

North East Local Enterprise Partnership Board

23 July 2020

Meeting held via Zoom

| | |
|-------------------------|-------------------------------------|
| 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 Henig | Leader, Durham County Council |
| Councillor Gannon | Leader, Gateshead Council |
| Councillor Forbes | Leader, Newcastle City Council |
| Councillor Iain Malcolm | Leader, South Tyneside Council |
| Mayor Norma Redfearn | North Tyneside Council |
| Stuart Corbridge | Durham University |
| Ellen Thinnesen | Sunderland College |
| Carol Botten | VONNE |
| | |
| Observers | |
| Councillor Jackson | |
| Councillor Miller | |
| Councillor Roughead | NTCA O & S Committee Chair |
| Margaret Coates | BEIS |
| | |
| Officers | |
| Helen Golightly | LEP CEO |
| Richard Baker | LEP Director of Strategy and Policy |
| Colin Bell | LEP Business Growth Director |
| Michelle Rainbow | LEP Skills Director |
| | |
| Paul Woods | NTCA – Finance officer |
| Katy Laing | NTCA – Deputy S73 officer |
| Henry Kippen | NTCA |
| Vince Taylor | Sunderland City Council |
| Brenda Joyce | NCC Democratic Services |

1 WELCOME FROM THE CHAIR AND APOLOGIES

Apologies were received from Mayor Jamie Driscoll and Kate Wickham.

2 **DECLARATIONS OF INTEREST**

Gillian Hall declared an interest in Item 6 as a Blyth Harbour Commissioner.

3 **MINUTES OF THE LAST BOARD MEETING HELD ON THURSDAY 28 MAY 2020**

The minutes of the Board meeting held on 28 May 2020 were agreed as a correct record.

4 **SEP DELIVERY PLAN**

The Board received a report providing a summary of the details given in the SEP Programme Delivery report (attached as Appendix 1).

The report included highlights and points to note since the last meeting on: -

- **Business Growth**
 - Growth Hub performance for 2019/20 was positive, with over-achievement of all KPIs (light touch interventions, medium touch interventions, high intensity interventions and customer satisfaction). Progress to date against 2020/21 KPIs was strong. Additional funding had been received to expand capacity of the Growth Hub.
 - The remote delivery model for High Potential Startups was working very well with good engagement and feedback. Cohort 1 would complete in July 2020, Cohort 2 was underway and Cohort 3 had started with 11 founders, taking number on programme to 44 in total.
- **Innovation**
 - A Covid-19 challenge fund had been developed which would support the development of solutions to immediate problems posed by Covid-19 to assist economic recovery.
 - Teams continued to work closely with the SuperNetwork team including on the development of activity which might replace VentureFest and Finance Camp in 2020.
- **Skills, employment, inclusion and progression**
 - The primary pilot continued to have positive engagement from the schools involved despite covid-19. A series of webinars had been delivered to pilot schools, including a number where schools shared best practice.
 - 153 Enterprise Advisers (EAs) had been recruited from a broad range of both large employers and SMEs, the enterprise coordinator team had successfully facilitated five matches between enterprise advisers and school since May 2020.
- **Transport**
 - The Transport North East Strategy Unit had procured Swarco UK Ltd. to progress the development of the EV chargers for the Taxi trade. Orders were being processed with the intention of the chargers being installed by the 30 September 2020.

- Metro Asset Renewal Programme was progressing with 203 of 275 projects now completed. Programme completion expected March 2021, delivery continuing with some delays and disruption to site works and budget pressures resulting from Covid-19 working restrictions.
- Investment and Infrastructure
 - A package of schemes to provide support as a result of Covid-19 had been agreed by the North East LEP Investment Board, alongside additional LGF investments for projects put forward to the Board in March 2020.
 - The region received an allocation £47m from the Getting Building Fund with final submission of proposed projects being sent to Government on 17 July 2020. The funding was to be spent by March 2022.
- Strategy and Policy
 - The Health and Life Science Project pipeline was under review and an open call for projects would be launched at the end of July (supported by project development funding).
 - The Energy for Growth fund was providing support for projects aligned to the strategic themes. Funding had been approved for seven projects across the North East worth £1,470,202. There were also currently three additional projects in the appraisal stage.
- Communications
 - There continued to be growth in the number of followers across LEP's social media (1.7% on Twitter and 4.4% on LinkedIn since March). The North East LEP remained the most followed LEP in the country on Twitter.
 - The stories with the greatest interaction for the period were in relation to the Crowdfund North East LEP (up to £5,000 match funding for micro businesses crowdfunding) and the Job Opportunities website launch.

The Board NOTED the contents of the report and Appendix 1.

5 ANNUAL DELIVERY PLAN 2020/21

The Board received a report on the Annual Delivery Plan 2020/21.

As part of the 'Strengthening Local Enterprise Partnerships' policy paper (July 2018), each Local Enterprise Partnership had to produce an Annual Delivery Plan for the financial year and submit it to Government. LEPs were also asked to produce an End of Year Report the following Spring to show progress against the Annual Delivery Plan. The Board received the End of Year Report for the 2019/20 period at the last meeting.

Helen Golightly presented the report which advised that in 2018/19, Andrew Hodgson chaired a national group comprising Government officials from MHCLG and representatives from several LEPs and the LEP Network to agree a standardised structure for these Annual Delivery Plans. Sections included: -

- Summary and strategic objectives
- Local Growth Funding
- Other funding
- Strategic activity

The Delivery Plan template was structured in a way that the 38 LEPs could consolidate key aspects about their effectiveness to illustrate what the network delivered. The plan would help businesses and organisations understand what the LEP was doing and it would be published on the website.

The North East LEP's Annual Delivery Plan for 2020/21, attached as appendix one, was primarily a subset from the three-year Strategic Economic Plan programme actions, which applied to this year.

In response to a question regarding the LEP making representation to the Spending Reviews, Helen confirmed that representations were always made to any fiscal announcement. This was done by the LEP and also in partnership with both of the combined authorities and the business organisations.

A Board Member asked a question about the impact of Covid-19 on the job target and the quality of jobs. There was a huge risk to the high level KPIs and this needed to be stronger in the document. Helen stated that this would be picked up. She went on to say that there was an assumption that people in employment would reduce but those numbers were not available at this time. It had recently been confirmed that there were 250,000 people in the North East LEP region on the job retention scheme.

Regarding communications on this document it would go on the website. Helen advised that the LEP preferred to refer to the key SEP and the programmes within it, rather than the subset in the Delivery Plan. There was a bigger job for communications around the economic response to Covid-19 rather than the Delivery Plan itself.

(The Chair welcomed Start Corbridge to the meeting).

The Chair said this was an excellent piece of work and it would be a more important document next year when it demonstrated performance against deliverables.

The Board RESOLVED to endorse the Annual Delivery Plan 2020/21.

(Councillor Jackson joined the meeting by telephone).

6 FUNDING DECISIONS AND 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.

Paul Woods presented part A, B and C of the report.

Part A - projects for decision

There were a number of project funding decisions connected to the new national Getting Building Fund (GBF) that required early consideration and were recommended for approval:

1. **NU Futures Centre, Newcastle** – a **£900,000** GBF conditional allocation to the Newcastle United Foundation.
2. **Commercial Property Fund Investment Fund (CIPF) Pilot** – proposal by the LEP Investment Team to develop a business case for a regional pilot ahead of the main CIPF scheme becoming operational next year using an allocation of £2m from the GBF and to approve in principle to a loan of up to **£8m from the North East Investment Fund (NEIF)**, which would be subject to a more detailed report to the Investment Board.
3. **Northumberland Energy Park, Northumberland** - was seeking a further £1.75m GBF and a further £1,000,000 EZ funding allocation in addition to that agreed at the last Board meeting.
4. **Loan facility to support NBSL Ltd** to help deliver an ERDF COVID SME Recovery Fund for the Region.

Part B - decisions taken under delegation since the last Board meeting.

| Project | Applicant | Grant / Loan amount | Date of decision | Decision-makers / declarations |
|---|-------------------------------|--|-------------------------|--|
| Jarrow Business Centre – South Tyneside Council -conversion of wing of existing building from offices to small manufacturing units to meet demand. | South Tyneside Council | £498,155 LGF Grant | 7 /7/2020 | Investment Board |
| NE Rural Growth Network – Additional funds to support three new rural business premises schemes | Northumberland County Council | £318,600 LGF Grant | 7 /7/2020 | Investment Board |
| Electric Vehicle Charging Points – initial Enabling Study followed by implementation of high priority new EV charging hubs across the region | Transport Strategy Unit | £600,000 LGF Grant | 7 /7/2020 | Investment Board |
| Scale Up North East 2 – Second phase building on current programme commencing in 2021 and operating to Dec. 2023. | RTC North Ltd | £550,000 LGF Grant | 7 /7/2020 | Investment Board |
| Covid 19 Response Fund – package of new measures agreed - using Funds as agreed by Board in March 2020. | Various | £2,426,952 LGF Grant | 7 /7/2020 | Investment Board |
| Getting Building Fund – submission of a programme of capital projects to support an economic recovery in response to Government deadline of 17 July. The GBF grant was to be supplement by a grant allocation of up to £8m, initially from the NEIF, which would be reimbursed from the EZ account in future years | Proposal to Government | £47m programme submitted to Government Plus £8m of NEIF as grant, replenished from EZ surplus. | 17/7/20 | Chair and Vice Chairs – Urgent procedure |

Part C - funding programme round up

2020/21 Key Performance Indicators

| Table 3 Local Growth Fund Key Performance Indicators | | 2020/21 Forecast |
|---|--|-------------------------|
| Gross Jobs | | 1,480 |
| Number of apprenticeship/traineeship opportunities created | | 155 |
| Number of established / new businesses accommodated | | 52 |
| Commercial Floorspace Constructed (m2) | | 23,254 |
| Commercial Floorspace refurbished (m2) | | 0m |
| Site reclaimed, re- developed or assembled (ha) | | 27 |
| Follow on investment (£) | | 164m |
| New build training/learning floorspace (m2) | | 3,518 |
| Number of learners at NVQ Level 3 or above | | 482 |
| Number of business receiving non-financial support | | 418 |
| Number of business receiving financial support | | 298 |
| Total length of newly built roads (km) | | 3.3 |
| Total length of resurfaced roads (km) | | 2.2 |
| Total length of new cycleways (km) | | 3.6 |
| Construction Jobs | | 500 |
| Number of education establishments engaged | | 90 |
| LGF expenditure % of annual budget | | 100 |

Enterprise Zones - Annual Performance Update Report

Appendix Two to this report provided a detailed annual update on the current position and performance of the Enterprise Zone (EZ) sites in the North East LEP area and was a follow up to the comprehensive report provided to the North East LEP Board in March 2018. The report also provided to each party of the Business Rates Growth Income (BRGI) pooling agreement, to report on the annual report on the financial position of the EZ account and the estimated Lifetime Surplus.

The report set out in Appendix Two asked Board to note the latest position. The Board RESOLVED to: -

- a) Agree the principle that £8m of the EZ surplus in future years be used to reimburse the NEIF account, which would enable £8m of NEIF funding to be used to help provide an additional resource relating to Getting Building Fund economic stimulus. This would be subject to the condition that all EZ capital financing costs would be met;**
- b) Note the additional grant amount that would be allocated to support accelerated development of Round 1 EZ sites and**
- c) Approve the principle that the current EZ allocation of £4.5m to fund 50% of the additional costs on the Northumberland Energy Park site be increased to £5m, which would be subject to Investment Board approval and sufficient Business Rate Growth Income being achieved on the site to fund this.**

At its meeting on 19 March, the Board approved the establishment of a Covid -19 rapid response fund, using uncommitted LEP resources of up to £5m, with the sign off of any proposals delegated to the Chair and Vice Chairs of the Board in consultation with the section 73 officer.

Crowdfund North East Fund (CNEF) was progressing with a focus on supporting micro businesses that may have fallen through the net of the Small Business Grants Fund or Retail, Hospitality and Leisure Grant Fund and would operate until December 2020 with the aim to support 200 or more businesses by providing grants of up to £5,000.

Table 4 CrowdFund North East Fund Take Up at 14 July 2020

| | |
|---|----------|
| Number of applications | 73 |
| Number of grants approved | 64 |
| Average grant award | £3,582 |
| Value of approved grants | £229,250 |
| % of approved with no previous covid business support | 73.44% |
| Number in appraisal | 4 |
| Number rejected or withdrawn | 5 |
| Forecast Jobs safeguarded | 221.5 |

Additional ERDF to support SME restart and recovery– loan proposal NBSL Ltd

MHCLG allocated £2,409,907 ERDF to the North East through the NE Business Growth Hub to support local SMEs using an existing live ERDF project. It was agreed to use the ERDF project currently being delivered by NBSL (a well-established regional business support provider) to receive and manage this allocation by March 2021 in close collaboration with the LEP.

In order to support NBSL to cashflow this project, and as part of the emergency response to Covid19, the North East LEP had been requested to provide NBSL with an interest free draw down facility to provide them with the working capital necessary to operate this ERDF grant fund.

The Board was recommended to approve this approach and delegate the authority to conclude negotiations with NBSL to the LEP Chief Executive. The loan agreement would be subject to legal and financial due diligence by the NTCA acting as the accountable body for the LEP.

In March, the Board approved up to £5m from existing budgets to support initiatives under a 'Covid Response Fund'. So far, a budget of £3,976,952 had been assembled with £1m from NEIF and £296,952 from LGF budgets. Table 5 set out the latest commitments including allocations approved at Investment Board on 8 July.

Table 5: Covid Response Fund Budget allocations

| Existing Commitments | Budget |
|--|-------------------|
| SUNE/SCNE – additional funds (approved) | £400,000 |
| SUNE 2 (see report elsewhere on this agenda) | £550,000 |
| Ore Catapult Energy Business support programme (in appraisal) | £100,000 |
| Crowd Funder pay it in advance (£1m approved). *Latest forecast outturn | *£500,000 |
| Commitments Sub Total | £1,550,000 |
| | |

| New commitments at Investment Board 8/7/2020 | |
|--|------------------|
| 1. Newcastle Airport – Covid 19 operational adjustments | £200,000 |
| 2. Innovation mini programme -extension | £128,000 |
| 3. Regional Sector bodies capacity support Fund | £220,000 |
| 4. Strategic projects development fund a) Life Sciences Strategy £300,000 b) Innovation, skills and digital pipeline £300,000 c) Commercial Property schemes £200,000 | £800,000 |
| 5. Life Sciences patent protection schemes | £300,000 |
| 6. VCS led local infrastructure Stimulus - capital investment a) Facilities for young people. b) Environmental infrastructure | £778,952 |
| New commitment Sub Total | 2,426,952 |
| Total Covid 19 Budget Commitments | 3,976,952 |

Getting Building Fund (GBF)

In June the North East LEP submitted a list of 10 projects on behalf of the region in response to an urgent request by MHCLG to submit a list of shovel ready projects that could be completed by 31 March 2022. On 30 June the Prime Minister announced a £900m national budget as part of a strategy to kick start building projects and create jobs to boost the economy with a higher than anticipated allocation of £47m to the North East.

A package of projects had to be submitted by Friday 17 July. The submission had to be signed off by both the North East LEP Chair and the S151/73 Officer of the Accountable body confirming the deliverability of project spend. As there were no scheduled Board meetings within the strict turnaround period, approval was obtained under Urgent Procedure from the Chair in consultation with the Vice Chairs.

The following finalised list of £55.6m of a mix of projects types was agreed through a consultation process with local authority Economic Directors, Finance Directors and Chief Executive's.

- **EZ sites requiring infrastructure** – Northumberland Energy Park, Tyne Dock (Holborn) and Wallsend (Swans) and Hilthorne, Sunderland.
- **Property Development schemes** – new offices planned at Aykley Heads, Durham, Harton Staithes, South Shields, NU Futures new centre in Newcastle and a pilot Commercial Property Development

The programme was profiling a split of the £47m GBF budget of £14.61m in 2020/21 and £32.38m in 21/22.

Managing Risk on the new GBF Programme

To mitigate the risk of budgets not achieving the 31 March 2022 deadline, the North East LEP Investment Board had supported an allocation of £8m from the North East LEPs North East Investment Fund to act as an over programme / programme

extension. This had a number of potential benefits allowing more projects to be included and to spread risk. The additional £8m of LEP funding increased the overall programme to £55m, enabling 7 additional schemes to be included.

Commercial Property Investment Fund Pilot Project

The North East LEP Board was recommended to support inclusion of the CPIF Pilot within the GBF Programme to value of £2m, and delegate approval of pilot projects to the North East LEP Investment Board

Procurement of Programme and Fund Management Services

The Investment Team are planning to establish a new framework to provide Programme and Fund Management services to support Project Development and Technical Appraisal requirements of the North East LEP and its partner Authorities. Up to 5 contractors will be awarded a place on the framework for each lot. The framework will be ranked and will include two lots:

- Lot 1 - Project Development and Technical Appraisal
- Lot 2 – Financial Due Diligence

The Board was recommended to agree to a Programme and Funding Management framework OJEU procurement progressing as set out in the report.

In response to comments and questions from Board Members, Paul Woods advised that: -

- Regarding future blended working models, the Property Adviser had informed the Investment Board that there was currently a mixed position regarding office space. Although some organization may consider downsizing in the future, there was also a need for increased space due to social distancing requirements.

It was also pointed out that a lot of EZ sites were mainly manufacturing sites and it was not anticipated that these would be as impacted. There was also demand coming in for offshore, wind turbine and green energy.

Although there were challenges in the manufacturing sector, they were less than in the office and retail spaces.

- The anticipated performance between R1 and R2 EZ schemes was quite striking. Paul stated that in terms of the R1 schemes there was a high level of capital intervention and a lot of the sites had required a lot of remediation; this was the big driver in terms of cost. Some of the R2 sites did not require as much and the areas of the R2 sites were much larger and therefore had much more potential for income generation.

A few R1 schemes had been dependent on offshore wind and a change in Government policy had affected the overall demand; this was now picking up and there was increased activity on some sites. The Northumberland Energy Park site was a major site which required huge amounts of reclamation; this had incurred substantial costs but there was not that level of capital

investment on sites in R2. The councils had selected the R2 sites; if they had not have been EZ they would not have benefited as much, and all councils were benefiting from the surplus.

Consideration would need to be given to sites which could provide maximum benefit if there was an opportunity for R3 EZs in the future. A balance between R1 and R2 would need to be struck if there was to be a R3.

Paul said that there is a pooling agreement which provides a level of confidence that the capital financing costs would be met and allowed sites to move forward at pace but there was still work to do on some R1 sites to encourage pace.

There were lessons to be learnt and it was hoped that the LEP would get a R3 opportunity.

The Chair commented that the LEP had to choose R1 sites before it had a functioning Board back in 2011. The R1 sites had been more difficult but a lot had been learnt through the process.

- The discussion on R1 and R2 EZs illustrated the need for local authorities to have projects 'shovel ready' to react to this type of funding coming forward.

The Chair offered congratulations to the Executive Team for responding to the very challenging demands from the Government and for achieving more funding than anticipated.

The Board RESOLVED to: -

- 1. Note the LGF programme 2020/21 budget forecast and Key Performance Indicator targets for 2020/21 in section 4.**
- 2. Endorse the programme of projects submitted as set out in Appendix 1 for the Getting Building Fund £47m allocation to the North East and to the approach taken to use NEIF resources of up to £8m to support an over programme / extension to deliver additional economic impact and mitigate against the risk of GBF underspend. (See section 7).**
- 3. Receive the Annual Enterprise Zones Sites Report set out in Appendix 2 and approve the recommendations.**
- 4. Agree, for the specific purpose of managing the GBF, to a variation in the Investment Board threshold delegation for project funding decisions, from £5m to £6m, to enable the speedier processing of this timebound programme; and for more frequent meetings of the Investment Board to be Programmed as may be required and agreed with the Investment Board Chair.**
- 5. Subject to Government confirmation of the £47m GBF award, that up to £900,000 be approved in principle to the Newcastle United Foundation to support the NU Futures project set out in 2.2 to 2.8, with delegation to the Chief Executive to approve the final funding agreement and conditions.**
- 6. Note the funding decisions taken under delegated and Urgent Decision procedures set out in Part B Table 1.**

7. Note the LGF programme 2020/21 budget forecast and Key Performance Indicator targets for 2020/21 in section 4.
8. Endorse the programme of projects submitted as set out in Appendix 1 for the Getting Building Fund £47m allocation to the North East and to the approach taken to use NEIF resources of up to £8m to support an over programme / extension to deliver additional economic impact and mitigate against the risk of GBF underspend. (See section 7).

7 COVID - 19 ECONOMIC RESPONSE PLAN

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.

Henry Kippen and Helen Golightly presented the report to update the Board on actions taken by the Covid-19 Economic Response Group since the May meeting. The report covered: -

- Communications of the plan
- Development of wider regional recovery arrangements
- Ongoing data and intelligence
- Immediate term actions delivering on phase 1 priorities, including joint work with Government
- Emerging detailed proposals for medium term stimulus actions, aiming to focus regional resources and secure a wider package of support from Government through the proposals made in the summer statement and fiscal events in the Autumn.

Figure 1 below illustrated the full regional arrangements and was being embedded across the region.

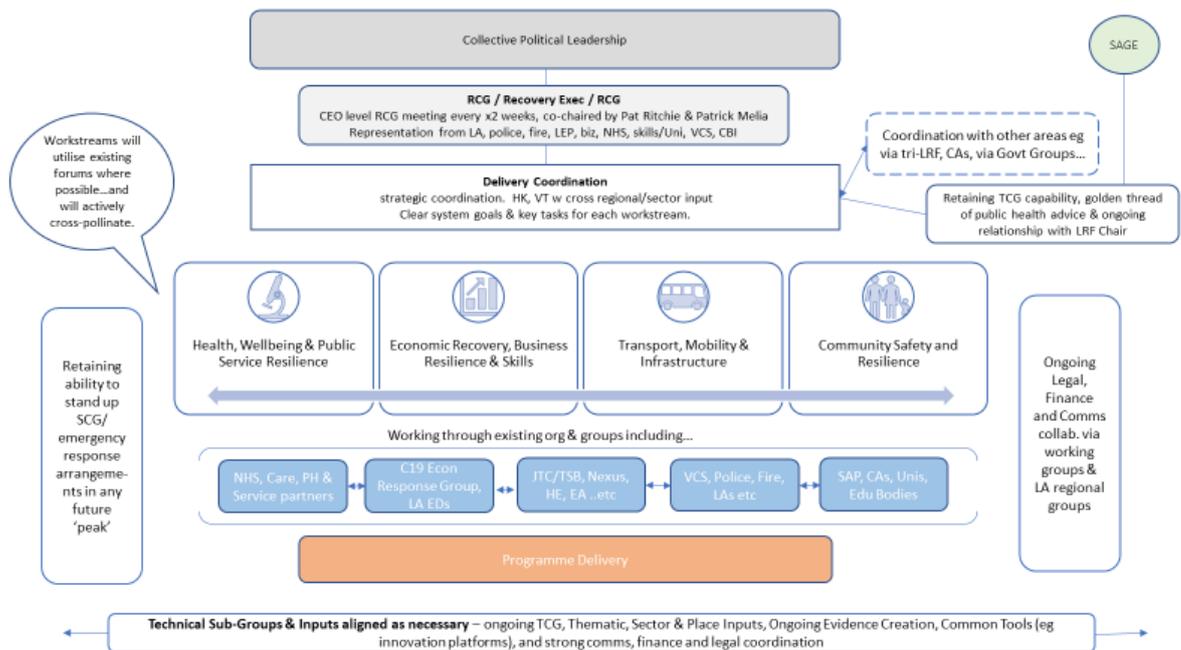


Figure 1 – North East Covid-19 Regional Coordination

It was a complex position trying to coordinate economic elements at the same time as working alongside the NHS Trusts and health colleagues, police, transport colleagues etc. but it was important to work together.

Richard Baker spoke to Annex 1 which detailed the most recent labour market data and provided a sense of the scale of the challenge. At national level, ONS was not in a position to measure the usual sources of data but there was a combination of experimental and project related surveys being done, as well as gathering other data such as Universal Credit data.

Data published last week illustrated that the More Jobs figure had increased by 3.6% as ONS continued to include people on furlough. Therefore, the value of this data in this context was fairly limited.

Key figures included: -

- 250,000 people were involved with the Job Retention Scheme – a large proportion of the workforce. The concentration was at different levels in different sections.
- A further 54,000 people were being supported by the Self-Employment Scheme.
- There had been a significant increase in Universal Credit claimants, up to 191,000 in June (a rise of approx. 55%).
- Unemployment benefit claimants was also up by 64%.
- There was also up to half a million freelancers nationally receiving no pay.

Significant risk groups included those furloughed, freelancers and young people entering the labour market. The plan needed a combination of stimulus to try to protect jobs, targeted action and support for people in the labour market moving forward.

The Office of Budget Responsibility was estimating that when all this was worked through the net effect on employment would be about negative 10%. The figure included in the Recovery Plan was 911,00 jobs at the moment – this would mean a deficit of around 90,000 jobs.

Data would continue to be monitored going forward and additional support had been commissioned to provide ongoing data during the Covid response programme.

Henry Kippen advised that there was now an emerging picture of the impact focussed around three things partners had tried to do.

1. To re-emphasise the collaborative nature of the Covid Recovery Plan – this was really important; it was cross regional and cross sector with input on the social, emotional and health impacts as well as the economic impacts.
2. This was work in progress and would inevitably have to be adapted as it moved forward.
3. The difference from last time was that there had been a sharpening of focus and this now looked more like a deal – this is what the region would like/might get etc.

The presentation slides detailed a set of funding mechanisms and a diverse pipeline of activity had been brought together.

The initial summary slide detailed 100,000 jobs and £2.3 billion as a headline figure and the presentation was a mix of existing schemes and readiness to deliver as well as a set of new schemes and investments especially around digital.

An important element, given the Chancellor's recent fiscal statement, included the Job Recovery Programme; Richard had provided numbers on how many people could be out of the labour market. Government investment had been made available - the Kickstarter Scheme was a good example of financial incentives to hire and make sure that there was not a big falling off from furlough into unemployment. There was an immediate task to maximise what was already known.

The region was now in the period of early engagement to set the parameters with Government for what was to come; the Spending Review had been formally announced and this was the first go to demonstrate what the region might need. Henry stressed that this was a long-term pitch which started to show the intent and the ambition of the region.

The Chair said this was a very comprehensive and exceptional report with a large amount of detail and deliverables which secured immediate action to delivery the SEP and beyond.

A Member expressed concern about how the region would get these things going. There was an urgency to get schemes up and running and the Investment Board meeting more regularly would help facilitate this. All local authorities should be asked to identify other 'shovel ready' projects – although strategy was great, delivery was more important.

Helen responded that the North East LEP had a very positive track record of delivery which was recognised by the Government. At the annual appraisal this year the North East LEP was classed as exceptional which put the region in a great position and provided confidence which could be used going forward. Funding and investment would be looked for to make sure that business cases were ready in the future. There was also a lot of work being done on what the regional pipeline looked like and making sure the more strategic and important schemes surface.

The report was commended for recognising the importance of social aspects and health elements etc. as well as economic recovery. In terms of deliverability the retrofitting of houses was strongly supported for the economic and environmental benefits.

The NE Jobs Programme was a major foundation stone in all of this; although it linked to mainstream provision from Job Centre work coaches it also linked to ESF provision. Quite often projects worked with people furthest from the labour market and a Board Member emphasised that they should be in line for support first.

Members praised the excellent piece of work which had been pulled together very quickly.

It was suggested that a piece of work should be done in terms of raising confidence. 75% of the workforce had not been furloughed. A lot of businesses had pivoted towards PPE etc. Consideration was needed on how to talk to residents in the region – things would be tough but there were also some good things already happening.

Henry responded that he 100% agreed with the confidence point and the reason to believe in the region was fundamental and it did not only depend on the Recovery Plan. There were a number of organisations, including local authorities, who already assumed this role. There was probably more could be done on the communication of this. Over the summer, when there was more certainty around deliverability, this would become really important.

On the delivery points raised, the delivery would be mixed; some things would be delivered by local authorities, some by the private sector, some the combined authorities and some for the LEP pipeline. How to co-ordinate and help accelerate this was crucial – it could not be made faster unless everyone worked more closely together.

The Chair said there were challenges not just for the LEP but for the organisations that Board Members represent. The Covid disruption had provided an opportunity to accelerate change and change was what the region required.

The Board resolved to NOTE the contents of the report and presentation.

8 **APPOINTMENT OF CHAIR OF THE NORTH EAST LEP BOARD**

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.

Heidi Mottram presented the report and reminded Board that at the March meeting it was resolved that a Nominations Committee would be created, made up of the three Vice-Chairs of the LEP Board and Mark Thompson representing the private sector. Subsequently, Councillor Peter Jackson replaced Mayor Norma Redfern on the panel.

The Nominations Committee had delegated powers 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.

The Committee agreed to remunerate the role at £20K per annum and also agreed a recruitment pack, which included details of the LEP, the Chair's role and a person specification.

The position was advertised both locally and nationally and the Committee met to shortlist and select five applicants for interview following a recruitment event on 9 July. Each applicant was scored against the criteria set out in the person specification.

All of the candidates were very credible and there had been a high level of consensus across all of the scoring and the unanimous decision of the Nominations Committee was detailed in the recommendation of the report.

Board Members expressed their support for the successful candidate, Lucy Winskill.

With regard to the next steps conversations would take place with Andrew Hodgson and Helen Golightly about how the transition process would be managed. It was anticipated that the new chair would take over sometime during mid to late August.

Andrew confirmed that the transition plan across to Lucy would probably be towards the end of August. It would be a good start for her to chair the next meeting of Board. If agreed, Andrew was happy to be in attendance, and this was appropriate as there would be decisions being made between this meeting and the next for which he should be held accountable.

On behalf of the Board, Andrew thanked all Members of the Nominations Committee and the Team for their work. Board Members also paid tribute to the Committee and Team and confirmed that the appointment was strongly supported.

With regard to the protocol around the announcement of the new chair, Heidi, Helen and Andrew would work together with the Communications Team on how the decision would be made public; this would be shared with Board Members. Lucy was aware that, subject to Board ratification, she was the preferred candidate.

Heidi concluded by thanking Helen for her exemplary support and thanks also went to the rest of the panel.

9 ANY OTHER BUSINESS

Outgoing Chair

On behalf of the Board, Heidi paid tribute to Andrew for his involvement with the North East LEP as a Board Member from 2011 and as Chair from 2016. Under Andrew's leadership the North East LEP had gone from strength to strength, was now very much well respected and considered 'exceptional'; a huge amount of credit went to Andrew for this.

The SEP had been the organisations bedrock and Andrew had steered the LEP through it expertly. His passion and advocacy around skills had led to the Gatsby benchmarks of Good Career Guidance learning from career and labour market information.

Heidi went on to say that Andrew's style of leadership was also exceptional. Everyone held him in the highest regard and considered that he had done a phenomenal job as the Chair and in the wider region. Being fair, working collaboratively in positive partnerships and reaching out to bring people on board with the LEP had meant that Andrew always found a way to reach consensus and move forward.

The North East LEP was very well respected, in a large part due to Andrew's leadership. Heidi hoped to be able to pay tribute to Andrew in person when Covid-19 restrictions were lifted.

In response, Andrew said that chairing the LEP had been a huge honour and privilege. He had set out his value principals in 2016, and although the spirit of collectiveness was phenomenal, that was not down to him but to the Board.

Andrew thanked all Board Members and Members of the sub-boards, where the work really happened, for their support. He went on to praise to the executive team, which he considered the best of any LEP, for their professionalism, exceptional individuals and exceptional as a team. A big thank you also went to Helen for bringing everything together.

Climate change

Mark commented that the SEP talked about the green economy in terms of jobs. Perhaps under Place the LEP should talk about climate change. Each of the local authorities had their own climate change declarations but they were not all the same. The region could be more joined up on this issue; perhaps this was a role for the combined authority? The LEP should have more of a voice on climate change and more clarity on what the climate change target was. More work was needed on this and the LEP should have a voice on it under the Place agenda.

The LEP should be more joined up with the NE Climate Committee.

Stuart Corbridge

As this was also Stuart's last meeting the Chair asked that the Board's thanks be placed on the record for his contribution on behalf of higher education. He would write to Stuart to thank him formally on behalf of the Board.

Councillor Roughead

Councillor Roughead stated that it had been a pleasure to observe the meeting and to see how the Board operated. Hopefully moving forward a good working relationship would develop between the LEP and the accountable body and Overview and Scrutiny.

10 **DATE AND TIME OF NEXT MEETING**

The next meeting of the LEP Board would take place on Thursday 1 October 2020 at 5.00pm.