

Economic Development and Regeneration Advisory Board

24 October 2017

Meeting held Port of Blyth Training Centre, Quay Road, Blyth, NE24 3PA

APPROVED MINUTES

Present:

Councillor C Marshall (Chair)

Councillors J Adams, G Bell, B Pickard and R Wearmouth

Co-opted Members B Farhat, S Glendinning and G Hall

11 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors I Malcolm and P Watson and Mr S Hanson.

12 DECLARATIONS OF INTEREST

Ms G Hall declared a personal interest in all relevant agenda items due to being a Commissioner at the Port of Blyth.

13 MINUTES OF THE PREVIOUS MEETING ON 25 JULY 2017

The minutes of the previous meeting held on 25 July 2017 were approved as a correct record and signed by the Chair.

14 ECONOMIC DEVELOPMENT AND REGENERATION UPDATE

Submitted: An update 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 activity and progress under the Economic Development and Regeneration theme of the Combined Authority.

In discussion, it was noted that Members would be provided with an update on any changes to the closing dates for the European Social Fund calls.

RESOLVED – That the report be noted.

15 GOVERNMENT POLICY UPDATE

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

Members considered the report and associated presentation, which provided an update on the development of the UK Shared Prosperity Fund (the Fund).

During the ensuing discussion, it was noted that:

- Whilst there had been no formal proposals from the government, it was understood that the Fund would not be a like-for-like replacement of the European funding, and therefore there was an opportunity to make improvements based on learning from the current European and economic development funds.
- Work was currently in progress to set out what had been achieved over the last five to seven years as a result of the European funding. This information would help to inform discussions with the government. It was important to provide evidence.
- It was suggested that care should be taken with regard to introducing allocation criteria, to ensure this did not have an adverse effect on the potential level of funding for the region.
- The Board felt that funding from the Fund should not be allocated on a competitive basis or allocated evenly throughout the country. It should be allocated on the basis of economic need, and this message should be communicated to the government.
- It was important to retain the scale of funding currently seen through the European Funds.
- There was a need for flexibility and responsiveness in how the fund could be used, with responsibility for determining its use based regionally and locally.
- It was important to progress this area of work quickly and jointly; and this work should be seen as an opportunity for the region.

RESOLVED – That the report and comments made be noted.

16 CBI REGIONAL GROWTH UPDATE

Submitted:

(i) An update report of the Thematic Lead for Economic Development and Regeneration (previously circulated and copy attached to Official Minutes); and

(ii) “Unlocking Regional Growth. Understanding of Drivers of Productivity Across the UK’s Regions and Nations” presentation slides (copy attached to Official Minutes).

Members considered the report which provided an update on the Confederation of British Industry (CBI) regional growth activities, including an overview of its Unlocking Regional Growth report. A presentation titled “Unlocking Regional Growth. Understanding of Drivers of Productivity Across the UK’s Regions and Nations” was delivered at the meeting.

In discussion, it was noted that:

- Some figures in the CBI report were based on the 2014 data and, therefore, would not necessarily reflect the possible effect of any relevant policies that had been put in place since then.
- The four main drivers of regional productivity: management practices; exporting and innovation; education and skills; and infrastructure, were interlinked and interdependent.
- Whilst the North East was relatively good at innovation and exporting, the data indicated the importance of focusing on improving skills. Work was being undertaken to improve this area of work but more needed to be done, including through joined approaches to policy-making.
- Members asked for a further breakdown of data, particularly with regard to regional growth scorecards, to aid the understanding of the position and how best to support the areas in need of improvement. It was noted that, where possible, Members would be provided with underlying data, evidence and examples. Members would also be provided with a link to scorecards on the CBI website and a copy of the presentation.
- Whilst productivity would normally result in more jobs and shared prosperity, productivity could also mean a reduction in the number of jobs. A Member commented on the importance of increasing the number of jobs as well as productivity.
- A Member suggested that the social and economic impact of dementia should be factored in when discussing productivity and jobs.
- The economy of the region relied heavily on Service Sector. The Trade Union Congress felt it was important to ensure equal opportunities within the Service Sector as well as identifying new areas of growth.
- With regard to the importance of regional strategy and ambitions linking to productivity, it was noted that, whilst the refreshed Strategic Economic Plan (SEP) included evidence-based ambitions within themes and projects, the CBI report would help in directing the region’s focus on productivity. An example of this would be focusing on business growth from upscaling, rather than start-up, thereby increasing productivity.
- The findings of the CBI report would be useful for activities undertaken by the Combined Authority and North East Local Enterprise Partnership (NE LEP), including when working in partnerships with other organisations. Further

information on these activities would be provided to a future meeting of the Board.

- Similarly, the CBI would use the report and the resultant discussions with partners for various streams of work. For example, the CBI Education and Skills Team would use the findings to assist their work, including the work to connect education, skills and business.

School system was changing and CBI was working to increase interaction between schools and businesses. Further information on this work would be shared with the Board at a future meeting.

The CBI Regional Team would use the learning gained for activities such as ways of working, sharing best practices and supporting interaction. It was encouraging that the North East was ahead with regard to establishing a dialogue with businesses.

RESOLVED – That the report and comments made be noted.

17 **BREXPLORATION**

Submitted:

(i) An update report of the Thematic Lead for Economic Development and Regeneration (previously circulated and copy attached to Official Minutes); and

(ii) A report of the BREXploration Commission (with the Chair's permission, due to the timetables involved circulated at the meeting and copy attached to Official Minutes).

Members considered the report, including a report of the BREXploration Commission, which provided an update on the activity to explore the implications for the region posed by Brexit and to seek endorsement on the key messages to form the North East response to the Migration Advisory Committee's call for evidence on the economic and social impacts of the UK's exit from the European Union.

In discussion, Members welcomed the report and applauded the agglomeration of key activities and messages. A Member commented on the importance of a fair deal for the whole of the country rather than just the South East.

Members were offered a further opportunity to feed in comments before the end of the month.

RESOLVED – That:

- The report be noted;
- The key messages which would form the North East's response to the Migration Advisory Committee, as set out in the report, be endorsed; and

- iii. The BREXploration Commission report and key recommendations be endorsed.

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

Tuesday, 23 January 2018 at 2pm in Gateshead.