

North East Local Enterprise Partnership Board

3 December 2020

Meeting held via Zoom

Present

Lucy Winskell	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	
Mark Thompson	Ryder Architecture
Kate Wickham	Gate7 Group
Councillor Henig	Leader, Durham County Council
Councillor Gannon	Leader, Gateshead Council
Mayor Redfern	Mayor, North Tyneside Council
Mayor Driscoll	NTCA
Ellen Thinnesen	Sunderland College
Chris Day	Newcastle University
Carol Botten	VONNE

Observers

Councillor Miller	Leader, Sunderland Council
Councillor Dixon	Deputy Leader, South Tyneside Council

Apologies

Heidi Mottram	Northumbrian Water Group
Councillor Sanderson	Leader, Northumberland County Council

Officers

Helen Golightly	LEP CEO
Richard Baker	LEP Director of Strategy and Policy
Colin Bell	LEP Business Growth Director
Jo North	Port of Tyne Technology and Transformation Director
Paul Woods	NTCA – Finance officer
Katy Laing	Deputy section 73 officer North of Tyne Combined Authority
Janice Gillespie	Section 73 officer North of Tyne Combined Authority
Brenda Joyce	NCC Democratic Services

1 INTRODUCTIONS AND APOLOGIES

The Chair, Lucy Winskell, welcomed everyone to the meeting. Councillor Tracey Dixon, Deputy Leader South Tyneside Council, was welcomed as an observer.

Apologies were received from Heidi Mottram and Councillor Sanderson.

2 **DECLARATIONS OF INTEREST**

Gillian Hall declared an interest as a Blyth Harbour Commissioner.

Councillor Henig declared an interest in items 6 and 9 as a director of Newcastle International Airport Holding Company Ltd.

Mark Thompson declared interests with the Getting Building Fund (GBF) Programme as Ryder Architecture was engaged with the following projects - Aykley Heads, Tyne Dock Enterprise Park, InTEGRel Community Energy Village and InTEGRel Business incubator, Bedlington Town centre regeneration, The Glassworks South Shields, and Gateshead Quays.

3 **MINUTES OF THE LAST BOARD MEETING HELD ON THURSDAY 1 OCTOBER 2020**

The minutes of the last meeting held on 1 October were approved as a correct record.

4 **CHAIR AND CHIEF EXECUTIVE UPDATE**

The Chair and Chief Executive, Helen Golightly, updated Board Members on some of the discussions and meetings they had been involved in since the last Board meeting.

The Chair suggested providing regular updates to Board members outside of the Board meeting in a similar way to the updates sent to the CBI.

Andrew Moffat agreed this would be useful and suggested it should be no longer than two pages.

John McCabe said he would also welcome receiving an updated communications grid or advance notice of any press releases that were going out or announcements being made. Helen Golightly agreed to take this forward with the caveat that in some instances the LEP had to provide immediate comments.

The Board RESOLVED to:

- (i) **Note the report;**
- (ii) **Board Members agreed that they would like to receive regular briefings.**

5 SEP UPDATE

The Board received an update on the delivery plan setting out the progress against five Strategic Economic Plan (SEP) programmes and the performance against plan targets since the 2019 refresh.

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 INVESTMENT

(a) Funding 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 providing a summary of funding decisions taken under delegation since the last meeting and a funding programme round up, including the latest Local Growth Fund (LGF) programme budget position; an update on the implementation of the 'Getting Building Fund' (GBF) programme, update on the Enterprise Zone Account following the Comprehensive Spending Review and outline funding proposals for a new Green Energy Accelerator project. The report also included information on potential funding swaps.

The Chair thanked Andrew Moffat, Chair of the Investment Board, for all of the work done to get the funding allocated. Andrew Moffat thanked all Investment Board Members for their time and commitment to meeting on a monthly basis since September through to March 2021.

RESOLVED - That Board members:

- 1. Note the funding decisions taken under delegated procedures set out in Part A Table 1.**
- 2. Note progress on the Local Growth Fund Programme in section 3 and receive an update in January on a strategy for the re-allocation of any uncommitted balances.**
- 3. Note progress on the implementation of the Getting Building Fund and support the mitigation measures to avoid budget underspend as set out in section 4 by the use of temporary funding swaps.**
- 4. Agree in principle to allocate up to £255,000 revenue and up to £900,000 capital to support the proposed Green Energy Accelerator Programme, with the finalised funding strategy - utilising available resources highlighted in section 5 - and project business case to be determined by the Investment Board.**

5. Note the positive impact on the Enterprise Zone Account following the reduction in PWLB interest rates announced in the Spending Review, as set out in section 6.

(b) Commercial Property Investment Fund

The Board received a report introducing the appended summary of the Commercial Property Investment Fund (CPIF) proposal, the evaluation and Preliminary Market Examination (PME) exercises that had been completed and addressed key next steps. Further to consultations with Local Authority (LA) Economic Directors, Finance Directors and Chief Executives, the report concluded with a request to support the proposal to proceed with the necessary actions to undertake procurement of an independent fund manager for the proposed CPIF.

Following stakeholder and market engagement, and external evaluation of the fund proposal, the North East LEP Board RESOLVED to proceed with preparation for and issuing of the proposed procurement for an independent fund manager for the CPIF subject to the final decision on appointment returning to the North East LEP Board once the procurement exercise was concluded.

7 SPENDING REVIEW

The Board received a briefing report on the Spending Review which aimed to summarise the key economic data and spending commitments. The Spending Review set out the scale of the challenge faced to recover from the economic impact of Covid-19. The measures announced by the Chancellor were intended to support public services with the response to the pandemic and to start the process of economic recovery. The announcement of the Levelling Up Fund, the first details of the UK Shared Prosperity Fund, and changes to the Green Book were welcomed.

The report also included information on the Economic context, Positioning, COVID-19 Response, Transport and Infrastructure, Science, Innovation and R&D, Energy, Environment and Climate Change, People and Workforce, Devolution and Regional Policy, International Trade and EU Exit, Other Departmental spending announcements and Green Book Review.

The Chair advised that Heidi Mottram had sent in some supporting notes on the paper and welcomed the Green Book review.

A lot of work had been done across all of the LEP teams and partners on building the project pipeline to ensure the North East was well positioned to maximise funding opportunities that could come forward. The detail on a number of potential funding schemes was awaited.

8 EU TRANSITION

The Board received a report providing an update on the following:

- The EU Exit Work Programme and key activities to prepare businesses for the changes that will happen at the end of the transition period
- Monitoring and reporting arrangements within the region and between the region and comments to the Government across a number of policy areas framed by the statement of key messages previously agreed by the Board
- Work to co-ordinate a response to emerging opportunities.

Richard Baker presented an update on the work programme and the work going on through the North East EU Exit Group. He advised that the trade deal negotiations were ongoing and the presumed likely outcome was either a No Deal or a slim deal.

Colin Bell provided Board with a flavour of the current intelligence and some of the practical things going on through the Group. The highlight was that there were concerns around working capital due to Covid and cash was tight. There was evidence of increased demand on UK suppliers as well as having to deal with the pressures of Covid. Investment decisions by manufacturers were being delayed until the position became clearer and SMEs in general were not preparing. On a call with Government earlier this week there were hopes of a deal in the next few weeks. However, one concern was that when a deal was announced there was a worry that businesses would take that as a signal that they did not have to do anything which is not the case.

The Board RESOLVED to:

- **Note the update on the work which had been done in the region to prepare for the end of the transition period and**
- **Commented on any further issues which could be referred to the EU Exit Implementation Group or Business Growth Team.**

9 FREE ZONE

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.

At its March meeting the Board supported a proposal sponsored by the North East EU Exit Implementation Group that the North East LEP should co-ordinate a joint response to the Government's expected Freeports consultation, and to take forward work to develop a proposal for a bid to establish a digitally-enabled Free Trade Zone for the North East in response to the Government's expected competition.

This report provided an update on the work which has been undertaken subsequently. It reviewed:

- the work done to prepare the consultation response from the North East, providing an overview of content

- the subsequent Government response to the consultation and the publication of the bid prospectus on 16 November
- work currently underway to prepare a regional proposal working with partners from across the region.

The Chair advised that she had spoken to Councillor Forbes earlier in the day and his comments would be fed into the discussion.

Richard Baker introduced Dr Jo North, Port of Tyne Technology and Transformation Director, to Board Members. Dr North presented the paper to the Board.

The Board RESOLVED to:

- **Endorse the work to date and agree to move forward on the basis set out in the paper**
- **Agree to receive a report at the January Board meeting to agree the bid for submission on the 5 February 2021 and have an informal meeting if necessary.**

10 HEALTH AND LIFE SCIENCES STRATEGY

The Board received a report regarding the Health and Life Sciences Steering Group's work to produce the appended Health and Life Sciences Strategy.

The Chair advised that she had been made aware of concerns about the size of the Steering Group and missing elements not included in the document.

Richard Baker informed Board that this was a draft paper and it reflected the health and life sciences area of the SEP. The Steering Group and the Innovation Board would have further discussions and the updated strategy document would be brought back to Board in the New Year.

11 ANY OTHER BUSINESS

On behalf of the Board, the Chair offered congratulations to Helen and the Executive Team for the very successful AGM last week. Thanks also went to Helen for her efforts in keeping up morale of the Team during this difficult time and her leadership support.

To conclude, the Chair thanked everyone for attending and wished everyone a happy Christmas and a healthy new year.

12 DATE AND TIME OF NEXT MEETING

Thursday 28 January 2020 from 5:00 – 7:00pm