

EXPO – Hull and Humber Chamber of Commerce

I'm sure that you'll all agree that Hull is a great city, proud of our people, of our history and of our traditions.

But I am also sure that you'll all agree with me when I say that there are things about Hull that can be even better.

The Chamber has given me the title 'Labour and Business - A New Approach' but it is these questions - how do we make Hull even better? What is our vision for a future Hull? - that has been my preoccupation as I have prepared this speech.

Any new approach must begin with that question and, as I talk to you about each of Labour's policies towards business today, I'll attempt to answer why each is a vital piece of the puzzle to pull together our vision for future Hull- A brighter, greener, more prosperous place to live.

Renewables

We start with the environment.

The environment is the bedrock of our economy, our security and our wellbeing.

Building a sustainable economy for requires nothing short of societal transformation.

In my view the Government's policies haven't addressed the growing threat of climate change and the pressing issue of the UK's energy security in the future.

The fact is that any government which pursues policies at odds with the development of the renewable energy industry including removing the Climate Change Levy exemption for renewables, scrapping feed-in tariffs for new small scale renewable generation, and cancelling the Zero Carbon Homes policy is clearly not looking to the future.

The taxing, through business rates, of the benefits of capital investment in renewables, for example, that enhances the productivity and profitability of a business seems positively bizarre.

There is no way around the fact that investment in renewables such as hydropower, tide, wave, ocean, geothermal, wind, solar and ambient heat energy to support the creation of a thriving renewables industry with good, long term jobs across the UK is crucial if the economy is to grow in an environmentally sustainable fashion.

There is also the question of maintaining our place in the international league of countries who put the environment first.

That won't cost jobs, it will create jobs.

Government has the ability to provide the environment for the expansion of the renewables industry.

For instance, there are currently 1,200 tax reliefs available that cover everything from pension contribution relief to Entrepreneurs' Relief that amounts to best part of £400 billion.

So, is there room for tax reliefs on renewables in a crowded tax relief market?

The more appropriate question is:

Can we afford not to provide tax reliefs as part of a renewable energy policy?

We need to recognise the threat that the climate crisis poses not just to this generation but future generations to come.

This is why we convinced Parliament to listen to the thousands of school children that mobilised across the country, including here in Hull, and declare a climate emergency.

In short, we are committed to prioritising renewables and ensuring that by 2030 60% of the UK's energy comes from zero-carbon or renewable sources.

Local and regional businesses have a significant role to play in the development and production of renewables and the economic benefits the recalibration of local industry into those newer technologies will bring.

We will support businesses that want to take part in the development of this sector and we are committed to ensuring that by 2030 3% of GDP will be committed to R&D with significant investment in renewables.

Hull as energy estuary

As a Member of Parliament from Hull I recognise the huge role our region plays at the centre of the energy estuary. The area has long been a centre for energy production, storage and handling.

It is home to two of the UK's six main oil refineries and is estimated to import one third of the nation's coal, one fifth of its natural gas and produce almost a fifth of its electricity.

Hull is now leading the way when it comes to renewable energy, utilising opportunities created by the wind industry taking shape off our coast, where six wind farms are already operating, another is under construction and three more are planned.

This green energy revolution is bringing with it jobs, skills and investment into the region, the Danish company Ørsted will have invest £6 billion by the end of the year.

While Siemens Gamesa and Associated British Ports have invested hundreds of millions of pounds jointly to make turbine wind blades offshore with the help of the Government's Regional Growth Fund.

However, the energy sector remains a relatively small employer in Hull, only accounting for 5.1% of jobs and employing just 17,000 people across the region. The potential for further investment, which would make Hull one of the central energy hubs, is simply not being met.

Annual clean energy investment is at the lowest point since 2008 and analysis of the Government's planned infrastructure investments, the "Infrastructure Pipeline" shows that there is a 95% decline in planned investment in renewables from 2017 to 2020.

It is little wonder then that the Environmental Audit Committee has investigated the Government's policy towards renewables and heard expert evidence citing the decline in investment in renewable energy is directly linked to the removal of subsidies and privatisation of the Green Investment Bank.

A Labour Government would utilise the creation of a National Investment Bank alongside a series of regional banks to ensure that renewable energy projects and companies investing in renewables are able to access stable finance.

This must also be in the context of the wider issue of an economy that is regionally imbalanced to the extent that we have 6 of the poorest regions in Western Europe.

So, over a period of 10 years we will also use our £250 billion National Investment Bank, with levered in private sector capital, that will guarantee investment in zero-carbon or renewable energy projects to make our economy more environmentally sustainable and to meet the challenge posed by climate change.

Modular homes

On the housing side the number of new affordable homes for social rent has fallen. We are now building over 30,000 fewer social rented homes a year than in 2010.

At this pace, it will take 170 years just to house the families currently on councils' waiting lists.

The next Labour Government will build a million low-cost homes, the majority for social rent. This target over a 10 year period also includes an additional commitment to scale up to and sustain 250,000 homes a year by the end of the Parliament, 100,000 of which will be genuinely affordable homes to rent and buy.

Labour recognises that to meet the scale of the current housing crisis we will need to look to all sectors including councils, housing associations, community-led organisations and private housebuilders to do much more.

This is why in government we would be ready to reset national housing grant investment and lower the cost of finance for housing associations and others, including with new affordable housing borrowing guarantees and housing association access to Public Works Loan Board finance.

Similarly, a Labour Government would end the building of new 'rabbit hutch' properties that are growing apace as, for example, former retail units are converted into multiple occupation flats. We will consider mandatory minimum space standards for family homes and look at making the Lifetime Homes criteria a condition for public funding.

The pursuit of meeting affordable house-building targets does not have to come at the expense of quality, many councils and housing associations are already leading the way building low carbon homes and adopting the Passivhaus approach which makes new homes so well insulated that almost no heat escapes.

Given the challenge of an ageing population the use of modular housing is a serious option that has to be considered and which will play a part in the achieving the targets set. Currently, there

are only around 15,000 modular homes built every year in this country.

Compare that to Sweden where about eight out of ten detached houses in Sweden are built using modern methods. A study by the University of California, Berkeley found that at least 30% of new-build multi-residence buildings in the country use a significant degree of prefabrication, meaning at least 45% of overall housing is produced using some form of offsite manufacture.

Given an ageing workforce, significantly dependent on EU migrants, whose future post-Brexit is uncertain, the need for a radical rethink is all the more necessary. Modular homes can take as little as a month to build given advances in technology and quality is not compromised and the room for regional expansion in this market is significant.

In addition, this expansion must be linked into the whole question of the skills agenda and the role of regional government in that process.

Modern modular builds are as far as away from the old prefabricated homes of the post war period as you can get. The chequered history of the latter can't blind us to the potential of the future of modular home building.

Modular build must pay a part, and in some areas like Hull where we already have the skills from our established caravan industry, potentially a significant part.

The modular build industry gives yet another area for economic development and growth that creates both sustainable homes and sustainable jobs.

Encouraging SMEs.

At Labour we know that small businesses are the backbone of our economy, making up 99.3% of all private sector business in the UK.

It is these businesses that sustain communities by hiring local people, buying from local suppliers and paying their fair share of taxes back into our public services.

That's why a Labour government will do all it can to support a flourishing small and medium enterprise sector.

One important strand of this work is to expand access to finance. The financial crisis had a devastating effect on the sector, which continues to disadvantage small businesses with high costs, poor access to finance and branch closures.

This is holding our small businesses back. A recent report from the Business, Energy and Industrial Strategy Committee found that ***'access to finance is one of the main barriers to scale-up for fast growth SMEs. There is a gap in securing finance at particular growth stages, and a lack of investors able to provide a pipeline of finance at all stages of development.'***

Labour will take action to put this right. Our National Investment Bank will prioritise lending to SME's, helping to level the playing field between smaller and larger enterprises, and supporting rapid growth of our small business sector.

But we want to go further, to ensure that businesses also have access to the skilled workforce, as touched up earlier, that they need to thrive.

A PwC survey found that 77% of CEOs worry that skills shortages could impair their companies growth and the CBI has found that 69% of businesses are not confident about filling their high-skilled jobs in the future – up from 55% in 2015.¹

¹ [A boost for British businesses: policies for a new government](#)

Similarly the Scale Up report found that 87% of scale-ups claim they could grow faster if graduates had the skills needed to meet customer demand.

A Labour government will introduce a National Education Service, to help to equip our workforce with the highest levels of skills and support businesses to achieve.

This includes serious investment in Further Education, universities and schools. We have announced a Lifelong Learning Commission, already underway, to define and develop this system of lifelong support.

Committing to a Humber LEP working across the whole of the Humber

We know that alongside our strong policy proposals, we need a plan for how we will deliver them.

For too many years Westminster and Whitehall have been far too detached from the needs of regions such as ours. More of the same from Westminster simply will not pass muster.

In this regard, a substantive dialogue with the regions is needed to find out what they want from Government not the Government telling us what we need.

Labour does not intend to introduce yet another set of reforms to the political institutions in local areas. We want to work with our existing partners across the country to deliver on our transformative agenda.

We are absolutely committed to supporting the great work that Humber LEP has been doing to support a skilled and productive workforce, develop the local infrastructure that our area needs and support businesses to thrive.

I hope that we can work together to continue to build a strong economy that is sustainable, focused in the needs that we have identified and that we have the resources to make the necessary change need to deliver that heathy and robust economy that we know we need to sustain community cohesion.