

Economic Prosperity Sub Committee

Tuesday, 24 January 2023

Present: Councillor M Wilson (Chair)
Councillors M Hall, V Jamieson, L Marshall, J Montague,
M Murphy, B Pickard and J Walker

Apologies: Councillors J Kirwin and G Westwater

EP18/22 Appointment of Substitute Members

There were no substitute members appointed.

EP19/22 Declarations of Interest and Dispensations

There were no declarations of interest or dispensations reported.

EP20/22 Minutes

Resolved that the minutes of the previous meeting held on 29 November 2022 be confirmed and signed by the Chair.

EP21/22 Engagement with Local Businesses

The sub-committee met to examine the ways in which the Authority engaged with the local business community, particularly through the North Tyneside Business Forum, and how this had, or might, evolve given the increasingly challenging economic conditions.

The Head of Inclusive Economic Growth, Julie Dodds, attended the meeting to present a profile of businesses in the borough, the range of business support and engagement activities currently delivered by the Authority and the key challenges facing local businesses.

The sub-committee heard how the Inclusive Economic Growth Team delivered a range of services including:

- a) a referral point for business enquiry,
- b) a structured programme of engagement with the top employers in the Borough,
- c) an inward investment programme to promote the area on a national and international stage,
- d) the North Tyneside Business Factory supported people to start up new businesses and offered support to SME's looking to grow, and
- e) Shop North Tyneside promoted the 'shop local' message and provided a platform for local businesses to promote their businesses, products and services.

Members also considered the role of the North Tyneside Business Forum, an independent community interest company, made up of business owners, which provided mutual support

and guidance to local businesses. The Authority supported the Forum with a small amount of funding and staff resources. It also provided advice and shared intelligence on where activity could be targeted.

The sub-committee asked a series of questions to gain a better understanding of the pressures facing local businesses and how the Authority may help to support them. During the discussion the following topics and themes were considered;

- the pressures within the hospitality sector associated with increases in fuel costs, the limited consultancy support the Authority was able to offer and how businesses themselves were adapting to increased costs, for example by reducing their opening hours;
- the impact of Brexit and the Covid pandemic on the labour market, creating skills shortages;
- how the relationship between the Authority and the Business Forum could be developed in terms of broadening its representation of medium and large employers and developing its overarching strategy and activity programme;
- the potential value of many micro business expanding their operations and employing more workers. Such expansion was often resisted because of the associated legal, health and safety, and employment requirements. It was suggested that the Authority could help overcome these barriers by bringing businesses together to share the burdens or by providing consultancy services;
- how sharing local success stories and case studies could help promote entrepreneurship;
- the risks associated with speculative large scale development which meant inward investors were now more likely to pursue design and build schemes. It was noted that there was currently demand for smaller commercial units; and
- the potential role for the Authority in creating clusters of complimentary businesses so that they may collaborate and support each other. Reference was made to examples of where vacant office or retail space had been converted to deliver incubator space and accelerator programmes.

EP22/22 State of the Economy

The sub-committee was presented with data which provided an indication of the state of the economy in North Tyneside. The data included the numbers of people claiming Universal Credit, the town centre vacancy rate, the number of new business start-ups, the number of companies in distress, out of work benefit claimants, levels of earnings and qualifications within the population and the number of apprenticeships.

The sub-committee queried why the data on the number of apprenticeship starts did not extend beyond 2021. Officers undertook to obtain an explanation of why data beyond 2021 was not yet available and the timescales for its release.