

# NORTH EAST LOCAL ENTERPRISE PARTNERSHIP BOARD

Thursday 29 September 2016 at 5.00pm

Held in the Cathedral Suite, Durham County Cricket Club, Chester-le-Street

## MINUTES

### Present:

Councillor Paul Watson (in the Chair)	Leader, Sunderland City Council
Farooq Hakim	BT
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
Jon Vincent	Association of North East Colleges

### In Attendance:

Helen Golightly	LEP Chief Operating Officer and NECA Head of Paid Service
Patrick Melia	Chief Executive, North Tyneside Council
Guy Currey	North East Combined Authority
Hans Möller	Innovation Director
Gillian Kelly	Sunderland City Council

### Apologies

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

---

Board Members were made advised that Jeremy Middleton had stood down from his position on the Board.

## **2. MINUTES AND MATTERS ARISING**

The minutes of the Board meeting held on 28 July 2016 were agreed as a correct record subject to an amendment in relation to Gillian Hall's interest in Item 8 – Funding Update.

It was reported that the local authority leaders had endorsed the decisions made at the last Board meeting.

## **3. APPOINTMENT OF VICE-CHAIR AND BUSINESS GROWTH BOARD MEMBERS**

The position of private sector Vice-Chair of the LEP Board had been vacant since Andrew Hodgson became Chair of the Board. It was proposed that Heidi Mottram take up the role of Vice-Chair and the support of Board Members was sought.

**The Board AGREED that Heidi Mottram be appointed as private sector Vice Chair of the North East LEP Board.**

The Chief Operating Officer reported that four current members of the Business Growth Advisory Board had stepped down and a recruitment exercise, managed by NRG, had taken place with interviews having taken place earlier in the day.

There had been 31 applications, with eight candidates going forward to interview. The four preferred candidates were Sandra Thompson from EY, Jacqui Miller-Charlton from Miller International Limited, Ryan Maughan from Avid Technology Limited and Gillian Marshall from the Entrepreneurs' Forum.

The Chief Operating Officer advised that information about the four candidates would be circulated to the Board with the request that final approval be delegated to the Chair and Vice-Chairs of the Board.

**The Board AGREED that: -**

- (i) information about the preferred candidates be circulated to LEP Board Members; and**
- (ii) final approval for the appointment of Business Growth Board members be delegated to the Chair and Vice Chairs of the LEP Board.**

**HG**

#### 4. INNOVATION UPDATE

Hans Möller, Innovation Director was in attendance to present an update on innovation. He advised that activity had been divided into four themes: invest for growth; ecosystem development; communications; and policy and strategy.

The Board were advised that funding had been secured for a number of projects as all ERDF and ESIF schemes which were contracted prior to the Autumn Statement would be confirmed. The contracted projects would take up just under half of the European funding which had been available so there may be an opportunity for further calls or the expansion of existing projects.

The Board discussed how the LEP might position themselves to take best advantage of any further funding which became available. It was noted that the best scenario at the time of the Autumn Statement would be £200m of contracted projects as there had been nothing further to bid into for new projects. Options were being explored with the Government and the LEP was asking if more could be put into existing programmes and the team was trying to understand the potential bidding rounds which DCLG might launch and preparing for these.

The Board were advised that there was a well evidenced and healthy project pipeline for Local Growth Fund Round 3 and there were a range of projects which could be brought forward from this. Preparation was being undertaken by the LEP team to develop a pipeline from all partners in the North East to include all schemes, not just capital projects. This process would also look at where the strategic priorities were and what would make the most difference in the short term. The Board felt that everything possible should be done to ensure that the region was ready to take up funding opportunities as soon as they came forward.

Hans turned to the smart specialisation areas, highlighting that the Life Sciences and Healthcare plan had already been presented to the Board earlier in the year. Plans in relation to Digital and Creative sectors and Subsea and Offshore sectors would be finalised in the first quarter of 2017/2018 followed by Passenger Vehicles in the third quarter of 2017/2018.

It had been identified that there was a need to create effective strategic leadership and better coordination for the smart specialisation areas which would continue development of the sectors and increase productivity. This would also raise awareness and the ability to attract inward investment and align smart specialisation areas with the emerging industrial strategy. It was proposed that a sector lead be appointed to set the strategic priorities for each sector and drive development. The sector expert would have relevant background in the sector and sit on each sub board. LEP Board Members were asked to consider if they supported the principle.

Board Members felt that the deliverables for the sector lead had to be clearly established and that the Life Sciences post could be used to prove the

concept before it was rolled out across the other smart specialisation areas. However, the Board were generally positive about the idea and it was noted that resourcing options could be considered within the budget setting for 2017/2018. The Board agreed that the proposal should be moved forward.

**The Board NOTED the Innovation Update.**

## **5. INWARD INVESTMENT UPDATE**

Guy Currey, Director of Invest North East England was in attendance to deliver a presentation on inward investment in the North East LEP area.

Guy provided some of the background to the current position from the winding up of One North East and the Tyne and Wear Development Company in March 2012 to the establishment of the Invest North East England brand in September 2013. The budget for Invest North East England had been £80,000 in 2014/2015, increasing to £360,000 in 2015/2016 and £505,000 in 2016/2017.

Currently a business plan was being developed with the key goal of increasing the level of inward investment flowing into the North East from both foreign owned and UK owned companies. Invest North East England's primary function was attracting new inward investment and it worked on the principle North East first. The team aimed to add value to local authority activity and to focus on strategic inward investment projects and where possible, bigger job projects.

Invest North East England was also to provide a comprehensive gateway service and work proactively on detailed action plans for all sectors.

Guy highlighted that during 2014/2015 and 2015/2016 there had been 204 inward investments in the region, 131 foreign direct and 73 UK owned companies. 75% were foreign direct re-investments with the USA and Japan being the largest investors but the EU was also important to the region.

It was queried whether there was any overlap with Hans' ask in relation to innovation. Guy stated that out of all the sectors, Life Sciences could be the most difficult for inward investment and sector experts would always be involved in potential investments in that area. A sector lead could be very useful in fronting this.

It was noted that there was a lot of good work going on but more could be done and that all project areas needed to be moved forward, rather than just one or two smart specialisation areas at a time. The LEP needed to work with UKTI and to utilise their resource in the best way possible for the North East. The business community had said that money or 'in-kind' support would be available for the right project, they just needed to see the strategy and vision moving forward.

There was a strong sense in the business community that bringing resources into one entity would generate more value but it was understood that there were issues around funding this and ensuring that there was fair representation for all areas within the region.

The budget for Invest North East England had been increased which showed the commitment of the local authorities, however they were operating under very difficult financial circumstances.

It was felt that the region needed to look to its advantages, consider what it wanted and how it could go out and achieve this. It was also suggested that some value could be generated from business groups in terms of targeting investors.

It was suggested that the local authority economic directors be asked to look at the issues raised about having a more joined up approach and how duplication can be avoided and resources targeted in a proactive way. It was agreed that this would be taken forward.

The Board AGREED that the Inward Investment Update be noted.

**HG/  
GCurrey**

## **6. FUNDING 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.**

## **7. 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.**

## **8. BREXIT**

**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. DEVOLUTION UPDATE**

The Vice Chair of the LEP summarised the events which had led to the current position in respect of devolution.

In May 2016, six of the seven NECA local authorities had agreed to the establishment of a mayoral combined authority, however four of the

authorities did not agree with the scheme which had been put together to implement the relationship between the elected mayor, the combined authority and the Government. The seven local authority leaders were committed to devolution but this had to be right for the North East.

The issues which NECA had with the scheme were related to both structure and funding guarantees and the most important element was to ascertain where the region could go from this point.

**The Board AGREED that the update be noted and a letter drafted for Government indicating the LEP's support for devolution.**

HG

## **10. NECA THEME UPDATES**

### **(a) Employability and Inclusion**

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

**The Board NOTED the update report.**

### **(b) 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.

**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.**

## **11. ANY OTHER BUSINESS**

### **LEP Chief Operating Officer**

It was noted that Helen Golightly was now taking on the role of Head of Paid Service for the North East Combined Authority along with that of the LEP Chief Operating Officer on an interim basis.

The Vice-Chair commented that it was a huge step to finally achieve the position of joined up working with the LEP and NECA and it should be more widely reported.

## **12. DATE AND TIME OF NEXT MEETING**

The next meeting of the LEP Board would take place on Thursday 24 November 2016 at 5.00pm.