

## **NORTH EAST LOCAL ENTERPRISE PARTNERSHIP BOARD**

**Thursday 24 September 2015 at 5.00pm**

**Held at Newcastle University Centre for Professional and Executive Development,  
The Core, Science Centre, Newcastle**

### **MINUTES**

#### **Present:**

Paul Woolston	Chair, NELEP
Michael Bellamy	PII Pipeline Solutions
Gillian Hall	Watson Burton
Andrew Hodgson	SMD North Tyneside
Jeremy Middleton	Middleton Enterprises
Councillor Simon Henig	Leader, Durham City Council
Councillor Mick Henry	Leader, Gateshead Council
Councillor Iain Malcolm	Leader, South Tyneside Council
Councillor Paul Watson	Leader, Sunderland City Council
Professor Peter Fidler	University of Sunderland
Anne Isherwood	Association of North East Colleges

#### **In Attendance:**

Hans Möller	LEP Innovation Director
Helen Golightly	LEP Chief Operating Officer
Adam Wilkinson	Interim Head of Paid Service, NECA
Gillian Kelly	Sunderland City Council

#### **Apologies**

David Land	Drive 2 Business
Paul Varley	Oddballs
Councillor Grant Davey	Leader, Northumberland County Council
Councillor Nick Forbes	Leader, Newcastle City Council
Mayor Norma Redfearn	North Tyneside Council
Bob Paton	LEP Chief Executive

	ACTION
<p><b>1. WELCOME FROM THE CHAIR AND OPENING REMARKS</b></p> <p>The Chair welcomed everyone to the meeting, thanked them for their attendance and thanked Newcastle University Centre for Professional and Executive Development for holding the meeting.</p> <p>The Chair informed the Board that this would be Anne Isherwood's last meeting as she would shortly be retiring from her post as Principal of Sunderland College. Jon Vincent, Principal at Tyne Metropolitan College would represent the Association of North East Colleges at future meetings.</p> <p>On behalf of Board Members, the Chair thanked Anne for her contribution to the work of the LEP during her time representing the Further Education sector on the LEP Board.</p>	
<p><b>2. WELCOME FROM BARRY WALSH, CPD DEVELOPMENT AND CENTRE MANAGER, NEWCASTLE UNIVERSITY</b></p> <p>Barry Walsh welcomed the LEP Board to the Centre for Professional and Executive Development. He advised that the centre operated six training rooms and its role was to develop and grow CPD in the university. The facilities draw on expertise across university faculties and had opened in November as a showcase for the university.</p> <p>The Board thanked Barry for his presentation.</p>	
<p><b>3. MINUTES AND MATTERS ARISING</b></p> <p>The minutes from the meetings held on 23 July and 16 September 2015 were agreed as a correct record.</p> <p><b>Enterprise Zones</b></p> <p>It was noted that the Enterprise Zone submission had been made and it was likely that the Government would come back to the LEP and request that the proposal was revisited.</p>	

## **European Funding**

The Chair advised the Board that he had attended the meeting of the North East ESIF Committee the previous day and the funds allocated had been reduced by 15%, equating to just over £70m. This clearly had implications as the identified projects would take the value of the programme as a whole almost up to the revised limit in some themes. The Chair commented that he was not overly concerned about this as one of the biggest issues with European funding in the past had been making sure that all of the funds were spent, so it was pleasing to see that there were a number of good quality projects lined up.

## **4. ROLE OF THE LEP**

As the Chief Executive had been unable to attend today's meeting, it was proposed that the discussion be postponed to a future meeting after conversations had taken place with all Board Members.

**The Board NOTED the position.**

## **5. DEVOLUTION**

The Board received a report providing an update on the devolution process and were informed that the Statement of Intent had been submitted to the Government by the deadline of 4 September 2015.

Adam Wilkinson advised that consultations were running in parallel across a wide range of stakeholder groups and that he and local authority chief executives were providing a flow of information to groups and ensuring that views were taken on board.

**The Board NOTED the contents of the report and the update provided.**

## **6. INNOVATION PRESENTATION AND SEP THEME UPDATE**

Hans Möller, LEP Innovation Director, delivered a presentation to the Board on the innovation theme and the progress being made in the North East LEP area.

Innovation was defined as "a unique product or service that creates economic value or social good" and stated that research or a new idea was not

innovation on its own. As a key theme within the Strategic Economic Plan (SEP), success would be measured by: -

- An increase in scale of engagement
- The delivery of successful proof of concept programmes
- Creation of more than 3,000 jobs
- Becoming a recognised innovation hotspot in Europe.

The Board were informed that the LEP was supporting Newcastle City Council's bid to become the European Capital of Innovation. This would relate to all types of innovation, not just hi-tech developments.

Work was ongoing to develop sub-strategies under the Innovation Strategy for each of the smart specialisation areas with Life Sciences Health Care being ready for presentation in January, followed by Sub Sea Offshore in April. Close collaboration with universities was also being moved forward with a view to unlocking their potential.

The next steps for the team included the definition of an Innovation Observatory project and to work with universities to extend innovation activities, expand spin outs and student entrepreneurship. Hans advised that the team were currently working on a pipeline of projects to bid for available funding and that the six schemes in the Local Growth Fund had been through the due diligence process. The European funding element of the Innovation programme had been oversubscribed but it was hoped to have some resource left for the Grand Challenge and catalytic competition.

The Chair thanked Hans for his presentation and felt that it had been very useful to enable one of the SEP themes to be the subject of a wider discussion at the Board.

**The Board NOTED the presentation.**

## **7. CEO RECRUITMENT**

The Board received a report providing an update on the recruitment of a Chief Executive for the North East Combined Authority and North East LEP.

**The Board AGREED that: -**

- (i) the current position be noted; and**

- (ii) **recruitment to the post of Chief Executive Officer of the North East Combined Authority/North East LEP begins as soon as the outcome of the Comprehensive Spending Review and Devolution deal is known;**

## **8. SEP THEME UPDATES**

### **(a) Skills**

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

The issue of the Education Challenge was highlighted and Board Members were advised that a report had been commissioned on the priority areas for the North East LEP and this would come back with a specific report on the actions required.

**The Board NOTED the update report.**

At this point, the Chair left the meeting and Andrew Hodgson, Vice-Chair took over as chair.

### **(b) Employability and Inclusion**

Councillor Davey had been unable to attend the meeting and therefore the report updating on progress in delivering the Operational Plan for Employability and Inclusion was deferred to the next meeting.

### **(c) Business Support and Access to Finance**

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

It was noted that there were issues with regard to the managing agent for JEREMIE 2 and the LEP was doing everything possible to maintain the management of this in the region. The Board were advised that the local authorities had also resolved to write to the Government on this issue.

**The Board AGREED that: -**

- (i) **the update report be noted; and**

- (ii) the North East LEP's views with regard to current JEREMIE 2 proposals be supported.

**(d) Transport and Digital Connectivity**

The Board received a report providing an update on the development of the Transport and Digital Connectivity SEP Theme Programme.

**The Board NOTED the update report.**

**(e) Economic Assets and Infrastructure**

The Board received a report providing an update on the development and delivery of the Economic Assets and Infrastructure SEP theme.

**The Board NOTED the update report.**

**9. LOCAL GROWTH FUND UPDATE**

*Andrew Hodgson declared an interest in the River Tyne Economic Development project as it was linked to the Swans project in which he had an interest.*

The Board received a report providing an update on the implementation of the Local Growth Fund programme and including recent guidance received from Government and two projects which required specific consideration and approval.

The Board were asked to consider two specific projects which were seeking to vary their previously agreed programmes.

Board members were informed that full business cases for four projects had been signed off by the Chairs and Vice-Chairs of the LEP Board under delegated powers. It was proposed that this delegation be extended to all additional Growth Deal 2 projects to help maintain momentum.

The report outlined the planned approach to the re-use of resources which had been de-committed following the withdrawal of a project. The total allocation for the project had been £9.9m between 2015 and 2017 and a re-commitment plan and proposals to bring forward projects for the uncommitted funds would be presented to BIS in February/March 2016. It was recommended that the process for a project call be prepared through the

Technical Determination Steering Group and brought to the next Board for determination.

The Board were advised that the LGF Programme Assurance Framework which had been adopted earlier in the year was now uploaded to the website and would be refreshed and updated during October to reflect recent developments, good practice and lessons learned. The Technical Steering Group would consider the revised document and give approval under existing delegations.

Officers involved were commended for their management of the LGF Programme and the work they were doing to maintain momentum for all projects.

**The Board AGREED that: -**

- (i) the latest budget position and the emerging underspend in 2015/2016 and mitigating actions be noted;**
- (ii) the variations to two projects be agreed subject to conditions;**
- (iii) the profiled reduction in existing LGF allocations in 2015/2016 and that the balance be re-profiled into future years be agreed;**
- (iv) the recent project approvals under delegated powers to the Chair and Vice-Chairs be noted;**
- (v) the existing delegation to the Chair and Vice-Chairs be extended to include the approval of final business cases for Growth Deal 2 LGF projects;**
- (vi) BIS be informed of the plans for the re-use of resources from the project underspend as set out in the report;**
- (vii) the Technical Steering Group be requested to develop an approach for a future project call with a report being brought back to the Board ahead of any Comprehensive Spending Review announcements; and**
- (viii) the LGF Assurance Document be updated under existing delegations to the Chief Operating Officer (North East LEP), North**



East Combined Authority Monitoring Officer and the North East  
Combined Authority Chief Finance Officer.

**10. ANY OTHER BUSINESS**

North East Investment Fund Update

Confidential due to commercial information.

**11. DATE AND TIME OF NEXT MEETING**

The next Board meeting would be held on **Thursday 19 November 2015** at  
**5.00pm.**