

## North East Local Enterprise Partnership Investment Board

15 September 2022

### Chair

Janice Gillespie

### Members:

Mark Thompson

Cllr Carl Johnson

David Furniss

### Advisors:

Ian Richards

Jason Hobbs

### NTCA Officers:

Katy Laing

Craig Winter

### LEP Officers:

Paul Woods

Ray Browning

Matt Ebbatson

Nicola Laverick

### Minutes:

Brenda Joyce

## 1 **WELCOME FROM THE CHAIR AND APOLOGIES FOR ABSENCE**

Janice Gillespie (Chair) welcomed everyone to the meeting.

Apologies were received from Gillian Hall, Ian Richards, Councillor Dixon and Helen Golightly.

As the meeting was inquorate decisions would be referred up to the North East LEP Board.

## 2 **DECLARATIONS OF INTEREST**

Jason Hobbs declared an interest in the item on The North East Fund.

Prior to the meeting and although not in attendance, Ian Richards declared an interest on that item as Northstar managed funds on behalf of NEA2F, NEF and North East Fund (TNEF).

Mark Thompson declared an interest of the following projects Gateshead Quays MSCP, Bedlington Town Centre, Gilbridge Police Station, Biosphere 2 and Giants on the Quayside.

### 3 **MINUTES OF THE INVESTMENT BOARD 7 JULY 2022**

The draft minutes of the Investment Board held on 7 July 2022 were agreed as a correct record.

### 4 **MATTERS ARISING AND ACTIONS LOG**

Any matters arising would be covered off with substantive agenda items.

Actions log – noted.

Progress against passed approvals - noted.

### 5 **PROJECTS AND MATTERS FOR DISCUSSION AND APPROVAL BY INVESTMENT BOARD**

- a. North East Fund Extension (considered under 6d)

### 6 **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 updated on the GBF programme budget and KPI performance at the end of Qtr. 1 2022/23. The Report outlined a proposed reallocation of a forecast significant GBF grant underspend on the Gateshead Urban Core (Quays Link Road), together with a smaller underspend on the Programme Management budget to the Gateshead Quays Multi Story Car Park and Arena where costs had escalated. This would help avoid any potential national clawback of GBF balances at the end of 2022/23.

A DLUHC Change Request encompassing these amendments would be sought, subject to Investment Board approval.

#### **RESOLVED – That the Invested Board:**

- i. **Noted and commented on the matters raised in the report.**
- ii. **Referred to the North East LEP Board the approval of the reallocation of the budget underspend from the Gateshead Urban Core (Quays Link Road) and GBF Programme Management budget to the Gateshead Quays Multi Story Car Park and Arena.**

#### (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 figures for Qtr.1 2022/23 and highlighted notable developments on several projects.

Actual expenditure for qtr.1 was below the forecast of £4.3, at £3.1m – mainly due to lower than forecast expenditure on the Central Gateway (Newcastle Central Station), Jade Business Park, Durham and North East Inward Investment projects. Whilst the overall forecast for the year remains at around £9.5m, it was expected that this would reduce when qtr. 2 revised forecasts were received.

Sunderland City Council, lead on the IAMP project, were scheduled to give a presentation setting out progress on infrastructure provision, investments to date and the revised masterplan to the full LEP Board on 29 September 2022. Variations to the existing LEP LGF and EZ funding agreements would follow.

**RESOLVED – That the Invested Board noted and commented 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.**

This report provided an update on progress on the Project Development Accelerator Fund projects and the total spend for quarter 1 2022-2023. Appendix 1 provided an overview position on all projects.

The Project Development Accelerator Fund was currently supporting a total of 20 strategic projects across the region with a total approved investment of £1.767m.

Good progress has been made on a number of projects Newcastle Airport Air Cargo project, the Wallsend Masterplan project, the North Shields Fish Quay, the North East Battery Alliance project, the Forth Goods Yard Connectivity and Infrastructure project and the new Tyne Coast College, South Shields campus relocation project.

**RESOLVED – That the Invested Board noted the quarter 1 position for 2022-2023 for information along with forecasts for quarter 2 to quarter 4.**

**(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 this report was to provide updates on project delivery and repayment.

Mark Thompson left the meeting for the discussion on World Wheel Co Ltd – Giants of The Quayside (Whey Eye Wheel).

**RESOLVED – That the Invested Board noted the updates and the report.**

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## **NORTH EAST FUND EXTENSION (AGENDA ITEM 5)**

**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.**

Jason Hobbs left the meeting for the duration of this item.

This report introduced a proposal received from North East Access To Finance to extend the North East Fund in advance of a launch of a second round of the Northern Powerhouse Investment Fund and in preparation of launching a successor fund to the NEF to fill the continued gap in Access to Finance provision. The report provided context of the original NEIF investment into JEREMIE Finance for North East Business Fund (FFBNE Fund) and the basis upon which the request to reinvest the NEIF legacy funding should be considered and potentially agreed.

Investment Board members were invited to submit any further comments or additional views to be taken on board in the report to the LEP Board by Tuesday 20 September.

**RESOLVED – That the Investment Board agreed that the following recommendation go to the LEP Board for decision.**

With specific reference to the £4.5m investment made as a repayable grant from the NEIF, Board was recommended to approve the proposal to reinvest the income that would be repaid to the NEIF as a long-term loan back into a North East Access to Finance fund.

Local stakeholders were unanimous in their view of the importance of the region being able to continue to offer locally delivered funding to SMEs. Securing the commitment that all local Access to Finance legacy funds could be deployed in the North East Fund extension and then a successor fund, would anchor it to the North East LEP region allowing it to continue to recycle into the future on an evergreen basis. Legacy funds could then leverage additional private investors to the region.

To allow the region to continue to maximise the legacy fund contribution to the future priorities outlined in Appendix 1, ***it was recommended to the full LEP Board that the legacy funds generated from the North East LEP NEIF***

***investment in the FFBNE fund be recycled alongside all other local legacy funds including those attributable to ERDF, Single Programme and RGF.***

These would also be recycled alongside legacies from historic, pre FFBNE programmes.

Jason Hobbs re-joined the meeting.

**(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 the current position in relation to the Enterprise Zone investment programme focusing on development progress on each Enterprise Zone sites, capital financing costs, and potential for the consideration of additional investment.

The latest capital programme forecasts for the year 2022/23 were set out and amounted to almost £16.7m. This was significantly lower than the previously reported estimate for the year of £35.24m.

**RESOLVED – That the Invested Board noted the information set out in the report.**

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**FORWARD PLAN**

**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 forward plan was noted.

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**ANY OTHER BUSINESS**

The issue of setting targets on Net Zero was raised and how these should influence investment decisions. It was noted that a working group had been set up with Heidi Mottram and the Chief Executive to get some momentum in this area and a report would be brought back once this work was at the next stage.

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**DATE OF NEXT MEETING**

**Thursday 10 November, 2:00pm – 4:30pm**

It was noted that as the 12 January 2023 planned meeting was out of sync with quarterly project reporting; there was a possibility the date would be changed if there was no other urgent business.