

NORTH EAST LOCAL ENTERPRISE PARTNERSHIP BOARD

Wednesday 13 April 2016 at 5.00pm
Held at Tyne Metropolitan College, Wallsend

MINUTES

Present:

Andrew Hodgson	Chair, NELEP
Farooq Hakim	BT
Gillian Hall	Watson Burton
David Land	Drive 2 Business
Jeremy Middleton	Middleton Enterprises
Andrew Moffat	Port of Tyne
Heidi Mottram	Northumbrian Water Group
Mark Thompson	Ryder Architecture
Paul Varley	Oddballs
Councillor Nick Forbes	Leader, Newcastle City Council
Councillor Simon Henig	Leader, Durham County Council
Councillor Mick Henry	Leader, Gateshead Council
Councillor Paul Watson	Leader, Sunderland City Council
Jon Vincent	Association of North East Colleges

In Attendance:

Helen Golightly	LEP Chief Operating Officer
Adam Wilkinson	Interim Head of Paid Service, NECA
Paul Woods	Chief Financial Officer, NECA
Patrick Melia	Chief Executive, North Tyneside Council
Gillian Kelly	Sunderland City Council

Apologies

Councillor Grant Davey	Leader, Northumberland County Council
Councillor Iain Malcolm	Leader, South Tyneside Council
Mayor Norma Redfearn	North Tyneside Council
Professor Andrew Wathey	Northumbria University

ACTION

1. WELCOME FROM THE CHAIR AND OPENING REMARKS

The Chair welcomed everyone to the meeting and thanked them for their attendance. As this was his first meeting as Chair, he thanked the Board for

the responsibility they had given him and the support he had received. This was a new beginning for the LEP Board and he hoped that all Members could move forward in partnership with meetings being based around honest, respectful contributions.

The Chair also welcomed Farooq Hakim, Andrew Moffat, Heidi Mottram and Mark Thompson to their first meeting of the LEP Board.

2. MINUTES AND MATTERS ARISING

The minutes of the Board meeting held on 28 January 2016 were agreed as a correct record subject to an amendment to show that Councillor Henig was Leader of Durham *County* Council.

3. NORTHERN POWERHOUSE

Simon Pringle, SQW Consulting, delivered a presentation to the Board on the Northern Powerhouse Independent Economic Review.

James Wharton MP, Minister for the Northern Powerhouse had described it as a project with the aim of strengthening the economic contribution of the North to the UK. The drivers for the Independent Economic Review were to generate data and evidence to support the Northern Powerhouse's specific transport proposals, develop arguments to start to articulate and advance the wider Northern Powerhouse story and create an analytical bedrock on which to build going forward. The review had focused on the 11 LEP areas in the North of England and had been led by Transport for the North on behalf of the Northern Powerhouse with wide engagement with local, northern and national partners.

Simon outlined the workstreams and the key findings which had arisen from the work undertaken so far. These included the performance gaps between the North and the UK in productivity and employment rates which were attributed to lower levels of innovation, skills, agglomeration and transport investment. It had also been found that there were four distinct 'prime' capabilities of the Northern economy: advanced manufacturing; energy; health innovation; and digital. There were three 'enabling' capabilities of financial and professional services, logistics and education which would enable the prime capabilities to grow and develop.

The presentation also highlighted various scenarios which demonstrated the economic opportunities which existed and the business case for intervention. The recommendations and observations from the review would provide a potential basis for an economic strategy for the North.

Work was also ongoing to develop the strategic narrative which would describe the Northern Powerhouse opportunity and what it would mean for the North. It would also enable partners to communicate and sell a consistent story about the Northern Powerhouse externally and be a basis for

engagement with Government for investment and action. The narrative would be grounded in evidence and analysis from the Independent Economic Review and would be owned by the leaders and LEPs across the North.

The Board had also received a briefing paper reflecting on the work that was being done and flagging up any issues. The following points were highlighted in relation to ensuring that the Northern Powerhouse would deliver the ambitions of the Strategic Economic Plan (SEP): -

- Promotion of Independent Economic Review findings to embed understanding
- Clear narrative about North East strengths and themes in Northern Powerhouse context – alignment with Northern Powerhouse ‘capabilities’
 - Clarify fit between Northern Powerhouse and local devolution agendas
 - SEP refresh process vital here
- Engage, sustain and co-ordinate contact on those pan-Northern issues critical for North East
 - Transport, FDI/Trade/Export, Innovation, Health, Tech
- North East level organisation, communication and co-ordination.

It was noted that the presentation built on the discussions which had taken place earlier in the day with UKTI and the LEP needed to work out how it would engage with this. It was felt that there should be some structure around this engagement and that someone to lead on the interaction should be identified.

The need to think about the major strengths of the region was stressed and if there were four strands of activity unique to the North, what was the long term plan for the North East region and how could this be captured in the review of the SEP and other strategic documents.

It was noted that the analysis demonstrated the areas of strength in the Northern Powerhouse area and it was potentially for the SEP to reflect what needed to be done at a northern level. Simon Pringle highlighted that these strengths were distributed across the North and took different forms. He suggested that the North East LEP might want to look at how it contributed to prime capabilities and what things it was doing which were not a prime but were still very important.

It was noted that this represented a 30-40 year plan which would have relevance whether it was attached to the Northern Powerhouse or not and that the LEP had to find a way to build on the four themes which were common across the region. It was clear that the North East had to be stronger and more encompassing than ever before.

Board Members felt that would be sensible to have input from the Independent Economic Review in the SEP and that the underpinning factors were the professions and the need to be excellent across the whole area.

With regard to the 'controlling mind', Simon Pringle highlighted that Transport for the North was the only organisation with any pan-Northern credibility but would need to be developed very quickly to deal appropriately with issues other than transport. Another option would be to establish a regeneration vehicle for the North.

The Chair thanked Simon for his informative presentation about Northern Powerhouse activity and noted that the North East LEP had been ahead of the game in appointing an Innovation Director and that the skills piece of work would be an enabler for the region. The presentation had raised questions and awareness for the LEP Board Members and consequently: -

The Board AGREED that: -

- (i) the findings from the Independent Economic Review be reflected in the refresh of the Strategic Economic Plan; and**
- (ii) the Officer Group which had been coordinating information on the Northern Powerhouse be asked to develop proposals for engagement with the initiative and provide a report to a future meeting of the LEP Board.**

HG

4. BUSINESS PLAN 2016/2017

The Board received a report presenting the Business Plan for the North East LEP for 2016/2017.

The Plan detailed what the LEP Team would focus on over the next twelve months, in particular three of the SEP themes relating to Innovation, Business Support and Access to Finance and Skills. It was envisaged that 2016/2017 would be a transitional year as the alignment and governance of the North East LEP and North East Combined Authority evolved and it was important that the executive retained focus and maintained delivery during this period.

The Business Plan illustrated a holistic approach to ensure that work was not carried out in silos and it was intended to bring a delivery plan to the next Board meeting which would set out key milestones which could be monitored during the forthcoming year.

The Board were advised that this was the first time a Business Plan had been produced for the LEP and some areas of work would be the direct responsibility of the LEP team and the team would facilitate delivery from others in relation to some streams. A lot of elements of the Business Plan would be reliant on partners working with the LEP executive team.

Board Members fully discussed the Business Plan and highlighted a number of issues which they felt should be addressed within the Plan. The Chair summarised that the Board were minded to approve the document as it stood but felt that there was additional work to be done on the challenges and risks

to meeting the aims of the Business Plan.

The Board AGREED that the Business Plan be approved and requested that a further report be brought to the Board which set out how the Business Plan would be delivered in 2016/2017.

HG

5. COMMUNICATIONS BUDGET 2016/2017

The Board received a report providing further detail on the Communications, Marketing and Public Relations element of the North East LEP Budget for 2016/2017.

The report set out the four communication sub themes and their proposed budgets and it was noted that the total budget had been reduced from the original budget proposed in January 2016. The communications resource at the LEP was carried out by two communications officers and the proposed budget would support the delivery of the communications strategy in five key areas: PR and social media; web development; event sponsorship and management; media partnerships; and design, print and photography. It was also highlighted that DCLG had confirmed a continuation of the £250,000 per annum to support the delivery of the SEP and an element of this could be used towards communications activity.

It was explained that the budget was composed of elements from DCLG, BIS, Local Growth Fund and local authority contributions but was not broken down into its component parts. It was clarified that from a budgetary point of view, there had been no increase in local authority contributions to the LEP budget as a whole so the increase to the communications funding would have been met through other sources.

The Chair commented that he wished to continue to utilise external viewpoints and would ask a Board Member with an interest in the area to review the provision. Heidi Mottram stated that she would be keen to be involved in this process and believed that there would be resources which could be obtained for little cost if the right bodies were engaged.

The Board AGREED that proposed communications budget for 2016/2017 be approved.

6. JEREMIE 2 (CONFIDENTIAL ITEM)

Confidential due to commercial information.

7. EXECUTIVE TEAM (CONFIDENTIAL ITEM)

Confidential due to commercial information.

8. DEVOLUTION UPDATE

The Board received a verbal update on North East devolution.

The seven local authorities had given consideration to moving forward on a Mayoral Devolution Agreement and six authorities had agreed subject to certain issues which were currently being discussed with Government. These points were not new and the Government was being asked to clarify its intent, commitment and funding. These issues were fundamental to leaders and political groups in the constituent authorities.

A further extraordinary meeting of the Leadership Board was scheduled for 13 May 2016 where a decision would be required to allow an order to be progressed for the Mayoral Combined Authority. Dialogue would be taking place over the next few weeks and in the meantime, all necessary legal and project works were being progressed on the assumption that the devolution deal would move forward. £30m would come to the North East as soon as a commitment was made.

A second order would be progressed from June 2016 to reflect the governance review and set out how the Mayoral Combined Authority would look and function. The Government also had to reach agreement on devolving the powers of the Secretary of State and the Treasury.

Discussions had taken place with business organisations and they had submitted principles on the relationship with the Combined Authority which had been fully accepted by the Leaders and Elected Mayor. A working group would now map out the practical application of this moving forward and the LEP Board would be engaged as part of this work.

The legal process had to be signed off by the constituent authorities and the Leadership Board but the Devolution Agreement signed in October 2015 was not to be renegotiated, the process was about trying to make sure that the North East achieved the powers which were set out in that agreement. It was a requirement at all negotiation stages for the business sector to be satisfied.

On behalf of the LEP Board, the Chair stated that the LEP was publically on board with devolution and would be happy to assist with the process in any way.

The Board NOTED the update.

9. STRATEGIC ECONOMIC PLAN (SEP) THEME UPDATES

(a) Innovation

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

The Board NOTED the update report.

(b) Business Support and Access to Finance

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

The Board NOTED the update report.

(c) Skills

The Board received a report providing an update on the progress made under the Skills Programme theme.

The Board NOTED the update report.

(d) Employability and Inclusion

The Board received a report providing an update on the latest progress being made in delivering the Employability and Inclusion SEP theme.

The Board NOTED the update report.

(e) Transport and Digital Connectivity

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

The Board NOTED the update report.

(f) 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.

10. DELEGATED AND URGENT DECISION UPDATE

The Board received a report advising on urgent decisions which had been taken under the Board's delegation procedure since the last Board meeting, and the reasons for these decisions.

The Board NOTED the decisions taken and the reasons for the decisions set out in the annex to the report.

11. ANY OTHER BUSINESS

Board Papers on Website

The Chief Operating Officer advised Board Members that it was proposed that LEP Board papers be published on the LEP website for reasons of transparency. Publication would be in line with the standard local government confidentiality rules.

The Board AGREED that the board papers be published on the LEP website.

LEP Board Vice-Chair

It was highlighted that the Board did not currently have a business Vice-Chair and that this would have to be addressed in order to facilitate the smooth operation of the Board. For reasons of continuity, the Chair suggested that one of the new Board members could take up the role but would consider any expression of interest and would revisit this at a future meeting.

12. DATE AND TIME OF NEXT MEETING

The next Board meeting will be held on Thursday 26 May 2016 at 5.00pm.