

Economic Prosperity Sub-Committee

18 July 2017

Present: Councillor Janet Hunter (Chair)
Councillors S L Cox, S Day, K Lee,
P Earley, M Madden, M Rankin,
J Walker and F Weetman.

EP07/07/17 Apologies

Apologies for absence were received from Councillor P McIntyre.

EP08/07/17 Substitute Members

There were no substitute members appointed.

EP09/07/17 Declarations of Interest and Dispensations

There were no Declarations of Interest or Dispensations reported.

EP10/07/17 Minutes

Resolved that the minutes of the previous meeting held on the 14 June 2017 be confirmed and signed by the Chair.

EP11/07/17 Skills Shortages

Craig Anderson, Senior Manager: Policy, Performance and Research, attended the meeting to provide an overview of the structure of North Tyneside's economy and report on progress with delivering the relevant parts of the Our North Tyneside plan. The Our North Tyneside plan contained a section about 'our economy' which included ambitions to:

- a) grow by building on our strengths, including our existing world-class companies, and small and growing businesses; and
- b) have the right skills and conditions to support investment, and create and sustain new, good-quality jobs and apprenticeships for working-age people.

It was reported that there were 4,870 enterprises operating in North Tyneside, which represented an increase of 600 since 2014 and over 1,000 since 2008. Just under 90% of these enterprises employed less than 10 people and 60 companies employed more than 100 people. The sub-committee considered the increasing number of self employed people and very small businesses and the detrimental impact on investment in skills and training.

There were now 80,000 jobs in the borough mainly associated with the wholesale and retail trades, human health and social work and administrative and support services. This figure represented an increase of 10,000 since 2013.

Resident surveys indicated that 55% of residents believed that the economy was “thriving/on way up”, compared to 16% in 2012. 80% of residents were economically active and 76% were in employment. Both rates were higher than the regional average.

There had been an increase in skills shortage vacancies since 2013 within the skilled trade and machine operative sectors and a smaller increase in caring, leisure and other services. These sectors accounted for 78% of the rise in the reported skills gap but 27% of the people employed in North Tyneside. Regionally it had been reported that there were 2,000 vacancies in IT/digital sector. Whilst this data reflected anecdotal evidence much of the data was drawn from national surveys and so it lacked a local profile. Furthermore some skills shortages were likely to be related to very specific skills required by certain industries which were difficult to identify. The Cabinet had therefore asked officers to investigate options on how the Council could gain a better understanding of skills shortages in the borough not just in relation to young people moving from education to employment but also the skills shortages among older working age adults. The sub-committee were willing to contribute to this work. It was suggested that the options be presented to a future meeting and that any anecdotal evidence obtained by the sub-committee during its visits to local businesses could be helpful in confirming statistical data.

The Cabinet had approved an employment and skills strategy which would be delivered in partnership with bodies such as the Children and Young People Partnership and TyneMet College. It was suggested that as part of its future work programme the sub-committee could contribute towards the formulation of the associated delivery plans and examine its delivery.

The North East Local Enterprise Partnership (LEP) had produced a Strategic Economic Plan for the region focused on creating ‘more and better jobs’. The sub-committee examined the role and effectiveness of the LEP in achieving its goals. The LEP had refreshed its plan in January 2017 and officers undertook to circulate a copy to members as it included a summary of performance against the plan’s targets since 2014. It was suggested that a representative of the LEP be invited to a future meeting to outline the role of the LEP and present its refreshed Strategic Economic Plan.

Members considered the possible implications of Brexit on the economy of North Tyneside. It was suggested that as part of its future work programme the sub-committee might examine the steps being taken by the Council to identify economic development programmes currently supported by European funding, for example the Business Factory, and to consider the risks of Brexit. The sub-committee also wished to explore the possibility of the Council developing a programme to attract talented people to the borough.

It was **agreed** that (1) the overview of the structure of North Tyneside’s economy and report on delivery of the Our North Tyneside plan be noted; and (2) the suggested topics for inclusion in the sub-committee’s work programme be given further consideration by the Chair and Deputy Chair of the sub-committee.