

NORTH EAST LOCAL ENTERPRISE PARTNERSHIP BOARD

Thursday 28 November 2019 at 5.00pm

**Held in the Boardroom, Baltic Campus, Gateshead College, Quarryfield Road,
Gateshead, NE8 3BE**

DRAFT MINUTES to be ratified at the LEP Board on 30 January 2020

Present:

Andrew Hodgson
Farooq Hakim
Gillian Hall
David Land
Ammar Mirza
Andrew Moffat
Mark Thompson
Kate Wickham
Councillor Simon Henig
Ellen Thinnesen

Chair, North East LEP
Oracle
Gillian Hall Consulting Limited
Drive 2 Business
AmmarM (UK) Limited

Ryder Architecture
Gate7 Group
Leader, Durham County Council
Sunderland College

In Attendance:

Helen Golightly
Paul Woods

Alan Welby
Janice Gillespie
Katie Hope
Gillian Kelly

Chief Executive, North East LEP
Lead Financial Consultant, North East
Combined Authority
Innovation Director, North East LEP
North of Tyne Combined Authority
North of Tyne Combined Authority
Sunderland City Council (Minutes)

Apologies

Heidi Mottram
Councillor Nick Forbes
Councillor Martin Gannon
Councillor Peter Jackson
Councillor Iain Malcolm
Councillor Graeme Miller
Mayor Norma Redfearn
Stuart Corbridge

Northumbrian Water Group
Leader, Newcastle City Council
Leader, Gateshead Council
Leader, Northumberland County Council
Leader, South Tyneside Council
Leader, Sunderland City Council
North Tyneside Council
Durham University

	ACTION	
<p>1. WELCOME FROM THE CHAIR AND OPENING REMARKS</p> <p>The Chair welcomed everyone to the meeting and thanked them for their attendance.</p> <p>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.</p>	<p>HG</p>	
<p>2. DECLARATIONS OF INTEREST</p> <p>Gillian Hall declared an interest in item 6 as a Port of Blyth Commissioner.</p> <p>Councillor Henig declared an interest in item 6 as an employee of the University of Sunderland.</p>		
<p>3. MINUTES AND MATTERS ARISING</p> <p>The minutes of the Board meeting held on 19 September 2019 were agreed as a correct record.</p> <p>Developers Session on Enterprise Zones</p> <p>The LEP Chief Executive advised that the developers meeting had been re-scheduled to take place in January 2020.</p> <p>Job Creation Data</p> <p>Victoria Sutherland had circulated some information which set out an explanation of the differing statistics which were being used to present job creation figures. The Chair thanked Victoria for preparing the note and was comfortable that the correct set of data was being used.</p> <p>Strengthening LEPs Review – Outstanding Matters</p> <p>The LEP Chief Executive stated that a paper would be presented to the January Board meeting on the ratio between the public and private representatives on the LEP Board.</p> <p>The Chair of the Board had written to Government regarding the requirements for a gender balance on the Board and highlighting that the local authority representation was determined by the leadership of individual councils and this therefore made it more difficult to achieve a balance. However, Ministers had responded that there were no exceptions and all LEPs must comply with the requirements.</p>		

Local Industrial Strategy

Following the discussion at the September Board meeting, a draft document had been pulled together and this would be brought forward to the January meeting.

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 covering report set out the highlights and points to note since the last meeting and the Chief Executive commented that the Scale Up Review had shown a positive improvement in the density of scale up businesses since 2016. A lot of work had also been carried out in relation to readiness for Brexit with the Growth Hub delivery capacity being expanded to enhance the ability to gather intelligence on potential impact and preparedness of businesses.

An additional member of staff had joined Invest North East England and all seven local authorities had agreed to continue making contributions to the team. There had been a small drop in some numbers in relation to business growth but there was no specific trend and there were no major concerns.

The full business case for the Transforming Cities Fund was due to be submitted by the end of November and three new members of staff had joined the LEP Executive Team; the Health and Life Sciences lead, Rural Energy Officer and Energy Innovation Partnership Manager.

Mark Thompson asked if the work which had been undertaken earlier in the year in relation to inward investment had been closed off and the LEP Chief Executive advised that the position of the local authorities had been awaited and they were now committing funds. Mark commented that this was not the same as the 'ask' had been in the original paper and he was aware that that the North of Tyne Combined Authority were looking at this again. He felt that an update report would be appropriate for clarity.

The Chair stated that MIPIN had been raised as part of this work and the NP11 were holding a joint event which the North East LEP would contribute to. Mark noted that it was great to have a presence there and that more local authorities than ever were contributing to MIPIN.

The Chair also noted that a small number of schools had withdrawn from the Enterprise Advisor programme and although the schools concerned had said that they were focusing on different activities, the Enterprise and Skills Board would look at this to identify if any action was required to address the reduction in participants.

Attention was drawn to the amount of innovation taking place within small and medium enterprises. There was an implication that the North East LEP area did not have sufficient businesses focusing on research and development and innovation through ERDF funds. Alan Welby commented that there was a challenge in relation to match funding and revenue funded programmes were finding it difficult to achieve continuation funding.

The Board NOTED the Programme Delivery Update.

5. INNOVATION UPDATE

The Board received a report providing an update on the Innovation Programme and Alan Welby, Innovation Director, was in attendance to deliver a presentation.

Innovation was needed to develop competitive advantage and to drive productivity, however there were a number of challenges within this. There were low levels of innovation active businesses and low business density in the North East. The spend on research and development in the region was £707m, representing 1.3% of GVA, the lowest total in England. Businesses were most likely to invest in internal research and development.

The National Innovation Survey had found that barriers to innovation for small and medium enterprises included the availability and cost of finance, direct innovation costs being too high, excessive perceived economic risks and a lack of qualified personnel.

Innovation was key to the SEP and an Innovation Delivery Framework was being prepared to sit beneath the SEP and Local Industrial Strategy (LIS). The Framework was intended to provide greater clarity on priority areas and an improved narrative on innovation. Building on the evidence base from the LIS and the need for better businesses cases moving forward, three key strands had developed: -

- Places to Innovate Programme
- Innovation Business Growth Programme
- Innovation Delivery Partnerships

The initial focus for delivery would be on the Wave 1 (Priority) projects for the Places to Innovate Programme which included: -

- Connected and Autonomous Logistics Testbed (North East Automotive Alliance)
- Energy Systems Hub for Innovation and Engagement at InTEGReL (Newcastle University)
- XR Futures
- CESAM
- Global Sustainable Solutions Centre (Proctor and Gamble)

There were a further six Wave 2 and 3 projects in development.

Innovation Delivery Partnerships were based around ecosystems and competency clusters and would be intended to achieve a better understanding of emerging innovation markets. A joint consortia would curate the approach and there were a number of these partnerships in development.

The Innovation Business Growth programme was a move towards a commissioning model and a full report on the model would be presented to the Board in early 2020. The next steps would be to: -

- Complete the first quarterly round of project monitoring to update the Innovation Delivery Board;
- Complete the appraisals and approvals for the current (most likely final) round of Innovation Project Development Funding;
- Complete the Innovation Delivery Partnership model development and launch process to identify and develop pilot projects;
- Complete the Business Growth and Innovation model study by considering key performance indicators and outputs, relative financial investment levels based on real-world uptake potential; and
- Progress work with priority project partners.

It was queried what success would look like for the framework and Alan suggested that it would be to have the five priority projects in delivery and replaced by a new list of priorities. It was also a target to have four Innovation Delivery Partnerships in niche areas and to accelerate business growth through these mechanisms.

Alan went on to say that he would like to see a combination of projects and more small and medium enterprises innovating. It would be intended to have a much better narrative of what innovation would mean in the North East, to have more greater private sector involvement and more medium term gains.

Board Members queried where the five priority projects had come from and how these could be connected to small and medium enterprises. Alan explained that in the past specific centres had been funded and it was planned to move away from that approach towards prioritised areas or where there was a potential cluster or anchor institution.

It was the intention to create a more self-accountable process and partners had been invited to put forward projects. The Innovation Delivery Partnerships would not be led by the LEP and it was noted that this was an opportunity to put a new type of leadership and governance in place but there was a need to be careful that these partnerships were not adopted as a vehicle for funds.

Business engagement with universities was also highlighted and that the mechanisms and bureaucracy could be off-putting to businesses. Alan

agreed that the standardised approach adopted by universities could be quite challenging.

A number of the Innovation Delivery Partnerships would slot straight into the SEP Delivery Plan and there was a relationship manager in the LEP for the priority projects and it would be the LEP holding these to account.

The narrative was felt to be very important and Alan advised that a consultant was working on this and some creative writing approaches had been commissioned for this piece. The Chair suggested that the narrative should be for deliverable action with more focus on impact and relevance to business and activity.

It was highlighted that previously innovation funding applications had been for cash and buildings but there was very little capital involved now. The Innovation Delivery Board was trying to get together groups of people who were interested in innovation and there were different methods which could be adopted to achieve more and better jobs.

The Board RESOLVED that: -

- (i) the progress on the Innovation Project Pipeline Prioritisation and the ongoing approach to monitoring and development be noted;**
- (ii) the prioritised pipeline of projects be endorsed;**
- (iii) the development of the Innovation Delivery Partnerships Model be noted;**
- (iv) the process for completing a pilot for developing a first tranche of Innovation Delivery Partnerships in line with the themes set out in the report but with scope to invited other partnerships to join the approach be endorsed; and**
- (v) the emerging Business Growth and Innovation model be noted.**

6. FUNDING UPDATE 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.

The Board received a report which: -

- summarised Local Growth Fund (LGF) and North East Investment Fund (NEIF) projects which were recommended by the Investment Board for LEP Board approval;
- provided a summary of decisions taken under delegation since the last Board meeting; and

- provided a funding programme round up, including the LGF 2019/2020 budget position, contingency planning going into 2020/2021 and proposals to add funds to the incubation development fund and the Energy for Growth Fund.

The Board RESOLVED that: -

- (i) an LGF grant and contribution from the NEIF be approved to establish a North East Inward Investment Fund with the application of relevant conditions;**
- (ii) the recommendations of the Investment Board in relation to the Swans Offshore Energy Park be approved;**
- (iii) an increase in the capital budget allocation to the incubation mini programme to meet demand be approved;**
- (iv) the release of LGF reserve to top up the Energy for Growth Programme following a positive response to the project call be noted;**
- (v) the funding decisions taken under delegated procedures be noted;**
- (vi) the revised Enterprise Zone funding model and surplus projections be noted; and**
- (vii) the plans to commence an evaluation of the Regional Growth Fund be noted and a further report be received in March 2020.**

7. A MANIFESTO FOR THE NORTH AND NP11 UPDATE

The Board received a report providing a briefing on the approval and publication of the Manifesto for the North in November 2019 and about the priorities and next steps for the NP11 partnership.

The LEP Chief Executive highlighted that the eleven Northern LEP Chairs met frequently as the NP11 Board and were exploring the following priority workstreams: -

- Clean Growth
- Trade and Investment
- Innovation
- Supply Chains

The second Convention of the North in September 2019 debated six policy papers which covered: Clean Growth; Education, Skills and Work; Housing;

Innovation; Transport; and Trade and Investment and these had been refined and drawn together in the first manifesto for the North.

The Chair commented that this was an important starting document for the region and demonstrated the potential to act coherently as 'the North' and at scale.

It was queried who the audience would be for the document and how this was being communicated. The Board were advised that there was a small, centrally funded secretariat who had contact with the Government and would be poised and ready after the General Election. There was also a retained group of communications and PR agents to ensure that the message was being delivered.

With regard to the key themes, the North East LEP had considered what was important to this region and the Chair was involved in Innovation, Colin Bell with the supply chain and Andrew Clark in Clean Growth.

The issue of relationships between the Northern LEPs was raised and the Chair stated that it was recognised that not all LEPs were equal but the group was coherent and work was taking place to identify where people had strengths and where they needed support; the NP11 Chairs did work well together.

In relation to transport, Transport for the North were prioritising rail and had a map showing key activity which displayed gaps in the Northern LEPs area. Sensible discussions were taking place about these things could be balanced and the NP11 were providing the substance behind the Northern Powerhouse brand.

RESOLVED that the update be noted and the Board provide comment on the emerging priority themes and next steps.

8. ANY OTHER BUSINESS

Board Recruitment

The appointment process had been slightly delayed due to difficulties in getting appropriate dates but candidates would be interviewed for private and voluntary sector vacancies on 18 December 2019. Interviews would take place in the New Year for the Business Growth Board.

Combined Authorities

Board Members requested some clarity regarding the priorities of the two combined authorities in the North East LEP area as this would assist in the decision-making at sub-board level. The LEP Chief Executive undertook to ask the combined authorities to provide a position statement to the North East LEP.

HG

10. DATE AND TIME OF NEXT MEETING

The next meeting of the LEP Board would take place on Thursday 30 January 2020 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.	HG	
North of Tyne and North East Combined Authorities to be requested to provide position statements for the information of the North East LEP.	HG	