

# Hull and Humber Ports City Relationships

## Board Meeting

17 May 2010

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# Why 'City Relationships'?

- **Academic literature and city region analysis shows that economic relationships between places have the potential to generate mutual benefit – e.g. economic growth, individual prosperity - but this does not always happen**
- **'City Relationships' is a concept developed through case studies of northern city regions to understand more about relationships between places**
  - Sets out the factors contributing to complementary relationships
  - Uses a typology to understand different relationships between places and the different roles of places
  - Reviews the potential to forge firm links across geographies
- **Recognising the distinctive nature of Hull and Humber ports, we are adapting the 'City Relationships' framework to understand opportunities for economic growth**
- **Hull and Humber Ports policymakers have long aspired to generate mutual economic benefit from economic relationships between places. This project is designed to complement ongoing economic assessments within Hull and Humber Ports**

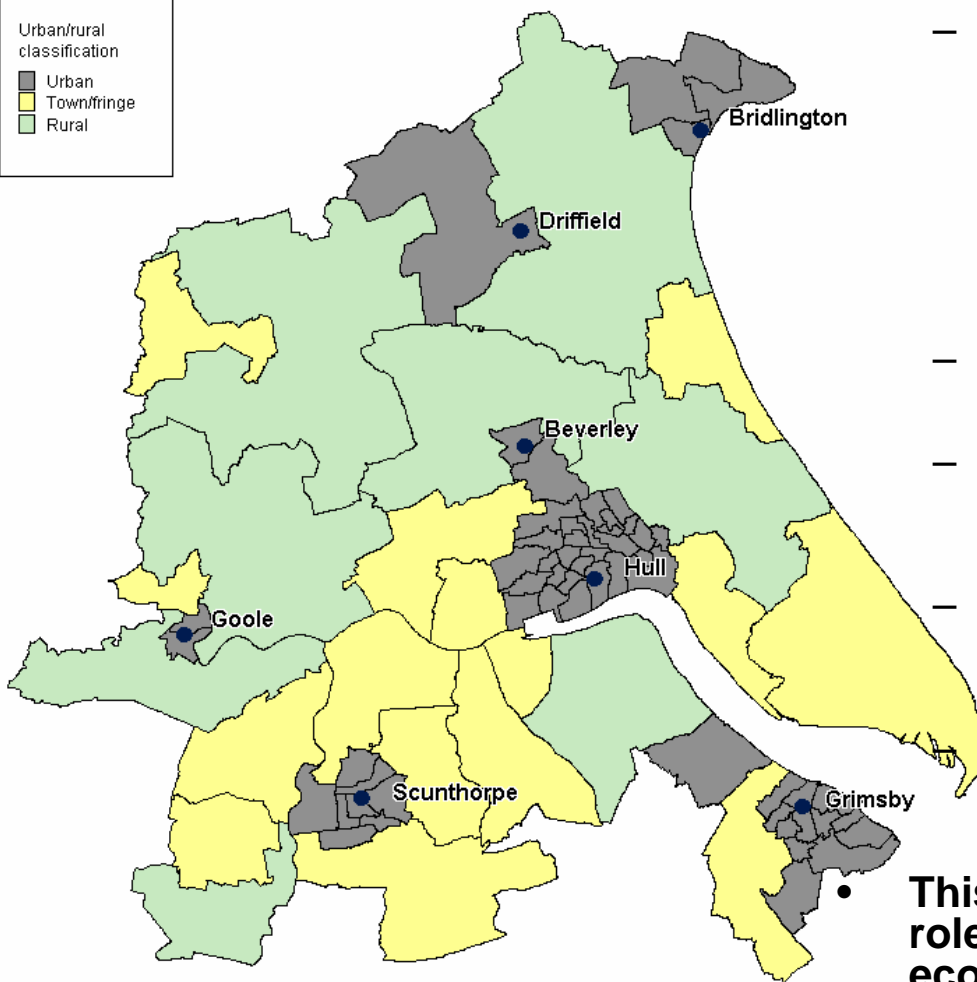
# 'City Relationships' Findings & Framework

- **Strengthening economic links can benefit places – particularly where those links are with economic centres offering access to more consumers, jobs, skilled workers and transport connections**
  - But not all economic centres are the same; the strength of a centre's economy has a significant impact upon relationships with neighbouring areas
  - Our City Relationships typology identified four different relationships with economic centres: isolated, independent, dependent or interdependent
- **The complementarity of relationships between individual places is affected by a range of factors:**
  - Skills is the most important
  - Transport has a more enabling role
  - Business clusters and supply chains are mainly important for sectors strongly embedded in a region and at a certain critical mass
- **Different links will matter more or less to different places**
  - Labour market links are often the most important indicator of relationships between places
  - But firm links are important where those firms are strongly 'embedded'
- **Additional factors affecting relationships include:**
  - Industrial history informed by geography
  - Quality of place and housing including public services and cultural amenities

# City Relationships in Hull and Humber Ports

Urban/rural  
classification

Urban  
Town/fringe  
Rural



- **Adapting the 'City Relationships' framework to Hull and Humber's distinctive circumstances**

- Humber both unites and divides Hull and Humber Ports
  - Important opportunities associated with ports and renewables
  - Distinct housing and labour markets on the North and South Banks
- Geography – positioned towards Europe
- Dependent upon the public sector and high levels of lower skilled, lower paid jobs
- GVA is 80% of national average and 95% of regional average

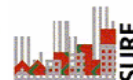
During last two years, unemployment claimants have roughly doubled

- **This project is focusing on understanding the roles of different places in an area where the economic centres have different roles to other northern city regions**

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# Labour market links between urban centres

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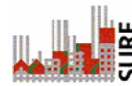
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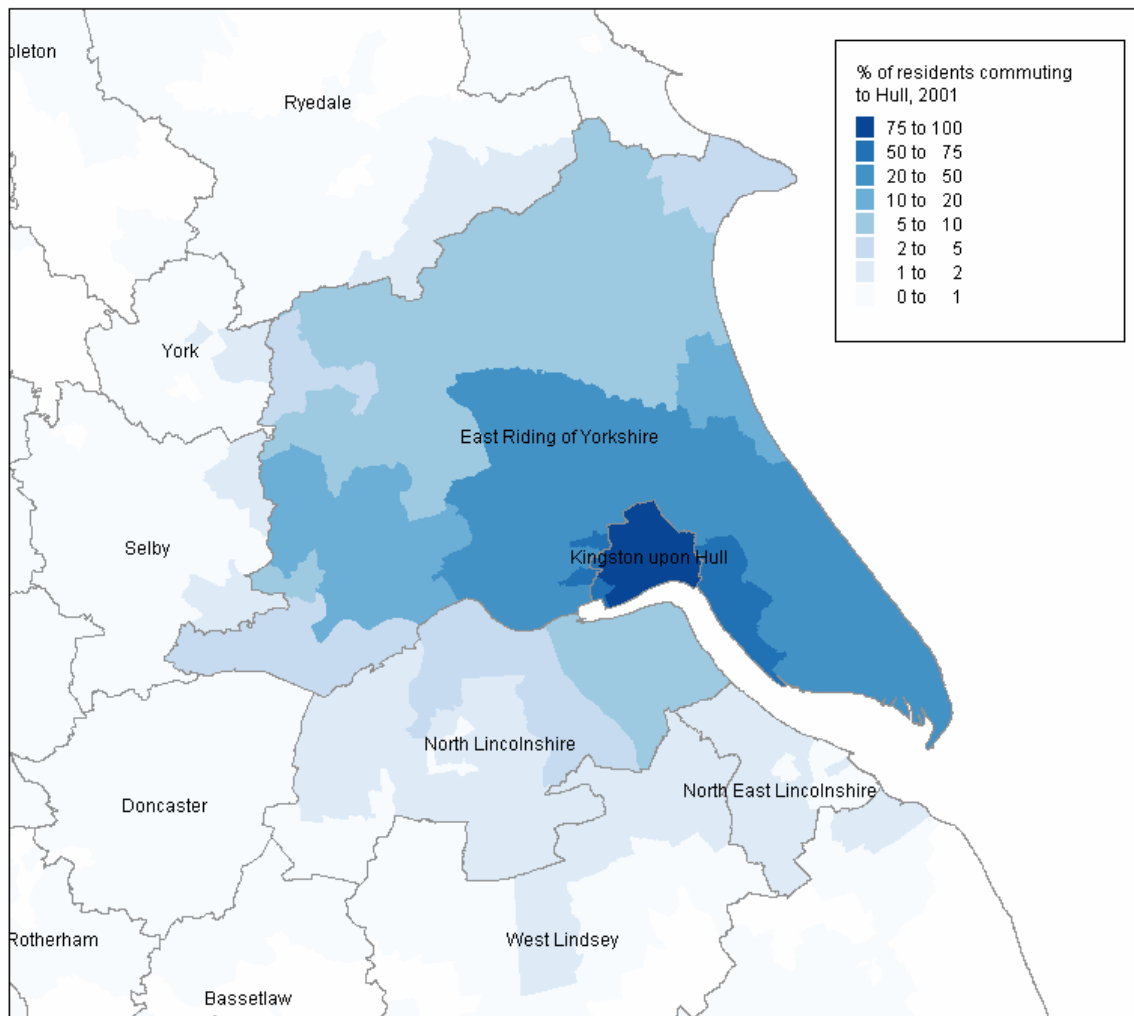
  
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# Hull's role in Hull and Humber Ports



- Hull is the largest urban settlement and an important centre for retail, health and public services in Hull and Humber
- It has a range of assets including the freight port, the university and a redeveloped city centre
- The city is 'under-bounded', affecting some performance measures
- BUT even taking this into account, Hull's labour market reach is limited and its industrial profile is less diverse than Sheffield, Liverpool or Newcastle

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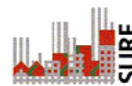
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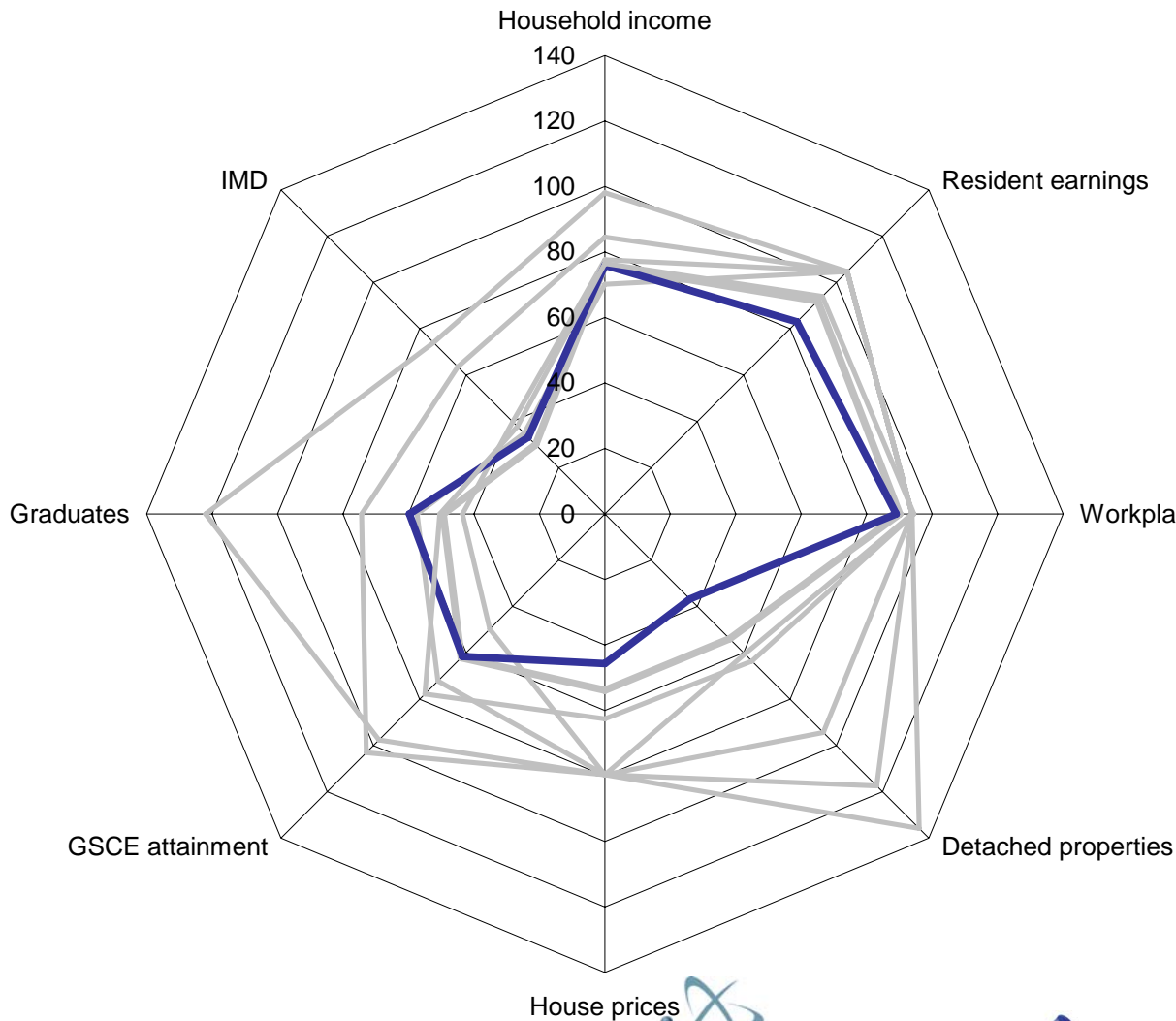
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# Hull's role – different to other northern centres

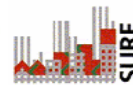


- Hull is an important economic centre for the North Bank
- It has very strong labour market links with the East Riding
- BUT its labour market does not stretch much beyond this area, probably because of:
  - Low earnings
  - Less knowledge intensive employment than in comparator cities
  - Low numbers of detached properties within administrative boundaries
- Hull is not as strong an economic centre as other significant northern cities

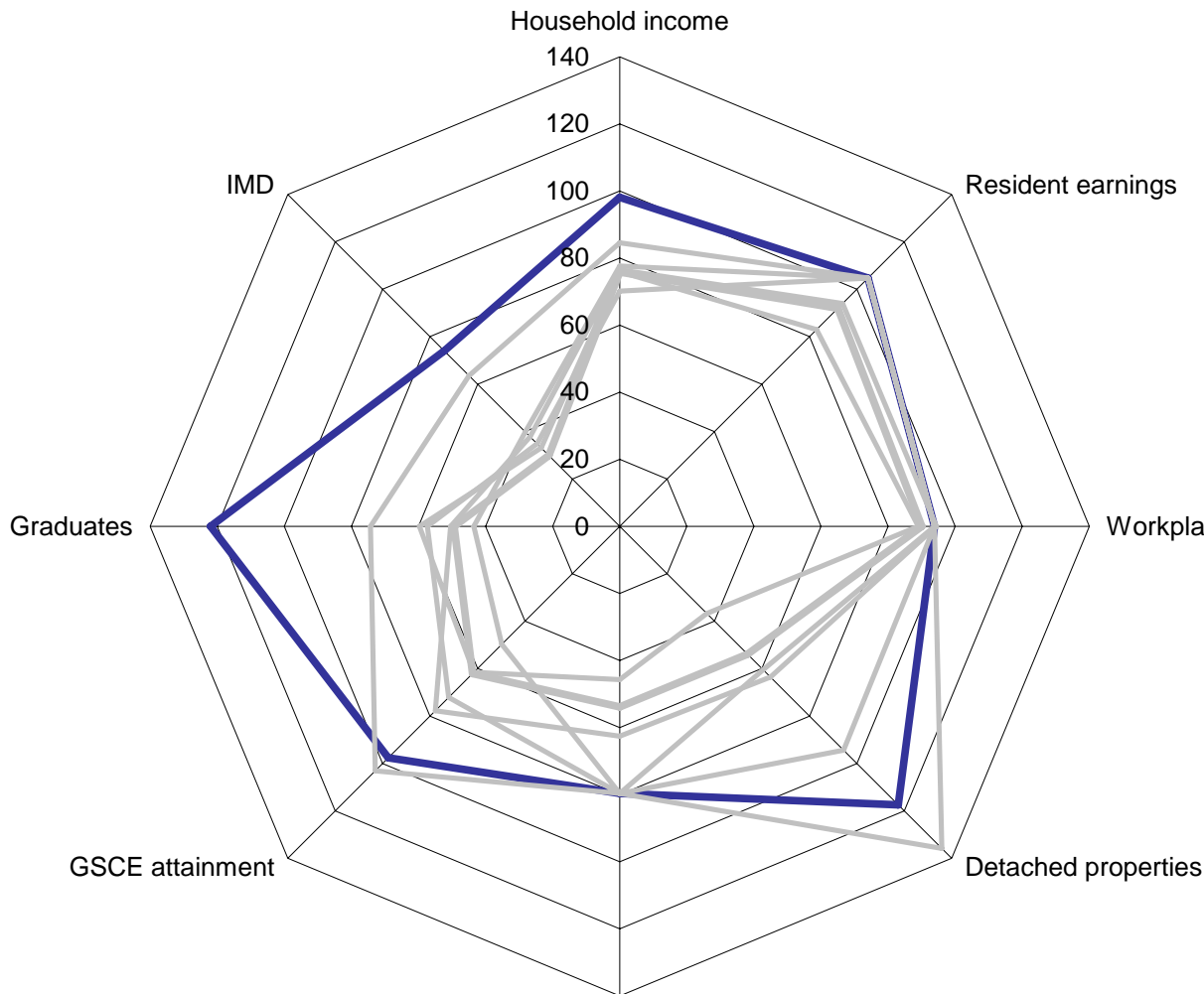
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# Beverley's role – affluent area with its own economy and strong links to Hull

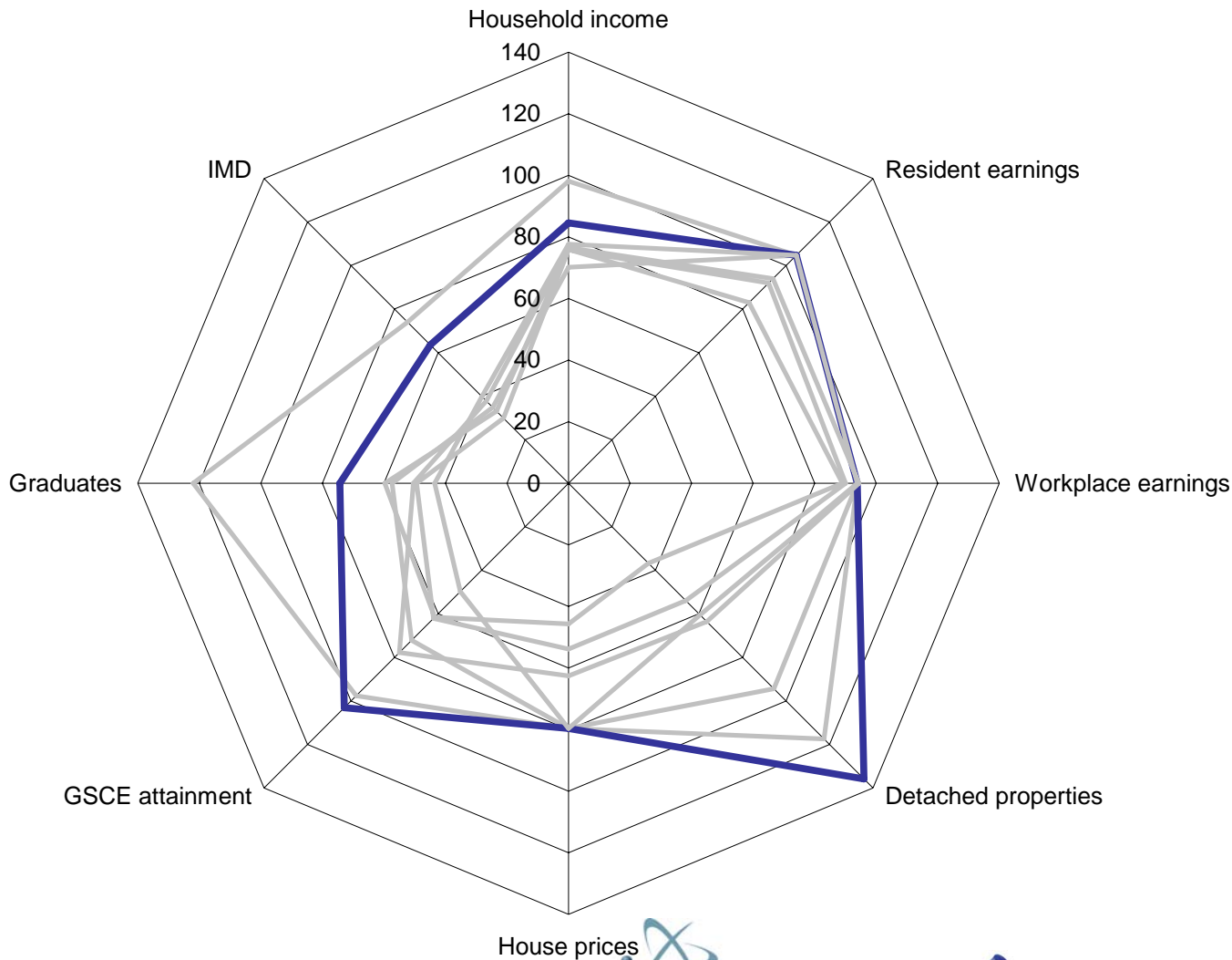


- Beverley has a strong relationship with Hull: 35% of residents commute there, many to knowledge jobs
- BUT Beverley is a net importer of labour and a centre of knowledge employment in its own right
- Beverley plays an important role as:
  - Independent economy with professional services employment
  - High quality place to live
  - Supplier of labour to Hull
- Opportunities to make more of this relationship

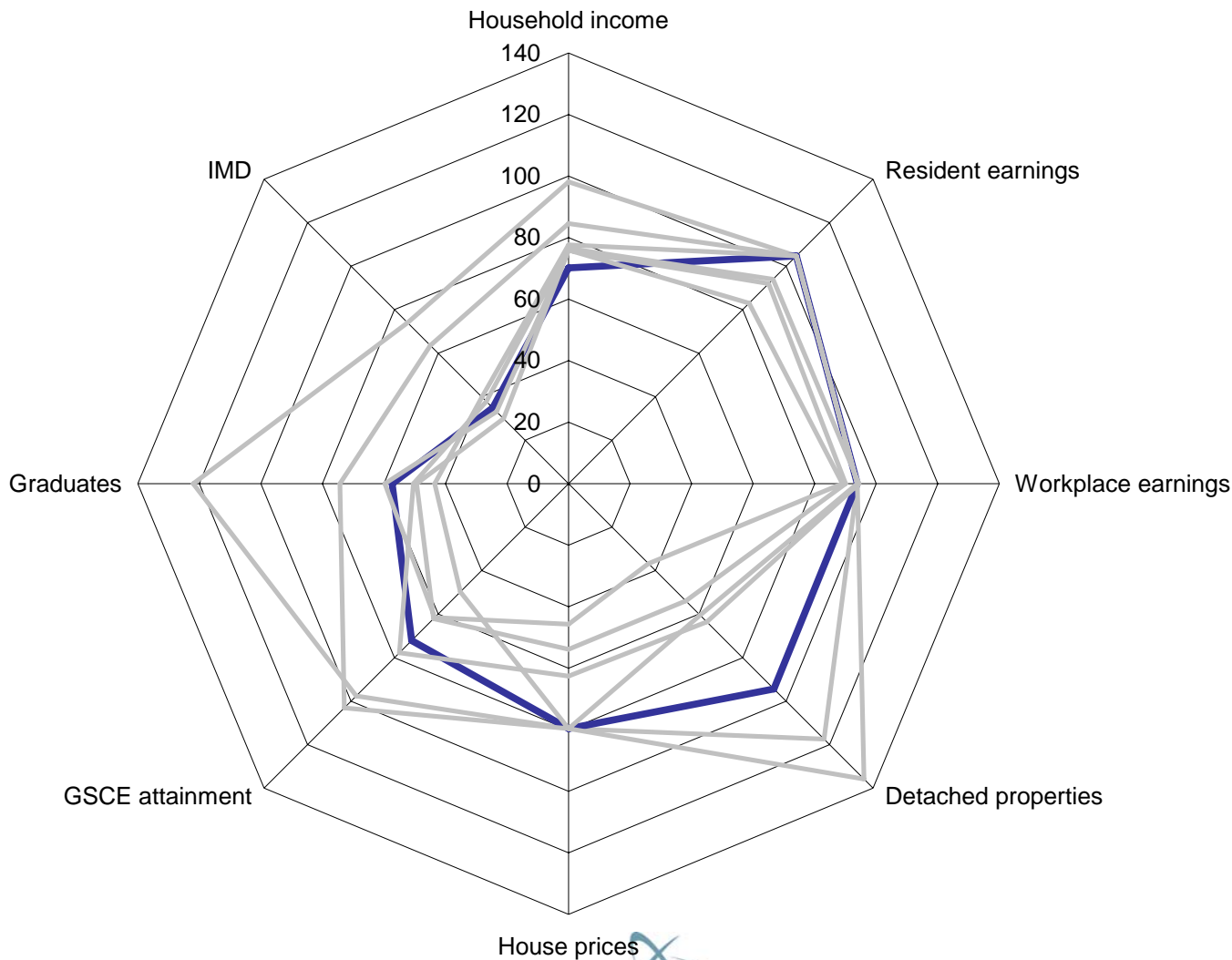


# Driffield's role – high quality of life, some links with Hull

- Driffield depends on other areas for employment and has low levels of self-containment
- Hull is an important source of employment for Driffield residents: 10% of residents commute there
- Driffield offers a high quality of life for residents, reflected in the proportion of detached properties, skills profile and high resident earnings
- There is potential for Driffield to further capitalise upon its quality of life offer, recognising its labour market relationships with other places



# Bridlington's role – relatively self contained

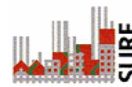


- Bridlington is relatively self-contained (66% of residents live and work there)
- Only 5% of residents commute to Hull
- Low levels of interaction with Scarborough
- Bridlington's jobs are primarily lower skilled and lower earning roles – and it has experienced a significant fall in employment in the past two years
- Investment in skills is one of the key challenges for the area

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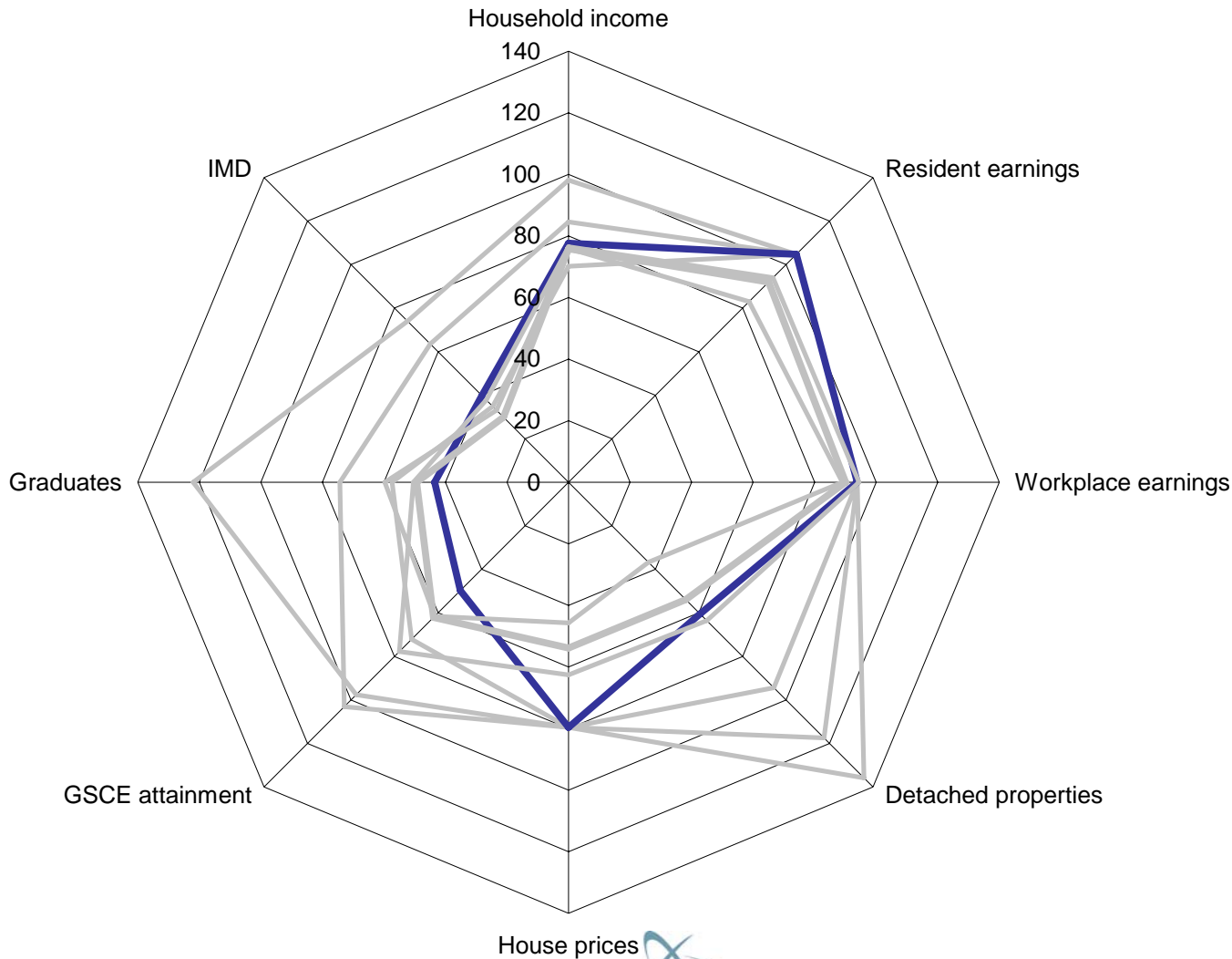


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# Goole's role – relatively self contained

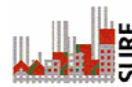


- Goole is relatively self-contained: 61% residents live and work in Goole
- Only 4% commute to Hull
- Low levels of interaction with Selby
- Goole has concentrations of employment in lower value sectors, although resident earnings are high for the Ports
- There are opportunities for Goole to invest in its skills profile and quality of life offer

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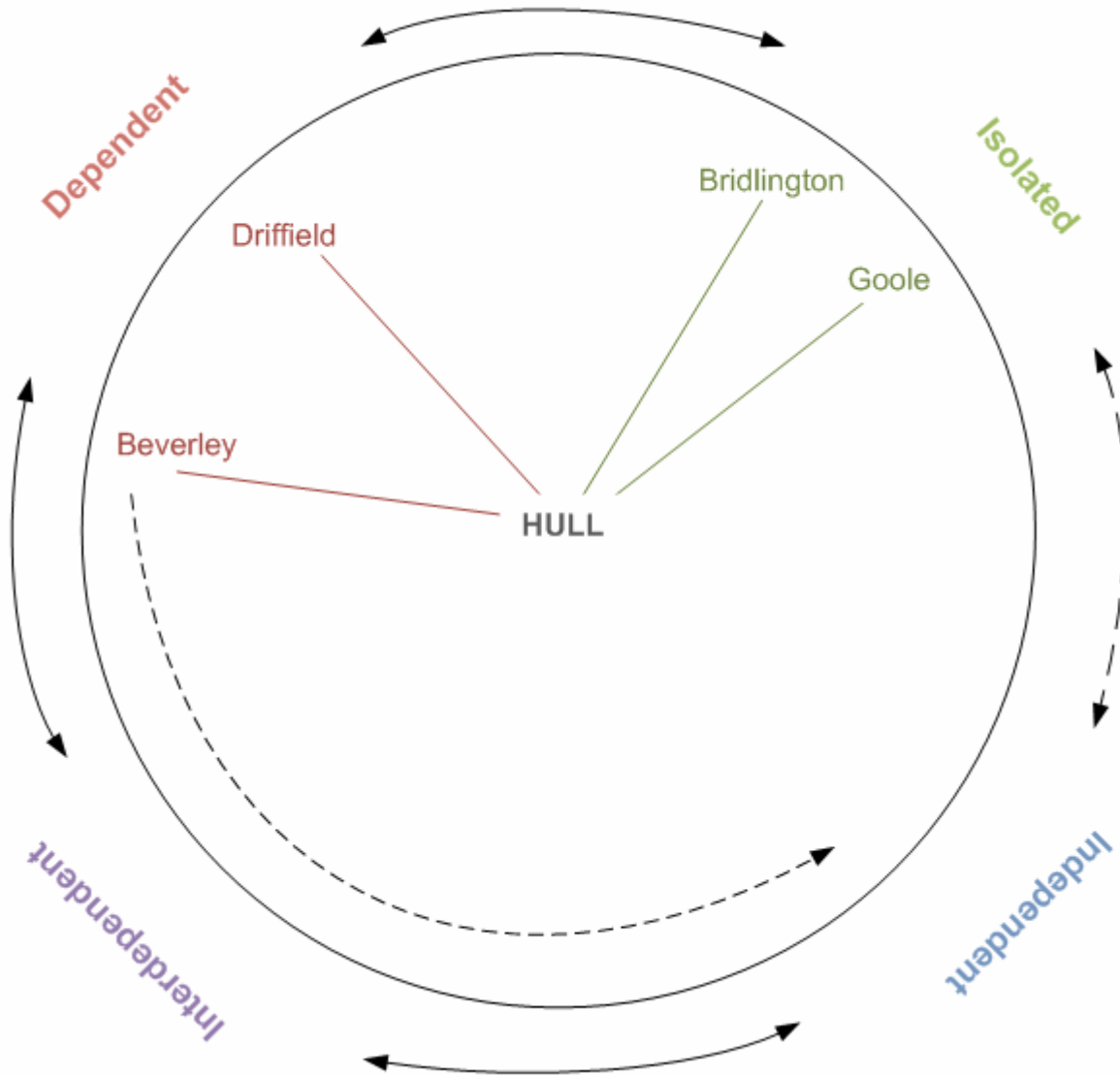


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# Characterising the urban centres on the North Bank

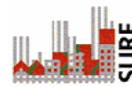


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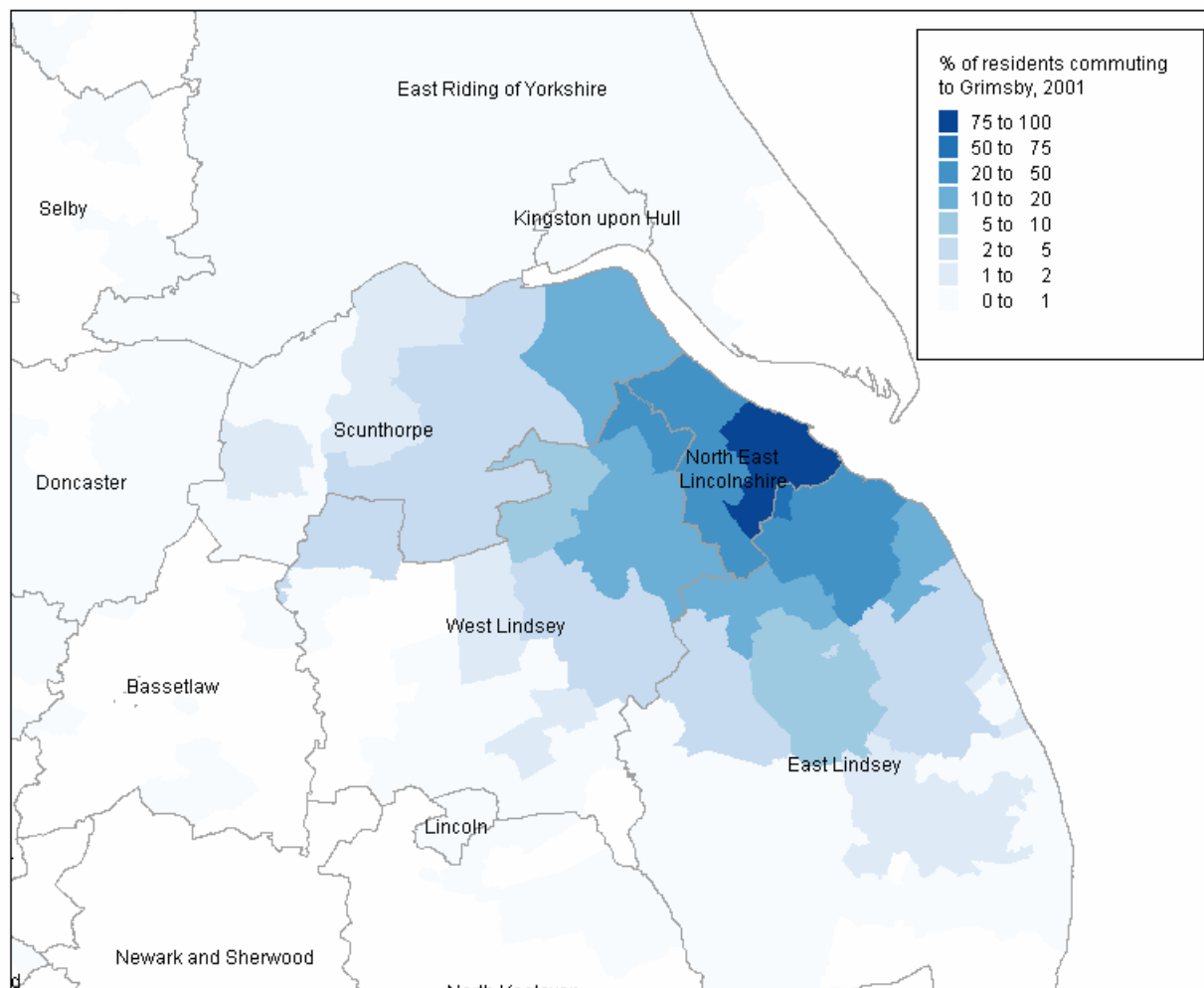
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# Grimsby's role in Hull and Humber ports

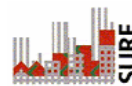


- Grimsby is an important centre within North East Lincolnshire and the second largest urban area in Hull and Humber Ports
- Its labour market 'reach' is relatively small, reflecting its industrial profile and geography
- Grimsby's economy is also likely to be affected by Immingham nearby

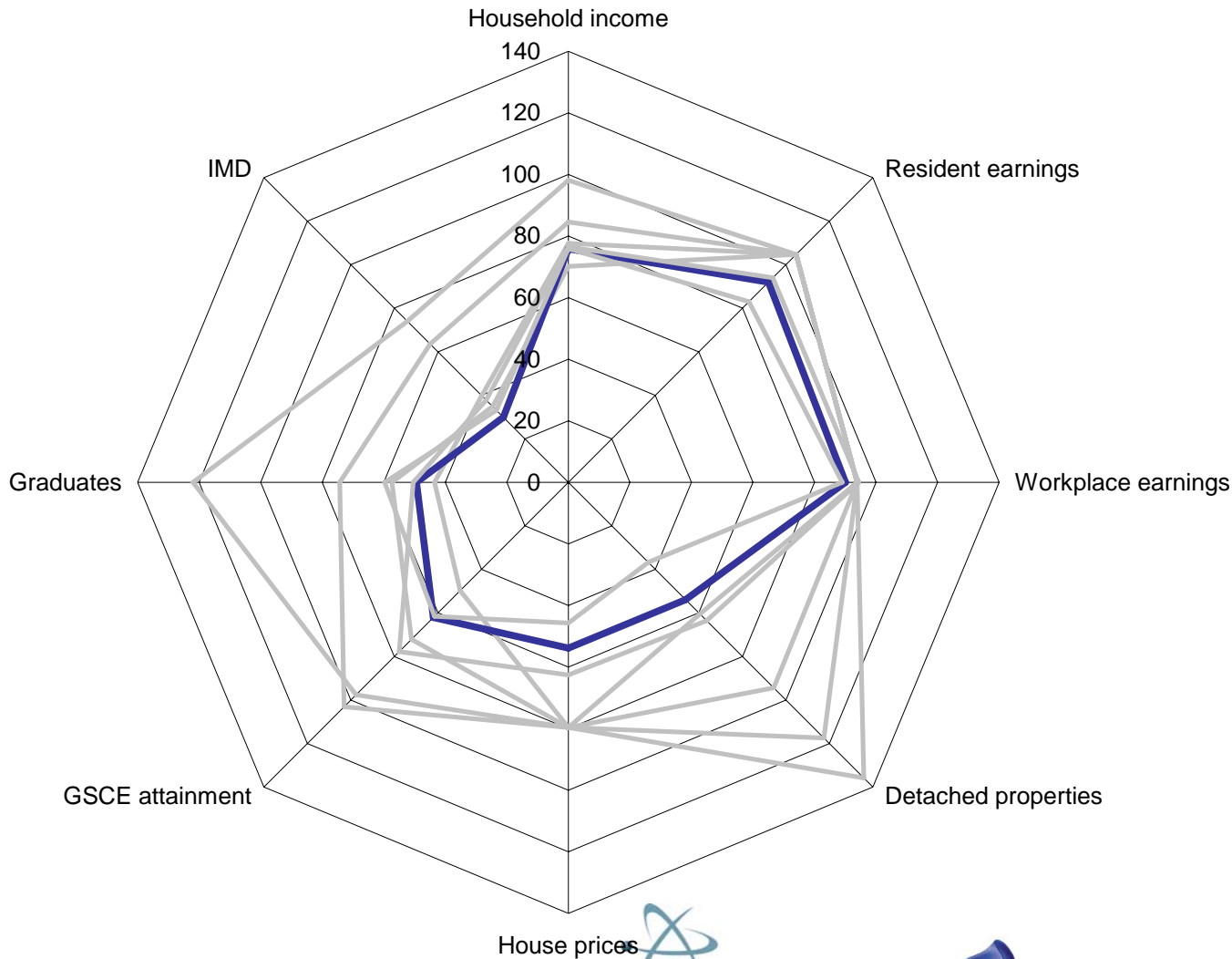
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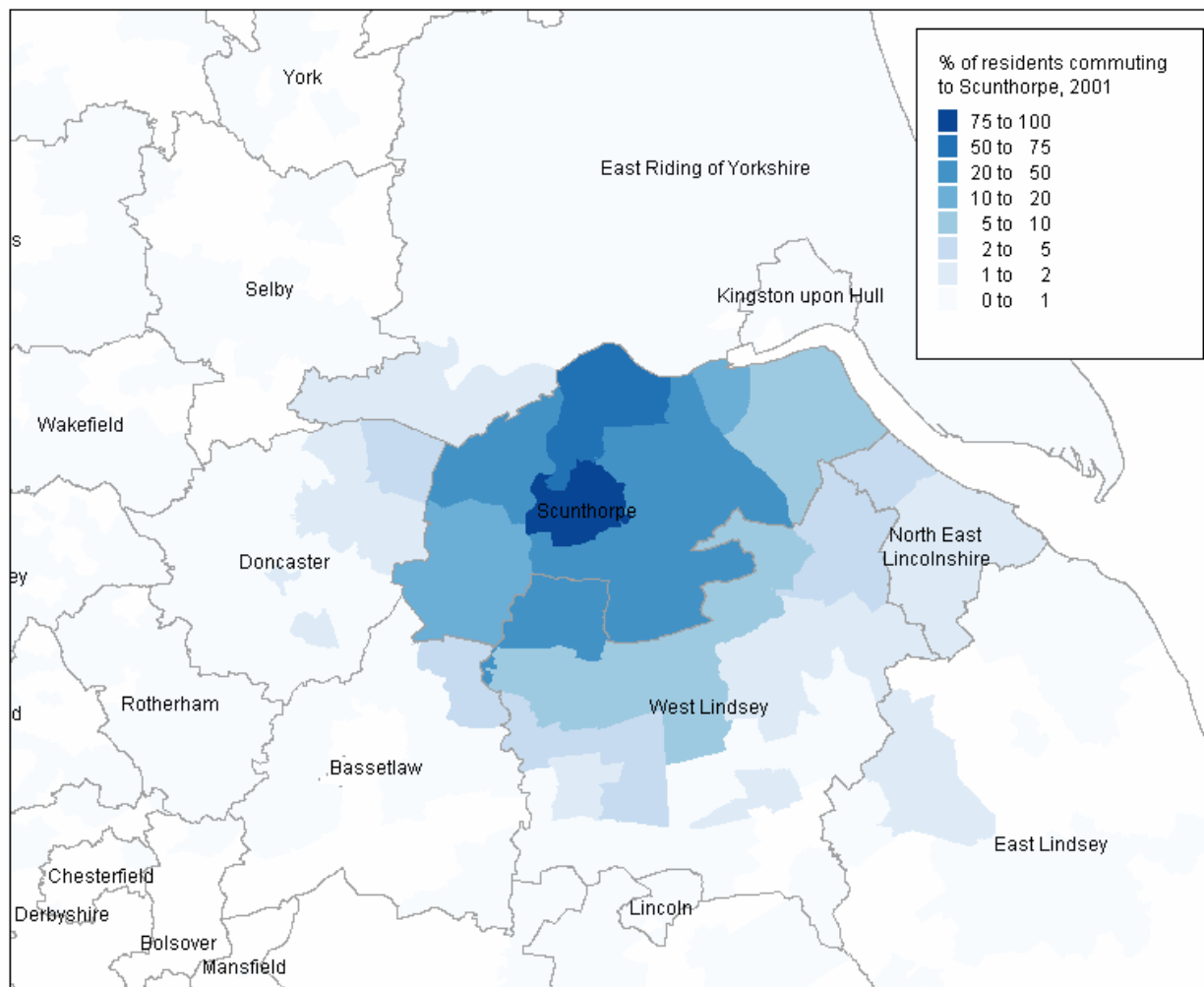


# Grimsby – important local economic centre



- Grimsby is highly self contained (80% residents live and work in Grimsby)
- 1% of residents commute to Hull
- There are links with North Lincs, West and East Lindsey
- Low levels of links with Hull reflect the skills and industrial profile as well as the geography (over 45 minutes driving)
- These labour market links reflect Grimsby's role as a smaller, independent centre (parallels to other city regions)

# Scunthorpe's role in Hull and Humber ports

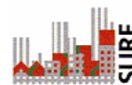


- Scunthorpe is the third largest urban area within Hull and Humber Ports
- It has labour market links in the local area and with surrounding areas to the east, west and south
- However, its labour market 'reach' is relatively small, reflecting its industrial profile, the earnings opportunities it offers and its geography

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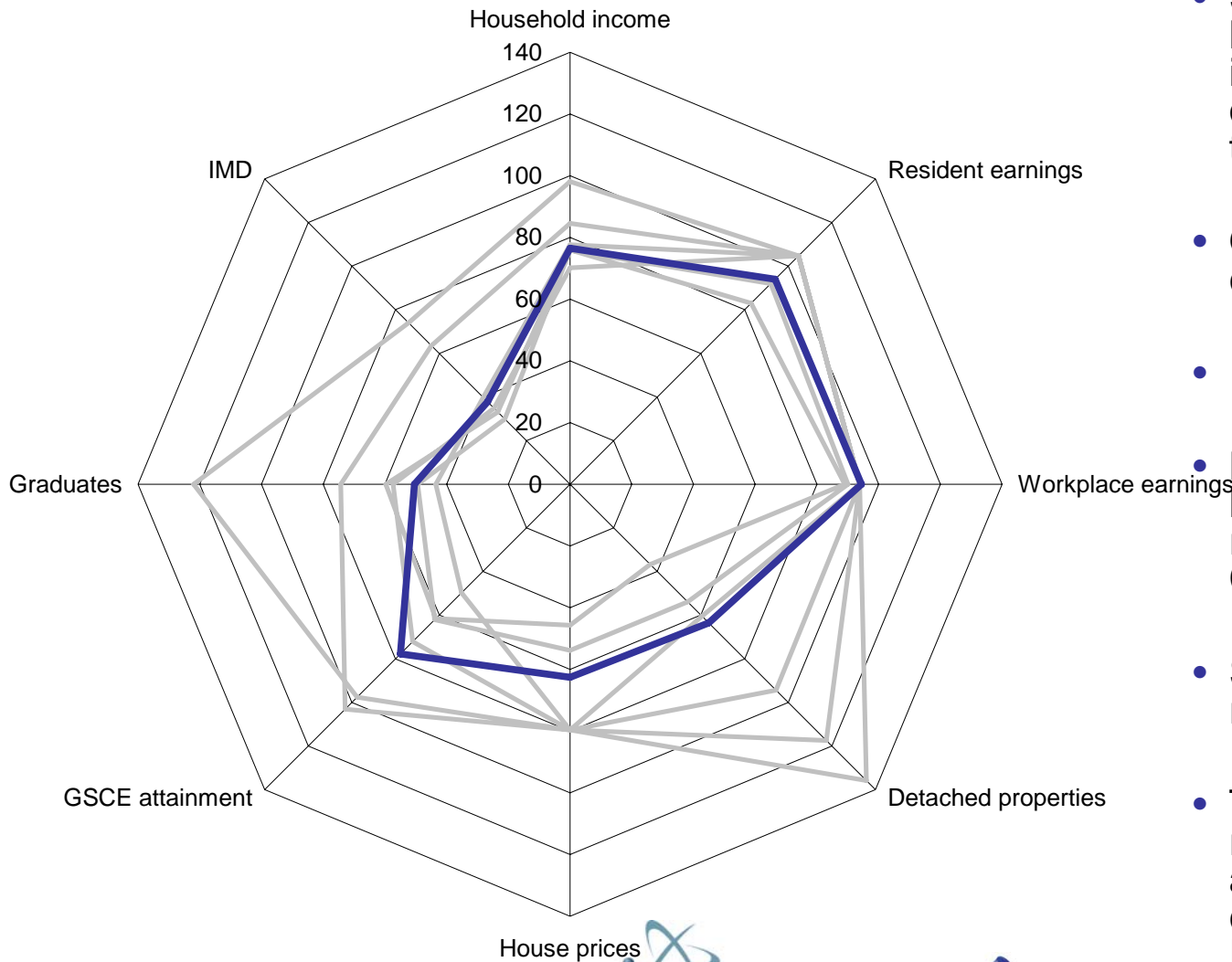


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# Scunthorpe – important local economic centre

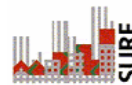


- Scunthorpe has the highest levels of self containment in Hull and Humber (82% of residents live and work there)
- Only 1% of residents commute to Hull
- Interaction with NE Lincs
- Manufacturing is vital to the local area (high earnings reflect the importance of Corus)
- Skills and housing offer remain challenges
- These labour market links reflect Scunthorpe's role as a smaller, independent centre – meaning City Relationships typologies are not appropriate

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# And it's not just about the urban areas...

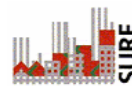


- Employment not concentrated in any particular area within Hull and Humber Ports (with the exception of Hull)
- This highlights that, unlike other northern city regions, Hull and Humber does not have concentrations of employment in its urban centres but instead has employment in other areas such as Immingham and other specialised heavy industry sites

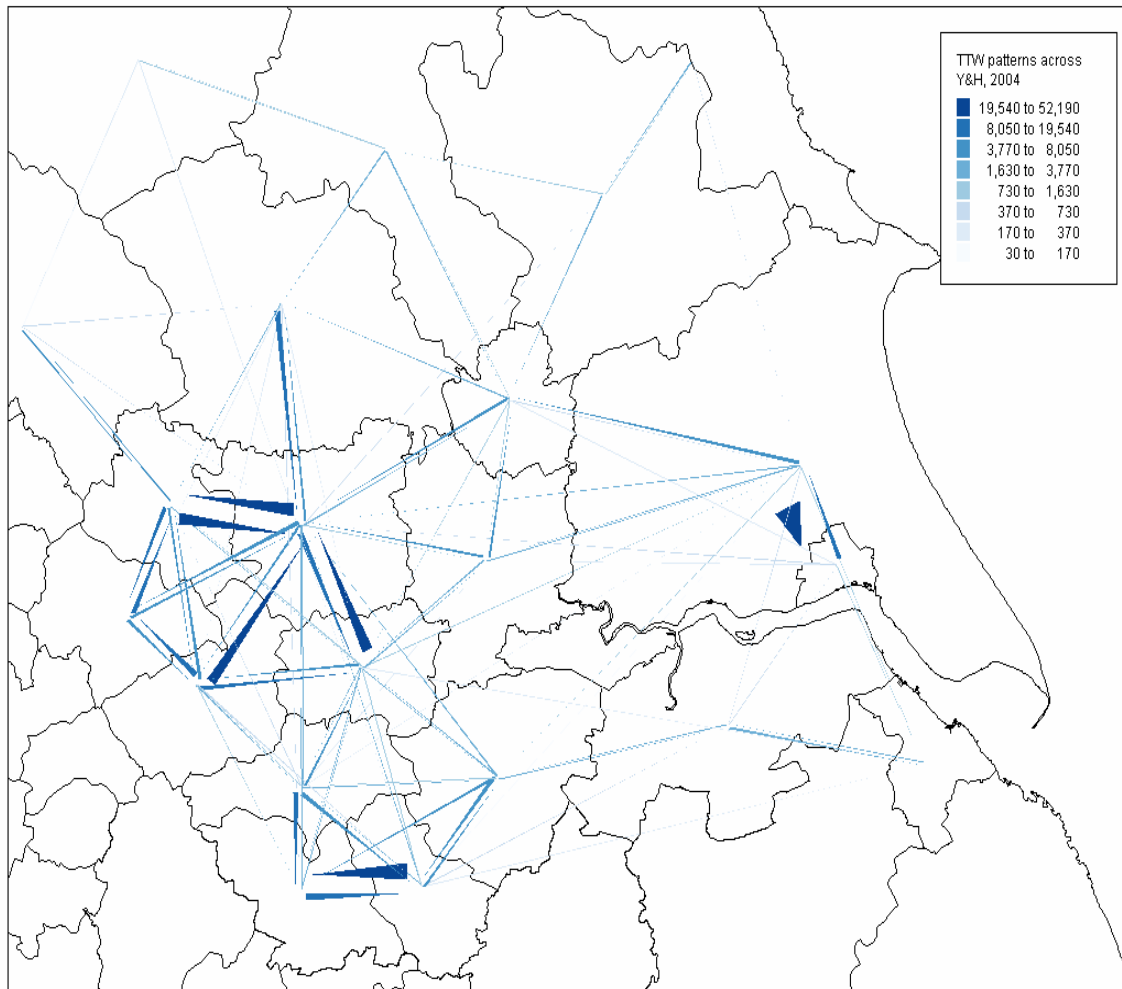
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# Overall Labour Market Links in Hull and Humber Ports

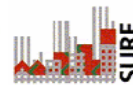


- The highest cross border commuting in Yorkshire and Humber exists between Hull and East Riding
- BUT overall there are fewer links within Hull and Humber Ports than in Leeds and Sheffield City Regions
- This reflects the distinctive economic centres that exist, as well as the geography, industrial profiles and skills profiles
- Labour market links within the North and South Banks represent an opportunity (especially Hull to Beverley) – but investment in improving labour market links across the Humber is likely to be less beneficial

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# Labour Market Conclusions

- **Hull and Humber Ports does not have strong labour market links with neighbouring areas**
  - Low levels of links with Leeds, Wakefield, York and Doncaster
  - Closest links are with areas that are geographically closest
  - Tends to be higher skilled who travel further
- **Labour market links within Hull and Humber Ports reflect the industrial and skills profiles of the individual areas, as well as its geography**
  - Strong links between Hull and East Riding – particularly Beverley – reflect the availability of employment in Hull and the quality of life in East Riding and is a real opportunity on which Hull and Humber can capitalise
  - Links along the South Bank, although geography impacts on these
  - Barriers to improve links are predominantly skills and industrial profile
- **Hull, Grimsby and Scunthorpe are all important centres but play different roles to other economic centres in the North**
  - Hull and Humber Ports does not benefit from ‘agglomeration economies’ in the way that other areas in the North do. Instead areas outside the urban centres (e.g. Immingham) are important sources of economic growth
  - This creates opportunities and challenges
- **Core / outer model also operates elsewhere in North (e.g. Liverpool City Region)**

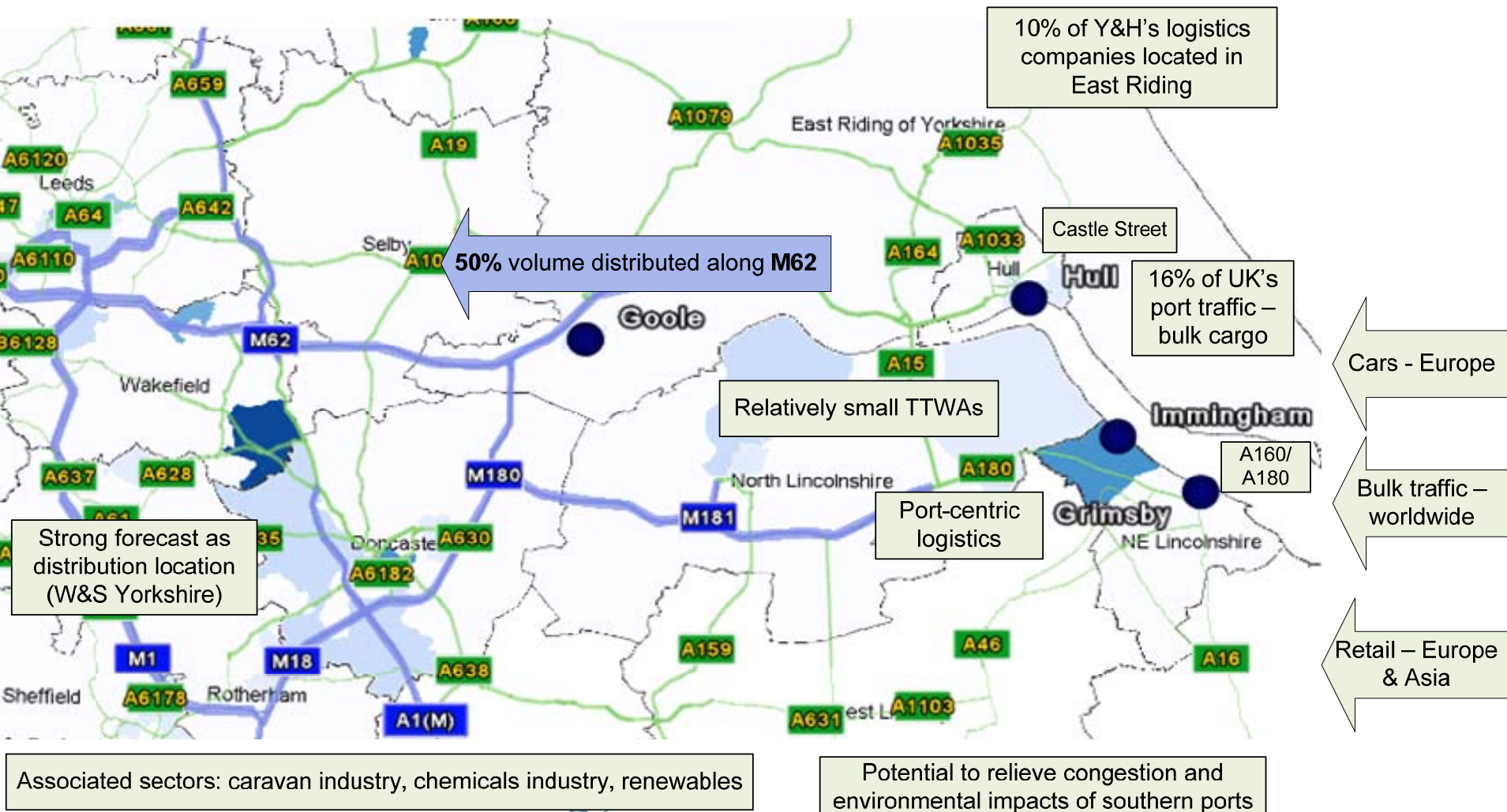
# Firm Links

# Firm Links

- **Economic relationships are also about relationships between firms**
- **Firms have multiple relationships with customers and suppliers, some of which are within a geographical area**
  - Firms that are more embedded in a local area (e.g. through history) tend to have more and richer local connections
  - For example, Liverpool City Region has a 'maritime' cluster
- **In some parts of other northern city regions, the main opportunity for economic relationships between places is in relation to firm links around 'themes'**
  - E.g. York and Leeds can capitalise upon complementary clusters of healthcare
  - Changing economy increases the need for 'thematic' approach to firm links
- **Within Hull and Humber Ports, our focus has been on sectors which represent key opportunities for the area and in a changing economy:**
  - Ports and logistics
  - Renewables



# Firm links – Ports and Logistics

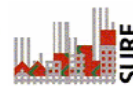


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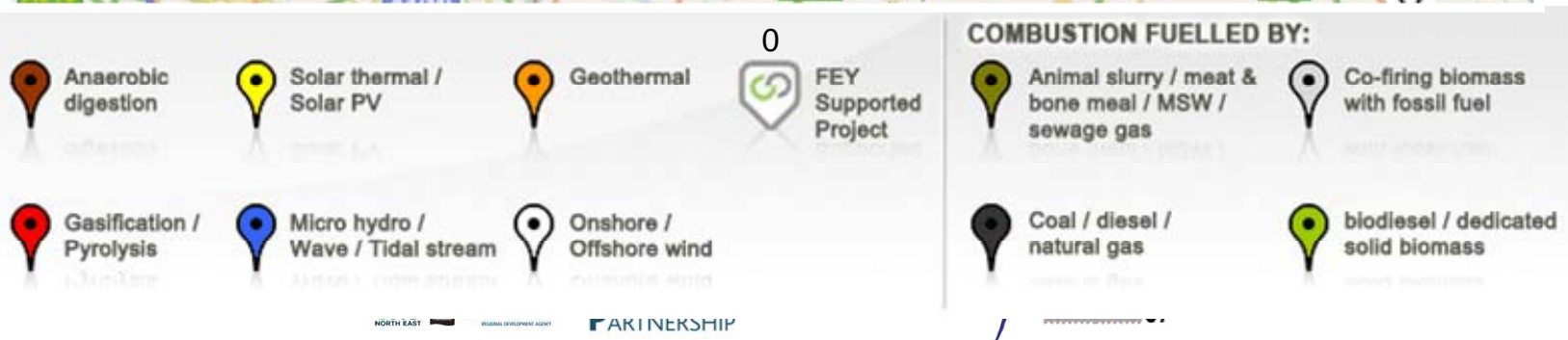
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# Firm links – Renewables and Carbon Capture



# Firm Links in Hull and Humber

- **Firm links are a real opportunity to work as the Hull and Humber (2+2=5)**
  - Widely recognised that there are opportunities to link across the North and South Bank so that the, “*River becomes the backbone rather than a barrier*”
  - Working together creates opportunities to capitalise upon the scale of the area and its manufacturing assets (e.g. refineries, processing plants etc)
  - Opportunity to promote the area as ‘Humber Ports’ to attract inward investment, working together across the North and South Banks to maximise impact
- **A priority needs to be moving up the value chain**
  - Learning lessons from Logistics Institute and Liverpool City Region about moving up the value chain in ports and logistics, attracting higher value employment and developing ‘clusters’ of supply chains
  - Focus on retaining value within Hull and Humber Ports
- **Given the industrial profile of the area, being proactive about supporting manufacturers to deal with carbon capture and managing risks is important**
  - Low carbon predicted to be key source of growth in the future, as is ‘manu-services’
- **Strong leadership will be needed to work across boundaries to make the most of the Humber and the potential for firm links**



# Conclusions

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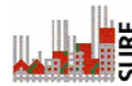
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# Conclusions

- Hull and Humber Ports has a range of real strengths
- Yet Hull and Humber Ports does not have strong labour market links with neighbouring areas
- Labour market links within Hull and Humber Ports reflect the industrial and skills profiles of the individual areas, as well as its geography: taking a 'North Bank' and 'South Bank' approach reflects economic realities
- Hull, Grimsby and Scunthorpe are all important centres but play different roles to other economic centres in the North
- Firm links are a real opportunity for collaboration across the Hull and Humber Ports
- Partnership working using the '2+2=5' formation – already happening in some areas – would build effectively on the area's strengths

## Next Steps

- Reviewing and improving conclusions and policy recommendations as a result of this meeting
- Completing outstanding business interviews
- Drafting full version of report to circulate to Board members and leaders across Hull and Humber