

## LEADERSHIP BOARD

Meeting held at Cavendish House, Stockton  
at 2.00 pm on Wednesday 22<sup>nd</sup> January 2014

### ATTENDEES

Sandy Anderson (SA)	Chair
Councillor Bill Dixon (BD)	Leader, Darlington BC
Christopher Akers-Belcher (CAB)	Leader, Hartlepool BC
Ray Mallon (RM)	Mayor, Middlesbrough BC
Councillor George Dunning (GD)	Leader, Redcar & Cleveland BC
Councillor Bob Cook (BC)	Leader, Stockton on Tees BC
Alison Thain (AT)	CEO, Fabrick Group
Professor Graham Henderson (GH)	Vice-Chancellor, Teesside University
David Soley (DS)	Executive Chairman, Tenergy, Wilton Group, Camerons Brewery, ERS
Tim Grant (TG)	Principal, Darlington College (FE representative)
Ian Kinnery (IK)	Independent Adviser
David Robinson (DR)	Group CEO, PD Ports
Margaret Coates (MC)	BIS
Amanda Skelton (AS)	CEO Redcar and Cleveland BC
Ada Burns (AB)	CEO Darlington BC
Gill Rollings (GR)	CEO Middlesbrough BC
Dave Stubbs (DSt)	CEO Hartlepool BC
Linda Edworthy (LE)	Tees Valley Unlimited
Neil Kenley (NK)	Tees Valley Unlimited
Brigadier Col. Greville Bibby (GB)	Commander, 15 North East Brigade
Lt. Col. Guy Benson	Employer Engagement Officer 15 North East Brigade
Col. Mark Lodge	Senior Careers Advisor

### APOLOGIES

Paul Booth	President, SABIC UK Petrochemicals
Nigel Perry	CEO Centre for Process Industries
Neil Schneider	CEO Stockton on Tees BC
David Curtis	Homes and Communities Agency
Alastair MacColl	CEO, BE Group
Graham Pendlebury	DfT (LEP Sponsor)

	<b>SUBJECT</b>
1	<p>Chair's Welcome</p> <p>SA opened the meeting and introduced Brigadier Greville Bibby, Lt. Col. Guy Benson and Col. Mark Lodge for their presentation on the benefits of employing regular soldiers and army reservists.</p> <p>Brigadier Bibby thanked the Board for the opportunity to speak today and introduced himself as the person responsible for looking after the army in Yorkshire and the North East. This is a regional responsibility and one of his principal roles is to connect the army/military to society. They rely on partnerships with the Local Authorities, NHS, JCP, DWP and Housing Authorities to look after people who are in service, those who are leaving the service and those they are going to recruit. Brigadier Bibby took the board through his presentation to explain where they are from an army perspective and what they are hoping to achieve for the army and to see where the Leadership Board may be able to help. The presentation covered:</p> <ul style="list-style-type: none"> <li>• The huge changes taking place, giving potential for skilled service leavers the opportunity to enter the civilian workforce.</li> <li>• Allowing employers the opportunity to access high quality training through the Reserve.</li> <li>• The Army is in transition, the regular army is decreasing from 103k to 83k by 2015.</li> <li>• 3 areas of activity; training to fight, overseas engagement and UK engagement.</li> <li>• There are 30,000 volunteer reservists in the UK, over the years it has gone from 35 major reserve units to 6 in the North East.</li> <li>• The reservists have core transferable skills to offer practical skills, specialist transferable skills and accredited skills</li> <li>• Wanting employers to recognise the benefits of having a reservist and to recruit from their workforces.</li> <li>• Working with Local Authorities, DWP and businesses to identify apprentices.</li> <li>• 5 day residential course available with the Army for NEETs</li> <li>• Outcome so far over the previous 2 months - 8 apprentices and 78 applications for the Army.</li> </ul> <p>DR supportive of this as a business. Also acknowledges Catterick Garrison and its numbers having a big impact on the Tees Valley economy.</p> <p>GD also supportive as a way of tackling the problem of NEETs.</p> <p>BD recognised the good relationship with Catterick, a lot of service leavers look to Darlington as a final destination, looking to settle locally. If Darlington had 6 months notice as an organisation they could try to formalise their transition back into society.</p> <p>The Brigadier spoke of work in other areas and the Career Transition Partnership to formalise the process by identifying employment opportunities, identifying skill</p>

	<p>shortages, taking a strategic approach.</p> <p>BD asked the Brigadier if he was familiar with Foundation for Jobs, set up 18 months ago in Darlington for NEETs, apprentices, there are several points of common interest.</p> <p>BC spoke of a meeting in Stockton, local employers were invited, this proved to be a valuable network.</p> <p>SA asked the Brigadier about opportunities in engineering and FE/HE.</p> <p>The Brigadier spoke of an initiative in Hull for NEETs which identified the opportunity and put together a bespoke course for 13 unemployed reservists. This has been tried at Darlington College however it had experienced problems. TG stated that the course is still available if the reservists can be identified and attend.</p> <p>With regards to FE/HE the Brigadier said that in terms of Universities it is quite specific, starts with an officer training course, this is something Durham and Northumbria Universities have contributed to and has led to a number of initiatives.</p> <p>GH stated that Teesside struggle to engage, there are issues around that with activity only being available in Newcastle. NUMEG/OTC (Northern Universities Military Education Group/Officers Training Corp could engage more widely. GH spoke of something called the Teesside University Open Learning Engineering (TUOLE), allowing learners to continue their studies wherever they may move. There are opportunities which have not been fully exploited.</p> <p>RM spoke of the goodwill around the table to the work taking place by the Army. To take forward he asked them to consider what it is they want us to do/what is important, and come back for another discussion to which everybody can contribute and benefit. This is something that can be reinforced as times goes on.</p> <p>SA thanked Brigadier for his presentation and attendance.</p>
<b>2</b>	Apologies as above.
<b>3</b>	Conflicts of Interest None
<b>4</b>	<p>Minutes of previous meeting and any matters arising</p> <p>LE updated on the City Deal. Hopeful of a signing ceremony with Greg Clark in February. Working on Implementation Plan, business cases, the CCS element and the Low Carbon Action Plan to release the funds. Other pieces of work will follow. Some pieces of work have not yet started but will be in train in the next few months.</p> <p>MC confirmed the date has not yet been finalised for the Greg Clark visit.</p> <p>Under matters arising LE spoke of the Strategic Economic Plan. To present on the 11/12<sup>th</sup> February to coincide with Greg Clark and Lord Shipley visit. To present to them our priorities for the area, the Asks of Government, same approach as the City Deal. Will receive feedback from them on the draft version of the document.</p>
<b>5</b>	Brigadier Bibby presentation – see above.
<b>6</b>	<p>Tees Valley European Structural and Investment Funds Strategy – Final Submission</p> <p>Final submission to Government 31<sup>st</sup> January. Strategy for spending £187 over 7 years. Draft document has been out to consultation throughout the area, there has</p>

been feedback from Government and Task and Finish Groups. Broadly the changes have been presentational, retaining allocation on activities, presenting it slightly differently but this does not impact on what we want to do. LE confirmed the funding from the EAFRD of £1.1 million for the Tees Valley over 7 years and looking at how this can be utilised. The JEREMIE fund has been reduced, the NE LEP not able to put in as much as anticipated. Now looking at £160m rather than £200m pot. Our contribution reduces by £5.5m. This will be reallocated within SME competitiveness.

The Investment Panel went through the report yesterday and Linda advised of the changes they had recommended.

On moving forward after the final strategy is submitted, when commissions are ready to go and the money starts to flow, we have to know exactly what we are commissioning and make sure we have the right people involved.

LE in reply to a question from TG said there would be a value for money benchmark, £25,000 per job. The current programme for SME competitiveness is about £35,000 per job.

BD said national contracts need to be delivered differently, to be more focused on individuals, the contract should be delivered as the best fit for the client not the provider.

CAB asked about the rationale of the outputs, in relation to the social inclusion theme the outputs not appearing very challenging or high. LE informed more work on outputs will be carried out.

LE will take on board the comments and asked for delegation from the Board for the Chair and Managing Director to make the changes before submission.

SA enquired if there is a feedback date from Government. MC advised of the 17<sup>th</sup> February for Government to take a view, format not yet known.

AB spoke about the delivery phase, about helping businesses grow/creating more jobs, we have to commission activities that are as streamlined as possible.

AS on the delivery phase said we have to set ourselves a performance indicator that tries to get the cost per job creation down.

AB said we will not stop the tide of initiatives but we can do the joining up, be the single point of access, have a single website. TG agreed we need to coordinate better.

BC asked if it was revenue or capital. LE advised that ESF is revenue, ERDF is a mix of capital and revenue.

LE in answer to a question from DR informed that the budgets are settled at the UK level and the UK has to produce an operational plan which the Commission has to approve but other than the variation of the exchange rate the UK money will not change.

MC informed that Liverpool and Sheffield are taking the methodology to a judicial review for the allocations within the UK. Therefore, there could be some changes to the Tees Valley allocation if they were successful.

TG informed we have to deliver the outputs for the money or it will go back to Government and BC clarified that the money can be clawed back.

SA agreed with the points raised and the need for it to be monitored.

The Board agreed to delegate the Chair and MD to make any final changes before the submission on 31 January.

7	<p>Forward Planning and Beyond</p> <p>SA introduced the item and informed that following the securing of the City Deal it seemed appropriate for TVU to look at how it can further improve its performance in the light of allocation of EU structural funds and investment monies. There is a feeling we need to change how we operate, how in the next 15/20 years we deliver 25,000 jobs to the economy. The LEP is seen as very successful in Government circles but times are changing, what was right 3 / 4 years ago is not going to be right for the next few years. In particular the public and private sector recognise that the private sector could be more involved in developing the strategy and regeneration agenda. Sandy and Stephen have written this report to capture their concerns and are throwing it open to the Board to debate. Comments made:</p> <ul style="list-style-type: none"> <li>• BD felt we needed to make a bigger noise e.g. Bank Top Station</li> <li>• CAB is frustrated at the duplication of reports, it is not very helpful but felt this is an historic problem. There has to be more trust between sectors, a new model of delivery with trust between the public and private sectors.</li> <li>• BC agreed with CAB regarding duplication, we have to look at ways we can work better, looking at ways to improve with regular monitoring</li> <li>• BD asked why we cannot meet at different locations e.g. SABIC, PD Ports, he would like to learn more about other industries</li> <li>• AB felt we should take the form filling out and engage the Board in task and finish groups on the creation of jobs as opposed to strategies/procedures, we will then have the best chance of capturing the skills of the Board, public and private</li> <li>• DSt agreed with AB, we are here to make strategic decisions.</li> <li>• GH raised the Innovation agenda. NE LEP are encouraging innovation. The Tees Valley has to position itself in the North East.</li> <li>• DS spoke of there being a lot of commonality, concern we are reactive rather than proactive.</li> <li>• DR said we needed a focus, 3 / 4 maximum issues to be addressed in the Tees Valley, delivery is what this board is about. Job creation has to come from the private sector. Relationship with other LEPs is important.</li> <li>• GH said his contribution is not about sitting around this table but what we do outside, engaging with people.</li> <li>• TG informed of a meeting with College Principals where they discussed how they could support inward investment, help to persuade people to relocate to the Tees Valley. He felt his place on the board is to align strategies of all the sectors/organisations to make sure we are all pulling in the same direction.</li> <li>• IK in agreement with others, we are saying the same thing but in a slightly different way</li> </ul> <p>SA asked TG if he feels he knows enough about the work that is going on.</p> <p>TG said it seemed a lot like process, struggled to think how he can add value representing the College Principals and he found the discussion today very welcome.</p> <p>SA suggested we use the first part of the meeting for endorsement based on trusting the Executive to prepare the necessary document – action required by</p>

	<p>Government/EU and others based on the strategic priorities and the remainder of the meeting to address issues on strategy development. SA asked the group if they were happy to restructure accordingly but said the meeting on 26<sup>th</sup> March is for the endorsement of the SEP.</p> <p>LE felt we needed a group discussion before the 26<sup>th</sup> March to decide on what the key priorities are.</p> <p>The next regular Board meeting is 30<sup>th</sup> April.</p> <p>TG suggested that if we decide one of the key priorities is stimulating economic growth through small and medium sized businesses there may be other people who could be invited to contribute.</p>
<p><b>8</b></p>	<p>Chairs' Updates</p> <p><u>David Soley – Economic Development Group</u></p> <ul style="list-style-type: none"> <li>• Group had been discussing changing the way it operates</li> <li>• Presentation from Lloyds Bank</li> <li>• Presentation from PDL Solutions regarding shale gas</li> <li>• Lets Grow</li> <li>• Contract Catalyst has drawn down £6m of the £10m</li> <li>• Next mtg a presentation from the Handelsbank</li> </ul> <p><u>Alison Thain – Place Group</u></p> <ul style="list-style-type: none"> <li>• Themes to emerge, major community housing/housing offer; infrastructure/town centres; help provide some delivery. Opportunity for retrofitting of social housing. Understand the failing housing market, detect early signs/solutions.</li> <li>• Community Investment – independent consultants</li> <li>• Joint asset backed vehicles</li> </ul> <p>HCA – one of the few agencies with any money to spend</p> <p><u>David Robinson – Transport and Infrastructure Group</u></p> <ul style="list-style-type: none"> <li>• Broadband – progressing well</li> <li>• SIP – report by ARUP due in March</li> <li>• Rail – working with Network Rail on a number of levels</li> <li>• NE Rail Study</li> <li>• Growing recognition with HS2</li> <li>• ECML franchise</li> <li>• Agreed a number of objectives for 2014</li> <li>• A well attended group</li> </ul>

	<p><u>Ian Kinnery – Employment and Skills</u></p> <ul style="list-style-type: none"> <li>• Skills Strategy – key area to pursue, RGF application is very restrictive, may have £7m wage subsidy scheme but won't enable us to fund all activities. Next meeting to focus on how we pursue broader ambitions without additional funding.</li> <li>• Emerging issue – funding to colleges reducing.</li> <li>• SFA – less availability of provision because of challenging climate around SFA budget</li> </ul> <p><u>Linda Edworthy – Innovation Group</u></p> <ul style="list-style-type: none"> <li>• The Innovation Group met this week and discussed the TV Innovation Strategy and how we focus the activities and the EU funding available to ensure we commission activity that will add value to the existing activities.</li> </ul> <p>GH informed that NE LEP are funding activity for Innovation Hubs.</p>
<p><b>9</b></p>	<p>Any Other Business</p> <p>None</p>
<p><b>10</b></p>	<p>Dates of next meetings</p> <p>26<sup>th</sup> March 2014</p> <p>30<sup>th</sup> April 2014</p> <p>23<sup>rd</sup> July 2014</p>