



# Notes of Meeting

## LEADERSHIP BOARD

Meeting held at Cavendish House, Stockton  
at 3.00 pm on Monday 16<sup>th</sup> December 2013

### ATTENDEES

|                        |  |
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| Sandy Anderson (SA)    | Chair  |
| Nigel Perry            | CPI  |
| David Robinson (DR)    | CEO PD Ports   |
| 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                        |
| Ada Burns (AB)         | CEO Darlington Borough Council                                   |
| Ray Mallon (RM)        | Mayor, Middlesbrough Borough Council                             |
| Graham Pendlebury (GP) | DfT (LEP Sponsor)  |
| Tim Grant (TG)         | Principal, Darlington College                                    |
| David Soley (DS)       | Executive Chairman, Tenergy, Wilton Group, Camerons Brewery, ERS |
| Amanda Skelton (AS)    | CEO Redcar and Cleveland Borough Council                         |
| Gill Rollings (GR)     | CEO Middlesbrough Borough Council                                |
| Dave Stubbs (DSt)      | CEO Hartlepool Borough Council                                   |
| Anne Mulroy (AM)       | HCA  |
| Neil Kenley (NK)       | Tees Valley Unlimited  |
| Linda Edworthy (LE)    | Tees Valley Unlimited  |
| Stephen Catchpole (SC) | Tees Valley Unlimited  |

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| <b>1.</b> | <p><b>CHAIR'S WELCOME</b></p> <p>SA opened the meeting and welcomed Nigel Perry to his first meeting of the Leadership Board and Peter Nears and Anna Benksy, Peel to give a presentation to the Board.</p>  |
| <b>2.</b> | <p><b>APOLOGIES AND MINUTES OF PREVIOUS MEETINGS</b></p> <p>Councillor Christopher Akers-Belcher, Alison Thain, Alastair MacColl, Professor Graham Henderson, Paul Booth, Margaret Coates, David Curtis.</p> |

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|           | Minutes of previous meetings agreed.   |
| <b>3.</b> | <p><b>CONFLICTS OF INTEREST</b></p> <p>Councillor Bob Cook and Councillor George Dunning declared an interest in the Airport.</p>  |
| <b>4.</b> | <p><b>PRESENTATION BY MR PETER NEARS, STRATEGIC PLANNING DIRECTOR, PEEL ON THE DTVA MASTER PLAN</b></p> <p>Sandy introduced Peter Nears (PN) from Peel to give his presentation. PN thanked SA and SC for the invitation and circulated copies of his presentation, the consultation draft summary and recent press coverage relating to regional airports in the UK.</p> <p>PN said people will be aware the airport is in a difficult situation. Peel has had to make structural changes and are looking to focus on key sectors which are important to the economy and the Tees Valley, in particular with the passenger operators KLM and Eastern Airways, to have a clear business focus within the airport to develop the ability to move forward through the development of assets and that is the Plan. PN then took the group through the slides of his presentation.</p> <p>PN has had a meeting with NK prior to the Leadership Board to discuss stepping up marketing with the operators. Peel are also engaging with the public at a number of events.</p> <p>SA asked if anybody had any questions for PN.</p> <p>GD would be attending an industrial briefing group this evening that involves Huntsman, Sabic etc and asked PN how important the airport is to these companies.</p> <p>PN clearly recognises the importance of these companies to the airport, a lot of people come through the airport two or three times a week who have an association with these companies. The airport is to do a separate survey on car parking and will be doing more marketing in the new year.</p> <p>SA acknowledged that PN works closely with the Local Authorities, and PN passed on his thanks to SC and Rory Sherwood-Parkin for their involvement in the process to date. Peel will look at the results of the consultation in the new year, decide on what changes have to be made to the plan and drive it forward.</p> <p>SA thanked PN for his presentation.</p> |

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| <p><b>5.</b></p> | <p><b>CITY DEAL</b></p> <p>SC took the group through the events of last Thursday when the City Deal was announced and the group had seen the press releases. The City Deal will be signed in January. SC thinks it will be Greg Clark who will come to sign it and it will be an opportunity for Leaders/Mayors to sign the deal also. Hopefully it will be a better PR exercise than the announcement permitted. SC said it has been a long process since we submitted our Expression of Interest in January 2013 with a year of negotiation. The Deal is an interesting mix, some monetary considerations but longer term for example with the carbon capture storage it could have an enormous impact on our industries, recognising this as an area for green technology and getting UKTI to promote positively to unlock a lot more activity. Reaction to the announcement has been mostly positive. We can use the opportunity to sell the area when we have the signing ceremony. SC thanked LE and staff involved in this work.</p> <p>GD congratulated everybody involved.</p> <p>DR asked for more detail on the carbon capture and storage. SC provided a background, as part of the City Deal we are wanting to work with the big emitters to create an industrial scale park and we have been awarded £1m to work with the Government to look at the feasibility of carbon capture and storage, what is the most economic and efficient way of capturing CO2 and what do you do with it afterwards. The Study will look at the most effective and cost effective way of treating this. In the future we will need help from the Government and the private sector to implement it. The Study has to be commissioned and could take 9/12 months to complete.</p> |
| <p><b>6.</b></p> | <p><b>RGF4</b></p> <p>NK updated on the work we have been involved in. Nine companies submitted applications with a total capex of £472m, the RGF ask is £42m. The combination of jobs created/safeguarded is 1900. NK said we have had to convince companies to submit applications, there are potential changes to State Aid Rules in July 2014 which could preclude the large companies. The overall message is that it will be a great result if these projects get supported by RGF.</p>  |
| <p><b>7.</b></p> | <p><b>ACCESS TO FINANCE</b></p> <p>SC gave an update on the current discussions with the North East LEP on establishing a future regional access to finance fund supported by ERDF, legacy monies and EIB funds. The current JEREMIE fund runs out in 2015, therefore we have to have a fund in place to replace this. SC explained we have to be clear what size fund we are going to support, our contribution will be a quarter, made up of ERDF/EIB loan. We want to see a 25% return being used for companies in our area, because we</p>   |

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|                  | <p>are a transition area we cannot spend money on companies outside of our area. Slight complication in the running of the fund is Durham's position, a transition area as well. Detailed discussions will take place regarding the make-up of the fund and it has been suggested a project board is set up. There needs to be a view that both LEPs agree on and understand how the fund will be made up. This will be backed up by a Demand Study. With regards to the project board, it has been suggested North East Finance be engaged, it makes sense to have experts who have experience helping us. There is further work to be done on the fund for e.g. procurement but the real issue is how do we pay for it before the fund actually comes into being, we are talking in the region of £1.5/2m start up costs. We are suggesting existing legacy monies/single pot monies that have come back as legacy monies are used for the start up costs/fees for the new fund. Government support is required and letters seeking their agreement are being prepared. We will be taking on specialist advice very soon. A report will be submitted to both LEP Boards in January.</p> <p>SA acknowledged SC has been working on this for some months, the marketing is important and more detail will be available in January.</p> |
| <p><b>8.</b></p> | <p><b>INFRASTRUCTURE PLAN</b></p> <p>LE introduced the item. The Infrastructure Plan is nearing completion, it is a web based document that is changing on an ongoing basis. The updated document has gone to the Investment Panel and TIG group for discussion and we are close to the final version. This document fits into the Strategic Economic Plan identifying barriers/pinch points to economic growth opportunities, and elements across transport, including public transport, rail/freight, port, the utilities, water, energy and broadband, looking at them in the short, medium and longer term to ensure we understand the infrastructure needed for our growth opportunities.</p> <p>DR advised it has taken 15 months to get to this position working with the statutory authorities, Highways Agency/Network Rail.</p>  |
| <p><b>9.</b></p> | <p><b>TEES VALLEY STRATEGIC ECONOMIC PLAN</b></p> <p>LE advised this is a requirement of Government and this document takes our Statement of Ambition to the next level indicating the short, medium and longer term priorities and is a key lobbying document to deliver our strategy and Statement of Ambition. It is also a Growth Deal document, inviting the 39 LEPs to go into a Growth Deal, working on the Asks of Government. Draft to be submitted 19<sup>th</sup> December and the final draft in March. By July 2014 we will know what our deal is. The report has gone out to the Local Authorities, Investment Panel/private sector members but it does change on a daily basis. We have invited partners to submit proposals, there is a spreadsheet available if anybody wishes to see it</p>  |

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|                   | <p>but a robust process is in place. It is a bid, there are no guarantees all projects will be funded. We do not know what approach Government will take, we are waiting on a letter regarding guidance. A lot more work still to be undertaken.</p> <p>SA asked if everybody was generally happy with the approach. Yes.</p> <p>Graham Pendlebury gave an insight into what will happen in Whitehall when the document is received on the 19<sup>th</sup> December. He thought Greg Clark would run this in a similar manner to the City Deal, once read they would identify common themes and which departments to be brought in, it would be divided up between Ministers with challenge sessions etc. He said the fundamental thing is that it is a coherent vision for the Tees Valley, that it is authentic and deliverable. On the guidance issue Graham was not sure, some guidance may come out in the new year. Graham thought we had a good detailed document but lacking in colour, a bit wordy, the initial impression is important.</p> <p>LE said work is still ongoing on the thematic/visualisation of document.</p> <p>The Board agreed to delegate any changes/additions to the Chair and Managing Director.</p> <p>SA thanked Linda and team for their hard work.</p> |
| <p><b>10.</b></p> | <p><b>UPDATE ON THE EUROPEAN STRUCTURAL AND INVESTMENT FUND STRATEGY</b></p> <p>Task and Finish Groups have been held over the last 2 weeks, groups looking at the approach to be taken, looking at themes, what the most appropriation mechanism is i.e. open calls for projects or commission the activity, identifying key priorities, and examining match funding opportunities. Ongoing discussions with opt-in organisations e.g. the Big Lottery. Discussions/investigations to pursue social housing finance engineering instrument, discussions also with the European Bank. LE said this is still very much a work in progress. To be submitted in January 2014. An Executive Summary will be prepared. The feedback from Government has been very positive.</p>  |
| <p><b>11.</b></p> | <p><b>CHAIRS' UPDATES</b></p> <p><b>David Soley – Economic Development Group</b></p> <p>The group discussed SME growth, exports, RGF, Contract Catalyst. There was a presentation from Stockton on Retail/Town Centre Development. At the next meeting in January there will be three</p>   |

presentations, one on fracking, a presentation from Darlington on Retail/Town Centre development and a presentation from the CEO of Lloyds. Handelsbank will attend a future meeting also.

TG informed of discussions with the North Yorkshire LEP, working with small businesses on the quality of business plans and how to write better business plans. May be something our colleges can do.

### **Ian Kinnery – Employment and Skills Group**

Reviewed the draft skills strategy, following this there will be an Action Plan at the next meeting.

Discussed the City Deal, European Funding update and the Growth Strategy.

The next meeting in January will be looking at implementation of the City Deal moving forward.

SA enquired about the £7m from City Deal. LE said we should receive final offer by middle of January. To deliver a minimum of 700 jobs.

### **David Robinson – Transport and Infrastructure Group**

Roads, two pinch point schemes starting in January.

Lot of work around rail, number of projects with Network Rail.

Focus around East Coast/refranchising – various sessions planned, will keep pushing for improvements.

ECML timetable – move forward with Government.

Update on Banktop Station.

Broadband rollout, moving forward, it is making progress, starting to see rural/EZ sites getting connected.

DR had received a briefing from the Environment Agency on the tidal surge on 5<sup>th</sup> December, although some parts flooded we came out of it quite well.

Infrastructure Plan

SA mentioned the funding announcement that has been made regarding the A67/Carlbury.

### **Anne Mulroy – Place Group**

Place Group has been discussing the role and functions of the group. AT and AM have been meeting with Linda to discuss.

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|            | <p><b>Neil Schneider – Investment Panel</b></p> <p>Much of what Investment Panel has been discussing has been on the agenda of Leadership Board today.</p> <p>NS updated on scheme that the Environment Agency will begin work on next year.</p>   |
| <b>12.</b> | <p><b>AOB</b></p> <p>None</p> <p>GP asked LE if she had received feedback from the Cabinet Office Implementation Unit. LE said no but GP said TV had received a very good write up and TV came out of it well.</p> <p>The next meeting is the 22<sup>nd</sup> January 2014.</p> <p>SA wished everybody a Happy Christmas and New Year.</p> |