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# ROUNDTABLE

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on devolution?**

Creating a blueprint for success across the north of  
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## How can the North East capitalise on devolution?

Creating a blueprint for success across the north of the region's new political landscape

As North East mayor Kim McGuinness continues to introduce policy to shape the north of the region's £4.2 billion devolution future, attention intensifies on the measures required to catalyse significant economic and social progress.

Here, in the last of a sextet of executive-level roundtable discussions hosted by N magazine publisher NET alongside Fairstone, the UK's fastest-growing wealth advisory firm, business leaders set a template for mayor McGuinness and the North East Combined Authority to create lasting prosperity.

Words by Steven Hugill

Photography by Angela Carrington  
(The Bigger Picture Agency)

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This is an abridged version of the full roundtable discussion, which you can read by visiting [www.netimesmagazine.co.uk](http://www.netimesmagazine.co.uk)

**How can the north of the region fully capitalise on its devolved powers to drive business and economic growth?**

From coalfields that breathed life into the engines of empire to the locomotives that stirred rail travel and superstructures symbolising the heights of human ambition, the North East's industrial legacy is etched in earth and echoed in steel.

But if the region is to forge a new commercial chapter, roundtable members said it must create a fresh identity.

Lee Hartley, founder and chief executive of North East-headquartered Fairstone, which has 56 offices across the UK and Ireland, said: "We need identity and ambition.

"The combined authority's objectives sound great, but I worry we might miss the opportunity.

"Let's not be diffuse; let's pick the sectors where we have established players and really back them to succeed."

**The North East Combined Authority recently marked its first anniversary. Where has the regeneration body made progress, and what areas remain key priorities?**

With foundations now sufficiently in place, roundtable members urged the North East Combined Authority to use its second year as a launchpad to deliver tangible industrial impact.

Participants called for greater clarity on business priorities, citing Manchester's transformation from 'Cottonopolis' to a thriving advanced manufacturing and technology hub.

Natasha McDonough, founder of Sunderland-based MMC Research and Marketing, said: "Devolution provides us with a huge opportunity to attract global investment into the North East.

"We can get on an international stage if we really push forward with it."

Nick Lane, infrastructure and government director – corporate finance, at global professional services firm PwC, said the North East Combined Authority needs to create a coherent identity from which it can drive forward.

He said: "There is a challenge around the role of the combined authority.

"Is it to inject cash into the region, or is it a voice to join up the region's needs and present them for what is essentially an ask to the South?"

**Is the North East's funding and investment network sufficiently strong enough to help drive prosperity?**

The North East Combined Authority has unveiled the £70 million North East Investment Fund, which bosses say could create as many as 2300 jobs – in the process supporting nearly 500 businesses and unlocking venture capital worth £350 million.

However, roundtable members questioned whether the move will extend far enough, instead advocating an "investment ladder" between early-stage, scale-up and mature businesses.

James Katirai, head of investments at Team Valley and Stockton-based investment management company NEL Fund Managers,

said: “There is a gap north of £2 million for the medium-sized enterprises that want to grow.

“We need to create a ladder of finance and an ecosystem that includes funds, banks and angel investors.”

Nicki Clark, chief executive at Durham-based national business support and funding organisation UMi, added: “There is still insufficient work being done to help smaller businesses through the process of securing the most appropriate commercial finance.

“A significant level of growth and economic benefit is presently capped because they are not equipped to access the finance they need.”

**How does grant funding fit into this refreshed financial landscape?**

Grant funding has long been woven into the fabric of business growth strategies.

But roundtable members cautioned that while well-intentioned, the practice can often be counterproductive, adding the combined authority’s objectives risk exacerbating the issue.

Mark Renney, founder of Newcastle-based tech firm Wubbleyou, which supports B2B service businesses’ innovation with web and mobile platforms, said: “We’ve been kicked back for grants before because our objective is not job creation, it is to create affluence.

“There is a massive growth opportunity with service businesses.

“If they were empowered to increase

productivity with tech and artificial intelligence, the potential is far greater than a manufacturer putting a £100,000 machine in to employ one person to operate.”

Brendon Hayward, joint managing director at offshore wind engineering firm Osbit, based in Riding Mill, near Hexham, added: “Vibrant, profitable businesses will invest in jobs, research and development and capital expenditure because they have the balance sheets to do so.

“But if you are giving them handouts from a growth pot, you’re not achieving anything.”

**How can devolution help create a stronger skills landscape?**

Roundtable members said the North East Combined Authority must serve as a pivot that connects research and education with industry needs.

Dan Monnery, chief strategy officer at Northumbria University, cited the Universities for North East England venture, which has united the region’s five higher education institutions under a single umbrella that is backed by the North East Combined Authority and its Tees Valley counterpart.

He said: “It has brought us together around a number of areas of common interest, such as supporting business innovation, driving social mobility and selling the region.”



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