

# NORTH EAST LOCAL ENTERPRISE PARTNERSHIP BOARD

Thursday 25 January 2018 at 5.00pm

Held at Northern Design Centre, Abbott's Hill, Gateshead, NE8 3DF

## MINUTES

### Present:

Andrew Hodgson	Chair, North East LEP
Farooq Hakim	Oracle
Ammar Mirza	AmmarM (UK) Limited
Andrew Moffat	Port of Tyne
Heidi Mottram	Northumbrian Water Group
Mark Thompson	Ryder Architecture
Councillor Martin Gannon	Leader, Gateshead Council
Councillor Henry Trueman	Deputy Leader, Sunderland City Council
Karen Redhead	Association of North East Colleges

### In Attendance:

Helen Golightly	Executive Director, North East LEP
Paul Woods	Chief Financial Officer, NECA
Patrick Melia	North Tyneside Council
Richard Baker	LEP Executive Team
Gillian Kelly	Sunderland City Council

### Apologies

Gillian Hall	Watson Burton
David Land	Drive 2 Business
Paul Varley	North East Clothing Company
Councillor Nick Forbes	Leader, Newcastle City Council
Councillor Simon Henig	Leader, Durham County Council
Councillor Peter Jackson	Leader, Northumberland County Council
Councillor Iain Malcolm	Leader, South Tyneside Council
Mayor Norma Redfearn	North Tyneside Council

		ACTION
1.	<b>WELCOME FROM THE CHAIR AND OPENING REMARKS</b>	
	The Chair welcomed everyone to the meeting and thanked them for their attendance.	
	Board Members were made aware that the meeting was inquorate, however the Board's recommendations would be sent to Board members for agreement by written representations after the meeting.	<b>HG</b>

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

The minutes of the Board meeting held on 30 November 2017 were agreed as a correct record.

### **Cultural Partnership**

As a follow up action from the presentation delivered at the last Board meeting, Richard Evans had attended the LEP Senior Management Team to discuss practical actions and he had undertaken to come back with a work plan for strands of the Case for Culture.

### **Board Membership**

The Board had agreed to recruit a new private sector Board member and an open advert would go out early next week. It was planned to hold interviews during the week commencing 5 March 2018 and the interview panel would comprise the Chair and two Vice-Chairs. NRG would manage the recruitment process.

## **3. DELIVERY PLAN**

The Board received an update on the delivery plan setting out the progress against SEP actions and the performance against plan targets since 2014.

The Executive Director advised that since the report had been produced, updated statistics had been received which put the job creation figure at 55,200 with 73% of these being 'better' jobs against a target of 70%.

The recruitment process for the new Innovation Director had been completed and it was intended that they would be in post from 2 April 2018. The Innovation Observatory and Super-Network projects continued to move forward.

In relation to the Business Growth Programme, the Scale Up North East programme was due to be launched at the Growth Hub Live event on 26 January 2018. There had been some positive press coverage before Christmas for JEREMIE 2 and it was hoped that the funding agreement would be signed in March to allow funding to become available. Positive numbers were also being seen for inward investment for the first six months of 2017/2018.

It was noted that the National Careers Strategy included a number of references to the work of North East LEP on careers advice and guidance.

An event had been held the previous week at the Centre for Life for intermediaries, and this had been attended by around 200 people. The event was aimed at helping them to understand more about what the LEP was doing and how they, and their clients, could help to deliver the SEP.

The Chair highlighted that it was important to ensure that the Q&As at these events were publicised and the Executive Director stated that she had signed these off and they would be available on line shortly.

**The Board NOTED the Programme Delivery Update.**

**4. 2018/2019 BUDGET**

The Board received a report providing an update on the forecast revenue outturn position for the North East LEP core budget for 2017/2018 and the initial 2018/2019 revenue budget for approval.

Board Members were directed to the second page of the report and the expenditure table. It was highlighted that the projected expenditure for 2017/2018 was £2.958m, with income totalling £2.921m and £0.037m being used from reserves to meet the shortfall. The draft budget for 2018/2019 outlined proposed expenditure of £2.962m and a gross income of £2.868m.

It was noted that the key message was that the LEP's income was not guaranteed medium term and came through Government grants and particular projects. It was difficult to set a medium term budget due to this and as announcements were made by the Government, these would be built into the budget.

With regard to the longer term view, a draft three year budget had been produced the previous year which demonstrated the reduction in LGF funding over the period.

Board Members commented that the Inward Investment team did great work with limited resources and issued a plea for more funding for them. It was highlighted that the team had an operational budget of £460,000, to which the LEP contributed £310,000, the private sector £10,000 and the local authorities £140,000.

The Chair said that funding for inward investment was part of the ongoing discussion with the Department for International Trade (DIT) and suggested that a report should be brought back to look at the issue alongside the work of Invest North East. The Chair went on to propose that a report be produced to show what the inward investment model is now, for discussion by the Board on how it should be further developed. .

**HG**

**The Board RESOLVED that: -**

- (i) the update on the 2017/2018 budget be noted; and**
- (ii) the 2018/2019 budget be approved.**

## 5. STRATEGY, POLICY AND ANALYSIS UPDATE

The Board received a report providing updates on a number of areas and asked for the Board's comments on the following matters: -

- working towards agreement from the Department for Business, Energy and Industrial Strategy (BEIS) to an approach to a first wave Local Industrial Strategy which was complementary to the SEP;
- the approach to the 'Our Economy' process;
- moving forward with the approach outlined to the evaluation of the Strategic Economic Plan (SEP); and
- consideration of the revised joint statement of key messages on Brexit.

The Industrial Strategy White Paper had been published in November 2017 and one feature of this was the identification of four 'Grand Challenges' for the Government and the wider economy. These were: Artificial Intelligence and the Data Economy; Clean Growth; Future of Mobility; and Ageing Society. The paper also focused on local place based economic development through the agreement of Local Industrial Strategies to be led by local enterprise partnerships and mayoral combined authorities.

The White Paper confirmed that a new 'Strength in Places fund' would be created to facilitate new investment in 'place' and a Green Paper was expected on the UK Shared Prosperity Fund.

The Government intended for Local Industrial Strategies to be part of the framework for prioritising emerging regional resources and for securing investment from the national funding streams related to the Industrial Strategy. They had indicated that there would be a number of waves of Local Industrial Strategy (LIS) developments, it was recommended that the North East LEP should try to influence the Government and be in the first wave of Local Industrial Strategies. A significant piece of work had already begun to update the evidence base to identify assets based on the Grand Challenge themes.

It was noted that all of the detail was not known at this time but it was expected that it would be a public document and provide an important opportunity to link the local and national strategy. Regarding the LIS first wave and what the criteria might be for being part of it, again there was not a large amount of detail available but it was envisaged that the Government would be looking for areas which were ready to develop that sort of document but it was unknown how this would be structured.

With regard to the history of the SEP, this had been introduced by the coalition government in 2013 and 38 LEPs had approached 38 SEPs in completely different ways. The format developed by the North East LEP was one they had believed was the best for the region. One of the reasons to push to be part of the first wave of LIS was that it would provide the opportunity to help to shape the Government's thinking and to create a document which was appropriate for the North East.

It was noted that it was also important to look at the present as well as the future, for example transport issues and lack of charging points for electric vehicles.

The Board agreed that the North East LEP should aim to be in the first wave for LIS and the LEP team were asked to come up with a framework for this. It was now time for the LEP to think about what should be done to transform the North East economy, now that the building blocks were in place.

The need to engage with Transport for the North at an early stage was emphasised and to have a scheme ready to go when funding became available. There had been a meeting with Transport for the North which included discussion around the review of the Independent Economic Review which was geared around transport corridors at the moment but could be directed towards clusters.

Actions moving forward were to consider the vision for strategic transport which was being articulated through the development of TfN's Strategic Transport Plan, and to make sure that the LEP was involved in that process, and for the North East to collectively develop the next big project in parallel with the vision.

The Board were reminded that the team had been developing a 'state of the region' report to be called 'Our Economy' which would be the focus for ongoing updating of the economic evidence base, including reporting progress on SEP targets. A draft of the report was available but was a working document with further data and commentary to be added.

'Our Economy' would be launched at an event at The Sage Gateshead on 6 March and a communications plan for the launch had been developed, with activity beginning in the last week of January.

The report also set out the arrangements for the monitoring and evaluation of the Strategic Economic Plan (SEP) and the Board were advised that the LEP team had developed an approach for a 'portfolio' evaluation which would assure and build on existing programme and monitoring arrangements and provide an external oversight and impact assessment at the programme level.

Board Members were reminded that a group of regional partners had prepared a joint 'Statement of Key Messages' in relation to Brexit. The membership of this group had now been extended and it had developed a regular meeting cycle. The group had reviewed the previously agreed statement of key messages and the revised text was attached to the report for the consideration of the Board.

**The Board RESOLVED that: -**

**(i) the request to the Government to agree to the North East LEP**

**being part of the first wave of Local Industrial Strategies be endorsed; and**

- (ii) the revised North East Brexit text be approved.**

## **6. LEP GOVERNANCE AND TRANSPARENCY**

The North East LEP Board was required to annually review its Assurance Framework which sets out the operational management and decision-making accountabilities which were necessary for the effective control and delivery of Government and other resources received by the North East LEP.

This year's review would be informed by the national 'LEP Governance and Transparency Report' prepared by Mary Ney and the subsequent best practice guidelines which had been issued by the Ministry of Housing, Culture and Local Government (MHCLG) in December 2017.

The North East LEP already complied with the recommendations in the Mary Ney report and generally had policies and procedures in place which were consistent with the MHCLG guidelines. One area where the model approach was set out in greater detail was in relation to 'whistle blowing' and it was proposed to adopt this best practice policy for local customisation. There were also some minor amendments proposed for the Board's register of Members' Interests and new documents would be circulated to Board Members in March.

During the North East LEP's Annual Conversation with the Government it was commented that the North East LEP maintained a high standard of accountability and transparency and BEIS had asked if they could attend Board meetings as an observer.

Having considered the report, **the Board RESOLVED that: -**

- (i) the actions taken by Government to improve national governance and transparency guidelines to LEPs that would lead to more consistent policies and standards across all LEPs and the enhanced level of national scrutiny in response to the Mary Ney report through 'annual conversations' be noted;**
- (ii) the positive informal feedback following the latest North East LEP Annual Conversation with Government and that formal written feedback was expected in February be noted;**
- (iii) the updated Assurance Framework set out at Appendix 3 of the report, noting that the key amendments were highlighted in paragraph 4 and detailed in Appendix 1 be approved;**
- (iv) authority be delegated to the Executive Director, in consultation**

**with the Monitoring Officer and S73 Officer to make further amendments to the Assurance Framework to ensure continued compliance with the finalised national guidelines when these are published by the MHCLG; and**

- (v) a BEIS representative be invited to attend the LEP Board as an observer.**

## **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. DRAFT CONSULTATION RESPONSE TO THE NORTH OF TYNE DEVOLUTION PROPOSAL**

**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. ANY OTHER BUSINESS**

The Chair referred to meeting attendance and that efforts needed to be made to achieve full attendance, particularly when the effectiveness of the LEP was likely to be scrutinised in the future.

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

The next meeting of the LEP Board would take place on Thursday 22 March 2018 at 5.00pm at the Fire Service Headquarters, Nissan Way, Sunderland, SR5 3QY.

## **ACTION LOG**

<b><u>Action</u></b>	<b><u>Lead</u></b>	<b><u>Update</u></b>
All Board decisions to be ratified through written representation following the meeting	Helen Golightly	Completed
Inward Investment paper to a future Board meeting	Helen Golightly	On the agenda for 22 March 2018