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# ROUNDTABLE

**How can the North East capitalise  
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 political landscape

**Growth. It's a word you will hear Prime Minister Sir Keir Starmer use many times in a speech or interview. Our North East mayors may not use it with the same frequency but they know that attracting investment and creating jobs are crucial for the region's prosperity. Here, in the latest of a series of executive-level roundtable discussions held by NET alongside Fairstone, the UK's fastest-growing wealth advisory firm, regional business leaders look at the commercial and economic landscape and talk about the challenges and barriers facing the region.**

Words by Brian Aitken

Photography by Angela Carrington

**With two regional mayors now in post, as well as a new prime minister, how do you think we stand as a region?**

"I see two very different things going on," said Paul McEldon, chief executive of the North East Business and Innovation Centre.

He said: "Tees Valley is very much big business – big, shiny new buildings, big inward investment, big infrastructure-type projects and more of a trickle-down effect.

"I get the feeling North East mayor Kim McGuinness is talking about a bottom-up approach, a lot more about poverty, a lot more about social effect – not a lot about business and where the interventions might be coming."

Lee Hartley, chief executive of event host Fairstone, said: "You see all the PR around



gigafactories, but there are brilliant businesses in the North East already, and we're not shouting about them.

"If we want to create prosperity, it'll be driven by proper businesses doing proper things, giving people careers, not just jobs."

**Does the North East have the right funding options and the right kind of business support?**

Craig Huntingdon, a scale-up partner at RTC North, which helps businesses innovate, compete and grow, said it is a mixed picture.

He said business support can be inefficient and difficult to navigate, with significant overlap, blackspots and duplication across the region.

He said: "It is often heavily biased towards outputs and not necessarily outcomes; if it was more outcome oriented – 'Have they made investment? Have they grown and invested in people?' – then I think that would hold our feet to the fire in terms of the support offered."

The picture is not much brighter when it comes to venture capital.

David Alproovich, chief operating officer of family office investment company Middleton Enterprises, added: "Go back to 2010 to 2015, you had five or six venture capital firms who all had capital available, and that leveraged a lot of private investment.

"With losing some of the support from Europe, and then the Northern Powerhouse Fund, you end up with big pools of money that are carved out into small niches.

"It's very disjointed."



Robin Cordy, managing director of tech business Metalitix, said: "Getting investment isn't just about getting the money, it's about getting an investor that's going to be a partner too."

"If your funding options are limited, and you've only got one or two choices, it doesn't necessarily help you."

#### **Can the North East Combined Authority help the charity sector?**

John Hollingsworth, chief philanthropy officer at the Community Foundation, said the combined authority must promote civic participation and help rebuild trust between communities and local government.

He said: "The hope I've got for the combined authority is trying to, wherever we can, find co-ordination of different types of funding."

"Ideally, finding some agreed set of priorities and interventions, so that local government funding can get behind business funding and philanthropic money to have a compounding effect."

#### **What are the barriers to growth in the North East economy?**

Roundtable members identified several issues including red tape, funding confusion, decisions being made at the wrong level, poor transport links and the need to create a regional identity that attracts investment and talent.

John Devitt, chief executive at occupational health provider Recovery4Life, called for greater co-ordination around funding.

He said: "We've been caught in that trap."

"You have a conversation, and explain what you're trying to do, and you're told, 'that sounds great but, no, we're not the right people'."

"It just weighs you down."

Josh Tate, operations director at Tyne & Wear-based subcontractor Washington Metalworks, highlighted difficulties around the business' factory extension plans.

He said: "We were stuck in the planning permission cycle with Gateshead Council for 18 months."

"That completely knocked back our growth plans, and you wonder what our competitors across Europe were doing in that time."

"It feels like we're operating with shackles on, and other countries certainly aren't."

#### **What does regional success look like for you and your people?**

Fiona Whitehurst, associate dean engagement and place at Newcastle University Business School, raised the importance of giving students a glimpse of business life.

She said: "I would love to make sure all students in the university get to see how fantastic the business base is in the region, because I don't think we shout out about it enough."

"They might still want to go to London or Manchester, but we want them to know they're always welcome back and they will have opportunities."



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