

LEADERSHIP BOARD

Meeting held at Cavendish House, Stockton
at 2.00 pm on Wednesday 28th October 2015

ATTENDEES

Councillor Sue Jeffrey (SJ)	Leader, Redcar & Cleveland BC, Chair
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
Andrew Atkin (AA) for Gill Alexander, CEO	Hartlepool Borough Council
Ada Burns (AB)	CEO Darlington Borough Council
Neil Kenley (NK)	Tees Valley Unlimited
Stephen Catchpole (SC)	Tees Valley Unlimited

1	<p>Chair's Welcome</p> <p>SJ opened the meeting and welcomed everyone. Paul Booth (Chair) was unable to make the meeting therefore Sue Jeffrey chaired the meeting on Paul's behalf.</p>
2	<p>Apologies</p> <p>Paul Booth, Linda Edworthy, David Robinson, Alison Thain, Nigel Perry, David Soley, Gill Alexander, Christopher Akers-Belcher & Naz Parker.</p>
3	<p>Conflicts of Interest</p> <p>Conflicts of interest were indicated by Sue Jeffrey, Mayor David Budd, Bill Dixon and Bob Cook as they currently sit on the Durham Tees Valley Airport Board and a presentation from Heathrow was coming up in the meeting as the next agenda item.</p>

<p>4</p>	<p>Minutes of previous meeting and matters arising</p> <p>There were no amendments to the previous set of minutes.</p> <p>Neil Schneider confirmed that the report on the Place Prospectus will be presented at the next meeting.</p> <p>BC raised a matter on Jeremie 2 and whether funding will be distributed across the whole northern area. SC confirmed that there is a report on the agenda where this item would be discussed</p>
<p>5</p>	<p>Presentation by Tony Caccavone & Maresa Molloy from Heathrow Airport</p> <p>SJ welcomed Tony and Maresa to the meeting.</p> <p>Maresa distributed a brochure on the Heathrow expansion and Tony presented a Powerpoint presentation and a video to the meeting and made the following points on Heathrow Airport to the Board:</p> <p>£12bn has been invested in the last 10 years.</p> <p>Best Airport in Western Europe.</p> <p>Best Airport for shopping.</p> <p>World's best Airport Terminal – terminal 5.</p> <p>The final Commission report contains 5000 pages and they are now waiting for Government's recommendation and decision by Christmas.</p> <p>The expansion promises new apprentices, new jobs, to connect every economic centre in the UK to growth, new trade and exports and a cleaner and quieter Heathrow.</p> <p>In particular, Tony's presentation stated not only will the expansion create 180,000 new jobs by 2040 it will create 1,300 jobs in Tees Valley Unlimited LEP area by 2050.</p> <p>The expansion has support from the North East, Newcastle Airport.</p> <p>The Airport Commission agreed that the Heathrow expansion can take place within statutory air quality limits.</p> <p>The next steps are subject to Government decision by the end of the year. There will be a national policy statement published and work could start on site in 2020.</p> <p>Tony asked the group for any questions:</p> <p>AM asked what the biggest barrier was and Tony's answer was politics.</p> <p>SJ asked how Tony had reached the figure of 1,300 jobs for the Tees Valley by 2050. He stated that the jobs included construction, support facility in the airport, physical on airport jobs and connectivity jobs.</p> <p>BC asked about the regional linkage, there are only 7 regional airports connecting to Heathrow. There should be short haul flights feeding long haul flights and more domestic flights within the UK. Need to create a balance.</p> <p>AB asked about the landing duties. At Heathrow, long haul/short haul planes are charged the same landing fees, who's responsible for changing that. Tony stated that the Airport was responsible for that and they are looking to incentivise domestic flight prices to encourage airlines/regions into Heathrow. Tony also stated that Heathrow wants to work with regions to encourage Government to tackle regional connectivity.</p>

Tony confirmed that Heathrow have a £10m fund to promote and work with other organisations therefore they will work with Tees Valley to promote a PSO (Public Service Obligation).

SC said that currently there is more benefit to the nation rather than Tees Valley. As it stands, the expansion will only create 40 jobs per year and the improvements for Tees Valley are hard to see.

Tony stated that the Government have three options, the first option is an expansion at Heathrow, the second option is an expansion at London Gatwick and the third option is to do nothing. Heathrow is right for the region. There are ways of adding to the option and there is still time to do that, however time is limited.

The presentation finished and SJ thanked Tony and Maresa for attending the meeting. Tony and Maresa left the meeting.

SC stated that Heathrow will not be relying on us to support them. However we could choose to support Heathrow and respond positively with conditions for Government to help regional airports especially those with no current or proposed connection (using the £10m Heathrow fund). Heathrow need to incentivise airlines to allow regional flights. AB wondered if there could be sight of the response regarding landing charges and wondered whether the £10m fund could be used for landing charges.

NK said that there could be a catch 22 situation if a flight from DTVA to Heathrow was introduced, this could have a knock on effect on the flight to Schiphol resulting in losing that route.

DS asked if a response to the letter from Boris could be prepared. SC agreed to do this.

Action: The Board support the Heathrow expansion with conditions plus send a response to Boris Johnson.

6 SSI Update

AS gave an update to the group on the current SSI situation.

Currently in week 6 (since the announcement of the SSI closure).

The Official Receiver is still on site and the closure is underway. It is taking a number of weeks to close due to the hazardous elements on site. 300 people are currently on site working on the closure.

The coke ovens have been shut down and the blast furnace has been switched off therefore work is ongoing to make things safe. The process will take a number of weeks and will be monitored very closely. Hopefully, by the end of the year the site will no longer be hazardous, just an industrial site. The OR will be on site for many weeks more. The OR will withdraw from the site then there will be a cooling off period for 3 months. Therefore the soonest the site will come into another ownership (the Crown) will be by Easter 2016.

Since the closure announcement a Task Force has been set up and within that TF there are a number of workstreams:

Workforce

This workstream is working with SSI staff and those individuals in the supply chain who have been made redundant/facing redundancy due to the closure. The workstream is still providing support on a daily basis (around 100 daily). It is now

starting to see individuals training for new jobs.

The Jobs Fair saw 53 companies attend with over 1,000 jobs and over 1,800 people looking for jobs. There is plan for another Jobs & Skills Fair at Middlebrough Football Club on 21st November.

Supply Chain

Chaired by Neil Kenley. Initially, SSI supplied the workstream with a supply chain list of 103 companies however the list is now up to 800 companies which is likely to be more accurate. The workstream is working through the list and making contact with those companies.

Currently seeing more people made redundant in the supply chain, 650 individuals on top of those directly affected.

Site

The workstream is looking at the safety of the site and will move on to working on the future of the site.

Stimulus

This workstream is handling the £80m package from Government to support the SSI workforce. The money was expected to be transferred locally and empowered to spend it however unfortunately the procedure has not been straight forward.

AS attended a meeting in London yesterday with BIS and is pleased with the significant progress made. By the end of this week, there will be support packages in place for the workforce and apprentices with more announcements to be made on business support next week.

Comms

The communications has been huge and the volume of content has been significant.

A support team from BIS has been secured including 4 posts to support the whole project including comms.

ITN was in Redcar on Monday and are looking to do a programme on the SSI closure and the effect it has had on the community.

BBC Panorama are looking to do an online documentary on the SSI closure.

SJ stated that the movement of the £80m is crucial and flexibility is essential in order for it to be delivered.

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Combined Authority Update/Devolution Negotiations

SJ had prepared a report for the Board and asked if there were any questions or observations.

She stated that the Devolution Deal is good for the Tees Valley and the process is going through each of the Local Authorities. The deal will see the area less reliant on others.

No questions were raised on the report.

8	<p>Jeremie 2 Update</p> <p>SC prepared a report to the Board.</p> <p>SC confirmed that there is still a commitment to Jeremie 2.</p> <p>The British Business Bank (BBB) have suggested that they could be the Fund of Fund Manager. This would involve the Jeremie 2 coverage being the whole of the Northern Powerhouse region. This proposal is currently being considered by Treasury and a decision will be made within the next two weeks.</p> <p>If the BBB option does emerge there will be no coercion of LEP area to join in. The Tees Valley position has been to wait and see what the BBB option offers and judge against the Open Call option.</p> <p>NELEP have rejected the BBB offer without seeing the offer due to the fear of money going elsewhere out of its region. Therefore NELEP are losing any opportunity to access further money (£100m has been mentioned) that the Government may allocate.</p> <p>There could be a reduction in the amount of allocation from our ERDF due to the exchange rate movement. Therefore we have asked for DCLG's agreement to move money between activities however there has not been a response yet.</p> <p>Going forward the idea is to keep our options open and seek the best value for money option with the biggest pot of money available.</p> <p>Action: The Board noted the report and agreed with the approach taken.</p>
9	<p>ESIF Programme Update</p> <p>A report was prepared for the meeting.</p> <p>Regarding 3.13 on the report, still waiting for feedback from Government to move money around and more flexibility in areas which are needed. A response is expected in the next 2-3 weeks.</p> <p>Action: The Board noted the report.</p>
10	<p>LGF Update</p> <p>A report was prepared for the meeting.</p> <p>The annual conversation will take place on 8th December to talk through all of the deals particularly LGF.</p> <p>Waiting for Autumn Statement.</p> <p>PC raised the Area Review situation which is currently taking place. There is not an outcome as yet on the review however proposed a relationship with TVU with regards to potential funding sources. Whatever the outcome, there is possibility of financial implication so should be flagged up regarding the money available.</p> <p>SJ confirmed that the Combined Authority are closely involved in the Area Review.</p> <p>Action: The Board agreed the report and noted the progress update.</p>

<p>11</p>	<p>Chairs' updates</p> <p><u>Ian Kinnery – Employment and Skills Group</u></p> <p>The group met on 13th Oct. A report was received on Transforming Tees from Richard Wilkinson and there was report received on the 16+ FE Area Review.</p> <p>There was a Careers & Enterprise Company meeting yesterday. TVU have been awarded money to create relationships between companies and schools in the Tees Valley area.</p> <p>The Tees Valley Skills Event is taking place on 15th December at Teesside University.</p> <p><u>Economic Development Group</u></p> <p>NK confirmed that there is no update from the meeting as the meeting was cancelled to enable an urgent SSI supply chain meeting to take place.</p>
<p>12</p>	<p>Any Other Business</p> <p>Nothing was raised.</p>
<p>13</p>	<p>Dates of next meeting</p> <p>Wednesday 27th January 2016</p> <p>Wednesday 27th April 2016</p>