#### STRONGER, FAIRER NORTH EAST









A strategy for change 2023 - 2025





# We're the North East's largest and most influential multi-sector, business membership organisation.

We support, connect and represent more than 2,000 businesses employing 40% of the region's workforce.

We ensure businesses are at heart of building a thriving economy, continuing to make the North East the best place to live and work.

Together we stand for a stronger, fairer North East.

This strategy sets out how we will get there – together.





## Fair and inclusive growth for the North East and the UK

#### People and work

Tackle economic inactivity effectively, unlocking the potential of our people and their talent

#### **Education and participation**

Enhance the skills pipeline to ensure local skills meet local needs – now and in the future

#### **Enterprise and growth**

Supporting innovative, resilient and flexible businesses in the North East to thrive

#### An international North East

Strengthen the backbone of the North East economy

#### Green innovation

Accelerate North East businesses' leadership of the Net Zero transition



## People and work

The North East is full of brilliant people who have the skills needed to drive sustainable growth. Helping people get in work and stay in work is our members' top priority.

- Our Local Skills Improvement Plans for the North of Tyne and Tees Valley engaged more than 3,000 businesses in conversations about their skills needs at the start of 2023. We are using these powerful findings to help shape the local skills system and develop a robust skills pipeline that meets the North East's needs now and in the future.
- The North East is aiming for a high skills/high

- pay economy for all, but our high rates of economic inactivity, around 1 in 4 of the working age population, hold us back. Investment in occupational health, with a strong focus on mental health will help address this. An expansion of the mid-life MOT programme to all SMEs will reduce economic inactivity in the short term, reduce health costs in the long term and help older people stay in work.
- A clear message of support on flexible working would maximise the contribution from everyone in the North East – disabled people, people with caring responsibilities and workers at all stages of life.

 Underpinning all of this, the UK Shared Prosperity Fund is taking the place of European funding streams for employability. The government, with local partners, should review and respond to any gaps or opportunities that emerge as new funding arrangements are implemented.

"Society Matters supports the Stronger, Fairer North East Strategy 2023-2025. We believe that a focus on business and good, well-paid work is key to tackling health and social inequalities. Support for industry with diversification, skills and education is absolutely the right approach. Good quality, sustainable work is essential to our future prosperity. Tackling economic inactivity effectively, unlocking the potential of our people and their talents is a challenge, but one worth our focus and investment, to support our levelling up intentions and create sustainable change for

Stuart Fearn MBE, managing director Society Matters CIC

the North East."



## Education and participation

High quality education and learning drives regional productivity. It also makes people and communities healthier, happier and more resilient.

- rates are growing, and almost 2 in 5 children in the North East live in poverty. Equality of educational access can address this: we will continue to lobby government to expand Free School Meals to all children whose families are in receipt of Universal Credit.
- The under-funding of further education has not been tackled by successive governments. Every £1 invested in further education returns £20 to

- local economies. But by 2025, student funding for 16-18 education will be 5% less in real terms than in 2010. This needs to be addressed now. Investment in training to reduce upfront costs on business, training-related tax breaks, and creating a more flexible Apprenticeship Levy would all boost the powerful link between education, work and productivity.
- Local skills needs can be targeted through devolved powers and funding. We will support the involvement of business, through Local Skills Improvement Plans and other mechanisms, to develop a robust skills pipeline that meets the North East's needs now and in the future.



"High quality, accessible education and training directly impacts the health, wellbeing and prosperity of communities. Colleges, working in partnership with employers, can unlock the barriers to study for many, enabling us to effectively respond to the region's skills needs. I'm delighted that under this strategy we can look forward to agreeing and delivering an integrated skills strategy for the North East which, with fairer, more flexible funding, will ensure we are well positioned to support more employers in an agile and responsive way."

David Alexander, principal and chief executive, Gateshead College



## People and participation: measuring success

Action	Impact
Use the knowledge garnered from LSIPs to support a region-wide skills system fit for the future of our economy.	A stronger voice for the region's employers embedded within the skills landscape.
Campaign for a real terms uplift in funding for further education and the evolution of the Apprenticeship Levy.	Unlock the region's talent early by offering our young people excellent opportunities to learn and earn.
Lobby for the expansion of the mid-life MOT programme to all SMEs to reduce economic inactivity and sickness-related absence.	A healthier, more resilient regional workforce gaining all the benefits of better health and wellbeing.



"The Newcastle upon Tyne Hospitals NHS Foundation Trust know that there are clear links between health, economic stability and wellbeing, involving factors such as employment, housing, education, nutrition, and the relationships we have.

I strongly believe organisations and businesses need to work creatively and collaboratively – across all sectors and organisational boundaries - to tackle what prevents people from reaching their potential, to create solutions that better support individuals and communities and enhance the prosperity of our region."

Martin Wilson, chief operating officer,
The Newcastle upon Tyne Hospitals NHS Foundation Trust



## Enterprise and growth

North East businesses are creative, innovative and resilient. With confidence and stability, businesses thrive.

- Our Quarterly Economic Surveys show business confidence in recovery after a challenging period. Inflation, energy prices and staff costs are at the forefront of businesses' minds.
- one of the biggest brakes on local growth. We support the British Chambers of Commerce call for annual revaluations alongside fundamental reform to make sure it works with the needs of businesses at every stage of their development.
- Effective transport infrastructure is a major enabler of growth and crucial to delivering genuine levelling up between the North and South. Government must take action to address the challenges faced across our rail services and ensure our road network is fit for our evolving economy.
- We know a strong business community is underpinned by strong public institutions. We will continue to call on government to commit to multi-year funding settlements to provide councils and other public agencies with longterm certainty – feeding through into wider economic health.

 In return we will bring the support of the business community to devolution across the North East – backing a trailblazer deal for the new North East Mayoral Combined Authority with greater fiscal devolution at its heart.



"The Glasshouse International Centre for Music, formerly Sage Gateshead, is pleased to support the Chamber's vision for a stronger, fairer North East. A vibrant arts scene is good for individuals, is good for communities and is good for business. With the creative sector as one of the strongest parts of the UK economy and a driver of innovation and economic growth it is clear that the creative economy has a huge part to play in delivering real and sustainable progress."

Abigail Pogson, managing director,

The Glasshouse International Centre for Music



## An international North East

Imports and exports are worth nearly £29bn to the North East, making them the backbone of the region's economy.

- There is huge potential in the region's SME community to explore and expand global trade. Our members are calling for targeted funding and support for SMEs that recognises their unique strengths and needs, to grow capacity and capability. This will enhance their contribution to regional and national economic growth.
- Frictionless trade continues to be the major enabler of regional growth. We welcome

- the Electronic Trade Documents Bill and new trade agreements and want to see this policy impact accelerated with funding for digital training for SMEs to maximise this opportunity to reduce costs and improve import and export capabilities.
- Transport and trade infrastructure are crucial for businesses to access global markets. The region's ports, including the new North East Green Superport and Teesside Freeport will accelerate access and opportunity. Government's continued backing of these important projects through local devolution arrangements is central to achieving a truly global North East.



"At Cleveland Cable Company, we understand the importance for businesses to be part of international trade. By importing and exporting goods, companies are able to leverage new markets and expand their reach. We also believe that international trade can help create better infrastructure in the North East region by connecting businesses with buyers from other countries and taking advantage of economic benefits. We look forward to contributing to regional economic growth through increased international trade."

Michael Powell, global business manager, Cleveland Cables



### Green innovation

North East business is at the heart of the UK's Net Zero revolution. With the right tools and support our businesses can go further, faster to deliver our low carbon transition.

- Investment in decarbonisation and sustainable energy generation will generate positive inward investment returns, accelerating the pace at which the UK can achieve energy resilience and boosting business confidence.
- The government should commit to the delivery of a cross-sector infrastructure strategy by 2025. This will support the building and adaptation of infrastructure for electricity,

- hydrogen, other liquid and gaseous fuels and CO2 networks all supporting the growth of a green economy.
- National grid capacity and capability underpins
  these asks which is why we're backing the British
  Chambers of Commerce calls to transform
  the national grid through dramatic upgrades
  and increases as proposed by the Electricity
  Networks Commissioner.
- Green skills are part of the equation: green jobs alone are predicted to grow by 15% in Tees Valley this decade. The region's businesses, working in partnership with learning and training providers and wider stakeholders, will play

their part helping to deliver the skills needed, using our Local Skills Improvement Plans as a roadmap.



"The North East is home to world class assets that can make a huge contribution to delivering net zero, and the commitment to work in partnership to do so. We also have the skills and talent to maximise the economic opportunity this provides and drive forward a greener, fairer and more sustainable region. With the right support from Government we can help the UK go further and faster in grasping these global opportunities."

Heidi Mottram CBE, chief executive officer, Northumbrian Water



## Green, global growth: measuring success

Action	Impact
Campaign for the re-evaluation of business rates, recognising how our high streets have evolved post-Covid.	Strong places underpinned by thriving businesses making the most of local assets.
Advocate for multi-year funding settlements for local government and other key public agencies.	Strong public institutions continuing to support thriving people, businesses and places.
Campaign for greater fiscal devolution to maximise place-based funding for the North East.	Unlock the region's own wealth and assets to deliver a more sustainable fiscal future.
Build the case for funded programmes of targeted training and support for SMEs to explore and grow their international trade capabilities.	A stronger, more diverse and more innovative global trade community.
Support regional and national campaigns for better transport and sustainable energy infrastructure for the North East.	A connected, low carbon region, where people and businesses can maximise opportunities to trade, earn and learn.



"We are fully supportive of the Chamber's vision for fair and inclusive growth in the North East that is captured in its Strategy for Change. In particular, we share the view that further investment in transport and infrastructure projects is one of the key enablers in truly delivering on the Levelling Up agenda. The delivery of such projects plays a pivotal role in connecting our towns and cities, boosting economic growth and delivering education and job opportunities."

Kevin Bell, Partner, Womble Bond Dickinson



## A final word



"The North East is the ideal place to invest in the creation or growth of business. In 2022 we created more jobs through inward investment than any other English region outside of London. This is one of our strengths. Investment in the North East is a down payment on future growth and prosperity.

"With a thriving low carbon economy, a strong talent pool and a fantastic quality of life, the North East is a place where positive, progressive policies come to life. We're leading the way in delivering more inclusive, sustainable economic growth and we're doing this through using mechanisms such as devolution and Local Skills Improvement Plans creatively and collaboratively.

"We are committed to being a collaborative force for good in this region. We invite you to join us in the growth of a stronger, fairer North East."

John McCabe, chief executive, North East Chamber of Commerce

#### **Our Partners**



















































