

North East Local Enterprise Partnership Investment Board

10 November 2022

Present:

Chair

Paul Woods

Members:

Mark Thompson

Cllr Carl Johnson

Cllr Tracey Dixon

Gillian Hall

Advisors:

Jason Hobbs

Presenters

Catherine Auld – Sunderland City Council

Joanne Whitfield – FW Capital

Tony Cullen - FW Capital

NTCA Officers:

Janice Gillespie

Katy Laing

Craig Winter

LEP Officers:

Ray Browning

Matt Ebbatson

Minutes:

Brenda Joyce

Observer

Phil Redman – new LEP Board member

1 WELCOME FROM PAUL WOODS (IN THE CHAIR) AND APOLOGIES FOR ABSENCE

Apologies were received from Ian Richards and Helen Golightly.

2 DECLARATIONS OF INTEREST

Mark Thompson declared interest in the following projects - Gateshead Quays MSCP, Bedlington Town Centre, Gilbridge Police Station, Biosphere 2, East Pilgrim Street, NetPark and Giants on the Quayside.

Councillor Dixon declared interests in items 8a, 8c and 8e in relation to project in South Tyneside and a renewable energy centre project.

Gillian Hall declared an interest as a Port of Blyth Commissioner.

3 **MINUTES OF THE INVESTMENT BOARD 15 SEPTEMBER 2022**

The minutes of the Investment Board held on 15 September were agreed as a correct record subject to the figure on page 3, paragraph 3, being amended to £4.3million.

4 **MATTERS ARISING AND ACTIONS LOG**

There were no matters arising from the minutes.

5 **SUNDERLAND ENTERPRISE ZONE PRESENTATION**

Catherine Auld (Sunderland City Council) gave a presentation on Sunderland Enterprise Zone and advised that Cllr Dixon could also contribute in terms of IAMPs as it straddled Sunderland and South Tyneside's boundaries.

Overall, in terms of the A19 Enterprise Zone demand had picked up recently on Hillthorn and Turbine sites and speculative build was being seen on both.

Infrastructure works on Hillthorn had been completed including new roads and diversion of services. There was also £60million of investment from Legal and General with phase 1 units scheduled to complete in quarter 1 of 2023.

IAMP, the major investment between Sunderland and South Tyneside, would deliver 7000 highly skilled jobs. Phase 1 in 2018 had enabled all the infrastructure that was needed. IAMP 1 was being developed out including a £450m investment that would create 750 high skill jobs from 2024/25.

In terms of the port sites the structural works were completed in June 2019 enabling works on the east of the EZ site. Planning permission was granted for Trinity works in January, enabling work started in September and was scheduled to complete in March 2023.

The Chair, on behalf of Investment Board, thanked Catherine Auld for the informative and interesting presentation. It was good to see buildings going up on the sites and jobs being created and thanks went to the entire team at Sunderland.

6 **COMMERCIAL PROPERTY INVESTMENT FUND - FUND MANAGER PRESENTATION**

Joanne Whitfield and Tony Cullen (FW Capital) gave a presentation explaining their role, the company's track record, the local delivery team and the plans for the launch of the Commercial Property Investment Fund (CPIF).

The CPIF was a £35million investment fund offering loans up to £7million. An average loan size of about £3million had been forecast. The fund would look to

encourage development which would support the SEP and the four core sectors of digital, advance manufacturing, health and life sciences and energy.

Ahead of the launch property influencers, valuers and lawyers had been targeted. Meetings had been held with several commercial developers to discuss the CPIF and specific schemes.

The Chair thanked FW Capital for the presentation and said that Investment Board looked forward to seeing them on many occasions in the future.

7 **PROJECTS AND MATTERS FOR DISCUSSION AND APPROVAL BY INVESTMENT BOARD**

(a) **NETPark Phase 3**

This report was strictly confidential as it contained commercial information relating to the financial or business affairs of a particular person or organisation and was not for wider circulation.

This report summarised the proposal received from Durham County Council for Getting Building Fund monies to support completion of Phase 3 of NETPark in Sedgefield, County Durham. There was demand for units on the rest of the site and the completion of Phase 3 would enable the DCC to carry out the construction of new units to meet further demand on this significant strategic employment site for the region.

RESOLVED – That the Investment Board agreed to recommend to the full LEP Board an investment of £2.965m from the North East Investment Fund into Net Park Phase 3 subject to conditions.

8 **PROGRAMME UPDATES**

(a) **Getting Building Fund (GBF)**

This report was strictly confidential as it contained commercial information relating to the financial or business affairs of a particular person or organisation and was not for wider circulation.

This report provided an update on the GBF programme budget and KPI performance at the end of Qtr. 2 2022/23 and a summary update on the latest position of each project.

Expenditure in Quarter 2 was £2,128,598 bringing the 2022/23 total to date to £4,055,849, leaving just over £7.1m to be claimed.

RESOLVED – That the Investment Board noted the matters raised in the report.

(b) Local Growth Fund (LGF)

This report was strictly confidential as it contained commercial information relating to the financial or business affairs of a particular person or organisation and was not for wider circulation.

This report presented budget and KPI outturn figures for Qtr.2 2022/23 and revised budget forecasts. A proposal to increase an existing grant award to the Northern Offshore Federation, a project contained within the Energy for Growth(E4G) mini programme, by £15,312 was being recommended. The report also highlighted notable developments on several existing projects.

The overall performance of the LGF was positive and 947 jobs had been reported to date which was well on target for the year.

Appendix 1 provided summary findings from an evaluation of the Energy for Growth mini programme that was nearing completion and the Energy Accelerator mini programme that was now at its delivery mid-point.

- take this away and see what they could do to try and resolve the issues going forward.
- Investment Board would need to work with the Chair and Chief Executive to find the right access in terms of putting pressure onto the energy supply company. It did not make sense for the North East to be a massive receiver of energy and not get any benefit from that. Micro grids could also be explored.

RESOLVED – That the Investment Board agreed to:

- 1. Support an additional revenue grant of £15,312 in 2022/23 to maintain the services of the Northern Offshore Federation (NOF) in supporting the Energi Coast cluster in the North East LEP area and Tees Valley.**
- 2. Note and comment on the matters raised in the report.**

(c) Project Development Accelerator Fund (PDAF)

This report was strictly confidential as it contained commercial information relating to the financial or business affairs of a particular person or organisation and was not for wider circulation.

The report provided an update on progress on the Project Development Accelerator Fund project delivery and reported spend for Quarter 2 2022-2023 and an overview position on all projects.

RESOLVED – That the Investment Board agreed to note the forecast expenditure for Quarter 2 for information.

(d) North East Investment Fund (NEIF)

This report was strictly confidential as it contained commercial information relating to the financial or business affairs of a particular person or organisation and was not for wider circulation.

This report provided a high-level update on the current position of the North East Investment Fund (NEIF). The focus of the report was to provide updates on project delivery and highlight repayment challenges on a small number of projects.

RESOLVED – That the Investment Board approve the recommendations in relation to the Common Room for the North repayment deferral set out above and noted the other information in the update.

(e) Enterprise Zones (EZ)

This report was strictly confidential as it contained commercial information relating to the financial or business affairs of a particular person or organisation and was not for wider circulation.

This report set out information relating to the 2022/23 Capital Programme, interest rates and the implications for the EZ model and the need for consideration of options to minimise financing costs to take place over the next few months.

The programme estimate for the year had reduced to £15.18m, as a result of reported slippage of expenditure of £1.51m into future years. Expenditure to the end of Q2 was £1.104m. With a substantial programmed spending in Q4 there was the potential for further slippage into 2023/24.

Further reposts on the whole EZ account would be brought to Investment Board in Spring 2023.

RESOLVED – That the Investment Board noted the above information.

9

FORWARD PLAN

Noted.

10

ANY OTHER BUSINESS

Gillian Hall advised attendees that this was probably her last meeting and said how much she had enjoyed being on the Investment Board, and how impressive the Executive Team were and had been throughout her time as a member.

11

DATE OF NEXT MEETING: THURSDAY 12 JANUARY, 2:00PM - 4:30PM

Unless any urgent business arises, it was likely that this meeting will be cancelled resulting in the next meeting being on 2 March 2023 at 2:00pm.