

NORTH EAST LOCAL ENTERPRISE PARTNERSHIP BOARD

Thursday 20 November 2014 at 5.00pm
Held at Auckland Castle, Bishop Auckland

MINUTES

Present:

Paul Woolston	Chair, NELEP
Dr Arnab Basu	Technology Business Kromek
Michael Bellamy	PII Pipeline Solutions
Gillian Hall	Watson Burton
Andrew Hodgson	SMD North Tyneside
David Land	
Jeremy Middleton	Middleton Enterprises
Gill Southern	Wessington Cryogenics
Paul Varley	Oddballs
Councillor Grant Davey	Leader, Northumberland County Council
Cllr Simon Henig	Leader, Durham County Council
Councillor Mick Henry	Leader, Gateshead Council
Councillor Iain Malcolm	Leader, South Tyneside Council
Mayor Norma Redfearn	North Tyneside Council
Cllr Paul Watson	Leader, Sunderland City Council
Professor Peter Fidler	University of Sunderland
Anne Isherwood	Association of North East Colleges

In Attendance:

Helen Golightly	LEP Chief Operating Officer
Chris Milne	LEP Chief Economist
Catherine Cowell	BIS
Paul Woods	Combined Authority
Jane Robinson	Combined Authority
Gillian Kelly	Sunderland City Council

Apologies

Cllr Nick Forbes	Leader, Newcastle City Council
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ACTION

1. WELCOME FROM THE CHAIR AND OPENING REMARKS

The Chair welcomed everyone to the meeting, thanked them for their attendance and thanked Jonathan Ruffer and his colleagues at Auckland Castle for hosting the meeting.

2. INTRODUCTION FROM JONATHAN RUFFER

David Ronn, Chief Executive of Auckland Castle Trust welcomed the members of the LEP Board to Auckland Castle and delivered a presentation to the Board on the work of the Trust and their plans for the site.

The Auckland Castle Trust had been established in 2012 with the aim of developing Auckland Castle into a visitor attraction. Alongside this, the Trust also planned to create exhibitions, restore parkland and the walled garden at the site and to open a brand new art gallery for Spanish paintings in the market place at Bishop Auckland. The Trust had also acquired two hotels in the town and was pursuing the generation of geothermal energy to create a sustainable energy source.

The work which the Trust wanted to carry out required an investment of approximately £56m and £50m of this had already been raised. Jonathan Ruffer, Chair of the Trust stated that it was intended to bring a regenerative spirit to the area and that the Trust needed help to build the infrastructure of the town. It was hoped that the Trust and the LEP could work together to bring benefits to the region.

3. MINUTES AND MATTERS ARISING

The minutes from the meeting held on 11 September 2014 were agreed as a correct record.

Growing Places Fund

The Chair highlighted that he had recently been photographed at a development at Teal Park Farm which had been one of the first projects to receive a Growing Places Fund loan. Two units at the site had been let, with the creation of 60 new jobs, and the loan had now been repaid in full with interest. It was very satisfying to see a project coming to completion.

Strategic Environmental Assessment (SEA)

The judicial review into the SEA process had been rejected but the challenge process was still ongoing.

Staffing

The Board received an update in relation to ongoing recruitment processes.

European Structural and Investment Fund (ESIF)

The first meeting of the Managing Authority Committee would take place on 5 December 2014. An application had been made for LEPs to have intermediary body status and the Chair undertook to report back on this as the committee developed.

The Board would receive further updates on the ongoing discussions between Europe and the Government in due course.

LEP Board Away Day

A number of dates had been identified for a Board away day in early February and Members would be provided with more details in the near future.

4. SEP THEME UPDATE – INNOVATION

The Board received a report updating them on the development and delivery of the Innovation Programme.

The report outlined the progress made in relation in a number of areas including Low Carbon Vehicles, Tees Valley and North East Hydrogen Economic Study, Catapult Centre and Venturefest.

The process of recruiting the initial North East Innovation Board had been completed and LEP Board Members alongside a local authority Chief Executive had been involved in the selection process for the Board. Members would include representatives from the local universities, business, the Combined Authority, Innovate UK and Research Councils UK. The recruitment process for the Innovation Director was now complete.

The Board were informed that two out of the five innovation projects being supported by the Local Growth Fund had completed their business case and had been prepared for approval and development work was progressing on the other three projects.

The North East and Tees Valley Digital Catapult Centre was to be based at Sunderland Software City.

The Innovation Task and Finish Group were working up plans to access ESIF funding and a first draft of the Innovation Programme Delivery Plan had been produced with the intention of this being the operational document covering all innovation activity.

The Board NOTED the Innovation update.

5. SEP THEME UPDATE – BUSINESS SUPPORT AND ACCESS TO FINANCE

The Board received a report providing an update on the recruitment of the Business Support Board.

The Board would be jointly chaired by two LEP Board Members and alongside the eight business representatives there would be members representing universities, the Innovation Board, Government agencies, local authorities and

the LEP Executive Team. It had been noted that the Further Education sector was not currently represented but this was being picked up and the Board was due to hold its first meeting on 24 November 2014.

The Board discussed issues of sectoral and rural representation and noted that this was a first iteration of the Board and this could be fine-tuned as things developed. Initial Business Support Board meetings would look at the key themes to be worked on over the next year and it was intended to bring a plan to the LEP Board meeting in January.

The Board also received an update on the Business Growth Hub.

The Board ENDORSED the business appointees to the Business Support Board as set out in the report.

6. SEP THEME UPDATE – SKILLS

The Board received a report providing an update on progress within the Skills theme of the Strategic Economic Plan (SEP).

The report detailed the governance arrangements for the theme and highlighted some of the key projects including the Education Challenge and the Adult Skills Pilot.

The Board NOTED the progress to date within the Skills Theme.

7. SEP THEME UPDATE – EMPLOYABILITY AND INCLUSION

The Board received a report providing an update on the progress being made in relation to the Employability and Inclusion Theme.

As part of the programme for Employability and Inclusion, the North East Combined Authority had been developing a North East Labour Market Agreement (LMA) as a platform for negotiating with Government. A Mental Health Trailblazer pilot scheme had also been secured as part of the North East Growth Deal.

The Combined Authority was also looking at how to effectively collate robust labour market intelligence and also targeting youth unemployment, aiming to double the number of youth apprenticeships and ensuring that everyone had access to high quality and appropriate information, advice and guidance. The other main area of work was in relation to addressing social inclusion.

The European Social Fund was providing a mechanism for delivering a programme of employability and inclusion interventions and continued efforts would be made to increase resources for the programme.

It had been acknowledged that there was a large area of crossover between

this theme and the skills element of the SEP and both teams were working extremely well together.

The Board AGREED: -

- (i) **that the scope of the employability and inclusion programme its links to the equivalent skills programme be noted; and**
- (ii) **to receive regular reports as to the progress being made in developing and delivering the employability and inclusion programme.**

8. SEP THEME UPDATE – ECONOMIC ASSETS AND INFRASTRUCTURE

The Board received a report providing an update on the Economic Assets and Infrastructure Theme Implementation Plan.

The North East Combined Authority was making good progress in this area and the key to achieving the objectives of the SEP was working in partnership with many other bodies including the LEP. The North East Leadership Board had played a major part in bringing some projects to fruition and intended to develop a regional investment plan.

Inward investment was one of the most important themes to develop and it was planned to maximise the potential for inward investment wherever possible and to push infrastructure issues to enable the region to be able to compete for resources.

Local authority leaders and Board Members needed to be fully informed and involved to allow the agreement of an integrated plan.

The Board NOTED the update report.

9. SEP THEME UPDATE – TRANSPORT AND DIGITAL CONNECTIVITY

The Board received a report providing an update on the process for programme managing the transport schemes which had received funding as part of the Local Growth Fund settlement.

The Board NOTED the update report.

10. COMMUNICATIONS UPDATE

The Board received a report providing an update on the work being carried out over the last four months to address the need to provide a more strategic, responsive and proactive communications activity for the LEP. The Board had also received copies of Communications Plans for the LEP as a whole,

Innovation, Business Support and the North East Enterprise Zone.

The key messages to be incorporated into the LEP's communications activity were identified as: -

- Delivering the North East Economic Plan
- Delivering more and better jobs
- Creating economic growth through partnership
- Championing the North East in global markets
- Bringing investment to the North East
- Creating the right environment for business growth.

The Board AGREED that: -

- (i) the progress made in developing the communications brand and direction of travel be noted;**
- (ii) the key messages set out in paragraph 2.3 of the report be approved; and**
- (iii) the planned strategic communication approach at set out in the Corporate Communications and Theme Plans be approved.**

11. FUNDING UPDATES

(a) Investment Panel

The Chair of the North East Investment Panel provided an update on the projects being supported by the Growing Places and Regional Growth Funds.

The Board AGREED that the update be noted.

(b) Local Growth Fund Update

The LEP Chief Operating Officer presented a report updating the Board on the Growth Deal and Local Growth Fund programme.

There were 22 capital projects which had been approved for funding through the Local Growth Fund and each had to present a full business case to demonstrate delivery which would then need to be signed off by the Board. The critical element was speed and this was reliant on project sponsors to deliver and they in turn needed the finance to be confirmed. This was conditional on the LEP receiving the final offer letter.

The Chief Operating Officer advised that 12 out of 22 projects were in the position of being able to be recommended for approval, whilst the others were still being worked through and that programme management needed to be addressed through the overall programme allocation.

The report outlined the principles of programme management and suggested that the majority of the funds be managed at programme level with the unallocated amount kept at headline level. .

Having considered the report, the Board AGREED that: -

- (i) the progress made to date in developing the programme and working with partners and project sponsors be noted;**
- (ii) final funding approval for the 22 LGF indicative projects be delegated to the Chair and Vice Chairs as set out in paragraph 3.2 of the report;**
- (iii) the funding of the strategic programme management function be agreed; and**
- (iv) the programme management principles set out in paragraph 3.4 of the report be approved.**

(c) The North East Development and Investment Fund

The Strategic Economic Plan had proposed a North East Investment and Development Fund as a means to leverage further investment to deal with barriers to growth.

As part of the North East Growth Deal, the Government had invited dialogue on working with the HCA so that the region could share value from the North East HCA assets and some principles had been developed to take forward this negotiation with Government. The principles were set out in the appendix to the report and the Board were asked to consider these.

LEP Team

It was intended that a business case would be developed and brought back to the Board to consider in January. The business case would include consideration of funding streams, funding models and their management, principles of investment, governance and development of the project pipeline and prioritisation of projects.

The Board AGREED that: -

- (i) the progress made on taking forward the SEP 'Fund' proposal be noted and the continued development of a full proposal to come back to the Board for consideration be endorsed;**
- (ii) the HCA principles, which would inform a business case to be developed, be approved; and**
- (iii) the commissioning of a piece of work to quantify the scale of demand and appropriateness of projects to inform the Fund business case and the potential application for ESIF funding be approved.**

(d) Enterprise Zone Business Rate Income

The Board received the latest version of the DTZ report on business rate income projections.

There was also an opportunity to release a small amount of revenue funding for the next five years, to help ensure that the LEP and Combined Authority had the capacity necessary to deliver their shared SEP objectives. This would be an area of last resort and by securing project and programme funding, European Technical Assistance and other funding, the draw on this resource would be kept to a minimum.

The Board AGREED to: -

- (i) the progress made on the analysis of the Enterprise Zone Business Rate Income with DTZ and the Combined Authority Finance Directors noted;**
- (ii) the findings of the DTZ report as set out in paragraph 6.1 be noted; and**
- (iii) the use of a small amount of revenue funding from 2015/2016 for five years to add resource to deliver the SEP be approved.**

12. OTHER BUSINESS

There was no other business.

13. DATE AND TIME OF NEXT MEETING

The next Board meeting would be held on **Thursday 29 January 2015** at **5.00pm**.