

North East Local Enterprise Partnership

# Annual General Meeting

Tuesday 24 November 2020

**Got a question for our panel?**

Go to [Sli.do](#) #moreandbetterjobs

 [@northeastlep](#)





# Lucy Winskell

Chair, North East Local Enterprise Partnership

 @northeastlep • Got a question for our panel? Go to [Sli.do](#) #moreandbetterjobs

# LEP senior management team



**Helen Golightly**  
Chief Executive Officer



**Richard Baker**  
Strategy and Policy Director



**Colin Bell**  
Business Growth Director



**Michelle Rainbow**  
Skills Director



**Jen Robson**  
Head of Communications



**Alan Welby**  
Innovation Director

 @northeastlep • Got a question for our panel? Go to [Sli.do](#) #moreandbetterjobs

**Sli.do** #moreandbetterjobs

 @northeastlep • Got a question for our panel? Go to Sli.do #moreandbetterjobs





# Helen Golightly

Chief Executive Officer, North East LEP

 @northeastlep • Got a question for our panel? Go to [Sli.do](#) #moreandbetterjobs

# Our role

- Development and oversight of evidence-based regional economic strategies and plans
- Economic leadership, co-ordination and influence – in and for the North East
- Taking action through programmes of delivery
- Securing and prioritising investment.

# North East Governance

## Seven Local Authorities

Newcastle City Council

Durham County Council

Northumberland County Council

Gateshead Council

North Tyneside Council

South Tyneside Council

Sunderland City Council

## Two Combined Authorities

North of Tyne Mayoral  
Combined Authority

North East  
Combined Authority

Covering  
North Tyneside Council  
Newcastle City Council  
Northumberland County Council

Covering  
Durham County Council  
Gateshead Council  
South Tyneside Council  
Sunderland City Council

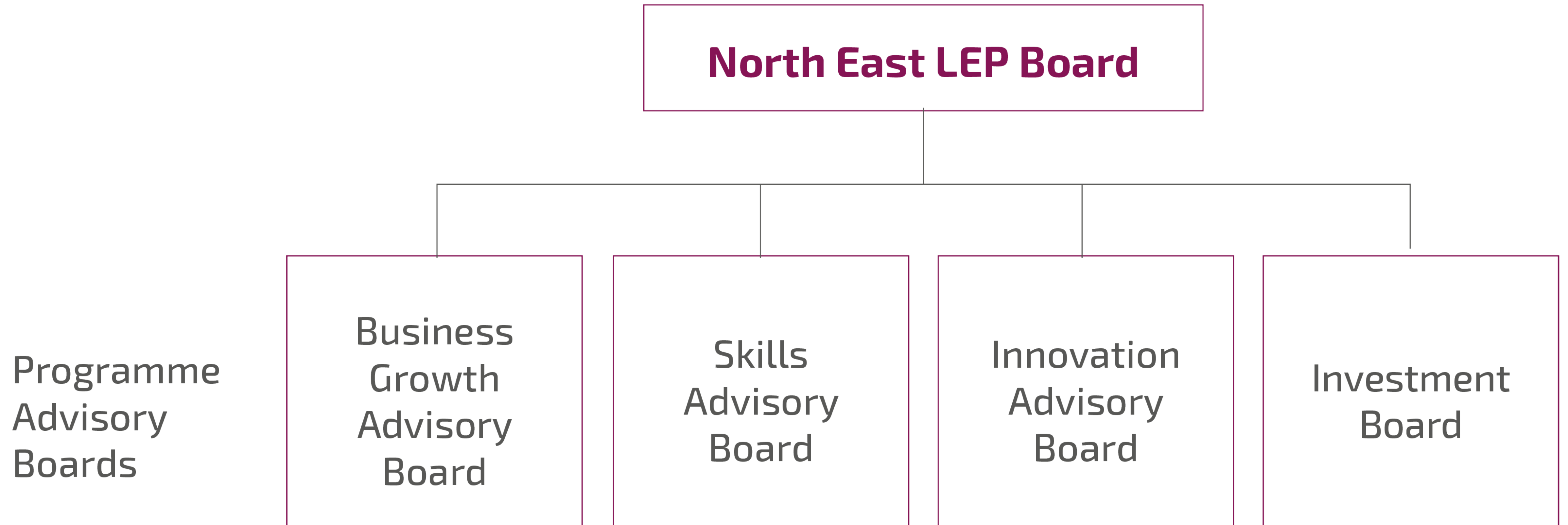
## One Transport Committee

North East Joint Transport Committee

## One Local Enterprise Partnership

North East Local Enterprise Partnership

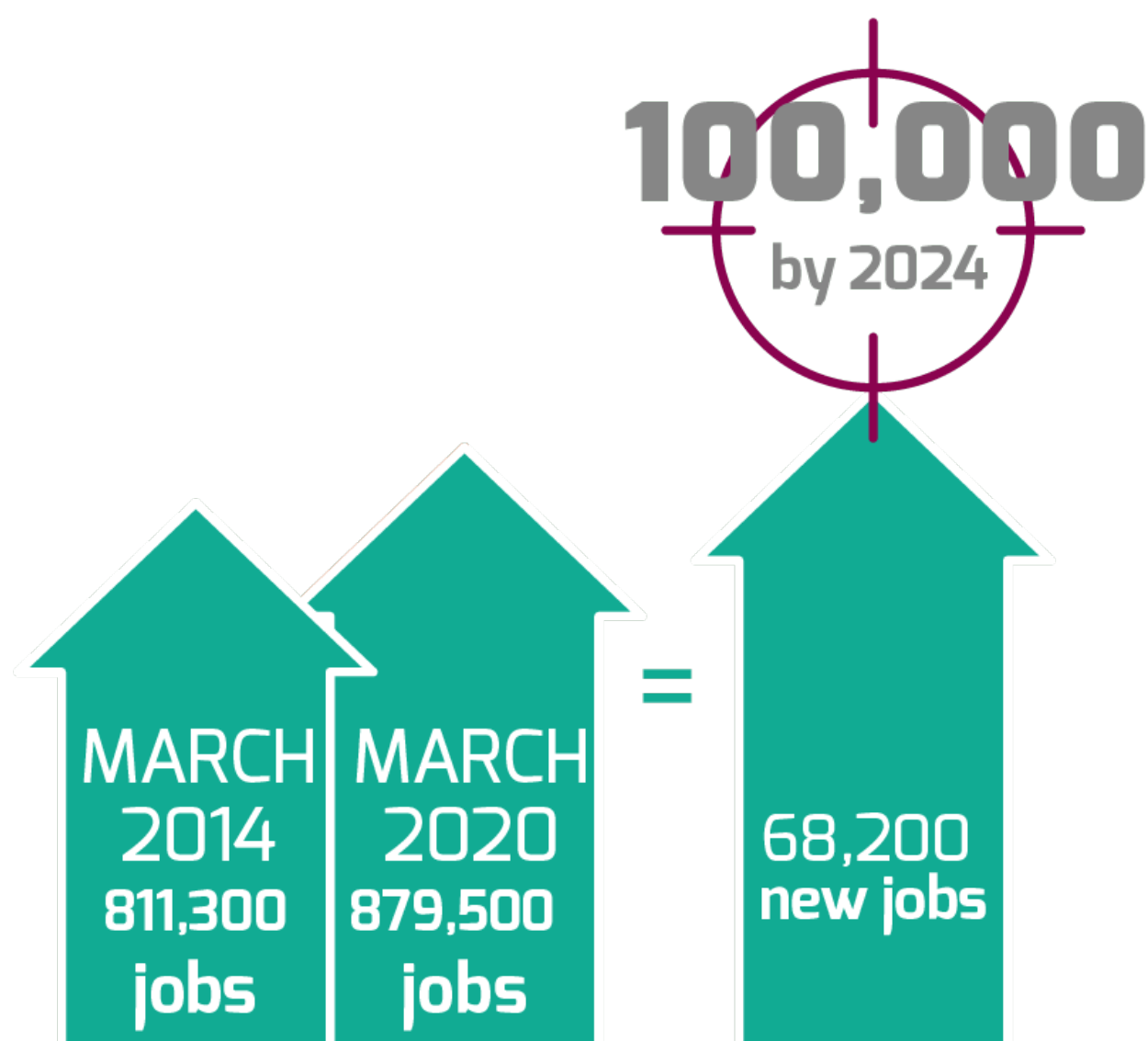
# North East LEP Governance





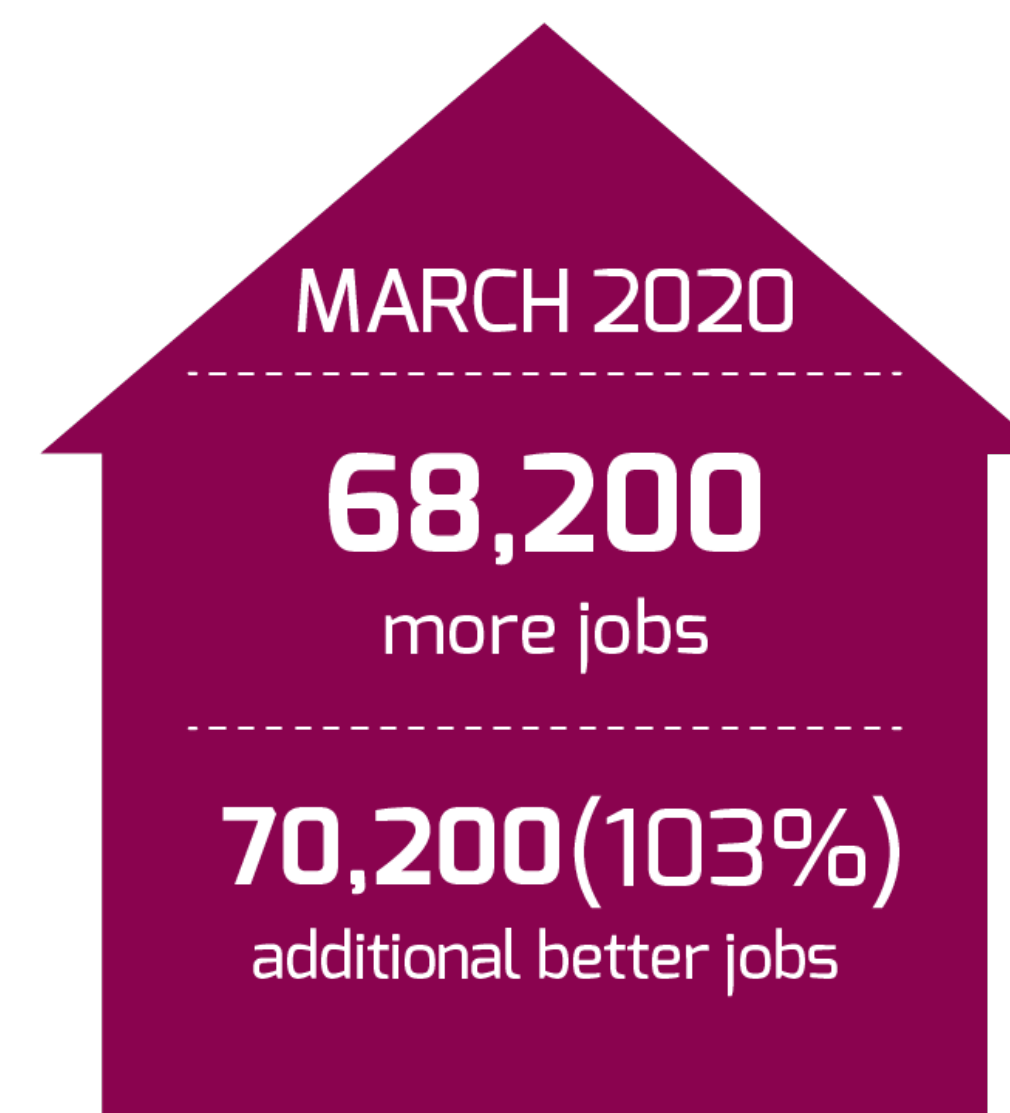
# The Strategic Economic Plan

## More and better jobs



Target: Increase the number of jobs in the North East economy by 100,000 by 2024

Position at March 2020



Target: 70% of all jobs created from 2018 will be will be better jobs

Position at March 2020



**North East Covid-19**

Economic Response Group

# Recovery and Renewal Deal for the North East

September 2020





# Executive summary

---

COVID-19 hit the North East economy and it hit it hard. An economic shock of this nature requires a response of the same scale.

COVID-19 has been a catalyst for change and the North East is ready and prepared to harness this catalyst to transform and reimagine the North East economy.

# Executive summary

---

## Our goal

To create and sustain 100,000 more and better jobs in a greener and more inclusive economy.

This has been our goal since 2014 and we were doing well – with 68,000 more jobs and 128% of these being better job in March 2020. But the impact of COVID-19 will reset that clock.

# Executive summary

---

## Our challenges

**97%** of businesses impacted by COVID-19

**30%** reduction in footfall in city/town centres

**36,500** more people on unemployment benefits

**32%** of workforce furloughed at its peak







**12%** of workforce still furloughed in August 2020  
**(108,000)**



# Executive summary

---

## Our values

-  To have a greener more sustainable economy
-  Level up the North East economy
-  To be innovative and think bigger
-  To do the right thing locally for our region
-  Be a trusted partner for government
-  For the impact of our recovery to reach all of our communities

# Executive summary

---

## Our opportunities

-  A series of new projects to empower our rural and coastal areas and reinvigorate our town and city centres
-  Achieving zero carbon emissions targets
-  Utilising new digital construction and advanced manufacturing techniques
-  Leading the national offshore wind revolution
-  Delivering the first Digitally Connected Free Zone for the UK

# Executive summary

---

## Asks of government

- Significant devolution of resources and powers to reflect scale of COVID-19
- £2.8bn to directly unlock half of required 100,000 additional jobs quickly
- Accelerated confirmation of existing business cases, including Transforming Cities funding
- Commitment to joint working in areas where the North East can lead the national recovery, specifically low carbon energy
- Flexibility within national programmes to allow for maximum leverage local and national resources

# Executive summary





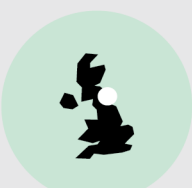

---

## Our plan

- To keep people in jobs and training
- To support businesses and sectors to restart and recover
- To support the transition of our communities and places as they adapt to living with COVID-19.
- To build the future economy by maximising the potential of our existing assets and exploring new opportunities
- To invest in digital and transport connectivity

# Executive summary

## The prize

-  **55,000** FTE jobs • **22,000** in construction • **26,000** Training and skills opportunities
-  **A new economy:** green, inclusive, resilient, productive and innovative
-  **100,000** homes retrofitted • **1,500** more homes built
-  **New forms of local partnership**
-  **New and growing businesses** and cluster stimulus
-  **A series of new projects** to empower our rural and coastal areas and reinvigorate our towns and city centres





# Paul Woods

Finance Lead, North East LEP

 @northeastlep • Got a question for our panel? Go to [Sli.do](#) #moreandbetterjobs

## LEP revenue budget

- LEP annual budget £5.3m+
- Some influence over other grants (e.g. EU grants)

## Investment programme and loans

- Local Growth Fund (LGF) £270m
- North East Investment Fund (NEIF) £57m+
- Enterprise Zone (EZ) Infrastructure Investment £166m
- Getting Building Fund £47m plus £8m = £55m

## Future Funding

# LEP annual revenue budget (£5.3m)

- Budget for year set at £5.37m in May
- Employee cost of c£3.1m
- Core funding amounts to just £0.75m
- Majority of income comes from over 20 other external grants and contributions\*
- Additional funding for Brexit preparations
- Additional income from Getting Building Fund and other new activity has helped balance the budget this year\*
- Revised Budget to be reported in January

LEP Budget	2020/21
	£m
Employees	3.10
Premises	0.19
Communications	0.25
Operational Activity Budgets	1.83
<b>Total Cost</b>	<b>5.37</b>
Council Contributions	-0.25
Government Core Funding	-0.50
Other external grants* / interest	-4.62
<b>Total Income</b>	<b>-5.37</b>
Use of Reserves *	0

# Local Growth Fund (LGF) grant

- Lifetime programme of £270m from 2015/16 to 2020/21
- Spend to date is on target, with final £14.5m of grant to be spent this year
- We have been able to create flexibility to fund some 'revenue' expenditure from this 'capital' grant and to cover some spending in the next few years
- Total Growth Deal Investment including match funding is over £670m
- LGF grant underspend has been targeted at supporting COVID-19 Initiatives and can be used to support the accelerated delivery of new pipeline projects



# North East Investment Fund (NEIF)

- Investment / revolving loans funds £57m
- Not to be confused with the North East Fund Ltd (NEF) £120m used to provide access to finance for businesses
- The NEIF has been allocated in full once and repayments are coming in to be reinvested - £20m available now and growing as repayments come in
- Opportunities to fully use the NEIF and to extend the NEIF are being explored and approved
- These include opportunities and expand the small Commercial Property Development Fund, and to launch a new larger Commercial Property Investment Fund in the new year
- £0.5m of interest has been used to fund the Crowdfunder scheme.



# Crowdfund North East LEP

## 120 North East businesses supported to date

---

Up to £5,000 match funding available  
Find out more at **[crowdfunder.co.uk](https://crowdfunder.co.uk)**



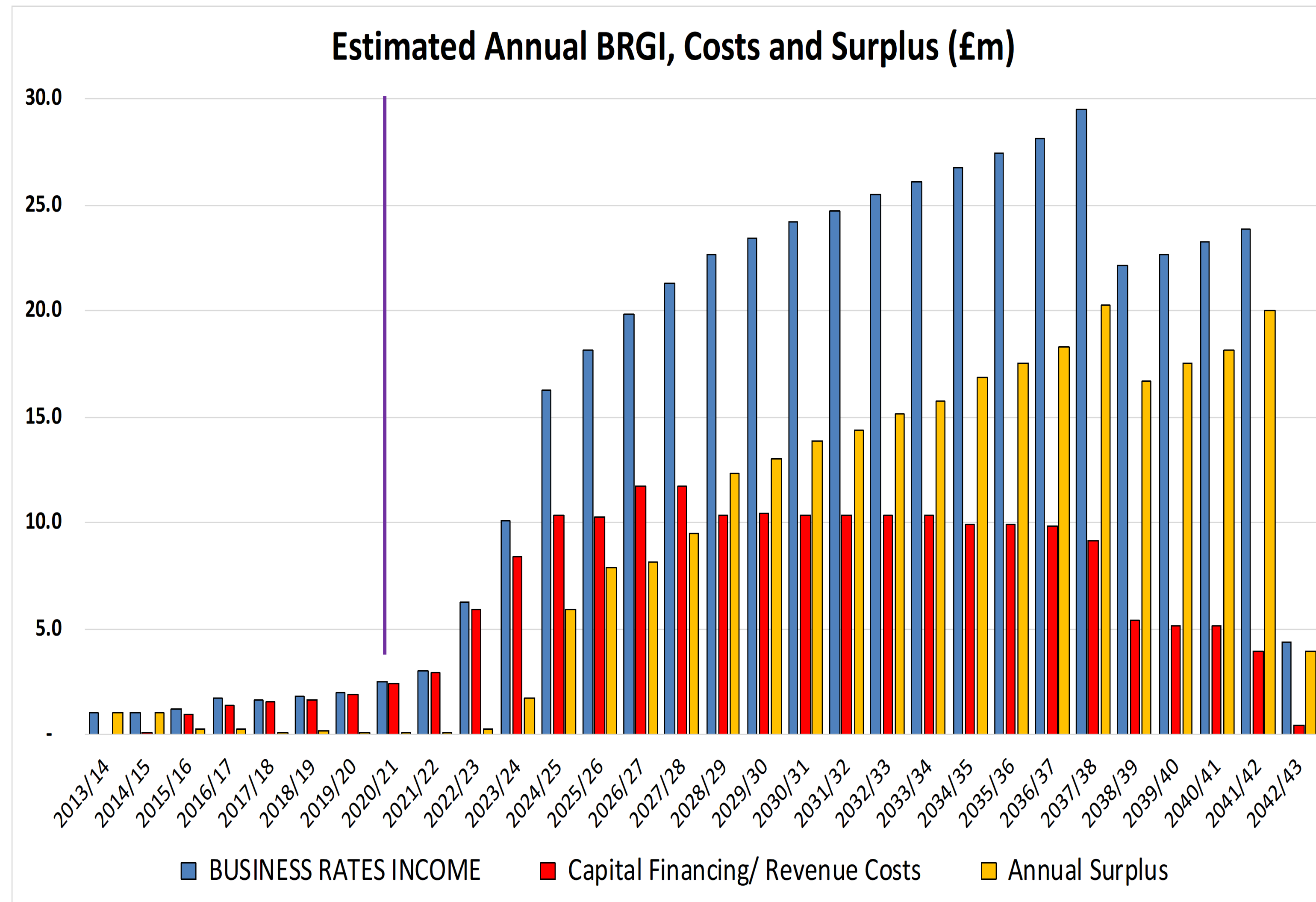
# Enterprise Zone capital investment

- 21 Enterprise Zones across the North East, covering 290 hectares
- £166m of capital investment to be spent on preparing Enterprise Zone Sites, to get them ready for development. £72m expected to have been spent by the end of this financial year
- Works are funded from the Business Rate Income that can be retained from the Enterprise Zones over their life of 25 years
- Estimated business rate income over lifetime period of c £460m
- Estimated surplus that may be generated could be c £270m, for use by the LEP after debt repayment is secured. This is very uncertain as it depends on good progress with development on the sites.
- £3m cumulative surplus and potential to make use of growing annual surpluses from 2024/25

# Enterprise Zone Financial Model – Huge Future Potential

- **Business Rates income** growing from £2m a year to over £25m a year over time and c £460m over 25 years
- **Financing costs** rising to a maximum of £12m pa, then falling as loans are repaid. £190m revenue costs.
- **Annual surplus** rising from 2024/25. Total estimated Surplus c £270m

But depends on successful site development and occupation





# Getting Building Fund (GBF)

- £47m government grant to accelerate building projects, supplement by £8m of LEP Funds = £55m of grant to be spent on building projects over the next 2 years.

	£m		£m
Aykley Heads - Plot C office development	6.00	North Shields Town Centre Public Realm	3.50
Bedlington Town Centre Regeneration	3.00	Northumberland Energy Park (NEP1)	1.75
Commercial Property Investment Fund Pilots	2.00	NU Futures, Newcastle	0.90
Gateshead Quays (MSCP)	2.00	Robotics & Autonomous Systems Test etc, Blyth	3.00
Gateshead Quays/Urban Core Infrastructure	5.00	Sunderland Smart City Infrastructure	4.50
Hilthorne EZ site Development	2.50	The Glassworks, South Shields	3.00
InTEGReL – Community Energy Village	1.51	Tyne Dock Enterprise Park (Holborn EZ site)	2.10
InTEGReL Business incubator	0.35	Tyne Ferry Landing North Shields	5.65
Newcastle City Centre Transformation Ph2	5.95	Wallsend Enterprise Zone works	1.50

\* Projects and grant amounts are subject to satisfactory appraisal and approval by the LEP Investment Board

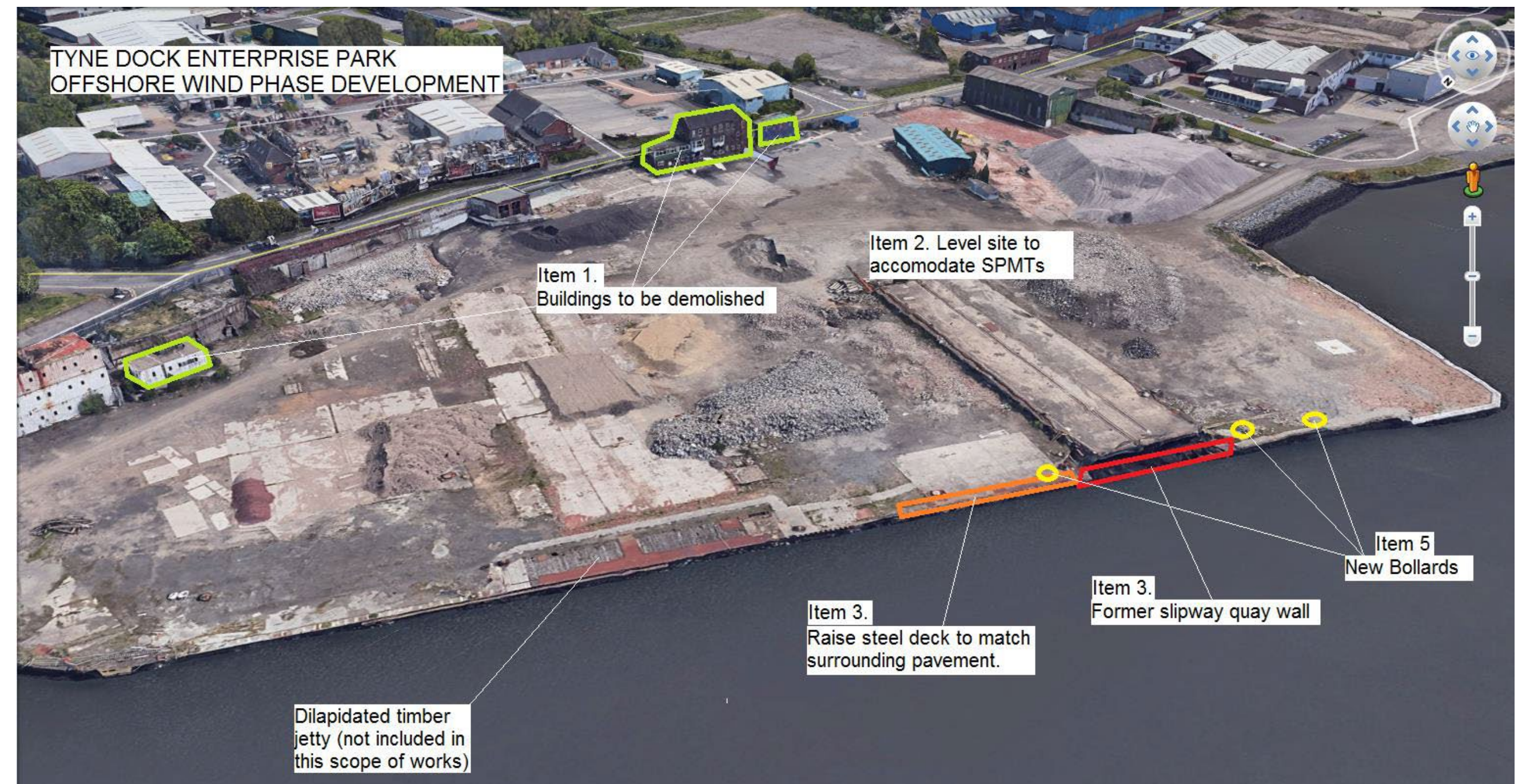


# Getting Building Fund (GBF) – Recent Approvals

Replacement Ferry landing, relocated to North Shields Fish Quay



Tyne Dock Quayside improvement for new wind turbine activity





# COVID- 19 response and other new initiatives

- Crowdfunding grants - £500k budget, £422k committed. 120 Grants approved  
Over 560 jobs safeguarded/created.
- Patent cost grant support for Life Sciences companies - £300k
- Capital grants for VCS projects to support young people and contribute to a green economic recovery - £779k budget (increased to £1.251m) to support 14 VCS capital projects
- Regional sector bodies cluster support fund - £238k - 12 grants
- Scaleup North East and Supply Chain North East - £950k additional funding
- Other specific capital grant approvals £428k (inc. Newcastle Airport) and a commercial loan £500k

# Future funding opportunities

- Freeport bid – to be submitted by 5<sup>th</sup> February, customs sites and up to 3 tax sites (20-200 hectares each)
- Green / clean energy funding
- Future Prosperity Funds – replacement of Local Growth funding and EU funds

# Panel



**Lucy Winskell**  
Chair



**Helen Golightly**  
Chief Executive Officer



**Paul Woods**  
Finance Lead



**Colin Bell**  
Business Growth Director



**Michelle Rainbow**  
Skills Director

---

**Got a question for our panel?**  
Go to: [Sli.do](#) [#moreandbetterjobs](#)

---



**Thank you for joining us**

**Please take care and stay safe**

 **@northeastlep • Got a question for our panel? Go to [Sli.do](#) #moreandbetterjobs**

# WE GO AGAIN VID

 @northeastlep • Got a question for our panel? Go to [Sli.do](#) #moreandbetterjobs