



Leeds, York & North Yorkshire Chamber of Commerce

Leeds Chamber Business Forum Meeting

12th of January 2010

City Inn Hotel

Gary Lumby, the President of Leeds, York and North Yorkshire Chamber of Commerce (L,Y&NYCC) opened the meeting and welcomed all those attending. He went onto to mention that the Chamber is now holding regular business forum meetings with members in York, Scarborough, Harrogate and Leeds and added that this is very much about improving engagement and involvement with members as well as an opportunity for the Chamber to hear about the concerns, etc of the local businesses. He went onto mention that these type of businesses will meet on a regular basis and the next one in Leeds will take place in April. Gary Lumby then went onto introduce Andrew Carter, joint leader of Leeds City Council to talk about the future of the city and in particular the prospects for the local business. Councillor Carter told the audience that the diverse nature of the local economy is one of city's major strengths and positions Leeds is well placed to withstand this and any future economic downturns, as well as providing opportunities for growth and development that will come with economic recovery. Many people, particularly outside the city, expected Leeds to suffer much more than it has done but in reality the city has fared no worse than anywhere else. He acknowledged that certain sectors such as construction and professional services have been particularly hard hit but that he hoped the worse was over. He also mentioned that the council is facing difficult times as income is already down and that further significant cuts in finance are anticipated as central government looks to re-balance the economy. This will mean that the council will need to be "fleet of foot" and be able to respond effectively to any opportunities that may arise.

However Councillor Carter's main message was Leeds is "**open for business**". He said that the city's financial and business services sector remains strong and that the anticipated significant job losses have proved to be much lower than expected. He also went onto mention that the retail, culture and sports sectors will all play an ever increasing role in the success of the city. In particular if the country is successful in its bid to host the 2018 football World Cup then, as a host city for matches, Leeds will be able to promote itself to a worldwide audience and that the area can expect a potential spend of £150m by visitors coming to watch games. In addition he is optimistic that Headingley will retain its test match

ground status which again will bring more visitors to the city, as well as the city hosting matches in the Rugby League and Rugby Union World Cups. The city's retail offer will be much improved by the Trinity Quarter development which should re-commence in the summer and that the Hammersons/Eastgate quarter project will still go-ahead. Overall he is very positive about the prospects for the Leeds economy.

Councillor Carter also mentioned the further development of the Leeds City Region as having the potential to significantly contribute to improving the local economy. He added that everyone should embrace the city region because it will look to tackle some of the key cross-boundary issues that are holding back business success. The potential for delegated powers and funding from Whitehall is to be welcomed and is an exciting opportunity for all.

A number of questions were asked including what type of person is the council looking for to replace its current CEO, who has recently announced he is retiring in the summer. Cllr Carter responded by saying that the Council is looking for a person with a mixture of skills but with the same core attributes as the present incumbent. It is vital to get someone who can be a uniting force particularly as the City Region develops but at the end of the day the opportunity to have the most senior position in one of the premier cities in the country is an exciting proposition. Another question was about improving surface access to the airport and that these are needed to enhance city's reputation as an international place to do business. Councillor Carter mentioned acknowledged that surface access remains a problem and with significant cuts in transport funding likely to be announced the all parties will have to work hard to see what can be done. Other questions included whether the city centre should try to be more integrated, rather than having separate quarters/areas for certain activities (better signage is on the way) what's happening re a city centre park (still being progressed and could be part of the flood alleviation scheme for the city centre), and better marketing of the city (a more joined up approach by the different agencies involved is required).

Gary Lumby thanked Councillor Carter for his up-beat presentation and agreed and supported what was said. He added that as the economy shows signs of improvement, investors will be asking themselves about where to invest their money and where are most developments taking place. Leeds, he said, has a large number of projects, events and developments taking place over the next decade, all of which will be guaranteed to attract inward investment.

Gary Lumby then introduced Patrick Bowes, Chief Economist with Yorkshire Forward who gave a presentation about the prospects for the region's economy over the next few years. Overall he took the view that the worst of the recession is over and that the prospects for the region's economy are good. Headline business confidence is positive and domestic and overseas order books have improved. The most favoured commercial response to the

recession by the region's businesses is to seek new markets and customers with 76% of firms saying this is what they'll be doing in 2010. Looking locally he said that the Financial and Business Services sector will remain strong and is likely to be the main driver of private sector growth, and that West Yorkshire is likely to be the driving force behind the region's economic recovery and growth. On the downside he mentioned that there is still significant spare capacity within many businesses and it's unlikely that recruitment will pick up until the spare capacity is significantly reduced.

Patrick Bowes also mentioned that Yorkshire Forward is keen to ensure that the business community takes part in the consultation about the Economy and Skills work stream that will feed into the Integrated Regional Strategy. **Action**, it was agreed that the Chamber would help facilitate this and that Patrick Bowes and Ian Williams will meet in the near future to discuss how this would take place.

Gary Lumby commented that Yorkshire Forward's views reflect the findings of the Chamber's quarterly economic survey (QES) of its members and that it would seem that most businesses are emerging from recession and that confidence is slowly being restored. He added that the Chamber can provide business advice and training on growing your business and exploring new markets which complements what many firms will be doing over the coming years.

Mr Lumby thanked Patrick Bowes for his presentation and looked forward to hearing how the Chamber and Yorkshire Forward will be working together to ensure greater business input into the Integrated Regional strategy.

Mr Lumby then asked the audience for comments from the audience about the banks and in particular whether access to finance is getting easier? Some of the responses included:

- Lending situation hasn't really improved with the vast majority of lenders still risk averse,
- Some sectors, such as property development & construction, are finding it very difficult to access finance unless the proposal is virtually risk-free,
- Many businesses don't understand why lending rates are so high when interest rate is so low,
- A lack of awareness of non-bank funding,
- Recognition that there shouldn't be a return to the situation of a couple of years ago when access to finance was very easy.

Mr Lumby thanked the audience for their response and for attending the meeting. In addition he thanked both speakers for their interesting and positive presentations and the City Inn for hosting the meeting. He went on to say that he would very much appreciate

someone coming forward to “chair” the meetings and that the next one will take place in April.