

**NORTH EAST LOCAL ENTERPRISE PARTNERSHIP
INVESTMENT BOARD**

**Monday 15 January 2018
Held at One Trinity Green, South Shields, South Tyneside**

MINUTES – CONFIDENTIAL

Present: -

David Land (in the Chair)	Drive 2 Business
Andrew Moffat	Port of Tyne
Councillor Martin Gannon	Gateshead Council
Councillor Iain Malcolm	South Tyneside Council
Jason Hobbs	North East Finance
Ian Richards	Northstar Ventures
David Furniss	BNP Paribas Real Estate
Helen Golightly	LEP Executive Director
Paul Woods	NECA Chief Financial Officer
Matthew Ebbatson	LEP Team
James Davies	LEP Team
Ben McLaughlin	LEP Team
Nicola McIntosh	LEP Team

In Attendance:

Gillian Kelly	Sunderland City Council (Minutes)
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1. WELCOME AND INTRODUCTIONS

Members of the Investment Board were welcomed to the meeting and thanked for their attendance.

This was the first meeting which brought together the two previous groups into the new Investment Board format and it was highlighted that the membership now included five members of the North East LEP Board, three private sector and two public, and external advisors who had been appointed following a recruitment process. This initial meeting was intended to be an introduction to programmes and to be a fact finding exercise for new members.

2. APOLOGIES

Apologies for absence were received from Gillian Hall, Peter Judge and Ray Browning.

3. DECLARATIONS OF INTEREST

JEREMIE Extension – Jason Hobbs declared an interest as a manager of JEREMIE funds.

Enterprise Zone Programme – Andrew Moffat declared an interest as an employee of the Port of Tyne and Councillor Malcolm declared an interest as there were Enterprise Zone sites located within his local authority area.

4. INTRODUCTION TO LEP FUNDING PROGRAMMES

Helen Golightly delivered a presentation providing background to the Strategic Economic Plan and the funding programmes which were managed by the North East LEP.

The Strategic Economic Plan (SEP) set out the North East LEP's ambitions and goals and the majority of the LEP's work was directed towards achieving the targets of the SEP. The key target was the creation of more and better jobs and to raise productivity whilst narrowing the gap between the North East and other regions.

The SEP focused on four key sectors: -

- Tech North East
- Health Quest North East
- Energy North East
- Making the North East's future

These were backed up by three enabling service sectors: education; financial, professional and business services; and transport and logistics. Delivery of the SEP was focused on six programmes of work: -

- Innovation
- Business growth and access to finance
- Skills
- Employability and inclusion
- Economic assets and infrastructure
- Connectivity

The Investment Board was one of four boards sitting beneath the North East LEP Board and made regular decisions on capital funding applications from three directly managed funds (Local Growth Fund, the North East Investment Fund and the North East LEP Enterprise Zone Programme) and were involved in supporting three other key investments funds in the North East. The Investment Board was there to support the LEP in making decisions in relation to these funds.

The Local Growth Fund programme was managed by the LEP and totalled £270m over six years. Supported projects had been agreed by the Government from local priorities and quarterly monitoring of the projects was entered into a national database.

The North East Investment Fund (NEIF) was a £55m recycling loan fund which invested in strategic projects which created jobs and/or regional economic assets. The fund had a varied investment portfolio which offered commercial loan rates and had made 26 project investments to date.

The Enterprise Zone Business Rate Income had a complex financial model and there was masterplan covering the 21 sites. The current estimated income from Business Rates over the 25 year life of the Enterprise Zone was £400m. The LEP Board had agreed the principle to borrow against future Business Rate income on a site by site basis and the surplus would be used in the future to fund non-Enterprise Zone strategic investments.

The North East LEP influenced three key funding streams, European Structural and Investment Funds, the North East Fund (JEREMIE 2) and the North East Property Fund. These funds totalled £437m, £120m and £10m respectively.

The Board NOTED the presentation.

5. INVESTMENT BOARD OPERATIONS

(a) Terms of Reference

The terms of reference had been approved by the North East LEP Board and were presented to the Investment Board for information.

It was highlighted the Investment Board was required to manage funding programmes in accordance with the LEP Assurance Framework. This framework was available on the website and was reviewed annually with minor amendments due to be considered by the LEP Board later in the month.

The Investment Board would make decisions on funding and investments up to £5m on behalf of the North East LEP Board and make recommendations to the Board for investments over that value.

The membership of the Investment Board was also set out within the report. A private sector member of the LEP Board would chair the meetings and it was noted that a Vice-Chair would also need to be appointed. The Investment Board would meet on a bi-monthly basis, a few weeks ahead of the main LEP Board.

It was highlighted that the North East Combined Authority (NECA) was the accountable body for the North East LEP and played an important role in terms of the assurance framework and there was a large amount of

transparency between the organisations. The decisions made by the LEP and its accounts were reported to NECA, and the LEP received budget monitoring reports during the year.

The Board NOTED the terms of reference.

(b) Declaration of Interest Form

Investment Board Members and external advisors would be required to complete a declaration of interests form in line with the requirements of the LEP Assurance Framework. The forms were currently being revised but would be circulated to Members for completion in due course.

(c) Forward Plan

The timetable for funding approvals was submitted to the Investment Board. There were a large number of projects scheduled to come forward to the 7 March meeting and the deadline for receipt of business cases for these was 15 January.

It was intended to circulate the detail of these projects a week prior to the next Investment Board meeting.

6. MINUTES

The minutes of the last meeting held on 14 November 2017 were agreed as a correct record and signed by the Chair.

7. MATTERS ARISING

Future Meetings and Site Visits

The Investment Board received a report proposing that the Investment Board link its meetings with visits to some of the key investment sites which have been supported through LEP funding programmes.

The Chair noted that if the sites visited had been subject to funding approval, the Investment Board would need to consider if these were delivering at the level predicted and how they could be critiqued.

The Board AGREED that a programme of site visits be developed.

8. LOCAL GROWTH FUND PROGRAMME

(a) LGF Portfolio and DCLG Dashboard

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 list of LGF projects was presented to the Investment Board which set out how the £270m funding had been allocated and showed that the majority of the projects were contracted and in delivery.

The dashboard showed the information which was provided to the Government on a quarterly basis and set out where the programme was in terms of outputs. Overall the programme was on track to have spent all of the LGF allocation for three years.

The Investment Board NOTED the update.

9. NORTH EAST INVESTMENT FUND PROGRAMME

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.

(a) NEIF Summary

The Investment Board received a summary of the North East Investment Fund (NEIF) balance and high level position.

The Investment Board NOTED the update.

(b) Issues

The Investment Board received a report providing an update on the negotiations which were taking place with the developer responsible for a project which had been funded through the NEIF.

The Panel NOTED the update and the proposed next steps.

10. ENTERPRISE ZONE PROGRAMME

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 Investment Board received a report providing an update on the progress and current position of the North East Enterprise Zone sites.

There was a lot of activity taking place at the current time and business cases for round two sites would be coming through in March, May and June. The site progress summaries were attached as an appendix to the report.

The Investment Board NOTED the report.

11. ANY OTHER BUSINESS

There was no other business.

12. DATE AND TIME OF NEXT MEETING

The next meeting would be held on Wednesday 7 March 2018, 2.00pm – 4.30pm.

(Signed)

D LAND
Chair