

LEADERSHIP BOARD

**Meeting held at Cavendish House, Stockton
at 2.00pm on Wednesday 23rd January 2013**

ATTENDEES

Sandy Anderson (SA)	Chair
Bob Cook (BC)	Leader, Stockton on Tees Borough Council
Bill Dixon (BD)	Leader, Darlington Borough Council
George Dunning (GD)	Leader, Redcar & Cleveland Borough Council
Ian Kinnery (IK)	Independent Advisor, Team Massive Results
David Robinson (DR)	Group Chief Executive Officer, PD Ports
Dave Stubbs (DS)	CEO Hartlepool Borough Council
Ada Burns	CEO Darlington Borough Council
Stuart Drummond (SD)	Mayor, Hartlepool Borough Council
Alison Thain (AT)	Board Member One North East and Chief Executive, Fabrick Group
Alastair MacColl	Chief Executive, BE Group
David Soley	Executive Chairman, Tenergy, Wilton Group, Camerons Brewery, ERS
Paul Booth (PB)	President, SABIC UK Petrochemicals
Ray Mallon (RM)	Mayor, Middlesbrough Borough Council
Gill Rollings (GR)	CEO Middlesbrough Borough Council
Neil Schneider (NS)	CEO Stockton on Tees Borough Council
Margaret Coates (MC)	BIS
Neil Kenley (NK)	Tees Valley Unlimited
Linda Edworthy (LE)	Tees Valley Unlimited
Stephen Catchpole (SC)	Tees Valley Unlimited

1.	<p>CHAIR'S WELCOME</p> <p>SA opened the meeting and welcomed Jonathan Blackie who is to give a presentation on independence for Scotland.</p>
2.	<p>APOLOGIES</p> <p>Professor Graham Henderson, David Curtis, and Amanda Skelton.</p>

3.	<p>CONFLICTS OF INTEREST</p> <p>None</p>
4.	<p>MINUTES OF PREVIOUS MEETING AND MATTERS ARISING</p> <p>Agreed. Matter arising, the HCA Investment Plan – SC informed the group that TVU is working with the Local Authorities to draw up a series of schemes that we can put into a Forward Plan. Draft prepared that will be discussed at a 5pm meeting today. Looking at potential of £100 million. The pipeline of investments will be looked at by HCA Steering Group and Stakeholder Groups. This includes submissions from each of the Local Authorities. Outputs still to be put in. A Strategic Plan will be prepared in collaboration with the Local Authorities.</p>
5.	<p>PRESENTATION BY JONATHAN BLACKIE ON INDEPENDENCE FOR SCOTLAND</p> <p>Jonathan gave a presentation to the Board on the implications of increased devolution or independence for Scotland and what this could mean for the North of England. This research is being carried out by Northumbria University, Durham University and IPPR North funded by ANEC. Various comments from the group were fed back to Jonathan. Jonathan has been undertaking interviews and round table events in Edinburgh, Carlisle and Durham to bring this work together and will invite SA/SC and the Board to a final round table event in London. ANEC to take the research forward. The presentation concluded SA thanked Jonathan for his presentation.</p>
6.	<p>RAIL DEVOLUTION</p> <p>AB gave an update to the group on this item. Key points to add to the report:</p> <p>Infrastructure and governance in place to oversee the technical work and to ensure lead through to ANEC Leaders and Mayors Board. Funding in place from the NESTI fund to underpin this work. Key workstreams to take place, need to be clear what specification is from a NE perspective regardless of what model of franchise we are part of. No extra money available in the franchise, Government has ambitions to deliver franchise for less. Messages suggest there are significant efficiencies to be gained from a refranchising operation. AB felt Tees Valley in a strong position across the NE because of work done on Tees Valley Metro. Working on detailed specification and governance models. Indication from DfT that they are keen to see NE have high degree of autonomy over local rail services. Discussions ongoing. Rail in North England have issued a draft prospectus. AB feels we are currently in a stronger negotiating position.</p> <p>Second key point – what does the Business Unit mean and where will the risks lie, to what extent will the Local Authorities/LEPs be asked to shoulder risk around the franchising. This will determine if the prize is worth it.</p>

	<p>Key meeting in Leeds on 4th February, the meeting will be looking for in-principle support for the model. Meeting of the Strategic Rail Group on Friday to brief Leaders who will be attending 4th February meeting. At this stage AB felt we would be keeping our options open until we have more of the detailed technical work done. This does present opportunities for the Tees Valley and hopefully they can be realised.</p> <p>SA concluded that the prize for us is to have control to improve our rail services.</p>
7.	<p>LOCAL MAJOR TRANSPORT FUND ASSURANCE FRAMEWORK</p> <p>LE updated. The Government has decided to devolve local major transport funding to LEPs from March 2015. We would want to do this at a Tees Valley level. Attached to report is a draft Assurance Framework, we are still receiving comments on this framework which will be submitted end of February. News story of an allocation of £1.1 billion over a 4 year period, our share £15.9 million. Four areas, Greater Manchester, West Yorkshire, Sheffield City Region and the West of England will get a 10 year allocation based on their City Deal. The Leadership Board will become the Local Transport Body and the Transport Infrastructure Group would make recommendation to this body. We would need to come up with a list of priority schemes by July. LE feels we are well placed locally to do this following the support of the Local Authorities over the years. There will be a need to buy in some additional support, particularly in relation to due diligence. Some help available from DfT in the first year, £5 million nationally. Today at this meeting we are looking for support for the Draft Assurance Framework.</p> <p>SA asked if the group were happy to support and become the Local Transport Body. No objections raised.</p>
8.	<p>TVU PROGRESS REPORT</p> <p>SC took the group through the progress report and asked for 2 dates to be noted, the Budget Live event on 20th March and Tees Valley Business Summit 4th July. SC also updated on the Skills event held in December. Good feedback has been received and the sponsors are keen to sponsor again. DR asked for more private sector companies to be involved at the next event.</p> <p>SA raised as a general note communications and what we are producing not getting out to the general population. SC said we could look at this at the Communications Group how we get information out to the public. Following last week's Leaders and Mayors SC has prepared a simplified note on the City Deal.</p>
9.	<p>OIL AND GAS CONSULTATION – INDUSTRIAL STRATEGY</p> <p>NK introduced this item and said it was information for the Board. The report is a first draft response to be submitted by 31st January. We have consulted the oil and gas sector and are working with NOF Energy and meeting companies. PB and DS to pass comments to NK on the draft.</p>

<p>10.</p>	<p>LEP CORE FUNDING</p> <p>LE informed the Board that the Government recognises that LEPs need more funding. The LEP has been given £125,000 for core operational needs, this money can be carried over to the following year. There is the opportunity to secure £250,000 for 2013/14. The report has notional allocations put up for discussion with partners as we move forward. To secure the £250,000 we have to submit our Growth Plan, we have therefore submitted our Statement of Ambition, Progress reports and Business Plan to show we have the strategies in place. We have received no response as yet. We have to provide by the 15th February a notional breakdown on how we will utilise the money. This money cannot be used as substitute funding, it has to be additional activity. Not committing today to spending this money, it is an indication to Government how we might spend the money.</p> <p>SA clarified with LE that this is a broad proposal.</p> <p>SC acknowledged we should have consulted on this earlier but because we have to submit by February it has been brought to the meeting today whereas normally we would go through a more detailed process. The categories in the submission may change.</p> <p>NS informed that a thorough financial plan will be brought to the July board.</p> <p>SA said the basis of today's report is to get us through the door, asking if the group happy to accept this. The Board agreed that the requisite match funding would be authorised.</p>
<p>11.</p>	<p>NEA2F REGIONAL CONSULTATION</p> <p>SC informed the Board of a £140 million legacy fund coming back into the region from funds of One NorthEast. NEA2F has been set up to administer the reinvesting of these funds. NEA2F have held a consultation event in Newcastle and they were to do likewise in the Tees Valley last night but it was postponed due to the weather. SC had a meeting with NE LEP this morning to set some markers and went through the key points of the meeting. Awaiting proposal in the next 2/3 weeks, SC suggests this goes to NS's Investment Panel, coming back to Leadership Board in April. There may be a need for a Special Leadership if it is to be launched in March. Overall we are looking at a substantial amount of money coming into the area for investment.</p> <p>SA concluded that this is an interim report, still in negotiation, the proposal will go through the Investment Panel and Leadership Board.</p>
<p>12.</p>	<p>PANEL REPORTS</p> <p>Transport Infrastructure Group – DR Rail – spending review period 5 – more work to be done on capacity for rail in next 6/12 months.</p>

Broadband – process has gone out to tender, closing date March 2013. One bid received. Plan to be rolled out over next 18 months. Definitive view by end of March, 6/9 months for the scoping of projects, to be delivered in 2014. LE informed of priority on EZ sites and rural communities, a lot will depend on detailed negotiations.

Airport – embarking on a new business strategy.

Economic Group – DS

DS chaired the last meeting in the absence of PB.

DS spoke of the attendance at this group, which started as a large broad spectrum, same people attending, need a few more people who can deliver.

Communication to businesses.

Presentations on wind energy, motor industry, call centre problems.

DS highlighted a gap between funding that is available and SME's awareness of funding. Need to get this message across.

Need to spend more time on the energy sector – off shore, new technology. Lot we can do. Meetings with the University, pot of money available, we have seen what the University has done with digital, lets see if we can get some success on new technology.

This area has in the past played a substantial part in offshore structures, now need to look at decommissioning.

Marketing/Sales – who champions us? DS spoke of Stan Higgins and the Indian Mission. Felt this was an approach we can benefit from.

Employment and Skills – IK

Meeting on 8th January, IK distributed an update.

Presentation at meeting from Denis Hall on TVU Chemical Process Sector 21st Century video. Two points to raise from Denis's observations. When surveying the public, the public thought ICI still one of the area's main employers, this highlighted the communications/awareness challenge we face. Also, more foreign graduates hungry to work in this area than local graduates.

Skills event in December – 2,000 visitors IK acknowledged need to commit to annual event, plan early, with more input from the private sector, but it was a good start.

Place – AT

Finalising the studies into development of former HMR sites, reviewing suitability of asset backed vehicles and joint ventures, and community land trusts to achieve regeneration. Looking at a launch conference, at Fabrick

	<p>Offices, to re-engage with the private sector, to give us a platform to take forward.</p> <p>AT asked LE about replacement for Rachel Ford. Interviews to be held on Monday.</p> <p>Investment Panel – NS Covered in the meeting. More updated version of Investment Plan being prepared.</p> <p>Communications SC updated. Putting out work plans to build up local communications, looking at lobbying Parliament, attracting foreign companies/promotion abroad. To bring Plan back to next meeting.</p>
<p>13.</p>	<p>AOB SA congratulated PB on his award of the OBE in the New Year’s Honours List.</p> <p>Next meeting 24th April, although a Special Leadership may have to be convened before this date for the transport funding issue.</p>