

# NORTH EAST LOCAL ENTERPRISE PARTNERSHIP BOARD

Thursday 17 July 2014 at 5.00pm

Held in the Training Restaurant, New College Durham, Framwellgate Moor Campus

## MINUTES

### Present:

Paul Woolston	Chair, NELEP
Gillian Hall	Watson Burton
David Land	Gestamp Tallent
Jeremy Middleton	Middleton Enterprises
Paul Varley	Oddballs
Councillor Grant Davey	Leader, Northumberland County Council
Councillor Mick Henry	Leader, Gateshead Council
Councillor Iain Malcolm	Leader, South Tyneside Council
Mayor Norma Redfearn	North Tyneside Council
Professor Peter Fidler	University of Sunderland
Jane Robinson	Chief Executive, Gateshead Council

### In Attendance:

Helen Golightly	LEP Chief Operating Officer
Paul Woods	Combined Authority
Lee Cranston	LEP Team
James Davies	LEP Team
Gillian Kelly	Sunderland City Council

### Apologies

Dr Arnab Basu	Technology Business Kromek
Michael Bellamy	P11 Pipeline Solutions
Andrew Hodgson	SMD North Tyneside
Gill Southern	Wessington Cryogenics
Cllr Nick Forbes	Leader, Newcastle City Council
Cllr Simon Henig	Leader, Durham County Council
Cllr Paul Watson	Leader, Sunderland City Council
Anne Isherwood	Association of North East Colleges

---

## ACTION

### 1. WELCOME FROM THE CHAIR AND OPENING REMARKS

The Chair welcomed everyone to the meeting, thanked them for their attendance and thanked New College Durham for hosting the meeting.

## **2. INTRODUCTION FROM JOHN WIDDOWSON, PRINCIPAL AND CHIEF EXECUTIVE OF NEW COLLEGE DURHAM**

John Widdowson welcomed the LEP Board to the college, highlighting that the building was now ten years old was an investment in education that was appreciated and looked after by its students.

The college was a sponsor for two local academies and was committed to the future of the young people in these institutions as it was to addressing the 'NEET' group in the region. It was found that the majority of the students who were coming to the college for higher and further education courses, wished to stay in the region.

The bulk of the college's provision was in vocational skills and was aimed with a direct line of sight to the world of work and also the attitudes and behaviours wanted by employers. The relationship with employers was very important and the college worked to explain the need for employers to invest in higher level skills.

Professor Fidler commented on how well the college worked collaboratively with the under 16 and higher education sector and the Chair noted the resonance of the college's work with what the aims and priorities of the LEP.

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

The minutes from the meeting held on 15 May 2014 were agreed as a correct record.

### **Publishing Papers for Board Meetings**

Board papers which could be made public were now available on the LEP website.

### **Innovation Update**

The post of the Innovation Director was to be advertised in the press this weekend.

### **University Enterprise Zone**

The North East LEP had been unsuccessful in its bid for a University Enterprise Zone. This was possibly due to it being a split site bid but there had not been a lot of information made available about the decision making process for the scheme.

## **Enterprise Zone Business Rate Growth Income**

The potential to vary the current Enterprise Zone principles had been taken forward following discussions at the last Board meeting and a report would be brought back to the meeting in September 2014.

### **4. NORTH EAST INVESTMENT FUND**

#### **(a) Investment Panel Update**

*Councillor Henry declared an interest in the item as a member of the Live Theatre Board in a private capacity.*

Jeremy Middleton, Chair of the North East LEP Investment Panel, presented a report updating the Board on the progress of the North East Investment Fund and seeking a decision on two projects which the Investment Panel had considered for funding.

Having considered the recommendations of the Investment Panel, **the Board AGREED to: -**

- (i) support the allocation of loan funding from the North East Investment Fund to the two projects set out in the report; and**
- (ii) delegate approval of the final heads of terms for the projects to the Chair and Vice Chairs of the North East Local Enterprise Partnership and the Chair of the North East Investment Panel.**

#### **(b) Airport Development Update**

*Councillor Malcolm declared an interest as a member of the Newcastle International Airport Limited Board and took no part in the discussion.*

The Board received a report providing an update on the work undertaken to further route development at the Airport.

**The Board NOTED the position and reinforced their support for the development of the service available at the airport.**

### **5. NORTH EAST ACCESS TO FINANCE GOVERNANCE PROPOSALS**

The Board received a report for information outlining the proposals for revised governance arrangements for North East Access to Finance (NEA2F).

NEA2F was the body holding the legacy funds for the region and at this stage was consolidating and simplifying its administrative processes and making the governance of the organisation fit for purpose as it moved towards JEREMIE2. It was also the intention to bring all legacy funds together and

create an evergreen regional funding resource for future Access to Finance provision.

Proposals for revised governance arrangements had been submitted to the British Business Bank (BBB) by NEA2F and had been accepted in principle, subject to the necessary legal and professional advice and the endorsement of the two Local Enterprise Partnerships in the North East region. The arrangements would provide the foundations for a sustainable and cost effective Access to Finance programme to underpin the strategic aims of both the North East and Tees Valley Local Enterprise Partnerships.

It was suggested that it might be useful to have an overall presentation on all public/private venture capital arrangements at a future Board meeting.

The LEP lead for Access to Finance was being asked to endorse the proposals on behalf of the LEP Board.

**The Board AGREED that LEP Access to Finance Lead be delegated to endorse the governance proposals on its behalf.**

## **6. EUROPEAN FUNDING UPDATE**

A report was presented providing an update to the Board on the position with regard to the development of the European Structural and Investment Funds Strategy (ESIF) and the timetable for the next stage of development.

The revised version of the strategy was submitted to the Department for Communities and Local Government (DCLG) on 30 May 2014 and this document had intended to provide further information on certain areas and to respond to some presentational issues.

It was hoped to have the strategy signed off by the end of the year, however it remained subject to further refinement in the light of government guidance (expected over summer 2014) and the conclusion of negotiations between the Government and the Commission.

A European Structural and Investment Funds Implementation Plan was being developed and would address the scope, scale and timing of project calls and elements of programme management. The final version was to be approved in November/December. Opt-in proposals were currently being finalised.

There were four LEADER Local Action Groups in the North East LEP area: Northumberland Uplands; Northumberland Coast and Lowlands; North Pennine Dales and East Durham. The Local Development Strategies were to be endorsed by the North East LEP and as this was likely to be required over a short timescale during the summer period, it was proposed that the Board delegate this to the LEP representative on the North East Farming and Rural Affairs Network (NEFRAN).

The LEP had been invited to submit a Sustainable Urban Development (SUD) Plan as an integral part of the ESIF and regulations required 5% of the ERDF allocation to be spent on SUD. The SUD did not provide additional funding but created an opportunity to work with the Combined Authority to secure eligibility for European transitional funds. A proposal had been put forward to DCLG based on innovation and low carbon and this would continue to be worked up.

With regard to governance of the European funding business process, formal guidance had not yet been received but there were proposals for interim measures for a European Investment Group, which had been included within previous versions of the ESIF. It was highlighted that there was a general move towards LEP Board Chairs chairing these groups.

**The Board AGREED that: -**

- (i) the update on progress to date with regard to the European Structural and Investment Funds be received and the next steps be noted;**
- (ii) authority be delegated to the LEP representative on NEFRAN to endorse the four LEADER Local Development Strategies on behalf of the LEP Board;**
- (iii) the update on the submission of the Sustainable Urban Development Proposal be received; and**
- (iv) the proposed approach to developing the governance arrangements be approved.**

## **7. STRATEGIC ECONOMIC PLAN AND GROWTH DEAL UPDATE**

### **(a) North East Growth Deal**

The Board received a report on the Growth Deal which confirmed that the North East had secured a headline figure of £290m, which was the third highest allocation in the country.

The report showed the breakdown of the funding and the details of projects to be funded through the Local Growth Fund. The LEP Chief Operating Officer advised that discussions were taking place with DCLG and BIS about taking this forward and obtaining feedback on the projects which were not included and looking at how they could be progressed.

The Growth Deal contained clear commitments for all six themes within the Strategic Economic Plan (SEP) and it was important not to lose sight of this. The implementation plans for the SEP were being reviewed in preparation for the next bidding rounds and partners were looking at their projects and how they could be developed. Programme management would be developed for

each of the themes to prepare for effective delivery.

The Chair said that the North East LEP should be pleased about its success in the Growth Deal and expressed his thanks to the LEP team for all their work in achieving the Local Growth Fund allocation.

#### **(b) Strategic Environmental Assessment/Sustainability Appraisal of the North East Strategic Economic Plan**

The Government had indicated that the decision to undertake strategic environmental assessment (SEA) of the Strategic Economic Plan (SEP) was a local decision and that it was local responsibility to ensure that the legal requirements were met with regard to the SEP.

The LEP Executive had sought advice on whether the SEP should be subject to SEA and the report set out the legal requirements for assessments and the process which would be followed in undertaking SEA. A scoping report had been commissioned early in 2014 which had established an understanding of the economic, environmental and social conditions of the LEP area.

**The Board AGREED to seek further legal advice from the accountable body's legal adviser, the North East Combined Authority's Interim Monitoring Officer, and that, should advice conclude that strategic environmental assessment was required, the assessment be integrated within the scope of a broader sustainability appraisal.**

### **8. BUSINESS SUPPORT**

A report was presented outlining the next steps in the delivery of the business support related activities set out in the Strategic Economic Plan (SEP) and Business Support and Access to Finance Implementation Plan.

The SEP specified a commitment to establish a Business Support Board comprising Board members and senior business representatives to raise the profile of business support activities, improve engagement with the business community and lead on the design of a commissioning process that would clarify and focus the business support offer.

The report set out the next steps to move forward business support related activities and it was highlighted that this was not about re-invention but providing a gateway for business.

**The Board ENDORSED the actions as set out within the report.**

### **9. STAFFING**

The Chair informed the Board of the process for recruiting a LEP Director, following the departure of the previous post holder.

The Board NOTED the process for appointing the LEP Director.

**10. OTHER BUSINESS**

The Chair advised that an Away Day was being arranged and encouraged as many Board Members as possible to attend.

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

The next Board meeting would be held on **Thursday 11 September 2014** at **5.00pm**.