

NORTH EAST LOCAL ENTERPRISE PARTNERSHIP BOARD

Thursday 21 March 2019 at 5.00pm

Held at the Eagles Community Arena, Scotswood Road, Newcastle

DRAFT MINUTES to be ratified at the LEP Board on 23 May 2019

Present:

Andrew Hodgson	Chair, North East LEP
Gillian Hall	Watson Burton
David Land	Drive 2 Business
Ammar Mirza	AmmarM (UK) Limited
Andrew Moffat	
Heidi Mottram	Northumbrian Water Group
Mark Thompson	Ryder Architecture
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 Graeme Miller	Leader, Sunderland City Council
Stuart Corbridge	Durham University

In Attendance:

Helen Golightly	Chief Executive, North East LEP
Paul Woods	Section 73 Officer, North East Combined Authority
Martin Swales	Chief Executive, South Tyneside Council
Jen Robson	Head of Communications, North East LEP
Tobyn Hughes	Managing Director, Transport North East
Gillian Kelly	Sunderland City Council

Apologies

Farooq Hakim	Oracle
Kate Wickham`	Gate7 Group
Councillor Nick Forbes	Leader, Newcastle City Council
Mayor Norma Redfearn	North Tyneside Council
Ellen Thinnesen	Sunderland College

1. WELCOME FROM THE CHAIR AND OPENING REMARKS

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

Paul and Sam Blake from Newcastle Eagles welcomed the LEP Board to the venue and gave a brief overview of the development of the project and the impact the building was having in the short time since its opening in January 2019.

On behalf of the LEP, the Chair thanked the Paul and Sam for hosting the meeting and congratulated them on what they had achieved at the arena.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES AND MATTERS ARISING

The minutes of the Board meeting held on 31 January 2019 were agreed as a correct record.

Councillor Malcolm commented that he had not seen a copy of the final version of the Energy Strategy and Helen Golightly undertook to ensure that this document was provided.

HG

Action Log

Helen Golightly advised that it had been expected that the first wave of local industrial strategies would be published today, however nothing had been seen as yet.

4. SEP DELIVERY PLAN PROGRESS UPDATE

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 Chief Executive explained that the delivery plan had been amended to reflect the updated and relaunched SEP. There were two pages relating to each of the programmes which showed the vision and the actions which were being worked towards.

In relation to the Business Growth programme, the Growth Hub was going from strength to strength and toolkits were being developed for Brexit and Scale Up. The Scale Up business programme was also progressing well.

Three projects within the Innovation Programme had been successful in proceeding to the next round of the Strength in Places Fund; these were the Centre of Excellence for Sustainable Advanced Manufacturing (CESAM), the Cluster for Health Ageing and the Hydrogen Corridor.

European Social funding (ESF) had been approved to deliver a skills programme led by the LEP, and this was in the final contract and legal stage. There was a lot of activity around the pilot Careers initiatives and there had been an announcement the previous week in relation to securing £10m from the Transforming Cities Fund.

It was asked whether those projects with an 'amber' status in relation to Transport and Connectivity reflected issues with the project pipeline and the Chief Executive explained that this was in relation to getting all elements of a project to be operational. It was intended to get to a position where there was consensus on all of the key projects regionally. It was also noted that the guidance on the Shared Prosperity Fund would now be delayed until after Brexit.

It was noted that the LEP had an interest in these amber-rated projects, but deliverability would be managed through the regional transport body. Board Members were advised that work was being done in this area and that issues relating to air quality would require significant investment in facilities such as Park and Ride, rail and metro services. There was consensus to develop a plan which would be for the benefit of the entire region and this would come forward as a Regional Transport Strategy.

It was suggested that it would be useful to have a covering report alongside the delivery plan which would highlight the most significant matters and enable Board Members to get a better understanding of what had been achieved and where there were areas of concern.

HG

Ammar Mirza provided an update to the Board on the Ambassadorial Scheme which had been developed through the Business Growth Board as a mechanism to engage and communicate with intermediaries such as solicitors and accountants. Two meetings had taken place so far and had been well received.

Ammar stated that the scheme was intended to help support small and medium enterprises through their professional advisors and intermediaries to highlight how businesses can engage with the North East LEP. The Board was asked to help promote the awareness of the scheme and encouraged to push this out as it grew and developed.

The Board NOTED the Programme Delivery Update.

5. BREXIT UPDATE

The Board received a paper providing an update on the work being carried out at a regional level in preparation for Brexit.

The North East Brexit Group had been established 18 months ago with the aim of being a co-ordinated voice for the region and had developed a network of monitoring arrangements to provide a clear oversight of issues and challenges and to feed into Government departments. An Infrastructure Sub-Group had been established involving the Ports of Sunderland, Tyne and Blyth together with Newcastle International Airport and NEXUS and there was a weekly information exchange with the Ministry of Housing, Communities and Local Government.

It was suggested that the Northumbria Water could be involved with the Infrastructure Sub-Group and the LEP Chief Executive undertook to pick that up.

HG

The Board were advised that a number of activities had been undertaken to provide support for businesses including research on Free Trade Zones and associated arrangements and discussions with the Bank of England about their approach to funding.

The North East LEP wanted to be in a position to influence future policy with the flow of skills being a priority. The recent announcement of the Stronger Towns Fund would provide £105m for the North East and Tees Valley LEPs but there was no clarity or guidance on this as yet.

The region's universities had been working to maintain a presence in Europe and a proposal for a shared office had been developed which would ensure ongoing relationships and the ability to influence key programmes such as H2020 and Erasmus. It was intended that there would be an office in Brussels established.

Martin Swales advised that he was communicating with MHCLG on behalf of the 12 local authority areas in the region and this took the form of a weekly conference call and weekly return which highlighted key and critical issues and the general feel and mood of the area. The most recent conversation had covered communications, operations and the EU elections. It was noted that local returning officers were undertaking contingency planning in relation to possible elections.

Reference was made to the Emergency Response Task Force which had been established and that the core group did not appear to involve the Chamber of Commerce or the CBI. It was noted that links were made with those organisations on a weekly basis.

It was queried if there had been any further information provided on the UK Shared Prosperity Fund and the LEP Chief Executive advised that the latest message from the Government was that there would be no further detail until

after there was a clearer position on Brexit and the relationship between the EU and UK.

The Board NOTED the content of the report.

6. LOCAL INDUSTRIAL STRATEGY UPDATE

The Board received a report providing an update on the progress to date towards the development of the Local Industrial Strategy.

Work for the strategy was in the first evidence gathering phase and there were two specific pieces of work; a review of North East productivity and an assessment of the key assets for the region. The data would be analysed once collated to provide a direction of travel for the next stage of the work.

The UK Industrial Strategy was focused on regional productivity and performance, locally the focus was on improving productivity in order to raise living standards for all. The development of the Local Industrial Strategy would go back to the component parts, sector deals and the four grand challenges, and the opportunities this could bring the North East.

The Board were advised that by the May meeting it was intended to have a skeleton list of propositions, whilst simultaneously working with a number of stakeholders across the region. The Board would then have the opportunity to consider and discuss the draft proposition before the first formal conversation with the Government in mid-June. The propositions would then be further developed over the summer period and there would be wider external engagement at this time.

It was highlighted that the political landscape had changed since local industrial strategies had been launched and there was concern that this work could be done and then the requirement changed by Government at very short notice. The Chair stated that he had raised this issue and the Government had said that they would genuinely try and build around the LEP's input but there would need to be synthesis to ensure that the North East's strategy aligned to other regions.

It was commented that the right issues were clearly being identified and the opportunity to talk to the Government should be welcomed, however it had to be considered if the framework which was being used was fit for the demands of the region at the moment. The Chair noted that the governance of the strategy was not just about practicalities but how the LEP continued to be effective.

The Board NOTED the content of the report.

7. FUNDING UPDATE AND DECISIONS

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.

The Board received a report which: -

- summarised projects approved under delegated authority since the last Board meeting; and
- provided a funding programmes round up.

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

- (i) the funding decisions made under delegated procedures be noted;**
- (ii) Government plans to roll out a Stronger Towns Fund to operate over the period 2019-2026 be noted and a follow up report be received when further operational details are announced;**
- (iii) the process outlined to commence work on updating a regional database of strategic capital investment projects across all SEP themes be endorsed;**
- (iv) the proposal outlined to make temporary LGF programme funding swaps be agreed; and**
- (v) the positive North East LEP assessment from the Government following this year's annual performance review be noted.**

8. LEP PERCEPTIONS ANALYSIS

The Board received a report summarising the perceptions research which was commissioned by the Communications and Strategy, Policy and Analysis Team in 2018 and had been conducted between August 2018 and January 2019.

Jen Robson, Head of Communications at the North East LEP was in attendance to deliver a presentation and talk to the report. The purpose of the research had been to gain a greater understanding of how partners perceived the LEP's role, responsibility and effectiveness and the analysis include insight into awareness and perceptions of individual programmes.

200 stakeholders, delivery partners and board members were invited to take part in an online survey and 50 were invited to have an in-depth interview. 50 online surveys were completed and 18 interviews took place. In terms of awareness of the LEP the research found that: -

- the LEP's role in promoting economic growth in the North East was well understood;
- the majority of respondents felt that the LEP made a significant contribution to the region's economic growth through:
 - taking an evidence-based approach and leading role on setting and inputting into regional policy
 - the North East LEP Board was seen as strong and credited with a significant improvement in building more positive relationships
 - improved relationships have led to more positive partnerships
- there was an appreciation of the environment the LEP worked in, including resource constraints, physical geography and the political arena;
- the leadership and wider team regularly received recognition;
- there was an awareness of the challenges which the North East LEP faced including Brexit and economic uncertainty;
- there was a question about where the LEP Board and Executive Team should be more vocal on political issues.

The survey had found that awareness of the North East Strategic Economic Plan was extremely high and 98% of respondents felt that the vision of the SEP was right for the North East. There was universal agreement that the SEP set out the framework for economic growth for the North East and that a range of partners were required to ensure successful delivery. The key points to address in relation to the SEP were to make the employability agenda more visible, to increase awareness and understanding of the four relative targets in the SEP and to improve awareness of education being involved with the North East LEP.

There was a strong awareness of all programmes and funding streams and the majority of respondents felt that they were kept informed of the North East LEP's activities and the LEP events were perceived as an excellent forum for discussion and networking. There was a feeling that the communications could at times be too generalised and there was a desire for more targeted communications.

The Board were informed that it was intended to repeat the survey each year, linked to the SEP evaluation and the LEP Executive Team would consider the content of the report and address the challenges identified.

Reference was made to the comment that the North East LEP was 'humble' and whether this was a good thing. Jen noted that this was about striking a balance in publicising the LEP's work; something like the Gatsby project was very visible but other work was not.

It was felt that the North East LEP should promote what it was doing well and that they should be confident on certain issues. The Chair noted that it had been practice to give partners space to take credit for projects but it needed to be considered whether there was an advantage to being more visible.

With regard to the respondents to the research, it was confirmed that a number of these were from outside the region including representatives from Gatsby and BEIS. There was a lot to consider arising from the research and it was requested that the full detail be circulated to Board Members.

JR

Board Members were pleased to see that people had confidence in the LEP and that it was beneficial for the North East LEP to be able to speak from a position of strength. It was noted that communications had been identified and targeted as an issue a few years ago and it was good to see positive comments being made. The Chair suggested that for the next Board meeting it would be useful to have a series of proposals on how to move forward the communications process.

The Board NOTED the content of the report.

9. STRATEGIC TRANSPORT UPDATE

Tobyn Hughes, Managing Director of Transport North East was in attendance to deliver a presentation on regional transport issues.

The presentation set out the key issues and challenges for transport in the North East and it was highlighted that the Joint Transport Committee was required by statute to produce a North East Transport Plan and it was aimed to consult on this during the summer of 2019.

In relation to Rail transport there were two major problems for the North East; the East Coast Mainline, now and in the future, and the inadequate rail infrastructure elsewhere in the North East. The issues with the East Coast Mainline included that the section running through the North East was not fit for purpose and it did not have the resilience, capacity or line speeds to cope with existing or future demand.

The second phase of HS2 would include an extension towards York and after York, HS2 services would use the existing East Coast Mainline to the North East. The North East region needed HS2 as a sustained increased in passengers had put pressure on the network and HS2 would transform journey times. HS2 would also be key in supporting the development of Northern Powerhouse Rail (NPR) and without it, the region would be unlikely to maximise the full benefits of NPR.

Northern Powerhouse Rail was a proposed 'high speed' rail network between Newcastle, York, Leeds, Manchester and Liverpool as well as Hull and Sheffield which was focused on delivering the capacity, reliability and journey time improvements on the East Coast mainline. As of March 2019, the Strategic Outline Business Case for NPR had been approved by the DfT Board Investment and Commercial Committee.

There were other identified rail infrastructure problems in the region including the slow speed and capacity constraints of the Durham Coast Line,

the urgent need for investment in Sunderland Station and aspirations to reintroduce passenger services and to reopen disused routes.

Turning to the metro network, it was felt that expanding the metro system would complement the region's aspirations for growth and would have the potential to connect up to a further 80,000 jobs and nearly 10,000 new homes. Nexus was currently put to tender for the new metro fleet and it was expected that the final stage of the process would take place in June 2019.

The North East had been one of 12 city regions shortlisted to bid for a share of the £1.28 billion Transforming Cities Fund which was to provide capital funding for public transport and sustainable transport schemes. An application had been submitted for £10m from Tranche 1 and the outcome of the bid was awaited.

The North East Combined Authority and the North of Tyne Combined Authority were partners of Transport for the North (TfN) which had published its Strategic Transport Plan and Investment programme in February 2019. TfN would use the strategy to make the case for pan-Northern strategic transport improvements needed to support economic growth.

In relation to the strategic road network, funding for management, maintenance and improvements was issued in five-year cycles and Transport North East would be writing to the DfT to confirm that its priorities for the next cycle would be improvements at Seaton Burn and Moor Farm roundabouts.

Freight transport was also of critical importance to the national and local economy but the sector faced a number of key challenges including delays on key routes and congestion in city centres, an ageing workforce, impact of Brexit and HGV/LGV contribution to poor air quality and reliance on diesel fuel. Efforts were being made to address this through road investment programmes, working with the sector to raise standards and exploring alternatives such as increased use of local ports, consolidation and cycle logistics.

The majority of the Electric Vehicle charging infrastructure in the region needed to be upgraded or replaced and the Heads of Transport Group were currently exploring options to bring the existing network together to reduce running costs. The region had received funding to deliver an Electric Vehicle Filling Station at Sunderland, one of the UK's first, and to provide 11 rapid charging clusters across the North East.

It had been well reported in the region that levels of nitrogen dioxide on certain roads exceeded legal limits and Newcastle, Gateshead and North Tyneside Councils were carrying out a joint feasibility study to determine the measures needed to bring the levels to within legal limits by 2021. Public consultation was underway to seek views on the two main options.

Tobyn concluded by highlighting that: -

- there were a wide variety of transport issues affecting the North East;
- investment was needed to enable these issues to be addressed;
- investment in sustainable transport was needed to meet environmental targets and improve air quality; and
- joint working was essential in addressing these issues and enabling the economy to grow and prosper.

Board Members noted that it was crucial for the East Coast Mainline to be ready for HS2 by 2023 and the region needed to be very vocal on this. It was suggested that it might be more useful to direct lobbying towards Network Rail rather than Transport for the North.

It was felt that the key thing was to have a transport strategy which actually worked and which partners adhered to. A further update on strategic transport would be brought to the Board later in the year.

The Board NOTED the content of the presentation.

10. INWARD INVESTMENT

Mark Thompson advised that, following the discussion at the Board meeting in January, he had had further conversations with Councillor Malcolm, the Chair of NECA and also with the region's universities. There were a number of other ideas coming to the fore and it was intended to come back with a more complete proposal for a future meeting after he had had further conversations principally with the North East Combined Authority, the North of Tyne Combined Authority and the established Task and Finish Group.

The Board NOTED the update.

11. ANY OTHER BUSINESS

The LEP Chief Executive noted that there had been some discussion about altering the days and dates of LEP Board meetings, however it was proposed to look at this once the local authorities had confirmed their meeting dates for the 2019/2020 municipal year.

12. DATE AND TIME OF NEXT MEETING

The next meeting of the LEP Board would take place on Thursday 23 May 2019 at 5.00pm.

ACTION LOG

<u>Action</u>	<u>Lead</u>	<u>Update</u>
Final version of the Energy Strategy to be provided for Board Members.	HG	
Covering report highlighting key issues to be produced to sit alongside the SEP Programme Delivery Update.	HG	
Northumbria Water to be invited to join the Infrastructure Sub-Group of the North East Brexit Group	HG	
Full detail of the Perceptions Analysis to be circulated to Board Members	JR	