

## **North East Combined Authority**

### **Economic Development and Regeneration Advisory Board**

7 July 2015

Meeting held: Committee Room, Civic Centre, Sunderland, Burdon Road, SR2 7SN

#### **Present:**

Councillor: Watson (Chair)

Councillors: Bell (part), Hepple (part), Malcolm, Pickard and Twist

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

#### **1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Foy and McCarty.

#### **2 CHAIR'S OPENING REMARKS**

The Chair welcomed everyone to the meeting. A particular welcome was extended to the Co-opted Members who represented the business community. The Chair spoke about the role and purpose of the Advisory Board and the opportunities for the Board to support economic development and regeneration for the region.

#### **3 DECLARATIONS OF INTEREST**

There were no declarations of interest.

Members were reminded about the process for declaring interest and also about the availability of a process for seeking dispensations where necessary.

#### **4 APPOINTMENT OF VICE-CHAIR**

**RESOLVED** – That Councillor Iain Malcolm be appointed as Vice-Chair of the Economic Development and Regeneration Advisory Board for the municipal year 2015/16.

#### **5 REGIONAL INWARD INVESTMENT FUNCTION**

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

Members considered the report which provided information on progress achieved in developing arrangements for an enhanced, regional inward investment function.

During the consideration of the report a discussion took place on the proposed sectors for attracting significant investment, the attractiveness of the region for

investment, the budget available for the development of the existing regional inward investment function, the proposals in relation to the capacity of the Investment Gateway Team and the role of the Advisory Board. It was noted that:

- Each of the sectors listed in the report had been analysed and work was in progress to develop propositions for each sector. Further information on the development of the propositions would be circulated to Members as soon as possible and before the next meeting. There would be further discussion on the opportunities for each sector at the next meeting.
- Members were generally in agreement that the initial selection of a small number of priority sectors from the list was not sufficient and that the region needed to be ready to respond to opportunities across all sectors.
- It was confirmed that the pharmaceuticals industry was included in the proposed sectors, as a sub-sector of Life Sciences.
- Once the initial development of the sector propositions was completed, expert advice would be sought on the prioritisation of the sectors for proactive marketing.
- The performance of the priority sectors would be measured and benchmarked.
- Although the Strategic Economic Plan was due for a refresh, the document remained the key document that set out priorities for the region.
- A Member commented that when identifying priorities and key themes, it was important for the region to speak as one voice, delivering coherent messages. A Member also commented that it was important to work under one brand - a global, credible brand agreed jointly by the Local Enterprise Partnership and the Combined Authority. There would be opportunities for the Advisory Board to consider this further.
- A Member commented on the importance of clarity in relation to structure, relationships and resources. It was confirmed that the Investment Gateway Team would be a small team relying strongly on the support of the constituent local authorities, which to date had been working well. No account management by the Gateway Team was currently proposed.
- In response to a Member's question about the sufficiency of resources, it was noted that whilst the current budget for the inward investment function, including the match funding as set out in paragraph 3.1 of the report, was currently considered sufficient for the provision of staffing capacity and the key tasks set out, it was likely that the Combined Authority would be keen to take advantages of other opportunities to secure investment with additional support from the constituent authorities. It was important to obtain the best for the region and further resources might be required to support this work.
- Members noted information on the work of the Investment Gateway Team to respond to enquiries for investment and business opportunities.

- On advice from Officers, Members noted the importance of developing relationships with potential investors and encouraging them to visit the region. It was also noted that whilst here, investors were often surprised by the good quality of the offer of the region.
- The Chair spoke about the importance of being proactive and uncovering opportunities for attracting investment into the region, including foreign investment.
- The Chair also spoke about the attractiveness of the UK for investment, including reputation and political stability. The Chair highlighted the importance of building the reputation of the region, demonstrating and promoting its strength and maximising business and investment potential. A Member also spoke about the attractiveness of the UK as a business location due to stability, tax regime and employment laws.
- Members noted the importance of promoting the region as an attractive region for investment, as a quality area to work and live and also in the context of the tourism industry.
- A discussion took place on whether the expensive open-date train fares were potentially a barrier for investors visiting the region. It was noted that whilst this could be perceived as a barrier, in the long-term the region represented better value for money than some other regions. It was also noted that the region had good transport links connecting well with other areas and countries. This discussion linked to the forthcoming discussion on transport by the Transport North East Committee.
- The Chair commented on the important role of the small and medium enterprises (SMEs) for the region. A comment was also made about the importance of stimulating the supply chain to support SMEs.
- The Chair commented that the region was designated as a low carbon area in the North East and it was important to take opportunities to develop this area of work.
- A discussion took place on how the region's offer compared with the offer of other regions of the UK and other countries. It was noted that the region was competing in a global market.
- A discussion took place about the distinctiveness of the region, incentives for investment and the impact of controls around state aid.
- A Member suggested that it would be beneficial to co-opt more business representatives. A Member also suggested that it would be beneficial to hear what worked and what did not from a representative of a business which had already invested in the region.
- When hosting visits by potential investors it was usual practice to highlight examples of other businesses who had invested in the region. Case studies

of successful investment projects would also be included in the sector propositions mentioned above.

- It was confirmed that the Local Enterprise Partnership's Executive Team was involved in the work on the development of the regional inward investment function.
- The Chair spoke about the opportunities presented by this Advisory Board to debate key economic development and regeneration matters and feed the results of the discussions to the Leadership Board and Local Enterprise Partnership.
- It was important to ensure that the value of the work of the Advisory Board was communicated to the constituent authorities and other stakeholders.

**RESOLVED** – That the update and Members' comments be noted.

(At this point the meeting became inquorate.)

## 6 **ECONOMIC DEVELOPMENT AND REGENERATION ADVISORY BOARD - MEMBERSHIP PROPOSALS**

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

Members considered the report which outlined proposals for a process to co-opt further non-voting members onto the Advisory Board, specifically to reflect key sector knowledge and experience.

During the ensuing discussion Members discussed the proposed process for identifying and involving key sector representatives, including the option of inviting guests and the option of requesting the Leadership Board to formally appoint identified individuals as co-opted non-voting members of the Advisory Board. Members also discussed the approach to the application process; suggestions were made that it should be simple.

In relation to the range of key industries, the Chair suggested that primary consideration should be given to manufacturing, commerce and advanced manufacturing as the most likely sectors for significant investment.

**AGREED** – That:

- I. An informal working group, consisting of Members of the Advisory Board be set up to discuss the brief for identifying and involving priority sector representatives;
- II. It should be noted that the initial interest for participating in the work of the informal working group mentioned above was received from Ms Hall, Ms Farhat, Ms Glendinning and Councillors Watson and Foy and;

- III. The proposed brief for identifying and involving key sector representatives be circulated to all Members for information; and
- IV. The working group would commence work on identifying key sector representatives for recommendation to the North East Leadership Board for their appointment as Co-opted Members of the Advisory Board. Additional guests could be invited to attend and participate in the business of the Advisory Board as and when appropriate.

## 7 REGIONAL INVESTMENT PLAN

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

Members considered the report which provided information on progress to develop a regional investment plan. During the ensuing discussion, it was noted that:

- The schedule of projects relating to economic assets and employment sites would be provided to the next meeting for consideration.
- The schedule of both private and public sector sites and assets would include universities.
- The work on the Regional Investment Plan included working with the Local Enterprise Partnership.
- Joint working with stakeholders was crucial for supporting economic development and regeneration for the region.
- Full understanding was needed of the current funding opportunities, including the European funding programme, the Growing Places Fund and Regional Growth Fund.
- The Chair spoke about the importance of strategic planning to ensure a holistic approach to economic development. This included strategic planning in relation to land allocation to ensure supply of good sites for business growth. A briefing note would be prepared for Members on the availability of land and the principles used for land allocation for housing and business.

**AGREED** – That the report and Members' comments be noted.

## 8 DATE AND TIME OF NEXT MEETING

It was noted that some future dates clashed with meetings of the Cabinet of a constituent local authority.

**AGREED** – That consideration be given to rearranging the dates of future meetings to ensure they did not clash with the meetings of Cabinets or Councils of the constituent local authorities.