

## LEADERSHIP BOARD

Meeting held at Cavendish House, Stockton  
at 2.00 pm on Wednesday 28<sup>th</sup> January 2015

### ATTENDEES

Sandy Anderson (SA)	Chair
Councillor Bill Dixon (BD)	Leader, Darlington BC
Ray Mallon (RM)	Mayor, Middlesbrough BC
Councillor George Dunning (GD)	Leader, Redcar & Cleveland BC
Councillor Bob Cook (BC)	Leader, Stockton on Tees BC
David Soley (DS)	Executive Chairman, Tenergy, Wilton Group, Camerons Brewery, ERS
David Robinson (DR)	CEO PD Ports
Professor Graham Henderson (GH)	Vice Chancellor, Teesside University
Paul Booth (PB)	President, Sabic UK Petrochemicals
Martin Raby (RB)	Principal, Cleveland College of Art and Design (FE+ representative)
Margaret Coates (MC)	Policy Advisor BIS
Ian Kinnery (IK)	Independent Advisor, Team Massive Results
Rob Mitchell (RM)	Redcar and Cleveland Borough Council
Denise Ogden (DO)	Hartlepool Borough Council
Mike Robinson (MR)	CEO Middlesbrough Borough Council
Paul Dobson (PD)	Stockton on Tees Borough Council
Ian Williams (IW)	Darlington BC
Linda Edworthy (LE)	Tees Valley Unlimited
Stephen Catchpole (SC)	Tees Valley Unlimited

<b>1</b>	<p><b>Chair's Welcome</b></p> <p>SA opened the meeting and welcomed David Laws, President, North East Chamber of Commerce to the meeting.</p>
<b>2</b>	<p><b>Apologies</b></p> <p>Alastair MacColl, Christopher Akers-Belcher, Nigel Perry, Amanda Skelton, Alison Thain, Anne Yare, Neil Schneider, Ada Burns, Dave Stubbs.</p>
<b>3</b>	<p><b>Conflicts of Interest</b></p> <p>None</p>

4	<p><b>Minutes of previous meeting</b></p> <p>Agreed</p>
5	<p><b>Presentation by David Laws, President, North East Chamber of Commerce</b></p> <p>David Laws introduced himself to the Board and circulated copies of the North East Chamber of Commerce's 2015 Manifesto and a Commemorative bicentenary supplement 1815 - 2015. A video was played which has been made to celebrate 200 years of North East business. David gave his presentation. Today the Chamber has 4,000 members and is the only region wide chamber. David spoke of the work of the Chamber and UKTI to support business and helping them to diversify, it is an active lobbying organisation/very proactive. The Quarterly Economic Survey has shown positive results and members are looking to recruit, especially full time and permanent. David also spoke of the challenges facing the region with regards to devolution but the English devolution agenda presents a unique opportunity for our region.</p> <p>GR asked David about the steel industry. David felt the traditional industries are still very important to the region, as a region we do not want to give anything up.</p> <p>SA made the observation that access to finance has been replaced by skills as a main complaint, how do businesses see themselves having a responsibility to train. David felt a survey was required to let providers know what we are looking for. He spoke of the good work between Nissan and Gateshead College. He felt the skills shortage is about businesses identifying the shortage. David's concern was changes to funding for training, more difficult to get funding.</p> <p>PB raised connectivity for the SME community. He thought a survey could form a collective view on how to work in a collaborative way to deliver training. David said we have to understand what people want over the next 3, 5 and 10 years. The bigger companies might know but the Chamber is working with SMEs and FSB. The Chamber has to encourage CBI/and other federations to work together, to take a share of the responsibility. David felt we had to look at the training angle not just skills.</p> <p>DS acknowledged the work of the Chamber and asked David about the average profit of the Chamber's 4,000 members. David to find out this information for DS but spoke of the Presidents club (which is for the larger members) which is over 200 strong membership, but said there is a need to do something for the smaller entrepreneurs. DS said 85% of SMEs do not trade out of the region. David said the Chamber will see how they can assist.</p> <p>David thanked the Board for the opportunity to speak at the meeting, Mike Matthews of Nifco will shortly be taking over the presidency from David.</p> <p>SA thanked David for his presentation.</p>
6	<p><b>Presentation FE+</b></p> <p>Martin Raby said the FE+ Principals were thankful for the opportunity to speak at the meeting today, keen to have a closer involvement with TVU.</p> <p>Zoe Lewis, Kate Roe, Darren Hankey, John Chance and Phil Cook joined the meeting to give a presentation from FE+. The Principals introduced themselves and Phil thanked the Board for the unique opportunity to speak to the Board today and for all the Principals to be in attendance also. Points raised:</p>

- The make-up of the college Boards and this being a foundation for informed partnership/collaboration.
- Government priority is job outcomes, business critical for every college. Kate Roe is leading on a group focusing on inward investment.
- Funding for 16/17 years capped at 600 hours. A fabricator cannot be trained including English and maths in 600 hours, need 700 – 900 hours.
- 20% fewer adults next year who can be retrained due to budget cuts

GR asked a question on responsibility for the skills shortage. Darren Hankey acknowledged the problem and the need to do better in certain aspects. There is a need for employers to work together to help stimulate and create demand, workforce development could be better.

Denise Ogden asked if we became a CA what changes would the FE+ want going forward?

Zoe informed discussions have already taken place, between them they are responsible for half the 16/19 market on Teesside and a quarter of the adult market. She felt FE can contribute to the LEP/CA, can play a role in overcoming barriers. They have a lot of practical solutions to offer to shape a cross Tees Valley skills strategic vision.

MR – Ofsted a key driver, focused on performance that can be a wedge between collaboration. How would FE+ deal with this?

Kate Roe –the colleges work to be proactive between them, collaboration is important, structures in place, they provide a broad range of subjects, the Colleges are not in competition.

DR – asked how they saw the LEP Board and policy changes. What role can the LEP play?

Darren felt in terms of devolution/powers/funding to the LEP it could be an opportunity for an environment that can provide stability, collective lobbying/influence.

Martin Raby – said a letter has been sent to MPs, awaiting a response. Felt TVU can partner FE+ in lobbying to have a greater impact.

Kate felt FE+ required clarity about labour market and the LEP's help to reinforce messages, there are project areas where the LEP can help.

RM – what do colleges need from employers/secondary schools/TVU to enhance base? What are the 'top 3' asks of the colleges?

Darren wanted employers to work closer together, clearly indicating what the skills needs are and felt TVU could be a catalyst.

SC asked the Principals to tell us how collaboration can lead to:

- better use of smart specialisation
- reduction of overlap
- improving the performance of the young people

**Action: Principals to come back to the LEP Board or via Stephen with some simple asks.**

7	<p><b>Combined Authority/LEP Arrangements</b></p> <p>Rob Mitchell updated the group on the consultation, 1800 responses, 1586 residents, 64% agree/27% disagree. Consultation closes this weekend, a summary report will be prepared for all LA cabinets with the results asking for endorsement. The CA will go before both Houses of Parliament.</p> <p>SC followed up by saying this is an opportunity to look at the make-up of the LEP, the membership, how supporting groups may change, how the LEP will slot alongside the CA and be ready and fit for purpose. SA to be supported by AMc in carrying out a review.</p> <p><b>Action: Board in agreement for SA with support from AMc to carry out a review.</b></p>
8	<p><b>ESIF Update</b></p> <p>SC took the group through a presentation of the European Structural and Investment Fund allocation which totals approx. £186 m. Also discussed the governance of the LEP Area ESIF sub committee (managed by DCLG). The EU has not yet signed off the operational programme. Whilst responsibility rests with DCLG the latest discussions between Government and Europe leave it unclear as to what role the local area will play in influencing decisions. It will be extremely difficult if we have no influence to stand by our targets. The Operational Plan to be agreed in principle in February, enabling some open calls to go out in March. If they do go out in March they are likely to be very generic. SFA match is now unlikely and we need to have a Plan B with DWP. More information may emerge over the coming weeks.</p> <p>MC said Government is still committed to the localism agenda and still negotiating with the Commission. She supported the idea of continuing work as we are doing.</p> <p><b>Action: SC agreed to keep Board Members informed.</b></p>
9	<p><b>LGF Update</b></p> <p>Projects for 15/16 going through due diligence (3 so far approved) and the rest are moving along nicely. Press release announcement expected tomorrow regarding 16/17 onwards. We have £14 m additional funding for Tees Valley.</p> <p>MC informed there will also be a letter/formal notification from Sir Bob Kersdale setting out the projects.</p>
10	<p><b>DigitalCity update</b></p> <p>Update on DigitalCity, report prepared by Middlesbrough BC. SC explained the existing money source, how in the short term we need to invest. Page 8 of the report explained the contributions to be made from TVU/LAs/ERDF/Private Sector. A short term action plan proposes the project is extended until 30<sup>th</sup> September 2015 thus providing the opportunity to deliver further business activity in the 5 Boroughs and fully develop a new unified DigitalCity programme, commencing October 2015.</p> <p>GH highlighted what the project has achieved, creating a whole new industry. Agreed with SC the need to continue to support DC. Agreement in the meeting of the importance of DC for e.g. in retaining graduates, has the fast growing companies, investing in the project reaps dividends.</p> <p><b>Action: The Board noted DigitalCity's achievements and endorsed the provision of financial support to September 2015.</b></p>

11	<p><b>TVU Medium Term Financial Plan</b></p> <p>SC presented the Medium term which showed the money spent, balance and reserves going forward. A MTPF is prepared every 3 months, prepared by Stockton BC as the accountable body.</p> <p><b>Action: Recommendations noted</b></p>
12	<p><b>Jeremie 2 update</b></p> <p>SC presented and confirmed we want to be a part of Jeremie 2 but there is still much work to be done with further negotiations. We are keen to have our own ring-fenced fund. SC went on to explain other alternatives to the J2 which do not involve loan/equity and would not provide any legacy monies. He met with the Project team earlier this week and negotiations are to continue.</p> <p>SA reiterated we do not want a repetition of Jeremie 1 and could not understand why notional ring-fencing should present so much apparent difficulty.</p> <p><b>Action:</b></p> <ul style="list-style-type: none"> <li>a) <b>Noted progress on negotiating the principles of a JEREMIE 2 programme for 2014- 2020;</b></li> <li>b) <b>Supported the continued workings of the Project Board with a view to reaching a satisfactory conclusion for both LEPs, totaling £160m, resulting in an expression of interest submission to the European Investment Bank.</b></li> </ul>
13	<p><b>Rail Update</b></p> <p><u>HS2</u></p> <p>SC/DR and BD attended a meeting in York this morning with Sir David Higgins on HS2. BD was pleased with the outcome of the meeting, open to discussions, pushed Bank Top, east/west traffic across the mainline and east/west traffic generally across the region. The Leeds representative suggested a LEP Consortium. DR informed that Sir David Higgins felt HS2 should go to Newcastle to make it economically viable, which is good news for our area. SC felt there is a change of attitude towards us, we are being invited to talk, looking more optimistic.</p> <p><u>Transport for the North</u></p> <p>DR felt this will be a long game, we have to make sure our priorities are clear for the area. On electrification into Middlesbrough we are in the top 5 projects in England. We are engaged heavily and our priority is to lobby Government, DfT and the various executives. Preparing a report to DfT on the Transport for the North agenda, should be ready early March.</p> <p>DR has a meeting with the Rt Hon Patrick McLoughlin, Secretary of State for Transport next week.</p>
14	<p><b>Chairs' updates</b></p> <p><u>DR – TIG Group</u></p> <p>Roads – Pinchpoint projects coming to fruition in Hartlepool/Wynyard, also the widening of the A19.</p>

	<p>Energy Network, update on the Hartlepool Power Station.</p> <p><u>LE – Employment and Skills Group</u></p> <p>The group discussed Social Fund activity/ESIF/YEI initiative, deadline March 2018 to support NEETs.</p> <p><u>LE – Innovation Leadership</u></p> <p>The group is making sure we are ready to go with the calls.</p> <p><u>DS – Economic Development Group</u></p> <p>Meeting on 13<sup>th</sup> January dealt with:</p> <p>Stimulating growth in the construction sector.</p> <p>Presentation by CITB – there is confidence in expansion of jobs. CITB want to make a presentation to ELS also.</p> <p>Skills and the longevity of jobs, what jobs might be – to set up a task and finish group, looking at what to do, talking to developers.</p> <p>Hartlepool MasterPlan</p> <p>Grants – Compass/Catalyst update</p> <p>Mention was made by SC of a letter sent to Lord Livingston, Minister of State for Trade and Investment on the Tees Valley on securing contracts connected with the offshore wind industry and wanting to understand more fully how ‘UK content’ is to be measured and policed in line with the government’s expectations.</p>
<p><b>15</b></p>	<p><b>Any Other Business</b></p> <p>None</p>
<p><b>16</b></p>	<p>Dates of next meetings</p> <p>22<sup>nd</sup> April 2015</p>