



Economic Development and Regeneration Advisory Board

Thursday 31st March 2016 at 10.00 am

Meeting to be held in a Committee Room, Civic Centre, Regent Street, Gateshead, NE8 1HH

www.northeastca.gov.uk

AGENDA

Page No

1. **Apologies for Absence**

2. **Declarations of Interest**

Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be handed to the Democratic Services Officer).

Please also remember to leave the meeting where any personal interest requires this.

3. **Minutes of the Previous Meeting**

1 - 6

4. **Perspectives on Inward Investment**

7 - 10

5. **Economic Development and Regeneration - Progress Update**

Members are requested to note the intention to circulate the above report on a supplemental agenda in accordance with the provisions of the Local Government (Access to Information) Act 1985

6. **Date and Time of the Next Meeting**

Members are invited to note that dates of future meetings of the committees of the Combined Authority, including the Advisory Board, are currently being drafted for the submission to the annual meeting of the Authority for approval.

The provisional date of the next meeting of the Advisory Board is Tuesday,
26 July 2016 at 10am.

Contact Officer: Victoria Miller Tel: 0191 211 5118 E-mail: victoria.miller@northeastca.gov.uk

To All Members

North East Combined Authority

Economic Development and Regeneration Advisory Board

18 December 2015

Meeting held: Committee Room, County Hall, Durham, DH1 5UL

Present:

Councillor: P Watson (Chair)

Councillors: N Foster, I Malcolm, J McCarty and B Pickard

Co-opted Members: Ms B Farhat, Mr S Hanson and Mr J Walker

17 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors M Foy and A Hepple and also Ms S Glendinning and Ms G Hall.

18 DECLARATIONS OF INTEREST

There were no declarations of interest.

19 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held on 1 October 2015 were approved as a correct record and signed by the Chair.

(a) EDRAW Membership Proposals – Update

(Minute 12 refers)

It was noted that the sub-group would begin to identify potential private sector experts once a clear position was known on the proposed priority sectors for investment and the progress of the devolution deal.

20 INWARD INVESTMENT

Submitted: Reports of the Economic Development and Regeneration Thematic Lead (previously circulated and copy attached to Official Minutes).

(a) Inward Investment - Development of NECA Investment Gateway Function

Members considered the report which provided an update on progress that had been made to establish the enhanced regional Inward Investment Gateway function.

The report also provided an overview of key activities since the last meeting and the inward investments into the NECA area from April to September 2015.

During the ensuing discussion, it was noted that:

- In welcoming the successful examples of investments, a Member asked for further information on the reasoning behind the success of these cases. A Member also asked for information on cases where an investor had shown an interest but no investment had subsequently been made and the reasoning behind this. It was noted that there was a range of matters that affected companies' decisions to invest in the NECA area and these matters would be analysed and reported back. It was also noted that more feedback was needed from the UK Trade and Investment (UKTI).
- A Member suggested that a representative of the UKTI should be invited to a future meeting to share their experience. A comment was also made about the previous suggestions of the Advisory Board to invite representatives of the companies that had invested or tried to invest in the NECA area to talk about their experience.
- Members noted the importance of closer and stronger relationships between the NECA and UKTI; this had been reflected in the asks to the government as part of the devolution deal.
- Examples were provided of how the potential investors were presented with options that matched their requirements. It was noted that, unless there was a very specific requirement, the investor was normally offered all suitable options from across the region.
- Members noted the importance, as highlighted by the Invest North East England Team, of the work to encourage companies to visit the North East so that the region's strengths could be sold to the potential investors.
- A discussion took place about the importance of the seven local authorities working even closer with each other to ensure compelling and suitable offers for investment.
- A comment was made about the importance of developing and using clear criteria for identifying and prioritising sites for the regional investment offer.
- A Member referred to the unemployment figures for the North East and asked whether more funding was available as part of the devolution deal to accelerate projects. It was noted that the NECA was working to improve the delivery of its strategic intent, including control over resources, and this would be reflected in the devolution deal.
- A discussion took place about the general importance of securing more resources. Officers spoke about the example of an aspiration to access larger markets such as China, which required resources. A discussion also took place about how the NECA area compared with other areas in the country, including in relation to the resources available to the investment teams. It was

noted that some areas had considerable budgets and had already entered larger markets such as China. As well as campaigning for more resources for attracting investment, officers emphasised the importance of working to develop stronger relationships with UKTI.

- In response to a question from a Member, it was noted that consideration would be given to measuring the input of resources against the outcomes achieved, although this had some complexity.
- It was expected that when the Investment Team became proactive, the number of enquiries would increase. It was noted, however, that many investment decisions had long lead-in times.
- A discussion took place about the importance of working with prominent business leaders and companies to engage them into becoming business ambassadors for the region, including when communicating with the government. It was noted that some constituent authorities already had such relationships established and consideration would be given to progressing this action.
- A discussion also took place about the importance of encouraging progression of the plans for the Northern Powerhouse and for the region to play an influential role.
- A Member suggested that consideration should be given to establishing a dialogue with large companies who stayed in the region on a temporary basis, in order to persuade them to stay.

RESOLVED – That:

- I. the update report be noted; and
- II. Members' views on the development of the Inward Investment function be noted.

(b) Inward Investment - Development of Sector Propositions

Members considered the report which provided an update on progress that had been made to develop a series of sector-based propositions to be used to attract inward investment into the NECA area. Members also noted the associated presentation which was delivered at the meeting (a paper copy is attached to Official Minutes).

As an update, it was noted that a Marketing and Communications company had been appointed to turn the propositions into web content and marketing collateral.

During the ensuing discussion Members commented on the importance of understanding the industries and keeping up-to-date with the key developments and trends to ensure a well-matching, attractive offer, including skills and infrastructure, that supported the cutting-edge developments. On advice from officers, Member noted the importance of focusing on a number of industries.

A comment was made about the feasibility of sponsoring events to promote investment. It was noted that the NECA already took part in promotional activities, including, for example, having a stand at a forthcoming energy industry event to see what opportunities that could bring. On advice from officers, Members noted that care should be taken in relation to the choice of events and activities.

RESOLVED – That:

- I. the update report be noted; and
- II. Members' views on the development of the sector propositions be noted.

21 **ECONOMIC ASSETS**

Submitted: A report of the Thematic Lead for Economic Development and Regeneration (previously circulated and copy attached to Official Minutes).

Members considered the report which provided an update on the prioritisation of strategic employment and housing development sites as part of the development of a regional investment plan.

During the ensuring discussion Members commented on the following matters:

- the importance of investment in all areas;
- keeping the urban centres resilient;
- developing rural areas;
- the importance of a holistic picture of the region inclusive of all elements such as roads, transport links, housing, skills, capacity and so on;
- the importance of effective infrastructure. An example was given of the retail industry which now relied heavily on purchases made using mobile devices via access to mobile phone networks and Wi-Fi;
- the importance of planning ahead, particularly when planning new developments, to ensure effective infrastructure and to avoid potential issues at later stages;
- as a way of going forward, the importance of a broader conversation on these matters through perhaps the Economic Directors Group, through the Thematic Leads working together and also through the devolution deal;
- the importance of creating wealth in the region whilst improving the quality of life for the local community, thereby ensuring sustainable communities that were well cared for;
- the importance of working jointly with the services that needed to be involved in discussions on these matters;
- the role of the Advisory Board in providing advice to the Leadership Board.

RESOLVED – That the report and Members' comments be noted.

22 **DEVOLUTION UPDATE**

Submitted: A report of the Head of Paid Service (previously circulated and copy attached to Official Minutes).

Members considered the report which provided an update on progress to date on the proposed devolution of powers, responsibilities and resources from the central government to the North East and outlined the next steps in the process.

The ensuing discussion included the following matters:

- the amendments proposed by the government to the Cities and Local Government Devolution Bill concerning the process for the creation of Mayoral Combined Authorities and other amendments relating to devolution of functions to Combined Authorities comprising both County and District Constituent Councils;
- the business rates model, including risks associated with the devolution deal and the importance of understanding of what was the best model for the region. In addition the criteria for investment would also need to be developed;
- the need for discussions with the Economic Directors on the incentives that could be used to encourage investment in various areas of the region;
- the current deal was noted as not necessarily the final deal and that it may be changed following further rounds of consultation;
- the importance of clarity around funding, including in relation to the Local Growth Fund;
- the reduction in funding to local authorities and the potential lack of the attractiveness of the devolution deal due to the relatively inadequate level of the proposed initial allocation of revenue funding for capital financing; and
- the importance of continuous engagement with the business community.

RESOLVED – That the report and Members' comments be noted.

23 **DATE AND TIME OF THE NEXT MEETING**

31 March 2016 at 10am at Gateshead Civic Centre.

This page is intentionally left blank

North East Combined Authority

Economic Development and Regeneration Advisory Board

DATE: 31 March 2016

SUBJECT: Perspectives on Inward Investment

REPORT OF: Economic Development and Regeneration Thematic Lead

EXECUTIVE SUMMARY

The purpose of this item is to provide the Board with insight and perspectives from representatives of UKTI and the private sector, in relation to attracting Inward Investment to the region.

RECOMMENDATIONS

It is recommended that the Board receives the presentations to be given by representatives of UKTI and the private sector in order to gain further insight into processes, perspectives and experiences relating to investing in the North East.

North East Combined Authority

Economic Development and Regeneration Advisory Board

1 Executive Summary

- 1.1 The purpose of this item is to provide the Board with insight and perspectives from representatives of UKTI and the private sector, in relation to attracting Inward Investment to the region.
- 1.2 It is recommended that the Board receives the presentations to be given by representatives of UKTI and the private sector in order to gain further insight into processes, perspectives and experiences relating to investing in the North East.

2.0 Background

- 2.1 At previous meetings, the Advisory Board has received reports and held discussions on the subject of increasing the levels of Inward Investment to the North East.
- 2.2 At its meeting on 18 December 2015, the Board received an update on the development of 'sector proposition toolkits' to be used both reactively and proactively by the Invest North East England Team, in order to attract investment to the area.
- 2.3 During the discussion, the role of UKTI was discussed and it was considered that it would be beneficial for the Board to understand the Department's remit and processes in relation to promoting the North East's offer and working with potential investors. In particular, it was considered important to ensure that going forward, as much feedback as possible from visits (by prospective investors) was received so that NECA could maximise opportunities to secure investment in future. It was therefore agreed that representatives from UKTI should be invited to this meeting of the Advisory Board.
- 2.4 It was also felt that it would be beneficial to gain more insight into the experiences and perspectives of those running businesses and representing key sectors in the NECA area, as well as from an organisation who had invested recently.

3.0 Presentations

- 3.1 To provide the perspectives and insight requested by the Advisory Board, the Chair has invited the following representatives to give a talk / presentation to Members at the meeting:
 - **Tasleem Baqir – Partnership Manager, Local Investment Team (NE and Tees Valley) and Denise Rawls – Head of Local Engagement from UKTI**

North East Combined Authority

Economic Development and Regeneration Advisory Board

- **Adam Serfontein - Managing Director of Hanro Group and Chair of Developing Consensus** (property development sector) – the network was established to help support “collaboration and a joined up approach between public and private sectors across the whole region” in relation to attracting Inward Investment and delivering schemes to “enhance the built environment, driving forward economic development to create more and better jobs.”
- **Mark Brannen – Head of Site, Fusion Contact Centre Services –** Fusion is part of the BGL Group, providing customer services on behalf of a number of large, well-known businesses and brands. The company opened its first office in Sunderland 2002 and expanded its operation in 2015 with the opening of a third building and the creation of a further 160 jobs.

3.2 Each of the above representatives in turn (UKTI representatives jointly) will give a brief talk or presentation to the Board on relevant processes, perspectives and experiences as requested, and then there will be the opportunity for Members to ask questions and explore further, any issues of particular interest.

5 Potential Impact on Objectives

5.1 The item will provide the information and insight requested by the Advisory Board to support the NECA in meeting its objectives.

6 Finance and Other Resources

6.1 There are no specific resource implications arising from this item.

7 Legal

7.1 There are no specific legal implications arising from this item.

8 Other Considerations

8.1 Consultation/Community Engagement

There are no issues arising from this item for consultation.

8.2 Human Rights

There are no specific human rights implications arising from this item.

North East Combined Authority

Economic Development and Regeneration Advisory Board

8.3 Equalities and Diversity

There are no specific equalities and diversity implications arising from this item.

8.4 Risk Management

There are no specific risk implications arising from this item.

8.5 Crime and Disorder

There are no specific crime and disorder implications arising from this item.

8.6 Environment and Sustainability

There are no specific environment and sustainability implications arising from this item.

9 Background Documents

9.1

North East Strategic Economic Plan – More and Better Jobs

10 Links to Plans in the Policy Framework

10.1

This item links to the Strategic Economic Plan and other plans in the Policy Framework.

11 Appendices

There are no appendices

12 Contact Officers

12.1

Beverley Poulter, Lead Policy Officer, Sunderland City Council,
beverley.poulter@sunderland.gov.uk, 0191 561 1150.

13 Sign off

- Head of Paid Service ✓
 - Monitoring Officer ✓
 - Chief Finance Officer ✓
- Page 10**