

**Item No. 2 – North East LEP Board 28 May 2020
Minutes of the meeting held on 19 May 2020**

NORTH EAST LOCAL ENTERPRISE PARTNERSHIP BOARD

**Thursday 19 March 2020 at 5.00pm
Meeting held via Conference Call**

DRAFT MINUTES to be ratified at the LEP Board on 28 May 2020

Present:

Andrew Hodgson	Chair, North East LEP
Gillian Hall	Gillian Hall Consulting Limited
Erika Leadbeater	TSG Marine
John McCabe	Fusion PR Creative
Ammar Mirza	AmmarM (UK) Limited
Andrew Moffat	
Heidi Mottram	Northumbrian Water Group
Mark Thompson	Ryder Architecture
Kate Wickham	Gate7 Group
Councillor Nick Forbes	Leader, Newcastle City Council
Councillor Martin Gannon	Leader, Gateshead Council
Councillor Simon Henig	Leader, Durham County Council
Councillor Iain Malcolm	Leader, South Tyneside Council

In Attendance:

Helen Golightly	Chief Executive, North East LEP
Richard Baker	Strategy and Policy Director, North East LEP
Colin Bell	Business Growth Director, North East LEP
Ray Browning	Programme Manager, North East LEP
Vince Taylor	Sunderland City Council on behalf of NECA
Katy Laing	Strategic Finance Manager, NTCA
Julia Bird	Vivid Economics
James Patterson-Waterston	Vivid Economics
Tom Frater	BEIS
Gillian Kelly	Sunderland City Council (Minutes)

Apologies

Councillor Graeme Miller	Leader, Sunderland City Council
Councillor Peter Jackson	Leader, Northumberland County Council
Mayor Norma Redfearn	North Tyneside Council
Stuart Corbridge	Durham University

ACTION

1. WELCOME FROM THE CHAIR AND OPENING REMARKS

The Chair welcomed everyone to the meeting and thanked them for agreeing to hold the meeting as a conference call and highlighted the importance of the Board still meeting in some form in the current unprecedented circumstances.

The LEP Chief Executive advised that she had taken advice from Peter Judge, Chief Legal Officer of the North East Combined Authority and he had advised that it was acceptable for the Board to meet via conference call as long as the meeting was quorate.

2. DECLARATIONS OF INTEREST

Gillian Hall declared an interest in Item 7 as she was a Blyth Harbour Commissioner.

John McCabe declared an interest in Item 8, Part B, as one of the projects was a client of Fusion.

3. MINUTES AND MATTERS ARISING

The minutes of the Board meeting held on 30 January 2020 were agreed as a correct record.

Local Industrial Strategy

The LEP Chief Executive advised that none of the six Local Industrial Strategy front runners had been published at the current time. The North East LEP's strategy had been pushed back to after purdah, however the timetable would now change due to the Covid-19 response and Board Members would be kept up to date with any developments in relation to this.

Funding Update and Decisions

The Board were advised of the current position regarding funding decisions which had been taken at the last 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 report highlighted matters in relation to: Business Growth; Innovation; Skills, Employment, Inclusion and Progression; Transport; Investment and Infrastructure; Strategy and Policy; and Communications. The full programme delivery update was attached to the report as Appendix 1.

The Board NOTED the Programme Delivery Update.

5. FREE TRADE ZONE PROPOSITION

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.

James Patterson-Waterston and Julia Bird were in attendance to deliver a presentation on the Free Trade Zone proposition. James and Julia were from Vivid Economics who had been commissioned to do work by the North East EU Exit Implementation Group on the potential benefits and assessment of an approach to a free zone in the North East.

Having thanked Julia and James for their presentation, **the Board RESOLVED that:**

- (i) the background set out in the paper and accompanying presentation be noted;**
- (ii) the proposed next steps for a collaborative response to the consultation to be co-ordinated by the North East LEP be noted; and**
- (iii) a Shadow Board be formed to take forward detailed planning and put forward a collaborative formal bid on behalf of the region, with continuing advice from Vivid.**

6. URGENT DECISION TAKEN BY THE CHAIR SINCE THE LAST MEETING

The Board received a report advising them of a decision which had been taken in consultation with the three Vice-Chairs since the last Board Meeting.

As the Board had previously been made aware, all LEPs were required to have no more than 20 members with no more than one third being from the public sector. Currently the North East LEP Board had 19 members and

seven public sector representatives which had to be reduced to no more than six. Compliance with this had to be notified to the Government by 29 February 2020.

Agreement had been reached with the combined authorities so that: -

- each combined authority (the North of Tyne Combined Authority and the North East Combined Authority) shall nominate three members each to the LEP Board annually;
- each combined authority could also nominate a fourth attendee with 'observer' status;
- the observer from each combined authority could substitute for any nominated member from the same combined authority at a LEP Board to ensure that meetings were quorate; and
- the observer could be a full member of a LEP Advisory Board whilst holding 'observer' status on the main LEP Board.

The Chair had notified Government that, as from 1 April 2020, the Board would reduce its public sector members from seven to six as above and had written to the two combined authorities seeking their nominations to the LEP Board.

The Board NOTED the urgent decision taken by the Chair.

7. CHAIR RECRUITMENT

The Board received a report providing an update on the process for the recruitment of the Board Chair.

At the last Board meeting, the Chair had indicated his intention to step down from the North East LEP Board once a replacement Chair was in place and the private sector Vice-Chair, Heidi Mottram, had been asked to lead the recruitment process.

Heidi advised that she had spoken to all local authority leaders and business Board Members and the overall view was that Andrew had provided excellent chairmanship and all were keen to maintain the existing spirit and level of collaboration within the Board going forward. There was also a strong consensus that the process should be open and transparent and applications should be invited from internal and external representatives.

Members were reminded that Andrew currently attended a number of groups on behalf of the North East LEP and was also called on to spend time with Government. It was noted that a number of other LEPs in the region had been recruiting for the Chair's position and were not finding this easy. Board Members were also made aware that future recruitment to the LEP Board should also consider the diversity requirements set by Government.

Following the conversations with Board Members, it was recommended that a Nominations Committee be created to oversee the recruitment process. It was suggested that this Committee would comprise the three Board Vice-Chairs with potentially another business Board Member or LEP Chair from another locality.

The Board was also asked to consider whether the Chair's role should be remunerated. It was highlighted that around one third of LEPs nationally had a remunerated Chair.

Board Members supported the proposal that the Nominations Committee should include the three Vice-Chairs and an additional private sector Board Member. It was felt that it was important to keep all options open and that remuneration should be considered, however it was noted that this would have to be resolved before an advert was placed. The Chair asked the Chief Executive to look into the levels of remuneration at other LEPs and provide this information to the Nominations Committee.

HG

It was requested that all Board Members were advised of the shortlisted candidates and given the opportunity to make comments prior to the interviews taking place. The Nominations Committee would select a preferred candidate and present their nomination to the North East LEP Board for ratification.

The Board RESOLVED that: -

- (i) the creation of a Nominations Committee made up of the three Vice-Chairs of the LEP Board and an additional private sector representative be approved;
- (ii) Heidi Mottram lead and chair the Nominations Committee;
- (iii) the Nominations Committee review the question of remuneration of the Chair's role;
- (iv) the Nominations Committee be delegated to carry out the recruitment process and to select a preferred candidate for the role of Chair to be presented to the North East LEP Board for ratification.

8. 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 LGF programme projects which require Board approval to significant grant funding agreement variations and an exceptional

variation request to the Operational Guidelines on the North East Property Fund;

- provided a summary of decisions taken under delegation since the last Board meeting including decisions taken at the Investment Board meeting held on 5 March 2020;
- provided a funding programme round up, including the LGF 2019/2020 budget position and on the contingency project planning process; and
- a supplementary note on the LEP response to Covid-19.

The Board RESOLVED that: -

- (i) the latest LGF 2019/20 budget expenditure and forecast outturn estimates set out in paragraph 4.3 and 4.4 be noted;**
- (ii) the restrictive grant conditions which had limited the amount of grant able to be claimed on the Gateshead Quays project be removed to enable a further claim in the current financial year, in doing so helping the LGF programme meet 2019/20 budget spend targets;**
- (iii) the four LGF programme contingency project business cases received and outlined in Appendix 1 be progressed to appraisal with determination by the Investment Board, within available budgets;**
- (iv) the latest position on the Swans Energy Park disposal by North Tyneside Council be noted and that discussions will be held to understand the investment plans of the new owner over the coming weeks;**
- (v) LGF funding towards the additional costs of the CFO project, using savings from the Swans Plot 6 site be approved;**
- (vi) the revised budget for the Central Gateway, Newcastle project be approved;**
- (vii) the funding decisions taken under delegated procedures set out in Part B, Table 6 be noted;**
- (viii) on the recommendation of the Investment Board, an exceptional variation to the operational guidelines on the North East Property Fund be approved;**
- (ix) subject to flexibilities being confirmed by MHCLG, the principle of a 'Covid-19 rapid response fund' be agreed up to a maximum of £5m, with the sign off of the details of the fund to be delegated to the Chair and Vice-Chairs of the Board in consultation with the section 73 officer;**

- (x) the operational flexibilities indicated in paragraph 2 of the report be noted and proportionate assurance be provided; and
- (xi) the North East LEP work with the LEP Network and local partners to lobby for more resource to support local economic and social response plans.

9. NORTH EAST COMBINED AUTHORITY ECONOMIC STRATEGY

The Board received a report providing an update on work to produce an Economic Plan for the North East Combined Authority (NECA) area.

Due to time constraints, the Board were unable to receive the planned presentation, however it was highlighted that the overall goal of the plan was to 'deliver long-term equitable, sustainable economic growth'.

The plan was being designed to be compatible with and supportive of both the North East Strategic Economic Plan and the emerging North East Local Industrial Strategy as well as reflecting important local priorities and opportunities.

NECA had opened up a conversation with the Government and were seeking the North East LEP's support in taking this forward over the next three months. It was suggested that a copy of the NECA Economic Plan be circulated to Board Members for comment following the meeting.

HG, VT

RESOLVED that the information be noted.

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 28 May 2020 at 5.00pm.

ACTION LOG

<u>Action</u>	<u>Lead</u>	<u>Update</u>
LEP Chief Executive to look into levels of remuneration at other LEPs and report this to the Nominations Committee	HG	
LEP Chief Executive to liaise with local authority chief executives regarding co-ordination of Covid-19 response	HG	
NECA Economic Plan to be circulated to Board Members for comment	HG/VT	Circulated 20 March 2020