

NORTH EAST LOCAL ENTERPRISE PARTNERSHIP BOARD

Thursday 25 May 2017 at 5.00pm

Held at the Tyne and Wear Fire and Rescue Service, Barmston Mere, Nissan Way, Sunderland

MINUTES

Present:

Andrew Hodgson	Chair, North East LEP
Farooq Hakim	BT
David Land	Drive 2 Business
Ammar Mirza	AmmarM (UK) Limited
Andrew Moffat	Port of Tyne
Heidi Mottram	Northumbrian Water Group
Mark Thompson	Ryder Architecture
Councillor Nick Forbes	Leader, Newcastle City Council
Councillor Martin Gannon	Leader, Gateshead Council
Councillor Simon Henig	Leader, Durham County Council
Councillor Peter Jackson	Leader, Northumberland 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	Executive Director, North East LEP
Patrick Melia	Local Authority Chief Executives
Hans Möller	Innovation Director, North East LEP
Colin Bell	Business Growth Director, North East LEP
Michelle Rainbow	Skills for Business Manager, North East LEP
Gillian Kelly	Sunderland City Council

Apologies

Gillian Hall	Watson Burton
Mayor Norma Redfearn	North Tyneside Council
Paul Varley	North East Clothing Company
Professor Andrew Wathey	Northumbria University

ACTION

1. WELCOME FROM THE CHAIR AND OPENING REMARKS

The Chair welcomed everyone to the meeting and thanked them for their attendance.

2. MINUTES AND MATTERS ARISING

The minutes of the Board meeting held on 23 March 2017 were agreed as a correct record.

Action Log

The Executive Director advised that, in response to a suggestion at the previous Board meeting to see all investment projects, a standardised report would be provided.

3. DELIVERY PLAN

The first fully completed version of the Strategic Economic Plan delivery update was presented to the Board. Colin Bell, Hans Möller and Michelle Rainbow were in attendance to talk to the different elements of the update.

Colin Bell referred to the Business Growth and Access to Finance Programme highlighting the Scale Up North East programme which was contributing to the goal of increasing the number of 'scale up' businesses in the North East LEP area by 50%. There would be £7m of programme support offered over three years as part of the project.

The 'Growth through Mentoring' scheme had made eight placements and the quality of people coming forward to take part had been very pleasing. With regard to manufacturing growth, this was slightly behind on engagement but ahead on impact. Increase in demand was filtering through the provider network.

Hans Möller explained that the Innovation Programme had three elements; Ecosystem Development, Innovation Infrastructure and Smart Specialisation. The LEP was heavily involved in science and innovation audits as part of ecosystem development and was leading on subsea, offshore and bio-economy audits. The North East LEP had also been party to a submission of a bid for Round 3 of the innovation audits programme and the result of this was awaited.

Venturefest had been successfully delivered and would be running again later in the year. A Finance Camp event had been held the previous day with the aim of matching small and medium enterprises with investors. 140 companies and more than 30 investors, including organisations from outside of the region had attended.

Hans also advised that there had been a number of investments in infrastructure through LGF funding including the National Centre for Chemical Formulation and Healthcare Photonics. He highlighted three projects which were being developed in relation to smart packaging, a super-incubator at Science Central and a 5G test bed.

Turning to the Skills Programme, Michelle Rainbow advised that the work on the Good Career Guidance benchmarks continued and there had been outstanding results from the 16 educational establishments in the pilot and around 80% of these would achieve six or more of the eight benchmarks by July. The programme would be rolled out to every secondary school wanting to take the benchmarks forward and the team was looking for ways to fund a pilot in primary schools. The task and finish careers group were supporting this work and other groups were being formed to ensure that every child received the same amount of support. All other programmes and activities were developed alongside key partners.

In relation to the Employability and Inclusion programme, contracted ESF programmes were up and running and were focusing on youth provision and those who were furthest away from the labour market.

The Economic Assets and Infrastructure programme was split into three areas; developing local plans to support North East economic ambitions, securing investment to deliver strategic employment and housing sites and collaborative development of a spatial planning framework for the North East. The main activity of the Transport and Connectivity programme was focused on public transport and capital projects and Strategy, Policy and Analysis element of the plan sought to position the LEP as the key North East organisation to communicate and comment on economic data and analysis.

Highlights from the Communications work included the North East LEP having more followers on Twitter than any other LEP in the country. It was also noted that there had been no negative newspaper articles about the North East LEP in the last quarter.

The Chair thanked the Executive Director on behalf of the Board as there had been a specific ask from the Board to develop this delivery update and it was heartening to see all of the work which was taking place.

The Board NOTED the Programme Delivery Update.

4. ANNUAL REVIEW 2016/2017

The Board received a copy of the North East LEP annual review for 2016/2017 which included economic data and statistics, actual achievements and details of progress made in delivering the SEP themes.

The report would be published online and hard copies provided for key partners.

The Board RECEIVED and NOTED the report for information.

5. UPDATE ON ENTERPRISE ZONE FINANCIAL MODELLING

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.

6. BUDGET OUTTURN 2016/2017 AND MEDIUM TERM BUDGET PLAN

The Board received a report presenting the financial outturn for 2016/2017.

Board members' attention was drawn to Table 1 which showed the spend, income and surplus for 2016/2017.

The capital programme for 2016/2017 had consisted of the continuation of the North East Investment Fund (NEIF) and activity relating to the second year of the delivery of the Local Growth Fund (LGF) programme. The final outturn of the LGF was £63m against an expenditure target of £81.9m.

Turning to the Medium Term Financial Plan, the Board were reminded that the LEP operational budget came from top slicing the LGF and the profile for this had dropped significantly and would do so again. General reserves and budget carry over would be used to support the operational budget when it was appropriate to do so over the medium term.

The Board NOTED the outturn position for 2016/2017.

7. ADVISORY BOARDS UPDATE

The Board had previously noted the need to ensure that the LEP Sub Boards were delivery focused so that the refreshed SEP ambitions and programmes were delivered. A report was presented which reflected the current arrangements and made recommendations to sharpen the delivery focus.

The Employment and Skills Board was operating well and, together with its four task and finish working groups, was delivery focused and therefore there were no proposals to change the group.

The Business Growth Board had been through an open recruitment process in 2016 leading to a change of membership and Mark Thompson taking on the role of Chair. The Board was proposing a 'champions' approach to provide challenge and focus on key areas of the Business Growth Programme and it was hoped that the champions would be identified at the next meeting of the Board on 6 June.

Proposals for the Innovation Board's future configuration would be finalised by the Board itself, however it was proposed that there would be a two tier system with a delivery focused programme board and stakeholders and partners taking on the strategic thinking role.

The Executive Team were currently looking at the Investment Panel and the Technical Steering Group with a view to bring the two groups together. The team were also investigating the possibility of establishing a company limited by guarantee to sit alongside the LEP, which would enable applications to be made for funding which was not available to public bodies.

The Board AGREED that: -

- (i) the current delivery focused arrangements of the Employment and Skills Board be noted;**
- (ii) the proposed 'champions model' being promoted by the Business Growth Board be endorsed, to allow it to be finalised to provide focus and greater clarity to deliver the Business Growth Programme;**
- (iii) the proposed Programme Board and Strategic Steering Group proposal developed by the Chair of the Innovation Board and Innovation Director, which has taken into account the discussion at the previous Innovation Board meeting, be endorsed;**
- (iv) the intent to develop and bring forward a proposal to create one funding and investment group that considers all LEP funding and investment before it makes recommendations to the LEP Board be noted; and**
- (v) the intent to explore the most appropriate structure to enable the LEP to access funding streams where the public sector are precluded from applying be noted.**

8. 5G PRESENTATION

David Bartlett from Nexus was in attendance to deliver a presentation on the opportunities around 5G technology.

Having thanked David for his presentation and noting that the slides would be circulated after the meeting, **the Board NOTED the presentation.**

9. 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.

10. NORTH OF TYNE DEVOLUTION

The Board were advised that discussions were ongoing with DCLG and updated the Board on the progress towards North of Tyne devolution.

The Board NOTED the update.

11. ANY OTHER BUSINESS

It was asked if it was planned to hold any other events like that which had launched the SEP as this had been good for engagement. Helen Golightly advised that the possibility of a 'State of the Region' had been considered and Board Members would be kept informed about any plans for this type of event.

The Chair highlighted that it was almost a year until the Great Exhibition of the North taking place in NewcastleGateshead and it was suggested that the Board might have a presentation on the exhibition at a future meeting.

12. DATE AND TIME OF NEXT MEETING

The next meeting of the LEP Board would take place on Thursday 27 July 2017 at 5.00pm.

ACTION LOG

<u>Action</u>	<u>Lead</u>	<u>Update</u>