

## NORTH EAST LOCAL ENTERPRISE PARTNERSHIP BOARD

Thursday 23 July 2015 at 5.00pm

Held at Northumberland College, Ashington Campus

### MINUTES

#### Present:

Paul Woolston	Chair, NELEP
Gillian Hall	Watson Burton
David Land	Drive 2 Business
Jeremy Middleton	Middleton Enterprises
Gill Southern	Wessington Cryogenics
Paul Varley	Oddballs
Councillor Grant Davey	Leader, Northumberland County Council
Councillor Nick Forbes	Leader, Newcastle City Council
Councillor Simon Henig	Leader, Durham City Council
Councillor Mick Henry	Leader, Gateshead Council
Councillor Paul Watson	Leader, Sunderland City Council
Anne Isherwood	Association of North East Colleges

#### In Attendance:

Bob Paton	LEP Chief Executive
Helen Golightly	LEP Chief Operating Officer
Pat Ritchie	Representing NECA
Paul Woods	Chief Financial Officer, NECA
James Davies	LEP Executive Team
Paul Buie	North Tyneside Council
Mark Wilson	Head of Transport Policy, NECA
Gillian Kelly	Sunderland City Council

#### Apologies

Michael Bellamy	P11 Pipeline Solutions
Andrew Hodgson	SMD North Tyneside
Councillor Iain Malcolm	Leader, South Tyneside Council
Mayor Norma Redfearn	North Tyneside Council
Professor Peter Fidler	University of Sunderland

	ACTION
<p><b>1. NORTH EAST GROWTH HUB PRESENTATION</b></p> <p>Colin Bell from the LEP Executive Team and Steve Blanks from Escher Group made a presentation to the Board on the North East Growth Hub.</p>	
<p><b>2. WELCOME FROM THE CHAIR AND OPENING REMARKS</b></p> <p>The Chair welcomed everyone to the meeting, thanked them for their attendance and thanked the Northumberland College for hosting the meeting.</p> <p>The Chair offered congratulations on behalf of the Board to Andrew Hodgson who had been awarded an OBE in the Queen’s Birthday Honours.</p>	
<p><b>3. WELCOME FROM JACQUI HENDERSON CBE, CHAIR OF GOVERNORS, NORTHUMBERLAND COLLEGE</b></p> <p>Jacqui Henderson welcomed the LEP Board to Northumberland College and spoke about the journey which the college had been on for the past few years, highlighting the increase in apprenticeships being offered and links with local employers. Jacqui also said that that the college had a potential plan for a University Technical College at the Kirkley Hall campus and was looking to expand in the sectors which were important to the LEP and the Northumberland area.</p> <p>The Board thanked Jacqui for her presentation.</p>	
<p><b>4. MINUTES AND MATTERS ARISING</b></p> <p>The minutes from the meeting held on 14 May 2015 were agreed as a correct record.</p> <p><b>Governance Review</b></p> <p>The Chair reported that the Governance Review Team had been making good progress and this would be further explored at a development day in the Autumn.</p> <p><b>LEP Chief Executive</b></p> <p>The Board received an update on the post of LEP Chief Executive.</p>	

## 5. LOCAL GROWTH FUND UPDATE

The Board received a report requesting support for an increase in the Local Growth Fund (LGF) grant for a major transport project on the A1058 Coast Road in North Shields.

There were a large number of schemes within the overall LGF programme and the Coast Road was one of six major transport schemes. The North East Leadership Board had requested that the capital programme allocation for the Coast Road project be revised due to identified cost increases as a result of changes in the market and business and construction costs. The previously approved budget profile was for £5.84m and it was proposed that this be increased by £0.683m to £6.523m.

It was felt that this increase could be met as part of the overall management of the LGF process and the Department for Transport and Department for Business, Innovation and Skills had confirmed that the change was allowable. The scheme still represented good value for money and was associated with the A19 corridor and was close to the Silverlink junction. The Coast Road scheme was very important in the context of the programme, but the Board needed to be satisfied about what they would be getting for this additional money.

**The Board RESOLVED that a revised LGF grant contribution of £6.523m for the Coast Road scheme be approved, based on the receipt of a revised, compliant business case demonstrating a very high value for money.**

## 6. EUROPEAN STRUCTURAL INVESTMENT FUND (ESIF) UPDATE

The Board received a report providing an update on the activities undertaken since the last meeting in relation to the European Structural and Investment Funds Programme (ESIF) and setting out key tasks to support the finalisation of the strategy.

The Board were advised that the ERDF Operational Programme had now been agreed and published; the ESF Operational Programme was still awaiting sign off but it was understood that this was likely to happen in September. Once the programmes were in place, a review of the ESIF strategy was required and this would be light touch and exchange rate changes and where projects had moved around. The LEP Executive Team

would coordinate the revision of the strategy and this would be complete by October.

A new round of calls for three elements of the ERDF programme was anticipated over the summer period. This would provide opportunities for aligned projects, however the North East LEP was still pushing for a slightly longer deadline as this was currently set for the end of September.

The Sustainable Growth Advisory Group had been preparing local information relating to sustainability and whilst additional guidance on the management authority role was awaited, it was proposed to publish existing guidance on the website at the present time. Technical Assistance resource would be used to develop a more localised version in due course.

It was confirmed that an application for Technical Assistance had been made in June and the outcome would be known in September. The LEP's application was aligned with local authority specific applications, thereby ensuring a suite of support in the North East.

The North East LEP area had been invited to put forward proposals for Sustainable Urban Development as a mechanism to deliver up to 10% of the existing ERDF allocation. The deadline for the submission of a Sustainable Urban Development strategy was 25 September 2015 and a workshop had been arranged for 27 July to consider an initial data exercise and agree the main focus of the proposal. A draft strategy would be prepared and shared with partners for comment before finalisation in early September.

The Board were informed that a series of workshops had taken place during June to provide an update to partners on the opportunities and status of the European Structural and Investment Funds. The sessions were well attended with 224 stakeholders involved and a high rate of satisfaction recorded.

The value of the programme remained a notional allocation until the review at 2017/2018. The Chair commented that the LEP was playing a pivotal role in guiding bids and ensuring that these were in line with the strategy.

**The Board NOTED: -**

- (i) the progress made to date in relation to the European Structural and Investment Funds Programme; and**
- (ii) the preparations for submission of a Sustainable Urban Development plan and review of the wider ESIF strategy.**

## 7. 'THE NEXT 6 MONTHS' PRESENTATION

Bob Paton, North East LEP Chief Executive, delivered a presentation to the Board reflecting on his three months in post and plans for the next six months in relation to the Strategic Economic Plan (SEP) activities.

**The Board NOTED the presentation.**

## 8. ENTERPRISE ZONES UPDATE

The Board received a report setting out the progress to date on the ten Enterprise Zone sites that make up the North East Enterprise Zone and also provided the most recent performance dashboard including the actual business rate income received from the Enterprise Zones sites.

The Board were advised that there had been an announcement the previous week about a second round of Enterprise Zones. Detailed guidance and policy had not been formally released as yet but the submission would have to be made by 18 September 2015.

The Board discussed the best way to manage the process and it was felt that there did need to be a Board meeting to give final approval to any submission for round 2 so that all members could understand the rationale and the financial risks involved.

It was proposed that once the guidance was received this could be circulated to all members and a small working group be tasked to develop proposals which would be considered at a special meeting of the LEP Board in September.

**The Board NOTED the Enterprise Zones update and AGREED that a special meeting of the Board be convened to consider the final submission for the second round of Enterprise Zone funding.**

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## 9. INVESTMENT PANEL UPDATE

The Board received a report seeking approval for the allocation of funding to two projects. The report was confidential due to its commercial nature.

## 10. DEVOLUTION

A confidential paper was tabled for discussion.

The process to date was summarised and it was noted that an early submission to Government was required in September.

**The Board NOTED the points raised in the discussion.**

## 11. NORTH EAST LEP 2014-2015 OUTTURN POSITION STATEMENT

The Board received a report on the revenue and capital outturn in the following areas of the North East LEP's activity in 2014/2015: -

- LEP Core Activity
- ERDF Policy and Strategy Co-ordination and Skills Advice
- Regional Improvement and Efficiency Partnership
- North East Investment Fund – Programme Delivery Budget
- North East LEP Revenue Balances
- North East Enterprise Zone
- North East Investment Fund

**The Board NOTED the North East LEP's Revenue and Capital Outturn 2014/2015.**

## 12. SEP THEME UPDATES

### **(a) Business Support and Access to Finance**

The Board received a report providing an update on the Strategic Economic Plan (SEP) Business Support Programme.

Two papers from North East Access to Finance were attached as appendices to the report and Board Members' attention was drawn to the proposal for the division of legacy funding.

The paper also included a declaration of intent that historic legacy programme

funds would go towards future access to finance programmes.

**The Board AGREED that: -**

- (i) the progress being made in developing and delivering the SEP Business Support Programme be noted and welcomed;**
- (ii) the two access to finance papers provided by North East Access to Finance be noted and endorsed;**
- (iii) the submission of the paper ‘Strategy for the Provision of SME Financial Instrument Funding’ to Government be noted; and**
- (iv) the JEREMIE2 proposals be supported as they emerge.**

**(b) Innovation**

The Board received a report providing an update on the development and delivery of the Innovation SEP Theme Programme.

**The Board NOTED the update report.**

**(c) Skills**

The Board received a report providing an update on progress in delivering the Skills theme of the Strategic Economic Plan.

**The Board NOTED the update report.**

**(d) Employability and Inclusion**

The Board received a report providing an update on progress in delivering the Operational Plan for Employability and Inclusion.

**The Board NOTED the update report.**

**(e) Economic Assets and Infrastructure**

The Board received a report providing an update on the development and delivery of the Economic Assets and Infrastructure SEP theme.

**The Board NOTED the update report.**

**(f) Transport and Digital Connectivity**

The Board received a report providing an update on the development of the Transport and Digital Connectivity SEP Theme Programme.

**The Board NOTED the update report.**

**13. ANY OTHER BUSINESS**

**Post-16 Education and Training Institutions**

The Board were informed that the Government had published a policy statement on Post-16 Education and Training Institutions and an area review was to begin in September with different areas brought into the scope of the review at three monthly intervals.

The policy statement promoted the development of large colleges in regions and also emphasised the need for LEPs to be heavily involved in these. The review areas would be prioritised if they were in financial difficulty or in a devolution area.

**Government Visit**

The Chair highlighted that Philip Rycroft was visiting the North East LEP on 6 August.

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

The next Board meeting would be held on **Thursday 24 September 2015** at **5.00pm** at the CDP Centre, The Core, Science City.