

## North East Local Enterprise Partnership Board

30 November 2023

Meeting held via Microsoft Teams

### In attendance:

Lucy Winskell	Chair, North East LEP
Colin Hewitt	Ward Hadaway
Ammar Mirza	AmmarM (UK) Limited
Emily Cox	Lloyds Banking Group
Alan Johnson	Nissan Motor Manufacturing UK (NMUK)
Phil Redman	Mott MacDonald
Cllr Amanda Hopgood	Durham County Council
Cllr Martin Gannon	Gateshead Council
Cllr Richard Wearmouth	Northumberland County
Ellen Thinnessen	Education Partnership North East
Heidi Mottram	Northumbrian Water
Mark Thompson	Ryder Architecture
Sam Whitehouse	High Force Research & LightOx Ltd

### Apologies

Dame Norma Redfern	North Tyneside Council
Cllr Amanda Hopgood	Durham County Council
Cllr Nick Kemp	Newcastle City Council
Cllr Tracey Dixon	South Tyneside Council
Cllr Graeme Miller	Sunderland City Council
Mayor Jamie Driscoll	North of Tyne
Chris Day	Newcastle University
Carol Botten	VONNE

### Officers present

Helen Golightly	Chief Executive, North East LEP
Colin Bell	Business Growth Director, LEP
Michelle Rainbow	Skills Director, LEP
Jen Robson	Communications & Corporate Services Director, LEP
Henry Kippin	Chief Executive, NTCA and Interim Chief Executive of NEMCA
Paul Woods	LEP Finance lead
Janice Gillespie	NTCA – Chief Finance Officer
Katy Laing	NTCA - Strategic Finance Manager
Rosalyn Patterson	Democratic Services, Newcastle City Council

## 1 WELCOME FROM THE CHAIR AND APOLOGIES

The Chair welcomed everyone to the meeting.

Apologies were received from Dame Norma Redfern, Cllr Nick Kemp, Cllr Tracey Dixon, Cllr Graeme Miller, Cllr Amanda Hopgood, Mayor Jamie Driscoll, Chris Day and Carol Botten.

## 2 **DECLARATIONS OF INTEREST**

The Chair declared an interest as a Commissioner at Port of Blyth and Board Member of North East Assets Finance.

Emily Cox declared a broad declaration in relation to projects Lloyds Bank may be funding.

Mark Thompson declared an interest in issues named in papers as follows; Bedlington Town Centre, Gilbridge Police Station, NETPark and Port of Tyne.

Colin Hewitt declared a broad declaration of interest in relation to Ward Hadaway working on North East LEP projects.

## 3 **MINUTES OF THE LAST BOARD MEETING HELD ON THURSDAY 20 JULY 2023**

The minutes of the last Board meeting held on Thursday 28 September 2023 were approved as a correct record.

Matters arising – a conversation had been held outside the meeting regarding the point raised at a previous meeting around Net Zero KPIs, therefore the action was now complete.

## 4 **ANNUAL DELIVERY PLAN UPDATE**

Helen Golightly advised the Board that a new Business Board would be established as part of NEMCA and that the draft Terms of Reference for that Board would be brought back to the next meeting in January.

The Chair stated that the report was very helpful and it recognised the transition phase.

## 5 **DEVOLUTION UPDATE**

Henry Kippin (Chief Executive, NTCA and Interim Chief Executive of NEMCA) gave a devolution update presentation to the Board. The presentation included information around the timeline for the transition to NEMCA over the next few months, the activity streams for the operational transition and the policy development through portfolios. The presentation also covered the budget setting for year one and next steps.

During the ensuing discussion and in response to questions, it was noted that:

- Net Zero was a big overriding theme around carbon reduction and a shift to Net Zero. Net Zero North East will continue to have cross sector support and advise across the piece.

- In terms of the Adult Education Budget there would be consolidation of some arrangements and over time alignment and more flexibility. It was acknowledged that there needed to be more clarity in terms of what the offer should look like.

The Chair again thanked Henry Kippin for his presentation.

## 6 FUND MANAGEMENT UPDATE

**This report was 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.**

Paul Wood presented the report which outlined the delegated funding decisions taken by the Investment Board at its last meeting, performance figures for quarter 2 and recommendations to approve a number of funding awards.

**Part A** – Set out delegated funding decisions made since the last Board meeting.

**Part B** – Set out recommendations to:

- Approve £35,000 towards stage 1 research into a potential successor to the North East Fund, that provide finance to SMEs, after it ceases in March 2025.
- Approve a grant of £3.3m to the Port of Tyne Authority as part of a total LEP investment of £6.5m into phase 3 site works at Tyne Dock.

**Part C** – Provided a summary of progress on each major funding programme including, under the NEIF programme, a recommendation to approve a revised loan agreement to Solar Capture Ltd, incorporating an additional loan facility of between £0.225m and £0.45m with final terms to be agreed under the CEO's delegated authority, in consultation with NTCA finance and legal officers and subject to confirmation of sufficient security and collateral to justify the additional loan facility.

**Part D** – Provided a round-up of other funding developments including a North East funding award from Innovate UK for a digital sector launchpad initiative and the outcome from Round 3 of the governments Levelling Up Fund.

**RESOLVED** – That the Board agreed to:

- i. **Approve a £35,000 budget allocation to fund a first phase study to help inform and shape a successor to the North East Access to Finance Fund.**
- ii. **Approve Tyne Dock EZ site phase 3 infrastructure works at an estimated cost of £13.03m, with a LEP contribution of £6.5m comprising £3.2m as EZ loan finance and £3.3m as a grant from the accumulated Enterprise Zone surplus. A full report with grant conditions is set out in Appendix 1.**
- iii. **Note the funding decisions taken under delegation at the Investment Board on 16<sup>th</sup> November 2023.**

- iv. **Note the latest budget and performance data for quarter 2 2023/24 on the LGF, GBF, NEIF and EZ funding programmes as set out under Part C.**
- v. **Note the outcome of discussions at the recent Investment Board in relation to The Common Room project, set out in paragraphs 4.42-4.49, approving a loan repayment holiday to the end of February, with a further report on options to be considered in March 2024.**
- vi. **Agree to a revised loan agreement for Solar Capture Technology, which would include a potential additional advance of up to £450,000 at an interest rate of 15% as part of a working capital facility of c £850,000, working in partnership with local Fund Managers; and for details of the revised terms to be finalised under delegation to the CEO in consultation with the Chief Finance Officer and the Chief Legal officer of the North of Tyne Combined Authority.**

*\*The Chair left the meeting at this point and Vice Chair, Heidi Mottram, took over the Chair for the remainder of the meeting.*

## 7 **BUSINESS GROWTH – MADE SMARTER PROJECT**

Colin Bell presented a report on the Made Smarter Project, which is part of a national movement to drive growth amongst UK manufacturers and advance the UK economy. The aim was to improve adoption of smart technologies to boost productivity performance and competitiveness.

It was noted that this was the second year of delivery and was led by the North East LEP in partnership with Tees Valley Combined Authority.

During the ensuing discussion and in response to questions, it was noted that:

- Demand was outstripping demand due to the loss of the RDF and therefore support options not available.
- The point was made that there was a gap in terms of taking organisations to the further stage of digitisation due to restrictions around re-engaging. It was acknowledged that this would be considered when designing the scheme for 2025/26, in particular around supporting companies on their longer-term journey.
- The level of digital readiness in the region was similar to that of other regions.

**RESOLVED – That the Board recognised the progress and success to date.**

## 9 **CHAIR AND CHIEF EXECUTIVE UPDATE**

**RESOLVED – That the Board noted the report.**

## 10 **ANY OTHER BUSINESS**

Colin Hewitt confirmed he was meeting with Franck Petitgas, the Prime Minister's business and investment adviser, and it was agreed that Helen Golightly would brief Colin on any messages the LEP wished to convey.

Alan Johnson gave the Board an update on the announcement made last week regarding production of two additional EV models at the Sunderland plant. Investment therefore has increased from £1bn to £3bn for three models and the requirement for a third factory for battery production. This would offer security for the Nissan plant and would provide increased employment levels due to associated industrial products.

Helen Golightly confirmed that, as the meeting was not quorate, decisions would be followed up in written representations to the Board.

11 **DATE AND TIME OF NEXT MEETING**

Thursday 25 January 2024 from 5:00 - 6:30pm.