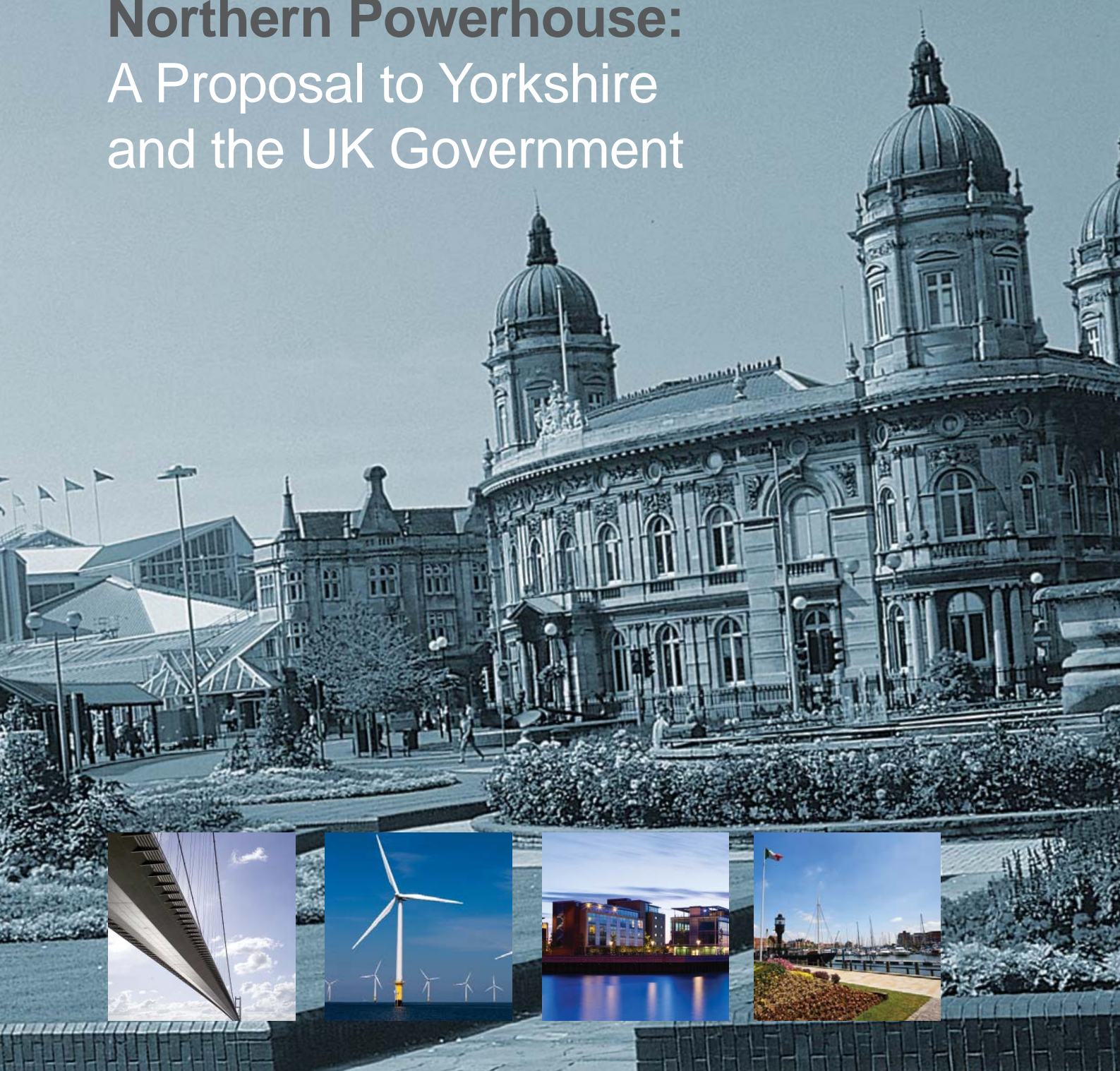


# Hull, Yorkshire, the Leeds City Region and the Northern Powerhouse: A Proposal to Yorkshire and the UK Government



Hull  
City Council



## Index

Executive Summary.....	3
Statement from the Leader of Kingston upon Hull City Council .....	5
Introduction.....	6
Context .....	8
The Hull and Humber Economy .....	11
Exploiting the Opportunities and Addressing the Challenges.....	13
Hull's Key Role in Transport for the North .....	17
Northern Powerhouse & North European Trade Axis.....	18
An Untapped Historic Economic Asset.....	19
Transport Links .....	20
Hull – A World Class Visitor Destination .....	22
Working in Wider Partnership.....	22
Planned Investment as Part of the City Plan.....	23
Addressing Previous Governance Failures .....	24
Appendix 1: Historic Governance Arrangements.....	26
Figure 1: Spatial Context.....	6
Figure 2: Economic Complementarities across the North .....	7
Figure 3: Share of Total UK GVA, 2013.....	9
Figure 4: Hull's Economic Connectivity with the Region .....	12
Figure 5: Travel to Work Areas .....	13
Figure 6: Hull's Place in the Northern Powerhouse.....	14
Figure 7: Jobs Profile for the City of Hull .....	15
Figure 8: Current Freight Movements, Distribution Centres and Employment in the North.....	17
Figure 9: UK Trade Distribution .....	17
Figure 10: Northern Powerhouse / North Europe Trade Axis .....	18
Figure 11: Canals / navigable inland waterways .....	19
Figure 12: Rail Services – Future service Aspiration .....	21
Table 1: Population Comparison.....	4
Table 2: GVA Contributions.....	11
Table 3: Mid Year Population Estimates 2014 .....	16
Table 4: Comparison of rail journeys between Hull / Leeds and London Victoria / Brighton .....	20



## Executive Summary

This is Hull City Council's response to the Government's request, issued in the July Budget, for cities interested in devolution to make their proposals by September 4th.

We firmly believe that there is a compelling argument for devolution at a greater Yorkshire scale. However, in the absence of consensus, this case is presented for Hull to be an integral part of the Leeds City Region devolution proposals. Perhaps, given the importance of the opportunities offered by devolution, more time is required by all parties to agree on a Greater Yorkshire scale of ambition.

The Government believes in devolution and so do we. We share a commitment to strong cities driving the UK economy and in the potential of the Northern Powerhouse to transform the economy of Northern England. We also unequivocally agree that the transfer of significant powers to cities will require governance with the capacity and skills to manage new powers effectively. We believe that directly elected Metro Mayors have an important role to play. These are our proposals for the role that Hull can play in our economic transformation as part of the Leeds City Region and of a wider Yorkshire economy and our proposals for how the governance of the county can develop to meet the challenge and rise to the opportunities ahead. Our proposals are evidence based, building on our economic purpose of place and firmly based upon contributing to the Government's productivity agenda.

Hull is:

- The Northern Powerhouse's Gateway to Europe
- The Functional Economic Area for 500,000 people – 10% of Yorkshire
- Experiencing the highest level of investment in the tradable economy of any comparable UK City, with major investments of:
  - £310 million by Siemens
  - £150 million by Reckitt Benckiser
  - £200 million by Energy Works
- A potential net contributor in terms of GVA to the Yorkshire economy.

However, Hull has higher unemployment and lower house prices than almost anywhere else in the country. The city is perceived as isolated, although that is only because of poor investment decisions over generations. Already on a vital freight corridor Hull could, as part of the Northern Powerhouse, reduce our dependence on the Southern Ports and the congested South of England infrastructure.

With effective and eminently affordable improved rail connections to Leeds only a 45 minute train ride away, our commuting population would grow exponentially, making Hull an effective part of the Leeds City Region and enhancing our property market.

Cooperation on skills would enable Hull's people to access higher level jobs in Leeds and elsewhere in Yorkshire.

So Hull has much to offer: massive and significantly untapped potential and the leadership to chart the way forward.

We want to play our role in a strong Leeds City Region and what would be an even stronger Yorkshire if we work together. We have formally asked Leeds that Hull participate as a constituent member of the Leeds City Region Combined Authority. This offer has, for now, been declined. We therefore make a counter-proposal in this, our submission.

Hull is ready to play its part. In that context we are actively encouraging Government to demonstrate strong leadership and encourage devolution to a Greater Yorkshire, enabling the cities to build and optimise respective economic strengths. We recognise that this will be a challenge but the prize is worth the effort. We also believe that despite the views of others with limited foresight and perception, Hull does have a meaningful part to play within a Leeds City Region Combined Authority. We look forward to working with partners in Yorkshire and in Government to make progress in the weeks ahead.

**Table 1: Population Comparison**

	Hull City Region	West Yorks CA
Population	594,825	2,468,768
Land Area (ha)	247,913	230,121

Our Asks:

- Establishment of a 'Greater Yorkshire' Combined Authority, with Hull included in the Leeds City Region Combined Authority as an absolute minimum
- Creation of a Directly Elected Mayor for the Combined Authority
- Development of Hull's cruise terminal together with economic maximisation of the port estate as regional and national assets
- Progression of rail electrification
- Progress City 'Eastern' by-pass to support regional economic competitiveness
- Engage in appropriate skills funding 'Devolution'
- Develop the North European Trade Axis to support the Northern Powerhouse
- Define Governance of the North.

In summary, we ask for control over public sector investment in infrastructure, skills, housing, transport and a greater say in determining the economic and employment impact of the Port of Hull.

## **Statement from the Leader of Kingston upon Hull City Council**

As Leader of Kingston upon Hull City Council, I have firmly committed to a necessary change agenda in order to strengthen the relationship between the city, its local authority, public sector and business partners as they collectively seek to develop the local economy for the purpose of delivering on the 'freedoms and flexibilities' being continually offered to cities, such as ours, within the context of the rapidly evolving devolution agenda. We are committed to this agenda despite Hull being the only city not currently part of any established or proposed Combined Authority arrangements.

Cities are no longer merely the focus for civic pride and centres of population; they are the economic drivers that are universally recognised with which to deliver future prosperity. With such 'evolution' in the purpose of cities, comes an explicit requirement for cities to engage in appropriate dialogue with Government; present a competitive case for investment within the context of ongoing public sector austerity; provide the 'place' from which to contribute to wider economic prosperity of the UK and to act as a 'champion' of their respective localities.

Irrespective of political persuasion, I am actively seeking to exercise the appropriate leadership to deliver the economic future for the city and the wider region based upon exploiting the economic, cultural and alternative governance opportunities that are now converging. I do this in the full knowledge that we need to, as others have successfully done, embark on enabling a different way of working to that of the past.

As a city, and a wider region, we have to play our role in delivering on the opportunities presented by the devolution agenda. We are not interested in 'devolution by association', only in an unequivocal commitment to devolution by full-blooded participation at the appropriate level.

We recognise that the Northern Powerhouse and devolution are not necessarily the same thing. However, devolution is not just about economics, it is about returning power to the appropriate level, in our case as the City Functional Economic Area. It is about place and community and belonging, Yorkshire cricket, the Tour de Yorkshire, rugby league, Leeds/Hull football rivalry. Hull is Yorkshire and needs enabling to play its full role as an integral part of the Northern Powerhouse.

The evidence presented in this paper will show that the city has now 're-purposed' itself, benefitting from a strong coalition of city, civic and business leadership who have the primary purpose of developing the recognised economic potential of the city and the region, proven by the investment decisions of Siemens, Reckitt Benckiser and more latterly Smith & Nephew. The burgeoning cultural potential of the city, for so long developing organically, has now been nationally recognised by the awarding of UK City of Culture 2017, supported by Council investment, an award that will deliver a sustainable cultural and economic legacy for years to come.

**Councillor Stephen Brady**

**Leader – Hull City Council**

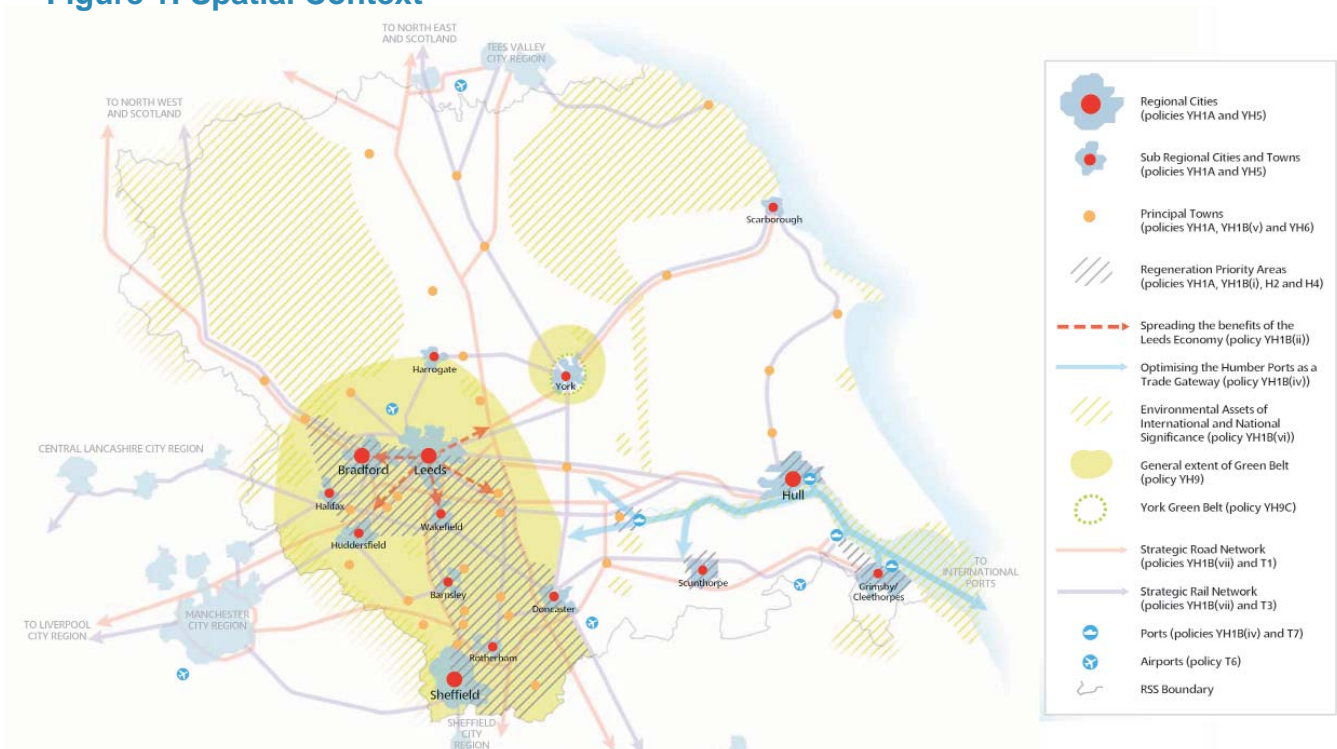
## Introduction

This paper will inform the ongoing debate regarding the role, purpose and establishment of Greater Yorkshire Devolution and of the Leeds City Region Combined Authority.

It will add further considerations that seek to strengthen the ability of a wider Yorkshire Devolution agenda to delivery greater economic prosperity. The ‘central’ aspects of this greater delivery will be to ensure that the Hull Functional Economic Area delivers its part of a central economic belt represented by the economic connectivity routes from the Port (and thereby Europe) into West Yorkshire and beyond, ultimately to Liverpool on the West coast.

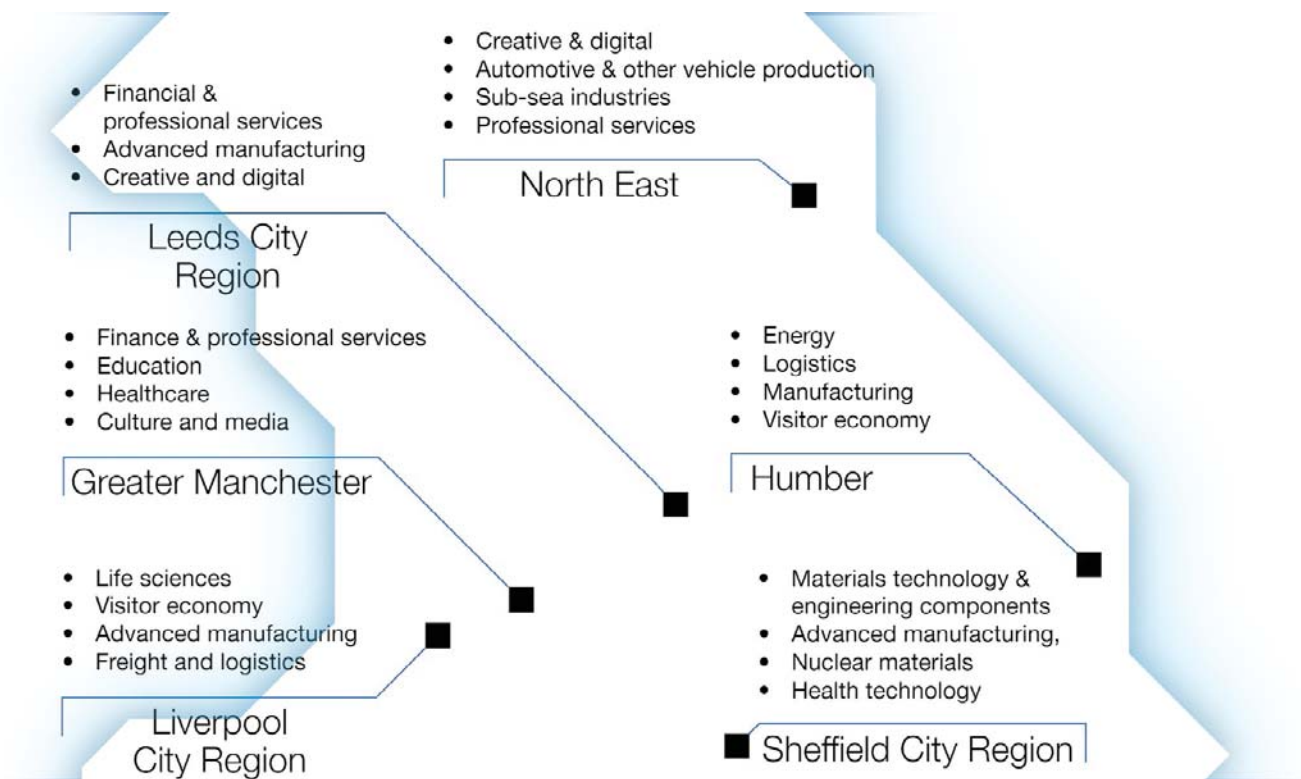
That economic and connectivity relationship has already been established in a UK economic context through the Northern Powerhouse. This paper will present the economic and spatial synergies that are both currently present and have the potential to deliver more.

**Figure 1: Spatial Context**



Complementary economic sectors between Leeds and the Humber offer potential for greater combined economic growth rather than competition, building on inherent strengths of industries and skills bases, creating a very strong offer to international markets.

In terms of the Government’s ‘Productivity Agenda’, the ability of individual City Regions to “work together” is a key competitive advantage for the North, with the simple and basic economic facts that proximity means more effective business connections and innovation spill-over which can help ‘re-balance’ the UK economy.

**Figure 2: Economic Complementarities across the North**

Source: TfN

### Growth sectors identified in City Regions' Strategic Economic Plans

Developing the local economy and the creation of employment by improving productivity is the cornerstone of the city and City Council's strategic plan. Through the stated ambition of creating jobs, as articulated in the City Plan, the city is transforming the local economy. Major public<sup>1</sup> and private sector investments will deliver a sustainable and resilient economy that makes a major contribution to the region through building on existing economic synergies. Key economic sectors including healthcare, logistics and the education sector with an emphasis on knowledge as an economic driver, will continue to grow the local economy over the coming years.

In demonstrating Hull's contribution, this paper provides a short overview of key economic data for the West Yorkshire Combined Authority (WYCA) which brings together Bradford, Calderdale, Kirklees, Leeds, Wakefield and York, alongside Hull and East Riding's outputs.

<sup>1</sup> As an example The Humber LEP's Growth Deal will see 62,228 properties and 251,485 sq.m of commercial floorspace with reduced flood risk across the Humber. Protecting the region from flooding is one the main priorities with almost £48m LGF secured.



## Context

The economic profile and potential of the Yorkshire economy is already well documented. The 'process' of devolution has presented the opportunity for the five cities of Yorkshire to combine their respective strengths.

Recognised consistently as the commercial centre of the Humber<sup>2</sup> (Humber LEP, 2014), Hull as a city has become the focus of globally significant inward investment<sup>3</sup> and an enhanced profile. As such, it is continually seeking to deliver the latent economic potential of such investment, and previous recommendations concerning realising its economic contribution to the wider regional economy. Historically, attempts to fulfil this potential have been constrained and 'frustrated' through governance arrangements seeking equitable distribution of finance, economic wealth and benefit, rather than supporting the city as the recognised economic driver for the Humber. With such 'history', Hull's increasingly important role in the Northern Powerhouse Agenda, as the latest Government Policy Framework, should not be underestimated, or indeed be allowed to be underplayed as in the past, by the region.

Hull, as one of the great Yorkshire cities, is integral to defining the relative future economic success of the other cities. As suggested, central to this is the city's centric role in the international trading profile of Yorkshire and, in particular, the ability to underpin and grow the tradable economy of Yorkshire and beyond through the city's port and trading assets.

Recognising that Hull, as the economic centre of the wider Humber, is already delivering economic benefit to its immediate hinterland and the added strength of Hull being part of an appropriate Combined Authority, should be viewed in the context of continuing to support the current Humber Local Enterprise Partnership.

Some view Hull as economically dependent on Government support or second to other places. Hull is now in a position where it is moving towards becoming a net contributor to the regional economy and, in terms of intent, has presented a number of deliverable 'game-changers' for the region, not least UK City of Culture 2017; a proposed cruise terminal with regional impact; an economic investment profile to rival any city and a willingness to engage in the Northern Powerhouse and Devolution Agenda.

Hull has the potential to support the move to economic parity for a combined GVA (Hull City Region and West Yorkshire) to match that of Manchester.

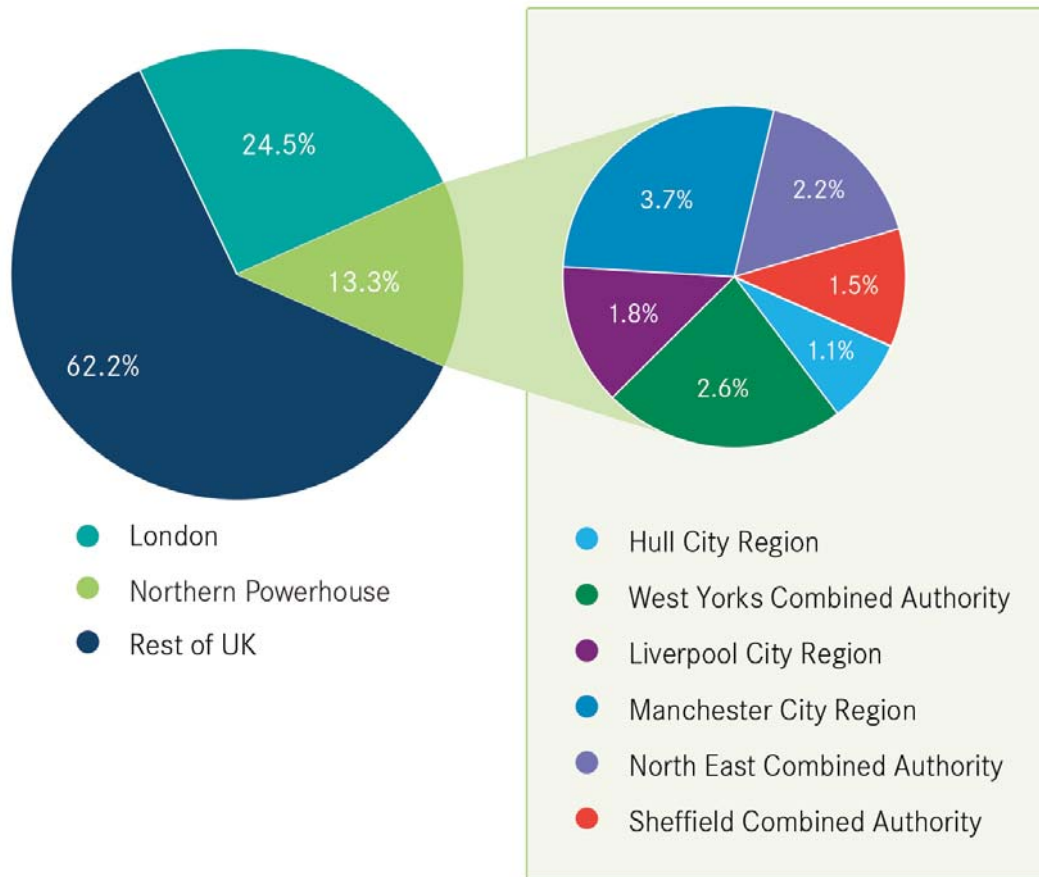
Hull City Region has a significant level of GVA – it has seen growth matching those of other regions and so comes as an equal partner.

---

<sup>2</sup> As referred to in The Humber Strategic Economic Plan

<sup>3</sup> Siemens and Associated British Ports are to invest £310m in Greenport Hull providing future economic benefits from recognised strengths of Hull and the wider Humber (University of Hull, 2013).



**Figure 3: Share of Total UK GVA, 2013**

Source: ONS, 2014.

With investment levels continuing to increase with Siemens, Reckitt Benckiser and Hull University committed to a combined investment of £0.5bn, this will only strengthen in the future. As a Council, we expect to invest up to £80m in delivering the projects aligned to the City Plan and UK City of Culture 2017. This will lever over £300m in additional investment for the City. We have also invested close to £100m in our housing, leveraging in a further £790m of investment. Overall, we have invested £180m in our city against an investment programme of over £1 billion.

As an example of the need (and opportunity) to deliver future economic benefits, the move towards a “Northern Powerhouse” requires Hull’s engagement for future mutual economic benefit. If that opportunity is not realised, then the Northern Powerhouse approach will almost certainly progress with the economic exclusion of Hull and the wider Functional Economic Area<sup>4</sup> with the resultant loss of economic opportunity, laying the region open to the neglect of recognised economic relationships, especially in relation to the port sector<sup>5</sup>.

<sup>4</sup> See <http://www.politics.co.uk/comment-analysis/2014/06/23/george-osborne-s-northern-powerhouse-speech-in-full>

<sup>5</sup> See City Relationships: Economic linkages in Northern City regions: Hull and Humber Ports

It is appropriate that the city reminds those who need reminding that, as articulated in the Northern Powerhouse framework, physical distances should be seen as less of a barrier to exercising effective governance and developing economic capacity and capability. Many of Hull's economic investors operate on a global platform and those coming from 'outside of the region' do not see the distances between economic centres in Yorkshire as a barrier. For example, recent American investment in the economy dismisses the distance to international airports in the region as incidental.

Recent investments and announcements have underpinned a 'behavioural shift' to a prevailing positive culture, especially amongst the civic and business leadership community, seeking to realise the economic 'prize' presented through what have been described collectively, in a local economy context, as 'game changers'. The city, based on such opportunity, is now actively seeking to manage known (secured) and future economic opportunities, in line with 'best practice' to deliver sustainable and resilient economic growth, directly addressing the causes and manifestations of identified city underperformance.

Given the unprecedented devolution opportunities being presented, whatever is put in place in terms of governance arrangements has to be optimal, not sub-optimal. Our contention is that future arrangements should reflect the economic synergies and functionality present within respective Functional Economic Areas (FEAs).

As indicated, the West Yorkshire Combined Authority produced 3.9% of England's Gross Value Added (GVA) in 2013, with Leeds contributing the largest percentage to this economy. The value of the local Hull economy would make a significant contribution to the GVA levels and, in headline terms, would support the combined area becoming equal in economic terms to 'competitor regions'.

Therefore, to summarise the issues presented in this paper, we believe are central to any combined authority arrangements that Government may decide to support. We believe that strong leadership is needed in this context and at this juncture, should see the need for a wider combined authority, based on FEA's, than currently proposed.

## The Hull and Humber Economy

Hull is the key economic hub within the Humber for investment. The Humber Ports are the UK's largest ports complex and handle over 91 million tonnes of cargo per year. The Humber's most important contributions to the national economy relate to its 'energy estuary' role, thus Hull and the Humber:

- Has the 4th largest ports complex in Europe
- Lands and distributes 33% of the UK's natural gas; Provides more than 30% of the UK's oil refining capacity
- Imports 33% of the UK's coal, which generates around 17% of the UK's electricity
- Has the largest bio-fuel production centres in the UK
- 3 of the world's largest wind farms are in the North Sea and will attract between £75bn - £100bn of investment
- Has secured a major inward investment from Siemens to build an offshore wind turbine blade manufacturing plant at the Port of Hull.

Hull's GVA, at £18,902 per head of population, created £4,869 million in 2013.

In comparison to the West Yorkshire Combined Authority, this ranks it ahead of Calderdale and Kirklees and Bradford. As outlined, Hull also increases the overall share of the combined area to 4.3% of England's total economy.

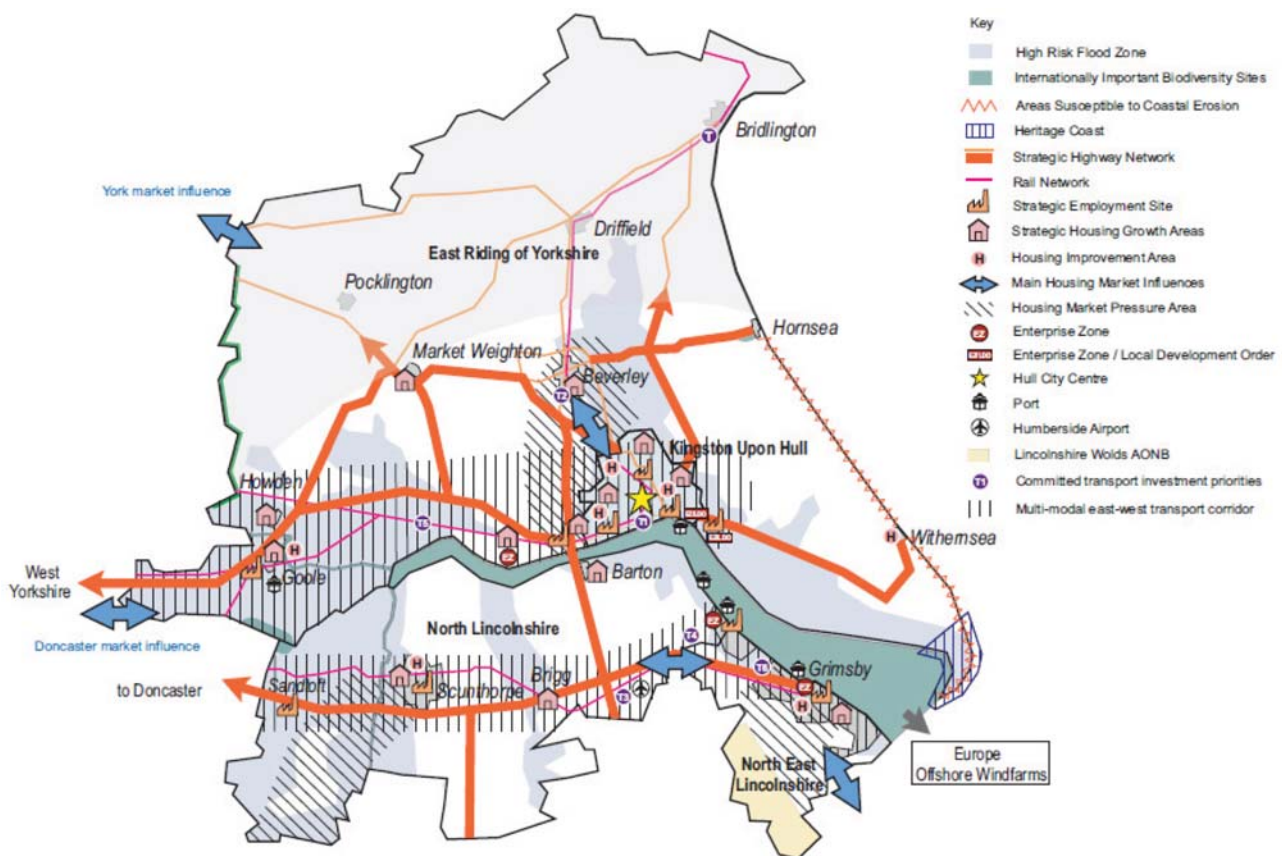
**Table 2: GVA Contributions**

	Total GVA (£m)	Share of England GVA	Average GVA Per Head (£)
Bradford	8,735	0.7%	16,595
Calderdale and Kirklees	10,669	0.8%	16,812
Leeds	20,362	1.6%	26,741
Wakefield	6,470	0.5%	19,623
York	4,754	0.4%	23,483
<b>West Yorkshire Combined Authority</b>	<b>50,990</b>	<b>3.9%</b>	<b>20,651</b>
<b>Hull</b>	<b>4,869</b>	<b>0.4%</b>	<b>18,902</b>
<b>WYCA and Hull Combined</b>	<b>55,859</b>	<b>4.3%</b>	<b>20,488</b>



Hull's significant input into the production and manufacturing sectors, representing 26% of the local economy, was worth £1.3 billion in 2012, compared with 15% for the existing West Yorkshire Combined Authority Area. However, this does not convey the true extent of the economic contribution as many of our multi-nationals report profits elsewhere, often overseas. Although the benefits of their respective investments occur in Hull, as demonstrated in this submission, the true economic benefits are significantly greater and potentially wider felt.

**Figure 4: Hull's Economic Connectivity with the Region**



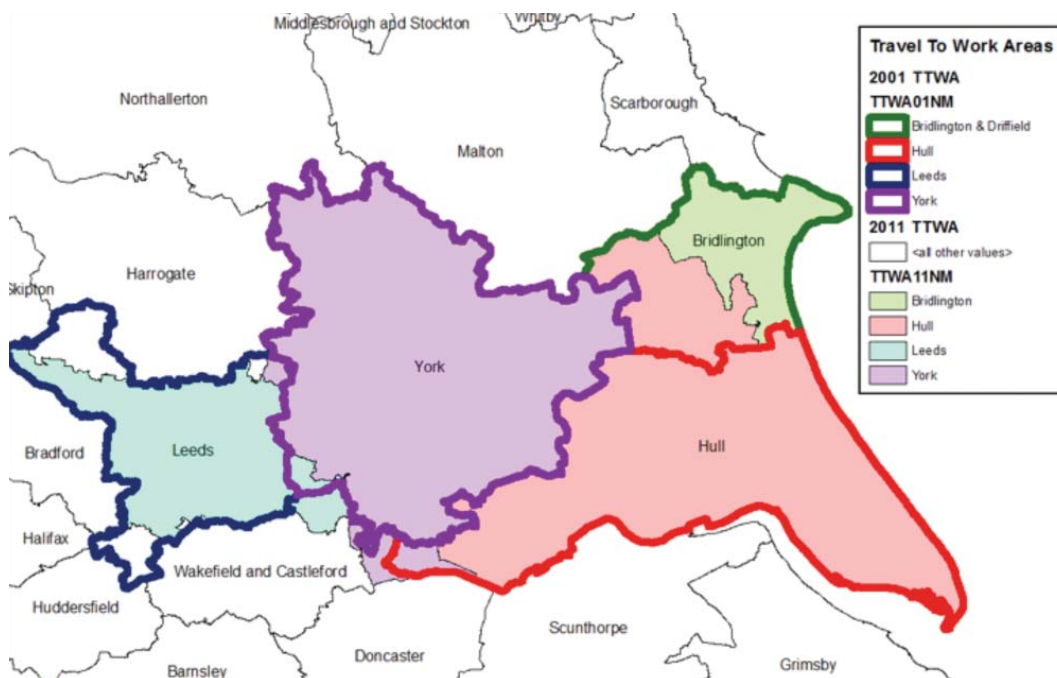
Whilst working on the economic basis of Travel to Work Areas, (accepting that current definitions do not align totally with the local authority boundaries) then the following would apply. The inclusion of Hull in a wider devolution area would:

- Raise the Employment rate from 69.8% to 70.2%
- Increase the number of available jobs by 259,000 but reduce jobs density slightly from 0.77 to 0.75 (as a result of the low jobs density in East Riding)
- Increase the total population by over half a million. This would include an increase in the working age population (16 – 64) of 371,500
- Reduce average house prices from £120,315 to £115,318 as a result of the significantly lower average house prices in Hull, offering the potential for greater labour mobility.

## Exploiting the Opportunities and Addressing the Challenges

The relevant Travel to Work Areas (TTWAs) present a clear and unambiguous picture of economic connectivity across a wide area of the Region and one that would benefit from complementary outcomes that could be delivered through 'joint' decisions on infrastructure, economic development and planning.

**Figure 5: Travel to Work Areas**



It is evident from the TTWA relationships that Hull has limited or arguably non-existent economic linkages with the South Bank of the Humber. The clear and unambiguous 'economic and transport corridor' that Hull (and its TTWA), positioned as a key strategic economic and logistics centre, especially in the context of European trade, presents economic benefits for the region and beyond. This reflects both the current recognised economic centres of activity and a growing emphasis on realising the objectives present in the Northern Powerhouse through a 'stronger' Northern European Trade Axis.

If the relationships with the economic 'centres' across the North is explored, the picture as to the benefits to be derived from a stronger economic relationship as proposed becomes clearer and arguably strengthened.

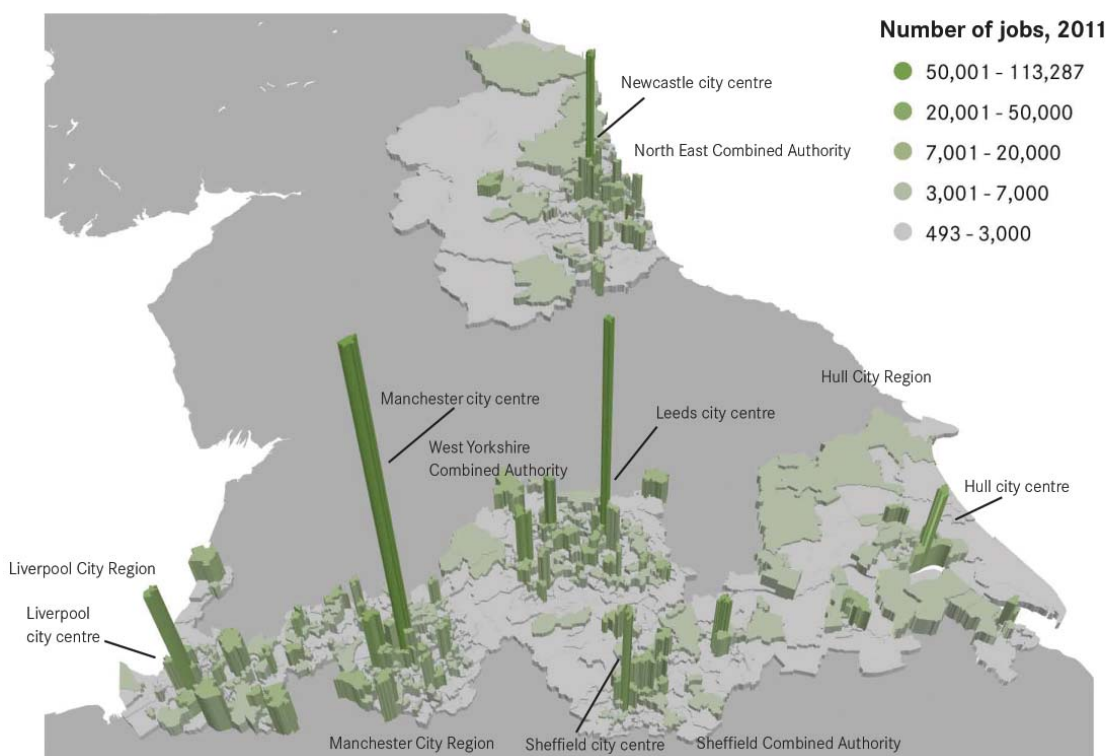
From Hull's perspective, examples of existing economic linkages present scope for further regional economic integration and growth:

- **Healthcare:** Some of the leading names within the sector are based in the area with the likes of Johnson & Johnson in Bradford and both Smith & Nephew with their wound-care management facility and RB who earlier this year announced a £100million investment in to their Worldwide Healthcare R&D facility here in Hull. In addition to these businesses there is also the Hull & York Medical School supporting the industry

- **Offshore Wind Energy:** With the emergence of the offshore wind energy sector in Hull and the surrounding area, it is likely that legal and financial business, as well as ‘traditional’ supply chains in the Leeds area will benefit greatly from an increase in requirements for their services, as not all of these requirements will be able to be met locally
- **Food:** Hull and East Riding, like the rest of Yorkshire, has a major food production industry providing ingredients and finished products for the catering and hospitality sector, along with major supermarkets such as ASDA and Morrisons that are based in West Yorkshire. Companies such as Cranswick Foods, Jacksons Bakery, Aunt Bessies and Greencore, to name just a few of the larger brands that are based in Hull, supply all the major supermarkets as well and many smaller producers
- **Logistics:** For any business importing or exporting products to and from mainland Europe, the Port of Hull is the obvious choice for shipping their goods, with daily sailings from Hull to both Rotterdam in Holland and Zeebrugge in Belgium, allowing access to 320 million consumers within 24hrs
- **Tourism:** Hull is an increasingly important destination on the tourism map. Established attractions including the Deep, have built a profile of visitor interest that has delivered a visitor economy worth £265m (2014) with the full benefit of City of Culture 2017, projected at £184m of visitor spend by 2020, yet to be realised.

If we focus on Hull, the implications for the city as an economic centre across the Northern Powerhouse become self evident.

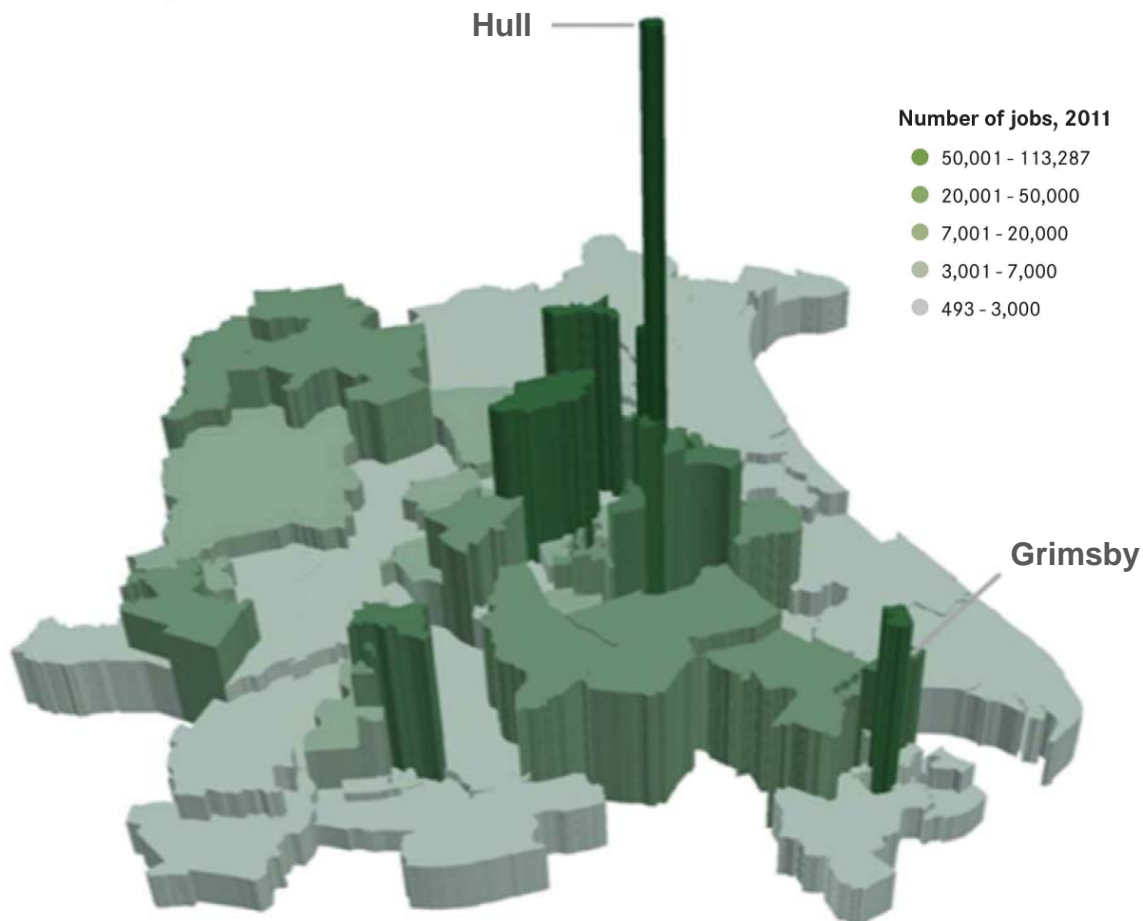
**Figure 6: Hull’s Place in the Northern Powerhouse**





As recognised by Centre for Cities, Hull is the largest source of all jobs in the Humber LEP area and then primary source of high skilled, high paid jobs.

**Figure 7: Jobs Profile for the City of Hull**



Source: NOMIS, Census 2011.

Overall, the West Yorkshire Combined Authority has a combined population of nearly 2.5 million, which is 4.5% of England's population.

Hull's economic area increases the population of the current West Yorkshire Combined Authority by over half a million, creating an area larger than any of the eight proposed city regions in the North and Midlands. This would include an increase in the working age population (16 – 64) of 371,500 and see an increase in the latent flexibility, mobility and resource of the workforce to deliver productivity gains.

**Table 3: Mid Year Population Estimates 2014**

	Pop	0 - 15	16 - 64	65+
Bradford	528,155	24%	62%	14%
Calderdale	207,376	20%	63%	18%
Kirklees	431,020	20%	63%	17%
Leeds	766,399	19%	66%	15%
Wakefield	331,379	19%	63%	18%
York	204,439	16%	66%	18%
<b>West Yorkshire Combined Authority</b>	<b>2,468,768</b>	<b>20%</b>	<b>64%</b>	<b>16%</b>

Hull	257,710	19%	66%	15%
East Riding	337,115	16%	60%	24%
<b>Hull and East Riding</b>	<b>594,825</b>	<b>18%</b>	<b>62%</b>	<b>20%</b>

<b>Combined</b>	<b>3,063,593</b>	<b>19%</b>	<b>64%</b>	<b>17%</b>
-----------------	------------------	------------	------------	------------

## Hull's Key Role in Transport for the North

**As we know, a report on the Northern Transport Strategy will:**

- Report March 2016
- Identify infrastructure upgrades – most are already known
- Re-enforce the view that the key to growing the Northern economy is improving East-West rail connectivity/capacity.

If we bear in mind the clear transport and economic corridors, there are significant transport, logistical, distribution and employment factors already present that require active 'management' to deliver sustainable economic benefit.

### Figure 8: Current Freight Movements, Distribution Centres and Employment in the North

Source: Freight Strategy for One North by MDS Transmodal Ltd October 2014



quantity of freight in tonne that the M62 accommodates per year



number of freight distribution sites in the North



people employed at these sites

Hull's position as a key trading port for the movement of goods, services and people, places the North at a strategic advantage in resolving issues that are well recognised by the Government in terms of seeking to 're-balance' the economy. Hull's port and access to trading economies provides the opportunity to support the Northern Powerhouse by inward and outward trade outside of the southern ports. Hull being part of the 'relay team' working with the others, would be able to fully support and engage in the delivery of logistical solutions along the trans-european E20 corridor and beyond.

There is an opportunity to address the UK's recognised unnatural and misaligned trade flows, removing congestion from the south east, reducing carbon emissions and improving economic productivity – all part of an E20 solution. But there needs to be much more done to reduce the environmental impact of the current north/south traffic flows which leads to:

- 200 million wasted road/rail miles
- 200,000 additional truck journeys
- 20 million tonnes of 'unnecessary' CO<sub>2</sub> emissions.

In this context there is a key relationship with Associated British Ports (ABP) that the city can help deliver for the region. In the wider context of Transport for the North, ABP need to act as a strategic economic partner for the benefit of the north.

### Figure 9: UK Trade Distribution





## Northern Powerhouse & North European Trade Axis

### Key Growth Proposals

We firmly believe that connectivity across the North is centric to future economic prosperity. To that end, we have actively engaged in development of the Northern Powerhouse and the North European Trade Axis; recognising the synergy between the two initiatives and the desire of Government to make the Northern Powerhouse ‘work’ for the North.

The North European Trade Axis is simple in its ambition:

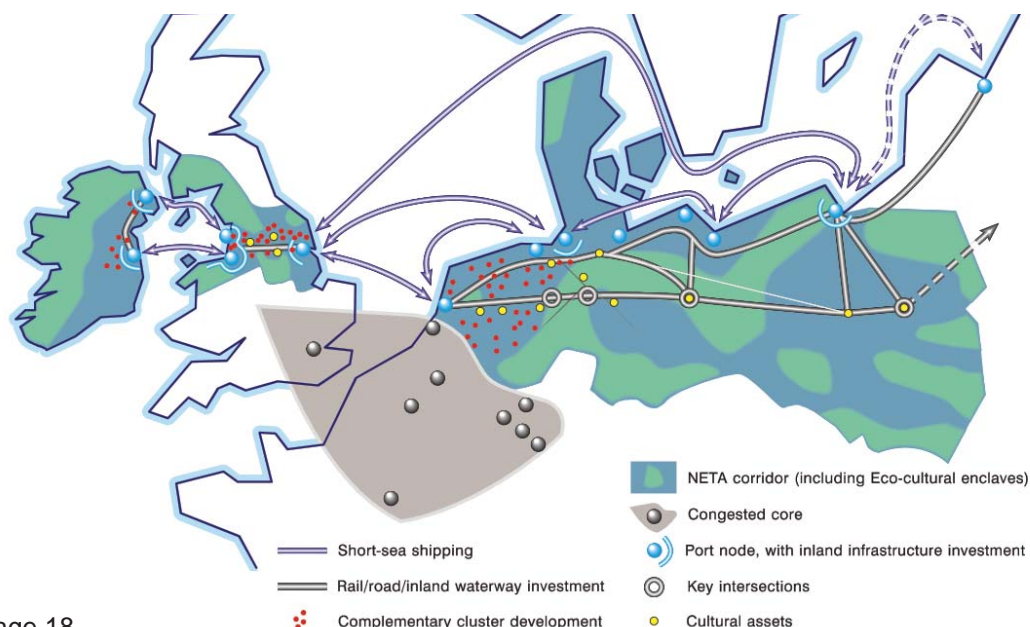
**“To develop an economically thriving and environmentally friendly trade corridor linking Ireland to Northern and Eastern Europe via the UK”**

To the West it reaches out to Ireland and then to the North and South America / Panama Canal and onto Australasia and the Far East. To the East it reaches out to Scandinavia, The Baltic, Eastern Europe and the Cohesion Fund States and then to the Far East. Hull has actively engaged in the development of the Northern Powerhouse initiative. Whilst needing to be seen as a wider “economic system”, the transport assets of Hull and the Humber Ports and the need for improved connectivity to and from the rest of the UK are a key aspect of the approach, as articulated in the Transport Strategy for the North.

The beneficiaries of improved transport services and enhanced connectivity are not defined by administrative boundaries. Any economic or social mobility benefits arising from Hull’s leading engagement role will be delivered on a wider spatial scale than the city. The devolution agenda has been a long time in the making but is now at a critical stage for Hull and the region.

Without this, the more successful the Northern Powerhouse, the greater the congestion on all routes going to the southern ports of Felixstowe, Portsmouth, Southampton.

**Figure 10: Northern Powerhouse / North Europe Trade Axis**



## An Untapped Historic Economic Asset

**Figure 11: Canals / navigable inland waterways**



Hull is at the start of the EU network for inward and outward access, and the provision of inland connections to the inland waterway network is an untapped opportunity for real growth that will work in an integrated transport network of air, rail, road and water.

The industrial revolution saw Yorkshire towns and cities such as Leeds, Sheffield, Bradford and Huddersfield develop large textile and coal mining industries, which required an efficient transport system. As early as the late 17th century, the Aire and Calder and Calder and Hebble navigations had been canalised, allowing navigation from Leeds to the Humber Estuary, whereas the River Don Navigation connected Sheffield to the Humber. Estimates of over 10 million tons of coal being ferried around the canal systems in the North during the 1800's are documented.

Hull is well placed to take advantage of the wide network of navigable inland waterways/ canals stretching deep into Yorkshire. Hull is located on the Humber Estuary which forms the confluence for Yorkshire's great rivers including the River Derwent; River Ouse; River Aire; and River Calder. An increase in waterborne freight will reduce the amount of HGVs on Yorkshire's strategic road network, including the A63, A1(M) and M62. The environmental benefits of water transport over road travel are numerous. The Council is trying to encourage greater water transport movement between the Port of Hull/River Hull Corridor and Yorkshire's inland ports. We considers this could have a useful role, especially in the carriage of bulky, low value cargoes.

## Transport Links

Hull is easily reached from across the Yorkshire and Humber area. It possesses good road and rail links to all parts of the UK and enjoys some of the best international connections of any English city, thanks to its ferry terminals and regional airports.

**Airports:** Hull is within one hour's drive of both Humberside and Robin Hood (Doncaster/Sheffield) airports, and within two hours' drive of East Midlands, Manchester, Leeds Bradford and Durham Tees Valley airports. These give a wide range of connections to Europe and beyond. The regular train service from Hull to Manchester now takes less than two hours (1hr 53m prior to electrification) however we have no regular direct service to Manchester Airport.

**Ferries:** Daily overnight ferry services run between Hull and Rotterdam and Hull and Zeebrugge. They provide a direct link into the wider European motorway and rail networks. Over one million passengers are carried each year through the Port of Hull.

**Rail:** Eight direct rail services run each day between Hull and London taking as little as two hours 40 minutes each way. There is an hourly service on the north Trans Pennine line to Leeds (and on to Manchester and its airport) and a twice-hourly service to Doncaster and Sheffield (with connections to the East Coast Main Line and into the Midlands).

In addition, we need to remind people that journey times from the city centre and its attractive marina residential environment compare favourably to the more 'recognised' commuter journeys.

The City Council is actively involved in shaping future rail franchises for the region and, in the wider context of the development of the network, is seeking to further the case for a direct link to Manchester Airport, which will add further value to the existing economic links within the region.

**Table 4: Comparison of rail journeys between Hull / Leeds and London Victoria / Brighton**

Journey	Journey Time Duration <sup>6</sup>
Hull to Leeds	54 to 55 Minutes
Leeds to Hull	53 to 58 Minutes
Brighton to London Victoria	54 Minutes to 1Hour 10 minutes
London Victoria to Brighton	54 Minutes to 1Hour 5 minutes

---

<sup>6</sup> Based on information from the National Rail Enquiries on-line service of direct train journeys (not having to change trains)

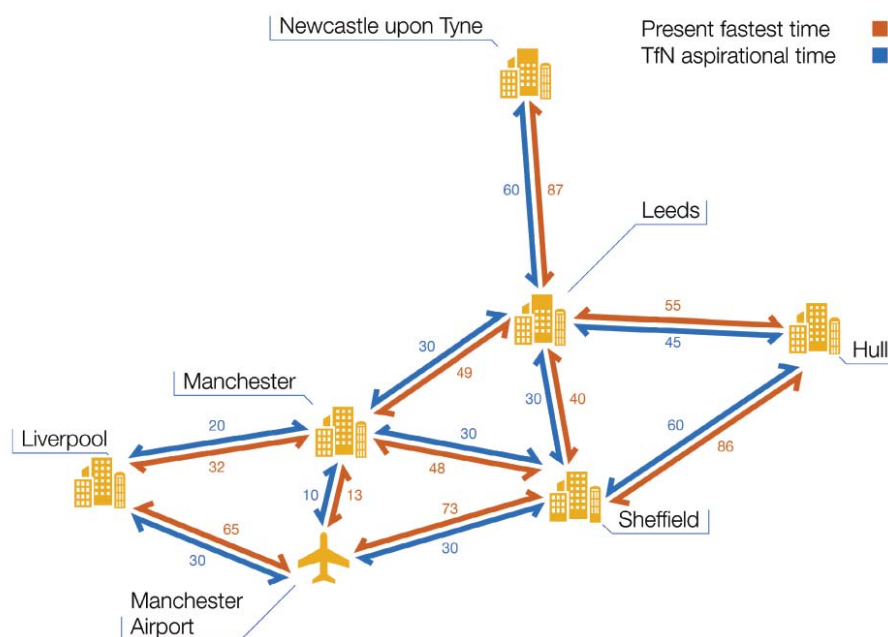
We look forward to a complete modernisation of the Northern rolling stock fleet, which will involve replacing Pacer trains completely by 2020 and delivering high quality modern trains for passengers as set out in the franchise specification documents published jointly by Rail North and the Government in Spring this year.

Specifically, we hope to see in the new franchises for Northern and Transpennine:

- An increase from 1 to 2 trains per hour between Hull and Manchester (via Leeds)
- Reinstatement of a regular hourly direct service between Hull and Manchester Airport
- A regular hourly faster service between Hull and York.

In the longer term we are working as an integral part of Transport for the North to deliver the Northern Powerhouse agenda, specifically to deliver faster, higher quality rail services to Leeds, Sheffield, Manchester, Liverpool and Newcastle.

**Figure 12: Rail Services – Future Service Aspiration**



**Road:** The A63 Trunk Road connects Hull directly into the national motorway system (M62/M18/M1). The A1079 connects Hull to York and the North East and the Humber Bridge links into the A15 and the M180 to the south. These major road connections are relatively congestion-free and bring up to 10 million people to within two hours' drive of Hull.

The North Humber Bank – Franchise Consultation Rail Report assesses the impact of introducing a half hour service from Hull to Leeds, with one service per hour continuing to Manchester. It is estimated that the introduction of such a service would generate around £5m of agglomeration benefits every year, with the majority of these, (79%), relating to improved connectivity to the Leeds economy. These results would be improved further with the journey time reductions proposed as part of the Northern Hub and also as a result of any improvements between Hull and Leeds.



## Hull – A World Class Visitor Destination

Hull City Council delivers its tourism marketing and development through Visit Hull & East Yorkshire (VHEY), which is a partnership between the East Riding of Yorkshire Council, Hull City Council and local private sector visitor economy businesses. The partnership leads and coordinates a range of activities with a strong focus on improving the visitor experience and increasing visitor spend, all of which is aligned to the 2015-18 Joint Tourism Strategy.

The Cambridge Economic Impact model details the value and volume of the visitor economy of the city of Hull which was estimated at £265.1 million in 2014, supporting an estimated 5,721 actual jobs.

Since the baseline visitor economy value and volume report was commissioned in 2012, Hull has shown growth in the overall value of the city's tourism economy:

- 8% growth in value of tourism
- 7.5% growth in actual jobs
- 14% growth in day visitor spend
- 8% growth in business turnover.

## Working in Wider Partnership

Hull's tourism team work in partner destinations at many different levels, delivering national and Yorkshire visitor economy activities. Currently, as a lead destination, Hull City Council is working with Northern Destination Partners, Visit England and Visit Britain, delivering the Northern Tourism Growth Fund.

At a Yorkshire level, Hull works with Welcome to Yorkshire through an agreed SLA and annual subscription fee.

Hull also plays an active role co-ordinating Yorkshire tourism activity with all local authorities through the Yorkshire Destinations group and Yorkshire Conference Bureau group with partners including Leeds, Sheffield and York.

## Planned Investment as Part of the City Plan

Overall, the City Plan is expected to deliver £605m GVA benefits through its Visitor Destination Programme.

### Cruise Terminal:

Initial £35m investment.  
The cruise terminal will boost visitor numbers and tourism in the area, generating £13 million annually for the city's economy and an additional £15 million for the region.  
GVA benefit £39m



**Hull UK City of Culture 2017:** Massive potential for legacy on the back of significant investment in city centre cultural assets, along side £24m investment in the public realm, GVA benefit of £21m

**Hull Venue:** £32m investment in a purpose built conference and event venue in the city centre.  
GVA benefit £108m.



## Addressing Previous Governance Failures

It is the case that the governance frameworks, and indeed the policy initiatives, aimed at supporting cities in securing an economic role have been in a constant state of relative flux. A situation not conducive to medium to long term economic and civic planning, with many of the investment levers, e.g. skills funding, held at arm's length from local economies and decision making. However, Government has clearly stated its support for economic devolution based on economic potential; strong leadership and medium to long term City plans, addressing the levels of low productivity in the UK.

Hull has listened to this message and has put in place, initially within its current boundaries, the frameworks to deliver on the Government's promise of increased freedoms and flexibilities for cities, clearly and precisely articulated through the City Plan – Hull's ten year vision for the city, its economy and its people. It has also played its part for the future benefit of the region, underpinning the activity of the Humber Local Enterprise Partnership and, more recently, positioning the city and the region as a key location in the Northern Powerhouse Agenda, with the intention of delivering economic benefit to its dependant local neighbours as well as the city.

From Hull's perspective, recognising the need for change, the presence of strategic and committed leadership from democratically elected politicians has become increasingly apparent, particularly in the context of strategic collaboration outside the 'walls' of current administrative and indeed political boundaries. Experience of previously adverse economic conditions, alongside a self-defeating attitude of seeking to "manage decline" and accompanying similar self-reinforcing path dependency traits amongst many businesses and residents alike, are now being consigned to a previous era.

There have been failings in delivering the opportunities arising from partnership working. These historic failings now have contemporary consequences, with Hull unable to build on previous attempts to progress economic programmes and now constrained by governance and delivery arrangements that are unsuited to the combined authority Agenda.

What the city has sought through this chronology of initiatives is a collaborative and supportive relationship for its economic priorities and growth opportunities.

It is clear there is the real risk of the city being further isolated as neighbouring authorities seek to forge alignments with the ultimate objective of realising a combined authority arrangement. For Hull, with its united ambitions between the private, public and voluntary sectors, to be isolated from any devolution proposals is clearly unacceptable. The views of senior players in the local economy do not see any barriers to making that happen in a meaningful way

We recognise that any future governance arrangements for Greater Yorkshire or an extended Leeds City Region would present challenges in terms of representation and decision-making. The presence of two-tier arrangements for some areas would add to the complexity. That said, we feel there are models of governance that can provide the solutions to this issue, e.g. population weighed voting.



## Appendix 1

### Historic Governance Arrangements

The collective list of policy and strategic initiatives below highlights the inability of effective and, importantly, sustainable intent to support the development of a more prosperous economy. Frustratingly, all the initiatives have had degrees of collaboration as their underlying principle. In seeking to support the necessary aspects of successful economic development, the region has come close on a number of occasions to combining all its actions, reflecting the economic and labour dynamics, to support the local economy for mutual benefit.

- **2004, City Region Development Programme (CRDP).** Each of the 8 City regions in the North asked to produce a CRDP as part of the then Northern Way Initiative, in Hull's case the Global Gateway UK – provided an evidence base and rationale for working together. Agreed by the Unitary Leaders in 2006 but not taken forward. However, formed basis for a resultant **Multi Area Agreement (MAA)**
- **2006, MAA** first touted as part of a wider review of sub-national review of economic development and regeneration. **Hull initiated conversations with GOYH in 2007** in advance of any formal invite from the GOYH. Discussions progressed for two years, largely due to an inability to focus on agreed economic outcomes and actions. The MAA itself went through various and protracted iterations under the umbrella of the then Humber Economic Partnership, resulting in a **concentration upon skills and employment issues**. However, the MAA was formally abandoned in May 2009 by the Directors of the Humber LEP
- **Other City regions in the North subsequently progressed further the MAA type work which was the origin of the concept of combined authorities.**
- **2010, Government introduced legislation to provide for the establishment of cross boundary working** – i.e. Economic Prosperity Boards and Combined Authorities. Incoming coalition government did not repeal any of this legislation and advocated the principle of combined authorities
- **June 2010, Government proposed LEPs** – It was suggested by the respective Leaders at the time that a North Bank LEP be formed, comprising Hull, East and Scarborough, based upon this reflecting a more functional economic area. This was never going to be a perfect fit due to local authority boundaries
- **June 2011**, Government recognised the Humber LEP, comprising the four authorities, following a clear statement by the Leader of the City Council stating his support upon becoming the ruling administration
- **Hull is the only authority in the 'Humber' that is part of only 1 LEP<sup>7,8</sup>** – the other 3 Humber authorities have the benefit of being in two LEPs - other authorities having eyes on both pots and could be said to be 'riding both horses'

- **October 2012, The Humber LEP was invited to develop a City Deal Wave 2** – one of 20 - Protracted discussion about the ‘what’ with the final focus on skills and freedom and flexibilities on pursuing a more efficient economic development arrangement in relation to the engagement of statutory agencies – e.g. engagement with the Environment Agency of mitigation measures to enable economic development in the Humber. **Signed off by the Government in December 2013**
- **2014, Following a competitive process, Humber Growth Deal Fund (Local Growth Fund) was announced.** For Hull, this was highly sub-optimal, with no City of Culture 2017 / public realm projects supported and a large proportion of projects, e.g. flood mitigation, being re-branded /re-presented for mainstream DeFRA Funding of some £28m.

History shows, anything based on the Humber alone is not enough to make a step change in the City region economy.

---

<sup>7</sup> Extract for North East Lincolnshire Cabinet 14th Feb 2011: CB.134 LOCAL ENTERPRISE PARTNERSHIPS – THE NEXT STEPS Cabinet considered a report from the Executive Director of Regeneration outlining the current position with regard to the various Local Enterprise Partnerships’ arrangements. RECOMMENDED TO COUNCIL - (1) That North East Lincolnshire formally applies to join the Local Enterprise Partnership (LEP) covering the Lincolnshire (LCC) area. (2) That authority be delegated to the Chief Executive, in consultation with the Leader of the Council and the Portfolio Holder for Regeneration and Housing, to continue to work with public and private sector partners to develop proposals for a Humber-wide LEP.

<sup>8</sup> North Lincolnshire Cabinet – 12th July 2011: 928 (2) **LOCAL ENTERPRISE PARTNERSHIPS (LEPs)** - The Head of Regeneration and Planning submitted a report seeking approval to support the Humber Chamber proposal to develop a Humber Local Enterprise Partnership to become a key partner and a full member of the Greater Lincolnshire Local Enterprise Partnership. **Resolved** - (a) That the council support the Humber Chamber proposal to develop a Humber-wide LEP and become a key partner, and (b) that the council also join the Greater Lincolnshire LEP as a full member.

Darryl Stephenson  
Chief Executive  
Hull City Council

Councillor Stephen Brady  
Leader  
Hull City Council

Hull City Council, Guildhall, Hull HU1 2AA.  
Tel: +44 (0) 1482 613100



Hull  
City Council

