

# NORTH EAST LOCAL ENTERPRISE PARTNERSHIP BOARD

Thursday 29 November 2018 at 5.00pm

Held at Durham University Business School, Mill Hill Lane, Durham

DRAFT MINUTES to be ratified at the LEP Board on 31 January 2019

## Present:

|                          |                               |
|--------------------------|-------------------------------|
| Andrew Hodgson           | Chair, North East LEP         |
| Farooq Hakim             | Oracle                        |
| Gillian Hall             | Watson Burton                 |
| David Land               | Drive 2 Business              |
| Mark Thompson            | Ryder Architecture            |
| Kate Wickham             | Gate7 Group                   |
| Councillor Martin Gannon | Leader, Gateshead Council     |
| Councillor Simon Henig   | Leader, Durham County Council |
| Mayor Norma Redfearn     | North Tyneside Council        |
| Stuart Corbridge         | Durham University             |
| Ellen Thinnesen          | Sunderland College            |

## In Attendance:

|                  |  |
|------------------|--|
| Helen Golightly  | Chief Executive, North East LEP                      |
| Paul Woods       | Section 73 Officer, North East<br>Combined Authority |
| Alan Welby       | Innovation Director, North East LEP                  |
| Richard Baker    | Head of Strategy and Policy, NELEP                   |
| Colin Bell       | Business Growth Director, NELEP                      |
| Michelle Rainbow | Skills Director, North East LEP                      |
| Tom Warburton    | Local Authority Chief Executives                     |
| Gillian Kelly    | Sunderland City Council                              |

## Apologies

|                          |                                       |
|--------------------------|---------------------------------------|
| Heidi Mottram            | Northumbrian Water Group              |
| Ammar Mirza              | AmmarM (UK) Limited                   |
| Andrew Moffat            |                                       |
| Councillor Nick Forbes   | Leader, Newcastle City Council        |
| Councillor Peter Jackson | Leader, Northumberland County Council |
| Councillor Iain Malcolm  | Leader, South Tyneside Council        |
| Councillor Graeme Miller | Leader, Sunderland City Council       |

## 1. WELCOME FROM THE CHAIR AND OPENING REMARKS

The Chair welcomed everyone to the meeting and thanked them for their attendance. He extended a particular welcome to Ellen Thinnesen as it was

## ACTION

her first meeting as the representative of the Further Education sector.

The Chair congratulated the North of Tyne authorities on the recent announcement on the Mayoral Combined Authority.

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.

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## **2. DECLARATIONS OF INTEREST**

Gillian Hall declared an interest in item 8 as a Port of Blyth Commissioner.

## **3. MINUTES AND MATTERS ARISING**

The minutes of the Board meeting held on 27 September 2018 were agreed as a correct record.

### **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.

## **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 performance against the six Key Performance Indicators (KPIs) was set out in the report and was showing positive results in terms of job creation but there was a need for caution due to the potential impact of Brexit and other local challenges.

The Chair highlighted that there was one action in the delivery plan with a 'Red' status and this was in relation to establishing a challenge approach for the Health Quest North East project. The Board were advised that the Innovation Board had discussed this in detail and acknowledged that things had moved on since the action had been included within the SEP and all funding sources had now been exhausted.

The Board felt that the action should be left within the delivery plan but marked out to show that it would not be completed. The overall progress review would flag up this action and it was likely to be amalgamated with other projects in the future and built into the next programme of delivery.

The SEP progress review would provide a historic look at how the themes had performed. The Board recognised the importance of reporting the difficult issues and that the delivery plan enabled the North East LEP to say what was on track.

Board Members were advised that within the Employability and Inclusion theme, there were a small number of actions which had gone from a 'Green' to 'Amber' status due to issues with the extension of contracts through the European Social Funds, some of which were national, and there were some delays in appraisals. The Working Group was looking at the issues and would monitor the position.

The Board were reminded that there was a great deal of activity in each programme and that some actions were carried out by partner organisations as well as delivery by the North East LEP itself.

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

## **5. DRAFT UPDATED STRATEGIC ECONOMIC PLAN**

**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 draft version of the updated Strategic Economic Plan (SEP) was presented to the Board and the Head of Strategy and Policy and the leads for each of the programmes gave a summary of the proposed content.

**The Board RESOLVED that: -**

- (i) any additional comments on the draft updated SEP would be fed to the LEP Chief Executive before Christmas; and**
- (ii) it be noted that it was intended to bring the final version of the updated SEP to the Board in January 2019 for sign off.**

**All**

## **6. INWARD INVESTMENT**

Nigel Wilcock from Mickledore Consulting was in attendance to deliver a presentation to the Board on his report 'Delivering Inward Investment in the North East of England'.

The LEP Board had previously commissioned an independent, evidence

based study to understand the North East's inward investment model and recommend how performance could be improved collectively to secure more investment in the region. Mickledore had reviewed delivery models and associated evidence in comparable UK regions and produced their report.

The report had found that the current inward investment model represented reasonable value for money and had unanimous support in local authorities, however there was some frustration from the private sector and there remained diverse views about how the regional model could be collectively improved to secure maximum investment in the region. It was proposed that the Board considered a set of key principles to adopt which could underpin how partners could move forward together to secure more investment. The proposed principles were: -

1. Inward investment is delivered at the LEP geography covering all seven local authorities.
2. The delivery model is hub and spoke, although the number of spokes may reduce if combined authorities amalgamate resources in the future.
3. The hub is more than a 'concierge' service, but prioritises investor enquiries and includes targeted lead generation.
4. The brand remains Invest North East England and an annual Marketing Strategy is produced.
5. An annual performance framework is agreed and reported on with clear targets on lead generation and project delivery.
6. An annual events programme is agreed in March each year for the following financial year.
7. The LEP is the lead regional contact and conduit with the Department for International Trade (DIT) as requested by the Department, which could be delegated to the hub.
8. The hub will work with and utilise the sector lead specialists within the LEP.
9. Account management is led by the spokes (the seven local authorities) but intelligence is shared with the hub (INEE) and is also used to leverage new investment and supply chain growth.
10. The hub will promote North East trade missions to raise business and partner awareness.

The ten principles encapsulated many of the recommendations from the Mickledore report and the Board were asked to agree these and to discuss further work to be undertaken in the region which would build on the recommendations made by Mickledore.

It was felt that 'working quite well' did not reflect the ambition for region and it was proposed that a public/private sectors task and finish group be established to look at something more ambitious.

It was suggested that the North East LEP needed to be clear about what INEE was trying to achieve; if it was to bring in inward investment then there was private sector funding available to do this but another option would be to support indigenous business and to bring investors on board. Board

Members agreed that investing in existing non-UK companies already located in the region would have the greatest impact.

It was noted that the INEE team were not part of the LEP and employed by the North East Combined Authority on behalf of the region.

The LEP Chief Executive advised that the draft report had been shared with local authority chief executives and economic directors and there were diverging views between the public and private sectors and within the private sector itself. It would be useful to have a small group to debate the issues and make recommendations on the way forward and it was suggested that Nigel Wilcock also be part of that group.

**The Board RESOLVED that a Public/Private Sector Task and Finish Group be established to further consider the report and to develop an optimum inward investment solution for the North East and that the group report back to the Board in January 2019.**

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## 7. BREXIT PREPARATIONS

The North East Brexit Group had been formed to provide a collective voice for the region in order to contribute to the ongoing national dialogue on Brexit. The report set out the work which had been carried out to date and sought views on future priority issues.

The North East Brexit Group had collectively undertaken a range of evidence gathering activities and positioning pieces including publishing a key messages statement on the regional priorities to inform Brexit negotiations, a meta-analysis of reports and studies examining the impact of Brexit on the North East economy, the impact on the rural economy and rural businesses and responding to the All Party Parliamentary Group inquiry into post-Brexit funding.

The group had developed a rolling work programme which responded to current possible scenarios, in particular the agreement of the current deal negotiated by the Prime Minister and the possibility of a 'No Deal' outcome. It was focused on four themes including: influencing the content of negotiations; developing compelling propositions to Government for support; given the scale of challenges faced by the North East; infrastructure preparedness; and business messaging.

There were a number of current work streams being delivered by the group which were outlined within the report and the Board were asked to comment on proposals for practical action being taken by the Brexit Group.

The Board discussed how it might communicate the position of the LEP in relation to Brexit and it was suggested that the North East LEP could reiterate what it felt were the key things which the Government should be looking at during the negotiation process.

The Chair suggested that the LEP Chief Executive pull together all of the evidence which had been gathered by the North East Brexit Group and re-circulate them to the region's MPs and key stakeholders to demonstrate the impact of Brexit scenarios on the North East.

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**The Board RESOLVED that the reports published by the North East Brexit Group be forwarded to the region's MPs to provide evidence of the impact of various Brexit scenarios on the region.**

## **8. FUNDING APPROVALS**

**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 three Enterprise Zone site infrastructure funding applications set out in Paragraphs 2.4, 2.5 and 2.6 which were planned to be determined by the Investment Board through written procedure in the coming weeks be noted;**
- (ii) authority be delegated to the LEP Board Chair and Vice-Chairs to determine an additional Enterprise Zone funding award towards the East Sleekburn site subject to conditions;**
- (iii) the cost variations within existing approved budget allocations for the South Shields Transport Interchange and Swans Centre for Innovation projects as set out in paragraphs 3.2 and 3.3 be approved;**
- (iv) authority be delegated to the Chief Executive, in consultation with the NECA Monitoring and S151 Officers, to finalise funding agreements within approved budget allocations in relation to the Integra 61 strategic employment site;**
- (v) the 'dashboard' Quarter 2 2018/2019 LGF programme performance monitoring return provided to MHCLG be noted;  
and**
- (vi) the re-procurement of a full communications service be approved.**

## **9. GOVERNANCE**

The Board received a report providing an update on regional governance and collaboration and how the existing governance arrangements could be strengthened to ensure strong partnership working in the region.

It was confirmed that the North of Tyne Mayoral Combined Authority had been created on 2 November 2018 covering the local authorities of Newcastle, North Tyneside and Northumberland. The North East Combined Authority boundary was reduced to cover the local authorities of Durham, Gateshead, South Tyneside and Sunderland. The North East LEP remained at a geography of seven local authorities.

There was currently a vacancy for a public sector Vice-Chair on the Board and it was proposed that the seven local authority leaders be asked to nominate one of their number to take up this role. The Board were also advised that it would be necessary to recruit two new private sector Board members in order to have a managed rotation of members. It was proposed to carry out the process in the same format as previously used, whilst taking into account the Government's recommendation that LEP Boards should have representation from the voluntary and community sector.

The North East LEP currently had four advisory boards with a minimum of one public sector member on each of them. It was now proposed that one member from each of the combined authority areas sit on each of the boards. This would also be the case with any task and finish groups which were established to look at specific issues.

The Board were aware that a Company Limited by Guarantee (The North East Growth Company) had been established by the North East LEP for the purpose of attracting funding where the LEP was currently precluded. There were currently four directors of the company, the LEP Chief Executive, the NECA Deputy Head of Paid Service, the NECA Monitoring Officer and the NECA Chief Financial Officer. There were three director vacancies and it was proposed that the Chair and two Vice-Chairs of the North East LEP Board fulfil these positions.

It was proposed that the Chair of the North East LEP be nominated to be a non-voting member of the North of Tyne Mayoral Combined Authority Cabinet and that Mark Thompson be the nominated substitute. It was also requested that the North East LEP be represented on the Mayoral Combined Authority's other boards and sub-groups. It was confirmed that the Chair would remain a member of the NECA Leadership Board with Gillian Hall as substitute.

The Chair commented that as the landscape was changing then the North East LEP Board needed to think about its governance too. The Mayoral Combined Authority was under development but once the Mayor was in place, arrangements needed to be made so that they could contribute to the North East LEP but any arrangements needed to be equitable and balanced.

There were a number of other pressures, gender balance for the Board for example, and the report set out some practical recommendations for the current time. The Chief Executive commented that it was intended to hold a half day workshop on governance and the implications of the LEP review early in the new year.

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**The Board RESOLVED that: -**

- (i) the LEP Chief Executive be authorised to liaise with the LEP Board public sector members for a nomination for the Vice Chair role;**
- (ii) it be agreed to recruit two new private sector members, with the shortlisting and interview undertaken by the Chair and two Vice-Chairs;**
- (iii) the LEP Chief Executive be authorised to liaise with both combined authorities to nominate a representative from each to be a member on each of the four Advisory Boards;**
- (iv) the LEP's intention to seek representation from each combined authority area on ad hoc task and finish groups be noted;**
- (v) it be agreed that the Chair and two Vice Chairs of the LEP Board fulfil the three Director positions with the North East Growth Company;**
- (vi) it be agreed that Andrew Hodgson be the North East LEP representative on the North of Tyne Combined Authority Cabinet and Mark Thompson will act as the substitute member;**
- (vii) the intention to seek North East LEP Executive and/or Board member places on the North of Tyne Combined Authority governance structures to support the delivery of the six pillars to reciprocate arrangements with the LEP governance model be noted;**
- (viii) the intention to develop and publish an Agreement between the North of Tyne MCA and the LEP as required by the LEP Review be noted;**
- (ix) it be agreed that Andrew Hodgson remains the representative from the North East LEP as the LEP member on the North East Combined Authority Leadership Board and Gillian Hall remains the substitute;**
- (x) the intention to seek North East LEP Executive and/or Board member places on the NECA governance structures to support the delivery of the combined authority's vision to reciprocate arrangements with the LEP governance model be noted;**
- (xi) the proposal for the North East LEP to develop and publish an agreement with NECA setting out roles and responsibilities be endorsed; and**



- (xii) it be agreed to hold a half day workshop with LEP Board members in January to discuss strategic matters and the implications of the LEP Review including expectations around good governance.**

**10. ANY OTHER BUSINESS**

There was no other business.

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

The next meeting of the LEP Board would take place on Thursday 31 January 2019 at 5.00pm.

## **ACTION LOG**

| <b><u>Action</u></b>   | <b><u>Lead</u></b>               | <b><u>Update</u></b> |
|--|----------------------------------|----------------------|
| All Board decisions to be ratified through written representation following the meeting    | Helen Golightly                  |                      |
| Additional comments on the SEP to be forwarded to the LEP Chief Executive before Christmas | All                              |                      |
| A task and finish group be established to consider the Mickledore report                   | Helen Golightly<br>Mark Thompson |                      |
| Reports published by the North East Brexit Group be circulated to the region's MPs         | Helen Golightly                  |                      |
| Half day workshop on the LEP review and governance to be arranged in January 2019.         | Helen Golightly                  |                      |