

## LEADERSHIP BOARD

Meeting held at Cavendish House, Stockton  
at 10.00 am on Wednesday 26<sup>th</sup> March 2014

### 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 Christopher Akers-Belcher	Leader, Hartlepool BC
Councillor Bob Cook (BC)	Leader, Stockton on Tees BC
Nigel Perry (NP)	Chief Executive, CPI
Professor Cliff Hardcastle (CH)	Deputy Vice-Chancellor, Teesside University
David Soley (DS)	Executive Chairman, Tenergy, Wilton Group, Camerons Brewery, ERS
Martin Raby (MR)	Principal, Hartlepool College (FE representative)
Bill Carr (BC)	Homes and Communities Agency
Alison Thain	CEO, Fabrick Group
Neil Schneider (NS)	CEO Stockton on Tees Borough Council
Ian Kinnery (IK)	Independent Adviser
Gerry Brough (GB)	Redcar and Cleveland BC
Ada Burns (AB)	CEO Darlington BC
Dave Stubbs	CEO Hartlepool BC
Linda Edworthy (LE)	Tees Valley Unlimited
Neil Kenley (NK)	Tees Valley Unlimited
Mike Robinson (MR)	Designate CEO Middlesbrough BC
Stephen Catchpole	Tees Valley Unlimited
Graham Pendlebury	DfT (LEP Sponsor)

<b>1</b>	<p>Chair's Welcome</p> <p>SA opened the meeting and welcomed Mike Robinson as the designate CEO at Middlesbrough Borough Council to replace Gill Rollings.</p>
<b>2</b>	<p>Apologies</p> <p>Alastair MacColl, Tim Grant, David Robinson, Paul Booth, Naz Parker, Margaret Coates and Professor Graham Henderson</p>

3	<p>Conflicts of Interest</p> <p>Many involved in the meeting today are involved in projects so the meeting proceeded on that basis.</p>
4	<p>Minutes of previous meeting and any matters arising</p> <p>Agreed</p>
5	<p>Strategic Economic Plan</p> <p>LE introduced this item, explaining it is still a work in progress working towards the submission on Monday 31<sup>st</sup> March. There are still 6 key asks with 4 themes. Various documents have been prepared; the main document, the executive summary, economic evidence base and technical appendices. Separate meetings have been held with private sector members on various sections of the document. The documents will be publicly available on the internet. LE explained the session with Greg Clark had been very focused on the Local Growth Fund element of the SEP. The meeting did not go into any detail of the strategy or the growth deal asks.</p> <p>AB made 2 points, one in anticipating discussion on the LGF bid felt there should be more focus on the innovation projects asking if innovation is reflected in the top 6 priorities. Secondly under Attract and Retain Wealth Projects, she felt we needed to create places to attract wealth not just tourism, not just about unlocking private sector, we need the housing offer.</p> <p>GP felt innovation is what underpins the document, if you are going to have a low carbon high value economy and enterprise culture, the way you deliver is through innovation.</p> <p>LE explained in the ESIFS there is a statement about innovation being a key thread, we can add this to the overview.</p> <p>AT said the comments she had made in her session had not yet been incorporated into the document and asked for feedback on the Greg Clark visit.</p> <p>BD said we have to be clear on innovation and our aspirations, adding if we are not clear how can a neutral reader understand.</p> <p>SC felt the Greg Clark meeting had tried to dampen down expectations on what to expect regarding money. Government is expecting it to be over subscribed. Overall SC felt it was an unsatisfactory meeting because of an unsatisfactory process. SA explained that Greg Clark wanted more detail on the projects and that they expect us to deliver short term results against the long term strategy.</p> <p>SA spoke of it being a very competitive process, the best projects will get the money. He informed the Board of a letter received from Greg Clark suggesting regular meetings with MPs/LEP to support our efforts.</p> <p>CH – was cautious about ranking the projects in prioritisation, which he felt diminishes transformation. A project that is perceived as transformational in Whitehall may not be perceived as transformational by TVU.</p> <p>NP felt it was led by industry players e.g. Jaguar, Rolls Royce. One of the consequences without displaying political bias is that the previous administration focused on the supply side and this administration focuses on the demand side. The demand side is seen as the one with the leveraging ability. He felt we should go forward with a couple of transformational projects rather than a raft of supply projects.</p> <p>SA clarified the Board were happy with the Executive Summary and they were.</p>

### Local Growth Fund and Prioritisation of Projects

SC went through the TVU priorities / schemes and spoke of some misunderstanding in TVU's prioritisation of the schemes. He said the Government had no system yet to rank between the sectors. Prioritisation is what the Government wants and this includes all LEPs. He thought with the election due in 2015 it was all about projects that can be delivered in 2015/16. Explained TVU has been trying to get the best priority order in a very difficult process to get the best support from Government.

GP felt the emphasis is on priorities. The LGF will be hugely over subscribed, from a transport perspective there is approximately 1,000 projects from the 39 LEPs and clearly some will not be agreed, need to make sense of what is scaleable and by July the Government will need a raft of measures. Felt the process has to stand up to scrutiny. The emphasis on 2015/16 is true but one reason the Government will be keen is that it shows it works and delivers, it is a chance to get some projects moving. Jaguar for example is good at demonstrating that they can actually deliver innovative projects. Felt we needed to be stronger in telling the story, maximise the message of the new bright things we are doing, showing delivery.

BD felt ranking a worry, playing a game where the rules have not been published, if the rules change we are lost, wants us to be as fleet as foot as possible.

AB felt there is a danger in the scoring/ranking system, taking our eye off the big prize. Said no mention had been made of ranking/prioritisation at the February Leadership Board meeting when the block of priorities had been agreed. It was only last week this emerged, went away from the Investment Panel and reflected on this, does not understand the working or the evidence. Still feels we are answering the wrong question. On priorities which ones will have the transformational impact. How do we make the most compelling case. How do we lobby more effectively. How do we make sure the things that are not ready now will be. For e.g. the DfT offices and the National Biologics Centre would have got nowhere if they had been assessed on deliverability but because they were strategically important they were successful. Feels the innovation block, sub-sea, offshore, steel, biologics etc. can transform our economy. Did not agree with ranking but make the most compelling case.

CH said we have to choose the projects on their ability to transform the economy and exploit opportunities. We have to understand what we mean by shovel ready because we can make projects shovel ready very quickly. Felt there was greater rationale for not ranking.

RM said he would not risk any conflict or disagreement with any authority, priority list or not he would not cast a vote. Prepared to go with the consensus.

NS's observation was that the things we can transform the economy with are the things we should be challenging Government to get support. If we believe in a project that could be jeopardized we have a responsibility to champion it very directly with Government. Felt we had to be more assertive about the things we feel are right to progress irrespective of the funding streams. Felt the advice has been given, nervous about the outcome if we do not heed it.

CAB's problem is with the process, people are tasked to do the detailed work to get the best deal. Does not want us to be left with the scenario that we end up with nothing, does not want to get to the 11<sup>th</sup> hour and we then decide to change what we agreed was the direction of travel, it devalues the whole process. If that was the criteria and the best professional advice we should go with it.

AB did not recall the process, there was no decision to rank the projects. Felt we

can put the bid in with the priorities or without. Asked why we are anticipating the process at this stage, how will this damage us?

AT felt TVU has had a good history, clear strategic vision, translating into priority projects but felt we have to listen to advice, there is a danger of putting ourselves into a position we cannot get out of. She asked if there was a way we can use the objective work undertaken, where we can acknowledge the work and use as a benchmark projects have to pass to be key projects.

DS – acknowledged the amount of work undertaken to present to Government and it being a medium/long term strategy to secure 25,000 jobs over a period of time. Felt the group had always been a harmonious team. Government has charged us with looking at the vision, long term view/vision, to narrow it down to 6 asks is wrong. Debate how we prioritise but we are capable of allocating where we see fit.

BC said we should find out what we can deliver once the money is announced. Take advice from Government, need to be realistic. The projects they want are the ones that can be delivered quickly.

GP informed the group that the other LEP he sponsors, the South East LEP, is also meeting today, they have clear priorities/asks across the different project ranges. Advised you need compelling transformational vision, do not leave it to Government to decide, if you do not prioritise Government will do it. Need a sense of the projects to start us on the journey to transformation e.g. projects in Darlington, message we can deliver.

NP felt one of the other challenges we need to look at is the context of the overall Investment Plan, which gives us the information/knowledge to allow us to leverage the next funding stream. Is there a more subtle way of presenting?

IK Do we need to rank? If somebody is going to set priorities, best it is us presenting. Shovel ready projects, if that is the key criteria, it may not be the things we are most passionate about or the most transformational. No problem with the ranking, not happy about shovel ready projects.

SC said the problem is the process heading towards 2015/16. Tried to do the prioritisation in an objective process, which projects are transformational. Shows we do not have enough shovel ready projects when opportunities arise. If we are not successful, if we do not get transformational projects through, we need to work up another strand of funding, that is what the process is about but felt we needed some form of ranking.

SC took the Board through the table with the rankings.

### **Transport – The Board agreed the rankings.**

### **Skills –**

SC went through the three projects and explained the criteria with regards to Cleveland College in Hartlepool and the facilities needing updating.

MR explained the SFA have confirmed that part of the estate is in urgent need of repair, and have been placed in Categories C and D. MR explained it links in with the innovation quarter/vision/redevelopment on Church Street. Working with the council on place making for a more attractive place to live.

SA explained the college does not fit in with the strategic needs of STEM subjects but fits in with the culture elements of Tees Valley.

	<p><b>The Board agreed the rankings.</b></p> <p><b><u>Revenue</u></b></p> <p>SC went through the 3 projects under this heading. <b>The Board agreed the rankings.</b></p> <p><b><u>Attract and Retain Wealth Projects</u></b></p> <p>SC explained the two projects, and <b>the Board agreed to the rankings.</b></p> <p><b><u>Innovation</u></b></p> <p>NP – felt we needed a vision, lever in the biological stuff in Darlington, Railway, one of our most transformational linkages.</p> <p>SA –asked SC if we can pull together a coherent story in the next few days. BD felt this made sense. SC felt vision will strengthen our case.</p> <p>AB said it will open up the Central Park site, which has a significant part to play. Also opens up a significant part of the development, land for growth opportunities. Happy to take SC’s advice on moving enabling infrastructure into Innovation.</p> <p>NP felt in reality this is not a local decision but a national one, biologics is a national strategy of importance, with a strong selling point.</p> <p>GB said Tata is also of national significance, exists across all sectors.</p> <p>SA – agreed this is a way forward. SC asked if NP could produce 2/3 paragraphs on how important and how it links in with national things. NP will work with Ada/Bill/Graham Hillier and the project team to pull something together.</p> <p><b>Agreed.</b></p> <p><b><u>Tees Valley Evergreen Investment Fund</u></b></p> <p>Only one project under this heading. <b>Agreed.</b></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>30<sup>th</sup> April 2014</p> <p>23<sup>rd</sup> July 2014</p> <p>22<sup>nd</sup> October 2014</p> <p>28<sup>th</sup> January 2015</p> <p>22<sup>nd</sup> April 2015</p>