

NORTH EAST LOCAL ENTERPRISE PARTNERSHIP BOARD

Thursday 19 March 2015 at 5.00pm

Held at East Durham College, Peterlee Campus, Peterlee

MINUTES

Present:

Andrew Hodgson (in the Chair)	SMD North Tyneside
Gillian Hall	Watson Burton
David Land	Drive 2 Business
Gill Southern	Wessington Cryogenics
Councillor Grant Davey	Leader, Northumberland County Council
Councillor Nick Forbes	Leader, Newcastle City Council
Councillor Simon Henig	Leader, Durham County Council
Councillor Mick Henry	Leader, Gateshead Council
Councillor Iain Malcolm	Leader, South Tyneside Council
Mayor Norma Redfearn	North Tyneside Council
Councillor Paul Watson	Leader, Sunderland City Council
Professor Peter Fidler	University of Sunderland

In Attendance:

Helen Golightly	LEP Chief Operating Officer
Jane Robinson	Combined Authority
Hans Möller	Innovation Director
Gillian Kelly	Sunderland City Council

Apologies

Paul Woolston	Chair, NELEP
Dr Arnab Basu	Technology Business Kromek
Michael Bellamy	PII Pipeline Solutions
Jeremy Middleton	Middleton Enterprises
Paul Varley	Oddballs
Anne Isherwood	Association of North East Colleges

ACTION

1. WELCOME FROM THE VICE-CHAIR AND OPENING REMARKS

Andrew Hodgson, Vice- Chair of the North East LEP welcomed everyone to the meeting, thanked them for their attendance and thanked East Durham College for hosting the meeting.

The Vice-Chair advised that the Chair had sent his apologies for the meeting. He also welcomed Hans Möller, who had just taken up his post as Innovation Director, to the LEP Board meeting.

The Board were informed that, due to the number of apologies received from Business Board Members, the meeting was not quorate. Should any matters require a decision, the North East LEP constitution provides that the Chair may take this decision in consultation with the Vice-Chairs and report back to the next meeting of the Board on any action taken. As the Vice-Chairs were in attendance at the meeting and party to all discussions, the Chair would be asked to endorse any decisions after the meeting.

The Chair endorsed the Board decisions after the meeting. These decisions are set out in the remainder of these minutes.

2. INTRODUCTION FROM EAST DURHAM COLLEGE

Suzanne Duncan, Principal of East Durham College welcomed the members of the LEP Board to the venue and stated that East Durham was a medium sized college with a turnover of £18m, 500 staff and engaged with 4,000 students a year. The Peterlee Campus had opened in 2009 and the college also had a technical academy a short distance away which provided a full time engineering offer and full cost training for employers.

The college operated a studio school for 14-19 year olds focused on STEM and health and social care, whereas land based courses continued to be offered at the Houghall campus. Suzanne expanded on the ethos and approach of the college and advised that labour market intelligence was used to give a concrete base on which to build the curriculum.

The Board thanked Suzanne for her presentation.

3. MINUTES AND MATTERS ARISING

The minutes from the meeting held on 29 January 2015 were agreed as a correct record.

There were no matters arising.

4. DEVOLUTION

The Board received a presentation on developing a devolution prospectus for the North East.

Following the Scottish referendum, a number of areas, such as Greater Manchester, Sheffield and West Yorkshire, had been signing devolution deals. The North East Combined Authority (NECA) had three thematic priorities: economy, transport; and employability and skills, and was working to the

vision of the Strategic Economic Plan (SEP). NECA felt that there would be many advantages to North East devolution and had developed a draft proposal for devolution to be discussed with stakeholders.

There were 12 'asks' which it was considered should be delivered through an agreement with the Government: -

- A North East Investment Fund
- Enhanced responsibilities for the delivery of European funding
- A Government guarantee to deliver on the commitments of existing City Deals
- A Housing Investment Fund and the devolution of North East assets
- Investment in major transport infrastructure
- Creation of an integrated public transport system for the North East
- Support to secure and enhance international connectivity
- A fully devolved Work Programme
- Devolution of skills funding
- New powers to help North East businesses to grow
- Powers and funding to support the North East's vibrant culture and visitor economy
- An integrated approach to public service delivery

It was felt that it would be useful for the thematic leads across the LEP Board to look at the principles of the devolution prospectus and provide comments.

The Board RECEIVED and NOTED the presentation.

5. SEP THEME UPDATE – TRANSPORT AND DIGITAL CONNECTIVITY

The Board received a report providing an update on the key transport initiatives which related to the North East LEP.

The Board were informed that a response from the Government was expected tomorrow with regard to the propositions which had been made by Transport for the North. These had centred on investment in the East Coast Main Line, the strategic highways infrastructure, Newcastle International Airport, North East ports and smart ticketing systems.

Main transport projects were already well established and that One North was a 30 year strategy which would provide a voice and a mechanism to bring plans forward. There were two dimensions to this, one was the Northern area which would look at links from other Northern cities to the North East and include work with rail operators and the Highways Agency to address bottlenecks. The other element was Transport North East under NECA which intended to bring together the different modes of transport within the region to identify where a difference could be made. It would have to be considered which agenda would have maximum impact for the region.

The report also provided an update on the Local Growth Fund transport schemes, Road Investment Strategy, OLEV Go Ultra Low Schemes, the East Coast Main Line and the Rail Electrification Task Force.

It was highlighted by Board Members that digital connectivity had not featured within the report but it was noted that a full report on this activity was to be brought to a future meeting.

The Board NOTED the update report.

6. SEP THEME UPDATE – ECONOMIC ASSETS AND INFRASTRUCTURE

The Board received an update on the progress made on the Economic Assets and Infrastructure Theme Implementation Plan.

The report outlined developments in relation to the Regional Investment Plan, the Economic Development and Regeneration Advisory Board, recent investments and funding, Enterprise Zones and Inward Investment. A separate report was to be considered on the inward investment function but the Board was pleased to note the positive figures for both UK owned and foreign companies for the NECA area in the first three quarters of 2014/2015. They also noted the new developments on Enterprise Zone sites and additional jobs being created which showed the confidence which companies had in the region.

The Board NOTED the Economic Assets and Infrastructure update.

7. SEP THEME UPDATE – EMPLOYABILITY AND INCLUSION

The Board received a verbal update on the progress made in relation to the Employability and Inclusion theme.

An officer Steering Group continued to drive forward the objectives of the Operational Plan.

The Board NOTED the update report.

8. SEP THEME UPDATE – SKILLS

The Board received a report providing an update on key developments and progress within the skills programme since the last meeting of the Board.

The Board were advised that a number of good quality candidates had come forward for the positions on the Employment and Skills Board and five or six would be selected after the completion of the interview process.

The Board were informed that the procurement exercise for the Education Challenge had concluded without being able to secure the correct expertise to design a programme for the North East. Work was ongoing in order to get the Challenge in place for the new academic year.

The Board NOTED the progress to date within the Skills Theme.

9. SEP THEME UPDATE – BUSINESS SUPPORT

The Board received a report providing an update on the development and delivery of the Business Support Programme.

The North East Business Support Board had met on three occasions and was progressing well. The discussions at the Board so far had included role and remit, priorities, the new European Programme, Communications and Partnership and Collaboration and four task groups had been established on the following themes; mentoring and business support; North East Growth Hub; Access to Finance; and awareness and PR.

An appointment had been made to carry out the initiation, operation and development of the North East Growth Hub on behalf of the LEP and it was hoped that a presentation could be given to the Board on this in the future. Tenders were to be issued for the marketing of the Growth Hub early next week, with an appointment to be made by the end of April 2015.

The Board were informed that there was a growing movement to develop the 'Business Voice' and there were a number of individuals who wanted to give their time to help the North East LEP, both in terms of input and as ambassadors. This could be a useful group for the LEP as a means of gathering opinion and seeking support but it was unclear at the present time what form the group would take.

The Board NOTED the significant progress which had been made to develop and deliver the Business Support Programme.

10. SEP THEME UPDATE – INNOVATION

The Board received a report providing a update on the following key areas of work within the Innovation theme: -

- putting into place key LEP capacity;
- working with partners to support and shape the North East Innovation ecosystem and promote 'smart specialisation' strengths;
- support for actions which align with the strategy to build hubs, networks and brand; and
- building and maintaining LEP communications activity.

The Innovation Board had held its second meeting and the need to communicate what the Board was doing was emphasised and board members agreed a list of lead roles and responsibilities. It was highlighted that the University board members were identifying key collaborative actions they could take to support the Innovation Programme and the LEP Board representatives were taking this back up to SEP level.

The new Innovation Director addressed the Board and said how thrilled and delighted he was with the role and opportunity which he had been given. Hans advised that he had spent his first few weeks in the region travelling around the area and meeting people and was building his own opinion about the innovation ecosystem which existed in the North East LEP area.

The Board NOTED the Innovation update.

11. PROPOSALS FOR THE DEVELOPMENT OF A COMBINED INWARD INVESTMENT FUNCTION

The Board received a report outlining the outcome of discussions about the development of an enhanced inward investment function for the North East Combined Authority and the North East LEP.

It was proposed that the NECA/North East LEP area Inward Investment function would have the capacity to adequately handle enquiries that were originated by UKTI or the Gateway function, to monitor and oversee collaborative initiatives and promote sector based offers in order to generate enquiries at the NECA level. Hub and spoke arrangements would be developed between the NECA and North East LEP function and the local authority services so that all related activities were cohesive and coordinated. There also needed to be consideration of the role of the private sector in the model.

Board Members were clear that they needed to understand the detail behind the delivery model, before they could confirm funding and the LEP Chief Operating Officer would discuss this with the Chief Finance Officer at the Combined Authority.

The Vice-Chair concluded that the Board recognised and supported the direction of travel and looked forward to a further discussion at the next Board meeting.

The Board RESOLVED that: -

- (i) the recommended proposal set out in the report be agreed as the basis for the development of the NECA / NELEP Inward Investment function; and**

- (ii) a further report setting out the composition of the function and an activity plan for the proposed service be presented to the North East LEP Board for decision in May 2015.**

12. LOCAL GROWTH FUND – ASSURANCE FRAMEWORK

The Board considered the proposed North East LEP Assurance Framework which was attached as appendix one to the report.

The Department for Business, Innovation and Skills (BIS) had asked all LEPs to develop an assurance framework to ensure that robust value for money processes were in place for the Local Growth Funded projects. The framework would be a public document and subject to annual review.

As part of the assurance framework, a mechanism was required to deal with projects which underspent or failed to get off the ground. It was proposed that an officer technical steering group would look at funding and managing the programme with decisions being made by the LEP Board.

The Board RESOLVED that: -

- (i) the draft Assurance Framework for the Local Growth Fund as set out in appendix one be approved;**
- (ii) authority to make minor drafting changes within the document prior to final submission to BIS be delegated to the North East LEP Chief Operating Officer and the North East Combined Authority Monitoring Officer and Chief Finance Officer; and**
- (iii) an additional principle set out within the report be agreed.**

13. ACCOUNTABLE BODY AND HOST AUTHORITY AGREEMENTS

The Board were informed that the legal documents were being established to regularise the position with regard to the accountable body and host authority arrangements for the North East LEP.

The North East LEP Accountable Body and Host Authority Agreement and the North East LEP Framework Agreement had been drafted and had been subject to detailed comment from all parties.

The Board RESOLVED that: -

- (i) the progress made to date be noted;**

- (ii) the principle that the North East Combined Authority would now act as the North East Local Enterprise Partnership's Accountable Body for the receipt and accounting of funding subject to (iv) below be formally agreed;
- (iii) the principle that the North East Combined Authority would now act as the North East Local Enterprise Partnership's Host Authority to provide services as agreed and required by the North East LEP to undertake its responsibilities, subject to (iv) below be formally agreed; and
- (iv) the final approval of the Agreements on behalf of the North East LEP be delegated to the Chair of the North East LEP in consultation with the Vice Chairs.

14. ANY OTHER BUSINESS

Staffing

The Board received an update on the current position.

15. DATE AND TIME OF NEXT MEETING

The next Board meeting would be held on **Thursday 14 May 2015 at 5.00pm.**