

Economic Development and Digital Advisory Board

24 September 2019

Agenda Item 3

(2:00pm - 3:50pm)

Meeting held: Committee Room B, South Shields Town Hall

Present:

Chair Cllr G Miller

Councillors J Adams, J Anglin (Substitute)

Co-opted Member G Hall, J Walker, A Westwood (Substitute), G Currey

Officers N Robason, P Melia, G Armstrong, G Woods, S Cuthbertson,
B Poulter, K Connolly, J Lunness

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors I Malcolm, C Marshall, K Shaw and M Brain and Co-opted Members B Farhat, S Glendinning and S Hanson.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 MINUTES OF THE MEETING HELD ON 26 MARCH 2019

The minutes of the previous meeting held on 26 March 2019 were approved as a correct record and signed by the Chair.

4 MATTERS ARISING

The Advisory Board received an update from the Chair regarding the membership of the Board. It was advised that Mr T Salmon had been replaced with Mr S Hanson as the co-opted member from the Federation of

Small Business.

5 **ECONOMIC DEVELOPMENT AND DIGITAL PROGRESS UPDATE**

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

The Advisory Board considered the report which provided an update on activity and progress under the Economic Development and Digital theme of the Combined Authority. The report was introduced by G Currey, B Poulter and P Melia.

The report provided an overview of the activity of Invest North East England and set out the key inward investment successes in the NECA area during 2018/19:

- VBites have taken over the ex-Walkers Crisps Factory in Peterlee creating 300 jobs
- SNOP – company building a new facility on the Sunderland/South Tyneside International Advanced Manufacturing Park
- Parker Bioscience Filtration – Investing in new equipment in Gateshead
- BGL Group in Sunderland creating a new “Tech Hub” with 40 new positions
- Vantec opens new Safety and Training Innovation Centre in Sunderland
- Trotec Laser UK moves to new HQ premises in South Tyneside.

The Board were informed that the INEE team had led on a number of significant enquiries on sites in the region, both from UK and International investors. The sourcing of new leads for the North East is a vital part of INEE’s role. The first lead generation contract with OCO Global had recently been completed with the company securing the new contract which commenced in July. Details of the specification of the contract were presented.

The North East Local Industrial Strategy (LIS) is to be developed in partnership and facilitated by the NELEP. NECA has a representation on both the Steering Group and the Working Group. NECA Leaders and Chief Executives have provided strategic guidance to Economic Directors and Heads of Transport in developing the content of the LIS. The draft LIS will build on the North East’s strengths and assets across five key priority themes:

- A clean growth future through energy and environmental assets
- Transforming manufacturing: smarter, greener, global

- Improving health at a time of demographic change
- Digitalisation and growth in the knowledge economy
- Driving a productivity culture and improving standards of living across our region.

Amongst the matters discussed by the Advisory Board were the following:

- the performance of the NELEP in comparison to other regions in the UK regarding job creation and working age population, noting the strong performance of the region;
- staffing at INEE, including a new graduate intern whose role includes generating and identifying leads;
- Marketing and Communications for 2019/20, including six promotional videos and the use of Pay for Clicks as a means of lead generation;
- previous and upcoming events and exhibitions attended or sponsored by INEE for 2019/20;
- the new trade service structure, introduced by the DIT, including the changes to contracts and procurement;
- A summary of the European Structural and Investment Funds, the European Regional Development Fund, the European Social Fund and the Strength in Places Fund;
- the state of preparedness and preparations for Brexit in the North East and the Government's request of weekly reports outlining concerns and issues of local authorities;
- the scope of the Advisory Board's remit relating to the recently encompassed Digital Agenda.

Members discussed the report at length. During the discussion, it was noted that:

- effective lead generation, particularly in-house lead generation, as opposed to third party, is important and the staffing changes at INEE to encourage this were welcomed;
- the use of Pay for Clicks as a method of lead generation was welcomed by Members, noting that it will be kept under review for efficiency and that while it may take time to produce results, social media engagement is vital;
- concerns were raised regarding the proposed changes to contracts and procurement in relation to the DIT's trade service structure. Members felt one contract encompassing the Northern Powerhouse would not serve the region or the NECA area well and that the Advisory Board should continue to raise concerns regarding this in the future;
- work has been undertaken to mitigate the effects of Brexit in the region and is ongoing, including preparation for possible food or medical shortages, and queues at ports;
- discussions with the North of Tyne Combined Authority (NoTCA) and

the NELEP are ongoing to explore regional approaches to the digital agenda, with an update to come at a future meeting;

- updates regarding the Centre of Excellence for Sustainable Advanced Manufacturing (CESAM) were discussed, including the involvement of Sunderland University, Newcastle University and businesses which are interested in the site;
- the possible uses and functions of 5G were discussed, including in sectors such as advanced manufacturing, and how the region can harness this data and make the most of developing opportunities.

RESOLVED – That:

- i. the report be noted;
- ii. an update regarding the scope of the Board’s remit relating to the Digital Agenda be brought to the Advisory Board to a future meeting.

6 ECONOMIC DEVELOPMENT AND DIGITAL ADVISORY BOARD REVIEW - PROGRESS UPDATE

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

The Advisory Board considered the progress update which invited the views of Members on the role and remit of the Advisory Board.

Previously it had been agreed that the Board would focus on:

- The inclusion of the digital agenda within the theme;
- The operation of the Advisory Board and appropriate membership and representation going forward, including the role and responsibilities of individual members and
- Processes and mechanisms for undertaking the business and tasks of the Advisory Board.

Members discussed the relationship of the Advisory Board with the Leadership Board, including how best they could carry out their role in order to strengthen outcomes and act effectively. The Chair expressed his view that the Board should be one of action in improving NECA, not just discussion.

Members were invited to give this matter further consideration and submit their comments either directly to the Chair or the Lead Officer. The outcome

would be reported to a future meeting.

RESOLVED – That:

- i. Members of the Advisory Board would submit their comments on the role and remit of the Advisory Board to the Chair or the Lead Officer.
- ii. The Chair would draft proposed recommendations to be reported back to Members of the Advisory Board for further comments at a future meeting, before being presented to the Leadership Board.

7 **SKILLS AGENDA**

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

Members considered the report which provided an overview of the current skills environment in the NECA area and the influence of the wider evolving skills environment. Mr G Wood, Economic Development Manager at Durham County Council, delivered an associated presentation (circulated after the meeting and attached to Official Minutes).

The presentation provided information on the following:

- the current skills situation in the region;
- emerging challenges facing skills in the region;
- the fourth industrial revolution, this is the move away from automated factory processes to intelligent, integrated digital systems such as the industrial Internet of Things that are transforming the way we work;
- sector pressures, namely including the construction, engineering, health and social care and digital sectors;
- planned and possible interventions

In discussion, it was noted that:

- The skills agenda is complex and vast. There is a need to ensure that the region is developing the right skills for the jobs currently available and for the future required workforce. Members expressed concern that there was no sense of priority for the region and little progress in this area;
- upskilling workers in the region is important and sectors such as construction and health and social care were recognised as posing a challenge for the future;
- the region faces significant challenges regarding basic skill levels and

- qualifications amongst working age adults;
- The decrease in the Adult Education Budget compounds the situation putting pressures on the Further Educational establishments with regards to the provision of basic training and upskilling required. Vocational and technical education do not receive enough support or attention from some institutions and the Government, causing a disconnect in the employment market;
 - An emerging challenge is the aging population leading to longer working lives, many may need re-trained to fit the future skills requirements to be able to continue to work;
 - early years schooling in the region is good in terms of the skills agenda, but there are struggles at secondary level across the region;
 - family and society pressures and influences are a factor to be considered when tackling the skills agenda in the region. Societies perceptions of some career paths, such as apprenticeships or certain sectors, can cause difficulties in attracting people to these areas;
 - the Local Industrial Strategy sets out the future skills and employability framework for the region. It looks to improve the basic adult skill level, to support people with disabilities and health conditions into employment and support progression from low pay;
 - money from the ESF had been helping the region with the skills agenda, however the Government has not provided commitments for the continuance of this funding, meaning uncertainty for the region in terms of funding streams;

The Chair, on behalf of the Advisory Board, thanked Mr G Wood for the presentation.

It was suggested that Councillor Henig, the Thematic Lead for Finance, Skills and Employability, may consider determining a focus for NECA in relation to the Skills Agenda, in liaison with the NELEP. Mr G Wood to report feedback to Councillor Henig and a further update would be provided at the next Advisory Board meeting.

RESOLVED – That:

- i. The report and presentation be noted;
- ii. The Advisory Board recommended that the Thematic Lead for Finance, Skills and Employability consider a focus in relation to the Skills Agenda;
- iii. It was requested that a response from the Thematic Lead for Finance, Skills and Employability be submitted to the next Advisory Board meeting.



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8

DATE AND TIME OF NEXT MEETING

Tuesday, 26 November 2019 at 2:00pm