

NORTH EAST LOCAL ENTERPRISE PARTNERSHIP BOARD

Thursday 24 November 2016 at 5.00pm

Held in the Boardroom, Gateshead College, Baltic Campus

MINUTES

Present:

Andrew Hodgson	Chair, North East LEP
Gillian Hall	Watson Burton
David Land	Drive 2 Business
Andrew Moffat	Port of Tyne
Heidi Mottram	Northumbrian Water Group
Mark Thompson	Ryder Architecture
Councillor Grant Davey	Leader, Northumberland County Council
Councillor Simon Henig	Leader, Durham County Council
Councillor Iain Malcolm	Leader, South Tyneside Council
Councillor Paul Watson	Leader, Sunderland City Council
Karen Redhead	Association of North East Colleges

In Attendance:

Helen Golightly	LEP Chief Operating Officer and NECA Interim Head of Paid Service
Richard Baker	Head of Strategy and Policy, North East LEP
Colin Bell	Business Growth Director, North East LEP
Paul Woods	Chief Financial Officer, NECA
Gillian Kelly	Sunderland City Council

Apologies

Farooq Hakim	BT
Paul Varley	Oddballs
Councillor Martin Gannon	Leader, Gateshead Council
Mayor Norma Redfearn	North Tyneside Council
Councillor Nick Forbes	Leader, Newcastle City Council
Professor Andrew Wathey	Northumbria University

ACTION

1. WELCOME FROM THE CHAIR AND OPENING REMARKS

The Chair welcomed everyone to the meeting, thanked them for their attendance and thanked Judith Doyle, Principal and Chief Executive of Gateshead College for hosting the meeting.

Karen Redhead was welcomed to her first meeting of the LEP Board. Karen had replaced Jon Vincent as the representative of the Association of North East Colleges.

2. MINUTES AND MATTERS ARISING

The minutes of the Board meeting held on 29 September 2016 were agreed as a correct record.

Appointment of Business Growth Board Members

The Chief Operating Officer advised that further information about the new Business Board Members had been circulated to LEP Board Members. An induction session would be taking place for the Business Board Members the following day.

ESIF Schemes

With regard to the discussion which had taken place about ESIF at the last meeting it was noted that out of a possible £437m of funding available, around £198m had already been committed. The Chancellor of the Exchequer had announced that any other projects that met the defined criteria and could deliver whilst the country remained a member of the EU would be supported. There were currently a number of projects in the appraisal process and potential future calls had been discussed at the ESIF Committee. Further clarity was required and national guidance was expected setting out the timescales for projects to be approved.

Budget Setting

The budget setting process was ongoing and this was picking up on the proposal to establish a sector lead for Life Sciences and achieving better alignment in inward investment.

3. APPOINTMENT OF LEP BOARD MEMBER

Board Members were aware that there was currently a vacancy for a private sector member of the LEP Board and the Chair reminded the Board that an extensive recruitment process had taken place earlier in the year and proposed that Ammar Mirza be appointed to the North East LEP Board.

The Board AGREED that Ammar Mirza be appointed to the North East LEP Board with immediate effect.

4. BUSINESS GROWTH PRESENTATION

Colin Bell, the LEP's Business Growth Director, was in attendance to deliver a presentation on business growth in the North East LEP area.

Colin stated that he had been in post for around a year and during that time had been considering the evidence base and developing a plan in the context of 'More and Better Jobs' and the Strategic Economic Plan. The overall goal was to create a world class business support and finance ecosystem which would enable more businesses to scale up.

Key drivers of productivity had been identified as internationalisation, innovation and adoption of digital technology, however key barriers to this were a lack of leadership and entrepreneurship skills; people, talent and skills; access to capital; and also internationalisation and innovation. The aim was to create a growth ladder which would see more start-ups become micro businesses, micro businesses becoming small businesses and so on.

When studying the current business growth ecosystem, Colin stated that gaps had been identified in supporting the transition from start-up to growth and that there was an inadequate provision of leadership and enterprise skills development. It was felt that the LEP could achieve the most impact for business in their 'growth' phase, potentially those that were a few years old and with five to ten employees who were looking to increase their turnover.

The Growth Hub was moving on from just being a directory and performing a role in filling gaps including growth through leadership, finance, the Manufacturing Growth Programme, digital technology, trade and export

It was queried how sectors would be taken into account, as if a product was at a mature point in its life cycle, it would be difficult to identify a large growth area. The Board were advised that there would be sector specific targeting in line with the SEP refresh and the Industrial Strategy. Growth occurred in any sector and a lot of the activity was about trying to stimulate creativity in existing businesses.

Having thanked Colin for his presentation, **the Board AGREED that the information be noted.**

5. SEP REFRESH

Richard Baker was in attendance to deliver a presentation on the current position of the Strategic Economic Plan (SEP) refresh. The latest version of the SEP had been circulated prior to the meeting.

The Board were advised that the plan was now at the point of being a 'close to final' draft and there had been a number of key points included such as clarification of success factors, a focus on strengths, specialisms, a continued attention to the regional ecosystem and a more authentic North East feel.

The SEP had also been made shorter and more accessible and clarified the top six measures and how progress would be measured. The plan identified a group of brands for the region and positioned key projects and themes, set out actions for 2018 and the vision for 2024.

Board Members were guided through the relevant sections of the plan and commented that consideration was being given to how to present current employment performance and its impacts. In terms of where jobs would be coming from, foreign direct investment accounted for 4,000 jobs per annum, amounting to 32,000 over eight years. Performance was currently very good in the North East with the region already being 50% of the way to the 2024 jobs target. National employment levels had also increased faster than expected and forecasts were cautiously positive. This presented an opportunity to lay down a challenge to the Government for ongoing investment.

A number of risks had been identified including the downgrading of projections for growth, the impact of Brexit and populations projections for the region.

Board Members discussed elements of the plan and terminologies used and it was agreed that the document needed to be for the people of the North East as a whole and that people were not engaged. It was suggested that there needed to be case studies from around the region within the document.

With regard to the audience for the plan, it was noted that it could not be all things to all people and the Board was advised that an audience and communications plan was being worked on. It was important to identify place for the regional audience but it was acknowledged that there needed to be a stronger story about jobs in education, careers and innovation. An executive summary with the core story would be a good way to approach this with a range of other communications mechanisms following on from this.

In relation to the timescale, it had been intended to have the plan signed off before Christmas but this had been extended and it would now be launched in early 2017.

The Board discussed extending the target for job creation due to the high numbers which had already been achieved. It was queried if there was anything significant suggesting that the number of new jobs created would tail off moving forward and Richard stated that as the economy was now emerging out of recession and the number of new jobs would flatten off over time.

Board Members were reminded that the LEP team would facilitate rather than deliver the plan and communication and engagement would be critical. It was necessary for the Board to have buy-in, ownership and acceptance of the SEP and everyone had to be comfortable with this.

The Board discussed the process for final sign off of the plan and it was agreed that comments continue to be forwarded to Richard and that the final

version of the SEP be brought to the January Board meeting.

The Board AGREED that the update on the SEP refresh be noted and the final version of the plan be brought to the Board meeting on 26 January 2017.

HG/RB

6. AUTUMN STATEMENT

A briefing on the Autumn Statement had been circulated to Board Members earlier in the day and this had summarised what the Chancellor had said and the Government response.

The Office of Budget Responsibility had issued key messages including that the economy had been resilient through a period of uncertainty but there was predicted to be a drop off in economic growth. There were also significant references to longstanding productivity issues and the continuing high deficit.

Employment figures were being strengthened in the labour market with more people moving to full time employment. In terms of policy direction, infrastructure and innovation would be moved forward by drawing on borrowing. A £23bn National Productivity Fund for infrastructure, housing and digital industry had been announced, however there was nothing around skills. Proposals had been made on 5G technology, there were some transport funds and a strategy for the Northern Powerhouse. The LGF had been allocated a further £1.8bn and it was understood that £560m would be available to Northern LEPs.

The Chair noted that it was a generally positive statement in terms of what the LEP was focussing on, however the local authority Board Members highlighted that this was a wide ranging statement and for them there were significant impacts arising from the Autumn Statement.

The Board AGREED that the update on the Autumn Statement be noted.

7. FUNDING UPDATES

This report was strictly confidential as it contained commercial information relating to the financial or business affairs of a particular person or organisation and was not for wider circulation.

8. DELIVERY PLAN 2016/2017 UPDATE

This report was strictly confidential as it contained commercial information relating to the financial or business affairs of a particular person or organisation and was not for wider circulation.

9. NECA THEME UPDATES

(a) Economic Assets and Infrastructure

The Board received a report providing an update on the progress being made in delivering the Economic Assets and Infrastructure SEP theme.

Councillor Malcolm advised that the Economic Development and Regeneration Advisory Board had been informed that the North East Chamber of Commerce were undertaking a piece of work looking at the effects of Brexit and the effects on the North East economy. It was important to understand the implications and what could be done to mitigate the effects. The Advisory Board had also discussed the effectiveness of UKTI and how it was working within the North East region.

The Board NOTED the update report.

(b) Employability and Inclusion

The Board received a report providing an update on the progress being made in delivering the Employment and Inclusion SEP theme.

Councillor Davey highlighted that the Duchess of Northumberland was helping with the Mental Health Trailblazer and placement programme. Generation North East was now fully operational and had supported in excess of 2,500 young people. There was uncertainty about how the changes to Universal Credit might affect the young people who had had the benefit applied through Generation North East.

The Board NOTED the update report.

(c) Transport and Digital Connectivity

The Board received a report providing an update on the progress being made in delivering the Transport and Digital Connectivity SEP theme.

The Board NOTED the update report.

10. ANY OTHER BUSINESS

There was no other business.

11. DATE AND TIME OF NEXT MEETING

The next meeting of the LEP Board would take place on Thursday 26 January 2017 at 5.00pm in the Boardroom, Northern Design Centre, Abbott's Hill, Gateshead, NE8 3DF.