

North East Local Enterprise Partnership Board

23 July 2020

Meeting held via Zoom

Present	
Andrew Hodgson	Chair, North East LEP
Gillian Hall	Gillian Hall Consulting Limited
Erika Leadbeater	TSG Marine
John McCabe	Fusion PR Creative
Ammar Mirza	AmmarM (UK) Limited
Andrew Moffat	
Heidi Mottram	Northumbrian Water Group
Mark Thompson	Ryder Architecture
Councillor Henig	Leader, Durham County Council
Councillor Gannon	Leader, Gateshead Council
Councillor Forbes	Leader, Newcastle City Council
Councillor Iain Malcolm	Leader, South Tyneside Council
Mayor Norma Redfearn	North Tyneside Council
Stuart Corbridge	Durham University
Ellen Thinnesen	Sunderland College
Carol Botten	VONNE
Observers	
Councillor Jackson	
Councillor Miller	
Councillor Roughead	NTCA O & S Committee Chair
Margaret Coates	BEIS
Officers	
Helen Golightly	LEP CEO
Richard Baker	LEP Director of Strategy and Policy
Colin Bell	LEP Business Growth Director
Michelle Rainbow	LEP Skills Director
Paul Woods	NTCA – Finance officer
Katy Laing	NTCA – Deputy S73 officer
Henry Kippen	NTCA
Vince Taylor	Sunderland City Council
Brenda Joyce	NCC Democratic Services

1 WELCOME FROM THE CHAIR AND APOLOGIES

Apologies were received from Mayor Jamie Driscoll and Kate Wickham.

2 DECLARATIONS OF INTEREST

Gillian Hall declared an interest in Item 6 as a Blyth Harbour Commissioner.

3 **MINUTES OF THE LAST BOARD MEETING HELD ON THURSDAY 28 MAY 2020**

The minutes of the Board meeting held on 28 May 2020 were agreed as a correct record.

4 **SEP DELIVERY PLAN**

The Board received a report providing a summary of the details given in the SEP Programme Delivery report (attached as Appendix 1).

The report included highlights and points to note since the last meeting on: -

- **Business Growth**
 - Growth Hub performance for 2019/20 was positive, with over-achievement of all KPIs (light touch interventions, medium touch interventions, high intensity interventions and customer satisfaction). Progress to date against 2020/21 KPIs was strong. Additional funding had been received to expand capacity of the Growth Hub.
 - The remote delivery model for High Potential Startups was working very well with good engagement and feedback. Cohort 1 would complete in July 2020, Cohort 2 was underway and Cohort 3 had started with 11 founders, taking number on programme to 44 in total.
- **Innovation**
 - A Covid-19 challenge fund had been developed which would support the development of solutions to immediate problems posed by Covid-19 to assist economic recovery.
 - Teams continued to work closely with the SuperNetwork team including on the development of activity which might replace VentureFest and Finance Camp in 2020.
- **Skills, employment, inclusion and progression**
 - The primary pilot continued to have positive engagement from the schools involved despite covid-19. A series of webinars had been delivered to pilot schools, including a number where schools shared best practice.
 - 153 Enterprise Advisers (EAs) had been recruited from a broad range of both large employers and SMEs, the enterprise coordinator team had successfully facilitated five matches between enterprise advisers and school since May 2020.
- **Transport**
 - The Transport North East Strategy Unit had procured Swarco UK Ltd. to progress the development of the EV chargers for the Taxi trade. Orders were being processed with the intention of the chargers being installed by the 30 September 2020.
 - Metro Asset Renewal Programme was progressing with 203 of 275 projects now completed. Programme completion expected March 2021, delivery continuing with some delays and disruption to site

works and budget pressures resulting from Covid-19 working restrictions.

- Investment and Infrastructure
 - A package of schemes to provide support as a result of Covid-19 had been agreed by the North East LEP Investment Board, alongside additional LGF investments for projects put forward to the Board in March 2020.
 - The region received an allocation £47m from the Getting Building Fund with final submission of proposed projects being sent to Government on 17 July 2020. The funding was to be spent by March 2022.
- Strategy and Policy
 - The Health and Life Science Project pipeline was under review and an open call for projects would be launched at the end of July (supported by project development funding).
 - The Energy for Growth fund was providing support for projects aligned to the strategic themes. Funding had been approved for seven projects across the North East worth £1,470,202. There were also currently three additional projects in the appraisal stage.
- Communications
 - There continued to be growth in the number of followers across LEP's social media (1.7% on Twitter and 4.4% on LinkedIn since March). The North East LEP remained the most followed LEP in the country on Twitter.
 - The stories with the greatest interaction for the period were in relation to the Crowdfund North East LEP (up to £5,000 match funding for micro businesses crowdfunding) and the Job Opportunities website launch.

The Board NOTED the contents of the report and Appendix 1.

5 ANNUAL DELIVERY PLAN 2020/21

The Board received a report on the Annual Delivery Plan 2020/21.

As part of the 'Strengthening Local Enterprise Partnerships' policy paper (July 2018), each Local Enterprise Partnership had to produce an Annual Delivery Plan for the financial year and submit it to Government. LEPs were also asked to produce an End of Year Report the following Spring to show progress against the Annual Delivery Plan. The Board received the End of Year Report for the 2019/20 period at the last meeting.

Helen Golightly presented the report which advised that in 2018/19, Andrew Hodgson chaired a national group comprising Government officials from MHCLG and representatives from several LEPs and the LEP Network to agree a standardised structure for these Annual Delivery Plans. Sections included: -

- Summary and strategic objectives
- Local Growth Funding
- Other funding

- Strategic activity

The Delivery Plan template was structured in a way that the 38 LEPs could consolidate key aspects about their effectiveness to illustrate what the network delivered. The plan would help businesses and organisations understand what the LEP was doing and it would be published on the website.

The North East LEP's Annual Delivery Plan for 2020/21, attached as appendix one, was primarily a subset from the three-year Strategic Economic Plan programme actions, which applied to this year.

In response to a question regarding the LEP making representation to the Spending Reviews, Helen confirmed that representations were always made to any fiscal announcement. This was done by the LEP and also in partnership with both of the combined authorities and the business organisations.

A Board Member asked a question about the impact of Covid-19 on the job target and the quality of jobs. There was a huge risk to the high level KPIs and this needed to be stronger in the document. Helen stated that this would be picked up. She went on to say that there was an assumption that people in employment would reduce but those numbers were not available at this time. It had recently been confirmed that there were 250,000 people in the North East LEP region on the job retention scheme.

Regarding communications on this document it would go on the website. Helen advised that the LEP preferred to refer to the key SEP and the programmes within it, rather than the subset in the Delivery Plan. There was a bigger job for communications around the economic response to Covid-19 rather than the Delivery Plan itself.

(The Chair welcomed Start Corbridge to the meeting).

The Chair said this was an excellent piece of work and it would be a more important document next year when it demonstrated performance against deliverables.

The Board RESOLVED to endorse the Annual Delivery Plan 2020/21.

(Councillor Jackson joined the meeting by telephone).

6 FUNDING DECISIONS AND UPDATE

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.

Paul Woods presented part A, B and C of the report.

Part A - projects for decision

There were a number of project funding decisions connected to the new national Getting Building Fund (GBF) that required early consideration and were recommended for approval.

Part B - decisions taken under delegation since the last Board meeting.

The report detailed a number of decisions on a range of projects.

Part C - funding programme round up

Appendix Two to this report provided a detailed annual update on the current position and performance of the Enterprise Zone (EZ) sites in the North East LEP area and was a follow up to the comprehensive report provided to the North East LEP Board in March 2018. The report also provided to each party of the Business Rates Growth Income (BRGI) pooling agreement, to report on the annual report on the financial position of the EZ account and the estimated Lifetime Surplus.

The report set out in Appendix Two asked Board to note the latest position. The Board RESOLVED to: -

- a) Agree the principle that £8m of the EZ surplus in future years be used to reimburse the NEIF account, which would enable £8m of NEIF funding to be used to help provide an additional resource relating to Getting Building Fund economic stimulus. This would be subject to the condition that all EZ capital financing costs would be met;**
- b) Note the additional grant amount that would be allocated to support accelerated development of Round 1 EZ sites and**
- c) Approve the principle that the current EZ allocation of £4.5m to fund 50% of the additional costs on the Northumberland Energy Park site be increased to £5m, which would be subject to Investment Board approval and sufficient Business Rate Growth Income being achieved on the site to fund this.**

At its meeting on 19 March, the Board approved the establishment of a Covid -19 rapid response fund, using uncommitted LEP resources of up to £5m, with the sign off of any proposals delegated to the Chair and Vice Chairs of the Board in consultation with the section 73 officer.

Getting Building Fund (GBF)

In June the North East LEP submitted a list of 10 projects on behalf of the region in response to an urgent request by MHCLG to submit a list of shovel ready projects that could be completed by 31 March 2022. On 30 June the Prime Minister announced a £900m national budget as part of a strategy to kick start building projects and create jobs to boost the economy with a higher than anticipated allocation of £47m to the North East.

A package of projects had to be submitted by Friday 17 July. The submission had to be signed off by both the North East LEP Chair and the S151/73 Officer of the Accountable body confirming the deliverability of project spend. As there were no scheduled Board meetings within the strict turnaround period, approval was obtained under Urgent Procedure from the Chair in consultation with the Vice Chairs.

The finalised list of £55.6m of a mix of projects types was agreed through a consultation process with local authority Economic Directors, Finance Directors and Chief Executive's.

To mitigate the risk of budgets not achieving the 31 March 2022 deadline, the North East LEP Investment Board had supported an allocation of £8m from the North East LEPs North East Investment Fund to act as an over programme / programme extension. This had a number of potential benefits allowing more projects to be included and to spread risk. The additional £8m of LEP funding increased the overall programme to £55m, enabling 7 additional schemes to be included.

The Chair offered congratulations to the Executive Team for responding to the very challenging demands from the Government and for achieving more funding than anticipated.

The Board RESOLVED to: -

- 1. Note the LGF programme 2020/21 budget forecast and Key Performance Indicator targets for 2020/21 in section 4.**
- 2. Endorse the programme of projects submitted as set out in Appendix 1 for the Getting Building Fund £47m allocation to the North East and to the approach taken to use NEIF resources of up to £8m to support an over programme / extension to deliver additional economic impact and mitigate against the risk of GBF underspend. (See section 7).**
- 3. Receive the Annual Enterprise Zones Sites Report set out in Appendix 2 and approve the recommendations.**
- 4. Agree, for the specific purpose of managing the GBF, to a variation in the Investment Board threshold delegation for project funding decisions, from £5m to £6m, to enable the speedier processing of this timebound programme; and for more frequent meetings of the Investment Board to be Programmed as may be required and agreed with the Investment Board Chair.**
- 5. Subject to Government confirmation of the £47m GBF award, that up to £900,000 be approved in principle to the Newcastle United Foundation to support the NU Futures project set out in 2.2 to 2.8, with delegation to the Chief Executive to approve the final funding agreement and conditions.**
- 6. Note the funding decisions taken under delegated and Urgent Decision procedures set out in Part B Table 1.**
- 7. Note the LGF programme 2020/21 budget forecast and Key Performance Indicator targets for 2020/21 in section 4.**
- 8. Endorse the programme of projects submitted as set out in Appendix 1 for the Getting Building Fund £47m allocation to the North East and to the approach taken to use NEIF resources of up to £8m to support an over programme / extension to deliver additional economic impact and mitigate against the risk of GBF underspend. (See section 7).**

7 COVID - 19 ECONOMIC RESPONSE PLAN

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Henry Kippen and Helen Golightly presented the report to update the Board on actions taken by the Covid-19 Economic Response Group since the May meeting. The report covered: -

- Communications of the plan
- Development of wider regional recovery arrangements
- Ongoing data and intelligence
- Immediate term actions delivering on phase 1 priorities, including joint work with Government
- Emerging detailed proposals for medium term stimulus actions, aiming to focus regional resources and secure a wider package of support from Government through the proposals made in the summer statement and fiscal events in the Autumn.

It was a complex position trying to coordinate economic elements at the same time as working alongside the NHS Trusts and health colleagues, police, transport colleagues etc. but it was important to work together.

Richard Baker spoke to Annex 1 which detailed the most recent labour market data and provided a sense of the scale of the challenge.

Data would continue to be monitored going forward and additional support had been commissioned to provide ongoing data during the Covid response programme.

The Chair said there were challenges not just for the LEP but for the organisations that Board Members represent. The Covid disruption had provided an opportunity to accelerate change and change was what the region required.

The Board resolved to NOTE the contents of the report and presentation.

8 APPOINTMENT OF CHAIR OF THE NORTH EAST LEP BOARD

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.

Heidi Mottram presented the report and reminded Board that at the March meeting it was resolved that a Nominations Committee would be created, made up of the three Vice-Chairs of the LEP Board and a representative of the private sector.

The Nominations Committee had delegated powers to carry out the recruitment process and to select a preferred candidate for the role of Chair to be presented to the North East LEP Board for ratification.

Board Members expressed their support for the successful candidate.

With regard to the next steps conversations would take place with Andrew Hodgson and Helen Golightly about how the transition process would be managed. It was anticipated that the new chair would take over sometime during mid to late August.

On behalf of the Board, Andrew thanked all Members of the Nominations Committee and the Team for their work. Board Members also paid tribute to the Committee and Team and confirmed that the appointment was strongly supported.

9 ANY OTHER BUSINESS

Outgoing Chair

On behalf of the Board, Heidi paid tribute to Andrew for his involvement with the North East LEP as a Board Member from 2011 and as Chair from 2016. Under Andrew's leadership the North East LEP had gone from strength to strength, was now very much well respected and considered 'exceptional'; a huge amount of credit went to Andrew for this.

The SEP had been the organisations bedrock and Andrew had steered the LEP through it expertly. His passion and advocacy around skills had led to the Gatsby benchmarks of Good Career Guidance learning from career and labour market information.

Heidi went on to say that Andrew's style of leadership was also exceptional. Everyone held him in the highest regard and considered that he had done a phenomenal job as the Chair and in the wider region. Being fair, working collaboratively in positive partnerships and reaching out to bring people on board with the LEP had meant that Andrew always found a way to reach consensus and move forward.

The North East LEP was very well respected, in a large part due to Andrew's leadership. Heidi hoped to be able to pay tribute to Andrew in person when Covid-19 restrictions were lifted.

In response, Andrew said that chairing the LEP had been a huge honour and privilege. He had set out his value principals in 2016, and although the spirit of collectiveness was phenomenal, that was not down to him but to the Board.

Andrew thanked all Board Members and Members of the sub-boards, where the work really happened, for their support. He went on to praise to the executive team, which he considered the best of any LEP, for their professionalism, exceptional individuals and exceptional as a team. A big thank you also went to Helen for bringing everything together.

Climate change

Mark commented that the SEP talked about the green economy in terms of jobs. Perhaps under Place the LEP should talk about climate change. Each of the local authorities had their own climate change declarations but they were not all the same. The region could be more joined up on this issue; perhaps this was a role for the combined authority? The LEP should have more of a voice on climate change and more clarity on what the climate change target was. More work was needed on this and the LEP should have a voice on it under the Place agenda.

The LEP should be more joined up with the NE Climate Committee.

Stuart Corbridge

As this was also Stuart's last meeting the Chair asked that the Board's thanks be placed on the record for his contribution on behalf of higher education. He would write to Stuart to thank him formally on behalf of the Board.

Councillor Roughead

Councillor Roughead stated that it had been a pleasure to observe the meeting and to see how the Board operated. Hopefully moving forward a good working relationship would develop between the LEP and the accountable body and Overview and Scrutiny.

10 DATE AND TIME OF NEXT MEETING

The next meeting of the LEP Board would take place on Thursday 1 October 2020 at 5.00pm.