

Economic Development and Regeneration Advisory Board

31 March 2016

Meeting held: Committee Room, Civic Centre, Regent Street, Gateshead, NE8 1HH

Present:

Councillor: P Watson

Councillors: N Foster, M Foy, A Hepple, I Malcolm, J McCarty and B Pickard

Co-opted Members: G Hall, S Hanson and J Walker

24 APOLOGIES FOR ABSENCE

Apologies for absence were received from Co-opted Members B Farhat and S Glendinning.

25 DECLARATIONS OF INTEREST

There were no declarations of interest.

26 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held on 18 December 2015 subject to the inclusion of Councillor L Twist into the list of Members Present were approved as a correct record and signed by the Chair.

(a) Inward Investment

Inward investment – Development of NECA Investment Gateway Function

(Minute 20 (a) refers)

The Chair reiterated that it was important to have a full understanding of the behaviour of potential investors in order to develop effective investment offers.

27 PERSPECTIVES ON INWARD INVESTMENT

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 introduction to the presentations of the UK Trade and Investment (UKTI) and the private sector on their insights and perspectives, as provided by the following representatives:

- Ms D Rawls, the Head of Local Engagement, UKTI;
- Ms T Baqir, the Partnership Manager of the Local Investment Team, UKTI;

- Mr A Serfontein, the Managing Director of Hanro Group and the Chair of Developing Consensus Group; and
- Mr M Brannen, the Head of Site of the Fusion Contact Centre Services.

(i) UKTI

The presentation of Ms D Rawls and Ms T Baqir of UKTI focused on the UKTI aims, structure, teams and partnership working.

The ensuing discussion included the following matters:

- The need for understanding how the North East could work more closely with UKTI;
- The importance of understanding competition between regions and have a clear understanding of the strengths and opportunities of the North East within that context. These strengths and opportunities should be articulated and promoted, including with support from UKTI, to enable the region to compete better with other regions. The Advisory Board felt there were opportunities for UKTI to develop this area of work further;
- The strengths of the region in the context of the success per capita, the quality of jobs and the value of the offer, which sometimes exceeded other areas of the country;
- The need for a clear understanding of how the region could be supported, including by a dedicated, local UKTI team. And the importance of the North East being offered a fair share of key investment opportunities;
- The importance of involving representatives of local authorities into the UKTI programmes, including, for example, Trade Missions;
- The structure of UKTI and the virtual working approach which combined drawing on the expertise of and collaboration with various UKTI teams across the county;
- The need for information from UKTI on successful examples concerning the North East, including case studies on the work of UKTI to encourage investment in the North East, and also in the context of working to achieve the government's targets;
- The work of UKTI with investors to promote the understanding of opportunities across the whole of the UK.
- The understanding that UKTI promoted sectors rather than areas; and also the understanding of the role of the Local Enterprise Partnerships (LEP) in this context;
- The importance of creating high quality, high skilled jobs in the region;
- The importance of retaining students;

- The impact of the position of the steel industry on the future of the region;
- The importance of an effective infrastructure to support investment into the region;
- The Northern Powerhouse ambitions;
- The role of grants in helping to attract investors;
- The importance of quantifiable evidence to demonstrate jobs growth in the region; and
- Communication mechanisms, including communication between UKTI, regional directors and LEPs; and the need for better communication between these stakeholders, including information sharing on projects, programmes and opportunities.

Members felt there was a need for a workshop on working closer with UKTI, including improving communication and information sharing.

(ii) Private Sector

(a) The Managing Director of Hanro Group and Chair of Developing Consensus Group

Mr A Serfontein, the Managing Director of Hanro Group and Chair of Developing Consensus Group, addressed the Advisory Board focusing on the following matters:

- The aims, nature and structure of the Developing Consensus Group;
- The all-inclusive nature of the strengths of the region and the importance of their promotion;
- The importance of developing an offer that would make it impossible for investors not to come to the region;
- The good progress achieved by the Regional Investment Team and the high volume of work that was still required;
- The need for effective resourcing of the regional investment support function as well as the need for a long-term commitment in this respect;
- The advantages of creating an attractive and united front operated by a united team for the region and segregating sectors and roles at the point of entry;
- The importance of devolution;
- The need for a more joint work between local authorities in the region; and

- The need for a better collaboration between public and private sectors.

The ensuing discussion included the following matters:

- The role of the Combined Authority in providing the platform for joint working in the region and its responsibility for economic development;
- The importance of collaborative working and a true partnership approach between private and public sectors and progress that was being made in this area of work;
- The importance of working to encourage private sector to support public services;
- The different nature of the aims of the public and private sectors, including the role of the public sector in providing more opportunities for all and supporting the vulnerable;
- The long history of the region of working jointly and the natural competition between areas within the region;
- The timescales involved in developing a devolution deal for the region, the risks involved and the importance of an effective input from the private sector into this work; and
- The importance of appreciating that the region competed in the global market, the importance of understating this environment and developing advanced actions to secure the best opportunities for the region.

Following the discussion, the Chair commented on the importance of inviting business representatives to future meetings to provide their insight and perspective.

(b) The Head of Site of the Fusion Contact Centre Services

Mr M Brannen, the Head of Site of the Fusion Contact Centre Services addressed the Advisory Board. He explained that, due to the nature of the service provided, a significant proportion of costs was staffing costs. He outlined the success of the Sunderland branch which had grown and was now employing approximately 600 people. The success was due to the following factors:

- The cost, quality, loyalty and dedication of staff;
- The good work ethics. People in the North East cared about jobs and about doing a job well, which resulted in high performance, high customer satisfaction and stability for the company in terms of employee turnover and training costs;
- The support from the local council, including logistics, local knowledge and advice; and
- The company's approach in offering a career rather than just a job and providing a caring, supportive environment.

Mr M Brannen also spoke about the changing nature of contact centre work. There was evidence of a shift away from telephone call answering to Internet-based systems. A range of corporate customers of the contact centre saw telephone responses as an unnecessary cost that should be avoided. This was influencing the

business to reconsider how services were provided and to support staff in making the transition to on-line support and away from call handling.

A discussion then took place about the skills gap and the challenge of attracting employees with right qualifications and skills. The Advisory Board discussed possible interventions such as social campaigns to attract people with the right skills into the area and providing businesses with links to connect them with the right workforce.

The Chair thanked the Managing Director and invited an update to a future meeting.

RESOLVED – That the presentations given by the representatives of UKTI and the private sector on further insight into processes, perspectives and experiences relating to investing in the North East be noted.

28 **ECONOMIC DEVELOPMENT AND REGENERATION - PROGRESS 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 which provided a progress update for the key areas within the Economic Development and Regeneration Thematic Lead Area.

RESOLVED – That the progress update be noted.

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

Members noted that dates of future meetings were currently being drafted for the submission to the annual meeting of the Combined Authority for approval. The provisional date of the next meeting of the Advisory Board was Tuesday, 26 July 2016.