

At an Extraordinary Meeting of the PROSPERITY AND ECONOMIC DEVELOPMENT SCRUTINY COMMITTEE held in the CIVIC CENTRE on TUESDAY, 13TH MARCH, 2012 at 1.30 p.m.

Present:-

Councillor Mordey in the Chair

Councillors Ball, Bell, S. Foster, P. Gibson, Snowdon and Wilson.

Also Present:-

Councillors Copeland, Forbes, Heron, Kay, McClennan, G. Miller, Porthouse, P. Smith, Thompson, H. Trueman, S. Watson, P. Watson, Wood and T. Wright.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors Allan, Charlton, Emerson, Lauchlan, F. Miller, Oliver, Padgett, Rolph, Tate, D. Trueman, Wakefield, Walton and Williams.

Declarations of Interest

There were no declarations of interest made.

Sub National Economic Development and the North East Local Enterprise Board

The Chairman opened the meeting by introducing the Leader of the Council, Councillor Paul Watson who provided Members with a welcome address which outlined the aims of the North Eastern Local Enterprise Board (LEP) and the challenges it faced, his belief in the benefits of collaboration, the need to ensure the LEP made a difference and the unique strengths of, and the challenges faced by its component areas. In conclusion the Leader welcomed and introduced:-

- (i) Vince Taylor (Head of Strategy and Performance, Sunderland Council)

To provide a background to the establishment of LEPs at a national level North Eastern LEP – make up/membership/aims/resources.
Key aims and progress to date.
Key challenges for the future.

- (ii) Gill Southern (MBE, Director of Wessington Cryogenics (LEP Board Member))

To provide a perspective from the private sector.
The first hand experience of Board Members.
Key challenges and aims for the future.
What has been learnt?

- (iii) Dr. Gill Bentley (University of Birmingham)

To outline Government thinking underpinning the LEP
(political/economic)
Potential benefits/weaknesses of LEPs
Recent analysis of LEPs performance nationally
How effective can we expect them to be
Where do we go from here?

Mr. Taylor provided the meeting with a power point presentation highlighting:-

- (a) What is a LEP? namely:-

- a partnership of business and the public sector across a defined economic area;
- 50% of the Board must be business representatives;
- the Chair must be from the private sector;
- capacity and start up funding exists to support recruitment of a small staff and to develop local economic understanding – ultimately expected to fund themselves.

- (b) Why LEPs had developed:-

- as a result of the Local Growth White Paper 'Realising Every Place's Potential' this aimed at putting local business leadership at the helm of bodies that represent real economic geographies;
- supporting local authorities' existing role in fostering and sustaining growth;
- recognised that local communities and businesses were best placed to understand their own local economy; and
- in the 2010 Budget the Government announced its plans to abolish One North East and the other Regional Development Agencies and replace them with LEPs. Consequently during summer 2010 Councils were asked to put together LEP proposals.

(c) the North Eastern LEP

- comprises Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland;
- NELEP priorities at inception were:
 - supporting Enterprise and Private Sector Business Growth
 - Building on Key Economic Strengths
 - Improving Skills and Performance
 - Strengthening Transport, Connectivity and Infrastructure
- consequently its mission statement declared – “through smart, enterprising leadership between the private, public and voluntary and community sectors we will rebalance the economy, and create Europe’s premier location for low carbon, sustainable, knowledge-based private sector-led growth and jobs;”
- its membership comprised:-

Paul Woolston, PwC LLP (Chair)

Dr. Arnab Basu, Chief Executive of Technology Business Kromek in Sedgefield

Michael Bellamy, General Manager of Cramlington oil and gas pipeline business PII

Fiona Cruickshank, Co-owner and Director, SCM Pharma

Andrew Hodgson, Chief Executive, SMD North Tyneside (Vice Chair)

David Land, Engineering and Operations Director, ThyssenKrupp Tallent, County Durham

Jeremy Middleton, Middleton Enterprises

Gill Southern MBE, Director of Wessington Cryogenics

Paul Varley, Managing Director of Carrillion Energy Services

Mayor Linda Arkley, Elected Mayor of North Tyneside Council

Professor Chris Brink, Vice-Chancellor of Newcastle University

Councillor Nick Forbes, Leader of Newcastle City Council

Councillor Simon Henig, Leader of Durham County Council (Vice Chair)

Councillor Mick Henry, Leader of Gateshead Council

Councillor Iain Malcolm, Leader of South Tyneside Council

Angela O’Donoghue, Principal of City of Sunderland College

Councillor Jeff Reid, Leader of Northumberland County Council

Councillor Paul Watson, Leader of Sunderland City Council

- the LEP was currently finalising its staffing structure and developing a business plan to deliver economic growth by:

Co-ordinating RGF Round 3 in the region (£1bn nationally)

Allocating over £17m of Growing Places Fund

Influencing devolved transport funding

Lobbying Government – recognition for the North East

Priorities as determined by the Business Plan

Gill Southern proceeded to provide the meeting with a private sector perspective as a member of the LEP. She advised that Wessington Cryogenics was a family company established for a period of 28 years with a turnover of £10 million. The firm was passionate about the North East, it cared about manufacturing industries and their exports. The company was always prepared to look outside for good ideas.

Ms. Southern had previously been involved with the Local Strategic Partnership and was an ambassador for the City. All the Board Members of the LEP were unpaid volunteers. The LEP had been a slow build, this was because it had wanted to do its homework. There had been a real spirit of co-operation behind the scenes despite initial concerns as to whether Members would have a common dialogue. It was about learning from others within demanding timescales. The LEP had wanted to know what skills would be required for the future and where they would come from.

The LEP had established practical working groups with regard to Governance, Finance and Marketing. There had been a need to get everyone together to thrash out issues and find ways to cut through the red tape of individual organisations. The commitment of the Board Members had allowed them to roll up their sleeves and get involved. It had been a front loaded effort. Currently only 50% of Ms. Southern's time was spent on Wessington Cryogenic matters.

Gill Bentley then provided Members with a comprehensive power point presentation giving an academic perspective on the LEPs via a discussion as to whether they represented 'Strategic Enablers or Toothless Tigers'. This centred on:-

- the Government thinking underpinning the LEP both political and economic
- the potential benefits/weaknesses of LEPS
- recent analysis of LEPs performance nationally undertaken by the Centre for Cities
- how effective can LEPs be expected to be? Could they take action to rebalance the economy?
- what more would be required, for example:-
 - A major review of staffing and additional staffing
 - A funding review
 - Better linkage of local authority and LEP resources on ED
 - Clearer focus for SME's and Corporates and Social Enterprises
 - New Youth Job Creation Scheme and Graduate Schemes
 - Closer University focus and Collaboration
 - HCA Integration with LEPs
 - Skills Integration
 - Better locality and region assessment needs

Mr. Taylor, Ms. Southern and Ms. Bentley then proceeded to address questions and comments from members with regard to:-

- the extent to which the Government was interested in addressing the North/South divide
- the impression that the Government were prepared to set the LEPs up as 'fall guys' if economic development stalled
- work being undertaken by the LEP and Passenger Transport Authorities to develop a Transport Strategy
- the ability of the LEP to lobby Government and 'bang the drum' for the North East

In conclusion the Leader and Ms. Southern reminded Members of the North East's proud traditions both culturally and as industrial innovators from Cuthbert and Bede, via George and Robert Stephenson, Joseph Swan, Parsons, Doxford Marine Engineering, Pyrex Glass through to its position as a world leader in the production of electric vehicles. The LEP had already delivered and would continue to deliver. It was up to Elected Members working with their private sector partners to make a difference.

The Chairman having thanked Mr. Taylor, Ms. Southern and Ms. Bentley for their presentations it was:-

1. RESOLVED that the information provided be received and noted.

The Chairman then closed the meeting having thanked everyone for their attendance and contribution to the meeting.

(Signed) M. MORDEY,
Chairman.