

Improving economic Governance in the North East Local Enterprise Area

Summary of Consultation Responses – June 2013

1. Consultation Process

The LA7 Leadership Board has been clear about its commitment to embed collaborative working arrangements in a statutory form and has engaged with key stakeholders throughout the process.

The partners engaged with as part of the consultation exercise included the North East LEP and Tees Valley LEP; business and sector representative organisations such as the CBI, the North East Chamber of Commerce, the FSB, Developing Consensus and G9; the Tyne & Wear ITA and Passenger Transport Executive – Nexus; Newcastle International Airport; the regional ports; Universities; FE Colleges; the SFA; SEMTA; the trade unions; relevant government departments and agencies; and of course MPs, MEPs and Lords.

These stakeholders have been sent information at key stages throughout the process and the LA7 Leadership Board have invited the views of partners and stakeholders on the draft proposals and the on-going engagement on the partnership approach to be established in the long run.

Following the publication of the draft proposals and the invitation for written responses, the LA7 Leadership Board also hosted two stakeholder engagement events, where partners together with a wider range of stakeholders, were encouraged to share their views on the draft proposals. All of the key stakeholders have also been assigned a key point of contact to discuss the proposals in more detail, with a clear view that engagement will be maintained moving towards establishment of the Combined Authority to finalise all the practical details. All of this activity has been supported by a comprehensive communications plan including press releases and detailed information available on all local authority websites. Complementary stakeholder engagement has also taken place with each local authority taking a lead on updating and consulting with staff, local union representatives, members and key local partners.

All of the consultation responses including written responses, key points raised at the stakeholder events and any points raised from one to one discussions with key stakeholders so far have been considered and addressed as appropriate in the final iteration of the Governance Review Report and the Scheme.

2. Responses

There is overwhelming support from stakeholders in favour of creating a Combined Authority for the North East. Stakeholders are welcoming the agreement by the seven local authorities to strengthen collaborative arrangements and set up a stable and long term governance structure for the wider area which is democratically accountable and has a clear focus on enabling economic growth. Stakeholders have noted that the turmoil of economic governance at the subnational scale in England has put the North East at a disadvantage and that the Combined Authority in conjunction with the North East LEP and a number of key partners can create the right framework to harness the energy of all involved to take advantage of

opportunities in the area. Stakeholders feel that the case for the CA being established focusing on skills, transport and economic growth is clearly set out and these are the right priorities in the current climate.

The LA7 leadership board has discussed the emerging proposals with stakeholders and has asked for partners to consider the correct framework that needs to be put in place for the combined authority in the areas of strategic funding, inward investment, skills and transport whilst also recognising that further work with key stakeholders will be needed over the coming months to transform this framework into the detailed working arrangements that need to be put in place.

Specific points that have been raised in regards to funding, inward investment, skills, transport and the wider partnership arrangements are summarised below.

2.1 External Funding

- The proposal to deliver a flexible responsive and joined up approach to funding opportunities by providing greater clarity and alignment of priorities is widely welcomed.
- A small streamlined management tier focusing on key issues like transport and having close control over the allocation of funding makes a great deal of sense in the current climate.
- The ability to obtain private sector funding is critical to the successful economic development of regions, independent access to funds and the availability of these funds for a prolonged period is necessary.

2.2 Inward Investment

- The unified voice of the CA will be extremely important for strategically positioning the North East, both nationally and globally.
- There are existing and upcoming opportunities that will be better targeted by a single inward investment body.
- The role of destination marketing and regional branding for the North East fits naturally with economic growth priority and this should include tourism
- A strong push is needed to market the region globally to drive demand needed for economic growth and jobs and the CA provides a good opportunity to make this happen.

2.3 Skills

- Colleges operate in a complex environment and feel they are 'fit for purpose.' There is commitment by providers to engage in a strategic conversation and joint action plan with local authorities and other partners to bring about the outcomes outlined in the draft proposals.
- The Colleges would in particular welcome the CA taking responsibility for providing robust market needs analysis and would find this useful in underpinning dialogue with students and key stakeholders as well as supporting college business plans. Additionally the CA should focus on addressing investment and information asymmetries.
- Welcome the opportunity to build upon existing employer relationships to increase the number of apprenticeships, tackle youth unemployment, create work experience opportunities and widen access to higher level skills by

collectively driving demand through existing channels using flexible and innovative models of delivery. This process is already taking place through the collaboration between the AoC Ne Skills Group and the North East LEP.

- New freedoms and flexibilities afforded to Colleges should not be reduced as a result of adding another layer of regulation through the proposed LA7 commissioning process.
- Colleges have been critical on proposals regarding commissioning and funding, highlighting that detailed engagement with providers will be needed to work out the details.

2.4 Transport

- An integrated transport system is welcomed with particular support for coordinating and prioritising strategic transport investment through a Joint Local Transport Plan.
- Any further development which will encourage the accessibility of the region both nationally and internationally is widely welcomed.
- It is essential that the LA7 operate as a Combined Authority with economic development and transport forming the central rationale with a focus on aviation, roads, ports and rail within an overall economic strategy.
- The infrastructure needs of the area need to be planned and developed over a sensible time scale with effective funding in place, the development of road and rail infrastructure together with investment in the ports and airports of the region are important and need to be addressed.
- The Combined Authority could lead to the 5 regional ports working better together on certain projects for the benefit of all.
- A CA with oversight of transport over the 7 LA areas has the potential to get a better appreciation and focus on the role of transport in the region's economy, and investment and service priorities than the current arrangements.
- The current consultation document and scheme provides the high level basis for an informed debate as to how the CA should practically take forward transport, but there are a wide number of important issues of detail which need to be considered and these should be addressed through a process over time.

2.5 Partnership working and practical arrangements

- The proposals which give the North East a strong collective voice and forum for addressing clear priorities are welcomed.
- The good work that is happening in the region at the moment should not cease whilst the CA is established.
- Delivering a coordinated stance towards the delivery of services, local leadership and sharing resources is exactly what the area needs.
- It is essential that there is a consistency of approach and a credible leadership. A three year appointment on an elected basis should be considered.
- The CA must form part of a wider structure which also secures key leadership functions for the business community and properly resourced LEP.

- The business community widely endorse the NEIER findings, in particular the proposed institutional arrangements setting out the key responsibilities for the CA and the LEP
- Keen to see the business voice in the North East inputting into the CA strands of activity. Having the NELEP chair as an observer on the CA board is welcome but it is vital there are clear mechanisms in place for a strong business voice on all thematic sub-groups and committees.
- The relationship between the CA and the LEP will be crucial moving forward.