

LEADERSHIP BOARD

Meeting held at Cavendish House, Stockton
at 2.00 pm on Wednesday 27th January 2016

ATTENDEES

Paul Booth	Chair TVU (Chairman of Sabic UK)
Councillor Sue Jeffrey (SJ)	Vice Chair, (Leader, Redcar & Cleveland BC)
Councillor Bill Dixon (BD)	Leader, Darlington BC
Councillor Bob Cook (BC)	Leader, Stockton on Tees BC
Councillor David Budd (DB)	Mayor, Middlesbrough BC
Alastair MacColl (AMc)	CEO, BE Group
Professor Paul Croney (PCr)	Vice Chancellor, Teesside University
Phil Cook (PC)	Principal, Stockton Riverside College (FE+ representative)
Margaret Coates (MC)	Policy Advisor BIS
Ian Kinnery (IK)	Independent Advisor, Team Massive Results
Amanda Skelton (AS)	CEO Redcar and Cleveland Borough Council
Mike Robinson (MR)	CEO Middlesbrough Borough Council
Neil Schneider (NS)	CEO Stockton on Tees Borough Council
Bill Carr (BC) for Naz Parker	HCA
Gill Alexander (GA)	Hartlepool Borough Council
Ian Williams (IW) for Ada Burns	CEO Darlington Borough Council
Neil Kenley (NK)	Tees Valley Unlimited
Linda Edworthy (LE)	Tees Valley Unlimited
David Robinson (DR)	CEO PD Ports
David Soley (DS)	Camerons Brewery
Katherine Cowell (KC)	BIS

1	<p>Chair's Welcome</p> <p>Paul Booth welcomed everybody to the meeting which is the final meeting of the TVU Leadership Board in its current form.</p>
2	<p>Apologies</p> <p>Christopher Akers-Belcher, Nigel Perry, Naz Parkar, Ada Burns, Alison Thain</p>
3	<p>Conflicts of Interest</p> <p>None</p>

<p>4</p>	<p>Minutes of previous meeting and matters arising</p> <p>Minutes agreed from previous meeting.</p> <p>Heathrow – letter of support sent to Heathrow re expansion and a response sent to Boris Johnson.</p> <p>Update papers on ESIF and LGF on the agenda today.</p>
<p>5</p>	<p>Live Work and Play</p> <p>NS introduced this item and reminded the group of the presentation made to the Board last year which had been well received. We now have to make it real, take forward and adopt with responsibilities. It lends itself well with the launch of the Combined Authority. There are one off costs to enable it to be mainstreamed.</p> <p>SJ asked how it links in with SEP. NS replied is it more about placed based issues, does not hinder the SEP.</p> <p>AMc questioned the limited resource available to make it happen but acknowledged the great approach taken.</p> <p>NS said we have a modest resource commitment to enable key priorities to be addressed, and suggested feeding back to another meeting if needed.</p> <p>DS spoke of the need to embrace it but felt there was not too much emphasis on inward investment but accepted it was a ‘place based’ document to support more business focused approaches.</p> <p>Action: To adopt and resource the plan, and to feedback if resource proves too demanding.</p>
<p>6</p>	<p>SSI Update</p> <p>Update from AS. In the past 4 months we have moved on from plan to delivery phase. The Task Force has gelled well as a team and the LEP Board is well represented. Around £40m has been drawn down from central Government with high level discussions taking place about resources. Additionally £10m has been paid out by Government to former workers in redundancy payments. Short of £80m but still a considerable resource. AS circulated a 1 page hand out showing what the money has been spent on.</p> <p>92 people currently working on site from the original 300, they are employed by the Official Receiver providing essential work on site/maintenance.</p> <p>The crisis has had a visible impact on place, Redcar High Street has lost Marks and Spencer, the Yorkshire Trading Company, the Clarendon Pub, and it has had a much wider impact other than the SSI workforce.</p> <p>AS pleased with the programme, still an enormous amount of work to do but very early days. Lot of detailed conversations re site, Official Receiver to be on site a few more weeks, a holding company will manage the site on an ongoing basis with funding. Questions still remain on what kind of regeneration vehicle could be established, marketing the site, long term clean up, so we can develop for the future, make sure there is adequate local control but financial support from Government. The Task force also has to consider when to bid for additional money, what to make sure we do. Turning attention to that, what to bid for next short term, making sure that the money which is available is accessed by businesses/individuals with marketing/publicity to remind that help is available to apply for. The Task Force is learning through process, breaking down barriers, i.e. skills development/training.</p>

	<p>Courses available, colleges working together well. We have to make sure the learning isn't lost that it is shared with others.</p> <p>BC asked for a timescale on keeping the site safe and that those people still on site are not being disadvantaged regarding training/redundancy payments. AS said through JCP these people are not being disadvantaged, still a number of people required on an ongoing basis to keep the site safe and secure.</p> <p>DR informed that the crisis has had a 30% impact on PD Ports. He asked for clarification on whether 50% of the workforce had found jobs.</p> <p>AS thought this was an exaggeration, some had found temporary Christmas jobs, some had retired early. She felt these figures will fluctuate but wanting to continue to support these people so the support does not dry up.</p> <p>DR quoted a figure of 925 jobs lost in the supply chain, has this number been revised?</p> <p>AS spoke of the problem of keeping track of everybody, there has been a problem in data sharing between departments (HMRC, DWP), hoping to do a long term plan tracking every person in the fullness of time so we know what has happened to them.</p> <p>NK said initially TVU had contacted all companies affected to collect data, this is to be revisited.</p> <p>PCr enquired about the loss of revenue to the Council and if it had been addressed. AS explained the SSI bill is £10.9m, help available from Government but Redcar and Cleveland must step in to pay any shortfall, losing £3m a year. They will take a double hit in April, £6m down, money they will have to find from other places.</p> <p>SJ added cuts are already happening, spoke of the 100% business rates and the basis on which they are being calculated. Need to acknowledge more hits having a significant affect.</p> <p>PB acknowledged the best practice that is taking place which other regions could benefit from.</p> <p>PB asked AS to update on the Lord Heseltine review. Lord Heseltine is working to support the Tees Valley, it is having some early affect and positive discussions taking place locally. Early days yet but some really good dialogue. A report is to be produced in April.</p> <p>PB informed the group of a number of significant investments coming our way and spoke of a company interested in the Redcar SSI site. This company has also been approached by the Welsh Government so PB asking NK to organise a meeting with the relevant people. What ever the Welsh offer is the Tees Valley offer has to be better. NK said the Welsh Government can offer better grants, also spoke of the implications of State Aid.</p> <p>Action: NK to organise meeting with the relevant people.</p>
7	<p>Combined Authority Update/Devolution Negotiations</p> <p>SJ provided a verbal update and said she would circulate a note to the group.</p> <p>The Order establishing the Tees Valley Combined Authority is due to be debated in both Houses of Parliament in February and subject to approval should be established on the 4th April 2016.</p> <p>There is a fundamental agreement the CA/LEP act and work together to improve economic growth, we have a strong voice, and our proposal is founded on that.</p>

	<p>The CA will include the 5 Local Authority Leaders/Mayor plus Paul as the LEP Chair who will each have a vote. Other LEP members will be in attendance but do not have a vote. We have to work together, there is no blue print but there are decisions we need to make.</p> <p>SJ recapped on the Devolution Deal we signed on 23 October 2015 which covers a wide range of areas with £50m over the next 30 years. Areas covered are Adults Skills/Area Review, the Transport for North priorities and how we spend the £15m each year.</p> <p>Aware that more has to be done to bring people up to date, there are planned seminars in the local authorities but SJ stressed we are still going through the process of development.</p> <p>The Tees Valley Mayor will be elected on the 4th May 2017.</p> <p>BD updated on the transport side and the requirement for a Transport Committee which was part of the devolution deal. This work will run alongside what we have already. Chair/Leaders will each have a portfolio and will meet once or twice a year.</p> <p>PB informed the group that the Managing Director post and a Director of Transport and Infrastructure post are due to be advertised this weekend.</p> <p>PB reiterated that the CA Board and LEP will be one meeting with CA specific responsibilities / LEP specific responsibilities – still one meeting but split into 2 with changed responsibilities. The meetings will be public.</p> <p>DR updated on Transport for the North. There has been a series of events and a recent meeting with Chairman John Cridland and the new CEO David Brown. Jonathan Spruce our new Interim Strategic Transport Director was in attendance and he went through the strategy and key priorities/engagement and this had been well received. It was generally felt we are in a better place than 12 months ago. There will be a report into Government by March to be fed into the budget/Transport for North agenda. Also plans for offices in Manchester and Leeds.</p> <p>PB concluded by saying the LEPs together can be a Northern Powerhouse, facilitating the Transport for North agenda.</p>
<p>8</p>	<p>Northern Powerhouse (Jeremie 2) Investment Fund Update</p> <p>LE introduced this item. The Board may remember endorsing this as the most appropriate vehicle for implementing our ERDF funds at the meeting in October as a replacement for Jeremie 1. The report gives details on progress to date with the slides presented by the British Business Bank at a meeting of participating LEPs on 12th January. The report highlights that funds should flow to SMEs in the summer of 2016, a Plan B is being worked up so momentum can be maintained. The bulk of the work needs to be completed in February/March with procurement of the panel of sub fund managers being launched in early March. On governance the board will see a proposed structure of a Strategic Oversight Board supported by two Regional Advisory Boards. The Tees Valley would sit with representatives of the Yorkshire and Humber LEPs on one of the regional Advisory Boards and on the Oversight Board as one of 5 members from LEPs. Lot of work still to be undertaken in the interim period on branding etc.</p> <p>IW made reference to para. 3.2 with regards to ‘boots on the ground’, feeling that without this we will fall behind. AS made the point that we have to build demand/markets in advance.</p> <p>AMc asked if we would have a voice in the selection of the Fund Managers and was</p>

	<p>informed that we would.</p> <p>Action: To note the report.</p>
9	<p>Strategic Economic Plan (SEP) Review Update</p> <p>A report was prepared for this meeting. TVU originally published a SEP in September 2014. There have been changes in our economic circumstances and we are reviewing the document and plan to publish the new SEP in July 2016. The report includes a proposed timetable/engagement plan and a first session is planned for next Monday 4th February, 4.30 pm at Billingham Forum. NS said we should utilise the media and LE confirmed the media has been invited.</p> <p>Action: The Board endorsed the report.</p>
10	<p>European Structural & Investment Funds (ESIF) Update</p> <p>LE introduced this item and advised that no money has gone out yet. This is a national programme with local advice provided. We have recently received a revised allocation and revised outputs. There is an ESIF Committee next week (Chaired by Neil Schneider). Two applications had been approved and two are under consideration for the youth employment initiative, there is an urgent need to get activity underway, important to get young people into work. SJ asked if we can put pressure on to apply, the money is sitting in the bank and we are not able to get on with it. LE advised representations have been made, every LEP area is in the same position so not only specific to us. SJ requested for MPs to be properly briefed – LE to action.</p> <p>Action: Board noted the report</p>
11	<p>Local Growth Fund update</p> <p>LE updated the meeting on the latest position of the Local Growth Fund Programme and projects identified in 2015/16 and 2016/17. TVU is currently holding a series of one to one meetings with each local authority and partners to get more detailed analysis of investment priorities going forward. TVU is also working with partners to inform consideration of potential projects for spend from the devolution Deal £15m per annum pot if available in 2016/17.</p> <p>Katherine Cowell advised BIS are close to knowing what the next round of LGF looks like and the amount, still deciding on the timetable, no date as yet but will keep us informed.</p> <p>Action: The Board noted the report.</p>
12	<p>Chairs' updates</p> <p><u>David Soley - Economic Development Group</u></p> <p>Business Investment – 185 jobs safeguarded and 507 created. Going forward for 2016/18 the pipeline remains strong to create and safeguard over 3000 jobs. Calysta has just received £2.8m of regional growth fund to develop a new plant.</p> <p>The team has been supporting companies in the SSI supply chain and to date have received 140 applications, 64 being supported, supporting £2.8m of private sector investment.</p> <p>Supply chain events – In October there was an aerospace event at Teesside</p>

	<p>University, Darlington campus and two offshore wind events with Dong Energy and DEMI Group in collaboration with NOF Energy.</p> <p>In January there was two events with the North East Purchasing Organisation, the first focused on £48m of construction opportunities, with major companies such as Balfour Beatty, Kier and Interserve involved. The second was a wider public sector event.</p> <p>In February there is a rail infrastructure supply chain event with speakers from HS2, Crossrail and CompeteFor.</p> <p>The Catalyst Fund – it is expected that the £10m allocation to this fund will be fully defrayed, the fund has received loan payments back of £2m to reinvest.</p> <p><u>Ian Kinnery – Employment and Skills Group</u></p> <p>The group met on 12th January and received a presentation from Helen Williamson, SFA on English Apprenticeships. Also received updates on the 16+ FE Area Review, the Combined Authority, SSI Task Force, ESIF and the Careers and Enterprise Company.</p> <p><u>TIG</u></p> <p>DR updated on:</p> <p>Appointment of Interim Transport Director, Jonathan Spruce</p> <p>Northern Franchise - Network Rail has awarded contract to Arriva, pushing for Pacers to be replaced.</p> <p>Lot of activity around Transport for the North</p> <p>Huge Freight study underway, report in March</p> <p>Ann Wilson appointed to role of Strategic Freight Advisor in the Infrastructure & Transport team.</p> <p>HS2 agenda, a big project, massive opportunities for Teesside.</p> <p>DR circulated a 2 pager on the Northern Gateway Container Terminal and wishes to do a presentation to the board in 6 months time.</p> <p>AS asked DR about feasibility study for new Tees Crossing. DR explained this involves Wynyard to North, around existing crossing. LE informed TVU is doing some in-house modelling, down to 2 or 3 options looking at the transport/economic benefits.</p>
<p>12</p>	<p>Any Other Business</p> <p>Nothing was raised.</p>
<p>13</p>	<p>Dates of next meeting</p> <p>Combined Authority Board 4th April 2016</p>