

NORTH EAST LOCAL ENTERPRISE PARTNERSHIP BOARD

Thursday 29 January 2015 at 5.00pm

Held at EDF Energy, Doxford International Business Park, Sunderland

MINUTES

Present:

Paul Woolston	Chair, NELEP
Dr Arnab Basu	Technology Business Kromek
Gillian Hall	Watson Burton
Andrew Hodgson	SMD North Tyneside
David Land	
Gill Southern	Wessington Cryogenics
Paul Varley	Oddballs
Councillor Grant Davey	Leader, Northumberland County Council
Councillor Simon Henig	Leader, Durham County Council
Councillor Mick Henry	Leader, Gateshead Council
Mayor Norma Redfearn	North Tyneside Council
Councillor Paul Watson	Leader, Sunderland City Council
Anne Isherwood	Association of North East Colleges

In Attendance:

Helen Golightly	LEP Chief Operating Officer
Jane Robinson	Combined Authority
James Davies	LEP Team
Michelle Duggan	LEP Team
Gillian Kelly	Sunderland City Council

Apologies

Michael Bellamy	P11 Pipeline Solutions
Jeremy Middleton	Middleton Enterprises
Councillor Nick Forbes	Leader, Newcastle City Council
Councillor Iain Malcolm	Leader, South Tyneside Council
Professor Peter Fidler	University of Sunderland

ACTION

1. WELCOME FROM THE CHAIR AND OPENING REMARKS

The Chair welcomed everyone to the meeting, thanked them for their attendance and thanked EDF Energy for hosting the meeting.

2. INTRODUCTION FROM EDF ENERGY

Kevin Gatens, Director of Customer Services at EDF Energy welcomed the members of the LEP Board to the venue and stated that this year marked 20 years since London Electricity had established their base in Sunderland with 50 employees. EDF now employed 1,400 people at the site and staff were responsible for managing customer services for residential users across the whole of the UK.

Kevin drew attention to the success of EDF in relation to development and investment, highlighting that it contributed £40m to the local economy and also operated a programme to allow staff to work two days a year in the community.

3. MINUTES AND MATTERS ARISING

The minutes from the meeting held on 20 November 2014 were agreed as a correct record.

Recruitment

The Board were updated on the latest position with regard to recruitment.

LEP Board Away Day

A note had been circulated to all Board Members regarding the Away Day scheduled for Monday 2 February 2015, taking place at Durham County Cricket Club between 10.00am and 4.00pm.

It was hoped that the outcomes for the session would be a collective understanding and commitment to working together and the drawing up of a route map or plan for future work.

Innovation Director

The Chair advised that the appointment of the Innovation Director would be announced on the following Monday and that he would begin work on 2 March 2015.

4. SEP THEME UPDATE – SKILLS

The Board received a report providing an update on the progress being made within the Skills theme of the Strategic Economic Plan (SEP).

The skills theme encompassed everything from school age children, through further and higher education and life skills in general. There was a huge crossover with the employability theme and the two leads were working closely together.

It had been decided to establish a 'Skills Board' to replicate the governance structure for other themes within the SEP. It was planned to recruit an additional six business people to the Board, these were not intended to be purely private sector based and there had already been a number of expressions of interest received. There was funding available in the European Structural and Investment Fund for skills and it was the role of the LEP to coordinate activity in the best way it could.

It was highlighted that the Education Challenge would encompass Tyne and Wear, Northumberland, Durham and the Tees Valley and would have four key elements: improving leadership; raising ambition; linking business and skills; and community aspiration.

The North East LEP was one of three areas in the country awarded the Skills Pilot meaning that 5% of the adults skills budget could be withheld from skills providers on the basis of metrics and quality of provision. This would provide an opportunity to recycle funds into the region. The Skills Funding Agency were working closely with the LEP in relation to acquiring data for the pilot.

The Board were informed that a Manager for Apprenticeships had been appointed through the Newcastle City Deal. The Apprenticeship Hub was linked to the Business Support Hub and a lot of work was being done regionally, not necessarily driven by the LEP, but recognising the ambition of the SEP and looking at driving up quality rather than quantity.

Funding was available for the Supporting Apprenticeship Ambassador Scheme and this was linked to the Education Challenge. The Education Challenge would also identify the role of business skills governors would be in schools moving forward.

The Board NOTED the progress to date within the Skills Theme.

5. SEP THEME UPDATE – EMPLOYABILITY AND INCLUSION

The Board received a report providing an update on the progress being made in relation to the Employability and Inclusion theme.

An officer Steering Group was driving forward the Operational Plan and identifying where European funding would fit with the objectives of the plan. These objectives were :

- To develop a strategy to tackle worklessness, low skills and dependency;
- To develop a comprehensive and integrated youth employment strategy; and
- To develop a strategy to address social inclusion in the most deprived communities.

It was highlighted that the Mental Health Trailblazer pilot had now been successfully secured from the Government and the implementation of this was

being taken forward. In addition to its core work, the Steering Group continued to develop the programme of activity which would be eligible for funding through the European Social Fund for 2014-2020.

The Board NOTED the update report.

6. SEP THEME UPDATE – INNOVATION

The Board received an update on developments within the Innovation theme since the last meeting of the Board in November 2014.

It was reported that the Innovation Board had held its inaugural meeting on 1 December 2014 with a focus on briefing members and developing a shared understanding of the North East Innovation environment, the planned programme and action opportunities. The second meeting of the Board would take place on 4 March and would focus on: -

- Confirmation of roles and forward action programme
- Communications
- Planned ESIF programmes and approval of project plans including linkages to other SEP programmes
- The new national Innovation and Science strategy and implications for the North East.

The report also provided updates in relation to Low Carbon Vehicles, Catapult Centres, Venturefest, National Centre for Ageing, Science and Innovation and key North East LEP-led investments.

The Board NOTED the Innovation update.

7. SEP THEME UPDATE – BUSINESS SUPPORT AND ACCESS TO FINANCE

The Board received a report providing an update on the development and delivery of the Business Support Programme. The report outlined progress under the following key themes: -

- Putting in place North East LEP programme management and governance
- Future service planning and working with partners to support and shape the North East business support programme
- Leadership and communications

The Board were informed that despite the progress made over recent months, the development and delivery of any non-essential Business Support Programme activity was delayed until such time as additional programme management resources were in place.

The Board NOTED the Business Support and Access to Finance update.

8. SEP THEME UPDATE – ECONOMIC ASSETS AND INFRASTRUCTURE

The Board received a report providing an update on the progress made on the Economic Assets and Infrastructure theme Implementation Plan.

The report outlined the developments in relation to the North East LEP's Enterprise Zone sites, the North East Investment Fund, the Local Growth Fund, the Regional Investment Plan, Inward Investment and Business Support and Access to Finance.

It was highlighted that meetings had taken place between the thematic lead for Economic Development and Regeneration, LEP Board members and representatives from private sector bodies to discuss the formation of an Advisory Board for the theme and inward investment function in particular. The outcome of the discussions would provide the basis on which further steps could be taken towards the formation of the Board.

The Board NOTED the Economic Assets and Infrastructure update.

9. SEP THEME UPDATE – TRANSPORT AND DIGITAL CONNECTIVITY

The Board received a report providing an update on the key transport initiatives which related to the North East LEP.

The report detailed work on initiatives such as Transport for the North, Local Growth Fund Transport Schemes, Road Investment Strategy and Testos junction.

Two LEP Board Members would continue to act as North East representatives on the Transport for the North Partnership Board and would update the North East LEP on the progress being made.

The issue of digital connectivity had been picked up at the Combined Authority and would be included within the update report in future.

The Board NOTED the Transport and Digital Connectivity update.

10. ADVERTISING UPDATE

Gillian Hall introduced a report providing an update on a proposed advertising strategy for the short and long term and presented draft visuals and timescales.

The Board RESOLVED that: -

- (i) the phased approach to advertising be noted; and**
- (ii) the outlined approach and visuals be approved.**

11. EUROPEAN STRUCTURAL AND INVESTMENT FUNDS

The Board received a report outlining the latest position in relation to the national operational programme negotiations and the progress made in the North East LEP area in developing the local approach to European Structural and Investment Funds (ESIF).

Work was now being done to move forward from initial ideas to start to think about applications and the shadow ESIF Sub-Committee, which was due to meet next on 5 February.

The core specifications had been devolved to local areas to coordinate the initial specification for all calls and these would be shared with the ESIF sub-committee for endorsement. Calls were being developed under the themes of Innovation, Business Support, Low Carbon and Sustainability, Inclusion and Employability and Skills. It was proposed that two themes would be further developed under the European Agricultural Fund for Rural Development funding in a response to an understanding of eligibility, local demand and need.

The cross-cutting themes of Sustainability and Equality and Inclusion were being worked through the ESIF sub-committee and it was highlighted that as the national operational programme was signed off, there would be a number of short turnaround times for information on capital and revenue split for spend proposals.

The Chair stated that the LEP was working very closely with DCLG and would take their advice at each stage. The ESIF sub-committee would function as the interim body committee.

The Board RESOLVED that: -

- (i) the approach and progress made in developing the proposals including call information be noted;**
- (ii) the approach to supporting and informing the ESIF sub-committee proposal be noted; and**
- (iii) the changes from the national Operational Programme development be noted.**

12. NORTH EAST INVESTMENT FUND UPDATE

Confidential due to commercial information.

13. JEREMIE 2 UPDATE

The Board received a report updating them on the progress of the JEREMIE 2 fund.

The principle had been established within the Strategic Economic Plan for a second JEREMIE fund of £160m to meet the ongoing demand of small and medium enterprise finance support and a Project Board had been set up to begin planning the new programme. The Board was co-chaired by the North East and Tees Valley LEP representatives and included observers from DCLG, the British Business Bank and NEA2F.

The first JEREMIE fund for the European Structural Fund Programme 2007/2013 covered both of the region's LEP areas, however Tees Valley had indicated that they would like their own element of JEREMIE 2, rather than a joint fund.

The Chair stated that the preference from the North East LEP was still for a joint fund but with the submission deadline approaching, the Board were being asked to approve an expression of interest for the North East LEP area only if Tees Valley decided not to go forward as a region.

The Board RESOLVED that: -

- (i) the progress made on negotiating the principles of a JEREMIE 2 programme for 2014-2020 be noted;**
- (ii) the continued workings of the Project Board with a view to reaching a satisfactory conclusion for both LEPs, totalling £160m, ahead of the expression of interest submission to the European Investment Bank be supported;**
- (iii) the decision to submit an expression of interest for the North East LEP area only, totalling £120m, to the European Investment Bank should Tees Valley continue to pursue a sub-regional fund of funds be approved; and**
- (iv) further work seeking additional monies for the existing JEREMIE programme should JEREMIE 2 be further delayed be supported.**

14. NORTH EAST INVESTMENT AND DEVELOPMENT FUND AND HCA ASSETS UPDATE

The Strategic Economic Plan proposed that a North East Investment and Development Fund be established to bring together projects currently supported by the North East Investment Fund, financed by Growing Places or Regional Growth Fund monies, the anticipated Business Rate Growth Income, Local Growth Fund monies, ESIF resources and potentially HCA assets.

Work had progressed since the last Board meeting in November and the Board received a report setting out the progress and exploring the benefits and issues for a funding model which could amalgamate all of the inputs listed above. Through workshop sessions, a list of priority sites had been identified and a potential pipeline of projects which could benefit from asset realisation. This had been drawn up as a proposal to DCLG and was attached to the report at Appendix 1.

The Board RESOLVED that: -

- (i) further analysis be undertaken to help identify the most effective and efficient means of managing the proposed fund;**
- (ii) the proposed project pipeline attached at Appendix 1 be refined, as identified by Combined Authority colleagues and amalgamated with SEP priorities requiring funding support; and**
- (iii) the paper attached at Appendix 1 for onward communication with DCLG in relation to the proposed development of HCA sites and shared use of any overage on additional local authority sites be approved.**

15. NORTH EAST LEP REVENUE BUDGET 2015/2016

The Board received a report setting out the proposed North East LEP revenue budget for the 2015/2016 financial year, including details of the core Executive Team budget and the specific revenue initiatives to be taken forward as part of the Strategic Economic Plan funded by the Growth Deal.

The Board RESOLVED that: -

- (i) the North East LEP Revenue Budget for 2015/2016 be approved;**
- (ii) further updates be received on the budget position on a six monthly basis; and**
- (iii) staffing issues and structure be discussed at the forthcoming Away Day.**

16. ANY OTHER BUSINESS

Declarations of Interest

The Chair reported that a declaration of interests form was being drawn up and would be circulated to each Board Member to be completed as a matter of good practice and as part of the assurance process for the LEP.

All

17. DATE AND TIME OF NEXT MEETING

The next Board meeting would be held on **Thursday 19 March 2015** at **5.00pm**.