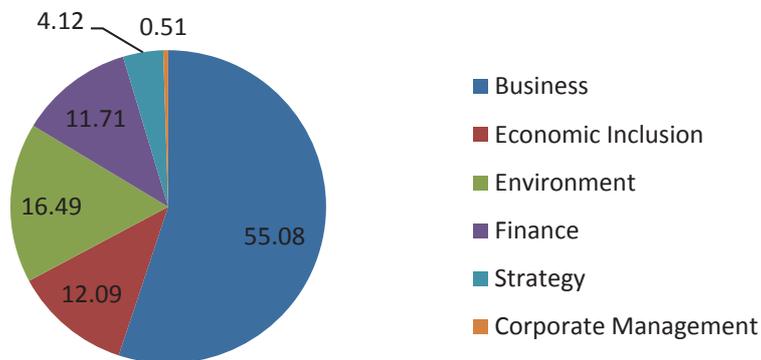
To respond to these challenges, a value for money strategy has been endorsed by the Executive and an implementation board composed of Directorate representatives meet quarterly to actively monitor progress. The status of our cash releasing savings and performance efficiency for 2009-10 has been maintained at “green” in line with BIS’s traffic light risk rating.

In 2009-10 we delivered cash releasing savings of £16.462m, against our annual target of £15.840m. All savings are checked by colleagues in Finance Directorate and reported to Directorate management teams. With the support of our partners we also achieved an equivalent improvement in our performance efficiency, resulting in greater outputs achieved per pound invested.

Our budget was reviewed and revised in light of an £8.35m additional budget reduction from Government in 2009-10. This review permitted all of our committed projects to be progressed accordingly. The savings achieved during 2009-10 also helped minimise the impact of this budget reduction. We continue to work with RDA colleagues to address savings targets from HM Treasury and the wider government.



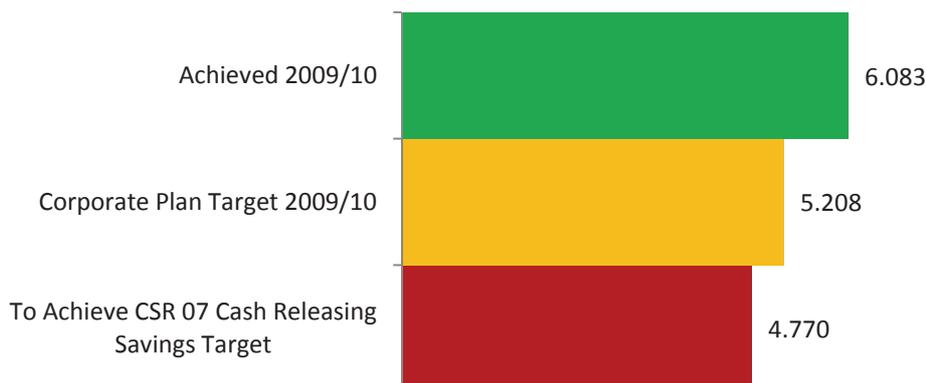
### YF CSR07 Savings 2009/10 %



### CSR 07 Performance Improvement 2009-10

Unit of Benefit - Cash releasing savings equivalent	
Cash releasing savings target 2009-10	£15.840m
Unit of Benefit required to achieve CSR 07 cash releasing savings target 2009-10	4.770
Unit of Benefit Corporate Plan target 2009-10	5.208
<b>Unit of Benefit Achieved 2009-10</b>	<b>6.083</b>

### CSR 07 Performance Improvement 2009-10



### 3.3.5 The Yorkshire & Humber Competitiveness and Employment Programme (ERDF) N+2 target

The Yorkshire & Humber Competitiveness and Employment Programme exceeded its 2009 spending target (known as N+2) by 28%. The target is set by the European Commission at the outset of the programme.

The initial 2009 target was demanding but, faced with the economic downturn, the difficulty in getting match-funding made it even more difficult. The target is in Euros and, over the last year or so, currency devaluation has posed challenges. However, by contracting two major projects (allowing us to defer some project spend), and through the Commission's cash advance, we were able to substantially reduce the 2009 N+2 target.

The final target was €41.9m of ERDF spent, and the programme achieved €53.6m by the end of 2009.

#### *Programme performance*

The ERDF programme has progressed a number of proposals drawing over £140m of ERDF through the development pipeline to contract and delivery in the year. 38 projects are now contracted worth £161m ERDF which is about 32% of the programme's resources. Included in that total are two major projects: Digital Region and Science City York. Major projects are those with public financing (ERDF and public match) greater than €50m, and single beneficiaries. Such projects require individual assessment and approval by the European Commission.

Yorkshire Forward is the only English regional development agency to have a major project approved by the Commission. In addition, the programme has invested £30m (under the European Commission's JEREMIE initiative) in a venture capital and loan fund, Finance Yorkshire. Launched in March 2010, the fund is also attracting investment from the European Investment Bank.

#### *Annual implementation report*

The Yorkshire & Humber Competitiveness and Employment Programme's financial reporting to the European Commission is by calendar year. By regulation, an annual implementation report has to be approved by the programme monitoring committee and submitted to the European Commission by 30 June. The 2008 report was approved and submitted on time and, after due consideration, approved by the European Commission on 31 July 2009. The 2009 report will be discussed by the committee in June 2010.

### **3.4 How we deliver**

#### **3.4.1 Yorkshire Forward's board**

During 2009-10 the board met on nine occasions. The members' responsibilities include:

- Ensuring that we comply with any statutory or administrative requirements for the use of public funds
- Establishing our strategic direction within the policy and resources framework agreed with the minister
- Ensuring that high standards of corporate governance are observed at all times
- Overseeing the delivery of planned results by monitoring performance against strategic objectives
- Ensuring that, in reaching decisions, they have taken into account any guidance issued by BIS.

Board members have wider responsibilities which include:

- membership of board sub-committees and task & finish groups
- representing Yorkshire Forward in the sub-regions and on the sub-regional partnerships

- championing particular policy areas, such as renaissance, inclusion and skills, sectors and scrutiny
- developing and maintaining relationships with Yorkshire Forward's partners and stakeholders.

Board members have a duty to comply at all times with an established code of practice, which includes following the seven principles of public life as set out by the Committee of Standards in Public Life.

#### *Board members*

**Terry Hodgkinson** is chair of Yorkshire Forward's board and is accountable for its performance, reporting directly to senior government ministers. As well as being the key interface with our stakeholders, he also acts on behalf of all the UK's regional development agencies on a number of national issues, including maintaining relationships with HM Treasury, the CBI and the TUC.

He is responsible for updating and promoting our Regional Economic Strategy, which has a direct influence on Yorkshire & Humber's £89.1bn economy.

Terry is passionate about good design and architecture, and is a keen supporter of the arts and built environment. A Fellow of the Chartered Institute of Building, as well as a Fellow of the Institute of Directors, he brings more than 30 years' experience in property and building-related businesses to his post at Yorkshire Forward.

He is also chair of Magna Holdings Ltd, a property development and investment company, where he is dedicated to restoring brownfield sites and redundant and historic buildings and conservation areas.

Terry is committed to professional and personal development. He believes that continuous learning is critical to success in our fast-changing world.

**Linda Pollard OBE JP DL** is deputy chair of Yorkshire Forward, a role in which she takes the lead on skills, tourism and key account management. Linda started her first business at the age of 23 and sold her last over eight years ago. Now she devotes most of her time to the public sector, and is chair of Leeds NHS Primary Care Trust. She is also the pro-chancellor and chair-elect of the University of Leeds, as well as the regional chair for Coutts Bank plc.

**Barry Dodd OBE** founded the GSM Group 30 years ago. Today, his company is a market-leader in manufacturing, with five major operations in our region. Barry's remit at Yorkshire Forward is for business and innovation. He is chair of the Yorkshire Universities Proof of Commercial Concept Fund and ambassador of the Manufacturing Advisory Service. Barry is a member of the UK Automotive Council and also chairman of CO2Sense Yorkshire, a company set up by Yorkshire Forward to help businesses become more environmentally friendly.

**Mark Lovell** is the executive chairman of A4e Ltd. He is a dynamic, successful entrepreneur and business leader focused on high-growth business in global public-service markets. His company, which has grown from a

start-up 15 years ago to a £100m turnover business, has received a number of accolades. He is chairman of the CBI Education and Services Board and a member of the CBI Public Services Strategy Board.

**Cllr Jan Wilson CBE** is an elected member of Sheffield City Council. She holds several board positions, including membership of the Sheffield First Partnership, the South Yorkshire Passenger Transport Authority and the Joint Regional Board.

**Cllr Kath Pinnock** is an elected member of Kirklees Council and has represented Cleckheaton as a Liberal Democrat since 1987. She is leader of the Kirklees Liberal Democrat Group and was the first female leader of Kirklees Council from 2000-2006. She is a member of the Local Government Association's Policy and Strategy Group; a consultant peer for the Audit Commission; and a non-executive director of Yorkshire Water. During her time as leader of Kirklees Council, the award-winning Warm Zone Scheme provided free loft and cavity insulation to homes in Kirklees. Kath has recently signed up to the 10:10 campaign to reduce carbon emissions by 10% by 2010. Kath is passionate about improving educational opportunities and outcomes for young people. She used to work as a senior examiner and history teacher in the West Yorkshire area, and continues to chair the governing body of her local high school.

**Cllr John Weighell** is the leader of North Yorkshire County Council and a member of Hambleton District Council. He is a member of the Leeds CITY Region Leaders Board and an executive member of the County Councils Network. John is chair of the Local Government North Yorkshire & York as well as vice-chair of the Association of North Yorkshire Councils. He is chairman of the North Yorkshire Local Government Pension Fund; co-chair of the Joint Regional Board; a member of the County Councils Network executive; and a partner in a family farming business in the Vale of York which grows crops and rears beef cattle.

**Cllr Mark Kirk** is responsible for shaping and implementing Yorkshire Forward's policies for the environment, sustainability and rural renaissance. He is the leader of North Lincolnshire Council and chair of the Yorkshire & Humber Assembly's Regional Transport Board. Mark is also a director of Humberside Airport. He chairs the local ethnic community meetings, and is a founder member of the Crosby Community Association.

**Professor Michael Arthur** is vice-chancellor of the University of Leeds and champions inclusion and skills issues on behalf of Yorkshire Forward. Throughout his distinguished career in medical research scholarship and education, Professor Arthur has received an array of accolades for his studies of the liver. He also sits on the board of the White Rose University Consortium. He is a US/UK Fulbright Commissioner, as well as a council member of the Medical Research Council. Michael is chair of the Russell Group of Universities and recently became director for the centre of Low Carbon Futures.

**Bill Adams** is currently regional secretary of the Yorkshire & Humber TUC, having previously served five years as its education officer. Bill has been a trade union activist for most of his working life, in both the public and private sectors. In 1990 he returned to university to read law, and then completed a postgraduate degree in industrial relations and labour law. Bill cares deeply for the region, having served as an executive member of the Yorkshire & Humber Assembly. He is also on the executive of the ACAS Employee Relations Forum, the Work

and Skills Board in Sheffield, and the board which promotes ESF funding in the region. He is a governor of his alma mater, the University of Central Lancashire. His many interests include international issues and sport.

**Ajaz Ahmed** founded Freeserve, once the UK's largest internet service provider and now part of Orange. Having bought a PC at a computer superstore, he discovered that no one there could tell him how to get online. So in 1998 he persuaded Dixons to launch Freeserve. After becoming the UK's largest ISP in just three months, quickly going public at £1.5bn and entering the FT100 soon after with a market cap of £9bn, Freeserve was later sold to Wanadoo for £1.6bn. Ajaz was business development director there until April 2001, when he left to pursue other business interests. He now holds several board positions and is actively involved with a number of investments. He also sits on the governing council at the University of Huddersfield.

**Julie A Kenny CBE DL** is managing director of Pyronix Ltd and a director of Secure Holdings Ltd, the British Security Industry Association. She is also a director of Creative Sheffield. Julie is a UK commissioner for employment and skills and is a member of the Small Business Forum, the Better Regulation Stakeholder Group and the Administrative Burdens Advisory Board. In our region, Julie is a member of the Spatial Planning Board and is an honorary doctorate of Barnsley and Rotherham Chamber of Commerce. Julie is also a governor of Mount St Mary's College.

**John Vincent** is a director of AECOM, a global planning and advisory service for the built environment. John has over 30 years' public- and private-sector experience of delivering transportation projects from feasibility through to implementation. As managing director for transportation in the UK and Europe, he is responsible for over 1,000 AECOM staff in the road, rail and aviation sectors. He is a graduate of the University of Leeds; founded AECOM's business in Yorkshire; and is a resident of York—so he is fully committed to making the region a great place in which to live and work.

#### *Board appointments*

In the last year, Yorkshire Forward has made two appointments to the board. The following all began three-year terms on 14 December 2009:

**Sharon Allen** is chief executive of St Anne's Community Services, a voluntary sector organisation providing a wide range of supported housing and social care services throughout Yorkshire & Humber and the North East of England. She has a number of governance and strategic roles, including chair of Volition (Leeds Voluntary Sector Mental Health Forum) and board member of Affinity Trust and the Regional Forum. Sharon is also a founding member of ACEVO North Steering Group and member of the Skills for Care Regional Committee. She represents the voluntary sector on the Leeds Joint Strategic Commissioning Board and ACEVO North Steering Group. She has recently been appointed to the Health and Criminal Justice National Advisory Group on the Bradley report and is an external examiner for Leeds Metropolitan University Post-Qualifying Social Work Award.

**Heidi Mottram** worked in the rail industry since the mid-1980s, starting her career with British Rail as an operations management trainee. She left her last position as managing director of Northern Rail in February 2009. Heidi has recently taken up the post of CEO of Northumbrian Water Group.

#### *Board meetings*

Members' attendance figures for board meetings from 1 April 2009 to 31 March 2010:

Terry Hodgkinson, chair	8/9
Linda Pollard, deputy chair	8/9
Michael Arthur	7/9
Barry Dodd	8/9
Arshad Javed**	7/9
Mark Kirk	7/9
Mark Lovell	7/9
Julie Kenny	7/9
Laura Moynahan**	5/7
John Weighell	8/9
Jan Wilson	8/9
Kath Pinnock	8/9
Ajaz Ahmed	7/9
Bill Adams	7/9
John Vincent	8/9
Sharon Allen*	2/2
Heidi Mottram*	2/2

These attendance figures are for regular board meetings plus a special board meeting held in July 2009.

\* Heidi Mottram and Sharon Allen joined the Board on 14 December 2009.

\*\* Laura Moynahan and Arshad Javed retired from the board on 13 December 2009

#### *Compensation Sub-Committee*

The Compensation Sub-Committee is appointed annually and acts on behalf of the board to consider any revised terms and conditions of its members; the performance and compensation of the chief executive and the executive directors; and any review of pay and other personnel policies relating to Yorkshire Forward staff.

The sub-committee met once during the course of the year. It was chaired by Linda Pollard and the other members were Terry Hodgkinson, Bill Adams, Michael Arthur and Mark Kirk.

Board attendance figures for Compensation Sub-Committee meetings from 1 April 2009 to 31 March 2010 are as follows:

Linda Pollard, chair	1/1
Terry Hodgkinson	1/1

Mark Kirk	1/1
Bill Adams	1/1
Michael Arthur	0/1

#### *Audit Sub-Committee*

The Audit Sub-Committee is a Sub-Committee of the Board and supports the Board in its responsibilities for issues of risk, control and governance. The Sub-Committee formally reports in writing, by way of minutes, to the Board and Accounting Officer after each meeting and copies are provided to the National Audit Office, who, along with Government Office Yorkshire & Humber, are also invited to attend.

The Sub-Committee also provides the Board and Accounting Officer with an Annual Report, timed to support finalisation of the accounts, summarising its conclusions from the work it has done during the year and periodically reviews its own effectiveness, reporting this also to the Board and Accounting Officer. The Sub-Committee's Terms of Reference are available on the Yorkshire Forward's website

The Audit Sub-Committee advises the Board and Accounting Officer on:

- the strategic processes for risk, control and governance and the Statement on Internal Control;
- the accounting policies, the accounts and the annual report, including the process for review of the accounts prior to submission for audit and that reporting is prudent, accurate, appropriate and consistent with Government accounting policies;
- the planned activity and results of both Internal Audit and the National Audit Office;
- adequacy of management response to issues identified by audit activity, including the National Audit Office's management letter;
- assurances relating to the corporate governance requirements for the Agency;
- the anti-fraud and confidential reporting policies.

Board members are appointed to the Audit Sub-Committee on an annual basis. Attendance levels for 2009-10 were:

John Weighell, chair	4/4
Julie Kenny	3/4
Jan Wilson	3/4
Mark Lovell	2/4
Arshad Javed*	0/3
Terry Hodgkinson**	1/1

\* Arshad Javed retired from the board on 13 December 2009

\*\* As chair of Yorkshire Forward, Terry Hodgkinson attended the Audit Sub-Committee meeting in July 2009.

### *Board appointments*

	Date of appointment/ re-appointment	Term (years)
Terry Hodgkinson, chair	14 December 2006	3
Linda Pollard OBE JP DL, deputy chair	14 December 2007	3
Ajaz Ahmed	14 December 2008	3
Bill Adams	14 December 2008	3
Professor Michael Arthur	14 December 2006	3
Barry Dodd	14 December 2008	3
Arshad Javed*	14 December 2007	2
Julie Kenny CBE DL	14 December 2008	3
Cllr Mark Kirk	14 December 2007	3
Mark Lovell	14 December 2007	3
Laura Moynahan*	14 December 2007	2
Cllr Kath Pinnock	14 December 2008	3
John Vincent	14 December 2008	3
Cllr John Weighell	14 December 2006	3
Cllr Jan Wilson	14 December 2007	3
Sharon Allen	14 December 2009	3
Heidi Mottram	14 December 2009	3

\* Laura Moynahan and Arshad Javed retired as board members on 13 December 2009.

### **3.4.2 Partnership working in 2009-10**

#### *Relationships with our partners in the region*

Our relationships and communications with our stakeholders and partners have been improving and becoming more effective, as evidenced through our annual stakeholder survey. However, we have been determined to increase the rate of improvement—through effective, regular, two-way communication and by building strong, mutually beneficial relationships. We know that listening is as important as speaking.

#### *Strategy and structure*

In October 2009, we established an external communications strategy and created the new post of Assistant Director (external communications) to drive and manage our plans through to delivery. Our structure for delivery includes an external communications matrix team, led by our chief executive and chaired by our assistant chief executive. Five strands of activity are managed by the appropriate executive director, co-ordinated by the assistant director (external communications).

### *Listening, responding and delivering*

We use a matrix-team approach to meeting our objectives across the five strands of activity. The common themes across these strands are regular meetings with groups and/or individuals, regular written communications, updates and intelligence, and engagement with our strategic plans and processes (including the Integrated Regional Strategy and Independent Supplementary Review).

Early indications from our stakeholders and partners are that this new approach is making a difference, and that the changes are welcomed. The following section provides some examples of the progress we have made in the area of communications and relationships.

### *Working with Local government*

Strong relationships with local government are of vital importance to us. This year, we've continued to meet and correspond regularly with the leaders and chief executives of the 22 local authorities across the region. We have held information sessions with senior councillors, officers and other regional partners to keep them informed as to the changing economic situation.

We've also held sub-regional information sessions aimed specifically at elected members, providing them with a broader introduction to Yorkshire Forward's work and the opportunity to meet key members of our staff.

### *Working with City-regions*

Recognising the increasingly important role of city regions, we continue to work closely with the three in our area (Leeds, Sheffield and Hull & Humber Ports) as well as the functional sub-region of York and North Yorkshire.

This sub-regional partnership has also led to greater understanding as we work together to develop the new Yorkshire & Humber Strategy.

We have worked with city-regions to support the development of multi-area agreements. These bring together local public- and private-sector partners to co-ordinate action across a wide range of policy interventions—including housing, transport and employment and skills. We will continue to support city regions as new statutory arrangements are developed for co-operation between local authorities.

### *Working with the region's organisations*

We have maintained our close working relationship with Government Office Yorkshire & Humber, assisting them in all areas of their work including the support of the regional minister and the regional committees.

We have helped to establish, and played a full part in, the new regional structure to replace the old regional assembly. As a result, we have established a project plan and process for the delivery of the next Yorkshire & Humber Strategy.

### *Working with Key businesses*

We have continued to strengthen our activity with our largest regional employers, to retain and increase investment in the region. This included launching a new Key Account Management, Customer Relationship Management platform for Yorkshire Forward and local authority partners to develop a more effective joined up approach to business relationships.

We've enhanced our online presence to penetrate a wider business audience, launching improved website content and navigation and a comprehensive 'funding tool' to provide businesses with a more intuitive way of searching for funding support which within a couple of days of launching became one of the most popular parts of the site.

### *Working with the wider private, public and third sectors*

We have continued to maintain our valuable relationships with a range of key bodies including the region's universities, and third-sector, faith and sustainability organisations. The majority of these organisations have continued to support us and the region through their involvement in the Independent Supplementary Review and the proposed new regional strategy through the Integrated Regional Strategy process.

We are about to launch a new quarterly newsletter for this growing group of stakeholders and partners, which will come directly from our chief executive, to ensure that they are fully up-to-speed on our key policies and interventions. This builds upon the recently introduced face-to-face sessions which will ensure that we meet our objective of fully embracing the Team Yorkshire & Humber approach to economic prosperity for our region.

### *Cross Regional Collaborations with the Northern Way*

2009-10 has been an active year for the Northern Way partnership, with the three Regional Development Agencies stepping up their collaborative work, with each other, and with other Northern Way partners from business, local government and the universities. A new chairman, Hugh Morgan Williams, was appointed in July. Highlights have included major breakthroughs on the delivery of our established transport priorities, the development of enhanced collaboration on innovation, and on new and renewable energy, and a series of influential policy and research reports. The programme has been described as national best-practice by government, and as a "stand-out example of cross-regional collaboration" by the OECD.

On transport, this year saw some important steps forward in delivering the Northern Transport Compact's priorities. In February Network Rail responded to the Northern Way's economic case for investment in the Northern Hub rail network, by setting out a detailed proposal for investment for 2014. The Northern Way also played an important role in the debate on High Speed Rail, securing agreement from across the North to a series of principles, based on analysis provided through the Northern Way's sponsorship of the Greengauge21 Public Interest Group. By working together across the North we strengthen the case for a network that maximises economic benefit for the North as a whole. The Northern Way also reached agreement with Network Rail over the next stage of work on Gauge Enhancement for Rail Freight, including supporting access from Tees and the Humber ports to the main rail network.

The Northern Way Private Investment Commission reported in July 2009, bringing together business leaders from different sectors to identify and encourage pro-investment policies for the recovery phase and beyond. Their report focused on best practice to create the right local conditions, to enhance the flow of long-term business finance and to improve the private sector contribution to regeneration in more difficult times. The subsequent “Regeneration Momentum” programme considered the practical steps required to continue to finance and deliver regeneration projects in a more difficult economic and fiscal climate. Among the research proposals, Michael Parkinson produced a significant report into the experience of physical regeneration during the recession and beyond, presented to a major conference in Bradford in January. The Northern Way has also played a role on publicly-supported venture capital investment, promoting approaches which deliver into business networks in the regions. This included influence with the Rowlands Review considering options for future delivery.

The Northern Way Innovation Programme continues to proceed well, engaging a wide range of businesses in finding technological and manufacturing solutions in printable electronics, offshore wind and carbon abatement. This included an important collaboration with the Technology Strategy Board, which ensured alignment between regional and national innovation support, while also delivering more national funding to business and university collaborations in the North. The Northern Way also delivered the NorthernNet, which means for the first time, the North West, Yorkshire and the North East will have a single ultra-high speed, secure, digital network that connects the regions’ creative and digital industries and customers, linked to the new BBC facilities at MediaCity:UK in Salford.

The Northern Way is also developing a Strategic Direction for Energy, to address the key challenges in supporting renewable and nuclear energy, and their supply chains across the North. They will build on the successful Northern Wind Innovation Programme, by establishing a stronger cross-regional capacity to support the supply chain for the offshore wind sector. A similar initiative will help secure the supply chain for the new nuclear sector. The Northern Way is also playing a role in promoting the North as a low carbon powerhouse, addressing barriers in planning, and in grid infrastructure.

As well as supporting the key themes, the Northern Way Policy and Research Programme included two major pieces of research considering links between places within the North. The “City Relationships” study, led by the Work Foundation, strengthened the case against parochialism, and encourages local authorities to work across boundaries when making choices about investment and infrastructure. The second study, by the Spatial Economics Research Centre, focused on the economic links between Manchester and Leeds. It found considerable economic benefits from closer links, provided local people can respond through investment in skills. The Northern Way has also been working to make links between the three new integrated regional strategies, including by supporting a major conference in May 2009 which identified how these strategies can address current and future challenges facing our regions.

### *Working with MPs, MEPs and peers*

Yorkshire Forward is proud of the strong relationships which we continue to build with our region's politicians.

Our regular face-to-face meetings and quarterly newsletters keep MPs, MEPs and peers up-to-date with our work, and we hold annual events in London to foster closer links with them and their key staff. This enables us to brief them all more directly on issues affecting their constituencies and the region, and ensures that politicians have a strong first point of contact within Yorkshire Forward—which is particularly important during the current economic climate.

Twice a year, we provide economic data with detailed constituency-specific information to MPs and MEPs, offering greater understanding of the economic needs of the people they represent.

Yorkshire Forward maintains strong relationships with national politicians through our HM Treasury lead role and at major events. Our senior team continues to meet regularly with key politicians.

In 2009-10, we held a House of Commons event for MPs and peers, meeting more than 50 of our regional representatives to discuss our work on the recession. We also held our second politicians' surgery in Westminster, allowing MPs and peers to meet with senior Yorkshire Forward staff on a one-to-one basis.

### *Advising HM Treasury*

Yorkshire Forward has continued to work in partnership with HM Treasury, leading this relationship on behalf of the RDA network. Through this we have provided Government with strong up-to-date regional economic intelligence which, alongside information on the needs of regional businesses, Government can base their policy decisions. This role was vital during the recession, and will continue to be so as we emerge and begin the economic recovery.

As core elements of this work, Yorkshire Forward prepared and submitted on behalf of the RDA network, two submissions to the Pre-Budget Report 2009, which included a specific focus on the negative impact that we believe Empty Property Rates are having on development sector and as such on the ability to deliver long term regeneration priorities. Further to these, we also submitted in February evidence to assist HM Treasury in their considerations for Budget 2010. Our representation covered improving access to finance; accelerating development of the low carbon economy; tackling the issue of youth unemployment; improving the flow of funding to regeneration; and how RDAs could be supported to deliver the New Industry New Jobs agenda. Yorkshire Forward will continue to work with HM Treasury to inform their work by highlighting how economic conditions are affecting the regions and their businesses.

### *Working with the TUC*

Yorkshire Forward has the lead regional development agency role with the TUC and our Chair, Terry Hodgkinson, holds regular meetings with its General Secretary, Brendan Barber.

The purpose of these meetings is to improve relationships and representation with the trades unions, to share ideas and policy, and to work together on major agendas such as the Sub National Review and vulnerable

workers. In November 2009, Yorkshire Forward—on behalf of the regional development agency network—signed a memorandum of understanding with the TUC, formalising our strong relationship with them. We are currently working with the TUC on how to maximise the benefits of this agreement.

We also meet regularly with Bill Adams, Regional Secretary of the Yorkshire & Humber TUC, to discuss issues related to Yorkshire & Humber. Over the past year, these have included carbon capture and storage, mitigating the impact of the economic downturn, and employer relations. Bill Adams was appointed to the Yorkshire Forward Board in December 2008.

In partnership with One North East and the Northwest Regional Development Agency, we held an event on 'Leadership of the North' at the TUC Annual Congress in Brighton.

#### *Working with Employer representative organisations*

We continue to work closely with those organisations representing business interests in the region, including Chambers of Commerce, the CBI, the Federation of Small Businesses, EEF and the Institute of Directors.

We have held regular, tailored communications (both written and face-to-face) on key business issues and on their relationship with Yorkshire Forward. The intelligence gained has directly informed the regional economic reports which we regularly submit to central government.

We also undertake consultations with the business organisations on key national and regional policies. In particular, over the past year, this has focused on the future role of regional development agencies and input to the Labour government's New Industries, New Jobs agenda.

In addition to bilateral discussions, Yorkshire Forward has involved representatives from the main business organisations in important regional fora, including the Regional Economic Delivery Group, Business Advisory Group, Regional Industrial Development Board and Manufacturing and Financial Task Forces.

#### *Press and media*

This has been another challenging but productive year for our press team. In 2008, the change in the economic climate shifted the team's focus for the team away from dealing with largely corporate media relations to looking at how Yorkshire Forward is responding to external developments in the region.

This changing focus has continued throughout 2009 and was influenced by the run-up to the 2010 general election and the debate around the future of the regional development agencies. In the face of these exciting and challenging conditions, the press team has continued to deliver high-quality, efficient and intelligent media through both proactive and reactive media activity.

#### *Listening to stakeholders*

We have undertaken a stakeholder survey every year since 2001. This year, we asked for the opinions of 1,375 stakeholders—including public-sector partners, businesses and politicians from right across Yorkshire &

Humber. We always ensure that we consult with a wide range of stakeholders, not just those who have regular contact with us. Some of the results include:

- Two-thirds of our stakeholders are aware of Yorkshire Forward (67%)
- 71% of respondents believe we're making a positive difference to the region's economic development and regeneration
- Overall, 54% of respondents are satisfied with Yorkshire Forward.

The top three areas which respondents are most likely to identify as a high priority for Yorkshire Forward are:

- Supporting new and existing business (53%)
- Responding to economic challenges (46%)
- Supporting the development of skills in the region (43%)

### **3.4.3 Assuring quality and compliance**

Yorkshire Forward is a learning organisation: we undertake and are subject to regular quality and compliance reviews and take on board their findings and recommendations. We know that we can learn from the insight that others can provide.

#### *Using our funding effectively*

We have continued to ensure that we're making the most effective use of our money—all the more necessary this year given the pressing economic circumstances and the reduction in our government funding.

In large part, this has been achieved through the revision of our corporate objectives (see page 5). In addition, we're working on our internal processes, particularly through a review of the project-management framework—the process by which new projects are brought forward and assessed, a reduction in administration costs through a more prudent approach to the way we conduct our business.

#### *Regional delivery of strategies and self-management*

- **Scrutiny**

As of April 2009, scrutiny and accountability are provided primarily through the regional select and regional grand committees. We also provide briefings and appropriate Yorkshire Forward staff on an *ad hoc* basis for local-authority scrutiny committees. There is currently no system of direct regional local-authority scrutiny similar to that previously provided by the Yorkshire & Humber Assembly. The Yorkshire & Humber Regional Select Committee was set up in March 2009. Its first enquiry looked at the work of Yorkshire Forward, with the final report published on 16 March 2010. We'll be looking at its recommendations and seeking board approval for our response in the near future. We provided briefings and answers to specific parliamentary questions, relating to our work for the first meeting of the regional grand committee, on 29 October 2009. We also regularly answer Freedom of Information enquiries from the public.

- **Economic strategy in Yorkshire & Humber**

Work is progressing on the development of a new integrated regional strategy, the Yorkshire & Humber

Strategy, which brings together economic and spatial planning. Having established robust governance structures and agreed a project plan, an evidence-gathering phase has been in place since late 2009. This came to a close in spring 2010, and will inform the subsequent development of integrated policy options. The involvement of local authorities, particularly through Local Government Yorkshire & Humber and the functional sub-regions, has been a crucial element of all this work. The Joint Regional Board, which brings together local-authority leaders and Yorkshire Forward board members, has agreed that our region needs to take an ambitious approach to developing a low-carbon economy.

The Yorkshire & Humber Strategy will not be agreed until 2012; based on the current timetable, work is also underway on a light-touch assessment of the Regional Economic Strategy, to ensure that it adequately reflects the current economic and public policy context and the ability of Yorkshire Forward and our partners to deliver its objectives.

- **Independent Supplementary Review (ISR)**

Yorkshire Forward's performance has most recently been assessed under the Independent Supplementary Review process. This was undertaken this year by the National Audit Office and is due to report in summer 2010. They assessed us as a strong-performing regional development agency in the Independent Performance Assessment 2006/07, although the scope of the ISR has been more limited.

- **Performance-monitoring by BIS**

Every six months, we meet with our sponsoring government department, BIS, to monitor and discuss our performance. This process covers key business successes and challenges, how we have responded to the economic downturn, and progress on delivering the Regional Economic Strategy and our Corporate Plan. Other areas include major agency risks, sponsorship issues and a forward look at external issues likely to impact on our work. Our Corporate Plan, which contains our key priorities and performance measures, is approved by the minister for BIS.

- **Performance-monitoring by the board and executive**

The executive team and board monitor our performance on an ongoing basis through regular financial and non-financial reporting. These reports detail our progress in delivering the Corporate Plan, as agreed with BIS, and the operational business plan (which is closely linked).

External stakeholder surveys, which are shared with the board, give them a clear indication of our partners' understanding of what we do, and also what they think of our performance. Internal staff surveys indicate how well our staff understand what we do, how our morale is faring, and key areas for improvement. Our performance is judged on a number of factors:

- Achieving our corporate objectives: specifically, how we responded to the recession
- Demonstrating our impact on the ground through evaluations of the projects and programmes we deliver
- Our strategic leadership role, including how we help to drive and co-ordinate the contributions of our partners at national, regional, sub-regional and local level, against the region's economic goals
- Hitting our financial and output targets as agreed with BIS in the Corporate Plan
- Delivering efficiencies in a tight fiscal environment.

Although there is no mandatory requirement for us to set and report on output targets as part of our Corporate Plan, we have identified key performance indicators and use their output and outcome measures to assess our performance. The headline outputs for 2009-10 can be found on page 15.

- **Performance-management framework**

All projects funded by Yorkshire Forward are subject to rigorous development, appraisal, monitoring and evaluation through our performance-management framework (PMF). The PMF has been developed in accordance with GRADE (Guidance for RDAs in Appraisal, Delivery and Evaluation), issued by BIS. This sets out best practice for the full project cycle. It provides the framework within which we operate, ensuring that we deliver value for money for the public purse; comply with government requirements; and learn lessons from what we deliver.

Our PMF has been aligned with EU requirements to ensure we have consistent processes across Single-Pot and ERDF funding. Additionally, some grant schemes (which we have inherited and now run) have their own appraisal and compliance systems.

#### *Internal Audit*

We are required to maintain effective arrangements for internal audit which accord with Government Internal Audit Standards. Internal Audit provides an independent and objective opinion to the accounting officer on risk management, control and governance, by measuring and evaluating their effectiveness in achieving our objectives. Consequently, Internal Audit represents a major source of the assurance upon which the Accounting Officer relies in signing the Statement on Internal Control. His statement is on pages 97-102.

During the year, Internal Audit has reviewed the adequacy of our controls to manage risk in a wide range of financial and management systems, as well as a sample of our projects. The outcome of these reviews, including the action taken to improve controls, has been reported to our Audit Sub-Committee, papers for which are available on our website. The National Audit Office continues to place reliance on the work of Internal Audit in conducting their statutory review of our accounts.

Additionally, as part of its assurance function surrounding project management and contract monitoring; the Contract Management Team has undertaken reviews of projects across Yorkshire Forward. The findings and recommendations from these reviews are reported to project managers and Assistant Directors. From 2010/11, their assurance work will also be reported to the Audit Sub-Committee alongside Internal Audit.

#### *ICT and systems*

Yorkshire Forward prides itself on using leading-edge technology to create a working environment which is supremely secure and efficient, yet also highly flexible. Our people enjoy the confidence which comes from system 'up'-time of almost 100%, and are able to work off-site and from home reliably, securely and efficiently.

Our business intelligence platforms have been expanded to provide high-quality, business-critical performance information at all levels of our organisation, using both a distributed-report mechanism and self-service portals.

The portfolio management solution we use fully meets the demands of the Single Pot, seamlessly integrating the ERDF funding stream and other key finance systems with speedy and accurate processing facilities.

Our continually evolving knowledge-management system integrates all of our key systems, presenting staff with a single, flexible way to access up-to-date information. This enables business decisions to be made with confidence. The emphasis remains on speed and ease of use, as well as the ability to efficiently retrieve, share and collaborate. A new enterprise search solution has been implemented across this and other information services, providing structured search and retrieval facilities to further enhance their value.

### 3.5 Forward look

Following the general election on 6<sup>th</sup> May 2010, the new coalition Government has announced that there will be significant changes as to how local economic development will be delivered. This will inevitably affect the RDA network which is unlikely to continue in its current format. There will inevitably be a lot of speculation as the new Government plans for the future. What is certain is that funding for local economic development will be greatly reduced.

Immediate spending cuts announced by the Government will have ramifications for delivery in the coming financial year. This will mean that the Agency will have to make difficult decisions on its portfolio of projects. Despite this uncertain climate, Yorkshire Forward remains committed to working with its stakeholders from both the public and private sector, to ensure the funding we have is used as efficiently as possible and to help the continued growth of the Yorkshire and Humber economy.

In April 2009, the previous Business Secretary launched a government strategy to put the UK at the cutting edge of new industrial development which was based on growth sectors where we already have, or are likely to have, a competitive advantage. The new Coalition Government has also acknowledged the need to grow a stronger, more balanced economy building on the strengths of our manufacturing, low carbon and other knowledge-based industries.

The following case studies provide examples of how Yorkshire Forward supports a growth strategy based on key sectors:

#### *The materials industry*

- Yorkshire Forward has invested in developing the **Advanced Manufacturing Park** (AMP) at a former colliery site in South Yorkshire. Now the UK's premier park of its type, AMP provides world-class solutions for industry and has attracted global businesses, such as Boeing, to our region. Sitting at the heart of South Yorkshire's advanced engineering and metals cluster, and linking with manufacturing technology centres and supply chains around the UK, AMP brings together the region's universities and global industry leaders. Since 2001, the research centre based there has generated over £500m in contracts, collaborative research and innovation projects.

- We're helping to develop the **nuclear supply chain** in our region. We have provided £10m of our own funding plus £15m from the Strategic Investment Fund for the new Nuclear Advanced Manufacturing Research Centre (NAMRC) at the AMP (see page 22). It will be led by the Universities of Sheffield and Manchester, with Rolls-Royce as the lead industrial partner. The NAMRC will bring together university research and industrial expertise to develop manufacturing techniques and components to meet the demand for new nuclear power stations. It will also benefit the supply chain, especially by helping supply partners to secure accreditation for competing in the civil nuclear sector.

#### *The digital technologies sector*

- Digital Region in South Yorkshire is the UK's **first major regional deployment of 'superfast' broadband**, bringing improved access to entertainment, business and public-sector services and attracting new investment and new jobs into the region. The scheme will transform the region, creating inward economic and social investment to bridge the growing digital divide.  
Digital Region is a partnership between Yorkshire Forward, Sheffield Council, Barnsley Council, Rotherham Council and Doncaster Council, and has attracted over £90m of funding from the European Union, the partners and the private sector.  
Putting South Yorkshire at the heart of Digital Britain, the project will provide high-speed, open-access infrastructure, offering 25Mb or more of guaranteed bandwidth and quality of service to the majority of homes and businesses in South Yorkshire, reaching 1.2 million people.

#### *The low-carbon economy*

- We're working with the region's businesses and other partners on a ground-breaking **carbon capture and storage (CCS)** programme which could store up to 10% of the UK's carbon emissions. The European Commission is providing £165m for the development of a power plant at Hatfield, near Doncaster, which will incorporate the UK's first commercial CCS technology. The scheme is expected to create thousands of jobs. (For more information, see page 25).
- Yorkshire Forward has contracted £5.8m for **Centre for Low Carbon Futures**, a £50m initiative led by the Universities of Hull, Leeds, Sheffield and York in partnership with CO2Sense Yorkshire (a wholly owned subsidiary of Yorkshire Forward). The centre brings together the expertise of the region's universities, providing knowledge and solutions which will optimise carbon efficiency within businesses, organisations and communities. The centre has already identified its first four pilot research projects: the regional economics of climate change; low-carbon supply chains; biorenewables; and carbon-capture technology.
- CO2Sense Yorkshire is our business development programme which helps businesses and other major organisations in our region to cut their carbon emissions and maximise the opportunities presented by a low-carbon economy. CO2Sense is helping to start up, grow and launch new green products and services; researching and developing new markets; and helping businesses to access funding and grants. It also helps organisations to reduce their environmental impact while cutting costs. Working through Business Link and other regional and national partners such as the Carbon Trust and Envirowise, CO2Sense will

deliver the expertise required by businesses and organisations to exploit opportunities in the low carbon economy.

#### *Healthcare technologies*

- Yorkshire Forward's £11m **Centre for Industrial Collaboration** (CIC) programme, which is designed to help industry access research expertise and facilities, has worked on over 1,400 projects with businesses, generated £50m of income and safeguarded more than 1,000 jobs. One of the first CICs, the Biomaterials and Tissue Engineering (BITE) CIC, provides support for the health technology businesses in the region. It now operates as an independent business, supporting organisations taking new concepts through to market in all areas of healthcare and medical-device technology. This has led to a £20m investment from the Engineering and Physical Sciences Research Council (EPSRC) and Biotechnology and Biological Sciences Research Council (BBSRC), Technology Strategy Board, Yorkshire Forward and the University of Leeds for the setting-up of a new Innovation and Knowledge Centre which will mix business acumen with the most up-to-date research to harness the full potential of developing new regeneration therapies and devices addressing the needs of an ageing population.

## Business activities and performance

**Yorkshire Forward is the regional development agency for the Yorkshire & Humber region. The agency was established on 14 December 1998 following parliamentary approval of the Regional Development Agencies Act 1998.**

Our name was formally changed to Yorkshire Forward (Yorkshire & Humber Regional Development Agency) on 19 February 1999. Yorkshire Forward was set up because the Yorkshire & Humber region had undergone major economic upheaval caused by the decline of traditional industry such as coal, steel, textiles, fishing and agriculture. We are one of nine UK regional development agencies, arms length government bodies charged with improving regional economies. Our plans to improve the regional economy are set out in our Regional Economic Strategy (RES) – a statutory 10-year blueprint to guide and co-ordinate the work of public and private agencies. We receive government funds to deliver elements of this strategy. We are also the Managing Authority for the 2007-13 ERDF Programme.

Yorkshire Forward's role is to improve the economy of Yorkshire & Humber. We act as the interface between business and the public sector, ensuring that the two connect. We cannot deliver the RES alone and work with public, private and third sector agencies – 'Team Yorkshire and Humber' - to deliver it with us.

Our own vision is for a region that is **'a great place to live, work and do business, that fully benefits from a prosperous and sustainable economy'** and in pursuing this vision we have an ambition for Yorkshire & Humber to be recognised as a world leader in our efforts to adapt our economy to the demands of tackling climate change. The region has a history and knowledge of dealing with the environmental effects of energy production and we want to help others learn from our experiences.

### 2009/10 achieved outputs compared to target range

Yorkshire Forward continues to set and report on output targets as part of our Corporate Plan, we have identified key performance indicators (KPIs) which include output and outcome measures which we use to assess our performance. The table below summarises the outputs we achieved against the measurable target for the 2009/10 year.

CORE OUTPUTS	TARGET			ACTUALS	% ACHEIVED OF MID POINT
	Min	Mid Point	Max		
1. Jobs created and safeguarded.	20,196	23,760	27,324	27,161	114%
2. People assisted to get a job.	5,766	7,688	9,610	10,458	136%
3. New businesses created.	1,557	1,800	2,043	1,831	102%

<b>4.</b> Businesses assisted to improve their performance.	36,000	45,000	54,000	58,013	129%
<b>4a.</b> Businesses assisted via collaboration with the UK Knowledge Base	525	700	875	733	105%
<b>5.</b> Public and private regeneration investment levered					
<b>(i)</b> Total (£m).	£118.02m	£157.36m	£196.70m	£163.27m	104%
<b>(ii)</b> Proportion of private leverage.	32% (£37.77m)	42% (£66.09m)	53% (£104.25m)	60% (£97.73m)	118%
<b>6.</b> People assisted in their skills development (Level 4+)	2,800	3,500	4,200	4,913	140%
<b>7.</b> Sustainable Development ( <i>Reduce Greenhouse Gas Emissions</i> ).	0.38m T C02e	0.50m T C02e	0.63m T C02e	0.21m T C02e	42%
<b>8.</b> Private Sector Investment (excluding regeneration)	£177m	£236m	£295m	£371.11m	157%
<b>9.</b> Businesses with R&D levered.	231	308	385	359	117%
<b>10.</b> Intensive Business Assists.	7,600	9,500	11,400	12,004	126%

In previous financial years the min and max target range were required to be reported to the Department for Business, Innovation and Skills (BIS). The Yorkshire Forward board also monitored against the midpoint. The Yorkshire Forward board continue to set their own targets and monitor outputs against them.

## Report on progress against output targets

Yorkshire Forward has met or exceeded all but one of our output targets.

A short analysis of each output is given below:

- 1. Jobs created and safeguarded** - The Key Account Management project and the Yorkshire and Humber Manufactory Advisory Service continue to perform well in this area delivering 3,263 and 3,636 jobs

respectively. Other large contributors were Business Link (5,282) and the Response to Redundancies project (2623).

2. **People assisted to get a job** - The West Yorkshire Access to Employment (2,228) and the West Yorkshire Travel for Work Partnership (1697) continued to over achieve on this output together with Response to Redundancies project (2364) which meant this output once again delivered above the target range.
3. **New businesses created** - Business Link continue to contribute the majority of these outputs (1349).
4. **Businesses assisted to improve their performance** - Business Link continues to deliver the majority of these outputs (over 42,000).
- 4a. **Businesses assisted via collaboration with the UK Knowledge Base** - The contributors to this output are Innovation Promoters (215) and Innovation Vouchers (116).
5. **Public and private regeneration investment levered** - A variety of renaissance schemes contributed to this output including Wakefield Westgate Development and the Carnegie Pavilion, Leeds.
6. **People assisted in their skills development (Level 4+)** - Projects contributing significantly to this output were the Enhancement Fund (1,061) and the Science, Technology, Engineering and Maths (STEM) programme (total 1,171).
7. **Sustainable development – GHG Co2 M tonnes** – Yorkshire Forward was one of only three RDAs to set a voluntary target to reduce greenhouse gas emissions in 2009/10. The saving achieved – of 210,000 tonnes CO<sub>2</sub> – was below our target but still above the targets set by any other RDA during 2009/10. There are a number of factors which contributed to output levels against the target. We set a very stretching target which was coupled with a strict and limiting methodology for calculating carbon savings from RDA investments. This meant that effectively we could only calculate savings from capital build projects or specific renewable energy projects. A cross RDA group has developed a more consistent methodology for 2010/11 that will capture savings more consistently. The level of new, specific carbon reduction activity that qualified against the target was not as high in some years, and there were some missed opportunities to make all construction projects hit the exacting standards we aspire to. However work that qualifies against the output target is only a small part of Yorkshire Forward's work to promote the low carbon economy, on which good progress was made in other areas, such as carbon capture and storage, and the low carbon and renewable energy sectors. We will learn from experience during the year and strive harder to make sure that all our economic activity exploits opportunities to make carbon savings where possible. In a climate of tight financial resources, we will continue to invest in specific low carbon activity that will drive business growth.
8. **Private Sector Investment (excluding Regeneration)** – The International Business Development Programme and Investment South Yorkshire were the major deliverers of this output delivering £114 million and £50 million respectively.
9. **Business with R&D levered** – Innovation Vouchers and the Yorkshire Forward led R&D schemes accounted for most of these outputs.
10. **Intensive business assists** - Business Link continues to deliver the majority of this output (11,254).

## Output disaggregation

Yorkshire Forward continues to collect beneficiary data about its outputs by postcode. This allows us to disaggregate our output figures by Urban/Rural and Disadvantaged area. The data is linked into the GIS (Geographic) mapping software. The amount of beneficiary data collected this year has once again improved and having collected between 93% & 100% of the data for each output we have then scaled the results up to the full 100% where necessary.

CORE OUTPUTS	URBAN	RURAL	DEPRIVED	% DATA COLLECTED
1. Jobs created and safeguarded.	24,078 89%	3,083 11%	11,175 41%	97%
2. People assisted to get a job.	10,005 96%	453 4%	7,243 69%	99%
3. New businesses created.	1,413 77%	418 23%	517 28%	98%
4. Businesses assisted to improve their performance.	45,903 79%	12,110 21%	17,665 30%	96%
5. Public and private regeneration investment levered.	£155.88m 95%	£7.39m 5%	£69.24m 42%	100%
6. People assisted in their skills development (Level 4+)	4,610 95%	303 5%	1,736 42%	99%
8. Private Sector Investment	£323.08m 87%	£48.03m 13%	£152.42m 41%	95%
9. Business with R&D levered	308 86%	51 14%	127 35%	93%
10. Intensive Business Assists	9,054 75%	2,950 25%	3,481 29%	94%

## CLASSIFICATION

In determining the above classifications we have used the DEFRA Rural/Urban Classification 2004 at Ward Level.

For Deprived Areas we have used the DCLG Index of Multiple Deprivation (IMD 2007). There are 32,482 Super Output Areas (SOAs) in England, we have taken the top 20% most deprived, and of these Yorkshire and the Humber has 907 SOAs that are within the most deprived nationally.

## **DISAGGREGATION INTERPRETATION**

The outputs can be split into two groups being those that deal with people (Jobs, Skills and Businesses) and those that deal with location (Regeneration).

Those relating to people continue to have similar splits with the Business Related outputs being on average 80% Urban and 20% Rural, this is to be expected as the region's population is split 80% Urban and 20% Rural. However the skills and jobs related outputs have been largely delivered in Urban areas this year – in terms of Skills this can be explained by the majority of Skills institutions being in urban areas.

Yorkshire Forward continues to target and deliver in deprived wards with on average 40% of outputs being delivered in Deprived Wards (30% of the region's population live in Deprived Wards). The notable exception to this is people assisted to get a job where 70% of the outputs were delivered in deprived wards, this can be explained by the majority of the projects delivering in this area being targeted at deprived areas.

Investment in physical regeneration has been levered in largely urban wards this year. This is due to large contributions from our urban renaissance schemes. Yorkshire Forward continues to deliver physical regeneration in deprived areas, with 42% of the investment levered being in these areas.

## **Business Link regional performance**

### **National KPIs**

The Business Link Service for Yorkshire & Humber has had another good year during what has been a challenging time for the economy. Performance across a range of indicators has been exceptionally strong driven by increased efficiency. The performance against national Business Link KPIs is detailed below:

- **Usage** of the service has increased substantially, exceeding the record levels achieved in the previous year. In total 119,133 customers used the service, up 11% on the previous year, and 33% higher than the sub-regional delivery model operating in 2007/08.
- **Intensive assistance** provided to customers has increased by 89%, an excellent performance despite falling just short of the ambitious target. The focus for 2010/11 will be on increasing the effectiveness and impact of the work undertaken.
- **Customer satisfaction** is slightly behind target, but is still a strong performance given the speed of growth and challenging economic conditions and is a testament to the professionalism and ability of the staff delivering the service.

	2008/9	2009/10	
	ACHIEVED	TARGET	ACHIEVED
Total usage	106,703	101,200	119,133
Intensive assistance	5,596	10,700	10,582
Customer satisfaction	88%	90%	89%

## National comparison of KPIs

Yorkshire and Humber moved to a regional model of delivery 12 months after most regions. During the second year we have achieved impressive improvements in performance, and are now one of the strongest performing regions in the country against the national KPIs.

- **Usage** - a significantly higher percentage of customers have used the Business Link service in Yorkshire and Humber than in any other region with a \*penetration level 50% higher than the national average.
- **Intensive assistance** has seen a strong improvement on the previous year, with \*5% of businesses receiving support up from 3.4%. This makes the region one of the best performers in percentage terms, despite having a year less than most other regions to drive through efficiencies available from the regional delivery model.
- **Customer satisfaction** is in line with national performance.

\* This is based on the number of Businesses on the Inter Departmental Business Register (all VAT and PAYE registered businesses in the region)

## Yorkshire Forward tasking framework targets

- **Businesses assisted to improve performance** - at more than 42,000 performance against this output has been strong. The target for the year has been comfortably met, and we have achieved an improvement of over 7% on the previous record year. As a response to the recession we have also monitored how many customers thinking of starting a business have been supported, and this has exceeded 11,000.
- **Jobs created** - 2009/10 has a big improvement in the performance of businesses and individuals who are supported by the service. Over 4,000 new jobs have been created, with an additional 1,000 jobs safeguarded. This is an impressive performance considering the economy has had such a difficult year.
- **Businesses created and surviving 52 weeks** - We have exceeded the Corporate Planning Targets for this output with the Business Link service reporting 1,349 businesses surviving their first year. In addition 3,983 businesses were created in 2009/10 that will be tracked for survival throughout 2010/11.

Significant changes have been made to Business Link Yorkshire's tracking protocols and processes to ensure that it is possible to record a higher proportion of survivals from the 3,983 businesses created in 2009/10.

- **Intensive assists** - the tasking framework definition of intensive assistance differs slightly from the Business Link MI requirements, as a result our performance against this output stands at 11,168. Given the limited increase in resource invested, the productivity gains have been very strong. Work continues though to ensure that effectiveness improves in line with efficiency.

## Other issues

During the year Yorkshire Forward worked with local partners to ensure that Business Support in the region was fully aligned with the Solutions for Business portfolio by the outgoing Governments target date of 31 March 2010. This has been a significant undertaking and was achieved except for 2 minor local authority products. This together with the strengthening of the Business Link service as the first point of contact for all business support has greatly simplified the Business Support landscape making it much easier for businesses to know where to go to find the support that they need.

The Regional Knowledge System had a major upgrade during 2009/10 and is now on a much stronger platform. Yorkshire Forward is working closely with the region's Business Link provider, Y&H IDB Ltd to further develop the system and the way it is used to greatly enhance the level of market intelligence that is generated by the system which can then be used to inform the future development of business support services in the region.

## Key initiatives and new initiatives

The most significant new initiative is our response to the economy. The initiative and our key activities to respond to the economy are outlined in section '3.2.3. Our response to the recession' of the report.

## Financial performance and position

RDAs are not-for-profit organisations. We are given a strict allocation of funding each year and we must manage this funding to deliver our objectives. We cascade these funding allocations into targets for each director. Progress of spend against each target is regularly monitored by the Executive team and the Board. Directors work within stringent budgets and are given autonomy to manage their own resources.

The agency's total funding for the year was as follows:

	£m
• Core Government Grant	332.1
• Coalfields Grant	0.8
• EU Grants	89.5
• Other Revenue Grants	7.2
• Proceeds from sale of assets	0.5
• Rents and maintenance charges	4.6
• Other income	12.3
• <b>Total monies received</b>	<b>447.0</b>

## Reconciliation of statutory accounts to Grant in Aid

Yorkshire Forward receives its core government funding from BIS as Grant in Aid and is required to make an annual return to the department to show how this funding has been spent. The following table is a reconciliation of the total expenditure from the Net Expenditure Account to the Grant in Aid Return.

### RECONCILIATION OF STATUTORY ACCOUNTS TO RAB (GIA Return)

	<u>£000's</u>	<u>£000's</u>
<b>Total Expenditure from the Net Expenditure Account</b>		<b>423,793</b>
<b>Plus: Other Expenditure not in the Net Expenditure Account</b>		
<b>Capitalised Expenditure:</b>		
• Operating Assets - Property, furniture and equipment		78
• Intangible Assets - Computer software licenses		16
• Inventories		2,050
• Loans to public and private sector		12,111
Notional Cost of Capital		3,712
<b>Less:</b> Book value of Development Assets sold excluded from Grant in Aid		(761)
<b>Gross Expenditure</b>		<b>440,999</b>
<b>Less:</b> Other Income deducted from Grant in Aid		
• Clawback, JV Share, Rents etc	(16,154)	
• Disposal receipts for Development Assets	(104)	
• Interest included within Grant in Aid	(84)	(16,342)
<b>Less:</b>		
Coalfields Sales Revenue payable to Homes and Community Agency		(1,091)
Consolidation adjustment		(1,074)
<b>Less:</b> Expenditure funded by other than Grant in Aid		
• Expenditure covered by European Union Grants	(85,110)	
• Expenditure on Coalfields Programme	(831)	
• Expenditure financed by other Grants	(4,355)	(90,296)
<b>Total YTD Outturn per RAB Workbook</b>		<b><u><u>332,196</u></u></b>

## Contractual obligations

Many of the projects in which Yorkshire Forward invests involve contracting with third parties for delivery of the project. The contracts are normally for no more than three years and performance is constantly monitored by the internal control procedures established by Yorkshire Forward.

In addition Yorkshire Forward has set up a number of companies to facilitate delivery of its corporate objectives. These are detailed in note 12 to the accounts.

## **New developments to the scope of our work**

There were no significant changes to our scope of work in 2009/10.

## **Resources**

Throughout the year Yorkshire Forward directly employed an average of 409 full time equivalent employees.

During the year Yorkshire Forward utilised net assets to the value of £113m and held development assets with a net realisable value of £78.5m per note 7 Inventories.

Yorkshire Forward also continues to work in partnership with the Government Office of Yorkshire and Humber, Yorkshire & Humber Assembly, Urban Regeneration Companies and local authorities throughout the region.

## **Managing risk**

Yorkshire Forward continues in its commitment to provide best practice risk management and corporate governance procedures. Yorkshire Forward's risk management process is applied at corporate, directorate and project levels in order to identify and manage risk throughout the agency.

Yorkshire Forward has a corporate risk policy, which is approved by the Board and reviewed annually. The Board undertakes an annual corporate risk assessment which results in the creation of an approved corporate risk register. The mitigations required and action taken are described within the register by the Executive and this is monitored by the Audit Sub-Committee twice during the year.

The Audit Sub-Committee annually receives an Internal Audit report regarding corporate adherence to Yorkshire Forward's risk management processes. Furthermore, each Executive Director provides an annual assurance statement to the Accounting Officer stating that their directorates have implemented effective risk management processes with a risk assessment carried out on projects prior to submission for approval. Government Office Yorkshire and Humber is kept fully informed by way of regular meetings with Yorkshire Forward and through its invitation to all Audit Sub-Committee meetings.

The Chief Officers of the Agency's Special Purpose Entities are required to complete an annual assurance statement whilst all of the agency's highest risk projects are presented to the Executive every quarter detailing the work underway to manage risks within them.

## **Environmental sustainability**

Through adherence and commitment to ISO14001 (European Standard on Environmental Management) and Eco-Management and Audit Scheme (EMAS), Yorkshire Forward has demonstrated to staff, partners and independent auditors a real commitment to environmental improvement in terms of both our office management and project development and delivery. This includes:

- Seeking to comply with all relevant UK environmental legislation and specifying that our contractors do the same.
- Striving to prevent pollution through controlling our activities, which include procurement, resource use and waste management. We will also avoid hazardous processes and materials where suitable alternatives exist.
- Seeking opportunities to minimise our resource use, through sound waste management and transport initiatives, sustainable products, contract and consultancy procurement, energy efficiency and water conservation.
- Continuously reviewing and recognising the environmental impacts associated with both implementing the RES and our office based activities.
- Seeking opportunities to improve our environmental performance, of the strategies, projects and programmes that we deliver in partnership across the region.
- Encouraging environmentally responsible behaviour in the workplace through effectively raising awareness, and training.
- Committing to a low carbon economy leading by example, encourage our employees to make sustainable travel choices, and contribute towards achieving National and Regional Sustainable Development targets relating to air quality, climate change, accident prevention and congestion.

Our commitment remains as the basis for further improvement in Yorkshire Forward's internal systems and project work to minimise environmental impact across all of our activities.

The Yorkshire Forward Environmental Policy is reviewed annually to ensure that it continues to reflect our commitment to sound environmental performance. It is also widely promoted as part of our commitment to achieving sustainable economic development and making Yorkshire and the Humber a better place to live, work and invest.

All Yorkshire Forward funded projects must consider environmental good practice in their development and delivery, and we have an ongoing programme of training and guidance to encourage our Project Development Managers to look at the environmental impacts and opportunities of their projects.

In 2009/10, our performance slipped in some areas against our 2008/09 performance:

- Travel saw a 4% reduction compared to the total overall travel in 2008/09.
- All offices, apart from Bradford (due to tenancy) and Leeds (due to cost), are on a renewable energy contract. However, there has been a 4% increase in overall energy consumption compared to 2008/09.

- We have seen a 56% increase in water use compared to 2008/09.
- There has been a 26% reduction in overall waste in 2009/10 compared to 2008/09. Our recycling rate has stayed the same at 56%.

Plans to tackle the lower performing areas are being put in place to ensure we meet our 2010/11 targets.

As a result of Yorkshire Forward's commitment to environmental good practice, we scored 89.66% in the last Business in the Environment Regional Index of Engagement in 2009 (figures based on 2008 data) – this was a slight drop in score on the previous year where we scored 90.47%. We remained in the Gold League and were ranked against other competitors such as Drax Power Ltd, Environment Agency and Rotherham Metropolitan Borough Council. 86 companies entered, with a large number of new entries compared to the previous year.

## **Yorkshire Forward's approach to sustainable development**

Yorkshire Forward is committed to making Yorkshire & Humber a better place to work, live and enjoy. In particular, we want to fulfil our potential for truly sustainable economic growth, building a strong and stable regional economy which provides prosperity and opportunity for all alongside environmental and social benefits.

In working towards this, we have adopted the following aims, which focus on the areas where we can make the most positive difference:

- Leading the transformation to a lower carbon, resource efficient regional economy by driving forward developments in energy and low carbon technologies and techniques; good business practice; and land management which both protects and enhances the region's natural assets and enhances our environment.
- Working to decouple economic growth from increasing energy and resource use, in both individual businesses and the wider economy, through promoting sustainable production and consumption so that we achieve more with less.
- Building resilience to the impacts of, and maximising the economic opportunities presented by, climate change, through both adaptation and mitigation measures.
- Identifying and addressing skills shortages in sustainability, both within own organisation and across the region, and building capacity to enable the region to move towards sustainable economic development.
- Using our statutory planning responsibilities and influence to promote a more sustainable pattern of land use, including economic development, housing and transport.
- Maximising the potential for sustainability in the development and delivery of regional strategies as well as in European policy and programmes.

All of these aims will be underpinned by the principles set out within the UK Sustainable Development Strategy, Securing the Future (2005): Living within Environmental Limits; Ensuring a Strong, Healthy and Just Society; Achieving a Sustainable Economy; Using Sound Science Responsibly and Good Governance. We will also

apply these principles across all areas of our work to create truly sustainable communities across the region, where people want to live and work, now and in the future.

## Yorkshire Forward people

Five core values guide the way that we work and how we do business, these values are central to the operation of the agency:

- We will achieve **VALUE** for money for the taxpayers
- We will be **OPEN** about the way we invest and take decisions
- We will work as a **TEAM** (Team Yorkshire Forward) and as part of a wider Team Yorkshire and Humber to deliver the RES
- We will seek **EXCELLENCE** in the way we operate
- We will strive to be an agency that promotes **DIVERSITY** and celebrates difference.

The first letter of the values spell the word **VOTED**. This is to ensure that we and partners understand our role. No one has voted for us, so we have a duty to be open, achieve value for taxpayers' money, account for what we do and work closely with democratically elected politicians. Equally, we are deliberately a business-led, non-political, objective organisation with a long term strategy set up to take tough decisions to improve the Yorkshire & Humber economy. The core values exist to drive a culture change in Yorkshire Forward to equip the agency to deal with our new role as set out by government. Our latest internal and external surveys show that this culture change is well underway, but there is more work to do.

Our values are promoted through internal leadership and corporate development programmes which seek to give participants experience of different leadership styles and team working. At the same time they are promoted through internal communications mechanisms. The newly developed Management Development Programme seeks to ensure that a corporate management style is consistently used across the organisation which promotes openness and values difference and diversity.

The continuous improvement to Team Yorkshire Forward is underpinned by strong internal communications, and high quality support for the Executive team and Board, key elements of our approach to human resources (HR) are:

- Leading Yorkshire Forward in developing a flexible, motivated and productive workforce recruited and developed with the skills and experience needed to achieve RES and Corporate Plan objectives in line with our VOTED values.
- Establishing a business case for diversity including ensuring that the Business Support Review reflects the needs of all.
- Providing a one stop shop for HR advice and guidance and providing relevant, accurate and timely HR information to better manage resources.

- Setting internal diversity targets and working to set the baseline to ensure we can establish diversity targets for external contracts (e.g. Business Link).

Yorkshire Forward was the first RDA to gain Investors in People (IIP) accredited status in January 2002, and we have maintained the standard since that date. In 2009 the standard changed from having a core and a profile standard to one framework giving organisations the opportunity to explore areas of particular interest to pursue. Yorkshire Forward fully intends to maintain the IIP framework and will work with the assessing bodies in 2010 to understand what needs to be done to achieve this.

Yorkshire Forward is committed to maintaining a high-quality working environment—where the right people can enjoy helping to maximise the region’s opportunities and successes:

- Every three months, we measure our people’s behaviours and achievements (which are linked to our agency objectives) via an appraisal programme
- They also have the opportunity to put questions to our directors at regular informal forums, and can meet with our chief executive during his roadshows
- We regularly compare how our own human resources profile compares to the region’s working-age profile, and ensure we’re using best practice when it comes to staffing, recruitment, diversity and retention including the introduction of specialist staff consultative groups such as a Forum for staff who work part time, the Disability Forum and the BME Forum, all of which are proactively managed by HR.
- Our annual staff satisfaction survey undertaken in 2009 continued the trend of a generally positive view amongst staff. 89% felt that Yorkshire Forward was a good place to work compared to other organisations of which they knew, and overall 87% of people were satisfied with working for our organisation. 76% also felt that Yorkshire Forward was an ethical organisation and 86% felt we had made efforts to reduce our carbon footprint.

**Sickness absence data of employees**

Analysis of average working days lost

	<b>2010</b>	<b>2009</b>
Total number of sickness days	2663	1744
Total number of permanent staff	409	406
<b>Total average working days lost per staff member</b>	<b>6.51</b>	<b>4.29</b>

The average number of working days lost per staff member has increased during the financial year due to several cases of long term sickness.

**Internal communication channels**

We have continued to develop a number of communication channels to engage with the organisation:

- **Internal Communications Strategy** - Updated annually to reflect the methods of internal communications in Yorkshire Forward and their effectiveness. The Team Yorkshire Forward Survey is used to benchmark the existing strategy and input into the next version.
- **Team Meetings** - All teams hold monthly Core Team Brief meetings to provide colleagues with key strategic messages and allow them to comment on these as part of a two-way dialogue. The completed forms are returned and logged for evaluation as part of the Internal Communications Strategy.
- **Ontrack** - Internal bi-monthly magazine for staff that provides reflective information on activities, priorities, staff changes and leads with a key message from the Chief Executive. Available both online and as a hard copy. Ontrack was redesigned in April 2009, following feedback from staff as to what they want from an internal magazine.
- **Intranet – YFi** - Yorkshire Forward interactive (YFi) continues to provide knowledge management facilities including:
  - News feeds from user defined and preferred news suppliers – 149 people have added a total of 770 news feeds.
  - Subscriptions to allow users to monitor changes to specific pages and to new items – 130 people have added a total of 786 subscriptions.
  - Alerts to highlight important and time sensitive facts about particular YFi pages – 64 people have added a total of 223 alerts.
  - Baskets to enable users to build and share collections of items in logical groupings – 70 people have created a total of 123 baskets.
  - Internal, interactive events calendar with a wide range of activities advertised. New facility to book through the system – events receive a total of 1105 to 5143 hits each month. For example, Chief Executive Roadshow got 809 hits in January 2010, with staff booking on to sessions.
  - Online employee suggestion forum with regular participation – the forum has had 106 comments, with 73 'thanks' recorded.
  - Sports and social news, events and forums supporting online community - with numbers of visitors continuously building (S&S news one of the more popular parts of YFi).
  - Chief Executive Blog: nine weblogs this year with a total of 401 comments and 14,167 hits – each blog got from 883 to 2368 hits – the latter being the most popular ever, which discussed 'my first day at work')
  - Assistant Chief Executive Blog: three weblogs this year with 23 comments and a total of 1904 hits, with each blog getting from 553 to 732 hits.
  - Executive Director's Blogs: Simon Hill posted the first Executive Director blog in October 2009, which got five comments and 599 hits.

- **Field Trips** - Held each spring and autumn, the field trips include tours of Yorkshire Forward projects in the geographical areas, and provide staff that are office based or new to the organisation the opportunity to see what Yorkshire Forward is delivering on the ground with our partners.
- **Team Yorkshire Forward Survey** - Annual survey to help gauge employee perceptions of the organisation on a number of issues. The results are benchmarked against each other to inform decision making. We got our highest ever response from the 2009 survey - 79.2% of all staff (84.2% core staff) – up 4.5 % on 2008 survey.
- **Executive Directors’ ‘surgeries’** - Informal questioning sessions are held with Executive Directors on any topic that employees would like to raise.
- **Internal Communications Forum** - Set up in 2002 to help improve internal communications by looking at ways to encourage a better exchange of key information across the Directorates and promoting best practice. Since then, the group has made a real difference in ensuring that the quality and consistency of news items provided for ‘Ontrack’ are of a much higher standard and are also representative of all the organisation. The group has also had a significant input into the Team Yorkshire Forward Survey in refining some questions perceived as ambiguous or misleading.
- **Chief Executive’s Roadshows** - Involves the Chief Executive visiting all Yorkshire Forward offices and talking to staff about key strategic issues and inviting them to respond with questions and suggestions.
- **Plain English Training** - To encourage the organisational use of Plain English in everyday communication, Internal Comms offer 50 online training courses and hold up to four internal one day training courses per year to staff. Colleagues who have completed either course are encouraged to become ‘ambassadors’ of Plain English, and offer guidance to colleagues.
- **Staff Conference** - Annual event for all YF staff, looking at our past achievements, how we’re operating in the current climate, and looking to the future. Also includes awards ceremony for staff on the theme of our VOTED values. 2009 event involved a record 409 members of staff, on the theme of ‘Then, Now, When’.
- **Winter Fair** - Charity event held in YF’s C&W garage and ground floor meeting rooms, with all proceeds from YF stalls and games, and a percentage of the profit from private companies going to homeless charity St George’s Crypt. The 2009 event was extended to include visitors from our partner organisations Welcome to Yorkshire and Carbon Action Yorkshire. Our decision to host events of this nature is a reflection of our commitment to Corporate Social Responsibility and our belief that we should be an organisation that ‘practices what it preaches’.

## Prompt payment code

The agency is committed to the ‘Better Payment Practice Code’ (previously the CBI Prompt Payment Code) and aims to pay all undisputed invoices within 30 days. We also aim to pay all small to medium sized enterprises within 10 working days.

In 2009/10 Yorkshire Forward paid 99% of all invoices within 30 days (2008/09 95%) and paid 96% of small to medium sized enterprises within 10 days (2008/09 93% between November 08 to March 09). Yorkshire Forward is committed to achieving the new target to pay 80% of SMEs in 5 days in the 2010/11 financial year.

## Freedom of information

As a public authority, Yorkshire Forward is subject to obligations under the Freedom of Information Act (FOI) 2000, Environmental Information Regulations (EIR) 2004 and the Data Protection Act (DP) 1998.

The DP Act has seen the creation of offences and large fines of up to £500,000, putting information security high on the agenda of public bodies.

Yorkshire Forward received 67% more FOI requests compared with last year and conducted 2 Internal Reviews in response to requests for information this financial year.

The table below shows the number of requests received by Yorkshire Forward in recent years:

<b>FINANCIAL YEAR</b>	<b>FOI</b>	<b>EIR</b>	<b>DP</b>	<b>INTERNAL REVIEW</b>
2009/10	141	3	3	2
2008/09	85	1	2	
2007/08	62	0	1	
2006/07	78	2	3	
2005/06	41	2	3	

## **Directors' report**

### **The Directors present their annual report and accounts for the year ended 31 March 2010.**

#### **Principal activities**

The agency was established under the provisions of the Regional Development Agencies Act 1998 and came into existence on 14 December 1998. The agency is a Non-Departmental Public Body sponsored by BIS. Under the Regional Development Agencies Act 1998, the agency has the following statutory purposes:

- To further the economic development and the regeneration of the Yorkshire & Humber region
- To promote business efficiency, investment and competitiveness in the region
- To promote employment in the Yorkshire & Humber region
- To enhance the development and application of skills relevant to employment in the region
- To contribute to the achievement of sustainable development.

#### **Non Executive Directors (the Board)**

Board members are appointed by the Secretary of State.

Individuals who served on the Board during the year were as follows:

Terry Hodgkinson (Chair)

Arshad Javed

Laura Moynahan

Linda Pollard OBE JP DL (Deputy Chair)

Julie Kenny CBE DL

Cllr Kath Pinnock

Cllr Jan Wilson CBE

Barry Dodd OBE

Prof Michael Arthur

Cllr John Weighell

Cllr Mark Kirk

Mark Lovell

Ajaz Ahmed

Bill Adams

John Vincent

Sharon Allen

Heidi Mottram

The agency maintains a register of Board members' interests. The register of interests is available for inspection at the agency's Leeds office by prior arrangement with the Secretariat Manager.

## **Executive Directors**

The Board has appointed an Executive team to manage the activities of the agency. Individuals who served on the Executive team during the year were as follows:

Tom Riordan - Chief Executive \*\*

Trevor Shaw - Executive Director of Finance

Jan Anderson - Executive Director of Environment

Simon Foy - Executive Director of Strategy

Simon Hill - Executive Director of Business

Thea Stein - Executive Director of Economic Inclusion \*

\*Thea Stein was appointed interim Chief Executive with effect from 1 July 2010. From 1<sup>st</sup> July Thea Stein is the Accounting Officer for Yorkshire Forward.

\*\* Tom Riordan resigned as Chief Executive with effect from 13 August July 2010.

## **Agency and Accounting Officer responsibilities**

Under Section 14 of the Regional Development Agencies Act 1998 the agency is required to prepare a Statement of Accounts for each financial year in the form and on the basis determined by the Secretary of State, with the consent of HM Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of Yorkshire Forward's state of affairs at the year-end and of its net expenditure, total recognised gains and losses and cash flow for the financial year.

In preparing the accounts the agency is required to:

- Observe the accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements
- Apply suitable accounting policies on a consistent basis
- Make judgments and estimates on a reasonable basis
- State whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements
- Prepare the accounts on a going concern basis, unless it is inappropriate to presume that Yorkshire Forward will continue in operation.

The Accounting Officer for BIS has designated the Chief Executive as the Accounting Officer of Yorkshire Forward. The Accounting Officer of Yorkshire Forward must ensure that there is a high standard of financial management; that financial systems and procedures promote the efficient and economical conduct of business

and safeguard financial propriety and regularity; and that financial considerations are fully taken into account in decisions on Yorkshire Forward policy proposals. These requirements are set out in the 'Non-Departmental Public Bodies' Accounting Officer's Memorandum issued by HM Treasury.

The agency and the Chief Executive are also responsible for ensuring that there are appropriate controls over any publication of the financial statements, including the publication of the National Audit Office audit report on the agency's website and in other electronic forms.

As far as the Accounting Officer is aware, there is no relevant audit information of which the entity's auditors are unaware and the Accounting Officer has taken all steps that he ought to have taken to make himself aware of any relevant information and to establish that the entity's auditors are aware of that information.

### **Management statement and financial memorandum**

The Secretary of State issued Yorkshire Forward with a Management Statement and Financial Memorandum in October 2008. The framework sets out the financial framework under which Yorkshire Forward should operate. Yorkshire Forward has complied in all material respects with the terms of this memorandum during 2009/10.

### **Financial results and review**

The agency's principal source of funding is Grant in Aid received from government. The Single Programme allows the agency to effectively influence regional economic priorities and gives greater flexibility to manage the available resources. The Single Programme replaced the many different funding streams previously received from government departments, which were allocated for specific legacy and inherited programmes.

This Single Programme funding was supplemented by European Funding, funding from the Department of Communities and Local Government under the Northern Way Programme, funding from Homes and Community Agency under the Coalfield Programme, Grants Business Investment funding from BIS for projects with a value in excess of £2m, capital receipts from the disposal of assets, rental income and other income resulting in a total income and funding of £447.0m for the year.

The agency will continue to seek additional resources to support our activities and those of our partners, in contributing to the delivery of the revised Regional Economic Strategy.

The agency recognises the support of the European Community via the European Regional Development Fund (ERDF).

The results for the year ended 31 March 2010 are set out in the financial statements on pages 106 to 111.

## **Events after the reporting period**

The agency's contingent liabilities and events for the reporting period are disclosed at notes 24 and 25 of the financial statement page 130.

## **Principal risks and uncertainties**

The agency's principal risks, including mitigating action taken and planned to be taken by Executive Directors, are set out in its Corporate Risk Register. It is available on request from the Assistant Director (Internal Audit & Value for Money).

Following the general election on 6 May 2010, the new coalition Government outlined a series of proposed changes to how local economic development will be delivered, including the creation of Local Enterprise Partnerships to replace Regional Development Agencies. The June 2010 budget confirmed that the Government intends to abolish Regional Development Agencies through the Public Bodies Bill, and that it will issue a White Paper in summer 2010, which will set out details of these proposals. In light of this event management have reviewed the appropriateness of the preparation of the financial statements on a 'going concern' basis.

The Agency notes that Parliament will need to enact the legislation necessary to abolish Regional Development Agencies, and that the timing and eventual decision of Parliament on this matter is currently uncertain. Consequently, management have concluded that there exists a material uncertainty that casts doubt upon the Agency's ability to continue as a going concern.

Nevertheless, after making enquiries and discussing the situation with the Department, management are satisfied that sufficient funding is in place to enable the Agency to continue in operation and meet its obligations as they fall due. Ministers have confirmed that there will be an orderly transition to any new arrangements, and there is no reason to believe that funding will not be forthcoming to meet the Agency's obligations as they fall due. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

## **Pension costs**

The treatment of pension liabilities and the relevant pension scheme details are set out in the accounting policies note on page 113, in the staff costs note to the financial statements (note 4) and in the remuneration report on pages 87 to 96.

## **Special purpose entities**

The agency has received Section 5 (2) c consent to participate in the following corporate bodies:

Co2 Sense  
Directions Finningley  
Victoria Place Management Company (Leeds) Ltd  
Digital Region  
Hull Forward  
Creative Sheffield  
Finance Yorkshire  
Partnership Investment Fund  
South Yorkshire Investment Fund Ltd  
Ven International

## **Health and safety**

The Yorkshire Forward Health and Safety Policy sets out how the responsibilities of the organisation are fulfilled to staff, visitors and anyone who might be affected by activities related to regional development agency offices, commercial and industrial properties and projects.

The health, safety and security committee meet every three months to report on health, safety and security issues and to agree and share best practice. All staff has access to health, safety and security representatives and any matters raised are presented to the committee.

The health, safety and security committee is chaired by Ruth Redfern (Assistant Chief Executive) and committee members include:

Representatives from Victoria House and each of the regional offices:

- Asset manager
- Facilities manager
- HR representative
- Police liaison officer
- Health and safety consultant
- Health and safety manager

## **Employee information and consultation**

As part of our commitment to business excellence we are dedicated to maintaining and developing internal consultation with our employees on proposed developments, or new initiatives that would have an impact. In line with this commitment we reviewed our working practices and agreed to continue to work in partnership with Prospect. The consultation extends to all our employees, whether union members or not. We regularly use working groups, Internal Communications Focus Group (ICFG) and other focus groups in addition to the union

to ensure that employees have the opportunity to input to improvements and changes to our policies and ways of working.

## **Employment of disabled persons**

Yorkshire Forward's Diversity policy recognises the need to value and respect everyone's abilities and differences, whilst interacting with and treating individuals both fairly and equitably in relation to recruitment, promotion, training or continued employment. Yorkshire Forward aims to ensure that full appropriate consideration and support is given to all employees, in being able to perform effectively in their individual roles and fulfil their potential. To this aim, Yorkshire Forward has developed a Disability Equality Scheme

## **Race Equality Scheme**

In 2005 we reviewed our Race Equality Scheme action plan to ensure that we were on target with our expected achievements. The review highlighted a number of successes and areas for improvement. These have all been taken into account in producing a revised scheme. This is available on request from the assistant director of human resources

## **Diversity**

Yorkshire Forward's aim is to be at the forefront of the diversity agenda. It is committed to operating policies and procedures that encourage and promote diversity both internally in respect to the recruitment and treatment of its workforce and externally in how it deals with its regional partners. In particular it seeks to:

- Ensure that all internal policies and procedures operate equally and fairly across the organisation regardless of race, gender, age, or disability, marital status, sexual orientation, or religious belief.
- Adopt measures that ensure regional partners and other stakeholders promote equality and diversity amongst their own workforce.
- Ensure that the beneficiaries of Yorkshire Forward's funding reflect the diversity of communities in the region.

Consequently and in line with changing legislation, Yorkshire Forward has produced a Single Equality Scheme (SES). This SES incorporates, amongst other things, revisions to our three key existing policies: Disability Equality, Gender Equality and Race Equality.

## **Gender Equality Scheme**

The Gender Equality Scheme has been produced to ensure that we are not discriminating on the grounds of gender in any aspects of our policies or procedures. It meets the general and specific duties assigned to us under the Gender Equality regulations and compliments our other equality schemes to ensure we continue to promote our diversity agenda.

## **Single Equality Scheme**

The introduction of a Single Equality Scheme has commenced and is being led by Helen Thomson assistant director economic inclusion with input from HR as appropriate.

The Single Equality Scheme is in development to incorporate the race, disability and gender equality schemes together and now adding age, religion or belief and equality on sexual orientation. The scheme was submitted to the Yorkshire Forward Board, in draft for approval April 2010 and has since been out for further consultation, from staff and partners.

The Single Equality Schemes are now set within legislation, from April 2010. However, the guidance as to how organisations are expected to comply with the full scope of the Act will be the subject of new guidance to be issued in summer 2010. The Yorkshire Forward Single Equalities Scheme will be revised in the light of the guidance and the consultation.

## **Political and charitable donations**

No political or charitable donations were made during the year.

## **Audit Sub-Committee**

The Sub-Committee met four times during the course of the year to monitor the work of Internal Audit, review the Annual Accounts, meet with the National Audit Office (NAO) (as external auditors), monitor the implementation of the Corporate Risk Policy and advise the Board and the Accounting Officer.

The Sub-Committee was chaired by John Weighell.

Other members were:

Arshad Javed (retired 13 December 2009)

Cllr Jan Wilson CBE

Julie Kenny CBE DL

Mark Lovell

Bill Adams (appointed 11 March 2010)

## **Auditors**

The Comptroller and Auditor General is appointed by statute to audit Yorkshire Forward and reports to Parliament on the truth and fairness of the annual financial statements and the regularity of income and expenditure. The following costs have been incurred in relation to services provided by the Comptroller and Auditor General:

- Audit Fee £72,500

- Review of restatement of financial statements in accordance with International Financial Reporting Standards £6,500
- Certification of European grant claims £30,000
- Independent Supplementary review £77,375
- The audit fees for auditing subsidiary bodies are disclosed in note 5.

The Comptroller and Auditor General also has statutory powers to report on the economy, efficiency and effectiveness with which the agency has used its resources.

## **Remuneration report**

**This report for the year ended 31 March 2010 is produced by the Board on the recommendation of the Compensation Sub-Committee and deals with the remuneration of the Chair, Chief Executive, Board members and Executive Directors who have influence over the decisions of the agency as a whole.**

### **Compensation Sub-Committee**

The remuneration of the Board is set by BIS and is reviewed every year by BIS in line with the recommendations of the Senior Salaries Review Board. The Compensation Sub-Committee is appointed annually and acts on behalf of the Board to consider any revised terms and conditions of its members, the performance and compensation of the Chief Executive and the Executive Directors, and any review of pay and other personnel policies relating to Yorkshire Forward staff. Five members of the Board sit on the Compensation Sub-Committee.

The Sub-Committee met once during the course of the year to advise the Board on the remuneration of the Chief Executive and advise the Chief Executive on Executive Directors' remuneration.

The Sub-Committee was chaired by Linda Pollard OBE JP DL (Deputy Chair) and the other members were Terry Hodgkinson (Chair), Mark Kirk, and Bill Adams. Professor Michael Arthur sent his apologies.

### **Remuneration policy**

Performance pay for the Chief Executive is determined by the Chair on the recommendation of the Compensation Sub-Committee. Performance is measured against weighted targets determined by the Chair following consultation with the Regional Director of the Government Office and other regional development agency chairs and is subject to formal approval by BIS ministers. The amount of the performance award can be up to a maximum of 20% of salary. In 2009/10 the performance award was based on delivery against targets and related to 2008/09 management production of the IRS/RES, delivery of the Financial Strategy, Investment Planning, Better Deal for Business, Northern Way, and Renaissance programmes, work on Business Excellence and regularity and probity levels.

### **Service contracts**

All Board members have been appointed on a fixed-term contract of up to three years and except for the Chair and Deputy Chair are contracted to carry out two days work per month. The Chair is contracted for three days per week and the Deputy Chair is contracted for four days per month.

Please see the emoluments table for details of the terms of appointment of the Board members. Board members' appointments are made by BIS ministers in accordance with the Commission of Public Appointments code.

The following sections provide details of the remuneration and pension interests of Board members, Chief Executive and Executive Directors.

## Audited part of the remuneration report

### Emoluments of Board members

NAME	DATE OF APPOINTMENT/ REAPPOINTMENT	TERM OF APPOINTMENT	SALARY 2009/10 £	SALARY 2008/09 £
Terry Hodgkinson (Chair)	14 December 2006	3 years	80,509	80,509
Linda Pollard OBE JP DL (Deputy Chair)	14 December 2007	3 years	17,076	17,076
Ajaz Ahmed	14 December 2008	3 years	8,538	2,548
Bill Adams	14 December 2008	3 years	8,538	2,548
Prof Michael Arthur	14 December 2006	3 years	8,538	8,538
Barry Dodd OBE	14 December 2008	3 years	8,538	8,538
Heidi Mottram	14 December 2009	3 years	2,586	-
Sharon Allen	14 December 2009	3 years	2,586	-
Arshad Javed*	14 December 2007	2 years	5,991	8,538
Julie Kenny CBE DL	14 December 2008	3 years	8,538	8,538
Cllr Mark Kirk	14 December 2007	3 years	8,538	8,538
Mark Lovell	14 December 2007	3 years	8,538	8,538
Laura Moynahan*	14 December 2007	2 years	5,991	8,538
Cllr Kath Pinnock	14 December 2008	3 years	8,538	8,538
John Vincent	14 December 2008	3 years	8,538	2,548
Cllr John Weighell	14 December 2006	3 years	8,538	8,538
Cllr Jan Wilson CBE	14 December 2007	3 years	8,538	8,538

\*Arshad Javed and Laura Moynahan retired as Board members on 13 December 2009.

A payment of £117.46 was paid on 6<sup>th</sup> August 2009 to Stella Guy, who retired as a Board Member on 13 December 2008. The payment was relating to 2008/2009 salary arrears.

### Emoluments of Chief Executive and senior managers

NAME AND POSITION	SALARY	BONUS	OTHER BENEFITS	PENSION CONTRIBUTIONS	SALARY 2009/10	SALARY 2008/09
	£	£	£	£	£	£
<b>Tom Riordan</b> - Chief Executive	131,414	21,026	1,800	30,035	184,275	178,123
<b>Simon Hill</b> - Executive Director of Business	101,495	9,000	1,800	24,663	136,958	135,554

<b>Jan Anderson</b> - Executive Director of Environment	101,495	9,500	-	24,663	135,658	133,944
<b>Trevor Shaw</b> - Executive Director of Finance	101,495	9,000	1,800	24,663	136,958	134,555
<b>Thea Stein</b> - Executive Director of Economic Inclusion *	101,495	9,500	1,800	24,663	137,458	134,865
<b>Simon Foy</b> - Executive Director of Strategy	101,495	4,393	1,800	24,663	132,351	42,032

<b>Don Stewart</b> - Project Director Destination Yorkshire	101,495	7,000	1,800	24,663	134,958	134,793
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\* Thea Stein was appointed Interim Chief Executive on 1<sup>st</sup> July 2010.

## Senior staff contracts

The interim Chief Executive, Thea Stein is employed on a fixed term employment contract. In the event of termination of the contract by Yorkshire Forward she will be entitled to PILON (Pay In Lieu of Notice). Both of these points are agreed with the sponsor department.

The other members of the senior management team are employed under permanent employment contracts. The Chief Executive and senior managers work for the agency full time.

For the Chief Executive and senior management team, early termination, other than for misconduct, will be under the terms of the Principal Civil Service Pension Scheme (PCSPS). This is per the terms under the Civil Service Compensation Scheme.

## Pension benefits

No Board members are eligible for pension contributions, performance related pay or any other taxable benefit as a result of employment with the agency with the exception of the Chair.

With the approval of BIS, a pension and death in service benefit scheme has been put in place for Terry Hodgkinson with contribution rates and benefits which are identical to the Principal Civil Service Pension Scheme but which is funded directly by the agency. On his retirement, payment of the Chair's pension will be the responsibility of the agency, underwritten by the BIS.

The agency is not permitted to invest employer contributions of £19,564 (2008/09 £20,530) and those deducted from the Chair's salary together amounting to £2,818 (2008/09 £2,818) and an equivalent pension benefit has been provided for in the statement of financial position at 31 March 2010.

<b>FINANCIAL ASSUMPTIONS</b>	<b>31/03/2010</b>	<b>31/03/2009</b>
• The inflation assumptions	2.75%	2.75%
• The rate of increase in salaries	4.3%	4.3%
• The rate of increase for pensions in payment and deferred pensions	2.75%	2.75%
• The rate used to discount scheme liabilities	4.60%	6.04%

<b>THE EFFECT OF ACCRUAL DURING YEAR</b>	<b>£000's</b>	<b>£000's</b>
• The current service cost (net of employee contributions)	22	26
• Any past service costs	Nil	Nil
• Gains and losses on any settlements and curtailments	Nil	Nil
• The interest cost	9	7
• <b>Total Expense/(Income)</b>	<b>31</b>	<b>33</b>

<b>ACTUARIAL GAINS AND LOSSES DURING THE YEAR</b>	<b>£000's</b>	<b>£000's</b>
• Experience losses (gains)	(6)	(3)
• Effect of changes in assumptions underlying the present value of scheme liabilities	40	(20)
• <b>Total Actuarial Losses (Gains)</b>	<b>34</b>	<b>(23)</b>

<b>LIABILITY (£000's)</b>	<b>31/03/2010</b>	<b>31/03/2009</b>
• Actives	203	135
• Deferred	0	0
• Pensioners	0	0
• Dependant Pensioners	0	0
• <b>Total Present Value of the Scheme Liabilities</b>	<b>203</b>	<b>135</b>

<b>LIABILITY CALCULATION</b>	<b>£000's</b>
Present Value of Scheme Liability at start of the Year	135
Current service cost (net of employee contributions)	22
Employee contributions	3
Interest cost	9
Actuarial losses (Gains)	34
<b>Less: Benefits paid</b>	-
<b>Less: Net individual transfers out</b>	-
<b>Present Value of Scheme Liabilities at end of Year</b>	<b>203</b>

## Pension benefits of Chief Executive and senior managers

All senior managers and the Chief Executive are members of PCSPS. Tom Riordan, Don Stewart, Trevor Shaw, Jan Anderson and Simon Foy are in the Classic scheme. Simon Hill and Thea Stein are in the Premium scheme.

NAME AND POSITION	REAL IN-CREASE IN PENSION	REAL IN-CREASE IN LUMP SUM	PENSION AT 31/03/10	LUMP SUM AT 31/03/10	RE-STATEd CETV AT 31/03/09	CETV AT 31/03/10	EM-PLOYEE CONTRIBUTIONS AND TRANS-FERS IN	REAL IN-CREASE IN CETV AS FUNDED BY EM-PLOYER
	£	£	£	£	£	£	£	£
<b>Jan Anderson</b> Executive Director of Environment	1,893	5,678	43,500	130,501	922,000	1,013,000	1,522	43,000
<b>Trevor Shaw</b> Executive Director of Finance	1,915	5,744	44,984	134,953	948,000	1,041,000	1,522	43,000
<b>Tom Riordan</b> Chief Executive	2,982	8,946	31,230	93,691	363,000	427,000	1,854	39,000
<b>Simon Hill</b> Executive Director of Business	1,773	n/a	7,183	n/a	69,000	98,000	3,552	21,000
<b>Thea Stein</b> Executive Director of Economic Inclusion *	2,042	n/a	25,429	n/a	298,000	345,000	3,552	24,000
<b>Simon Foy</b> Executive Director of Strategy	5,111	15,334	20,612	61,836	242,000	340,000	1,522	83,000
<b>Don Stewart</b> Project Director Destinations Yorkshire	2,014	5,976	51,683	150,616	1,070,000	1,173,000	1,522	45,000

Columns 6 & 7 of the above table show the member's cash equivalent transfer value accrued at the beginning and the end of the reporting period. Column 9 reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation and contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

\* Thea Stein was appointed Interim Chief Executive on 1<sup>st</sup> July 2010.

### **Cash Equivalent Transfer Value**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

### **Real increase in CETV**

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

### **Non cash remuneration**

There were no payments made to directors in the year (2008/09 £nil).

### **Payments made for loss of office**

There were no payments made in the year (2008/09 £nil).

## Principal Civil Service Pension Scheme

The Principal Civil Service Pension scheme is an unfunded multi-employer defined benefit scheme, but Yorkshire Forward is unable to identify its share of underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)) scheme statement of the PCSPS. For 2009/10 employer's contributions of £2,688,468 (2008/09 £2,714,293) were payable to the PCSPS at rates in the range of 16.7% to 24.3% of pensionable pay. Employer contribution rates are reviewed every four years following a scheme valuation by the Scheme Actuary. The contribution rates reflect as they accrue, not when the costs are actually incurred, and they reflect past experience of the scheme. At the statement of financial position date there were no outstanding contributions to the scheme.

From 1 October 2002, employees may be in one of three statutory based 'final salary' defined benefit schemes (**classic**, **premium**, and **classic plus**). New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder based arrangement with a significant employer contribution (**partnership pension account**).

All employees of Yorkshire Forward are members of the PCSPS pension scheme unless otherwise stated. The scheme is currently open to new members.

### (a) Classic scheme

Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay contributions of 1.5% of pensionable earnings. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed ten years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

### (b) Premium scheme

Benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum, but members may commute some of their pension to provide a lump sum up to a maximum of 3/80ths of final pensionable earnings for each year of service or 2.25 times pension if greater (the commutation rate is £12 of lump sum for each £1 of pension given up). For the purposes of pension disclosure the tables assume maximum commutation. Members pay contributions of 3.5% of pensionable earnings. On death, pensions are payable to the surviving spouse or eligible partner at a rate of 3/8ths of the member's pension (before any commutation). On death in service, the scheme pays a lump-sum benefit of three times pensionable earnings and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed ten years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial

reduction. Where the member's ill health is such that it permanently prevents them undertaking any gainful employment, service is enhanced to what they would have accrued at the age of 60.

#### **(c) Classic plus scheme**

This is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic. Pensions payable under classic, premium and classic plus are increased in line with the Retail Prices Index.

#### **(d) NUVOS pension scheme**

The Nuvos Pension Scheme was introduced for new entrants from 30 July 2007. This is not a final salary pension scheme, but one based on an average of pensionable earnings over an employee's career.

The employee contributes 3.5% of their pensionable earnings. Yorkshire Forward contributes between 16.7% and 24.3%, depending on the employee's salary.

#### **(e) Partnership pension account**

This is a stakeholder-type arrangement where the employer pays a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product. The employee does not have to contribute, but where they do make contributions, these will be matched by the employer up to a limit of 3% (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of risk benefit cover (Death in service and ill health retirement). The member may retire at any time between the ages of 50 and 75 (from 2010 the age range changes 55 to 75) and use the accumulated fund to purchase a pension. The member may choose to take up to 25% of the fund as a lump sum. For 2009/10 normal employer contributions of £17,479 (2008/09 £8,180) were payable to the Scottish Widows and Standard Life schemes at a maximum rate of 12.5% of pensionable pay.

### **Homes and Communities Agency scheme**

The Homes and Communities Agency scheme is a multi-employer defined benefit scheme, but Yorkshire Forward is unable to identify its share of underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2008 and details can be found in the separate scheme statement of the Homes and Communities Agency Pension Scheme. For 2009/10 normal employer contributions of £50,481 (2008/09 £61,132) were payable to the Homes and Community Agency Scheme at the rate of 29.1% of pensionable pay, fixed for 3 years.

Employer contribution rates are reviewed every three years following a scheme valuation by the scheme actuary. The contribution rates reflect as they accrue, not when the costs are actually incurred, and they reflect past experience of the scheme. At the statement of financial position date there were no outstanding contributions to the scheme.

There were four members in the scheme in 2009/10. The scheme is no longer open to new members and is an inherited scheme from Homes and Communities Agency.

## West Yorkshire Pension Fund

The West Yorkshire Pension Fund is a multi-employer defined benefit scheme, but Yorkshire Forward is unable to identify its share of underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2007 and details can be found in the separate scheme statement of the West Yorkshire Pension Fund. For 2009/10 normal employer contributions of £31,490 (2008/09 £13,635) were payable to the West Yorkshire Pension Fund at the rate of 17.9% of pensionable pay.

The scheme is reviewed every three years following a valuation by the scheme actuary. The contribution rates reflect as they accrue, not when the costs are actually incurred, and they reflect past experience of the scheme. At the statement of financial position date there were no outstanding contributions to the scheme.

There were nine members in the scheme in 2009/10. The scheme is no longer open to new members of staff other than staff TUPE transferred in, and is an inherited scheme from Yorkshire & Humberside Development Agency.



**THEA STEIN**  
Interim Chief Executive and Accounting Officer

6 July 2010



**TERRY HODGKINSON**  
Chair

6 July 2010

# Statement on internal control

## Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Yorkshire Forward's policies, aims and objectives, whilst safeguarding the public funds and Agency assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money. I am also responsible for ensuring that Yorkshire Forward continues to operate within the framework specified by the Secretary of State and BIS in Yorkshire Forward's Accountability and Financial Framework.

## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Agency policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Yorkshire Forward for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts, and accords with HM Treasury guidance.

## Capacity to handle risk

Yorkshire Forward operates a comprehensive risk management framework which is overseen by the Board and the Audit Sub-Committee. The process accords with HM Treasury guidance and is applied consistently across the Agency. Responsibility for ensuring all risks identified through the Board are effectively managed has been delegated by myself as Accounting Officer to the Executive Director Finance, with a clear objective set at the start of the year and reviewed throughout the year as part of the Performance Management Scheme.

The Agency's Corporate Risk Policy is reviewed annually by the Board whilst a more detailed Risk Management Procedure is reviewed annually by the Risk Management Forum (RMF). The RMF meets quarterly and comprises staff responsible for promoting effective risk management within their Directorates and communicating good practice and the management of generic risks across the Agency.

Training in risk management forms part of the induction for all new staff and Board members with more focused training provided periodically for Project Managers, as part of the suite of support provided by the Contract Management Team, and members of the RMF.

Internal Audit conducts specific annual reviews of the risk management framework and identify the objectives, risks and controls as part of the planning stage of each review undertaken. Reports arising from these reviews contain agreed action plans to improve the system of internal control with actions tracked by the Audit Sub-Committee. The National Audit Office (NAO) and other assurance providers, such as the Contract Management Team and European Programme Team routinely provide reports on their opinion of the system of internal control, including risk management, with action plans for improvement agreed and shared.

## **The risk and control framework**

Risk Management is considered to be well embedded within the Agency's processes. The Risk Management Procedure provides for the identification and management of risk using horizon scanning and risk registers. These exist at corporate, directorate and project levels covering the material operational, financial and reputation risks. Nominated individuals are responsible for maintaining risk registers and owning individual risks. The Agency's risk appetite is discussed and agreed by the Board and Executive in reviewing the Corporate Risk Register where the need to achieve the Agency's objectives is balanced by the level of risk assessed and the capacity to manage and deal with the risks that may arise.

The Corporate Risk Register contains the material risks that may prevent the achievement of the Agency's Corporate Plan objectives. It is fully reviewed annually by a Task and Finish Group comprising Audit Sub-Committee members and is approved by the Board. Risks are allocated to Executive Directors to own and manage with actions monitored by way of a report to Audit Sub-Committee twice per year.

Within Directorate Risk Registers, each Executive Director, supported by their nominated RMF member, has evaluated the risks in their area of responsibility to determine potential likelihood and impact and how each risk will be managed. Executive Directors annually present on risk management within their Directorates to the Audit Sub-Committee.

Risk management is also embedded in our project planning with each project appraised, approved and managed under the Agency's Project Management Framework (PMF) which accords with BIS Guidance for RDAs in Appraisal, Delivery and Evaluation (GRADE). This requires risk management to be fully considered at every stage in the project lifecycle. Project risk, and management thereof, is therefore identified and evaluated by Project Managers with support and challenge provided at various stages of the PMF.

The Agency is aware of its responsibilities regarding the safeguarding of information, including personal data, and is active in identifying and managing associated risks. It has appointed a Senior Information Risk Owner and established a cross Directorate Information Security Strategy Board to ensure the Agency's responsibilities are widely owned and to identify, review and manage information security risks. Information Asset Owners have been identified for systems holding business critical data and large amounts of personal data. Due to the Agency's control framework, there have been no known material breaches of protected personal data or other sensitive information. Information security has also been subject to review by Internal Audit and received an adequate audit opinion.

Risk forms part of the template for Board papers whilst the Boards and/or Audit Committees of the Agency's Special Purpose Entities and significant partner organisations are attended by senior management of Yorkshire Forward. There has been no significant change to the Agency's risk and control framework during 2009/10.

## **Risk priorities**

### **The Economic downturn**

RDAs are a vital part of the defence mechanism to soften the impact of local economic shocks and the regional impact of global or national downturn. Yorkshire Forward has brought forward programme resource into 2009/10 to respond to the recession and interprets, via the Chief Economist's Unit, national and regional economic data to ensure an appropriate allocation of resources.

The global recession has also had an impact on Government funding with reduced financial resources a potential change in role for the RDAs following the establishment of the Coalition Government and the forthcoming change in the Agency's Chair and Chief Executive. In these financially constrained and changing times, it has been important for regular contact to be maintained with BIS. Whilst we are managing the uncertainty through scenario planning, the prospect of change has been unsettling for both staff and partners. We will continue to manage this risk by ensuring that support mechanisms are available for staff and that timely, accurate information is provided.

### **European Regional Development Fund (ERDF) Programmes**

The Board and Audit Sub-Committee continue to be kept apprised of the risks surrounding the closure of the ERDF Programme 2000-2006. An audit by the Government Office for Yorkshire and the Humber (GOYH), following an earlier inspection by the European Court of Auditors, has resulted in Yorkshire Forward receiving invoices totalling £9.27m relating to the recovery of ERDF by the European Commission, of which £7.61m has been recharged to delivery organisations. As there remains a continued risk of recovery of further ERDF monies, Yorkshire Forward has deployed additional resources and is working closely with GOYH to minimise the Agency's risk exposure.

Yorkshire Forward is the designated Intermediate Body for delivery of the ERDF Programme 2007-2013, Again, the Board and Audit Sub-Committee continue to be advised of the how the associated risks are being managed. In December 2009, the Agency achieved the first of its annual 'n+2' spend targets and will assess resource availability going forward to achieve subsequent years targets.

### **Integrated Regional Strategy**

The previous government tasked Yorkshire Forward with joint statutory responsibility alongside the region's local authorities to develop, implement and monitor an Integrated Regional Strategy (IRS) (combining the

current Regional Economic and Spatial Strategies) to deliver sustainable economic growth in the region. Yorkshire Forward and the region's local authorities have established a Joint Regional Board to develop the IRS and have begun work on evidence gathering in accordance with the agreed project plan. A post-election 'stock-take' is being conducted with partners to determine appropriate future structures and strategies to reflect changes in Government policy, including the removal of statutory Regional Spatial Planning.

### **Agency resilience**

Our Business Continuity Plan was invoked during the swine flu outbreak in Summer 2009 and severe winter weather affecting the region in January 2010. Due to the effectiveness of Business Continuity arrangements, our service delivery remained unaffected.

### **Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of Internal Audit and the Agency's Executive Directors who have responsibility for the development and maintenance of the internal control framework, and comments made by the NAO in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit Sub-Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Agency has established the following processes in maintaining and reviewing the effectiveness of the system of internal control:

- The Board, comprising non-executive members, meets every 6 weeks to consider the plans and strategic direction of the Agency. The Board evaluates and monitors key performance indicators and financial performance at each meeting and formally approves the annual report and accounts.
- The Audit Sub-Committee, chaired by an independent non-executive Board member, meets four times per year to support the Board in its responsibilities for issues of risk, control and governance. The Sub-Committee operates in accordance with HM Treasury guidance and reviews the annual report and accounts, as well as the opinion of the Assistant Director (Internal Audit & Value for Money) on the adequacy and effectiveness of the system of internal control together with recommendations for improvement. This includes an annual report of the outcome of Internal Audit work and the tracking of the implementation of agreed recommendations arising from Internal Audit report by the Audit Sub-Committee. Its minutes are presented at Board meetings as is a Chair's annual report on its work.

The Executive annually receives a report from the Risk Management Forum (RMF) detailing its activity and action taken or planned to manage high rated risks within Directorates. A schedule of projects which expose the Agency to the greatest risk, including the actions taken or planned to manage risk, is provided quarterly to the

Executive and is shared amongst RMF members. This capacity enables the Agency to respond to changes in its risk environment.

The NAO is the appointed external auditor of Yorkshire Forward under section 15 of the Regional Development Agencies Act 1998. The NAO reviewed Internal Audit earlier in 2009/10 to assess its adequacy within the system of internal control and to confirm its independence and quality of work and concluded that they are able to place reliance on the work of Internal Audit. The NAO, in its management report, provided an unqualified audit opinion on the 2008/09 accounts of the Agency with no significant material weaknesses in accounting or internal control systems identified. The NAO has also conducted a review of the Agency's progress towards implementation of International Financial Reporting Standards and provided a clear, unmodified audit opinion with no significant material weaknesses in accounting or internal control systems.

Each RDA has recently been subject to an Independent Supplementary Review (ISR) commissioned by the Department for Business, Innovation and Skills (BIS). The ISR final report will be used to further develop the Agency's Continuous Improvement Plan and actions will be put in place to tackle areas where performance is identified as requiring improvement.

Regarding financial management and budgeting, Executive Directors are supported by dedicated directorate accountants and meet with their own Assistant Directors regularly to monitor project expenditure and budget variances with action taken to address any issues identified. A range of in-house, external and interactive financial training sessions has been delivered for staff. Management accounts are reviewed monthly by budget holders and a budget holder's manual has recently been issued to all Assistant Directors. All programme spend approval is conducted in accordance with the PMF.

Statements providing assurance regarding risk and financial management have been received from all Executive Directors and the Assistant Chief Executive of Yorkshire Forward; the Chief Officers of the Agency's Special Purpose Entities and, from 2009/10, the Chief Officers of the Agency's significant partner organisations. Positive assurance on the Agency's system of internal control has been received from Internal Audit, the Contract Management Team, the European Programme Team, the NAO and other internal and external assurance providers.

## **Significant Internal Control issues**

There were no significant internal control issues raised in the 2008/09 Statement on Internal Control, however I consider it prudent to disclose the risk associated with the closure of the 2000-2006 European Regional Development Fund (ERDF) Programmes. Audits conducted by the European Court of Auditors, the Department for Communities & Local Government and Government Office Yorkshire and Humber (GOYH) have identified a number of issues which has already resulted in the recovery of £9.27m of ERDF monies provided to the Agency by the European Commission (of which £7.61m has been recharged to delivery organisations) and may result in the recovery of further ERDF monies. Yorkshire Forward and GOYH have continued to work closely to minimise the risk exposure and lessons have been taken to apply to the 2007-2013 ERDF programme. The Board and Audit Sub-Committee of Yorkshire Forward have been regularly informed of developments throughout 2009/10.

Despite this potential significant internal control issue, the independent and objective conclusion drawn by the Assistant Director (Internal Audit & Value for Money) is that

*“By combining the work of internal and external assurance providers with the work of Internal Audit, the Agency’s overall control framework remains largely robust with action plans in place to address all recommendations made.”*



**THEA STEIN**  
Interim Chief Executive and Accounting Officer

6 July 2010



**TERRY HODGKINSON**  
Chair

6 July 2010

# **The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament and Yorkshire Forward**

I certify that I have audited the financial statements of Yorkshire Forward for the year ended 31 March 2010 under the Regional Development Agencies Act 1998. These comprise the Group Net Expenditure Account, the Group and Agency Statement of Financial Position, the Group and Agency Statement of Cash Flows, the Group Statement of Changes in Reserves and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## **Respective responsibilities of the Accounting Officer and auditor**

As explained more fully in the Statement of Agency and Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the Audit of the Financial Statements**

An audit involves obtaining sufficient evidence about the amounts and disclosures in the financial statements to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to Yorkshire Forward's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Yorkshire Forward; and the overall presentation of the financial statements.

In addition, I am required to obtain sufficient evidence to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## **Opinion on Regularity**

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of Yorkshire Forward's affairs as at 31 March 2010 and of its Group Net Expenditure, Group Statement of Changes in Reserves and Group and Agency Cash Flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Regional Development Agencies Act 1998 and directions issued thereunder by the Secretary of State.

## **Emphasis of matter – Going Concern**

In forming my opinion, which is not qualified, I have considered the adequacy of the disclosures made in note 25 to the financial statements concerning the application of the going concern principle. This is in light of the Government's announcement in the June 2010 budget that it intends to abolish the Regional Development Agencies through the Public Bodies Bill, and that it will issue a White Paper in summer 2010 setting out details of these proposals. These circumstances indicate the existence of a material uncertainty which may cast doubt upon the ability of Yorkshire Forward to continue as a going concern. The financial statements do not include the adjustments that would result if Yorkshire Forward was unable to continue as a going concern.

## **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with directions issued by the Secretary of State under the Regional Development Agencies Act 1998; and
- the information given in the Management Commentary and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or
- the financial statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

## **Report**

I have no observations to make on these financial statements.

**Amyas C E Morse**  
Comptroller and Auditor General

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

12 July 2010

# Financial statements 2009/2010

## Group net expenditure account for the year to 31 March 2010

	NOTES	2009/2010 £'000	RESTATED 2008/2009 £'000
<b>Expenditure</b>			
Programme expenditure	3	292,015	281,341
European funded programme expenditure	3	79,506	1,049
Staff costs	4	20,956	19,586
Depreciation	5	938	769
Other administration costs	5	7,725	9,298
Other losses	6	21,896	42,150
Book value of inventories sold	7	757	2,690
<b>TOTAL EXPENDITURE</b>		<b>423,793</b>	<b>356,883</b>
<b>Income</b>			
European funded income	8	89,491	4,495
Other income	9	24,861	18,175
Other gains	12	6	-
Proceeds from sale of inventories		489	8,062
<b>TOTAL INCOME</b>		<b>114,847</b>	<b>30,732</b>
<b>NET EXPENDITURE</b>		<b>(308,946)</b>	<b>(326,151)</b>
Cost of capital	10	(3,848)	(4,660)
Interest receivable	11	239	1,573
Surplus/(deficit) in relation to Share in Joint Venture & Associates	12	(702)	(14)
<b>NET EXPENDITURE AFTER COST OF CAPITAL CHARGE AND INTEREST</b>		<b>(313,257)</b>	<b>(329,252)</b>
Taxation	13	3	(1,739)
<b>NET EXPENDITURE AFTER TAX</b>		<b>(313,254)</b>	<b>(330,991)</b>
Reversal of notional cost of capital	10	3,848	4,660
<b>NET EXPENDITURE TAKEN TO RESERVES</b>		<b>(309,406)</b>	<b>(326,331)</b>

Net expenditure is financed by grant in aid as explained in accounting policy note 1 (9). All activities are from continuing operations.

## Group statement of financial position as at 31 March 2010

	NOTES	2009/2010 £'000	RESTATED 2008/2009 £'000	RESTATED 2007/2008 £'000
<b>Non Current Assets</b>				
Property, Plant & Equipment	14	20,987	21,514	24,300
Intangible Assets	15	27	35	50
Investments in Joint Ventures				
- Share of gross assets	12	22,608	823	5,166
- Share of gross liabilities	12	(22,891)	(751)	(4,721)
Investments in Associates	12	10,705	13,877	10,443
Investments Other	12	4,503	-	-
Loans and Receivables	16	13,372	1,246	1,419
<b>TOTAL NON CURRENT ASSETS</b>		<b>49,311</b>	<b>36,744</b>	<b>36,657</b>
<b>Current Assets</b>				
Inventories	7	78,505	88,813	135,509
Trade and Other Receivables	17	37,006	16,442	40,847
Cash and Cash Equivalents	18	60,821	51,689	19,312
<b>TOTAL CURRENT ASSETS</b>		<b>176,332</b>	<b>156,944</b>	<b>195,668</b>
<b>TOTAL ASSETS</b>		<b>225,643</b>	<b>193,688</b>	<b>232,325</b>
<b>Current Liabilities</b>				
Trade and Other Payables	19	(114,897)	(83,746)	(80,043)
<b>TOTAL CURRENT LIABILITIES</b>		<b>(114,897)</b>	<b>(83,746)</b>	<b>(80,043)</b>
<b>NON CURRENT ASSETS PLUS/LESS NET CURRENT ASSETS/LIABILITIES</b>		<b>110,746</b>	<b>109,942</b>	<b>152,282</b>
<b>Non Current Liabilities</b>				
Provisions	20	(409)	(371)	(1,475)
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>(409)</b>	<b>(371)</b>	<b>(1,475)</b>
<b>ASSETS LESS LIABILITIES</b>		<b>110,337</b>	<b>109,571</b>	<b>150,807</b>
<b>Taxpayer's Equity</b>				
General Reserve	21	37,719	38,335	67,257
Revaluation Reserve	21	4,221	4,088	21,849
Grant in Aid Reserve	21	68,397	67,148	61,701
<b>TOTAL TAXPAYER'S EQUITY</b>		<b>110,337</b>	<b>109,571</b>	<b>150,807</b>

*Tony Hodgkinson*

.....Chair

Date: 6 July 2010

*[Signature]*

.....Interim Chief Executive and Accounting Officer

## Agency statement of financial position as at 31 March 2010

	NOTES	2009/2010 £'000	RESTATED 2008/2009 £'000	RESTATED 2007/2008 £'000
<b>Non Current Assets</b>				
Property, Plant and Equipment	14	11,949	12,598	18,226
Intangible Assets	15	27	35	50
Investments in Subsidiaries	12	4,812	5,287	187
Investments in Joint Ventures	12	(283)	72	445
Investment in Associates	12	10,705	13,877	10,443
Investment s Other	12	4,503	-	-
Loans and Receivables	16	13,372	1,246	1,419
<b>TOTAL NON CURRENT ASSETS</b>		<b>45,085</b>	<b>33,115</b>	<b>30,770</b>
<b>Current Assets</b>				
Inventories	7	78,505	88,813	135,509
Trade and Other Receivables	17	35,800	14,950	39,507
Cash and Cash Equivalents	18	60,720	50,930	17,860
<b>TOTAL CURRENT ASSETS</b>		<b>175,025</b>	<b>154,693</b>	<b>192,876</b>
<b>TOTAL ASSETS</b>		<b>220,110</b>	<b>187,808</b>	<b>223,646</b>
<b>Current Liabilities</b>				
Trade and Other Payables	19	(113,736)	(82,700)	(71,463)
<b>TOTAL CURRENT LIABILITIES</b>		<b>(113,736)</b>	<b>(82,700)</b>	<b>(71,463)</b>
<b>NON CURRENT ASSETS PLUS/LESS NET CURRENT ASSETS/LIABILITIES</b>		<b>106,374</b>	<b>105,108</b>	<b>152,183</b>
<b>Non Current Liabilities</b>				
Provisions	20	(409)	(371)	(1,475)
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>(409)</b>	<b>(371)</b>	<b>(1,475)</b>
<b>ASSETS LESS LIABILITES</b>		<b>105,965</b>	<b>104,737</b>	<b>150,708</b>
<b>Taxpayer's Equity</b>				
General Reserve	21	38,162	39,105	67,291
Revaluation Reserve	21	4,221	4,088	21,849
Grant in Aid Reserve	21	63,582	61,544	61,568
<b>TOTAL TAXPAYER'S EQUITY</b>		<b>105,965</b>	<b>104,737</b>	<b>150,708</b>

*Tony Hodgkinson*

Chair

Date: 6 July 2010

*[Signature]*

Interim Chief Executive and Accounting Officer

## Group Statement of Cash flows for the year ended 31 March 2010

	2009/2010 £'000	RESTATED 2008/2009 £'000
<b>Cash Flows from Operating Activities</b>		
Cash generated from operations	(292,515)	(250,820)
Corporation Tax Paid	(2,489)	(373)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(295,004)</b>	<b>(251,193)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of inventories	(2,049)	(9,334)
Purchase of intangible assets	(16)	(6)
Purchase of fixed operating assets	(3,114)	1,006
Interest received	235	1,568
Cash from sale of fixed assets	80	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(4,864)</b>	<b>(6,766)</b>
<b>Cash Flows from Financing Activities</b>		
Cash inflows Grant in Aid and other grants	309,000	290,000
Cash movements in Subsidiaries	-	336
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>309,000</b>	<b>290,336</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>9,132</b>	<b>32,377</b>
Opening cash and cash equivalents	51,689	19,312
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>60,821</b>	<b>51,689</b>
	<b>RESTATED</b>	<b>RESTATED</b>
	<b>2009/2010</b>	<b>2008/2009</b>
	<b>£'000</b>	<b>£'000</b>
<b>Reconciliation of net expenditure to net cash outflow from operating activities</b>		
Net expenditure	(308,946)	(326,151)
Non-cash asset entries on I&E	15,324	44,628
Movement in operating receivables	(32,820)	29,582
Movement in operating payables	33,552	1,899
Movement in provisions	38	(1,104)
Removal of Non-Cash items in Net Expenditure	337	326
<b>CASH OUTFLOW GENERATED FROM OPERATIONS</b>	<b>(292,515)</b>	<b>(250,820)</b>

## Agency Statement of Cash flows for the year ended 31 March 2010

	2009/2010 £'000	RESTATED 2008/2009 £'000
<b>Cash Flows from Operating Activities</b>		
Cash generated from operations	(294,740)	(247,858)
Corporation Tax Paid	(2,552)	(373)
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>(297,292)</b>	<b>(248,231)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of inventories	(2,049)	(9,334)
Purchase of intangible assets	(16)	(6)
Purchase of fixed operating assets	(78)	(927)
Interest received	225	1,568
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,918)</b>	<b>(8,699)</b>
<b>Cash Flows from Financing Activities</b>		
Cash inflows Grant in Aid and other grants	309,000	290,000
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>309,000</b>	<b>290,000</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>9,790</b>	<b>33,070</b>
Opening cash and cash equivalents	50,930	17,860
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>60,720</b>	<b>50,930</b>
	<b>RESTATED</b>	<b>RESTATED</b>
	<b>2009/2010</b>	<b>2008/2009</b>
	<b>£'000</b>	<b>£'000</b>
<b>Reconciliation of net expenditure to net cash outflow from operating activities</b>		
Net expenditure	(308,565)	(327,135)
Non-cash asset entries on I&E	12,924	45,504
Movement in operating receivables	(32,987)	24,812
Movement in operating payables	33,514	9,740
Movement in provisions	37	(1,104)
Removal of Non-Cash items in Net Expenditure	337	325
<b>CASH OUTFLOW GENERATED FROM OPERATIONS</b>	<b>(294,740)</b>	<b>(247,858)</b>

## Statement of Changes in Reserves for the year ended 31 March 2010

	Grant in Aid Reserve £'000	Reval- uation Reserve £'000	General Reserve £'000	Total Reserves £'000
<b>Balance at 31 March 2007</b>	56,035	33,996	46,813	136,844
Changes in accounting policy	6,617	(5,884)	(733)	-
<b>Restated balance as 1 April 2007</b>	<b>62,652</b>	<b>28,112</b>	<b>46,080</b>	<b>136,844</b>
<b>Changes in reserves 2007/08</b>				
Net gain/(loss) on revaluation of inventories	-	(2,268)	-	(2,268)
Net gain/(loss) on revaluation of investments	-	40	-	40
Net gain/(loss) on Joint Venture	513	-	-	513
Activities in relation to Subsidiaries, Joint Venture & Associate	-	-	14,846	14,846
Activities in relation to Coalfields	-	-	2,219	2,219
Transfers between reserves	(2,143)	(4,035)	3,959	(2,219)
Retained Surplus/Deficit	(299,150)	-	-	(299,150)
<b>Total recognised Income &amp; Expense for 2007/08</b>	<b>(238,128)</b>	<b>21,849</b>	<b>67,104</b>	<b>(149,175)</b>
Grant in Aid from Parent	300,000	-	-	300,000
<b>Balance at 31 March 2008</b>	<b>61,872</b>	<b>21,849</b>	<b>67,104</b>	<b>150,825</b>
Changes in accounting policy	(171)	-	153	(18)
<b>Restated balance at 1 April 2008</b>	<b>61,701</b>	<b>21,849</b>	<b>67,257</b>	<b>150,807</b>
<b>Changes in reserves 2008/09</b>				
Net gain/(loss) on revaluation of inventories	-	(17,553)	-	(17,553)
Net gain/(loss) on revaluation of investments	-	(162)	-	(162)
Net gain/(loss) on Joint Venture	14	-	-	14
Activities in relation to Subsidiaries, Joint Venture & Associate	-	-	12,665	12,665
Activities in relation to Coalfields	-	-	(29,509)	(29,509)
Transfers between reserves	41,764	(46)	(12,078)	29,640
Retained Surplus/Deficit	(326,339)	-	-	(326,339)
<b>Total recognised Income &amp; Expense for 2008/09</b>	<b>(222,860)</b>	<b>4,088</b>	<b>38,335</b>	<b>(180,437)</b>
Grant in Aid from Parent	290,000	-	-	290,000
	<b>67,140</b>	<b>4,088</b>	<b>38,335</b>	<b>109,563</b>
Changes in accounting policy	171	-	-	171
Changes in accounting policy	(163)	-	-	(163)
<b>Balance at 31 March 2009</b>	<b>67,148</b>	<b>4,088</b>	<b>38,335</b>	<b>109,571</b>
<b>Changes in reserves 2009/10</b>				
Net gain/(loss) on revaluation of inventories	-	160	-	160
Net gain/(loss) on revaluation of investments	-	(27)	-	(27)
Activities in relation to Subsidiaries, Joint Venture & Associate	702	-	-	702
Activities in relation to Coalfields	-	-	(1,375)	(1,375)
Transfers between reserves	953	-	759	1,712
Retained Surplus/(Deficit)	(309,406)	-	-	(309,406)
<b>Total recognised Income &amp; Expense for 2009/10</b>	<b>(240,603)</b>	<b>4,221</b>	<b>37,719</b>	<b>(198,663)</b>
Grant in Aid from Parent	309,000	-	-	309,000
<b>Balance at 31 March 2010</b>	<b>68,397</b>	<b>4,221</b>	<b>37,719</b>	<b>110,337</b>

# Notes to the financial statements for the year ended 31 March 2010

## 1. Accounting Policies

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### (1) Basis of accounting

The financial statements of Yorkshire Forward have been prepared in accordance with government International Reporting Manual (FReM) issued by the HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Yorkshire Forward for the purpose of giving a true and fair view has been selected. The particular policies adopted by Yorkshire Forward are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

#### (1.1) Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories. The accounting policies set out below have been applied consistently to all periods presented in the financial statements and have been applied consistently by the group.

#### (1.2) Basis of consolidation

No separate account is presented for the agency as provided by Section 408 of the Companies Act 2006.

The consolidated accounts incorporate the accounts of the Agency and its subsidiary undertakings Co2 Sense Limited, Victoria Place Management Company (Leeds) Limited, Directions Finningley and Ven International. The Group Accounts also include group share of the post tax returns of its associates and joint ventures.

#### Subsidiaries

Are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The results of subsidiaries are included in the Group income statement from date of acquisition, or in the case of disposals, up to the effective date of disposal. Inter company transactions and balances between Group companies are eliminated upon consolidation.

#### Associates and Joint Ventures

Associates are entities that are neither Subsidiaries nor Joint Ventures, over which the Group has significant influence. Joint Ventures are jointly controlled entities in which the Group has an interest. The Group's share of the results of its Associates and Joint Ventures are included in the Group Income Statement using the equity method of accounting.

Investments in Subsidiaries, Associations and Joint Ventures are carried at cost plus post-acquisition changes in the Agency's share in the Financial Statements of the Agency.

Details of Subsidiaries, Joint Ventures and Associates can be found at Note 12.

#### (1.3) Other income

Revenue consists of grants, clawback, proceeds from sale of inventories, rents and other income.

**Proceeds from sale of Inventories** - Yorkshire Forward recognise the income from sale of properties at the time unconditional contracts are exchanged. For conditional contracts income is recognised when the last material condition is met.

**Rents** - are collected by Yorkshire Forward and other agents. Amounts are recognised as income when the rent is due.

**Other Income** - is recognised in revenue based on the terms of the agreement.

#### **(1.4) Loans and Receivables**

These consist of loans to joint ventures and third parties and Partnership Workspace schemes. The loans are for capital development projects which could not proceed without loan funding. The Partnership Workspace schemes are with local authority partners, to provide rural workspace. They have been disclosed in the Statement of Financial Position at a valuation based on present value of estimated future rental income. Expenditure on these projects is written off in the year of spend.

Loans are shown net of provision for amounts considered doubtful and net of write-offs for amounts considered irrecoverable. Provision has been made for all loans where recovery appears doubtful.

#### **(1.5) Property, Plant and Equipment**

Properties are valued at market value. Other assets including refurbishment on Direction Finningley's aviation hangars, Furniture and IT equipment, are valued at depreciated historic cost because either the value of the items is low or there is no regular market against which to compare prices and valuations.

#### **(1.6) Inventories**

Development assets, consisting of land and buildings, are shown at market value. Increases in holding value are taken to the Revaluation Reserve. Losses are written off against the reserve up to any credit balance in the reserve relating to development assets and to the Net Expenditure Account thereafter. Any reductions in holdings are written off to the Net Expenditure Account. Valuations are carried out in accordance with best practice as contained in the Statement of Asset Valuation Practice and Guidance Notes (3rd Edition) published by the Royal Institute of Chartered Surveyors. A valuation of the portfolio was carried out as at 31 March 2010 by King Sturge.

#### **(1.7) Depreciation**

Depreciation is provided to write off the cost of tangible and intangible non current assets over their anticipated useful lives on a straight-line amortisation basis at the following annual rates:

##### **Property, Plant and Equipment :**

- Vehicles 3 years
- Office furniture, fittings and equipment 4 years
- Computer equipment 4 years
- Leasehold improvements 10 years

##### **Intangible Assets:**

- Software licences 5 years

A full year's depreciation is chargeable in the year of acquisition and none is chargeable in the year of disposal.

The properties occupied by the Agency are reviewed for impairment and no depreciation charge is made if it is considered to be immaterial owing to the residual values of the properties being not materially different from the book values.

#### **(1.8) Pension costs**

The Agency's employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), the Homes and Communities Agency Pension Scheme or the West Yorkshire Pension Fund Scheme, which are all defined benefit schemes. Further details of these pension schemes are given in the remuneration report pages 87 to 96. Yorkshire Forward recognises the cost of employees' pensions in the periods which it benefits from the employee services. Details of the chair's pension are also included in the remuneration report.

### **(1.9) Grant Receivables**

Yorkshire Forward's activities are funded primarily by Grant in Aid provided through BIS. Grant in Aid received is treated as financing, credited to the Grant in Aid Reserve. Other grants received are treated as income on the Net Expenditure Account.

### **(1.10) Deferred taxation**

Deferred taxation is provided for all timing differences to the extent and at the rate that they are expected to reverse in the future.

### **(1.11) Leases**

Operating lease rentals are charged to the Net Expenditure Account over the period of the lease term. There are no finance leases.

Land and buildings leases have been reviewed to consider separation to determine the appropriate lease classification. None were material enough to require separation.

### **(1.12) VAT**

The financial statements are prepared net of recoverable VAT.

### **(1.13) Financial instruments**

#### **Financial Assets**

The financial assets of the Agency are classified into the categories of cash and cash equivalents and loans and receivables. The classification depends on the nature and purpose of the financial assets.

The cash and cash equivalents comprise cash on hand and demand deposits. Yorkshire Forward does not have short-term, highly liquid investments.

The category of loans and receivables include trade receivables, loans, other receivables and cash that have fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition at fair value plus transactions costs, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Interest income from these financial assets is calculated on an effective yield basis and is recognised in the Income Statement, except for short-term receivables and cash when the recognition of interest would be immaterial.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Agency has transferred substantially all risks and rewards of ownership.

#### **Financial Liabilities and Equity Instruments**

The financial liabilities of the Agency are all classified into the category of other financial liabilities.

The category for other financial liabilities includes trade payables, borrowings and other payables. Other financial liabilities are initially measured at fair value, net of transaction costs and then subsequently measured at amortised cost using the effective interest rate method. The Agency only has short-term liabilities and therefore the recognition of interest expense would be immaterial.

The Agency derecognises financial liabilities when the Agency's obligations are discharged, cancelled or they expire.

Any equity instrument of the Agency is taxpayer's equity and is measured in the Statement of Financial Position at nominal value.

### **(1.14) Foreign exchange**

The Agency has some immaterial monetary assets and liabilities in foreign currency. These are translated into sterling at the rates prevailing at the Statement of Financial Position date. Resulting exchange gains and losses are taken to the Net Expenditure Account.

### (1.15) Programme expenditure

Programme expenditure consists of grants and other project costs. These costs are recognised when the underlying activity has taken place.

### (1.16) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits. Yorkshire Forward does not hold short term highly liquid investments.

### (1.17) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the obligation, and where the amount of the obligation can be reliably estimated.

## 2. First-time adoption of IFRS

With effect from the reporting period 2009/10 HM Treasury requires Non Department Public Bodies (NDPBs) to account under IFRS conventions. The effect of this change on the certified March 2009 Agency and Group Statement of Financial Position is shown below.

Agency Reserves	31 <sup>st</sup> March 2009 (as previously stated)	Holiday Pay Accruals	Inventories	At 31 <sup>st</sup> March 2009 (restated)
General Reserve	38,901		204	39,105
Revaluation Reserve	4,044		44	4,088
Grant in Aid Reserve	61,024	(163)	683	61,544
<b>Total Agency Reserves</b>	<b>103,969</b>	<b>(163)</b>	<b>931</b>	<b>104,737</b>

Group Reserves	31 <sup>st</sup> March 2009 (as previously stated)	Holiday Pay Accruals	Inventories	At 31 <sup>st</sup> March 2009 (restated)
General Reserve	38,131		204	38,335
Revaluation Reserve	4,044		44	4,088
Grant in Aid Reserve	66,628	(163)	683	67,148
<b>Total Group Reserves</b>	<b>108,803</b>	<b>(163)</b>	<b>931</b>	<b>109,571</b>

Holiday pay accrual is an estimate of what Yorkshire Forward owes staff at 31 March 2010 for untaken leave less the amounts owing from staff to Yorkshire Forward for leave taken in advance of leave accruing.

Inventories under UK GAAP were valued at net realisable value with estimated selling costs deducted. Under IFRS inventories are valued at fair value with no selling costs adjustment.

## 3. Programme expenditure

	2009/10			2008/09		
	TOTAL £'000	YF £'000	ERDF £'000	TOTAL £'000	YF £'000	ERDF £'000
Keep as many people as possible in jobs or work related training	51,085	39,290	11,795	42,249	42,021	228
Work to maintain and build the number of competitive, innovative and resilient businesses – Develop new industries and new jobs	207,087	144,929	62,158	118,618	118,618	-
Sustain the momentum of economic renaissance schemes in key cities and towns	113,349	107,796	5,553	121,523	120,702	821

and support business start-ups and growth with a property offer that meets their needs

<b>TOTAL</b>	<b>371,521</b>	<b>292,015</b>	<b>79,506</b>	<b>282,390</b>	<b>281,341</b>	<b>1,049</b>
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	2009/10			2008/09		
	TOTAL £'000	YF £'000	ERDF £'000	TOTAL £'000	YF £'000	ERDF £'000
Grants to public sector	147,976	117,333	30,643	92,827	92,006	821
Grants to private sector	178,311	129,448	48,863	115,135	114,907	228
Other programme expenditure	45,234	45,234	-	74,428	74,428	-
<b>TOTAL</b>	<b>371,521</b>	<b>292,015</b>	<b>79,506</b>	<b>282,390</b>	<b>281,341</b>	<b>1,049</b>

#### 4. Staff costs

	2009/2010 £'000	2008/2009 £'000
<b>(a) Salaries and wages summary Board members</b>		
Board member fees	209	202
Pension costs	20	21
Social security costs	14	15
<b>TOTAL</b>	<b>243</b>	<b>238</b>
<b>Staff engaged by the agency and subsidiaries</b>		
Salaries and wages including overtime	17,552	16,357
Pension costs	2,909	3,004
Social security costs	1,452	1,346
Pension enhancements	189	113
	<b>22,102</b>	<b>20,820</b>
Seconded and temporary staff	582	1,293
<b>TOTAL</b>	<b>22,927</b>	<b>22,351</b>
<b>Salaries and wages are included in the Net Expenditure Account under the following headings:</b>		
Salaries and wages	20,956	19,586
Programme expenditure	1,971	2,765
<b>TOTAL</b>	<b>22,927</b>	<b>22,351</b>

#### (b) Staffing numbers

The average number of staff employed during the period was 429 analysed as follows:

	2009/2010	2008/2009
Corporate management team and Chief Executive office	23	24
Business directorate	102	103
Environment directorate	82	103
Economic inclusion directorate	67	67
Finance directorate	112	98
Strategy directorate	43	39
<b>TOTAL</b>	<b>429</b>	<b>434</b>

Permanent staff	409	406
Temporary staff	20	28
<b>TOTAL AGENCY</b>	<b>429</b>	<b>434</b>
Subsidiaries staff	49	58
<b>TOTAL GROUP</b>	<b>478</b>	<b>492</b>

## 5. Other administrative costs

	2009/2010 £'000	2008/2009 £'000
Depreciation	938	769
<b>Per net expenditure</b>	<b>938</b>	<b>769</b>
Travel, subsistence and hospitality	531	643
Other staff costs	577	833
Office costs	3,462	3,785
Marketing and PR	380	629
Professional costs	554	889
IT and communication	939	1,408
Amortisation on intangible assets	24	21
Auditors' remuneration		
- for statutory audit of this account	73	69
- for audit of shadow accounts to International Reporting Standards	6	6
- for audit of ERDF	30	25
- for audit of subsidiaries	17	16
- for non statutory audit work on Independent supplementary review	77	-
Operating lease rentals		
- plant and machinery	59	54
- other	996	920
<b>Per net expenditure</b>	<b>7,725</b>	<b>9,298</b>
<b>TOTAL</b>	<b>8,663</b>	<b>10,067</b>

## 6. Other losses

	2009/2010 £'000	2008/2009 £'000
Book value of inventories written off	12,159	36,011
Write back of inventories	(399)	(225)
Book value of property, plant and equipment written off	2,186	6,251
Loss on disposal of assets	3	302
Provisions for liabilities and charges	30	(1,117)
Bad and doubtful debts	7,917	928
	<b>21,896</b>	<b>42,150</b>

## 7. Inventories

	TOTAL GROUP/AGENCY			COALFIELDS			OTHER		
	2010 £'000	2009 £'000	2008 £'000	2010 £'000	2009 £'000	2008 £'000	2010 £'000	2009 £'000	2008 £'000
Opening balances at 1 April 2009	88,813	135,509	156,588	20,005	56,338	50,084	68,808	79,171	106,504
Transfer Coalfields from (HCA) to (YF)	-	-	-	-	(23,667)	-	-	23,667	-
Additions	2,049	9,334	2,946	-	134	2,590	2,049	9,200	356
Disposals	(757)	(2,690)	(10,938)	(400)	(1,350)	(4,345)	(357)	(1,340)	(6,593)
Release of revaluation on disposal	-	(7,246)	(6,446)	-	(1,666)	(136)	-	(5,580)	(6,310)
Amounts written off	(12,159)	(36,011)	(16,598)	(975)	(4,631)	(841)	(11,184)	(31,380)	(15,757)
Amounts written back	399	225	5,779	-	5	4,815	399	220	964
Revaluation	160	(10,308)	4,178	-	(5,158)	4,171	160	(5,150)	7
<b>VALUATION AT 31 MARCH 2010</b>	<b>78,505</b>	<b>88,813</b>	<b>135,509</b>	<b>18,630</b>	<b>20,005</b>	<b>56,338</b>	<b>59,875</b>	<b>68,808</b>	<b>79,171</b>

## 8. European funded income

	2009/2010 £'000	2008/2009 £'000
EU grants	5,604	183
ERDF grants	83,887	4,312
<b>TOTAL</b>	<b>89,491</b>	<b>4,495</b>

## 9. Other income

	2009/2010 £'000	2008/2009 £'000
Clawback	10,570	6,092
Coalfields	830	1,933
Consultancy	19	43
Events	1	-
Grants other	3,498	3,648
Grants Northern Way	3,689	1,312
Rents	4,606	4,319
Sundry	1,648	828
<b>TOTAL</b>	<b>24,861</b>	<b>18,175</b>

Sundry income includes £0.651m relating to Bentley Colliery and £0.272m of income for the Northern Way Programme.

## 10. Notional cost of capital

The agency is required to charge a notional cost of capital against the net expenditure account. The charge is 3.5% (2008/2009 3.5%) of the average of net assets. As this is a notional charge, the same amount is credited to the Net Expenditure Account.

## 11. Interest receivable

	2009/2010 £'000	2008/2009 £'000
Bank deposit received	155	1,334
Other interest received	84	239
<b>TOTAL</b>	<b>239</b>	<b>1,573</b>

## 12. Investment in subsidiaries, associates and joint venture undertakings

<b>SUBSIDIARIES:</b>		<b>NATURE OF BUSINESS</b>	<b>TYPE OF ORGANISATION</b>
Co2 Sense Ltd	100.00%	Promote Renewal Energy Technology & Waste Management in Y&H	Company Limited by Guarantee
Ven International	100.00%	To create a virtual enterprise network for SMEs	Company Limited by Guarantee
Directions Finningley	51.00%	To deliver a centre for excellence for airport and aviation training facilities	Community Interest Company Company Limited by Guarantee
Victoria Place Management Company (Leeds) Limited	59.00%	Management company for the maintenance of Victoria Place, Leeds	Limited company
<b>JOINT VENTURES:</b>			
Hull Forward	50.00%	Regeneration of Hull	Company Limited by Guarantee
Digital Region	50.00%	Delivery of next generation broadband infrastructure	Company Limited by Shares
Creative Sheffield	33.30%	City Development Company	Company Limited by Guarantee
<b>ASSOCIATES:</b>			
South Yorkshire Investment Fund Limited	33.30%	Promote economic growth in South Yorkshire	Company Limited by Guarantee
Partnership Investment Fund	33.30%	Venture Capital fund for Objective 2 areas in Yorkshire & Humber	Company Limited by Guarantee
<b>OTHER</b>			

Finance Yorkshire	10.00%	Venture Capital fund for Yorkshire & Humber	Company Limited by Guarantee
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Yorkshire Forward became a member of the following companies as detailed below:

- Digital Region on 8<sup>th</sup> January 2009.
- Creative Sheffield on 8<sup>th</sup> July 2009.
- Finance Yorkshire on 4<sup>th</sup> Dec 2009.

Yorkshire Forward sold Ven International on 31<sup>st</sup> March 2010. There was a gain on sale of £6,100 shown in net expenditure account as 'Other gains'.

Yorkshire Forward resigned as a member from Green Leeds on 31<sup>st</sup> October 2008.

Yorkshire Forward resigned as a member from Bradford URC on 21<sup>st</sup> January 2010.

Hull Forward is at risk of ceasing operations on 30<sup>th</sup> September 2010. Yorkshire Forward have reviewed the statement of financial position as at 31<sup>st</sup> March 2010 on a break up basis and have determined there is no material impact on Yorkshire Forward's financial statements.

Yorkshire & Humber Regional Aggregation Body did not trade in 2008/09. It wound up in March 2009.

Renaissance South Yorkshire reduced activity in 2008/09. It wound up in June 2009.

KEY FINANCIAL RESULTS OF SUBSIDIARIES	2009/2010	2009/2010	2008/2009	2008/2009	RESTATED	RESTATED
	TOTAL	AGENCY SHARE	TOTAL	AGENCY SHARE	2007/2008	2007/2008
	£'000	£'000	£'000	£'000	TOTAL	AGENCY SHARE
					£'000	£'000
<b>Co2 Sense Ltd</b>						
Profit(Loss) for the year after taxation	-	-	166	166	79	79
<b>Ven International</b>						
Profit(Loss) for the year after taxation	-	-	(74)	(74)	(12)	(12)
<b>Directions Finningley</b>						
Profit/(Loss) for the year after taxation	(305)	(155)	178	91	21	7
<b>Victoria Place Management Company (Leeds) Limited</b>						
Profit/(Loss) for the year after taxation	-	-	-	-	-	-
	<b>(305)</b>	<b>(155)</b>	<b>270</b>	<b>183</b>	<b>88</b>	<b>74</b>

INVESTMENTS IN SUBSIDIARIES ARE CALCULATED ON THE BASIS OF THE AGENCY'S SHARE OF NET ASSETS AS DETAILED BELOW:	2009/2010	2009/2010	2008/2009	2008/2009	RESTATED	RESTATED
	TOTAL	AGENCY SHARE	TOTAL	AGENCY SHARE	2007/2008	2007/2008
	£'000	£'000	£'000	£'000	TOTAL	AGENCY SHARE
					£'000	£'000
Co2 Sense Ltd	260	260	260	260	94	94
Ven International	-	-	(6)	(6)	42	42
Directions Finningley	8,925	4,552	9,869	5,033	153	51
Victoria Place			-	-	-	-

Management Company (Leeds) Limited	-	-				
<b>NET ASSETS/(LIABILITES)</b>	<b>9,185</b>	<b>4,812</b>	<b>10,123</b>	<b>5,287</b>	<b>289</b>	<b>187</b>

<b>KEY FINANCIAL RESULTS OF JOINT VENTURES</b>	<b>2009/2010 TOTAL £'000</b>	<b>2009/2010 AGENCY SHARE £'000</b>	<b>2008/2009 TOTAL £'000</b>	<b>2008/2009 AGENCY SHARE £'000</b>	<b>2007/2008 TOTAL £'000</b>	<b>2007/2008 AGENCY SHARE £'000</b>
<b>Hull Forward</b>						
Profit(Loss) for the year after taxation	103	52	99	50	(20)	(10)
<b>Digital Region</b>						
Profit(Loss) for the year after taxation	(840)	(420)	-	-	-	-
<b>Creative Sheffield</b>						
Profit(Loss) for the year after taxation	-	-	-	-	-	-
<b>The Bradford City Urban Regeneration Company Limited</b>						
Profit/(Loss) for the year after taxation	-	-	11	4	26	9
<b>Green Leeds Limited</b>						
Profit/(Loss) for the year after taxation	-	-	-	-	31	16
<b>Yorkshire and Humber Regional Aggregation Body</b>						
Profit/(Loss) for the year after taxation	-	-	-	-	(49)	(25)
<b>Renaissance South Yorkshire Limited</b>						
Profit/(Loss) for the year after taxation	-	-	8	8	-	-
<b>TOTAL PROFIT/(LOSS) OF JOINT VENTURES FOR THE YEAR AFTER TAXATION</b>	<b>(737)</b>	<b>(368)</b>	<b>118</b>	<b>62</b>	<b>(12)</b>	<b>(10)</b>

<b>JOINT VENTURE ASSETS/(LIABILITIES)</b>	<b>2010 TOTAL £'000</b>	<b>2010 AGENCY SHARE £'000</b>	<b>2009 TOTAL £'000</b>	<b>2009 AGENCY SHARE £'000</b>	<b>2008 TOTAL £'000</b>	<b>2008 AGENCY SHARE £'000</b>
<b>GROSS ASSETS</b>						
Hull Forward	1,105	553	1,034	517	835	418
Digital Region	43,993	21,996	-	-	-	-
Creative Sheffield	176	59	-	-	-	-
The Bradford City Urban Regeneration Company Limited	-	-	869	290	876	292
Green Leeds Limited	-	-	-	-	1,135	568
Yorkshire and Humber Regional Aggregation Body	-	-	-	-	-	-
Renaissance South Yorkshire Limited	-	-	16	16	7,776	3,888
<b>TOTAL GROSS ASSETS</b>	<b>45,274</b>	<b>22,608</b>	<b>1,919</b>	<b>823</b>	<b>10,622</b>	<b>5,166</b>

	2010 TOTAL £'000	2010 AGENCY SHARE £'000	2009 TOTAL £'000	2009 AGENCY SHARE £'000	2008 TOTAL £'000	2008 AGENCY SHARE £'000
<b>GROSS LIABILITIES</b>						
Hull Forward	834	417	885	443	816	408
Digital Region	44,831	22,415	-	-	-	-
Creative Sheffield	176	59	-	-	-	-
The Bradford City Urban Regeneration Company Limited	-	-	876	292	865	288
Green Leeds Limited	-	-	-	-	274	137
Yorkshire and Humber Regional Aggregation Body	-	-	-	-	-	-
Renaissance South Yorkshire Limited	-	-	16	16	7,776	3,888
<b>TOTAL GROSS LIABILITIES</b>	<b>45,841</b>	<b>22,891</b>	<b>1,777</b>	<b>751</b>	<b>9,731</b>	<b>4,721</b>

	2010 TOTAL £'000	2010 AGENCY SHARE £'000	2009 TOTAL £'000	2009 AGENCY SHARE £'000	2008 TOTAL £'000	2008 AGENCY SHARE £'000
<b>NET ASSETS/LIABILITIES</b>						
Hull Forward	271	136	149	74	19	10
Digital Region	(838)	(419)	-	-	-	-
Creative Sheffield	-	-	-	-	-	-
The Bradford City Urban Regeneration Company Limited	-	-	(7)	(2)	11	4
Green Leeds Limited	-	-	-	-	861	431
Yorkshire and Humber Regional Aggregation Body	-	-	-	-	-	-
Renaissance South Yorkshire Limited	-	-	-	-	-	-
<b>TOTAL NET ASSETS/(LIABILITIES)</b>	<b>(567)</b>	<b>(283)</b>	<b>142</b>	<b>72</b>	<b>891</b>	<b>445</b>

KEY FINANCIAL RESULTS OF ASSOCIATES	2009/2010 TOTAL	2009/2010 AGENCY SHARE	2008/2009 TOTAL	2008/2009 AGENCY SHARE	2007/2008 TOTAL	RESTATED 2007/2008 AGENCY SHARE
	£'000	£'000	£'000	£'000	£'000	£'000
<b>South Yorkshire Investment Fund</b>						
Profit(Loss) for the year after taxation	(1,069)	(356)	(271)	(90)	(1,598)	(533)
<b>Partnership Investment Fund</b>						
Profit(Loss) for the year after taxation	65	22	41	14	70	23

<b>TOTAL PROFIT/(LOSS) OF ASSOCIATES FOR THE YEAR AFTER TAXATION</b>	<b>(1,004)</b>	<b>(334)</b>	<b>(230)</b>	<b>(76)</b>	<b>(1,528)</b>	<b>(510)</b>
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<b>NET ASSETS/(LIABILITIES) COMPRISED:</b>	<b>2010 TOTAL £'000</b>	<b>2010 AGENCY SHARE £'000</b>	<b>2009 TOTAL £'000</b>	<b>2009 AGENCY SHARE £'000</b>	<b>2008 TOTAL £'000</b>	<b>2008 AGENCY SHARE £'000</b>
South Yorkshire Investment Fund	22,986	7,662	27,771	9,257	19,916	6,639
Partnership Investment Fund	9,139	3,043	13,860	4,620	11,412	3,804
<b>TOTAL NET ASSETS/(LIABILITIES)</b>	<b>32,125</b>	<b>10,705</b>	<b>41,631</b>	<b>13,877</b>	<b>31,328</b>	<b>10,443</b>

<b>KEY FINANCIAL RESULTS OF OTHER</b>	<b>2009/2010 TOTAL £'000</b>	<b>2009/2010 TOTAL £'000</b>	<b>2008/2009 AGENCY SHARE £'000</b>	<b>2008/2009 AGENCY SHARE £'000</b>	<b>2007/2008 TOTAL £'000</b>	<b>RESTATED 2007/2008 AGENCY SHARE £'000</b>
Finance Yorkshire Profit(Loss) for the year after taxation	33	3	-	-	-	-
<b>TOTAL PROFIT/(LOSS) OF ASSOCIATES FOR THE YEAR AFTER TAXATION</b>	<b>33</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>NET ASSETS/(LIABILITIES) COMPRISED:</b>	<b>2010 TOTAL £'000</b>	<b>2010 AGENCY SHARE £'000</b>	<b>2009 TOTAL £'000</b>	<b>2009 AGENCY SHARE £'000</b>	<b>2008 TOTAL £'000</b>	<b>2008 AGENCY SHARE £'000</b>
Finance Yorkshire	45,033	4,503	-	-	-	-
<b>TOTAL NET ASSETS/(LIABILITIES)</b>	<b>45,033</b>	<b>4,503</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

When accounting for our Associate venture capital companies South Yorkshire Investment Fund and Partnership Investment Fund consolidation adjustments have been made to ensure consistent treatment and a fair representation of the net assets of the respective groups. As a result the accounts reflect a one third share of the initial capital investment.

### 13. Taxation

	<b>2009/2010 £'000</b>	<b>2008/2009 £'000</b>
Corporation tax for the year	172	1,877
Release of deferred taxation	(16)	(230)
(Over)/Under provision of corporation tax in previous years	(99)	(13)
<b>TOTAL AGENCY</b>	<b>57</b>	<b>1,634</b>

Corporation tax subsidiaries	(60)	105
<b>TOTAL GROUP</b>	<b>3</b>	<b>(1,739)</b>

	2009/2010 £'000	2008/2009 £'000
Net expenditure on ordinary activities before tax for the group	(313,257)	(329,408)
Profit on taxable activities multiplied by standard rate of corporation tax in the UK of 28%	-	-
Effects of:		
Depreciation for the period in excess/(less than) of capital allowances	(32)	(250)
Expenses not deductible for tax purposes	204	2,127
Adjustments in respect of previous tax period	(99)	(13)
<b>Current tax charge for the period</b>	<b>73</b>	<b>1,864</b>
Release of deferred taxation	(16)	(230)
<b>TOTAL CURRENT TAX CHARGE</b>	<b>57</b>	<b>1,634</b>

#### 14. Property, plant and equipment

	LEASEHOLD IMPROVEMENTS £'000	PROPERTIES OCCUPIED BY THE AGENCY £'000	FURNITURE, FITTINGS & EQUIPMENT £'000	GROUP TOTAL £'000
<b>Cost or valuation</b>				
At 1 April 2008 RESTATED	26	18,051	8,220	26,297
Additions	33	-	4,848	4,881
Disposals	(26)	-	(644)	(670)
Write off	-	(6,251)	-	(6,251)
<b>At 31 March 2009</b>	<b>33</b>	<b>11,800</b>	<b>12,424</b>	<b>24,257</b>
<b>Depreciation</b>				
At 1 April 2008	8	-	1,989	1,997
In year charge	15	-	754	769
Disposals	(23)	-	-	(23)
<b>At 31 March 2009</b>	<b>-</b>	<b>-</b>	<b>2,743</b>	<b>2,743</b>
<b>Net Book Value at 31 March 2009</b>	<b>33</b>	<b>11,800</b>	<b>9,681</b>	<b>21,514</b>
<b>Net Book Value at 31 March 2008 RESTATED</b>	<b>18</b>	<b>18,051</b>	<b>6,231</b>	<b>24,300</b>
<b>Cost or valuation</b>				
At 1 April 2009 RESTATED	33	11,800	12,424	24,257
Additions	-	-	2,652	2,652
Disposals	-	-	(490)	(490)
Write off	-	(410)	(157)	(567)
<b>At 31 March 2010</b>	<b>33</b>	<b>11,390</b>	<b>14,429</b>	<b>25,852</b>
<b>Depreciation</b>				
At 1 April 2009	-	-	2,743	2,743
In year charge	11	-	927	938
Disposals	-	-	(308)	(308)

Impairments	-	-	1,492	1,492
<b>At 31 March 2010</b>	<b>11</b>	<b>-</b>	<b>4,854</b>	<b>4,865</b>
<b>Net Book Value at 31 March 2010</b>	<b>22</b>	<b>11,390</b>	<b>9,575</b>	<b>20,987</b>
<b>Net Book Value at 31 March 2009 RESTATED</b>	<b>33</b>	<b>11,800</b>	<b>9,681</b>	<b>21,514</b>

#### AGENCY

<b>Cost or valuation</b>				
At 1 April 2008		18,051	1,879	19,930
Additions		-	927	927
Disposals		-	-	-
Write off		(6,251)	-	(6,251)
<b>At 31 March 2009</b>		<b>11,800</b>	<b>2,806</b>	<b>14,606</b>
<b>Depreciation</b>				
At 1 April 2008		-	1,704	1,704
In year charge		-	304	304
<b>At 31 March 2009</b>		<b>-</b>	<b>2,008</b>	<b>2,008</b>
<b>Net Book Value at 2009</b>		<b>11,800</b>	<b>798</b>	<b>12,598</b>
<b>Net Book Value at 2008 RESTATED</b>		<b>18,051</b>	<b>175</b>	<b>18,226</b>

<b>Cost or valuation</b>				
At 1 April 2009 RESTATED		11,800	2,806	14,606
Additions		-	78	78
Disposals		-	(106)	(106)
Write off		(410)	-	(410)
<b>At 31 March 2010</b>		<b>11,390</b>	<b>2,778</b>	<b>14,168</b>
<b>Depreciation</b>				
At 1 April 2009		-	2,008	2,008
In year charge		-	313	313
Disposals		-	(102)	(102)
<b>At 31 March 2010</b>		<b>-</b>	<b>2,219</b>	<b>2,219</b>
<b>Net Book Value at 31 March 2010</b>		<b>11,390</b>	<b>559</b>	<b>11,949</b>
<b>Net Book Value at 31 March 2009 RESTATED</b>		<b>11,800</b>	<b>798</b>	<b>12,598</b>

## 15. Intangible assets

	<b>GROUP/AGENCY</b>
	<b>SOFTWARE LICENCES</b>
	<b>£'000</b>
<b>Cost or valuation</b>	
At 1 April 2008	99
Additions	6
Disposals	-
<b>At 31 March 2009</b>	<b>105</b>
<b>Amortisation</b>	
At 1 April 2008	49

In year charge	21
<b>At 31 March 2009</b>	<b>70</b>
<b>Net Book Value at 31 March 2009</b>	<b>35</b>
<b>Net Book Value at 31 March 2008</b>	<b>50</b>

#### Cost or valuation

At 1 April 2009	105
Additions	16
Disposals	-

**At 31 March 2010** **121**

#### Amortisation

At 1 April 2009	70
In year charge	24

**At 31 March 2010** **94**

**Net Book Value at 31 March 2010** **27**

**Net Book Value at 31 March 2009** **35**

## 16. Loans and Receivables

	GROUP/AGENCY		
	2009/2010 £'000	2008/2009 £'000	2007/2008 £'000
Partnership Workspace	1,208	1,235	1,397
Loans inherited from Rural Development Commission	3	11	22
Loans to Joint Venture	5,427	-	-
Loans to fund projects	6,734	-	-
<b>VALUATION AT 31 MARCH</b>	<b>13,372</b>	<b>1,246</b>	<b>1,419</b>

## 17. Trade and Other Receivables

AMOUNTS RECEIVABLE WITHIN ONE YEAR	GROUP			AGENCY		
	2010 £'000	2009 £'000	2008 £'000	2010 £'000	2009 £'000	2008 £'000
Trade receivables	5,183	8,689	28,458	4,727	8,529	27,269
Provision for doubtful debts	(1,601)	(1,416)	(591)	(1,601)	(1,416)	(591)
Prepayments	5,533	3,770	4,886	4,694	2,783	4,886
Other receivables	6,794	1,460	5,240	6,952	1,204	5,089
EU grants receivables	189	2,919	142	189	2,919	142
ERDF grants receivables	19,841	-	-	19,841	-	-
Deferred taxation	451	435	205	451	435	205
Value added tax	616	585	2,507	547	496	2,507
	<b>37,006</b>	<b>16,442</b>	<b>40,847</b>	<b>35,800</b>	<b>14,950</b>	<b>39,507</b>

Other Receivables includes outstanding loans for 63 employees of £4,745 (2008/2009 £3,855 number of staff 66)

RECEIVABLES - INTRA GOVERNMENT BALANCES	GROUP			AGENCY		
	2010 £'000	2009 £'000	2008 £'000	2010 £'000	2009 £'000	2008 £'000
Balances with other central government bodies	26,584	3,493	2,516	26,584	3,493	2,516
Balances with local authorities	270	28	26	270	28	26
Balances with bodies external to government	10,152	12,921	38,305	8,946	11,429	36,965
	<b>37,006</b>	<b>16,442</b>	<b>40,847</b>	<b>35,800</b>	<b>14,950</b>	<b>39,507</b>

## 18. Cash and cash equivalents

	GROUP			AGENCY		
	2010 £'000	2009 £'000	2008 £'000	2010 £'000	2009 £'000	2008 £'000
Cash at bank and in hand at 1 April	51,689	19,312	32,518	50,930	17,860	31,996
Net cash (outflow)/inflow during the year	9,132	32,377	(13,206)	9,790	33,070	(14,136)
<b>CASH AT BANK IN HAND AT 31 MARCH</b>	<b>60,821</b>	<b>51,689</b>	<b>19,312</b>	<b>60,720</b>	<b>50,930</b>	<b>17,860</b>

## 19. Trade and Other Payables

AMOUNTS FALLING DUE IN ONE YEAR	GROUP			AGENCY		
	2010 £'000	2009 £'000	2008 £'000	2010 £'000	2009 £'000	2008 £'000
Trade Payables	27,934	32,080	44,142	27,099	31,983	36,139
EU deferred income	34,556	22,254	-	34,556	22,254	-
Other Payables	1,670	2,915	3,442	1,348	2,208	2,865
Accruals and deferred income	51,171	24,338	31,926	51,171	24,233	31,926
Other taxes and social security costs	423	430	374	419	400	374
Coalfields grant creditor	-	-	28	-	-	28
Corporation tax	(857)	1,729	131	(857)	1,622	131
	<b>114,897</b>	<b>83,746</b>	<b>80,043</b>	<b>113,736</b>	<b>82,700</b>	<b>71,463</b>

PAYABLES - INTRA GOVERNMENT BALANCES	GROUP			AGENCY		
	2010 £'000	2009 £'000	2008 £'000	2010 £'000	2009 £'000	2008 £'000
Balances with other central government bodies	40,229	3,047	1,874	40,229	3,047	505
Balances with local authorities	20,812	10,401	10,431	20,812	10,401	7,643
Balances with public corporations and trading funds	1,237	-	-	1,237	-	-
Balances with bodies external to government	52,619	70,298	67,738	51,458	69,252	63,315
	<b>114,897</b>	<b>83,746</b>	<b>80,043</b>	<b>113,736</b>	<b>82,700</b>	<b>71,463</b>

## 20. Provisions for liabilities and charges

	TOTAL £'000	ENVIRON- MENTAL PROVISION £'000	RESTRUC- TURING PROVISION £'000	CHAIR'S PENSION £'000
Opening balance as 1 April	2,225	1,000	1,128	97
Charged in year	23	-	18	5
Released in year	(703)	-	(703)	-
Used in year	(90)	-	(90)	-
Employers contribution	20	-	-	20
<b>BALANCE AT 31 MARCH 2008</b>	<b>1,475</b>	<b>1,000</b>	<b>353</b>	<b>122</b>
Opening balance as 1 April	1,475	1,000	353	122
Charged in year	236	-	236	-
Released in year	(1,000)	(1,000)	-	-
Used in year	(353)	-	(353)	-
Employers contribution	13	-	-	13
<b>BALANCE AT 31 MARCH 2009</b>	<b>371</b>	<b>-</b>	<b>236</b>	<b>135</b>
Opening balance as 1 April	371	-	236	135
Charged in year	77	-	77	-
Released in year	-	-	-	-
Used in year	(107)	-	(107)	-
Employers contribution	68	-	-	68
<b>BALANCE AT 31 MARCH 2010</b>	<b>409</b>	<b>-</b>	<b>206</b>	<b>203</b>

Restructuring provisions have been reviewed in year as part of the ongoing reorganisation exercise. We expect the remaining provision to be utilised in 2010/2011.

The provision for Chair's pension is in line with the GAD valuation. Further details of this provision can be found in the remuneration report.

## 21. Total reserves

GENERAL RESERVE	GROUP RESTATE			AGENCY		
	2010 £'000	2009 £'000	2008 £'000	2010 £'000	2009 £'000	2008 £'000
<b>ACTIVITIES IN RELATION TO SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES</b>						
Balance at 1 April	18,466	11,041	(3,907)	19,236	11,075	(3,846)
Subsidiaries reserve to grant in aid reserve	(4,812)	(5,240)	-	-	-	-
Minority interest	4,373	4,504	102	-	-	-
Additions	1,266	8,161	14,846	500	8,161	14,921

<b>BALANCE AT 31 MARCH</b>	<b>19,293</b>	<b>18,466</b>	<b>11,041</b>	<b>19,736</b>	<b>19,236</b>	<b>11,075</b>
<b>COALFIELD ASSETS FUNDED BY HOMES AND COMMUNITIES AGENCY</b>						
Balance at 1 April	20,004	56,338	50,084	20,004	56,338	50,084
Transfer from Coalfields (HCA) to (YF)	-	(23,667)	-	-	(23,667)	-
Additions	-	134	2,590	-	134	2,590
Disposals	(400)	(1,350)	(4,345)	(400)	(1,350)	(4,345)
Net write back/(off)	(975)	(4,626)	3,974	(975)	(4,626)	3,974
Transfer from revaluation reserve	-	(6,825)	4,035	-	(6,825)	4,035
<b>BALANCE AT 31 MARCH</b>	<b>18,629</b>	<b>20,004</b>	<b>56,338</b>	<b>18,629</b>	<b>20,004</b>	<b>56,338</b>
<b>PENSIONS</b>						
Balance at 1 April	(135)	(122)	(97)	(135)	(122)	(97)
Transfer from grant in aid reserve	(68)	(13)	(25)	(68)	(13)	(25)
<b>BALANCE AT 31 MARCH</b>	<b>(203)</b>	<b>(135)</b>	<b>(122)</b>	<b>(203)</b>	<b>(135)</b>	<b>(122)</b>
<b>BALANCE AT 31 MARCH</b>	<b>37,719</b>	<b>38,335</b>	<b>67,257</b>	<b>38,162</b>	<b>39,105</b>	<b>67,291</b>

<b>REVALUATION RESERVE</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance at 1 April	4,088	21,849	28,112
Development asset revaluations	160	(10,308)	4,178
Development asset revaluation on disposals	-	(7,246)	(6,446)
Investment revaluations	(27)	(161)	40
Transfer to general reserve	-	6,825	(4,035)
Transfer to grant in aid reserve	-	(6,871)	-
<b>BALANCE AT 31 MARCH</b>	<b>4,221</b>	<b>4,088</b>	<b>21,849</b>

<b>GRANT IN AID RESERVE</b>	<b>GROUP</b>			<b>AGENCY</b>		
	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance at 1 April	67,148	61,701	62,652	61,544	61,568	62,591
Grant in Aid received	309,000	290,000	300,000	309,000	290,000	300,000
Net expenditure for the year	(309,406)	(326,331)	(299,321)	(308,398)	(326,417)	(301,506)
(Surplus)/Deficit in relation to Joint Ventures and Associates	702	14	513	-	-	-
Transfer to pension reserve	68	13	25	68	13	25
Transfer to general reserve	891	34,880	(2,168)	1,374	29,509	458
Transfer from revaluation reserve	-	6,871	-	-	6,871	-
Sale of investment in subsidiary	(6)	-	-	(6)	-	-
<b>BALANCE AT 31 MARCH</b>	<b>68,397</b>	<b>67,148</b>	<b>61,701</b>	<b>63,582</b>	<b>61,544</b>	<b>61,568</b>

## 22. Operating leases

<b>AS AT 31 MARCH 2010 THE AGENCY HAD ANNUAL COMMITMENTS UNDER OPERATING LEASES AS FOLLOWS:</b>	<b>2010</b>		<b>2009</b>	
	<b>BUILDINGS</b>	<b>OTHER</b>	<b>BUILDINGS</b>	<b>OTHER</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>LEASES EXPIRING:</b>				
Within one year	338	47	717	-

Between one and five years	2,741	155	2,816	31
In over five years	9,277	5	9,010	22
<b>TOTAL</b>	<b>12,356</b>	<b>207</b>	<b>12,543</b>	<b>53</b>

### 23. Commitments

<b>EXPENDITURE AUTHORISED BY THE BOARD AND CONTRACTED FOR AT 31 MARCH AMOUNTED TO:</b>	<b>2010 £'000</b>	<b>2009 £'000</b>
Capital expenditure on development assets	30,716	33,035
Other programme expenditure	528,087	547,473
<b>TOTAL</b>	<b>558,803</b>	<b>580,508</b>

Commitments are currently under review as part of the wider public sector spending review.

### 24. Contingent liabilities

As at 31 March 2010 there are potential liabilities for redundancy rights of staff built up prior to T.U.P.E transfer to Y&HIDB.

As at 31 March 2010 Yorkshire Forward had paid £9.273m of claw back and the audits of the 2000-2006 ERDF programme were still ongoing. At the time of publishing there are no further amounts for which Yorkshire Forward agree liability.

### 25. Events after the reporting period

Yorkshire Forward's financial statements are laid before the Houses of Parliament by the Secretary of State of BIS. IAS10 requires Yorkshire Forward to disclose the date on which the accounts are authorised for issue. The authorised date for issue is the date the accounts are certified by the Comptroller & Auditor General.

Following the general election on 6 May 2010, the new coalition Government outlined a series of proposed changes to how local economic development will be delivered, including the creation of Local Enterprise Partnerships to replace Regional Development Agencies. The June 2010 budget confirmed that the Government intends to abolish Regional Development Agencies through the Public Bodies Bill, and that it will issue a White Paper in summer 2010, which will set out details of these proposals. In light of this event management have reviewed the appropriateness of the preparation of the financial statements on a 'going concern' basis.

The Agency notes that Parliament will need to enact the legislation necessary to abolish Regional Development Agencies, and that the timing and eventual decision of Parliament on this matter is currently uncertain. Consequently, management have concluded that there exists a material uncertainty that casts doubt upon the Agency's ability to continue as a going concern.

Nevertheless, after making enquiries and discussing the situation with the Department, management are satisfied that sufficient funding is in place to enable the Agency to continue in operation and meet its obligations as they fall due. Ministers have confirmed that there will be an orderly transition to any new arrangements, and there is no reason to believe that funding will not be forthcoming to meet the Agency's obligations as they fall due. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

It was announced in the Budget on 22 June 2010 that the Government intends to adopt the Consumer Price Index (CPI) for the indexation of public service pensions from April 2011. This will have an impact upon the future operation of the pension schemes that Yorkshire Forward provides to employees.

## 26. Financial instruments

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Yorkshire Forward has no borrowings and relies primarily on departmental funding for its cash requirements, and is therefore not exposed to liquidity risks.

All material assets and liabilities are denominated in sterling, so Yorkshire Forward is not exposed to interest rate risk or currency risk.

There is no material difference between the book value and fair value of Yorkshire Forward's assets and liabilities at 31 March 2010.

## 27. Losses and special payments

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In accordance with the provisions of the Accounts Direction, the agency must summarise all losses and special payments made during the year, being transactions of a type, which Parliament cannot be supposed to have contemplated. During the course of the financial year Yorkshire Forward made two special payments totalling £781 (2008/09 nil).

## 28. Related party transactions

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Yorkshire Forward is an Executive Non-Departmental Public Body sponsored by BIS. BIS is regarded as a related party with which Yorkshire Forward has had a significant number of material transactions.

In addition, Yorkshire Forward has had a number of material transactions with other government departments, other central government bodies and various local authorities. During 2009/10 the agency along with the Northwest Development Agency and One North East continued to work together on phase 2 (2008-2011) on the Northern Way project. The Northern Way Growth Fund total expenditure in the year was £14.29m, approximately 7% of which was met by DCLG contribution and the remainder borne in equal share by the three agencies.

In addition, the agency was involved in the following related party transactions during the period which are considered to be significant:

NAME AND POSITION AT YF	CONNECTED PARTY	POSITION AT CONNECTED PARTY	PAYMENTS £	NATURE OF TRANSACTION	PAYABLES £	RECEIVABLES £
Barry Dodd	Yorkshire Universities	Chair – Proof of Concept Fund	217,695	Grant Claims		

Board Member	Co2 Sense Ltd	Chair	43,173 11,752,376	Goods and services Grant Claims	800,508	321,881
	Connect Yorkshire Limited	Chairman	174,824 316,184	Goods and Services Grant Claims		
Jan Wilson	South Yorkshire Passenger Transport Authority	Member	863,883	Grant Claims	1,237,478	
Board Member	Sheffield City Council	Elected Member	47,893 11,211,802	Goods and services Grant Claims	4,915,959	
	Sheffield Hallam University	External Examiner	192,947 964,663	Goods and services Grant Claims	179,715	
Arshad Javed *	Bradford MDC	Wife is an employee	574,496 9,149,778	Goods and services Grant Claims	1,377,549	
Board Member	ATL (Yorkshire) Ltd	Advisor/Consultant Director	2,381	Goods and services		
Councillor John Weighell	Hambleton District Council	Member	59 4,575,881	Goods and services Grant Claims	3,107	
Board Member	North Yorkshire County Council	Leader, Member	250 871,628	Goods and services Grant Claims	561,909	
Julie Kenny	Creative Sheffield	Director	184,186	Grant Claims	14,793	
Board Member	Barnsley & Rotherham Chamber of Commerce	Honorary Director	588	Goods and services		
	Sheffield Hallam University	Honorary Director	192,947 964,663	Goods and services Grant Claims	179,715	
	Pyronix Ltd	Director	150,000	Grant Claims		

Kath Pinnock	Liberal Democrats	Member	1,331	Goods and services	
Board Member	Yorkshire Water Services Ltd	Non-Executive Director	29,582	Goods and services	
	Kirklees MDC	Elected Member	1,265	Goods and services	311,293
			4,910,938	Grant Claims	
	Environment Agency	Daughter is employee	22,375	Goods and services	206,584
			1,055,570	Grant Claims	
Laura Moynahan**	University of Sheffield Management School	Advisory Board Member	17,642	Goods and services	86,268
			517,087	Grant Claims	
Board Member	Sheffield Hallam University	Husband is employee	192,947	Goods and services	179,715
			964,663	Grant Claims	
Linda Pollard	University of Leeds	Pro-Chancellor & Chair of the Governing Body	80,854	Goods and services	826,680
Board Member			3,088,793	Grant Claims	
Mark Kirk	Humber Economic Partnership	Director	74,600	Grant claims	
Board Member	North Lincolnshire Council	Leader	80,188	Goods and services	4,184,609
			3,005,520	Grant Claims	
	Yorkshire & Humber Assembly	Chair of Transport Board	18,000	Grant Claims	
	BBC	Son is an employee	240	Goods and services	

Mark Lovell	CBI Education & Childrens Services Board/ Public Services Strategy Board	Chair	13,623	Goods and services	
Board Member		Member			
Ajaz Ahmed	University of Huddersfield	Council member	2,525	Goods and services	428,536
Board Member			200,501	Grant Claims	
	C3i	Shareholder Director	7,154	Grant Claims	
Professor Michael Arthur	University of Leeds	Vice-Chancellor	80,854	Goods and services	826,680
			3,088,793	Grant Claims	
Board Member	Yorkshire Universities	Deputy Chair	217,695	Grant Claims	
John Vincent	AECOM	Director	538	Goods and services	
Board Member					
	York College	Wife is an employee	59,642	Goods and services	
	Leeds University	Alumni	136,557	Goods and services	75,780
			4,095,840	Grant Claims	
Bill Adams	Yorkshire & Humber Assembly	Executive Member	18,000	Grant Claims	
Board Member					
	NHS Yorkshire & Humber	Wife is an employee	454,547	Grant Claims	
	ACAS	Committee Member	111,722	Goods and services	
	TUC	Employee – Regional Secretary for Yorkshire & Humber	51,739	Goods and services	13,000
			42,696	Grant Claims	

Sharon Allen	Leeds University	External Examiner	136,557 4,095,840	Goods and services Grant Claims	75,780	
Board Member						
Trevor Shaw	Directions Finningley	Director	2,073,720	Grant Claims	337,636	
Executive Director of Finance	Digital Region Ltd	Director	30,781,604	Grant Claims	7,553,302	2,494,163
Jan Anderson	Creative Sheffield	Director – Observer status	184,186	Grant Claims	14,793	
Executive Director of Environment	Hull Urban Regeneration Company	Director	264 400,755	Goods and services Grant Claims		
Simon Hill	Ven International	Board Member	5,719 1,615,086	Goods and services Grant Claims	173,775	
Executive Director of Business	Creative Sheffield	Board Member	184,186	Grant Claims	14,793	
	Kirklees Metropolitan Council	Wife is an employee	1,265 4,910,938	Goods and services Grant Claims	311,293	
	Graduates Yorkshire	Director	40,089	Goods and services		
	Y and H IDB Ltd	Observer on Board	4,072,351	Grant Claim	3,108,278	
	Science City York	Board Member	7,603,074	Grant Claim	5,409,905	

Arshad Javed\* and Laura Moynahan\*\* both retired from the Board on 13<sup>th</sup> December 2009

## Annex A – Chair’s and Board member’s register of interest

### Terry Hodgkinson

NAME OF COMPANY, PARTNERSHIP, LOCAL AUTHORITY OR OTHER BODY OR ORGANISATION	NATURE OF INTEREST (SHAREHOLDER, DIRECTOR, PARTNER, ADVISER, EMPLOYEE ETC)	DATE OF APPOINTMENT/ RESIGNATION
Cedar Developments Ltd	Shareholder, Director (inactive)	Pre-2003
Clarke Hall Farm Trust Ltd	Trustee	Pre-2003
Clumpcliffe Farm Management Company Ltd	Shareholder, Director	Pre-2003
Eshton Hall Management Company Ltd	Director	9 January 2007
Fern Bank Properties (Yorkshire) Ltd	Shareholder, Director	1 December 2004
Magna Holdings Ltd	Chair	Pre-2003
Magna Investments (Yorkshire) Ltd	Director	4 July 2005
Portland Gate Management Co Ltd	Director	Pre-2003
Region Rose Properties Ltd	Shareholder, Director (inactive)	Pre-2003
Trinity Agencies & Services (No 2) Ltd	Shareholder, Director (inactive)	Pre-2003
Trinity Agencies & Services Ltd	Shareholder, Director	Pre-2003
Wakefield Festival Co Ltd	Member	Pre-2003

### Linda Pollard

NAME OF COMPANY, PARTNERSHIP, LOCAL AUTHORITY OR OTHER BODY OR ORGANISATION	NATURE OF INTEREST (SHAREHOLDER, DIRECTOR, PARTNER, ADVISER, EMPLOYEE ETC)	DATE OF APPOINTMENT/ RESIGNATION
Coutts Plc	Regional Chair	1 April 2007
Enterprise & Skills Strategic Advisory Committee for HEFCE	Member	1 August 2008
Leeds NHS Primary Care Trust	Chair	1 March 2009
University of Leeds	Council Member	1997
	Pro-Chancellor & Chair of the Governing Body	1 August 2007
Yorkshire Tourist Board	Board Member	1 April 2009

### Ajaz Ahmed

NAME OF COMPANY, PARTNERSHIP, LOCAL AUTHORITY OR OTHER BODY OR ORGANISATION	NATURE OF INTEREST (SHAREHOLDER, DIRECTOR, PARTNER, ADVISER, EMPLOYEE ETC)	DATE OF APPOINTMENT/ RESIGNATION
Abduls	Partner	1998
Browzar	Shareholder, Director	2006

C3i	Shareholder, Director	2006
Dunhelm Mills	Daughter is an employee	2008
Huddersfield Media Centre	Board Member	Resigned September 2009
JumbleAID	Shareholder, Director	2007
P C World	Daughter is an employee	2007
Sainsbury	Daughter is an employee	2009
Simply CV	Shareholder, Director	2010
University of Huddersfield	Council Member	2005
Zestmedia/Quba	Shareholder, Director	2002

**Laura Moynahan – retired as YF Board member 13 December 2009**

<b>NAME OF COMPANY, PARTNERSHIP, LOCAL AUTHORITY OR OTHER BODY OR ORGANISATION</b>	<b>NATURE OF INTEREST (SHAREHOLDER, DIRECTOR, PARTNER, ADVISER, EMPLOYEE ETC)</b>	<b>DATE OF APPOINTMENT/ RESIGNATION</b>
Netherthorpe and Uppertorpe Community Alliance (trading as Zest)	Chief Executive	1999
Prosper Consortium	Director	10 December 2008
Regional LSC Council	Board Member	Resigned Dec 2009
Royal Society for Arts, Manufacturing and Commerce	Fellow	9 May 2005
Sheffield First Partnership's Strong Economy Board	Board Member	April 2009
Sheffield First Partnership Local Economy Board	Board Member	20 March 2008
Sheffield Hallam University	Husband is employee	1993
Sheffield Wellbeing Consortium	Director	May 2008
University of Sheffield Management School	Advisory Board Member	14 February 2006
Uppertorpe Healthy Living Centre	Director and Trustee	2003

**Jan Wilson**

<b>NAME OF COMPANY, PARTNERSHIP, LOCAL AUTHORITY OR OTHER BODY OR ORGANISATION</b>	<b>NATURE OF INTEREST (SHAREHOLDER, DIRECTOR, PARTNER, ADVISER, EMPLOYEE ETC)</b>	<b>DATE OF APPOINTMENT/ RESIGNATION</b>
Co-Operative Party	Member	1990
Home Office	Daughter is an employee	2004
Sheffield City Council	Elected Member	1992
Sheffield First Partnership (LSP)	Member	May 2004
Sheffield Hallam University	External Examiner	Resigned November 2009
South Yorkshire Passenger Transport Authority	Member	5 June 2003
The Labour Party	Member	1978
Unite the Union	Member	1965

**Arshad Javed – Retired as YF Board member 13 December 2009**

<b>NAME OF COMPANY, PARTNERSHIP, LOCAL AUTHORITY OR OTHER BODY OR ORGANISATION</b>	<b>NATURE OF INTEREST (SHAREHOLDER, DIRECTOR, PARTNER, ADVISER, EMPLOYEE ETC)</b>	<b>DATE OF APPOINTMENT/ RESIGNATION</b>
ATL (Yorkshire) Ltd	Advisor/Consultant Director	2000 2004
Bradford and Bingley Building Society	Son is an employee	2008
Bradford Metropolitan District Council	Wife is an employee	1999
Shabab Restaurant & Frozen Foods Leeds Ltd	Director	1 August 2005
St James Hospital	Daughter is an employee	2008

**Bill Adams**

<b>NAME OF COMPANY, PARTNERSHIP, LOCAL AUTHORITY OR OTHER BODY OR ORGANISATION</b>	<b>NATURE OF INTEREST (SHAREHOLDER, DIRECTOR, PARTNER, ADVISER, EMPLOYEE ETC)</b>	<b>DATE OF APPOINTMENT/ RESIGNATION</b>
ACAS	Committee Member	2007
Labour Party	Member	1980
NHS	Wife is employee	2005
TUC	Employee	2001
Unison	Wife is a Member	2005
Unite	Member	1993
University of Central Lancashire	Deputy Chair	October 2009
Wortley Hall	Committee Member	2008
Y&H Regional Energy Forum	Board Member	January 2006
Yorkshire and Humber Assembly – Regional Executive	Executive Member	Resigned April 2009

**Julie Kenny**

<b>NAME OF COMPANY, PARTNERSHIP, LOCAL AUTHORITY OR OTHER BODY OR ORGANISATION</b>	<b>NATURE OF INTEREST (SHAREHOLDER, DIRECTOR, PARTNER, ADVISER, EMPLOYEE ETC)</b>	<b>DATE OF APPOINTMENT/ RESIGNATION</b>
Administrative Burdens Advisory Board (HMRC)	Member	1 April 2006
Barnsley & Rotherham Chamber of Commerce	Director/Honorary Director	Resigned January 2010
Better Regulation Stakeholder Group (DWP)	Member	December 2007
British Security Industry Association	Director	1992
	Vice Chair	June 2009

British Security Industry Association: Council	Member	
British Security Industry Association: General Purposes Committee	Member	
Business & City Leaders Group Skills Sub Group	Member	January 2010
Business & City Leaders Group	Member	January 2010
Castle Care – Tech Ltd	Director	2004
Company Of Cutlers in Hallamshire	Freemen	April 2008
	Friend	
Company of Security Professionals	Member	May 2004
	Freedom of the City of London	February 2006
	Liveryman	March 2008
Creative Sheffield	Director	22 February 2006
Dinnington NHS Surgery – Patients Liaison Group	Chair	October 2007
Doncaster NHS	Brother is Employee	2006
EEF Regional Council	Member	November 2009
English Heritage	Member	1998
Government Office for Yorkshire & The Humber	Business Ambassador	July 2008
Inspiring Women “Women in Business”	Board Member	August 2007
Institute of Legal Executives	Associate	1981
	Fellow	1983
Maltby Academy	Governor	January 2010
	Member/Chair	February 2010
Mount St Marys College	Governor	October 2008
National Trust	Member	1990
Pyronix Ltd	Director (main employment)	1986
Rotherham Titans Rugby Union Club	Business Club Member	August 2007
Royal Society for the Encouragement of Arts, Manufacturers and Commerce	Fellow	May 2002
Royal Society of Medicine	Associate Member	December 2008
Secure Holdings Ltd	Director, Shareholder	1996
Secure Protection Ltd	Director	2001
Sheffield Hallam University	Honorary Doctorate	November 2006
Small Business Forum	Board Member	May 2007
Spatial Planning Board LGYH	Board Member, Vice Chair	June 2009
UK Commission for Employment & Skills	Member, Director	December 2007
- Audit Committee		
- Management Committee		
- System Review Committee		
Whirlow Hall Farm Trust	Ambassador	October 2008

## Barry Dodd

**NAME OF COMPANY,  
PARTNERSHIP,  
LOCAL AUTHORITY  
OR OTHER BODY  
OR ORGANISATION**

**NATURE OF INTEREST  
(SHAREHOLDER, DIRECTOR,  
PARTNER, ADVISER, EMPLOYEE  
ETC)**

**DATE OF  
APPOINTMENT/  
RESIGNATION**

Addpower Technologies Ltd	Shareholder, Director	11 June 2001
Co2 Sense	Chair	2008
Connect Yorkshire Ltd	Chairman	Resigned August 2009
Gazelle Aviation LLP	Partner	27 May 2004
GSM Graphic Arts Ltd	Shareholder, Director	2 April 1974
GSM Group Ltd	Shareholder, Director	9 June 1998
GSM Industrial Graphics Ltd	Shareholder, Director	18 June 2001
GSM Printer and Label Systems Ltd	Shareholder, Director	22 May 2001
GSM Valtech Industries Ltd	Shareholder, Director	24 March 1997
Manufacturing Advisory Service Yorkshire and the Humber	Ambassador	2 October 2006
NFU Mutual Insurance Co	Regional Board Member	March 2007
Thirsk and Sowerby Civic Society	Member	2003
Thormanby Hall Farm	Partner	1989
Thormanby Parish Meeting	Chair	1989
UK Automotive Council	Member	2009
Varlink Ltd	Shareholder, Director	5 August 2005
Yorkshire Universities Proof of Commercial Concept Fund	Chair	10 December 2007

## Michael Arthur

<b>NAME OF COMPANY, PARTNERSHIP, LOCAL AUTHORITY OR OTHER BODY OR ORGANISATION</b>	<b>NATURE OF INTEREST (SHAREHOLDER, DIRECTOR, PARTNER, ADVISER, EMPLOYEE ETC)</b>	<b>DATE OF APPOINTMENT/ RESIGNATION</b>
Academy of Medical Sciences	Fellow	1998
American Association for the Study of Liver Diseases	Member	1986
British Liver Trust	Vice President	February 2008
British Medical Association	Member	August 1977
Centre for Low Carbon Futures	Director	February 2010
DCSF 14 -19 Diplomas	Champion	January 2007
Enthuse Trust	Trustee	2008
Hot Courses Ltd Academic Advisory Board	Member of Academic Advisory Board	April 2008
Leeds Initiative	Board Member	2004
Medical Research Council	Member	1 October 2008
My Science Ltd	Director	August 2006
N8	Board Member	August 2007
Opera North	Board Member	2007
Qualifications and Curriculum Authority	Board Member	December 2007
Royal College of Paediatrics and Child Health	Wife is a Fellow	1998
Royal College of Physicians	Fellow	1992
Royal Society for the Encouragement of Arts, Manufactures & Commerce	Fellow	2007
Russell Group	Board Member Chair	2007 1 September 2009
Southampton Primary Care Trust	Wife is an employee	1994
Universities UK's Research Policy Committee	Member	August 2006
University of Leeds	Vice-Chancellor	1 September 2004
US/UK Fulbright Commission	Commissioner	April 2008
Venture Capital Trust ARC	Member	2005
Venture Capital Trust Octopus	Wife is a Member	2005
White Rose University Consortium	Board Member	1 September 2004

Worldwide Universities Network (WUN)	Board Member	22 September 2004
	Chair	Resigned May 2009
Worth Global Style Network	Daughter is an employee	2007
Yorkshire Universities	Board Member, Deputy Chair	20 September 2004

### John Weighell

<b>NAME OF COMPANY, PARTNERSHIP, LOCAL AUTHORITY OR OTHER BODY OR ORGANISATION</b>	<b>NATURE OF INTEREST (SHAREHOLDER, DIRECTOR, PARTNER, ADVISER, EMPLOYEE ETC)</b>	<b>DATE OF APPOINTMENT/ RESIGNATION</b>
Association of North Yorkshire Councils	Rotating Chair/Vice Chair	April 2009
Bedale and Upper Swale Drainage Board	Member	May 1999
Conservative Party	Member	November 1999
County Council Networks	Executive Member	January 2006
ERDF Programme Monitoring Committee	Member	December 2007
Hambleton District Council	Member	October 1982
J K Weighell	Partner	
Leeds City Region Board	Member of Leaders Board	October 2006
Local Government North Yorkshire & York	Alternating Chair and Vice Chair	April 2009
North Yorkshire County Council	Leader	June 2001
	Member	May 1993
North Yorkshire Local Government Pension Fund	Chairman	May 2005
Y & H Rural Board	Vice Chairman	April 2009
York and North Yorkshire Development Board	Joint Chairman	April 2009

### Kath Pinnock

<b>NAME OF COMPANY, PARTNERSHIP, LOCAL AUTHORITY OR OTHER BODY OR ORGANISATION</b>	<b>NATURE OF INTEREST (SHAREHOLDER, DIRECTOR, PARTNER, ADVISER, EMPLOYEE ETC)</b>	<b>DATE OF APPOINTMENT/ RESIGNATION</b>
Association of Liberal Democrat Councillors	Member	1995
	Chair	September 2008
Audit Commission	Peer	November 2009
Environment Agency	Daughter is an employee	2001
IDeA	Peer	2006
	Regional Peer	September 2008
Kirklees Metropolitan Council	Elected member	1987
Kirklees Metropolitan Council Mayors Charity Appeal Fund	Trustee	1995
LGA Finance and Strategy Committee	Member	June 2007
Liberal Democrats	Member	1973

Scholes Village Shelter Trust	Trustee	January 2008
St Lukes Church, Cleckheaton		1974
Whitcliffe Mount High School Governing Body	Chair	1991
Yorkshire Water Services Ltd	Non-Executive Director	1 March 2008

### Mark Kirk

<b>NAME OF COMPANY, PARTNERSHIP, LOCAL AUTHORITY OR OTHER BODY OR ORGANISATION</b>	<b>NATURE OF INTEREST (SHAREHOLDER, DIRECTOR, PARTNER, ADVISER, EMPLOYEE ETC)</b>	<b>DATE OF APPOINTMENT/ RESIGNATION</b>
Ashdown Club	Member	1976
BBC	Son is an employee	2008
Community Union	Member	1974
Humber Economic Partnership	Director	May 2007
Humberside Airport	Director	June 2007
Labour Party	Member	1976
LGA Urban Commission	Member	2007
Lincolnshire Tourism	Director	May 2007
North Lincolnshire Council	Elected Member, Leader	3 May 1995
North Lincs Homes	Son is an employee	2006
Town Team Scunthorpe	Member	2002
Yorkshire & Humber Assembly	Chair of Transport Board	June 2007

### Mark Lovell

<b>NAME OF COMPANY, PARTNERSHIP, LOCAL AUTHORITY OR OTHER BODY OR ORGANISATION</b>	<b>NATURE OF INTEREST (SHAREHOLDER, DIRECTOR, PARTNER, ADVISER, EMPLOYEE ETC)</b>	<b>DATE OF APPOINTMENT/ RESIGNATION</b>
A4e	Shareholder, Executive Chairman	9 September 1991
A4E Insight	Chairman	1 April 2009
CBI Education and Children Services Board	Chair	22 April 2004
CBI Public Services Strategy Board	Member	17 July 2007
Sheffield PCT	Non-Executive Director	Resigned October 2010

### John Vincent

<b>NAME OF COMPANY, PARTNERSHIP, LOCAL AUTHORITY OR OTHER BODY OR ORGANISATION</b>	<b>NATURE OF INTEREST (SHAREHOLDER, DIRECTOR, PARTNER, ADVISER, EMPLOYEE ETC)</b>	<b>DATE OF APPOINTMENT/ RESIGNATION</b>
AECOM Hellas SA	Director	2003
AECOM Holdings Ltd	Director	2002
AECOM Ltd	Director	2002

AECOM Sp Zoo	Director	2003
Institute of Civil Engineers	Member	1973
Institute of Highways and Transport	Fellow	1986
Leeds University	Alumni	1973
OKI – NI	Daughter is an employee	2009
York Civic Trust	Member	2007
York College	Wife is an employee	1996
York Minster	Son is an employee	2001

### Sharon Allen

<b>NAME OF COMPANY, PARTNERSHIP, LOCAL AUTHORITY OR OTHER BODY OR ORGANISATION</b>	<b>NATURE OF INTEREST (SHAREHOLDER, DIRECTOR, PARTNER, ADVISER, EMPLOYEE ETC)</b>	<b>DATE OF APPOINTMENT/ RESIGNATION</b>
ACEVO North Steering Group	Vice Chair	July 2008
Affinity Trust	Director	September 2004
Bradford District Care Trust	Employee	September 2009
Chartered Institute of Housing	Member	September 1995
Health & Social Justice National Advisory Group	Member	December 2009
Leeds Joint Commissioning Board	Member	September 2008
Leeds Metropolitan University	External Examiner	September 2007
Skills for Care, Regional Committee	Committee Member	July 2008
St Anne's Community Services	Chief Executive	1 January 2003
St Anne's Trading Ltd	Director	1 January 2003
Volition	Director	May 2003
Yorkshire & Humber Regional Forum	Director	January 2009

### Heidi Mottram

<b>NAME OF COMPANY, PARTNERSHIP, LOCAL AUTHORITY OR OTHER BODY OR ORGANISATION</b>	<b>NATURE OF INTEREST (SHAREHOLDER, DIRECTOR, PARTNER, ADVISER, EMPLOYEE ETC)</b>	<b>DATE OF APPOINTMENT/ RESIGNATION</b>
Hebble Insurance Management Services	Husband is an employee	December 1992
Huddersfield Sailing Club	Member	April 2009
Northumbrian Water Group PLC	Director	1 March 2010
Northumbrian Water Ltd	Director	1 March 2010

## Annex B - Performance Reporting Framework

Growth Output	Target Range			Actuals	% achieved of Mid Point Target
	Min	Mid Point	Max		
Jobs (created and safeguarded)	20,196	23,760	27,324	27,161	114%
New Business Creation	1,557	1,800	2,043	1,831	102%
Business Assistance	36,000	45,000	54,000	58,013	129%
Skills*	N/a	N/a	N/a	25,858	N/a
Higher Level Skills (Level 4+)	2,800	3,500	4,200	4,913	140%

\*Yorkshire Forward does not set a target for skills outputs other than Higher Level Skills. We do collect information on all skills outputs delivered.

Activity	Description of relevant activity
Cross-Regional Collaboration	<p>The Agency has been involved in a number of formal and informal collaborative arrangements with other RDAs and across the whole network. We define this as something that has entailed agreement between more than one RDA, and encompassed activity in one RDA area that benefits another RDA area.</p> <p>We are involved in 3 formal arrangements with other RDAs; and we are leading on 2 of those. We are also involved in many other informal collaborations with other RDAs. Examples include:</p> <p>The Northern Way – the collaboration between Yorkshire Forward, One North East (ONE) and North West Development Agency (NWDA) working with other Northern Way partners from</p>

business, local government and the universities. Highlights have included major breakthroughs on the delivery of our established transport priorities, the development of enhanced collaboration on innovation, and on new and renewable energy, together with a series of influential policy and research reports. Yorkshire Forward lead the transport priority theme of the Northern Way. Major breakthroughs have been made with the development of the Northern Hub proposals through joint work with Network Rail offering faster more frequent trans-Pennine rail services and the announcement of long term plans for high speed rail links to London. The Northern Way programme has been described as national best-practice by government, and as a “stand-out example of cross-regional collaboration” by the OECD. Further details can be found on the XX section. Additionally Yorkshire Forward commissioned the evaluations of the Northern Way, reporting findings to the steering group and sharing these with all other RDAs.

Treasury - Yorkshire Forward has continued to successfully lead for the RDA network on relations with the Treasury. This has included submitting two cross-RDA reports with recommendations to the Pre-Budget Report (PBR) resulting in discussions between the RDA Chairs and the Economic Secretary to the Treasury. The Treasury has seen this as valuable input and was followed by us coordinating a network submission to the Budget which had an identifiable impact on the end Budget document. We are in the process of preparing an input to the new Coalition Government’s Emergency Budget to be held in June.

TUC - Yorkshire Forward is the lead RDA for the TUC and has a positive, effective relationship at a regional and national level. This is formalised through Memorandum of Understanding (MOU) on behalf of the network which provides a clear framework for social dialogue in each region and outlines key principles for effective co-operation between trade unions and RDAs in pursuit of economic development in each region. In 2009, we worked with the TUC and Unionlearn on their ‘Skills: Response to Recession’ project, which will see a Unionlearn project worker installed in each English region to focus on the region’s response to the recession. Additionally we worked in partnership with ONE and NWDA to host an annual event at TUC Congress. The event in 2009 was the seventh of its kind.

Business Link – we have collaborated in the all RDA Business Link Management Group which oversees the service nationally and seeks to improve the level of consistency and quality of the service. This has included developing a national vision for Business Link, implementing national adviser standards, improving measurement of the service, managing and implementing brand guidelines, collaborating with the national Business Link website, development and implementation of a national operating manual, development of a the standard

“starting a business” solutions for business product and implementing new government policy activity within agreed guidelines e.g. skills brokerage, financial intermediary service.

Cross RDA research and intelligence activity – Yorkshire Forward has led the cross network development, branding and procurement of the English Regional PMI – Purchasing Managers Index. Working with AWM we have procured and deployed a one year financial and research proposal to support the Regional PMI’s as a key source of intelligence supporting cross network recession monitoring following the decision by Royal Bank of Scotland to conclude their support for one of the few reliable third party (and timely) leading indicators at regional level. Yorkshire Forward leads the network management of The National Business Survey (NBS) – from procurement and contract management through to analysis – on behalf of the RDA network. The NBS is a unique structural B2B survey, as it is the only business metrics survey designed to reflect all parts of the economy. We have worked with Office for National Statistics (ONS) to design the NBS sample frame using IDBR (business) data to produce more meaningful information for all RDAs. Yorkshire Forward also leads the RDA network in cross RDA recession reporting research including developing the cross RDA template for the Spatial Impact of the Recession Reports and co-ordinating input from all RDAs and key government departments (including HMT).

Sheffield City Region – working jointly with East Midlands Development Agency (EMDA) on the City Region skills strategy, innovation and food logistics activity.

RDA coastal town network - working with Government Departments and other RDA’s collaborating on key documents and sharing good practice like Scarborough Enterprise in Europe.

Evaluation – working jointly with ONE and EMDA Yorkshire Forward commissioned a piece of work on our approaches to evaluation. We have also worked with other RDAs on national level evaluations, including Business Link, Solutions for Business, Grants for R&D, MAS which has helped all RDAs to learn from each other, improve approaches to evaluation and share evaluation costs.

State Aid – working closely with NWDA and ONE on common State aid matters, developing and submitting 7 joint State aid notifications to the Commission. More specifically we worked closely with ONE and BIS to agree a £2.5m package of support for Corus safeguarding jobs.

Cross RDA network on employment - led by SEEDA we have worked with them to engage Department for Work and Pensions (DWP) and JobCentre+ at a policy level on key priorities and approaches.

Europe - We collaborate with the other English Brussels offices

	<p>through the informal ERBO network. Brussels offices tend to be managed by regional partnerships of which most have an RDA partner. The ERBO network of Brussels Offices exists to share information on agreed priority topics. We have informal arrangements in place with the North East and the North West Brussels offices to share information and resource. Yorkshire Forward's European Strategy Team leads on ESPON funding on behalf of other RDAs. We sit on the UK advisory committee for ESPON and report back to RDAs after meetings and circulate relevant information. The northern RDA European leads have had regular meetings with the Research Manager at the Northern Way to explore whether pan regional collaboration at an EU level makes sense and if so which policy areas would be suitable. YF hosted the cross RDA Territorial Cooperation working group and are working on a joint paper. We worked collaboratively with other RDAs on the Committee of the Regions Open Days event last year. The conglomerate 20/20/20 Regions against Climate Change worked together to deliver a programme of events during that week to raise the profile of our regions in tackling climate change. The partnership involved Lazio (IT), Chalandri (GR), Gorj (RO), Marche (IT), North Hungary (HU), Silesia (PL), South East Region (BG), Tuscany (IT), Umbria (IT), Yorkshire and Humber (UK). A guide on synergies in EU funding 'joining up EU funds' was produced by Yorkshire Forward using ERDF TA and circulated nationally to RDAs and Local Authorities via the LGA. Additionally YF is a member of EURADA – Association of European RDAs.</p> <p>Cross RDA Carbon Accounting – supporting the development of a consistent methodology for calculating carbon savings from RDA financial investments</p>
Carbon Reduction	<p>In the absence of a recognised methodology, some RDAs have developed their own methodologies for the assessment of carbon emissions. However, the methodologies vary widely and the results are not directly comparable.</p> <p>In order to deal with this, the RDAs have since worked collaboratively to develop Common Operating Principles to enable common reporting against the Energy White Paper commitment. These were agreed by the RDA Chief Executives in March 2010.</p> <p>The RDAs will report against the Energy White Paper Commitment, in line with the Common Operating principles, from April 2010. This means the RDAs commenced the collection of data, on carbon savings associated with their investments, in April 2010 and will report savings for the 2010/11 financial year.</p> <p>The RDAs will also work to develop a common methodology for the assessment of carbon savings for the Energy White Paper Commitment over the next 12 months with a view to implementing a common methodology from April 2011, and reporting savings for the 2011/12 financial year.</p> <p>Yorkshire Forward records carbon savings from capital build projects or specific renewable energy projects. The savings are</p>

	claimed in the year the project receives financial approval. We can report that the carbon savings associated with our activities during 2009/10 were 210,000 tonnes.
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