Together we grow stronger

A business manifesto for North East England in 2016
Foreword

The North East Chamber of Commerce Manifesto is a clear statement of priorities made on behalf of businesses in North East England. Our members are passionate advocates of this region and want to see it thrive and prosper, yet they also recognise the many issues that hold our region back.

For over 200 years, NECC has been campaigning to improve the business environment in the North East. Our members range from small owner-managed enterprises through to major multinationals and represent all sectors of the regional economy. What unites them is a desire to see North East England go from strength to strength.

The North East is a vital part of the UK economy. We continue to have a consistently positive balance of trade; we are the fastest growing region in the north and have a wealth of businesses that are true world leaders in their field. Historically, these strengths have not been recognised by decision makers and investment in our region has suffered as result.

The changes proposed in this Manifesto aim to address this problem and make the North East the most welcoming business environment in the country. The Manifesto has been developed through extensive consultation with the thousands of businesses in our membership, including surveys, face-to-face meetings and our network of local meetings and policy forums.

NECC’s regional Council, which I have the pleasure of chairing, has considered the feedback received from members throughout the year and has identified five campaigns for 2016:

• **Influential North East** – ensuring the region punches its weight on the national stage and has the ability to shape its own future.

• **Global North East** – improving our interaction with the wider world to create new opportunities for businesses.

• **Connected North East** – providing our businesses with better access to markets and customers.

• **Competitive North East** – local business environments that encourage growth and enterprise.

• **Working North East** – ensuring businesses are able to access the right talent and invest in skills for the future.

These aspirations can only be achieved with the on-going support and dedication of our members. I’d like to thank all those who have contributed to the development of this Manifesto and ask all businesses in the region to carry these messages and ambitions with them throughout 2016.

Mike Matthews MBE
NECC President
NECC activity in 2015

Throughout 2015, NECC campaigned on a range of issues, leading to real changes that will improve the business environment in the region, including:

- Support for devolution to the North East, which has seen two agreements signed with Government in 2015
- Influencing the Airports Commission to support expansion of Heathrow
- Encouraging businesses to bring operations back to the region through our ‘Dozen reasons to reshore’ campaign
- Successfully calling for the retention of JEREMIE funding in the North East LEP area
- Demanding greater measurement of schools on outcomes for students, rather than just exam results, a move now being adopted by the Government
- Leading a new stakeholder group working with NEPO on public procurement issues
- Supporting the development of a joined up approach to marketing the region’s cultural assets
- We have facilitated the development of stronger links between business and education, leading to more quality work experience, better school governance and improved curriculums
For some time, the Government’s approach to economic development has been characterised by a desire to push decision making away from Whitehall and into the regions. This presents a significant opportunity for North East England to shape its own economic future.

We have made progress in this area over the past 12 months. There are now two Combined Authorities established in the region and both have signed devolution agreements with Government. The challenge is to now ensure that a powerful voice of business is effectively heard in new governance structures and that local political leaders maximise the opportunities devolution presents to the region.

The region must also avoid the trap of becoming too inward-looking. We must present a strong business case in terms of what more we can contribute to UK Plc. North East England is a great place to do business, yet too few people outside of the region hear that message. The onus is on all stakeholders in the regional economy, both public and private sector, to champion this part of the world wherever possible.

**In 2016, NECC Will:**

- Hold political leaders to account to ensure that devolution is both meaningful and effectively delivered
- Support enhanced structures to give business a stronger and more accountable voice in economic decision making
- Champion North East England’s role within the ‘Northern Powerhouse’ and campaign to ensure the region is considered an integral part of this initiative
- Continue to promote North East England as a great place to do business and support the development of a strong regional identity

**Influential North East – ensuring the region punches its weight on the national stage and has the ability to shape its own future.**

“It’s an exciting time and not only can North East businesses keep up with competitors around the UK, I believe we can leapfrog them. There has certainly been an increase in confidence in the North East and we need more of this. We need to work together, support our Chamber and believe in ourselves.”

Lee Perkins, Managing Director, Sage UK & Ireland
Global North East

A great deal of the region’s economy is built around our relationships with the wider world. We enjoy an enviable balance of trade surplus, while inward investment successes such as Nissan and Hitachi continue to go from strength to strength. North East England is also home to a highly skilled migrant population, many of whom help create our world-leading expertise in chemicals, advanced manufacturing and life sciences.

Despite all of this, there is so much more we can do. Our export success is built on the back of a relatively small number of companies and we still lag behind other regions when it comes to inward investment. Recent changes to migration rules are now also limiting our ability to attract global talent to our region.

Just as we seek to strengthen the region’s profile domestically, we must also make North East England a recognised player on the global stage. The forthcoming EU referendum throws this issue into sharper focus. We recognise the huge benefits continued membership brings to the region, but also the frustrations many businesses feel when dealing with European regulations.

IN 2016, NECC WILL:

- Call for far greater flexibility to ensure export support meets the needs of our businesses
- Make the case for both membership and reform of the EU
- Oppose migration rules that inhibit the growth of our businesses
- Work with both the private and public sector to develop a compelling inward investment offer for the region
- Campaign for stronger promotion of the region to overseas visitors

Global North East – improving our interaction with the wider world to create new opportunities for businesses.

“We in the North East and UK in general are heavily dependent on our relationship with the EU and should continue to embrace and nurture all the amazing positives our membership of the EU offers, and simultaneously explore and do likewise in other key regions such as Asia, the Americas, the Middle East and Africa. The business gains, innovation impulses and competitive edges generated abroad result in more jobs, job protection and of course wealth and prosperity for our region and all the benefits that accrue from this.”

Richard Swart, Managing Director, Berger Group (Europe)
NECC’s Manifesto 2016

To be successful, our businesses need access to markets. This means infrastructure that enables them to move people and products swiftly, safely and efficiently. In the modern world, this increasingly relies on digital, as well as physical, networks. To support investment, firms also need to know that the basic utilities that are essential to their operations will be cheap and secure for years to come.

Despite progress in recent years, spending on transport infrastructure in our region still lags far behind other areas, most notably London. Our businesses often have to make do with sub-standard road and rail access, which places them at a disadvantage. For international businesses, the procrastination over South East airport capacity and the pernicious effects of Air Passenger Duty (APD) harm our competitiveness.

The right infrastructure in the right places can unlock huge amounts of economic capacity. The potential for growth in our region is tremendous, but too often decisions are taken that provide small relief to congested parts of the country, rather than enabling growth elsewhere.

IN 2016, NECC WILL:

• Demand the swift commencement and completion of committed road improvement schemes, such as those on the A1 and A19 and campaign for improved trans-Pennine road access

• Support expansion at Heathrow to help guarantee our hub airport access and demand a fairer APD system

• Develop a set of future transport priorities for the region

• Support greater availability of high-speed broadband and champion its use by businesses

• Call for a long term diverse energy strategy that recognises the region’s strengths in energy generation, storage and efficiency

Connected North East – providing our businesses with better access to markets and customers.

“In order to support our UK and Export operations, improving the North East’s transport infrastructure is very important to Prima Cheese. As a company looking for growth, creating new opportunities for business by investing in the right infrastructure can unlock huge amounts of economic capacity. Prima Cheese passionately supports the NECC in campaigning for a Connected North East in 2016.”

Nagma Ebanks-Beni, Commercial Director, Prima Cheese Ltd
Competitive North East

Businesses in this region require an environment that encourages growth and enterprise if they are to reach their potential. This means the development of an ecosystem in which the public and private sector work together to drive local prosperity.

Unfortunately, too many businesses find that this is not the case. They may struggle to compete for local procurement opportunities, find it difficult to expand their premises, or lack the necessary finance for growth.

With greater devolution, North East England has a real opportunity to become the most welcoming business environment in the country. We must ensure that local supply chains are developed where possible, ensure that public bodies go out of their way to support business investment and send out the message that the region is open for sustainable development.

IN 2016, NECC WILL:

• Work with Local Enterprise Partnerships and other organisations to develop a clear and effective business support system

• Seek to open up procurement opportunities in both the public and private sector to the region’s businesses

• Campaign for public and private finance that matches our business needs

• Push for a planning system that encourages sustainable development, including a significant increase in house building that meets the region’s specific housing needs

Competitive North East – local business environments that encourage growth and enterprise.

“It’s important that we can continue to attract business from outside the North East region and compete on a national and international level. We need NECC to assist in making our region an attractive option by providing genuine opportunities, introductions and an effective support systems to facilitate this.”

Michelle Ord, Head of Client Development, Keltie Cochrane
NECC’s Manifesto 2016

In 2016, NECC WILL:

• Lobby for an apprenticeship system that encourages increased participation in quality training by businesses of all sizes

• Facilitate greater collaboration between business and education

• Lead a campaign to promote North East England as a great place to build a career

• Oppose funding changes that limit the ability of education and training providers to meet business needs

Working North East

In 2015, employment levels across North East England touched record highs. We should be extremely proud that more people than ever are in work in the region. This is down to the continued success of our businesses in the face of significant pressures. This is also a region that continues to lead the way in the recruitment of apprentices, while our universities are widely recognised as producers of world-class talent.

Yet despite all of this, the number of people unemployed in the region is far too high, with the region having the largest unemployment rate in the country. At a time when too many businesses tell us they cannot find the right skills in the labour market, this is unacceptable.

As a region, we must support those who are removed from the labour market to access the right kind of training to enable them to find work. We must also insist that the education system equips young people with the skills and knowledge to make informed decisions about their future careers. Businesses must also step up to the plate by engaging with the education system to provide meaningful advice and experience to the future workforce.

Working North East - ensuring businesses are able to access the right talent and invest in skills for the future.

“It is people that will make our businesses prosper; people with the right skills, attitudes and abilities. It starts with making sure school children are well informed and inspired by the training and career opportunities open to them; that business and education work together; and that funding infrastructure supports the development of skills at every level. Our job is to ensure people living in our community are job ready or equipped to set up on their own and create jobs for others. Skills is high on the agenda and with NECC we need to ensure we see positive changes that strengthen our economy now and in the future.”

Judith Doyle, Chief Executive and Principal, Gateshead College
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For regular updates on these issues throughout 2016, NECC members can register at www.neccblog.co.uk