

North East Local Enterprise Partnership Board

20 July 2023

Meeting held via Microsoft Teams

In attendance:

| | |
|------------------------|--------------------------------------|
| Lucy Winskell | Chair, North East LEP |
| Colin Hewitt | Ward Hadaway |
| Ellen Thinnesen | Education Partnership North East |
| Ammar Mirza | AmmarM (UK) Limited |
| Cllr Tracey Dixon | South Tyneside Council |
| Emily Cox | Lloyds Banking Group |
| Alan Johnson | Nissan Motor Manufacturing UK (NMUK) |
| Chris Day | Newcastle University |
| Cllr Richard Wearmouth | Northumberland County Council |
| Mark Thompson | Ryder Architecture |
| Phil Redman | Mott MacDonald |
| Cllr Amanda Hopgood | Durham County Council |
| Carol Botten | VONNE |
| Sam Whitehouse | High Force Research & LightOx Ltd |

Apologies

| | |
|---------------------|----------------------------------|
| Heidi Mottram | Northumbrian Water Group |
| Cllr Graeme Miller | Sunderland City Council |
| Mayor Driscoll | North of Tyne Combined Authority |
| Cllr Nick Kemp | Newcastle City Council |
| Dame Norma Redfearn | North Tyneside Council |
| Cllr Martin Gannon | Gateshead Council |

Officers present

| | |
|------------------|---|
| Helen Golightly | Chief Executive, North East LEP |
| Colin Bell | Business Growth Director, LEP |
| Michelle Rainbow | Skills Director, LEP |
| Henry Kippin | Chief Executive, NTCA and Interim Chief Executive of NEMCA |
| Rob Hamilton | NTCA - Head of Investment & Economic Growth |
| Paul Woods | LEP Finance lead |
| Janice Gillespie | NTCA – Chief Finance Officer |
| Katy Laing | NTCA - Strategic Finance Manager |
| Brenda Joyce | Democratic Services, Newcastle City Council |

1 WELCOME FROM THE CHAIR AND APOLOGIES

The Chair welcomed everyone to the meeting.

Apologies were received from Heidi Mottram, Cllr Graeme Miller, Cllr Nick Kemp, Dame Norma Redfearn, Cllr Graeme Miller, Cllr Martin Gannon and Mayor Driscoll.

2 **DECLARATIONS OF INTEREST**

There were no new or additional declarations of interest.

3 **MINUTES OF THE LAST BOARD MEETING HELD ON THURSDAY 25 MAY 2023**

The minutes of the last Board meeting held on Thursday 25 May 2023 were agreed as a correct record.

Actions are picked up in reports on the next agenda.

4 **COMBINED AUTHORITIES' LEP BOARD MEMBERSHIP 2023/2024**

The purpose of the report was to confirm the two combined authorities' representation on the LEP Board and Advisory Boards.

RESOLVED – That the Board noted the report.

5 **ANNUAL DELIVERY PLAN UPDATE**

2023/24 is a year of transition and the delivery plan for this year reflects this as the organisation works towards the formation of a new Mayoral Combined Authority for the North East, in which the LEP's functions will be integrated.

The document is structured around the roles of the LEP as set out by government and are to:

- Embed a strong, independent and diverse local business voice into the North East Mayoral Combined Authority
- Carry out strategic economic planning in partnership with local leaders that clearly articulated the North East's economic priorities and sectoral strengths
- Continue to deliver a number of functions on behalf of government departments, shaped by the local business voice
- Monitor and assure existing local growth programmes and funds for which the LEP was responsible for.

During the ensuing discussion and in response to questions, it was noted that:

- A successful event had been held on Tuesday 18th July to start the discussions with businesses. The Chair thanked Henry Kippin and Patrick Melia for their presentation and Jen Robson for arranging the event. She went on to advise Board members that many of the 250 attendees had not been the usual attendees to this type of event, and that the event had outlined why this was being done and the transition process. It would be useful to hold another event in the autumn.
- The LEP still has a huge amount of work to do and targets to reach; it is also accountable to the government regarding funding streams.
- A paper presented at the Net Zero Board on draft KPIs would be shared with Emily Cox, and Jen Robson would follow up a discussion offline.

Colin Bell (Business Growth Director) informed the Board that there was positive news on the North East Growth Hub as funding had now been secured. There was also currently high demand for the Growth Hub but probably less traditional type of requests. One emerging pattern was that businesses were very busy and to remain in a profitable position people were having to work harder.

During the ensuing discussion and in response to questions, it was noted that:

- In relation to the exporting market, the Annual Delivery Plan included information on the Internationalisation Strategy in the North East. During the most recent discussions it was agreed that the government would continue to establish key market groups and that we would collectively feed the strategy into devolution portfolio developments. The strategy and the evidence base were in place but consideration of how this would be developed regionally was required.
- In terms of R&D, firms that had been set up to support this had been impacted upon. The government scheme had been changed to support companies that were very R&D heavy. Lobbying was ongoing to have the 27p in the pound raised. It was considered that the only way HMT would look at this was by illustrating that other countries were doing this better.
- On the back of the strategy there had been a number of country groups established such as Turkey and India, plus a Saudi group and a trade mission was planned. DBT were re-establishing themselves

Michelle Rainbow (Skills Director) informed Board that it was business as usual for the Skills team and they had had a busy last couple of months.

In terms of careers and working careers it had been really busy and there had been a significant uplift in the number of schools starting to achieve the benchmarks and an uplift in work experience following the pandemic.

The Team had hosted a cohort from Hong Kong in June as part of the continued relationship. They viewed what the North East did around the benchmarks as first class and were looking to implement that. They were also extremely interested in the FE system and visited regional colleges.

A couple of projects had been finalised this term; one with trainee teachers going into industry, particularly technology and STEM and being able to take that back into the classroom. Also completed was an IOP physics pilot to encourage uptake of physics and other STEM subjects and uptake had been good.

During the ensuing discussion and in response to questions, it was noted that:

- The burden on providing work experience places was always in the same month. Schools should be encouraged to be slightly more flexible; if students could be available the week before Christmas, Easter and summer holidays then businesses would be able to accommodate more of them. This would be fed back to schools although it was acknowledged that school timetables were fairly rigid.

The LEP had been awarded further funding through the CEC contract and was now contracted until September 2024 with ambitious but achievable targets. The focus would be on the prevention of NEETs and the expansion of good quality work experiences.

Wave 4 Skills Boot Camps funding had been awarded and work was underway to deliver across the region. It was also really good news that Nissan had joined the programme. These bootcamps appealed to the self-employed and very small SME businesses where training had to be costed against day-to-day activities. Bootcamps offered flexibility and opportunities for evening and weekend training and this flexibility had meant there had been a really good uptake.

Discussions were taking place with the NTCA as the authority was also delivering Wave 4. A co-ordinated approach to Wave 5 would be developed to cover the entire LEP/NEMCA area. Analysis was underway looking at current provision in the region and direct awards for DfE.

The North East LEP has two LSIPs – one in the NTCA area (the Chamber of Commerce) and the other in the NECA area (the North East Automotive Alliance). The two LSIP bids had been submitted in June and funding had been made available from DfE.

The two Employer Representative Bodies (ERBs) responsible for each LSIP were being encouraged to work together in terms of data to ensure there was no duplication.

Discussions were taking place with the DfE and the ERBs with the potential to host these on the Evidence Hub. This needed to be joined up to make it a really useful piece of research.

The Chair, on behalf of the Board, offered the team many congratulations on securing the funding.

6 **FUND MANAGEMENT UPDATE**

This report was 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.

This report included delegated funding decisions since the last Board meeting; programme outturn performance figures for 2022/23, budget forecasts for 2023/24 and an annual review of the Enterprise Zone (EZ) Funding Model with the latest forecast of lifetime income, costs and surplus. A brief update was provided on the commissioning of Skills Boot Camp training providers and the views of Board members were invited on the opportunity to tour and see progress on key investment over the past 6-7 years and strategic regional development opportunities.

The Chair declared an interest as a Commission with the Port of Blyth.

The report was presented in three parts:

Part A – Set out delegated funding decisions made since the last Board meeting for information.

Part B - Provided a summary of progress on each major funding programme including the latest annual EZ model refresh with details set out in Appendix 3.

Part C – Provided a brief round-up of other funding developments including the regional UK Shared Prosperity Funding, Investment Zones and the Skills Boot Camp budget. It also sought Board member interest in potential tours to view progress on key investment sites and strategic regional economic development opportunities as the funding comes to a close

Members agreed that it would be helpful to do a tour to see progress on key investment over the past 6-7 years and strategic regional development opportunities. The Chair, Helen Golightly and Henry Kippin would consider the priority order and geographical spread. Members were invited to provide suggestions to Helen Golightly.

RESOLVED – That Board agreed to:

- i) **Approve from uncommitted LGF programme balances up to £65,000 towards the EZ Development Studies initiative and £228,024 towards the Project Development Accelerator Fund, displacing existing EZ and NEIF resources as set out in para. 3.3 to help achieve LGF budget expenditure plans for 2023/24.**
- ii) **Note the outturn position on 2022/23 budgets and KPIs on the LGF, GBF, EZ and PDAF funding programmes as set out under Part B.**
- iii) **Receive for information the annual Enterprise Zone financial update report in Appendix 3 noting:**
 - a. **the improved estimates on the Enterprise Zone Account Lifetime Income and Surplus.**
 - b. **that the base Performance Improvement Reward (PIR) annuity payment to Gateshead Council had been calculated at £950,120 per annum**
 - c. **the need to consider options to fund the infrastructure works needed to complete the Tyne Dock EZ site and the intention to present a report on options to a future meeting: and**
 - d. **the proposal to seek further discussions with Government to maximise the potential for development and job creation on the Enterprise Zone sites.**

7 **DEVOLUTION UPDATE**

This report was 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.

Henry Kippin (Chief Executive, NTCA and Interim Chief Executive of NEMCA) gave a devolution process update.

Rob Hamilton (NTCA Chief Economist) advised Board of how the MCA investment plan was being developed. The Chair stressed that the LEP had had significant input into the evidence base that supported all of the devolution work.

Rob Hamilton gave a presentation which included information on the economy, sectors, productivity and people and was intended to provoke challenges and comments from members.

The Chair thanked Henry and Rob for the presentation and Q&A session and Board members for helpful comments.

RESOLVED – That the Board agreed to:

- I. **Note the preparatory work into the development of the Investment Plan for The North East MCA, and**
- II. **Commented on the emerging evidence base, together with the challenges and opportunities summarised in the covering report.**

8 CHAIR AND CHIEF EXECUTIVE UPDATE

Noted.

9 ANY OTHER BUSINESS

Cllr Hopgood, on behalf of the political side, thanked the LEP and partners for their collaborative work with the local authorities on the devolution deal.

The Chair advised that the LEP Network was expecting a government announcement about the future of LEPs. However, the North East LEP already knew that it would transition into NEMCA and the LEP Board would become the Business Board of the NEMCA.

Work was underway to ensure that the transition to the Business Board was right and it was anticipated that a paper would be included on the agenda for a future meeting.

10 DATE AND TIME OF NEXT MEETING

28 September 2023 at 5:00pm.

ACTION LOG

| | Action | Responsibility | Status |
|---|--|-----------------------|--------------------------|
| 1 | JR to share draft Net Zero KPIs with Emily Cox | JR | Completed |
| 2 | NEMCA Business Board paper to future meeting | HK/HG | Timeline to be confirmed |
| | | | |