

# NORTH EAST LOCAL ENTERPRISE PARTNERSHIP BOARD

Thursday 7 June 2018 at 5.00pm

Held at Ward Hadaway, 102 Quayside, Newcastle upon Tyne, NE1 3DX

## MINUTES

### Present:

Andrew Hodgson	Chair, North East LEP
Gillian Hall	Watson Burton
Ammar Mirza	AmmarM (UK) Limited
Kate Wickham	Gate7 Group
Councillor Martin Gannon	Leader, Gateshead Council
Councillor Iain Malcolm	Leader, South Tyneside Council
Councillor Graeme Miller	Leader, Sunderland City Council
Mayor Norma Redfearn	North Tyneside Council
Karen Redhead	Derwentside College

### In Attendance:

Helen Golightly	Executive Director, North East LEP
Michelle Rainbow	Skills Director, North East LEP
Gillian Kelly	Sunderland City Council

### Apologies

Farooq Hakim	Oracle
David Land	Drive 2 Business
Andrew Moffat	Port of Tyne
Heidi Mottram	Northumbrian Water Group
Mark Thompson	Ryder Architecture
Councillor Nick Forbes	Leader, Newcastle City Council
Councillor Simon Henig	Leader, Durham County Council
Councillor Peter Jackson	Leader, Northumberland County Council
Prof Andrew Wathey	Northumbria University

## ACTION

### 1. WELCOME FROM THE VICE-CHAIR AND OPENING REMARKS

The Chair welcomed everyone to the meeting and thanked them for their attendance. The Chair welcomed Councillor Graeme Miller and Kate Wickham to their first meeting of the North East LEP Board.

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.

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

The minutes of the Board meeting held on 22 March 2018 were agreed as a correct record.

### **Board Decisions**

The written representations had been completed to ratify the decisions made at the last Board meeting.

### **Inward Investment Study**

The procurement process had been initiated for an evidence based study for an inward investment model.

## **3. EMPLOYMENT AND SKILLS UPDATE**

Michelle Rainbow, Skills Director, delivered a presentation providing an overview and update on the Skills Programme.

The skills challenges for the region had been identified as: ensuring that the workforce has the skills required; attracting and retaining workforce within the region; and supporting young people to understand the labour market to make informed choices. Within the SEP there were five areas of focus to address these challenges: -

- Excelling in technical and professional education
- Higher Education
- Fuller Working Lives
- North East Ambition (good career guidance)
- Education Challenge

The work which was taking place under each of the areas of focus was detailed, including the implementation of apprenticeship reforms, supporting businesses and establishing sub-groups to move this forward and the Technical Education reforms (T-levels). The team had also been raising awareness with employers about the ageing workforce and potential opportunities being created as a result, and the #LiveWorkStay campaign targeting graduate retention and attraction.

The North East LEP had been a pilot for the national programme for good career guidance and the results achieved between 2015 and 2017 had been described as transformative by the DfE. North East Ambition was a programme to roll out the career guidance benchmarks to all of the region's schools. The ambition was for every school and college in the North East to be working towards the benchmarks with 'each and every' pupil and student. This was critical for social mobility in the North East.

The Education Challenge was aimed at improving outcomes for all students and reducing the disparity between schools so that all students had the opportunity to be educated in a good or outstanding school. This was to be achieved by continuing to implement the good career benchmarks, focusing on good school governance, the attraction and retention of high quality teaching staff and learning from the best examples of world class education systems.

The North East had been successful in a bid for the first international translation of the Ford Next Generation Learning programme. The pilot was working with three schools in the first wave and would focus on teaching the existing curriculum through the lens of a sector and intensive employer involvement, project based learning, a small school approach, oracy and effective implementation of career guidance benchmark 4.

There were a large number of partners who collaborated with the North East LEP to successfully implement the Skills Strategy including local authorities, schools, academies, DfE, Ofsted, the Careers and Enterprise Company, Wellcome Trust, Nuffield Foundation and the Social Mobility Foundation. The Employment and Skills Board and its working groups ensured connectivity and relevance for the region and was now recognised as the point of contact for this work and the strength was in ensuring that coherence was achieved across the region.

The Chair commented that 'more and better jobs' was the driving force behind the SEP delivery plan and 79% of jobs created were in this category. This aim brought a significant challenge in terms of the mismatch between skills and employment opportunities. The success in closing the gaps brought a fresh set of challenges and the work in schools was a long term project.

It was queried how it could be ensured that there was a single and standardised approach and how engagement with small and medium enterprises (SMEs) could encourage everyone to join the journey.

The Board were advised that the Employability and Inclusion Programme was involved in the setting of the European Structural and Investment Fund (ESIF) Strategy and there was a big emphasis on providers speaking to the SEP and ESIF. There was SME representation on the Employment and Skills Board and the 90 business leaders who were linked with schools were representative of the business make up of the region in terms of sectors, size and also gender balance. There were 25 big corporations involved and the rest were SMEs so students did get to see small and micro businesses.

The mechanisms for schools to get involved in the programme were raised by the Board. Careers lead network events were held each quarter and all schools in the region were invited. The Chair noted that the numbers engaged with the programme had increased on a voluntary basis, however this was going to become statutory and there would be a need to look at the reasons why some schools were not part of the programme. At the moment,

24 out of a potential 170 schools were not engaged.

It was noted that the issue around skills had always been outward migration and that there was not enough engagement with care workers as there were too many low paid and low skilled employees in that sector. However if the North East region was delivering the infrastructure, then good people would be retained.

It was highlighted that it was recognised that one of the key things for the primary benchmarks would be parental engagement and in secondary schools there were a number of schools who were developing innovative ways of working with parents.

Karen Redhead acknowledged this and thanked the team for the work they had done and said that it was phenomenal for the North East to be leading the way nationally. The team also had the vision to know the next stage and to continue pushing the region ahead.

Having thanked Michelle for her presentation, **the Board RESOLVED that the information be noted.**

#### **4. BORDERLANDS**

Janice Rose, Northumberland County Council, was in attendance to deliver a presentation on the Borderlands Growth Deal.

The informal Borderlands Partnership had been operational since 2014 and had been established as a means of adopting an integrated approach to a functional economic area which straddled the England-Scotland border. The last Conservative Party Manifesto included reference to a Growth Deal and the partnership had been invited to submit a proposition to both the UK and Scottish Governments. Negotiations had been initiated with a view to securing a 'Heads of Terms' announcement as part of the Budget 2018.

The Borderlands Partnership comprised the local authority areas of Northumberland, Carlisle, Cumbria, Dumfries and Galloway and the Scottish Borders, an area with a population of 1 million but was within two hours' drive of 14 million people.

The opportunities which existed within the Borderlands area included a growing base of SMEs, a range of international companies, national scale strategic investment and employment sites, connectivity and access to markets and natural assets. There were also challenges such as the demographics of the working age population, low wages, digital connectivity, transport links, investment and employment sites and skills levels.

This would be the first in a new round of post-Brexit 'Inclusive Growth Deals' and would have a focus on rural economic growth and development. The deal straddled the Scotland-England border and aimed to have a 'border

blind' approach and would also complement the Edinburgh and South East Scotland City Deal and the North of Tyne devolution deal.

The proposition for the Growth Deal included: -

- Borderlands Broadband/Gigabit Transformation
- Borderlands Energy Company
- Transport – acceleration of national transport planning processes to align with Borderlands economic growth
- Bespoke place-based interventions.

Communications and engagement processes were now underway and a Borderlands Conference would take place on 18 June. The next steps would involve the scoping and co-production of emerging propositions, stakeholder engagement, preparation of outline business cases, negotiation of heads of terms, agreement of future governance structure and the intention to have an announcement on the Growth Deal by the end of the year.

A question was asked about the best way for the LEP to feed in to the process and Janice advised that the Steering Group was the five council leaders at the present time, however business input would be necessary as the proposals moved forward and the methods of engagement would be crystallised over the summer.

Having thanked Janice for her presentation, **the Board NOTED the information.**

## **5. DELIVERY PLAN**

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

The Executive Director explained that the delivery plan set out the activity which was taking place under each of the six programmes which sat within the Strategic Economic Plan (SEP).

In relation to the Business Growth Programme, the North East Fund was now live and had £120m available. The team had been running roadshows which were receiving positive feedback and it was now necessary to maintain momentum and for the fund to reach into all local authority areas.

Two substantial bids had been submitted to the Government by the North East Combined Authority under the Transport and Connectivity theme; the first was to the Transforming Cities Fund. The fund had been allocated £1.8bn, although £900m had been passed directly to devolution areas, however the likely prize for a successful bid would be between £100m and £150m.

A bid was also being developed for a 5G test bed in the North East LEP area. There was a tight timescale for this, with the call having been made on 8 May and the submission date being 12 June. The North East LEP was taking a lead on this with the 5G team and it was understood that the Government was looking for one urban area to develop the test bed. It was a competitive process and the foremost ambition would be to get to the next stage of the process in early July. The funding available could be between £60m and £100m and could lever in another £200m - £250m from the private sector.

It was queried asked how the North of Tyne devolution deal would impact on the plans for transport investment and the Board were advised that this was RAG rated as amber as the region was going through that transition and a new Joint Transport Committee was being established.

The Chair drew attention to the amber rating for the action to develop seven local authority statutory Local Plans and suggested that some thought needed to be given to how the business voice could be used to bring this through.

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

## **6. BUDGET 2017/2018 OUTTURN**

The Board received a report setting out the financial outturn for 2017/2018 and Board Members were directed towards Table 1 within the report which detailed the expenditure and income for the year.

The budget showed a positive balance of £26,000 and no use of reserves during the year. In relation to the Enterprise Zone account, it showed that the actual cumulative surplus for the year was £2.708m, an increase on the projected figure of £2.250m which was a positive year end position.

It was confirmed that the LEP accounts formed part of the North East Combined Authority accounts and would be audited by Mazars LLP as part of those.

**The Board RESOLVED to note the contents of the report and the positive budget outturn position for 2017/2018.**

## **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.**

Following consideration of the report, **the Board RESOLVED that: -**

- (i) the progress made on each funding programme be noted;**
- (ii) the procurement to secure digital development, management and content support services be approved;**
- (iii) a named Enterprise Zone application should be determined by the Written Representation Procedure once the application has been appraised and a recommendation can be made; and**
- (iv) the intention for the North East to submit an application to DCMS for the live 5G call and the potential need for a discussion about match funding of the bid is shortlisted be noted.**

## **8. UPDATING THE STRATEGIC ECONOMIC PLAN**

The Board were reminded that during 2016 and early 2017, the Strategic Economic Plan had been refreshed and was published in March 2017, setting out the plans to achieve the ambition to deliver 100,000 'more and better jobs' for the area by 2024.

It was proposed that the delivery element of the plan should be updated to ensure that the six programmes within the SEP continued to set out a forward focused work programme and update the data from the current version in the context of the emerging Government policy.

The process would be delivered using current structures including the LEP Advisory Boards, local authority structures and other reference groups and would be coordinated by a Steering Group operating under the mandate of the LEP Board. A number of meetings would be held over the summer to move the review forward.

**The Board NOTED and ENDORSED the proposal to update the Strategic Economic Plan.**

## **9. NORTH OF TYNE DEVOLUTION UPDATE**

The Executive Director updated Board Members on the North of Tyne devolution process.

On 26 April 2018, the North East Combined Authority had agreed to move forward with the North of Tyne devolution deal and the three north of Tyne local authorities would move away to establish the North of Tyne Mayoral Combined Authority. The existing North East Combined Authority would be reduced from seven to four local authorities, however transport arrangements would be kept at the seven authorities level.

There was a lot of work being undertaken at the moment and the authorities were in the progress of agreeing the 'Deed of Cooperation' which would set out what happened in the future primarily in relation to the LEP, inward investment and transport matters. A piece of work would be required in the reconfiguration programme and putting the Deed into practice.

The latest version of the Order was awaited and the work was still being directed towards an implementation date of 1 July, however if the Order was not received before then, the implementation date could change.

**The Board NOTED the update.**

**10. ANY OTHER BUSINESS**

**Board Membership**

On behalf of the Board Members, the Chair expressed thanks to Paul Varley for his long service on the North East LEP Board and the valuable contribution he had made during this time as a member.

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

The next meeting of the LEP Board would take place on Thursday 26 July 2018 at 5.00pm.

**ACTION LOG**

<u>Action</u>	<u>Lead</u>	<u>Update</u>
All Board decisions to be ratified through written representation following the meeting	Helen Golightly	