



## Leadership Board

Tuesday 16 April 2019 at 2.00pm

Meeting to be held at: County Hall, Durham, County Durham, DH1 5UL

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# AGENDA

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## Page No

1. **Apologies for Absence (Members)**

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 held on 5 February 2019** 1-6

For approval as a correct record

4. **Adoption of Logo and Branding Guidelines** 7-14

5. **Regional Partnership Working** 15-20

6. **Thematic Portfolios Update** 21-38

7. **Exclusion of Press and Public**

Under section 100A and Schedule 12A Local Government Act 1972 because exempt information is likely to be disclosed and the public interest test against disclosure is satisfied

**8. Confidential Minutes of the Previous Meeting held on 5 February 2019.**

**9. EU Exit Update (To Follow)**

**10. Project Approvals Report**

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

Tuesday 4 June 2019 at 2.00pm in Town Hall and Civic Offices, Westoe Road, South Shields, NE33 2RL

Contact Officer: Karen Connolly Tel: 0191 4247691  
email: karen.connolly@southtyneside.gov.uk

**To All Members**

## **North East Combined Authority, Leadership Board**

5 February 2019

(2.00 - 2.40 pm)

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

### **Present:**

Councillor : I Malcolm(Chair)

Councillors: M Gannon, G Miller and C Marshall

#### **1. APOLOGIES FOR ABSENCE (MEMBERS)**

Apologies for absence were received from Cllr Henig.

#### **2. DECLARATIONS OF INTEREST**

None.

#### **3. MINUTES OF THE PREVIOUS MEETING HELD ON 4 DECEMBER 2018**

The minutes of the previous meeting were approved as a correct record.

#### **4. DESIGNATION OF THEMATIC (PORTFOLIO) LEADS FOR THE MUNICIPAL YEAR 2018/19**

Submitted: Report of the Monitoring Officer (previously circulated and copy attached to the official minutes).

Members noted the report, which recommended portfolio themes for the North East Combined Authority and invited the appointment of members for each thematic area.

The Monitoring Officer made reference to the portfolios listed in the report and advised and reminded all Members that the portfolios were designed to dovetail with the revised Chair's portfolio responsibilities, which are oversight of NECA's overarching aims; contribution to the Strategic Economic Plan, overarching NECA work programme, relationship with Northern Powerhouse and The Department for Business, Energy and Industrial Strategy and Inward Investment lead.

#### **RESOLVED – that:**

- i. The proposed Thematic and Chair's portfolio responsibilities be agreed.

- ii. Cllr Simon Henig be appointed as the lead for Finance and Skills and Employment.
- iii. Cllr Graham Miller be appointed as the lead for Economic Development and Digital.
- iv. Cllr Martin Gannon be appointed as the lead for Transport.
- v. Approval given to the establishment of a further theme (portfolio) for Culture and Tourism.

## 5. DESIGNATION OF STATUTORY OFFICERS

Submitted: Report of the Head of Paid Service (previously circulated and copy attached to the official minutes).

M Harding declared an interest in the matter to be discussed, as a proposed appointee.

Members noted the report, which confirmed the appointment of the Statutory Officers and Deputy Statutory Officers for the North East Combined Authority from 1 April 2019.

**RESOLVED** – That:

- i. Martin Swales be appointed to the role of Head of Paid Service.
- ii. Patrick Melia remains appointed to the role of Deputy Head of Paid Service.
- iii. Terry Collins be appointed to the role of Deputy Head of Paid Service.
- iv. Sheena Ramsey be appointed to the role of Lead Chief Executive for Transport.
- v. John Hewitt be appointed to the role of Resources Lead (including Chief Finance Officer/Section 73 Officer responsibilities).
- vi. Paul Darby be appointed to the position of Deputy Resources Lead.
- vii. Mike Harding be appointed to the role of Monitoring Officer.
- viii. Nicola Robason be appointed to the role of Deputy Monitoring Officer.

## 6. TRANSPORT FOR THE NORTH (TFN) UPDATE (OVERVIEW OF THE STRATEGIC TRANSPORT PLAN)

Submitted: Report of the Managing Director, Transport North East (previously circulated and copy attached to the official minutes).

Members noted the report, which provided a progress update on the development of the Transport for the North (TfN) Plan and requested endorsement of the plan for approval at TfN's Board on 7 February 2019.

In discussion, members highlighted the economic evidence supporting the plan. Reference was also made to the North East response submitted to the consultation on the next phase of HS2 and support from the ANEC authorities for an upgrade of the East Coast Mainline.

**RESOLVED** – That the Leadership Board endorse the plan in order that it can be approved by TfN's Leadership Board on 7 February 2019.

## 7. BUDGET 2019/20

Submitted: Report of the Head of Paid Service and Chief Finance Officer (previously circulated and copy attached to the official minutes).

Members noted the report, which set out the NECA Revenue Budget for 2019/20 for approval and the decisions made by the North East Joint Transport Committee (JTC) in respect of the Transport revenue budget and the Transport Levies for 2019/20; recommending that the levies be issued to the constituent authorities in NECA in accordance with the decisions of the JTC.

Members noted an amendment to the recommendations of the report at section xii, in respect of the £20,000 contribution made by the seven authorities in the LEP area.

A letter from the North East Chamber of Commerce in response to the budget proposals, was tabled as appendix E to the report.

**RESOLVED** – That the Leadership Board receive the report and:

- i. Note the budget position for 2018/19 set out in sections 1.5 to 1.10 of the report.
- ii. Note the decision taken by the North East Joint Transport Committee (JTC) about the transport budget and levies for 2019/20 as set out in sections 1.14 and Appendix A of the report.
- iii. Unanimously agree to issue the following Transport Levies for 2019/20 in accordance with that decision:
  - a. Durham County Council £15,561,536
  - b. Gateshead Council £10,949,433
  - c. South Tyneside Council £8,089,866
  - d. Sunderland City Council £14,997,206
- iv. Note that the North of Tyne Combined Authority will issue the Transport Levies to Newcastle City Council (£16,002,955), North Tyneside Council (£11,060,540) and Northumberland County Council (£6,104,370) that have been agreed by the JTC and will pass the levy income from Newcastle City Council and North Tyneside Council to NECA as the accountable body for the JTC in order to meet costs relating to the Tyne and Wear area.
- v. Unanimously agree to make arrangements to administer payment of a transport revenue grant of £15,551,536 to Durham County Council for the delivery of transport services, as agreed by the JTC.
- vi. Unanimously agree to make arrangements to administer payment of a transport revenue grant to Nexus for the delivery of transport services in Tyne and Wear of £55,666,667 as outlined in section 2.8 of Appendix A of the report, subject to the receipt of Levy income in respect of Newcastle City Council and North Tyneside Council.
- vii. Unanimously agree to hold £3,333,333 of the Tyne and Wear Levy income in the earmarked account for the Metro fleet replacement programme, in line with the JTC decision.
- viii. Note that the North of Tyne Combined Authority will issue the Transport Grant to Northumberland County Council (£6,094,370) and make a £10,000

- contribution to NECA in respect of Northumberland County Council's contribution to the costs of the JTC.
- ix. Note and approve the creation of a post of Managing Director, Transport North East and the deletion of the post Managing Director, Transport Operations from the NECA staffing establishment in accordance with the resolution of the JTC on 22 January 2019, as described in section 1.17 of the report.
  - x. Unanimously agree to contribute a contribution to fund the North East LEP core capacity costs of £250,000 as match funding to secure a £250,000 government grant, paid for by an equal contribution of £35,714.29 from each of the seven councils in the North East LEP area, as part of the funding of an estimated budget of £3m, as summarised in sections 1.18 to 1.22 of the report and set out in more detail in the report to the North East LEP Board, attached at Appendix B.
  - xi. Unanimously agree to continue the budget contribution of £140,000 towards inward investment activity carried out by the Invest North East England team (INEE), which is paid for by an equal contribution of £20,000 from each of the seven councils in the North East LEP area, as set out in sections 1.23; and contributions from the North East LEP to a total budget for this activity of £460,000, as set out in Appendix C of the report.
  - xii. Unanimously agree a net budget in respect of the accountable body role for the JTC in 2019/20 of £70,000 (in line with the estimated cost in 2018/19), with the costs being met by equal contributions of £10,000 from the seven local authorities represented on the JTC, as set out in section 1.26 of the report.
  - xiii. Unanimously agree a net budget in respect of the Accountable Body costs of the North East LEP in 2019/20 of £70,000 (broadly in line with the estimated cost in 2018/19), with the costs continuing to be met by an equal contribution of £10,000 from the seven local authorities in the North East LEP area, as set out in section 1.26, with the contributions being made to the Accountable Body for the North East LEP.
  - xiv. Unanimously agree a net budget for the corporate costs of the NECA of up to £91,428, paid for by an equal contribution of £21,857 from each of the four councils in NECA, as set out in section 1.27 to 1.29 of the report.
  - xv. Unanimously agree the Treasury Management and Investment Strategy and the statement on the Minimum Revenue Provision for borrowing for 2019/20 as described in sections 1.33 to 1.35 and attached at Appendix D of the report.
  - xvi. Note the section on the level of reserves set out in section 1.30 to 1.32 of the report and note that the Chief Finance Officer considers that the level of reserves that may be available after the closedown of the 2018/19 accounts, could be relatively low and in need of review at that point, taking into account the level of reserve at that time and any new information available about the financial risks facing NECA and arrangements for managing those financial risks.

## **8. CAPITAL PROGRAMME 2019/20 AND TREASURY MANAGEMENT POLICY AND STRATEGY 2019/20**

Submitted: Report of the Chief Finance Officer (previously circulated and copy attached to the official minutes).

Members noted the report, which set out the NECA capital programme for 2019/20 for consideration.

**RESOLVED** – That the Leadership Board:

- i. Approve the latest position in respect of the 2018/19 capital programme, set out in section 2.1 of the report.
- ii. Approve the proposed initial capital programme for 2019/20 which amounts to £142.320m, including over-programming, as set out in section 2.2 of the report.

**9. DATE AND TIME OF NEXT MEETING**

Tuesday 5 March 2019 at 2pm at Durham County Council.

**10. EXCLUSION OF PRESS AND PUBLIC**

By virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, the press and public were excluded from the remainder of the meeting for the duration of consideration of agenda item 11 (confidential minutes) and item 12 (project approvals update report), because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.

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**Leadership Board**

**Date:** 16<sup>th</sup> April 2019

**Subject:** Approval of revised NECA Logo

**Report of:** Report of Head of Paid Service

**Executive Summary**

The purpose of this report is to invite the Leadership Board to adopt an updated NECA logo and associated brand use guidelines in the form appended to this report.

**Recommendations**

The Leadership Board is recommended to approve:

1. The adoption and use of an updated NECA brand and logo, in the form set out in Appendix A, with immediate effect;
2. The use of the brand in accordance with the brand use guidelines set out in Appendix B;

## Leadership Board

### 1. Background Information

- 1.1 NECA's current branding was adopted shortly after its initial creation in 2014. The logo "NECA - North East Combined Authority" was used together with the strap line "7 Councils Working Together".
- 1.2 On 2 November 2018, the Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authorities (establishment and functions) Order 2018 changed the legal name of the Combined Authority to The Durham, Gateshead, South Tyneside and Sunderland Combined Authority and changed its boundary.
- 1.3 Accordingly, from 2 November 2018 the geography of the North East Combined Authority covers only the four local authority areas of Durham, Gateshead, South Tyneside and Sunderland.

### 2. Proposals

- 2.1 The proposed updated branding, used in accordance with the proposed brand use guidelines, is recommended as it more clearly demonstrates the Constituent Councils of NECA and the revised geographic area of the North East Combined Authority.
- 2.2 It maintains the colour pallet used in relation to the previous branding, demonstrating continuity and maintaining brand value, whilst still demonstrating the change in geography.

### 3. Reasons for the Proposals

- 3.1 To reflect the changes to the Constituent Councils and geography of the North East Combined Authority whilst maintaining continuity and brand value.

### 4. Alternative Options Available

- 4.1 Option 1: (Recommended) to adopt the branding and brand use guidelines set out in Appendix A and B
- 4.2 Option 2: No Change. It is possible to continue to use the existing logo with the exclusion of the amendment of the strap line to "Four Councils Working Together".
- 4.3 Option 3: Reject proposal. The Leadership Board could choose to reject the proposal and give further directions to officers to develop alternative branding.

### 5. Next Steps and Timetable for Implementation

- 5.1 This branding will be used immediately after it is approved. The website, correspondence, committee papers and other combined authority

## **Leadership Board**

documentation will be updated accordingly.

### **6. Potential Impact on Objectives**

6.1 Changing the branding should assist the public in better understanding the change in NECA's boundaries.

### **7. Financial and Other Resources Implications**

7.1 The cost of changing the branding is minimal as most print media is created electronically at the time of printing. There may be small charges for amending the website for example, which will be met out of existing budgets.

### **8. Legal Implications**

8.1 None

### **9. Key Risks**

9.1 None

### **10. Equality and Diversity**

10.1 None

### **11. Crime and Disorder.**

11.1 None

### **12. Consultation/Engagement**

12.1 The development of new branding was undertaken by Sunderland City Council, on behalf of the four Constituent Authorities.

### **13. Other Impact of the Proposals**

13.1 None

### **14. Appendices**

14.1 Appendix A – Branding

14.2 Appendix B - draft brand use guidelines

### **15. Background Papers**

15.1 None

### **16. Contact Officers**

## **Leadership Board**

16.1 Mike Harding – [mike.harding@southtyneisde.gov.uk](mailto:mike.harding@southtyneisde.gov.uk)

### **17. Sign off**

- 17.1
- Head of Paid Service:
  - Monitoring Officer:
  - Chief Finance Officer:

### **18. Glossary**

18.1 None



North East Combined Authority

**DURHAM • GATESHEAD • SOUTH TYNESIDE • SUNDERLAND**

## Leadership Board

### Appendix B

#### Visual identity guidelines

1. These guidelines should give you all the information you need in order to use and reproduce our branded materials in a consistent way across a wide range of applications.
2. The logo should always be reproduced from master artwork and should never be redrawn or modified in any way. You should always use the high resolution logo.
3. Only use the NECA logo as shown in Appendix A. This is the primary version and should always be used for maximum legibility.
4. Spacing has been established in order to let our logo stand out from other elements. Leave a clear space around the logo equal to, or more than, the height of the 'n'. To ensure legibility at all scales.
5. The NECA logo should not be used any smaller than 20mm.
6. Please do not change or adjust the NECA logo in any way and always use the high resolution.
7. The NECA logo must appear in a consistent size and position wherever possible, with the words 'Delivered by' or 'Supported by' typeset as illustrated.

Delivered by



## Leadership Board

8. Stick to the logo sizing and spacing rules, especially when using the NECA logo alongside other endorsement logos. If NECA is the lead partner, our logo should appear first and be more prominent.
9. The NECA identity has one primary colour (Green) and one secondary colour (Grey). No other colours should be used.
10. The NECA corporate typeface is Futura. It should be used on all commissioned NECA communications.
11. When creating Word files, PowerPoint, Email signatures and all other forms of digital communication, please use the RNIB and Plain English recommended typeface

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## **Leadership Board**

**Date: 16 April 2019**

**Subject: Regional Partnership Working**

**Report of: Monitoring Officer**

### **Executive Summary**

This report seeks the formal endorsement from Members of the Leadership Board of NECA representatives to each of the four North East Local Enterprise Partnership Advisory Boards.

### **Recommendations**

The Leadership Board is recommended to endorse the NECA Representation on North East LEP Advisory Boards as detailed in this report.

## **Leadership Board**

### **1. Background Information**

1.1 The North East Combined Authority (NECA) Leadership Board values the importance of ongoing regional partnership working and collaboration between the public and private sector.

1.2 The Chair of the North East Local Enterprise Partnership, Andrew Hodgson, wrote to the Chair of the NECA Leadership Board on 30 January 2019.

1.3 The letter sought to further strengthen the strong NECA / North East LEP partnership.

1.4 The letter set out the North East LEP Board governance structure and details the four LEP Advisory Boards, which are:

- Investment Board
- Employment and Skills Board
- Innovation Delivery Board
- Business Growth Board

1.5 The North East LEP Advisory Boards have had a minimum of one public sector member to represent the seven North East Local Authorities.

1.6 As a result of the governance changes to the boundaries of NECA, the North East LEP Board has agreed that the four Advisory Boards should now have one representative from both NECA and the North of Tyne Combined Authority.

### **2. Proposals**

2.1 In accordance with the approach agreed by the Leadership Board on 15 January 2019, Leadership Board is invited to endorse the named representative for each of the LEP Advisory Boards, as determined by the relevant NECA Portfolio Lead and as set out in the table below:

<b>LEP Advisory Board</b>	<b>Proposed NECA Representative</b>	<b>NECA Portfolio</b>
Investment Board	Cllr Iain Malcolm	NECA Chair, lead on NPH and BEIS
Employment and Skills Board	Cllr Simon Henig	Finance; Skills & Employability
Innovation Delivery Board	Cllr Graeme Miller	Economic Development and Digital
Business Growth Board	Patrick Melia	Economic Development and Digital

### **3. Reasons for the Proposals**

3.1 The proposals meet the request of the LEP Board to provide NECA representatives for each of the four Advisory Boards and ensure that strong regional partnership working and collaboration between the public and private sectors in the region continues.

### **4. Alternative Options Available**

4.1 Instead of endorsing the named representative for each of the LEP Advisory Boards as set out in the above table and as determined by the relevant NECA Portfolio Leads, the Leadership Board could choose to appoint alternative representatives to the various North East LEP Advisory Boards. However, this approach would not reflect the decision of the Leadership Board on 15 January 2019.

### **5. Next Steps and Timetable for Implementation**

5.1 The North East LEP will be advised of the named representatives from NECA for each of the North East LEP Advisory Boards immediately.

### **6. Potential Impact on Objectives**

6.1 These proposals confirm NECA representation on each of the North East LEP Advisory Boards ensuring strong regional partnership working and collaboration between the public and provide sectors across the region, in order to help create the best possible conditions for growth in jobs and investment across the NECA area.

## **7. Financial and Other Resources Implications**

7.1 Members of the Leadership Board will note that appointments to the North East LEP Advisory Boards shall not occur or cause to be incurred any expenditure beyond the approved NECA budget.

## **8. Legal Implications**

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

## **9. Key Risks**

9.1 There are no specific risk management implications arising from this report.

## **10. Equality and Diversity**

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

## **11. Crime and Disorder**

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

## **12. Consultation/Engagement**

12.1 Portfolio Leads and Chief Executives have been fully consulted on the contents of this paper.

## **13. Other Impact of the Proposals**

13.1 The proposals would enable NECA to properly discharge its functions, therefore assisting NECA in delivering on its objectives.

## **14. Appendices**

14.1 None

## **15. Background Papers**

15.1 Leadership Briefing – 15 January 2019

## **16. Contact Officers**

16.1 Mike Harding, Monitoring Officer – [mike.harding@souttyneisde.gov.uk](mailto:mike.harding@souttyneisde.gov.uk)

## **17. Sign off**

- Head of Paid Service: ✓

- Monitoring Officer: ✓
- Chief Finance Officer: ✓

## **18. Glossary**

NECA – North East Combined Authority

LEP – Local Enterprise Partnership

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## **Leadership Board**

**Date:** 16 April 2019

**Subject:** Thematic Portfolios Update

**Report of:** Economic Directors

### **1.0 Executive Summary**

- 1.1 This report provides the Leadership Board with an update on progress within those Portfolios that were agreed by the Board when they met on 15 January 2019. It advises the Board that the approved governance arrangements have now been put in place and the Economic Directors across the NECA area together with the Heads of Transport are meeting on a regular basis.
- 1.2. The draft terms of reference for the agreed portfolios have been prepared. Aspects of the draft terms of reference associated with the various Portfolio is included in this report for consideration and approval.
- 1.3. The Economic Directors and Heads of Transport are also working on the development of a pipeline of projects and initiatives relevant to each portfolio alongside an Economic Prospectus. These will be presented to a NECA Leadership Board in June 2019.

### **2.0 Recommendations**

- 2.1 The Leadership Board is recommended to endorse the scope of the Portfolios, where included, and note the Portfolio updates.

## Leadership Board

### 3. Background

- 3.1. The Leadership Board will recall, when it met on 15 January 2019, it agreed a range of key Portfolios and Portfolio Leads covering the primary areas of NECA business.
- 3.2. Since then, the Economic Directors and Heads of Transport Group (EDHT) has been meeting on a regular basis and have prepared a series of terms of reference for each Portfolio. These terms of reference are outlined in the following sections.

### 4. Chair – Cllr Iain Malcolm

#### 4.1 Purpose / Role of the Portfolio

- The broad purpose and responsibilities of the Chair of NECA are:
  - oversight of NECA's overarching aims
  - ensuring that NECA contributes effectively to the North East Strategic Economic Plan
  - maintaining an overarching NECA work programme
  - relationship with Northern Powerhouse and Department for Business, Energy and Industrial Strategy (BEIS)
  - Inward Investment lead
- NECA's ambition is to create the best possible conditions for growth in jobs, investment and living standards, making the NECA area an excellent place to live and work. The Chair Portfolio will support this ambition through:
  - contributing to national strategies for growth and sustainability, and supporting the delivery of the North East's strategic economic framework (currently the Strategic Economic Plan) and Transport Strategy;
  - Leading Inward Investment activity across NECA including the functioning of the work of Invest North East England (INEE) across



the area and in doing so reporting performance back to NECA's Economic Development and Regeneration Advisory Board.

- Working with partners in the Local Enterprise Partnership, North of Tyne Mayoral Combined Authority, Government, the Northern Powerhouse, business, the education and third sectors and others;
- Establishing a partnership delivery model with the ability to pool and better align resources, assets and funding, where appropriate, in a strategic and prioritised approach to facilitating inclusive and sustainable economic growth.

## 5. Economic Development and Digital – Cllr Graeme Miller

5.1 This Portfolio is ostensibly a transition from the previous NECA Economic Development and Regeneration Advisory Board and as such its Terms of Reference have already been established.

5.2 Activity of the Economic Development and Digital Portfolio is set out below.

### 5.2.1 Invest North East England Activities

- The inward investment successes recorded in the first three quarters (April-December 2018) are set out in the table below. In the NECA area there have been 28 Inward Investment project successes resulting in 1,182 jobs.

Combined Authority	FDI Projects	FDI Jobs	UK Projects	UK Jobs
NECA	17	527	11	655
NOT CA	15	685	8	160
Total INEE area	32	1212	19	815

- Key investments in the NECA area in the period include:
  - SNOP – company building new facility at the International Advanced Manufacturing Park (IAMP)
  - Parker Bioscience Filtration - investment in new equipment in Gateshead
  - Interflex – investment in new equipment in Sunderland

#### 5.2.1.1 Marketing and Communications

The Invest North East England (INEE) Team, with support from the North East LEP Communications Team continues to improve and refresh its website and its range of marketing materials, as well as plan / deliver campaigns and

events. Over time, it is expected that this work will generate new investment enquiries in addition to raising the profile of the region nationally and internationally. Key elements in the first two quarters of 2018/19 include:

#### 5.2.1.2 Website:

- The INEE website has been updated to reflect feedback from partners. Amendments made will help visitor navigation and improve overall visitor experience
- Part of the update is a dedicated 'Resources section' which will feature all downloadable brochures and videos.
- A new micro-website was launched at the end of July – Energy Gateway North East England. This website is focused on the offshore energy sector and it covers the three main ports of Blyth, Sunderland and Tyne and the rivers they sit on. The website showcases the ports, the sites, R+D assets, skills and training, market opportunities and supply chains etc.
- Four company case study videos have also been produced. These have been added to the website and are being used as social media content to further engage with target audiences.

#### 5.2.1.3 Marketing Collateral:

- A general brochure has been produced showcasing the five key investment sectors that INEE concentrate on.
- Sector-specific inserts have been produced on Offshore Wind, Business Process Outsourcing, Fintech, Customer Contact Centres, Shared Service Centres, Digital and Tech, Immersive Tech, Video Development, Automotive and Rail. An insert covering Life Sciences is currently in production. These inserts are produced on small print runs for particular events as well as electronically so visitors to the website can download the information / INEE team can send electronically.
- A specific brochure highlighting key elements of the Energy Gateway North East England has been produced.

#### 5.2.1.4 Promotional Videos:

- INEE has produced six short videos; one general video promoting the North East and five sector-specific videos covering Energy, Business Services, Life Sciences, Advanced Manufacturing and Digital Tech.
- The videos were launched in February and are available on the website and will be sent as part of bespoke propositions to potential investors, as well as used during face to face investor pitches and exhibitions etc. Initial feedback has been extremely positive with the showcase video being viewed over 900 times on You Tube (in the first three weeks).

#### 5.2.1.5 Social Media:

- Twitter, Facebook and LinkedIn social platforms continue to grow in followers and impressions. The video launch provided thousands of social media impressions.
- INEE has created a YouTube page as a platform for videos (this also supports easy integration into the INEE website).
- INEE also subscribes to Converge Today which is an additional social platform to INEE share news and create new engagements.
- INEE continue to produce a bi-monthly newsletter for subscribers covering news and events from North East England.

#### 5.2.1.6 Media Outlets:

- In partnership with Bdaily, INEE sponsor the Inward Investment Hot Topics page on the Bdaily website and also produce 6 x thought leadership 'blogs' for the news outlet. This has been a successful campaign in 2018/2019 helping to raise the profile of INEE on a national level.
- INEE has committed to the same partnership package 2019/2020.

#### 5.2.1.7 Events:

- The INEE team have attended a number of events in 2018/19 that align with some of the key priority sectors which are being targeted for investment. Some of these will be attended as an exhibitor and others as a delegate. These include:
  - NOF Energy – A Balanced Future – Sedgefield (June 2018)
  - Global Offshore Wind – Manchester (June 2018)
  - Wind Europe – Hamburg (September 2018)
  - MIPIM UK – London (October 2018)
  - Web Summit – Lisbon (November 2018)
  - Offshore Wind North East – various North East locations (November 2018)
  - MIPIM Cannes – Cannes (March 2019) (with Invest Newcastle delegation)
  - Shared Services Leaders' Summit – London (March 2019)
  - Xrtgo Conference – Gateshead (April 2019)
- For events occurring in the North East region, the team will be looking to organise investor visits structured around the event.

#### 5.2.1.8 Lead Generation Contract

- INEE are in the final phase of a lead generation contract with OCO Global. This has been focused in the main on digital and professional services companies in London and the South East. However, the contract has also identified various manufacturing projects as well as projects from India, Ireland, USA and Italy.
- To date, the contract has led to projects totalling over 1,000 potential jobs being put on INEE's pipeline and has led to a number of visits to the region, including two small investment successes.
- INEE is currently discussing the next stage of lead generation with local authority partners.

#### 5.2.1.9 Working with the Department of International Trade (DIT)

- DIT High Potential Opportunities (HPO) bid:
  - INEE has been successful in its bid for the development of a HPO. A HPO is a mechanism to ensure that significant market opportunities which will be attractive to overseas investors are publicised widely to relevant markets overseas. The opportunities should currently be less well known or under the radar of the overseas network of DIT posts. Successful project bids will get the opportunity to work intensively with DIT officials to develop a detailed proposition of the opportunity which will then be widely publicised in relevant overseas markets.
  - INEE worked with local partners to prepare a bid based on the growing strength of the North East's immersive tech sector, and the links with the advanced manufacturing sector in the region, which could be developed into a compelling proposition for overseas companies.
  - This bid was successful and INEE and partners are now working with DIT to develop the HPO. It is anticipated that this will be launched to overseas DIT staff in May 2019.
- DIT National Sector Team briefings:
  - In December 2018 and January 2019, INEE briefed the national DIT teams responsible for Life Sciences and Energy & Infrastructure. These briefings are one way in which INEE and other partners ensure the DIT national teams have an up to date understanding of the key North East capabilities and opportunities in key sectors.

#### 5.2.1.10 Northern Powerhouse Key Account Management Programme

- After a successful first year aimed at broadening the delivery of the Strategic Account Management of foreign owned firms in the North East, DIT Northern Powerhouse (NPH) entered into a contract with the NECA to enable local

authority partners to deliver additional account management resource, adding value to the existing arrangements delivered by DIT. The 2018/19 programme is progressing well, with delivery expected to reach contracted outputs.

- DIT has confirmed that the same level of resource will be available in 2019/20 and INEE is working with local authorities on the detailed plans for this.

#### 5.2.1.11 North East LEP study to review the Inward Investment Service in the NE

- In March 2018, the North East LEP Board requested an evidence-based study to review the current Invest North East England inward investment model and to make recommendations for the regional inward investment model covering the North East LEP area, which would deliver the optimum inward investment service and achieve value for money and delivery of outputs, primarily jobs and investment.
- Economic Development consultancy Mickledore was appointed to conduct the study and work was undertaken over the summer. The final report was presented to the North East LEP Board on 29th November, which requested that a Task and Finish Group is set up to further consider the report which should include both public and private sector representation. The group is being led by Mark Thompson, a private sector Board member, and will include Nigel Wilcox of Mickledore and is due to report back to the LEP Board in March.

#### 5.2.1.12 Educating the Modern World: CBI and Pearson Education and Skills Annual Report: November 2018

- The CBI's annual education and skills survey represents views of businesses of all sizes and sectors from regions across the UK and provides a unique insight into employer's perceptions of the UK's education system.
- The CBI's 2016 report, *Unlocking Regional Growth*, found that educational attainment of young people at 16 was the single most important driver of productivity differences across the UK.

##### *Key Findings*

- Business demand and expectation for skills is continuing to change
  - For the first time since 2014, the survey found that almost 80% of businesses expect to increase the number of highly-skilled roles over the coming years, but that nearly 70% of businesses are concerned that will be a lack of skilled people to fill the roles.

- More than 90% of the businesses surveyed expect to maintain or increase investment in their workforce through training.
- Businesses highly value qualifications and work readiness
  - Over half of the businesses in the survey value broader skills such as literacy and problem solving as one of their three most important considerations recruiting school and college leavers. The businesses also stated that they view academic and technical qualifications equally.
- Links between business and education remain strong, but progress has stalled
  - Effective schools and college partnerships with businesses has a key role in raising levels of attainment and smoothing the transition to work. In 2018, 75% of the businesses were involved in these partnerships, but this is down from the 2017 figure of 81%.
- Technical education is highly valued but is in urgent need of improvement:
  - The number of firms operating apprenticeship programmes has shown a sharp fall since the introduction of the Apprenticeship Levy and a significant number of businesses have taken the decision to absorb the Levy as an additional cost, rather than draw down the Levy to train staff.
  - To boost confidence in the Apprenticeship Levy, businesses suggested slowing the use of the Levy funds to cover a wide range of costs for training.
  - Awareness of T-Levels amongst businesses is low, which is particularly concerning given the compulsory work experience element of the T-Levels.
- Developing the higher education and skills system to meet future skills needs is crucial for UK competitiveness:
  - The UK's higher education system must prepare young people for the changing world of work and it must also provide the opportunity for those already in work to retrain and upskill so that they can continue to develop their skills.
  - Technical advances and automation are increasingly changing the nature of work. Over 60% of the businesses responding to the survey expected to

retrain some employees to take up new roles in the year ahead, with over half of those businesses identifying new technologies or services as the driver for retraining.

- Businesses cite the lack of funds and the costs of training, the lack of available qualifications or training and difficulties releasing employees from their day-to-day duties as major barriers to upskilling staff.

#### 5.1.1.13 European Structural and Investment Funds Programme

- The European Structural and Investment Fund (ESIF) programme continues to be delivered in the North East. The region is split into two areas; More Developed (Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland) and Transitional (County Durham). An update on European Regional Development Fund, European Social Fund and European Agricultural Fund for Rural Development is provided below.

#### 5.2.1.14 European Regional Development Fund (ERDF)

- The notional allocation for the More Developed area is £176.9m, and in the Transitional Area is £86.3m; a total for the North East LEP area of £263.2m.
- The deadline for the first Sustainable Urban Development (SUD) call was 30 March 2018. Full applications from this call are still in appraisal. The second SUD call was announced at the beginning of September 2018 with a closing date of 31 January 2019. Funding available for this latest call was £6m for Priority Axis 4: Supporting the Shift Towards a Low Carbon Economy in all sectors, and £2.1m for Priority Axis 5: Promoting Climate Change Adaptation, Risk Prevention and Management.
- Further ERDF calls were issued in October 2018 (with a closing date of 23 November 2018) for Priority Axis 1: Research and Innovation, Priority Axis 3: SME Support in the North East, Priority Axis 4: Supporting the Shift Towards a Low Carbon Economy in all sectors, and Priority Axis 5: Promoting Climate Change Adaptation, Risk Prevention and Management. Total funding across all of the calls was £36.6m in the More Developed area and £35.7m in the Transitional area. All outline applications submitted in response to these calls are undergoing appraisal by MHCLG.
- Further calls for any remaining ERDF resource are expected to be launched in spring 2019. At this stage, approximately £58m remains to be allocated across the programme as a whole.

#### 5.1.1.15 European Social Fund (ESF)

- Across the whole NECA area there is a notional allocation of £224.7m (More Developed £161.31m, Transition £63.4m). At this point, approximately £53m remains to be allocated, of which nearly £45m is in Priority 2 - Skills for Growth.
- For the six ESF calls which closed during the last reporting period: 1.1 Young People; 2.1 Digital Skills; 2.2 North East Ambition Pilot and 1.1 Specialist Support for those Furthest from the Labour Market, full applications have all been assessed and presented to the ESIF sub-committee. A number of Funding Agreements have now been issued to successful projects. The remaining submitted full applications (for 1.4 Furthest from the Labour Market and 2.1 Health and Social Care Workforce) are still in the appraisal stage.
- A joint North East LEP and Local Authority event was held in January 2019 to inform the future Skills for Growth calls. This was followed by two further workshops in February 2019 to develop potential proposals and promote collaboration between local organisations, prior to calls being launched in spring 2019. A further pre-call consultation event is planned for 21 March 2019 focusing on Inclusive labour markets (i.e. targeting those individuals furthest from the labour market).

#### 5.1.1.16 European Agricultural Fund for Rural Development (EAFRD)

- EAFRD funds form part of the National Growth Programme, from which the North East received an allocation of £10.5m. Although a number of scattered localities are potentially eligible for EAFRD funding in Tyne and Wear, the focus is on the designated rural areas of Northumberland, Durham and neighbouring parts of western Gateshead, including the Derwent Valley.
- In total, the call is oversubscribed, but the level of 'drop-outs' can be high as applications are processed, so this position may change.

#### 5.1.1.17 Brexit

- An update in relation to activities and preparations within the region in relation to Brexit, is provided below.
- North East LEP Area
  - The North East Brexit Group, led by the North East LEP, provides a collective voice for the region in order to contribute to the ongoing national dialogue around the UK leaving the European Union. It includes networks representing businesses, education, trade unions,



local authorities including local resilience forum representation and voluntary organisations.

- Although there remains considerable uncertainty about the future shape of Brexit, with a number of possible scenarios, the group is moving into a second phase of work to ensure that advice and support is given to North East businesses and residents as the detail of changes emerge, and that thinking is done about other key issues germane to the negotiations about the future relationship which will follow withdrawal
- The group has developed a rolling work programme that responds to current possible scenarios, in particular the agreement of the current deal negotiated by the Prime Minister and the possibility of a 'No Deal' outcome. It is focused on four themes including; influencing the content of negotiations; developing compelling propositions to Government for support, given the scale of challenges faced by the North East; infrastructure preparedness; and business messaging.
- A summary of the work to the end of 2018 is outlined in a release by the North East LEP which can be viewed using the link below.

<https://www.nelep.co.uk/news/statement-north-east-brexit-group>

- It sets out and provides the documentary evidence of the group's work which includes:
  - Publishing a response to the Migration Advisory Committee Call for Evidence in October 2017.
  - Publishing a 'key messages' statement on what our regional priorities are to inform Brexit negotiations.
  - Publishing a meta-analysis of reports and studies examining the impact of Brexit on the North East economy and its key sectors.
  - Responding to the All Party Parliamentary Group (APPG) inquiry into post-Brexit funding, specifically the UK Shared Prosperity Fund.
  - Supporting the development of the Brexit Toolkit which is now live on the North East Growth Hub.
- Current work streams that are being delivered by the group now include:
  - Coordinating and developing a regional response to the Immigration White Paper that was published at end of 2018. This will build upon an online survey that the Brexit Group has conducted and analysed, anecdotal intelligence gathered from businesses and information

through Brexit Group members. The agreed principles will support a regional response when the Home Office commences their formal consultation in April 2019.

- Businesses have voiced concerns about what the final deal will include, and the implications of a no deal outcome, specifically the likelihood of rising tariff costs and changes in the dynamics of their supply chains. In order to mitigate some of these issues and reduce trade risks in the shorter term, the group has recently commissioned a piece of research, led by Square One Law and WPI Economics to scope and understand alternative trade mechanisms such as Free Trade Zones and bonded warehouses. This research is two-fold, to firstly understand and analyse the legal framework that forms alternative trade mechanism and secondly, consult with regional businesses to understand the benefits and risks across different proposals.
- The sector study report highlighted that many North East businesses have not prepared for Brexit due to uncertainties of what the final deal will encompass. The group has worked with the LEP Business Growth team to develop a toolkit for businesses to access relevant materials and resources to increase their preparedness and to create a fund to support small businesses to take advice. The toolkit is now live on the North East Growth Hub, and the North East LEP is the first LEP to provide a single source for Brexit information and guidance. Alongside updating the toolkit content, the group has provided an opportunity for government departments to share and signpost relevant advice and guidance, for example the group hosted a representative from DCMS who shared information on data sharing and security in a 'no deal' scenario.
- The final Brexit deal is likely to impact how the region currently trades with Europe, and the North East Brexit group has now formed a sub-group, with the support of the North East LEP to engage with key infrastructure organisations to monitor preparedness and any ongoing concerns, in particular key transport gateways. This will enable feedback to Government about mitigation actions in different Brexit scenarios.
- Post-Brexit, the number of formal links and informal relationships with Europe will be reduced or lost all together and a number of important programmes such as Horizon 2020 and Erasmus are subject to negotiation. With the North East MEPs office, the group have mapped current engagement between the North East and the EU to understand both formal and informal networks and relationships to determine a

strategy for preserving North East influence and engagement. Meetings have also been held with Scotland Europa, and the Norwegian and Swiss permanent representation, to understand how regions from these non-EU members engage with EU programmes and what they have prioritised in their ongoing relationships.

- Key discussion points included targeting a number of important programmes into which access could be negotiated including Horizon 2020, Erasmus and the Inter-regional co-operation programmes (for example the Inter-reg North Sea programme) as well as learning oriented co-operation with programmes like ERDF and Leader. It was recommended that the North East should develop an active plan to ensure these, and potentially other activities, are built into the future plan and that there was a need to project the North East as an engaged partner through the transition period.
- NECA Area
  - Within the regional Brexit Group, NECA is represented by Sarah McMillan from South Tyneside and Vince Taylor from Sunderland. Regular reporting to MHCLG on concerns or issues from all of the 12 North East local authorities is undertaken by South Tyneside as part of the national MHCLG reporting mechanism for local government. In addition, all authorities are involved in resilience work through their Local Resilience Forum (LRF). The geography of each LRF is determined by the police force area and so the Durham and Northumbria police force areas are those which are relevant to NECA authorities. Each individual authority has undertaken its own assessment of operational and economy-wide risks emerging from a No Deal EU Exit and through the LRF has coordinated migratory actions as appropriate.

#### 5.1.1.18 Local Industrial Strategy

- An update in relation to the development of the Local Industrial Strategy for the region, is provided below:

##### *North East LEP*

- In July 2018, the Secretary of State announced that the North East would be one of six areas that the Government would work with to develop a Local Industrial Strategy (LIS).
- The process of developing the North East LIS is being overseen by a Steering Group that includes the North East LEP Chair and Chief Executive, North of Tyne Combined Authority Head of Paid Service, North East Combined Authority Deputy Head of Paid Service, the Dean of Engagement and Place at Newcastle University (on behalf of the

region's four universities) and the Cities and Local Growth Unit (CLGU) Regional Director.

- The Department for Business, Energy and Industrial Strategy (BEIS) published a Local Industrial Strategy Policy Prospectus in October 2018. This set out their expectations of LIS. One of these is that the LIS should be based on a solid evidence base. This has been the focus of activities to date. Key elements of the evidence base will include:
  - An overview of the North East economy, based on our annual Our Economy report
  - A review of North East productivity performance
  - Mapping of North East industrial and innovation assets against the opportunities which are highlighted in the Industrial Strategy including Sector Deals and Grand Challenges.
- The next stages of the LIS development process will be:
  - Working with partners across the region to develop key propositions for inclusion in LIS
  - Consultation and engagement on proposed LIS content
  - Development of propositions in more detail
  - Development of final LIS document for sign-off by LEP Board and Government. (Prior to sign-off, an update report will be provided to the EDRAB at its next meeting).
- Key milestones in the process include:
  - Cross-government analytical panel to review North East LIS evidence base – mid- to late-May 2019
  - North East LEP Board to review evidence, headline narrative and key propositions – 23 May 2019
  - Cross-government policy panel (comprised of senior officials) to review North East LIS headline narrative and key propositions – June 2019
  - Consultation on North East LIS evidence, headline narrative and key propositions – Summer 2019
  - LIS to be approved by North East LEP Board and Government – Autumn 2019.

### *NECA Dimension*

- Within the NECA area, work has been undertaken to develop a better understanding of the scale and nature of the economy of County Durham, Gateshead, South Tyneside and Sunderland through the development of a narrative supported by fresh economic analysis. Together with pen portraits of some of the new NECA area's most important existing projects, these are being drawn together into an economic Prospectus which will set out the area's strengths,

challenges and opportunities in a way that is accessible to a wide audience but aimed primarily at private and public decision makers and influencers. This is an important first step in understanding how the NECA economy plays into the Strategic Economic Plan and the emerging LIS. It will be brought to EDRAB in due course.

- NECA officers have also participated in the commissioning and delivery of the review of North East productivity performance and the mapping of North East industrial and innovation assets against the opportunities highlighted in the Government's Industrial Strategy, including Sector Deals and Grand Challenges.
- Work will now be undertaken to identify the specific industrial and innovation assets that exist in whole or part within the NECA area that play into the opportunities highlighted in the Government's Industrial Strategy and to develop specific propositions within each of the five foundations of productivity as set out in that strategy:
  - Ideas
  - People
  - Infrastructure
  - Business Environment
  - Places
- This and work that has already begun to identify the NECA-wide pipeline of projects can form the basis of a set of proposals for inclusion in the Local Industrial Strategy. It is proposed that a update on the Local Industrial Strategy is provided at the next NECA Leadership Board meeting.

## **6. Finance and Skills & Employability – Cllr Simon Henig**

6.1 The Broad purpose of the Finance Portfolio is to report into the Leadership Board on key finance issues.

6.2 The Skills and Employment Portfolio will lead collaborative work on the skills and employment agenda to:

- articulate current and future employer demand for skills within the NECA area, including skills gaps and shortages particularly in key sectors and the supply chain;
- improve joint working between employers and colleges, universities and training partners to better meet the needs of employers;

- provide a collective NECA response to skills issues to the North East LEP and Government Departments;
- influence funding decisions relating to skills and employment priorities, ensuring that delivery is targeted to agreed NECA priorities;
- promote better informed career choices for young people; and
- develop improved and enhanced employment support arrangements.

### 6.3 The Skills and Employment Portfolio will seek to deliver

- An evidence base to set out the skills supply and demand issues facing employers and providers;
- Provide the NECA perspective to North East LEP in the development of key strategies; and
- Maximise the amount of skills investment across NECA

## 7. **Transport – Cllr Martin Gannon**

7.1 The strategic transport function across the Region continues to operate on a seven local authority geography through the North East Joint Transport Committee and its sub-committees. NECA is the accountable body for the Joint Transport Committee and Cllr Gannon is the Chair.

7.2.1 In this context, a significant amount of regional transport strategy activity will continue to be coordinated and delivered at the seven local authority area level however it is also clear that there remains scope for NECA to develop and deliver its own transport initiatives.

7.2.2 The Heads of Transport meet alongside the Economic Directors on a regular basis and it is proposed that this is the most pragmatic forum for collaborate working supplemented as necessary by Task and Finish groups and specific project teams.

## 8. **Portfolio for Culture and Tourism with a Thematic Lead**

8.1 The Board will recall that it also agreed to establish a further Portfolio for Culture and Tourism with a Thematic Lead to be appointed in due course. The Leadership Board instructed Officers to consider the scope and breadth of this Portfolio, which will be presented to a NECA Leadership in June.

8.2 This will allow for discussion with North of Tyne colleagues to see how we can work together to further enhance the North East tourism industry and explore how we can operate on a seven or twelve local authority geography, where appropriate.

## **9. Economic Prospectus**

9.1 The EDHT Group has also been preparing a draft Economic Prospectus that will set out an overview of the strengths of the NECA economy, our ambitions for growth and strategic investment priorities going forward. The prospectus will also describe a pipeline of future collaborative projects and initiatives with a view to this becoming, inter alia, a framework for ongoing dialogue with Government and partners.

9.2 It is anticipated that the Economic Prospectus will be launched in June 2019.

## **10. Reasons for the Proposals**

This report provides an update on the work of the Economic Development and Skills Portfolio and sets out draft terms of reference for the Chair's Portfolio. This will help shape the ongoing work of the Leadership Board.

## **11. Alternative Options Available**

This is an information report and there are no alternative options presented.

## **12. Next Steps and Timetable for Implementation**

The EDHT Group will finalise the NECA Prospectus and work programmes for consideration by the Leadership Board in June.

## **13. Potential Impact on Objectives**

It is proposed that the draft Economic Prospectus describes the key strategic economic strengths of the NECA area, NECA's primary economic objectives and looks forward towards a pipeline of initiatives and projects that will deliver positive outcomes against these.

## **14. Financial and Other Resources Implications**

There are no financial or other resource implications associated with this report.

## **15. Legal Implications**

There are no specific legal implications arising from this report.

## **16. Key Risks**

There are no specific risk management implications arising from this report.

## **17. Equality and Diversity**

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

**18. Crime and Disorder**

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

**19. Consultation/Engagement**

Chief Executives have been fully consulted on the contents of this paper.

**20. Other Impact of the Proposals**

The proposals will assist NECA in delivering on its objectives.

**21. Appendices**

None

**22. Background Papers**

Leadership Briefing – 15 January 2019

**23. Contact Officers**

George Mansbridge, Acting Corporate Director, South Tyneside Council  
E-mail: [george.mansbridge@southtyneside.gov.uk](mailto:george.mansbridge@southtyneside.gov.uk) Tel: 0191 424 7969

**24. Sign off**

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



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## Agenda Item 8

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## Agenda Item 9

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## Agenda Item 10

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