

Economic Development Digital Advisory Board

Tuesday 21 July 2020 at 11.30am

Meeting to be held virtually via Microsoft Teams

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AGENDA

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 submitted to the Strategy & Democratic Services Assistant). Please also remember to leave the meeting where any personal interest requires this.

3. **Minutes of the Previous Meeting held on 28 January 2020** 1-8

For approval as a correct record

4. **Covid-19 Economic Recovery** 9-12

5. **Date and Time of Next Meeting:** Tuesday 24 November 2020 at 2.00pm

Economic Development and Digital Advisory Board

28 January 2020

Agenda Item 3

(2:00pm – 3.30pm)

Meeting held: CR1, Sunderland Civic Centre, Burdon Road, Sunderland, SR2 7DN

Present:

Chair	Cllr G Miller
Councillors	M Brain, K Shaw, J Anglin
Co-opted Members	G Hall, S Hanson, A Westwood (Substitute)
Officers	P Melia, D Pattison, B Poulter, S Cuthbertson, A Mason, N Robason, J Lunness

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr I Malcolm, Cllr C Marshall, G Currey and Co-opted Members S Glendinning and B Farhat.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 MINUTES OF THE MEETING HELD ON 26 NOVEMBER 2019

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

4 MATTERS ARISING

There were no matters arising.

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. D Pattison of Invest North East England (INEE) presented the report in the absence of G Currey.

During the presentation it was noted that:

- provisional figures up to Q3 indicate that in the NECA area there has been 18 FDI projects creating 415 new jobs and 5 UK projects creating 305 jobs
- provisional figures up to Q3 indicate that in the NELEP area there has been 35 FDI projects creating 1342 jobs and 17 UK projects creating 437 jobs
- examples of key inward investment successes in the NECA area include MAN Truck and Bus in the Team Valley as part of a £20 million investment scheme, as well as Nuby in South Tyneside and Ocado in The BEAM in Sunderland;
- INEE is leading on a number of significant enquiries, predominantly in Advanced Manufacturing, one of which is due to land in the North of Tyne Combined Authority (NoTCA) imminently;
- INEE is looking at their Marketing and Communications strategy moving forward in to the financial year 2020/21;
- INEE continues to support and attend a variety of events representing the region, including MIPIM UK Summit held in October 2019 (details attached in Appendix 1) and is considering attending again this year;
- upcoming events include the Shared Services Leaders' Summit being held in March 2020 and MIPIM Cannes being held in March 2020 which will involve the private sector and businesses;
- work on lead generation continues with INEE entering its second lead generation contract with OCO Global and a graduate intern whose role is to identify further leads in key sectors;
- INEE continues to manage the DIT Key Account Management Contract, working with the DIT for the North East

Members noted the updates in the report regarding the Local Industrial Strategy, European Structural and Investment Funds, the European Regional Development Fund, the European Social Fund, the Strength in Places Fund and on Brexit updates.

During discussion, Members raised the following points:

- Members queried whether it was possible to receive further analysis on the kinds of new jobs in the region, for example if they are high-skilled or permanent;
- it was noted that the LEP Board receives updates on the target to create 100,000 new and better jobs which would suggest the data is available;
- it was raised whether companies themselves know the breakdown of jobs and if this could be shared with Local Authorities, keeping in mind potential sensitivities for this information being in the public domain;
- Goldman Sachs is reportedly looking for a new office outside London to create a technology hub and it was stressed NECA and INEE should be considering this opportunity

The Chair and Members thanked D Pattison for the update.

The Chair also provided Members with an update on the progress of the EDDAB Review. It was noted that;

- the Chair will ensure that tangible and concrete outcomes are to be fed back to the NECA Leadership Board;
- the NECA Leadership Board will be asked to amend EDDAB's Terms of Reference at the NECA Leadership Board meeting being held 3 March 2020 to allow co-opted Members to nominate a substitute;
- an Annual Forward Plan and work programme will be introduced for the 20/21 Municipal Year.

RESOLVED – That:

- i. the report be noted;
- ii. the Chair will continue to feed the views and work of EDDAB back to the NECA Leadership Board.
- iii. D Pattison will look into the possibility of providing breakdowns of the types of jobs in future reports.

6 **DIGITAL UPDATE**

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

The Advisory Board received a presentation on the NECA Digital Agenda, exploring the practical implementation of digital initiatives in the area. Members were also invited to take part in a discussion.

The presentation was delivered by P Melia. The presentation focused on how Sunderland Council is delivering on the digital agenda and digital initiatives in the area. The presentation covered the followed areas:

- Digital Ambition of the City
- Dynamic, Healthy and Vibrant City
- Digital Initiatives and the planned Fibre Ring
- How to use new technology

It was noted during the presentation that:

- connectivity inside the North East region remains a real problem, for example getting from Southwick to the Nissan plant;
- digital connectivity drives the city and how we digitally connect will be important for the future, for example in digital and advanced manufacturing jobs;
- it is important children have good internet access, as this can affect their grades at school;
- there is a digital divide in the North East which needs broken down;
- to achieve ambitions and attract talent we need to embrace new technology and it is important to work with partners, businesses and universities in the region;
- Sunderland is taking a proactive approach, intervening in the market where necessary;
- Sunderland is planning to install a 26km fibre ring which would enable schools, health services and others to take advantage of the benefits;
- it is hoped by the Council taking the lead on the fibre ring it would encourage major businesses to build on the project, taking it into other residential or business areas;
- 6 business cases showcasing how to take advantage of the infrastructure including:
 - Sporting/Big Events: improving connectivity between the emergency services at The Airshow or providing a new user experience at football matches
 - Businesses: growing businesses to be digitally enabled and supporting new digitally enabled start ups
 - Smart Homes: if all homes were smart landlords, tenants and families would benefit
 - City Centre: digitally enabled city creates opportunities for creative and cultural businesses
 - Industry 4.0: digital manufacturing and more efficient supply chains
 - Learning: improving learning at both home and school and enabling learning at all ages
- Sunderland is the first city to build 5G in their city centre;

- areas benefitting from the 5G WiFi include the high streets, Hudson Road Primary School, communal rooms in tower blocks and there is demand for expanding, for example to the Bridges Shopping Centre.

During discussion after the presentation, the following points were raised:

- it may be useful to receive similar updates from other NECA Local Authorities to find out what they are doing regarding the digital agenda;
- the digital agenda is incredibly important as it impacts everyone including schools, residents, businesses and feeds in to the Local Industrial Strategy;
- it was noted that the NELEP's plan for 5G in the area appears to have been dropped from the agenda;
- it was noted that Sunderland achieved the progress so far on the digital agenda and 5G without support from central government;
- the Department for Culture, Media and Sport is now engaging more, although they remain committed to the 5G Urban Connected Communities Project;
- on a business level, a range of companies are engaging directly with Sunderland;
- it is important to keep in mind that that the NECA Economic Strategy is being developed which could contain parts of the digital agenda;
- it has been demonstrated that digital initiatives such as the fibre ring and 5G in Sunderland is practically workable and engages with schools and businesses

The Chair thanked P Melia for the update and presentation.

RESOLVED – That:

- i. the report and presentation be noted;
- ii. the Chair would will feed the information in the presentation regarding the Digital Update and initiatives in the area to the NECA Leadership Board.

7 **SKILLS 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 and presentation delivered by B Poulter. The presentation provided an update and recap on the Skills

Agenda since the previous discussion by the Board at the Committee Meeting in September 2019 provided by G Wood.

The presentation provided information on the following:

- Current landscape of the skills agenda
- Different sectors
- Industry 4.0
- Strategic Economic Plan
- 2024 Vision
- Future Jobs
- Digital and Technology
- Skills for Jobs

During the presentation, it was noted that:

- the current landscape includes a decrease in Adult Education funding, the loss of ESF funding and a high level of the population in the region with low skill levels;
- the region is good at connecting with employers but there remains a lag between the skills required and the skills the workforce has;
- every workplace is relying on digital skills, not just the digital sector;
- the health and social sector still has difficulty retaining staff;
- there is ambition in the NECA strategy making it well placed to lead on Industry 4.0;
- from 2013-2019, 64,000 of jobs created in the area have fit in the 'Better Job' definition as laid out in the SEP;
- digital waits for nobody and the landscape is constantly changed;
- 2024 vision is to be an innovation hotspot;
- potential for 10,000 jobs in the automotive and advanced manufacturing sector for 2020-24;
- pharmaceutical sector has been strong in the North East, with over £1 billion GVA and most products exported;
- North East often described as a 'world leader' in the energy sector for offshore wind, predicated on the strong R&D and university base in the region;
- important to understand and address barriers to tackle the skills gap;
- need to build pathways from an earlier age to help young people get enthused about jobs in different sectors;
- current jobs will evolve and may not be available in the future, so it is necessary to reskill adults;
- Sunderland is having conversations with the Centre for Cities about the Skills Compact which focuses on bridging the skills divide;

- points emerging through the NECA Economic Strategy to be launched later this year, which will guide EDDAB's focus and work.

In discussion, the following points were raised by Members:

- it is important to recognise that there are a range of economic strategies in the area coming from NECA, NoTCA, and the LEP;
- whilst each party have different requirements, they must all complement the SEPs and LIS, on certain issues such as education, skills and transport it is important that there should be alignment which requires collaboration;
- the CBI is working on a platform for businesses which helps them engage with students and schools launching in April;
- the level by which skills impacts on attracting businesses to the region;
- the region has good skills in some sectors which attracts businesses, but struggles in other sectors such as digital, but this is an opportunity for the North East;
- businesses are attracted to the North East because the workforce is recognised as hardworking and sociable;
- issues such as transport connectivity, housing, infrastructure and wages are factors which discourage businesses from investing in the region;
- the success of schools is judged purely on grade outcomes, not about how well students leave prepared for work, which can cause a disconnect and the business community needs to be involved in tackling this;
- the first 1000 days of life can impact a child's prospects and opportunities, so this needs more investment;
- there is a lack of moderate to high-skilled amongst the North East workforce and there are still too many under-skilled people who need reskilled;
- if the region waits for the next wave of graduates to come into the workforce, rather than acting now to reskill and upskill workers then it will be damaging;
- the business community needs to invest more into their workforce;
- it is important to remember the national context, including a drop in business confidence due to Brexit;
- start-ups and entrepreneurs do not seem to be focussed on in regional strategies as a way to fill the skills gap;
- it is intended for businesses to feed in to the NECA EDs;
- the LEP had intended for a series of consultations on the LIS, however due to the Government deadlines this was not possible;

- NECA has written to the Government to outline its ambitions and how it wants to grow the NECA economy;
- NECA needs to remain a strong voice for the region, working collaboratively with partners to influence the government on issues such as the Adult Education Budget and the Government Budget

The Chair and Members thanked B Poulter for the presentation.

RESOLVED – That:

- i. the report and presentation be noted.

8 DATE AND TIME OF NEXT MEETING

Tuesday, 24 March 2020 at 2.00pm

Economic Development and Digital Advisory Board

Date: 21 July 2020

Agenda Item 4

Subject: Covid-19 Economic Recovery

Report of: Thematic Lead for Economic Development and Digital

Executive Summary

The purpose of this report is to update the Board on the economic recovery work taking place across the NELEP and NECA areas. A presentation will be given on the analysis undertaken and the plans and structures put in place, prior to a discussion by the Board on implications for the NECA area.

Recommendations

The Advisory Board is recommended to receive a presentation and take part in a discussion about Covid-19 economic recovery plans.

Economic Development and Digital Advisory Board

1. Purpose of the Report

- 1.1 Since the Board last met, the region, country and many other countries around the world have been navigating the Covid-19 emergency.
- 1.2 The pandemic has brought about unprecedented measures by the Government to impose strict lockdown restrictions to control the spread of the virus.
- 1.3 The implications of lockdown have included the closure of all but essential businesses and services and there have been significant impacts on most aspects of the region's economy, and on residents' lives and livelihoods.

2. Proposals

- 2.1 As well as responding to the emergency, work has been taking place to establish structures and workstreams to support the region's economic recovery.
- 2.2 The presentation to be provided will update the Board on the assessment and analysis undertaken of the challenges and opportunities for the NECA and wider NELEP area, the development of economic recovery plans and the structures put in place to deliver them.

3. Reasons for the Proposals

- 3.1 Covid-19 has created the biggest economic shock of our lifetimes and its impacts, both in the immediate and longer term, will be complex and significant. Existing economic challenges – being addressed through NECA and regional strategies including the NE Strategic Economic Plan – will be exacerbated, and plans and approaches will need to be adapted and refocused. The presentation will update the Board on the economic recovery work undertaken to date, to support a discussion on the key challenges and opportunities for the NECA area.

4. Alternative Options Available

- 4.1 There are no alternative options associated with this report.

5. Next Steps and Timetable for Implementation

- 5.1 A further update will be provided to the Board at subsequent meetings.

Economic Development and Digital Advisory Board

6. Potential Impact on Objectives

6.1 The activities under the Economic Development and Digital theme will support NECA in its aims to promote economic growth and regeneration in the area.

7. Financial and Other Resources Implications

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

8. Legal Implications

8.1 There are no legal implications arising from this report.

9. Key Risks

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

10. Equality and Diversity

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

11. Crime and Disorder

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

12. Consultation/Engagement

12.1 There are no specific consultation and engagement issues arising from this report.

13. Other Impact of the Proposals

13.1 There are no further impacts arising from the proposals.

14. Appendices

14.1 None.

15. Background Papers

15.1 None.

16. Contact Officers

Economic Development and Digital Advisory Board

16.1 Beverley Poulter, Lead Policy Officer, 0191 561 1150,
Beverley.poulter@sunderland.gov.uk

17. Sign off

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

18. Glossary

18.1 None.