



## **Economic Development and Regeneration Advisory Board**

Tuesday, 7th July 2015 at 1.30 pm

Meeting to be held in a Committee Room, Civic Centre, Sunderland, Burdon Road, SR2 7SN

[www.northeastca.gov.uk](http://www.northeastca.gov.uk)

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## **AGENDA**

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**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. **Appointment of Vice-Chair**

Members are invited to appoint a Vice-Chair for the municipal year 2015/16.

4. **Regional Inward Investment Function** **1 - 8**

5. **Economic Development and Regeneration Advisory Board -  
Membership Proposals** **9 - 12**

6. **Regional Investment Plan** **13 - 16**

7. **Date and Time of Next Meeting**

Tuesday, 6 October 2015 at 10am at Sunderland Civic Centre.

Contact Officer: Victoria Miller Tel: 0191 211 5118 E-mail: [victoria.miller@newcastle.gov.uk](mailto:victoria.miller@newcastle.gov.uk)

**To All Members**

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## North East Combined Authority

### Economic Development and Regeneration Advisory Board

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**DATE:** 7 July 2015

**SUBJECT:** Regional Inward Investment Function

**REPORT OF:** Economic Development and Regeneration Thematic Lead

#### **EXECUTIVE SUMMARY**

This report provides an update on progress to develop arrangements for an enhanced, regional Inward Investment function.

#### **RECOMMENDATIONS**

The Advisory Board is requested to receive the update for information and provide views on the development of the Inward Investment function.

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## Economic Development and Regeneration Advisory Board

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### 1 Executive Summary

- 1.1 The report provides an update on progress to develop arrangements for an enhanced, regional Inward Investment function.

The Advisory Board is requested to receive the update for information and provide views on the development of the Inward Investment function.

### 2 Background

- 2.1 During the first year of its operation, the NECA has employed a part-time officer to act as the 'North East Gateway', providing a concierge service for investment enquiries generated predominantly by UKTI. These arrangements have improved the delivery of some inward investment functions in the area, but are considered to be the absolute minimum provision required for the area to meet UKTI's requirement to channel its foreign direct inward investment (FDI) enquiries through a single point of contact at a regional or LEP level. Further, there has not been the capacity to undertake any real, proactive lead generation activity.

### 3 Current Position

- 3.1 At their meeting on 21 April 2015, the seven local authority members of the NECA Leadership Board agreed to their councils increasing their contribution from £10,000 to £20,000 each (total combined funding of £140,000) to develop the existing, regional Inward Investment function and capacity. On 14 May 2015, the NELEP Board agreed to match the NECA's contribution of £140,000 and allocate a further £80,000 to provide for the development of key sector propositions, establishing a total budget of £360,000 for 2015/16.

### 4.0 Proposals

- 4.1 Individual local authorities play an important role in the attraction of inward investment to local areas and the region's performance in respect of certain types of inward investment (specifically account management of existing investors) remains strong. For this reason it is vital that the collaborative arrangements at the NECA / LEP level work in conjunction with the capacity that exists at the local authority level. However, there are opportunities to add value to this work by filling gaps in provision. In particular, it would be beneficial to add value by providing a coordinated response to enquiries which span the wider NECA geography and by providing a more proactive approach to the generation of enquiries from the sectors within which the NECA/LEP area has considerable assets.
- 4.2 Despite the best efforts of all parties, the current arrangements are only partially able to fill the gap in NECA area-wide provision left by the demise of ONE North East and the winding up of the Tyne and Wear Economic Development Company. As a consequence, the North East as a whole is failing to match the efforts of many of its main competitors in international

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investment markets. Most LEP areas have developed inward investment functions at a LEP area level that are better equipped to service enquiries in a coordinated manner and, in some cases, generate new investment leads by effectively communicating an area's investment offers.

- 4.3 The enhanced function for NECA area therefore needs to have the capacity to adequately handle enquiries that are originated by UKTI or other sources, to monitor and oversee collaborative initiatives to promote inward investment, and of key importance, is the ability to promote sector based offers and priorities in order to generate enquiries at the NECA level. Hub and spoke arrangements will then need to be in place between the regional function and individual local authority teams, so that all related activities are cohesive and coordinated.

### 5.0 Developing Sector Propositions

- 5.1 The aforementioned sum of £80,000 has been allocated to enable the development of sector propositions to support the targeted promotion of the region to mobile projects in sectors that represent good prospects for future investment in the area. These propositions would provide materials and intelligence to support the attraction of mobile projects and the securing of projects considering the North East as a location. The Leadership Board and NELEP Board agreed that a small number of sectors should be selected for early development of propositions during 2015/16 that could be used to target mobile investment. Development of propositions for other sectors could then be considered in the light of these.
- 5.2 Work has therefore been undertaken for the Economic Directors Group, led by Piers Wilson, who has been seconded from UKTI to the North East Gateway. Piers undertook a study of Foreign Direct Investment trends and prospects, matched to the North East's priorities, track record and "offer". The study focussed primarily on internationally mobile investment projects and has been supplemented by the views and experience of inward investment lead officers in each of the local authority areas, who also formed the steering group for the work.
- 5.3 The report identified the following sectors as possessing good prospects for the attraction of significant investment projects to the region (in alphabetical order):
- Automotive
  - Creative industries – specifically computer games
  - Financial, professional and business services – in particular, Contact Centres and Back and Middle Offices (BMO)
  - IT/Software
  - Life Sciences
  - Offshore Wind
  - Oil and Gas
  - Rail vehicle manufacture

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- Space technologies

*(Advanced Manufacturing and Engineering projects arise in several sectors and the majority are captured in one or more of the above.*

- 5.4 These assessments were informed by UKTI research, UKTI views of the region regarding each sector, the NE Strategic Economic Plan and local knowledge of the regional “offer.” Several sectors have a long history of locating in the region, whereas others (e.g. space technologies) are relatively new. In many of the sectors identified, the best prospects for the region are located within a particular niche sub-sector.
- 5.5 The analysis of priority sectors for early development of sector propositions is not yet fully complete, at the time of preparation of this report. However, the assessment indicates that while full sector propositions may be appropriate for a few of the target sectors, in others, initial research into specific sub-sectors or the strength of the regional offer may be the logical first step. The Economic Directors are due to consider the best way forward shortly and it is proposed that their recommendation be brought to the Economic Development and Regeneration Advisory Board for consideration at this meeting.
- 5.6 Also, absolutely key to developing these propositions will be working with businesses in the key sectors that can add significant value to the process by, amongst other things, providing the sector-specific expertise necessary to prepare compelling evidence-based case studies and provide insight into real market potential. Throughout the development of the sector propositions, key sector representative organisations will need to be involved in discussions and the Advisory Board may wish to consider how it may facilitate meaningful involvement of the private sector going forward.

### **6.0 Development of the Regional Inward Investment Function**

- 6.1 In tandem with the above work, a high level business plan is being produced, covering a number of items:
- Aims and Objectives of the ‘service’
  - Scope of work to be delivered - at this stage, anticipated to include:
    - Acting as first point of contact to region for a range of inward investment enquiries;
    - Receiving, coordinating, managing and responding to inward investment enquiries;
    - On-going identification of target markets and sectors;
    - Proactive sector proposition marketing – i.e. generating leads, in the first instance with focus on London;
    - Coordinating activities of local authority inward investment teams on specific enquiries;
    - Proactive engagement with UKTI;
    - Work with regional/national initiatives (e.g. Tech North; CORE, NOF Energy, Business sector organisations, educational institutions);
    - Work with private sector to secure funds for one-off events (e.g.

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MIPIM).

- Service governance and performance management (at strategic and operational levels);
- Key risk analysis;
- Identification of resource requirements (financial and staffing).

6.2 As a working model, it is anticipated at this stage, that the following services and products would need to be developed/procured:

- Research resource licenses (e.g., property search, FDI Market and Benchmark) to enable, at a high level, identification of possible investment leads for proactive approach and also access to benchmarking data for proposition development and update;
- Identifying potential investors/intermediaries to approach;
- Development of a compendium of data and information as the basis for the sector propositions;
- Sector proposition marketing collateral:
  - High quality, evidence-based (credible);
  - Compelling narrative including case studies;
  - Repeatable at low cost.
- Development of enquiry proposal templates;
- Purchase of pop-up/modular stand for Invest North East England for smaller events;
- Further development and enhancement of the web site including search engine optimisation;
- Re-vamped property search facility (either linked to website or held by IGM);
- Marketing materials – at this stage there are likely to be a limited amount of high level materials produced;
- Development of unified 'soft landing' offer to be presented to potential investors.

6.3 In order to deliver the above, it will be necessary to increase the capacity within the Investment Gateway team. The NECA Leadership Board and NELEP Board have agreed in principle – subject to finalising the business plan – to recruit staff as follows, between now and September:

- 1 leader/senior project executive
- 1 project executive
- 1 Admin/enquiry point of contact/web controller/researcher

(all 'full time equivalent' posts).

6.4 In summary, it is envisaged that between September and March 2016, the following will be in place:

- Full team recruited and operational
- Sector launches undertaken
- Proactive lead generation undertaken in agreed sectors.

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In addition, consideration will also need to be given to attendance at key events to promote the North East 'offer'. Further resources would need to be secured to enable attendance (in collaboration with the private sector), but opportunities that the Advisory Board may wish to explore - providing any recommendations and proposals to the NECA and NELEP boards in due course - might include:

- MIPIM London – Oct 2015
- MIPIM Cannes – March 2016
- NOF Energy - March 2016

### **7 Potential Impact on Objectives**

7.1 The report sets out a proposal that will support the NECA in meeting its objectives.

### **8 Finance and Other Resources**

8.1 There are no specific resource implications arising from this report.

### **9 Legal**

9.1 There are no specific legal implications arising from this report.

### **10 Other Considerations**

#### **10.1 Consultation/Community Engagement**

There are no issues arising from this report for consultation.

#### **10.2 Human Rights**

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

#### **10.3 Equalities and Diversity**

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

#### **10.4 Risk Management**

There are no specific risk implications arising from this report.

#### **10.5 Crime and Disorder**



# North East Combined Authority

## Economic Development and Regeneration Advisory Board

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

### 10.6 Environment and Sustainability

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

### 11 Background Documents

11.1

North East Strategic Economic Plan – More and Better Jobs

### 12 Links to Plans in the Policy Framework

12.1

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

### 13 Appendices

13.1

None.

### 14 Contact Officers

14.1

Beverley Poulter, [beverley-poulter@sunderland.gov.uk](mailto:beverley-poulter@sunderland.gov.uk), 0191 561 1150

### 15 Sign off

- Head of Paid Service ✓
- Monitoring Officer ✓
- Chief Finance Officer ✓

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## North East Combined Authority

### Economic Development and Regeneration Advisory Board

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**DATE:** 7 July 2015

**SUBJECT:** Economic Development and Regeneration Advisory Board –  
Membership Proposals

**REPORT OF:** Economic Development and Regeneration Thematic Lead

#### **EXECUTIVE SUMMARY**

This report provides outlines proposals to undertake a process to co-opt further, non-voting members onto the Advisory Board, specifically to reflect priority sector knowledge and experience.

#### **RECOMMENDATIONS**

The Advisory Board is requested to consider the proposals and agree a process by which further members may be recommended to the Leadership Board, to be co-opted onto this Advisory Board.

# North East Combined Authority

## Economic Development and Regeneration Advisory Board

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### 1 Executive Summary

- 1.1 This report provides outlines proposals to undertake a process to co-opt further, non- voting members onto the Advisory Board specifically to reflect priority sector knowledge and experience.

The Advisory Board is requested to consider the proposals and agree a process by which further members may be recommended to the Leadership Board, to be co-opted onto this Advisory Board.

### 2.0 Background

- 2.1 As part of the establishment of the Economic Development and Regeneration Advisory Board (EDRAB), it was agreed that in addition to the membership already in place – drawn from the seven member local authorities and representatives of NELEP, NECC, TUC, FSB and CBI – provision should be made to co-opt further, non-voting members onto the Board, with the agreement of the NECA Leadership Board.

- 2.2 The Inward Investment report elsewhere on this agenda, outlines the importance of working effectively with the private sector and business community, particularly in terms of developing and marketing key sector propositions for investment. It is therefore proposed that a process is agreed by which the EDRAB can make an initial set of recommendations to the NECA Leadership Board to co-opt additional, private sector members onto the EDRAB specifically to reflect priority sector knowledge and experience.

### 3.0 Proposals

- 3.1 Following the identification of a small number of priority sectors for which propositions will be developed to target mobile projects (with significant potential for future investment in the NECA area), it is proposed that a 'recruitment process' is undertaken by a sub panel of the EDRAB, to identify and recommend a business representative of each of these sectors, to be co-opted onto this Advisory Board. As outlined in the aforementioned Inward Investment report, the results of the research and analysis being undertaken on the priority sectors will be reported to this meeting (likely to be two or three sectors).
- 3.2 It is suggested that the EDRAB appoints a small number of its members to a Recruitment Panel to be involved in the following set of tasks, with the support of the Economic Directors.

- Development and issue of an 'applicant brief' (open invitation to businesses in the identified sectors within the NECA area)
- Assessment and shortlisting of returned applications based upon agreed criteria

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- Interviews with shortlisted candidates
- Presentation of recommendations to the EDRAB.

3.3 The aim would be for the panel to complete the process and present results and recommendations to the next meeting of this Board on 6 October 2015. The EDRAB would then make recommendations to the NECA Leadership Board at its meeting on 17 November 2015 and subject to agreement, the new members would be invited to join the EDRAB from its next meeting on 1 December 2015.

3.4 As with all committees of the NECA, the membership of the EDRAB will be reviewed annually (with appointments confirmed at the Annual Meeting in June, of the NECA Leadership Board), with the opportunity for the Leadership Board to re-appoint and / or refresh members of the EDRAB, including the co-opted, private sector representatives.

### **4 Potential Impact on Objectives**

4.1 The report sets out a proposal that will support the NECA in meeting its objectives.

### **5 Finance and Other Resources**

5.1 There are no specific resource implications arising from this report.

### **6 Legal**

6.1 There are no specific legal implications arising from this report.

### **7 Other Considerations**

#### **7.1 Consultation/Community Engagement**

There are no issues arising from this report for consultation.

#### **7.2 Human Rights**

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

#### **7.3 Equalities and Diversity**

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

#### **7.4 Risk Management**

There are no specific risk implications arising from this report.

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## Economic Development and Regeneration Advisory Board

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### 7.5 Crime and Disorder

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

### 7.6 Environment and Sustainability

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

## 8 Background Documents

### 8.1

North East Strategic Economic Plan – More and Better Jobs

## 9 Links to Plans in the Policy Framework

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

## 10 Appendices

10.1 None.

## 11 Contact Officers

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## 12 Sign off

- Head of Paid Service ✓
- Monitoring Officer ✓
- Chief Finance Officer ✓

## North East Combined Authority

### Economic Development and Regeneration Advisory Board

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**DATE:** 7 July 2015

**SUBJECT:** Regional Investment Plan

**REPORT OF:** Economic Development and Regeneration Thematic Lead

#### **EXECUTIVE SUMMARY**

This report provides an update on progress to develop a Regional Investment Plan.

#### **RECOMMENDATIONS**

The Advisory Board is requested to receive the update for information and provide views on the development of the Plan.

# North East Combined Authority

## Economic Development and Regeneration Advisory Board

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### 1 Executive Summary

- 1.1 The report provides an update on progress to develop a Regional Investment Plan.

The Advisory Board is requested to receive the update for information and provide views on the development of the Plan.

### 2.0 Background

- 2.1 The Economic Development and Regeneration theme takes lead responsibility for coordinating efforts to enhance the region's important economic assets and to develop new ones that will promote growth. To do this job effectively requires a thorough understanding of the range of existing and proposed economic assets and their potential.

- 2.2 Periodically, opportunities arise to secure public investment in loan or grant form that can be invested in new economic projects or to improve existing assets. In recent years such opportunities have included:

- the Local Growth Fund, which is allocated by UK Government to LEPs on a competitive basis;
- European funding, which in the new programme [2014-2020], will be allocated according to the priorities of the national European Social Fund and European Regional Development Fund programmes for England guided by regional allocations to LEP areas;
- the Growing Places Fund, launched in 2012, which has been allocated to LEPs competitively on the basis of grant and / or revolving loan fund;
- the Regional Growth Fund which is accessed directly from Government by private sector companies with eligible projects;
- funds managed by the Homes and Communities Agency relating to housing development or strategic employment sites.

### 3.0 Proposed Future Approach

- 3.1 Experience has shown that funding rounds can be launched with little prior notice and can often be limited to projects that can start – and sometimes complete – within a period of one or two years. The NECA and its partners are making strenuous efforts to secure greater certainty of funding over a much longer period, but this has not yet been achieved.

- 3.2 In order to gain a better understanding of the potential of the region's economic assets (existing and proposed), work has been undertaken to collate the proposed private and public sector projects relating to important employment sites and housing sites across the region. All seven local authorities have been involved in this work, which has been led by Durham County Council. This work will:



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- Produce a database of projects relating to economic assets over an approximate 10 year period going forwards that can be further prioritised to inform programmes of projects for NECA/NELEP to consider and put forward for relevant bidding rounds.
- Give a clear picture of the extent and potential impact of the suite of proposals currently in development relating to economic assets.
- Produce a spatial narrative that links employment growth to housing development in a coherent way and one that will help inform future transport developments and strengthen the region's case for coordinated and devolved investment.

### **4.0 Next Steps**

- 4.1 Both the database of projects and the spatial narrative are currently being worked up for consideration, initially, by the Economic Directors Group. It is proposed that the suite of projects be shared with the ED&R Advisory Board at its next meeting in order to inform the prioritisation of its content, prior to being presented to the NECA Leadership Board in the autumn, when it is anticipated that a future round of Local Growth Fund is likely to be announced.

### **5 Potential Impact on Objectives**

- 5.1 The report sets out a proposal that will support the NECA in meeting its objectives.

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- 6.1 There are no specific resource implications arising from this report.

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## Economic Development and Regeneration Advisory Board

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- Head of Paid Service ✓
- Monitoring Officer ✓
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