

## North East Local Enterprise Partnership Board

17 March 2022

Meeting held via Microsoft Teams

### Present

Lucy Winskell	Chair, North East LEP
Gillian Hall	Gillian Hall Consulting Limited
Ammar Mirza	AmmarM (UK) Limited
Andrew Moffat	
Heidi Mottram	Northumbrian Water Group
Chris Day	Newcastle University
Carol Botten	VONNE
Erika Leadbeater	TSG Marine
Cllr Gannon	Gateshead MBC
Mayor Driscoll	North of Tyne Combined Authority

### Apologies

Cllr Dixon	South Tyneside Council
Cllr Forbes	Newcastle City Council
Cllr Miller	Sunderland City Council
Cllr Hopgood	Durham County Council
Cllr Wearmouth	Northumberland County Council
Mayor Redfearn	North Tyneside Council
Ellen Thinnesen	Education Partnership North East
Kate Wickham	Gate 7
Mark Thompson	Ryder Architecture

### Officers

Helen Golightly	CEO, North East LEP
Richard Baker	LEP Director of Strategy and Policy
Michelle Rainbow	LEP Skills Director
Paul Woods	Finance Officer, NTCA
Katy Laing	Finance officer, NTCA
Brenda Joyce	Democratic Services

### For item 8

Patrick Melia	Head of Paid Service North East Combined Authority
Henry Kippin	Managing Director North of Tyne Combined Authority

## 1 WELCOME FROM THE CHAIR AND APOLOGIES

The Chair, Lucy Winskell, welcomed everyone to the meeting and went on to say she was pleased to have Erica Leadbetter back following maternity leave.

Apologies were received from Councillors Dixon, Forbes, Miller, Hopgood, Wearmouth, Mayor Redfearn, Ellen Thinnesen, Kate Wickham and Mark Thompson.

The order of the agenda was changed to take item 8, Devolution Update, next.

## 2 DECLARATIONS OF INTEREST

Gillian Hall declared an interest as a Harbour Commission at the Blyth of Blyth.

## 3 MINUTES OF THE LAST BOARD MEETING HELD ON THURSDAY 27 JANUARY 2022

The minutes of the meeting held on 27 January 2022 were approved as a correct record.

## 4 DEVOLUTION UPDATE

Patrick Melia and Henry Kippin gave a quick update presentation on the North East recovery and levelling up.

Patrick Melia stated that this had been deliberately called 'levelling up' rather than devolution as care was being taken around the politics of this at the moment. However, all of the Council leaders and elected mayors were working well together, which was encouraging for the region to see, and had been recognised by the government.

Patrick Melia introduced the presentation setting out the context and progress so far.

1. **Strong cross-regional and cross-party collaboration** – between our Councils, Combined Authorities, LEP, businesses, VCS and partners – on Covid, economic recovery and transport
2. **Shared priorities submitted to CSR** – we have worked together as a region (via RCG, JTC, economic recovery group and across our authorities) on good joint submissions to Government
3. **Levelling Up White Paper** – signals direction of travel from Govt on economic policy, local growth, skills, regen and post-Brexit funding
4. **Implications for the North East** – the White Paper signals willingness to work with the North East and Durham on realising our levelling up goals
5. **Early Dialogue** is underway – to understand the parameters, scope and potential for a 'levelling up' deal...with clear political will needed from the region and from Govt to enable next steps

Henry Kippen presented some points for discussion.

1. **What our economy needs** – we are in a post-Covid, post-Brexit and post-COP environment... What does this mean for our economy, and what does 'levelling up' mean for us?
2. **Growing our important sectors** – clean energy & net zero, digital, health innovation etc... what interventions, funding and powers would add most value?
3. **Skills and human capital** – how do we ensure we have a robust skills pipeline that ensures all of our communities can benefit from new jobs and growth?

4. **Transport and connectivity** – building on our joint transport plan and progress on digital infrastructure & innovation... how can we move faster?
5. **Inclusion and prevention** – sustainable growth needs public service innovation and prevention... how can business and the 'good work' agenda best contribute to this?
6. **Collaboration** – any next steps will need to work for all of our places and our business community... how can we best engage to make sure your voices are heard?

During the discussion on the presentation the following comments and points were raised:

- Durham County Council had decided to progress a county level devolution deal and this was considered to be a political decision. The other six local authorities would pursue an 'LA6' deal. The LA6 politicians had made it clear that the door remained open for Durham but this could not be indefinite.
- The leaders and elected mayors had spoken with a united voice to government on the asks the region needed to move forward in a positive manner.
- The Chair stated that one of the key messages for the LEP Board to consider was the collaboration piece and how the voice of business could be brought in to support this work. A mechanism for tackling the questions on the second slide was needed.
- In response to a question about any opportunity for potential to expand on Enterprise Zones, Henry Kippin said that nothing was out of the question at the moment. One of the important principles for the Treasury would be that this needed to be more than just a cash transfer to the region and needed to be about how we generated and recycled our own wealth, and how we use the assets we've already got. All of this would need to be looked at in the round.
- It should not be forgotten that there were now 7-8 years of SEP work to underpin the themes on the second slide and from the LEP's perspective at lot of those things were already being done; there was a need to think about how that would be fed in.  
ACTION – Patrick Melia, Henry Kippin and Helen Golightly to meet asap to discuss the LEPs closer involvement.
- The point about the significant amount of work across these areas that was already being done was amplified. A vast amount of effort and energy had gone into creating local partnerships with key people on the regional themes being proposed. This provided an opportunity to further enhance that unification with a united front on a national basis but also to explore innovation and new ways of doing things built on the excellent work that the LEP and wider partners were doing. There was agreement to build upon what we already had and make it bigger and better. The Levelling Up White Paper included information on innovation deals for Manchester, Glasgow and Birmingham and there was also significant transformation going on in some of the government departments. There was an opportunity to be quite creative and demanding in the devolution discussions with Government - given some of the challenges we have in the economy. Henry Kippin agreed that none of this was year zero and it would be very foolish to ignore all of the great stuff going on already. There were a couple of

opportunities for the region to leapfrog here and that was something the region would want to do. The White Paper not only includes innovation deals but a sense that the government would look to deepen deals and do more creatively around squeezing funding streams together. There was an opportunity for the region to be really ambitious.

- It was pointed out that there had never been a better relationship between the five universities in the region than now and they were discussing what they could do jointly. A piece of work had been carried out listing the expertise under big headings such as digital and energy etc. The universities could offer the classical knowledge exchange piece but also the skills piece. £265million of joint projects had been identified which highlighted how closely the North East universities worked together and the extent of the collaboration. The powerful university sector was here to help and was now working increasingly with schools and the Further Education sector on a full career escalator, not just focussing on degrees. The strength and collaboration of the five universities was also acknowledged and would form part of the conversation going forward. Universities would need to be included round the table in talks with government about areas of their expertise.

The Chair thanked Patrick Melia and Henry Kippin for the presentation and the useful discussion and said that the Board would take up their offer to come back and provide further updates.

## 5 **LOOKING BACK 2021/2022 - END OF YEAR REVIEW**

This report set out the progress achieved to date against the Annual Delivery Plan for 2021/22.

The End of Year Review, attached as appendix one, provided a summary of what the LEP planned to deliver in the Annual Delivery Plan for 2021/22 and reported progress against each action.

The Annual Delivery Plan for 2022/2023 was currently being prepared by the executive team and would be shared at the May Board meeting. It would set out what the LEP intended to deliver this financial year from April 2022 to March 2023. It was anticipated to have to undertake a similar flexible approach to delivery as taken during 2021/22 as the LEP continued to work our way through economic recovery in the North East.

During the discussion on the report the following comments and points were raised:

- The Chair thanked the executive team for the huge amount of work that had gone into both documents.
- The Chair noted that the labour market figures showed a more negative picture as we emerged from the pandemic but the last quarter had been more positive
- It was confirmed that a report would be on the agenda for the Board meeting in May that would look at the regional economic data - what was happening in the economy and what the LEP needed to do over and above what it was already doing.

**RESOLVED – That the Board:**

- (i) **Agreed to delegate authority to the Chief Executive to make minor updates and amendments to the End of Year Review 2021/22 document prior to it being submitted to Government,**
- (ii) **Noted the final End of Year Review 2021/22 document would be published on the North East LEP website,**
- (iii) **Commented on the draft Annual Review, noting there was still a final proof read and year-end figures to be incorporated.**

**QUORATE**

Helen Golightly advised attendees that the meeting was not quorate on the public sector side and the written representation ratification process would be applied to all decisions as required.

6 **FUNDING DECISIONS AND UPDATE**

**This report was 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.**

This report was presented in three parts.

**Part A** set out decisions required on two projects:

- a) **Commercial Property Investment Fund** – This new scheme had reached a critical milestone and the Board were being asked to appoint a Fund Manager following a procurement exercise and to confirm budget allocations. This proposal had been endorsed by the Investment Board and was outlined in Part A and with a full report detailed in Appendix 2.
- b) **North Bank of Tyne Phase 2 (Walker Quay)** - Further to the decision taken by the Board in January 2020 to invest up to £14m through EZ borrowing, a final, reduced allocation of £7.356m was now being recommended. A full report was detailed in Appendix 3.

**Part B** of the report provided information about decisions taken under delegation since the last Board meeting.

**Part C** provided a funding programme round up, including the latest Qtr. 3 2021/22 performance data on the Local Growth Fund (LGF), Getting Building Fund (GBF) and Enterprise Zone (EZ) investment programmes.

Paul Woods advised that an updated report had been circulated with amendments to the information on the Getting Building Fund (GBF). The updated narrative and table provided the latest budget forecasts following the receipt of project quarter 4 interim claims and end of year forecasts in the past few days. The main variation to highlight was an additional £4.7m GBF expenditure bringing the total to date this year to £20.5m. This was detailed in a revised Appendix One setting out the latest project expenditure figures and end of year forecasts.

Latest project forecasts continued to indicate that this year's GBF budget allocation of £23.5m would be fully defrayed. In addition, based on the latest project expenditure projections, most of the £13,948,242 spent on local authority projects on a temporary funding swap basis in 2020/21 (and due back on 31 March 2022) should be defrayed this financial year. A few projects had yet to update their end of year expenditure forecasts, and some had known risks which might result in outturn figures £2-3m below the revised 2021/22 forecast figures shown in Table 4.

**RESOLVED - That Board members agreed to:**

1. **Note the funding decisions taken under delegated procedures set out in Part B**
2. **Note the latest performance figures following Quarter three 2021/22 project monitoring returns on the Local Growth Fund (section 3), Getting Building Fund (section 4), and Enterprise Zone programmes (section 5).**
3. **Consider the detailed progress report in Appendix 2 on the establishment of the North East Commercial Property Investment Fund and approve the following:**
  - a) **To appoint Tenderer A as independent fund manager for the North East LEP Commercial Property Investment Fund.**
  - b) **To establish appropriate governance for the Commercial Property Investment Fund to include:**
    - a. **Establishing a Limited Partnership where North of Tyne Combined Authority (as the North East LEP's Accountable Body) will become the Limited Partner.**
    - b. **Establishing a CPIF Advisory Board involving representatives from the North East LEP, the North of Tyne Combined Authority (NTCA) and the North East Combined Authority (NECA) which will receive regular reports and performance information from and engage with the Fund Manager.**
  - c) **To approve utilisation of North East Investment Fund (NEIF) monies and LEP cash-flows up to the value of £35m for investment into the CPIF. The final structure of CPIF cash-flowing will be subject to approval delegated by the North East LEP Board to the NTCA Chief Finance Officer and the North East LEP Chief Executive Officer.**
4. **To approve a revised EZ programme borrowing amount of £7.356m towards phase 2 works on the North Bank of Tyne (Walker Quay) Enterprise Zone to Newcastle City Council subject to conditions as set out in Appendix 3 section 8.**

**7 LEVELLING UP WHITE PAPER BRIEFING**

The Government published the much anticipated Levelling Up White Paper (White Paper) on 2 February 2022.

The White Paper set out the proposed approach to the Levelling Up policy theme which had been promoted as the central mission of the Government's programme. The Government defined Levelling Up policy as a mission to spread opportunity and

economic growth across the UK, and to end geographic inequalities that contribute to low productivity.

Richard Baker introduced the item and acknowledged Paul Carbert in his team for his work on the summary briefing paper. The Chair thanked the strategy and policy team for the very helpful briefing and went on to say that the sub boards agreed it was a remarkable piece of work.

During the discussion on the report the following comments and points were raised:

- The five universities had been looking at the UK Shared Prosperity Fund (UKSPF) and thinking about coming up with a proposal from the university sector. The Chair agreed that there were real opportunities from that collaborative university piece.
- Going through the two parallel processes of the UK SPF investment planning and devolution proposals there would be a need to work through how things such as the universities piece could work effectively. The issue was about coordinating that process.
- The Chair commented that it would be very useful at some stage for the Board to have an understanding of the exact strengths that the university sector could bring to this piece. The papers recently presented to the VCs would be shared with the Chair.
- The last slide included an action to join 'local panels when established'. Since Covid several senior level people had returned to the region and could provide a completely different perspective. It was confirmed that although the detail of a lot of the institutions was still to follow they would need to be monitored to see how the agenda could be pursued. Finding ways for the business voice to be articulated at an appropriate level was absolutely the right thing to do.

The Chair confirmed that there was a level of Board support to carry on and that the Board should be updated as things developed.

Helen Golightly informed attendees that she had regular meetings particularly with BEIS officials in terms of what that meant. One of the key things for the team, not necessarily a strategic perspective, was trying to understand the detail that sat behind the LEP Review; further information was still awaited on this. This was important for the team but also strategically in terms of how the North East LEP positioned its role and responsibilities moving forward with devolution etc.

**RESOLVED – That Board members:**

- **Noted and discussed the content of the Levelling Up White Paper set out in the attached briefing paper, noting that more information would be presented at the meeting**
- **Discussed and supported proposed actions as set out in 2.5**

**8 GREEN SKILLS BOOTCAMPS**

Skills Bootcamps aimed to secure benefits for adults by giving them access to in-demand skills training and a guaranteed interview for a more sustainable, higher-skilled job and higher wages over time. The benefits for employers included helping

them fill specific skills shortage vacancies, enabling them to become more productive, more quickly.

The Department for Education was interested in testing models where employers were directly involved in the delivery of Skills Bootcamps and prospective providers were required to demonstrate extensive evidence of employer involvement in the design and proposed delivery of their Skills Bootcamp provision. This could include involvement in the provision of behavioural skills support, work experience, coaching and mentoring, or the delivery of content.

All Local Enterprise Partnerships (LEPs) had been invited by the Department for Education (DfE) to submit proposals to deliver Skills Bootcamps across their area, based on analysis of skills demand in specific sectors or by specific employers.

During the discussion on the report the following comments and points were raised:

- The North of Tyne Combined Authority (NTCA) cabinet papers for a meeting the following week included a report on bootcamps. It was confirmed that NTCA provision was slightly more generic and its application was for a broader remit based on intelligence from its adult education budget provision. The LEP's was much more specific and potentially a deeper dive into some very niche areas that needed to be pump primed. The LEP would also be delivering across the whole region and the two areas of work were not competing or duplicating with each other.

The Chair commented that the approach looked terrific and that she really liked the focus on green skills – this was really important for the area. She hoped there would be good news on this in due course. It was hoped that a decision would be provided any day now.

**RESOLVED – That the Board agreed to:**

- i. **Note the details provided in the paper and the outline proposal for Green Skills Bootcamps.**
- ii. **Confirm approval and authority to commence the procurement process that would determine the appointment of the North East Local Enterprise Partnership (North East LEP) Green Skills Bootcamp delivery partners, via the North of Tyne Combined Authority procurement portal.**
- iii. **Confirm approval for delegated authority to the Chief Executive and NTCA's Interim Chief Finance Officer (section 73 officer) to enter into and approve two delivery contracts with the successful bidder, who would deliver skills bootcamps up to the value of £5m.**

**9 LEP BOARD MEMBERSHIP**

This report provided an update on the current LEP Board membership and the position of some private sector Board members whose current terms of office are coming to an end.

There were three Board members whose two terms expired in April 2022 and one LEP Board member whose two terms would be up in November 2022. The Board

was asked to support that the Chair contacted each of the four members to ascertain their appetite in extending their Board membership for a period and no longer than a third term. This would allow for the LEP Review to report fully, and for the LEP Board to understand if Government was placing any criteria around the makeup of future LEP Boards.

The Chair would report back formally on the discussions to the next meeting of Board.

During the discussion on the report the following comments and points were raised:

- One of the Board members who was impacted by this was happy with the approach as there would be change which needed to be taken into account. However, it would be good to start early conversations with the business organisations community who might be interested.

**RESOLVED – That the Board:**

- 1. Agreed that the Chair had a conversation with the four members to ascertain their appetite in extending their Board membership for a period, up to a third term, and:**
- 2. Delegated authority to the Chair, in liaison with the three Vice Chairs, to extend the terms of the four Board members up to a further term.**

**10 CHAIR AND CHIEF EXECUTIVE UPDATE**

Noted.

**11 ANY OTHER BUSINESS**

The Chair placed on the record her thanks to Councillor Nick Forbes, Leader of Newcastle City Council, who was standing down in May.

She went on to thank the Executive Team for their delivery of recent high profile events including the National Careers Week launch event, the North East Energy Catalyst Summit and the inward investment team working with Lockheed Martin.

Helen Golightly advised Board members that the Executive Team would be working to a hybrid model from next week, with the team choosing to work from home and / or in the office.

There was some discussion around the possibility of the Board and sub boards meeting in person going forward. The suggestion of meeting in buildings that were LEP funded projects was strongly supported.

**12 DATE AND TIME OF NEXT MEETING**

Thursday 19 May 2022 from 5:00 – 7:00pm