

Item No. 2 – North East LEP Board 19 March 2020
Minutes of the meeting held on 30 January 2020

NORTH EAST LOCAL ENTERPRISE PARTNERSHIP BOARD

Thursday 30 January 2020 at 5.00pm

Held in the Conference Room, Tyne Metropolitan College, Battlehill Drive, Wallsend, NE28 9NL

DRAFT MINUTES to be ratified at the LEP Board on 19 March 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
Councillor Martin Gannon	Leader, Gateshead Council
Councillor Simon Henig	Leader, Durham County Council
Councillor Peter Jackson	Leader, Northumberland County Council
Councillor Iain Malcolm	Leader, South Tyneside Council
Mayor Norma Redfearn	North Tyneside Council
Ellen Thinnesen	Sunderland College
Carol Botten	VONNE

In Attendance:

Helen Golightly	Chief Executive, North East LEP
Paul Woods	Lead Financial Consultant, North East Combined Authority
Adrian Coates	BEIS
Janice Gillespie	North of Tyne Combined Authority
Katy Laing	North of Tyne Combined Authority
Richard Baker	Head of Strategy and Policy, North East LEP
Gillian Kelly	Sunderland City Council (Minutes)

Apologies

Kate Wickham	Gate7 Group
Councillor Nick Forbes	Leader, Newcastle City Council
Councillor Graeme Miller	Leader, Sunderland City Council
Stuart Corbridge	Durham University

1. WELCOME FROM THE CHAIR AND OPENING REMARKS

The Chair welcomed everyone to the meeting and thanked them for their attendance. He particularly welcomed Erika Leadbeater, John McCabe and Carol Botten to their first meeting of the North East LEP Board and congratulated them on their appointment.

On behalf of the Board, the Chair offered his thanks to David Land and Farooq Hakim for the valuable contributions which they had made to the North East LEP throughout their terms of office as Board Members.

2. DECLARATIONS OF INTEREST

Mark Thompson declared an interest in item 7 in relation to the World Wheel Project.

3. TYNE METROPOLITAN COLLEGE INTRODUCTION

Mo Dixon, Principal of Tyne Metropolitan College welcomed the North East LEP Board to the college and provided an overview of both Tyne Metropolitan College and the Tyne Coast Colleges.

4. MINUTES AND MATTERS ARISING

The minutes of the Board meeting held on 28 November 2019 were agreed as a correct record.

Update from Combined Authorities

The LEP Chief Executive advised that it was proposed to receive an update from the North East and North of Tyne Combined Authorities on their agenda and priorities at the next Board meeting in March 2020.

5. 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.

6. LOCAL INDUSTRIAL STRATEGY UPDATE

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 and presentation on the draft North East Local Industrial Strategy and had a full and comprehensive discussion on the content of the Local Industrial Strategy.

The Board RESOLVED that: -

- (i) the contents of the Local Industrial Strategy be endorsed; and**
- (ii) the Board be advised of any developments and amendments via email and the final sign off be delegated to the Chair and Vice-Chairs of the North East LEP Board.**

7. 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 Enterprise Zone and North East Investment Fund (NEIF) programme 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 including decisions taken at the Investment Board meeting held on 28 November 2019; and
- provided a funding programme round up, including the LGF 2019/2020 budget position and contingency project plans.

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) a review of progress on the Gateshead Quays project special conditions be presented to the next Board meeting;**
- (iii) the approach to LGF Programme contingency project planning set out in paragraph 4.5 – 4.9 be approved, with full project**

- business cases be determined by the Investment Board and a further update provided to the March Board meeting;**
- (iv) the arrangements set out in paragraph 4.10 to enable the Business Growth Director to issue small scale grant funding agreements up to £3,000 under the High Potential Business Start Up programme on behalf of NECA Monitoring Officer be noted;**
 - (v) the development progress on the IAMP strategic site as set out in 4.11 and 4.14 be noted and the release of funds from the project contingency budget to meet the additional costs set out and to agree to delegate to the Chief Executive approval of revised expenditure and funding profiles, within the approved budget allocations, reflecting programme delays on IAMP Two;**
 - (vi) the funding decisions taken under delegated procedures set out in Section B, Table 1 be noted;**
 - (vii) the recommendations from the Investment Board held on 20 January 2020 to award Enterprise Zone funding to Newcastle City Council to support the North Bank of the Tyne infrastructure works be approved subject to conditions; and**
 - (viii) the recommendations from the Investment Board held on 20 January 2020 to award loan funding from the North East Investment Fund to the World Wheels Co (Newcastle) Ltd subject to conditions.**

8. BUDGET – INDICATIVE OUTTURN 2019/20 AND BUDGET 2020/21

The Board received a report providing an update on the revenue budget position for the current year (2019/2020) and the indicative budget for 2020/2021, including information about the budget for the Enterprise Zone account, the Local Growth Fund and North East Investment Fund. Board Members were advised that during 2019/2020 there had been an increase in additional external funding which had resulted in additional activity in the year. This new activity related mainly to skills, business advice and Brexit preparation activity. The main budget variations during 2019/2020 had been in relation to employee costs, Brexit costs and new grant income streams.

The provisional revenue budget agreed in January 2019 was £4.155m and this was revised to £4.157m in May 2019. Total revenue expenditure was now estimated to be £4.664m and the projected draw on reserves was now £0.026m, a sizeable reduction from the £0.341m estimated in January 2019.

The indicative revenue budget for 2020/21 was based on the latest known income for the ensuing year and showed a 5.2% increase in Gross Expenditure to £4.909m and a reduction in income to £4.582m. This resulted

in a net cost of £0.327m. The budget showed an 'in principle' contribution of £0.309m Enterprise Zone surplus funding to be used to meet this cost.

The North East LEP revenue balance was shown to be £0.585m at 1 April 2019 and this was projected to reduced slightly to £0.550m at 31 March 2021. It was important to maintain a reasonable balance to deal with future uncertainties.

The report provided a summary of the Enterprise Zone account income and costs for 2019/20 and 2020/21. It was noted that the costs mainly related to capital financing, including the repayment of loans from the North East Investment Fund. There was a £0.230 contribution towards the cost of the Invest North East England Team (INEE) including £0.060m from interest on the Enterprise Zone account

The Board RESOLVED that: -

- (i) the positive budget outturn position for 2019/2020;**
- (ii) the indicative budget for 2020/2021 be agreed, with an update on the 2020/2021 Budget being reported to the Board in May, along with a three year estimate; and**
- (iii) the estimated end of year position of the Enterprise Zone account be noted.**

9. LEP BOARDS' MEMBERSHIP

The Board received a report providing an update and setting out the current membership of the main North East LEP Board, four Advisory Boards and other groups led by the LEP to demonstrate the wide range of partners and key stakeholders involved in the operations and governance of the LEP.

It was noted that David Land had previously represented the North East LEP on Transport for the North, with Mark Thompson as a deputy. Mark Thompson was stepping down as the Chair of the Business Growth Board and it was proposed that Ammar Mirza take on this role which would complement his SME Champion status. The Board were also advised that Alan Lowden's term as Chair of the Innovation Delivery Board was coming to an end and a replacement would need to be appointed. It was proposed that the LEP Board Chair be delegated to nominate: -

- a new Chair for the Innovation Board;
- a new Chair for the Investment Board;
- a replacement private sector member on the Investment board to fill the vacancy left by David Land; and
- a replacement private sector member on the Transport for the North Board to fill the vacancy left by David Land.

The Board were advised that Gillian Hall's term on the Board was due for renewal and the Board was recommended to approve a further term.

The Chair stated that he had been asked to represent NP11 on the Transport for the North Board and could also fulfil the role previously carried out by David. The LEP Chief Executive said that it was important to have clarity about the role of the NP11 member and that the North East LEP would not suffer with the Chair having to represent two different bodies.

It was highlighted that there were also regional political representatives on Transport for the North but it was very important that the North East LEP should continue to be represented to ensure that the North East was a full part of all discussions.

The Chair had asked the Chief Executive to look at the involvement of young people with the North East LEP and at the models which were being used elsewhere which might be appropriate for the North East. It was suggested that Youth Focus North East and the CBI might be able to offer some assistance on this.

With regard to the local authority representation on the Board, the Chief Executive stated that positive conversations were taking place and it was hoped to bring this back to the Board soon.

The Chair advised of his intention to step down from the position in the near future and outlined the process which would be undertaken to identify a new private sector Board Member to become Chair of the North East LEP.

The Board RESOLVED that: -

- (i) the content of the report be noted;
- (ii) it be agreed that Ammar Mirza becomes the Chair of the Business Growth Board;
- (iii) the appointments set out in paragraph 3.5 of the report be delegated to the Chair; and
- (iv) Gillian Hall be appointed for a further term on the North East LEP Board.

10. INVEST NORTH EAST ENGLAND (INEE) UPDATE

The Board received a report providing an update on the activity of the Invest North East England (INEE) team during 2019/2020.

Guy Currey had been unable to attend the meeting but it was suggested that he give a more detailed update at the meeting in March.

The Board RESOLVED that: -

- (i) the inward investment activity in the North East LEP area be noted; and**
- (ii) it be requested that the Director of Invest North East England attend the next Board meeting to present a more detailed report.**

11. ANY OTHER BUSINESS

There was no other business.

12. DATE AND TIME OF NEXT MEETING

The next meeting of the LEP Board would take place on Thursday 19 March 2020 at 5.00pm.

ACTION LOG

<u>Action</u>	<u>Lead</u>	<u>Update</u>
Board Members to be kept updated with the development of the Local Industrial Strategy via email prior to final approval by the Chair and Vice-Chairs	HG	