

# **NORTH EAST LOCAL ENTERPRISE PARTNERSHIP BOARD**

**Thursday 27 September 2018 at 5.00pm**

**Held at the Quadrus Centre, Boldon Business Park, Woodstock Way, Boldon Colliery, NE35 9PF**

**DRAFT MINUTES to be ratified at the LEP Board on 29 November 2018**

## **Present:**

Heidi Mottram (in the Chair)	Northumbrian Water Group
Gillian Hall	Watson Burton
David Land	Drive 2 Business
Ammar Mirza	AmmarM (UK) Limited
Andrew Moffat	Port of Tyne
Mark Thompson	Ryder Architecture
Councillor Nick Forbes	Leader, Newcastle City Council
Councillor Iain Malcolm	Leader, South Tyneside Council
Stuart Corbridge	Durham University

## **In Attendance:**

Helen Golightly	Chief Executive, North East LEP
Paul Woods	Section 73 Officer, North East Combined Authority
Alan Welby	Innovation Director, North East LEP
Pat Ritchie	Local Authority Chief Executives
Gillian Kelly	Sunderland City Council

## **Apologies**

Andrew Hodgson	Chair, North East LEP
Farooq Hakim	Oracle
Kate Wickham	Gate7 Group
Councillor Martin Gannon	Leader, Gateshead Council
Councillor Simon Henig	Leader, Durham County Council
Councillor Peter Jackson	Leader, Northumberland County Council
Councillor Graeme Miller	Leader, Sunderland City Council
Mayor Norma Redfearn	North Tyneside Council
Ellen Thinnesen	Sunderland College

		<b>ACTION</b>
<b>1.</b>	<b>WELCOME FROM THE CHAIR AND OPENING REMARKS</b>	
	The Vice-Chair welcomed everyone to the meeting and thanked them for their attendance.	

Board Members were made aware that the meeting was inquorate, however the Board's recommendations would be sent to Board members for agreement by written representations after the meeting.

HG

## 2. DECLARATIONS OF INTEREST

There were no declarations of interest.

## 3. MINUTES AND MATTERS ARISING

The minutes of the Board meeting held on 26 July 2018 were agreed as a correct record subject to an amendment to show that the meeting took place at Watson Burton and not Ward Hadaway.

### Board Decisions

The written representations had been completed to ratify the decisions made at the last Board meeting.

### Action Log

All of the actions had been completed except for the circulation of information on the outcomes, outputs, route to market and KPIs for the Business Growth programme. The Chief Executive advised that she had now received this information and would provide this to Board Members the following day.

HG

### National 5G Bid – Urban Connected Communities Project (UCCP)

The North East had been unsuccessful in its bid to the UCCP. The West Midlands had been awarded the grant. Although this was disappointing, it did not put a stop to what the North East was doing and the Board had previously agreed to provide additional LGF funding to take the work forward. There were a number of ongoing conversations with the private sector and the work on the development of 5G would continue.

It was suggested that a letter be sent to Government providing feedback from the LEP Board indicating the desire to continue promoting the project and the relationship with the Government. The Chief Executive would draft an appropriate communication.

HG

The bid had been for an urban project and there would be a rural call issued in the next few weeks which the Borderlands area would be bidding for. DCMS was also potentially looking at testing specific sectors, which the North East could bid for too.

#### 4. SEP DELIVERY PLAN PROGRESS UPDATE

The Board received an update on the delivery plan setting out the progress against Strategic Economic Plan (SEP) actions and the performance against plan targets since 2014.

The Chief Executive explained that the delivery plan set out the activity which was taking place under each of the six programmes which sat within the Strategic Economic Plan (SEP). The Board were reminded that the SEP set out the ambition for the region and that the LEP team was responsible for the delivery of some elements of the programme and partners were responsible for others.

In relation to the KPIs, it was noted that the gap in economic activity had reduced by 15% against a target of 50% by 2024 and the Chief Executive confirmed that the gap was not closing as quickly as partners may want, but it was moving in the right direction.

The Board had previously been advised that the target for reducing the gap in Gross Value Added (GVA) was being reviewed as changes had been made to the way GVA data was published nationally. It was queried whether the same trend – an increase in the gap – would be observed when the index changed. The Chief Executive stated that the new index would tell the same story; productivity was rising but this increase was no greater than the national rise. A move from measuring GVA per FTE job to GVA per hour would also align with the Government's monitoring of the Industrial Strategy.

Within the Skills Programme there was an action to support universities in retaining graduate talent in the North East and it was noted that good work placement offers encouraged graduates to stay in, and move to, the region.

The Board were informed that the Skills Lead was undertaking some work with Universities UK on retaining graduate talent with the first phase being targeted at students with disabilities or health issues and those from deprived areas. This was a pilot involving three out of the four universities in the region and also Warwick and Oxford and Cambridge.

Board Members referred to the very successful Gatsby pilot and whether there was something similar which could be developed around graduate retention. The Board supported the work on the pilot and agreed that the North East LEP should continue to work on this agenda in the region.

**The Board NOTED the Programme Delivery Update.**

MR

## **5. FUNDING UPDATES AND DECISIONS**

**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.**

Having considered the report, the Board **RESOLVED** that: -

- (i) the projection for circa £3m to become available in the LGF budget later in the year through de-commitments be noted and that a report be received on the strategic options for the redeployment of the budget in January 2019;**
- (ii) it be approved in principle, that LGF grant of up to £200,000 be awarded to the Arts Council shortlisted Sunderland and South Tyneside Culture Development Fund bids, with delegated authority being given to the Chief Executive, in consultation with the NECA Monitoring Officer and Section 151 Officer, to approve project business cases following satisfactory appraisal and applying any special conditions which may be appropriate;**
- (iii) £9.4m Enterprise Zone funding be awarded to an Enterprise Zone site for remediation and infrastructure works subject to conditions;**
- (iv) the Smarter Travel, Smarter Cities project gain LGF programme entry and £200,000 capital grant be approved with the LGF focused on supporting the costs of the UTMC project element, with some flexibility retained to potentially support other elements should the need arise as the package and funding strategy is finalised, and the Chief Executive be delegated to determine any special grant conditions following appraisal of the finalised project business case; and**
- (v) the significant LGF contract variations on the Low Carbon Energy project on The Helix site, Newcastle be approved, noting that there were no variations to the £2.8m LGF amount previously approved.**

## **6. NORTH EAST INVESTMENT FUND**

**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.**

The Board received a report and a presentation providing an update on a review of the North East Investment Fund (NEIF) and proposals for rejuvenating and expanding the fund.

Having thanked the Section 73 Officer for his presentation, **the Board NOTED the update.**

## 7. INNOVATION THEME

Alan Welby, Innovation Director, delivered a presentation providing an overview of innovation support in the North East and the priority focus areas for the next six months.

Alan provided an outline of the context of innovation in the region and highlighted the key factors of money, infrastructure, people, knowledge and enablers. There was money available in the region for innovation, although it was a mixed picture nationally. The region needed to do better in terms of private investment and it was highlighted that software was a key driver in a quarter of private investment deals.

There had been significant investment in incubator and grow on space for innovation businesses and also some mini funds which could be accessed. In terms of skills, there was a focus on STEM subjects and an increased focus on digitalisation.

Within the region there had been a growth in national centres and catapults and the North East had growing recognition as a 'test bed' area. It was felt that more needed to be done to maximise these assets for the business base and there was an increased focus on universities to drive this agenda.

There was a strong community of innovation support in the region including the ESIF innovation programme, Innovate2Succeed, Northern Accelerator, and Creative Fuse amongst the enablers operating in the North East. The Innovation Supernetwork was also well respected, however the potential issues were around the fragmented nature of innovation programmes, a duplication of activity, whether public money was being used to its best effect and weak engagement with national programmes.

The priorities for the next six months were identified as follows: -

- Regional Delivery priorities
  - Prioritised key regional delivery projects
  - Impact on More and Better Jobs
  - Pipeline not already in delivery
  - Portfolio to unlock investment (public and private)
  - Key role for LEP and Innovation board
  - Link to Local Industrial Strategy (LIS)/North of Tyne devolution
- North East Innovation Framework
  - Sharper narrative and metrics
  - Prioritised action areas/sectors and competencies
  - Moving towards a North East Innovation support programme/Shared Prosperity Fund

- North East challenge ‘brand’
- Links into SEP update and LIS

Alan was thanked for his presentation and the Board concluded that the LEP needed to think about what it wanted to do over the next few years in relation to innovation progress whilst taking care not to duplicate any existing workstreams.

**The Board RESOLVED that the presentation be noted.**

## **8. SCIENCE AND INNOVATION AUDIT**

The Board received a report providing an update on the Science and Innovation Audits (SIAs) which had taken place across the UK.

There had been 25 SIAs completed across the country and the North East LEP had been involved in six of these, leading on an SIA to understand the potential, and opportunities for integration, of applied digital technologies in the automotive, pharmaceutical and chemical industries. The SIA had been delivered across the North East and Tees Valley LEPs and brought together the main sector bodies in a small steering group tasked with leading and coordinating the programme and wider stakeholder group led by the North East LEP.

It was found that the sector was supported by a strong science and innovation base and that the North East had a number of significant assets. The partnership developed a vision to underpin the activities being taken forward which was:

To deploy the North East’s potential to be at the forefront of the next manufacturing revolution by enhancing the routes to develop and integrate digital technologies into manufacturing process improvements. Through this we will position the North East as the ideal place to articulate, develop and adopt digital approaches to manufacturing to support long term UK export competitiveness in high value, advanced manufactured goods particularly focused on automotive, chemical and pharmaceutical sectors.

To achieve the vision actions had been identified around four main areas: raising awareness and understanding of digital technologies; skills and training; facilities and networks and business support and growth. The priorities to be taken forward were: -

- Complete and ensure uptake of the Centre for Sustainable Advanced Manufacturing (CESAM) across manufacturing sectors.
- Programme of support to enable business to understand and engage with the digitalisation of manufacturing process
- Digitalisation and digital manufacturing leadership and skills programme
- Improved networks for cross-sector solution development

- Identify areas of technology opportunity and delivery supporting infrastructure

The SIA was due to be published by BEIS in September/October and following this the North East LEP would be able to further promote the study and its outcomes.

Board Members felt that the innovation culture was of such importance to the region that time constraints meant that a full discussion could not take place at the meeting. It was agreed that the SIA could be further considered at a future meeting of the Board.

**The Board RESOLVED to note the content of the report and the next steps for the SIA.**

**HG, AW**

## **9. LEP REVIEW**

The Board received a report setting out the key areas covered in the national LEP review, the requirements for both Government and LEPs and the next steps for implementation.

The Government had asked each LEP to submit a statement about their geographical coverage by 28 September and to submit a plan for implementing the recommendations of the review, including a proposal for additional funding, by 31 October.

A proposed approach to each of the review requirements was set out in the appendix to the report. It was highlighted that there were requirements around the Board make-up regarding the private and public sector mix and number of female Board Members where further clarification had been sought from the Government.

The North East LEP was already compliant with the requirement to have an established 'legal personality' but a report on this was due to be brought to the November Board meeting.

Having considered the report, **the Board RESOLVED that: -**

- (i) the LEP geography submission set out in paragraph 4.1 of the report be approved;**
- (ii) the direction of travel on the Implementation Plan, as set out in appendix one, be endorsed and the approval and submission by 31 October, along with the proposed funding request, be delegated to the LEP Chair.**

**10. COMPANY MEMBERSHIP**

The Board agreed that this item be deferred to a future meeting.

**11. ANY OTHER BUSINESS**

**Meeting Attendance**

As the Board meeting had not been quorate, it was suggested that the Chair be asked to remind Board Members of their responsibility to attend the bi-monthly LEP Board meetings.

**AH**

**Inward Investment**

The Chief Executive provided an update on the work which was commissioned to look at the Inward Investment model in the region. This work remained ongoing, a first draft of the study had been received, this was being worked up further and would be brought to the November meeting.

**HG**

It was noted that the LEP had been asked to do something which would cover all other cross body organisations. It was felt that potential investors would need to understand who was responsible for what and it was necessary to have something describing the new landscape of a combined authority, mayoral combined authority and the LEP.

The Chief Executive commented that a communications piece had to be developed on the new regional governance structure and a communications plan could be published by all partners at some point in the future.

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

The next meeting of the LEP Board would take place on Thursday 29 November 2018 at 5.00pm.



## ACTION LOG

<u>Action</u>	<u>Lead</u>	<u>Update</u>
All Board decisions to be ratified through written representation following the meeting	Helen Golightly	
Information on the outcomes, outputs, route to market and KPIs for the Business Growth programme to be provided.	Helen Golightly	
Letter to be sent to Government providing feedback from the LEP Board on the unsuccessful UCCP bid	Helen Golightly	
North East LEP to continue to work on graduate retention in the region	Michelle Rainbow	
Science and Innovation Audit to be considered in more detail at a future meeting of the Board	Helen Golightly/ Alan Welby	
Members to be reminded of the need to attend meetings regularly	Andrew Hodgson	
Report on Inward Investment study to be brought to the November meeting of the LEP Board	Helen Golightly	