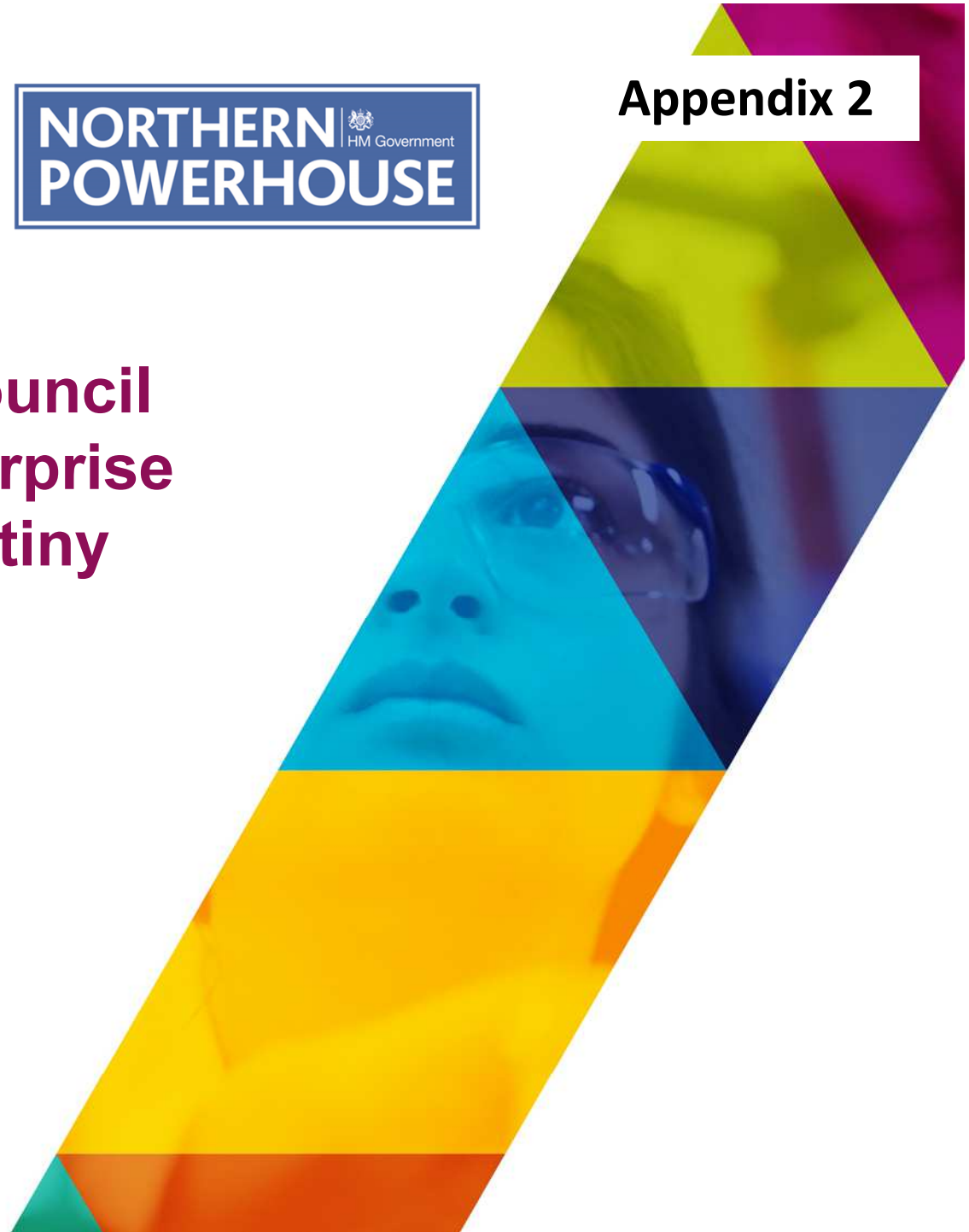




**Appendix 2**

# **Durham County Council Economy and Enterprise Overview and Scrutiny**

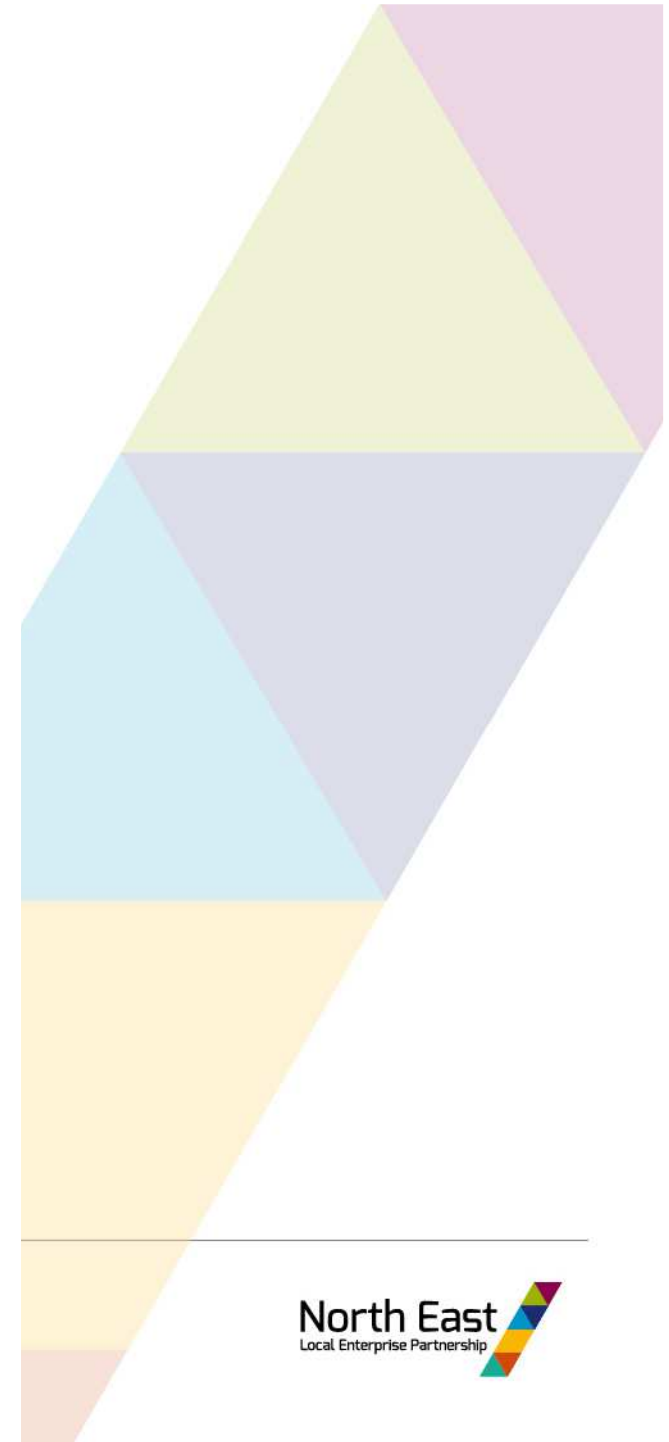
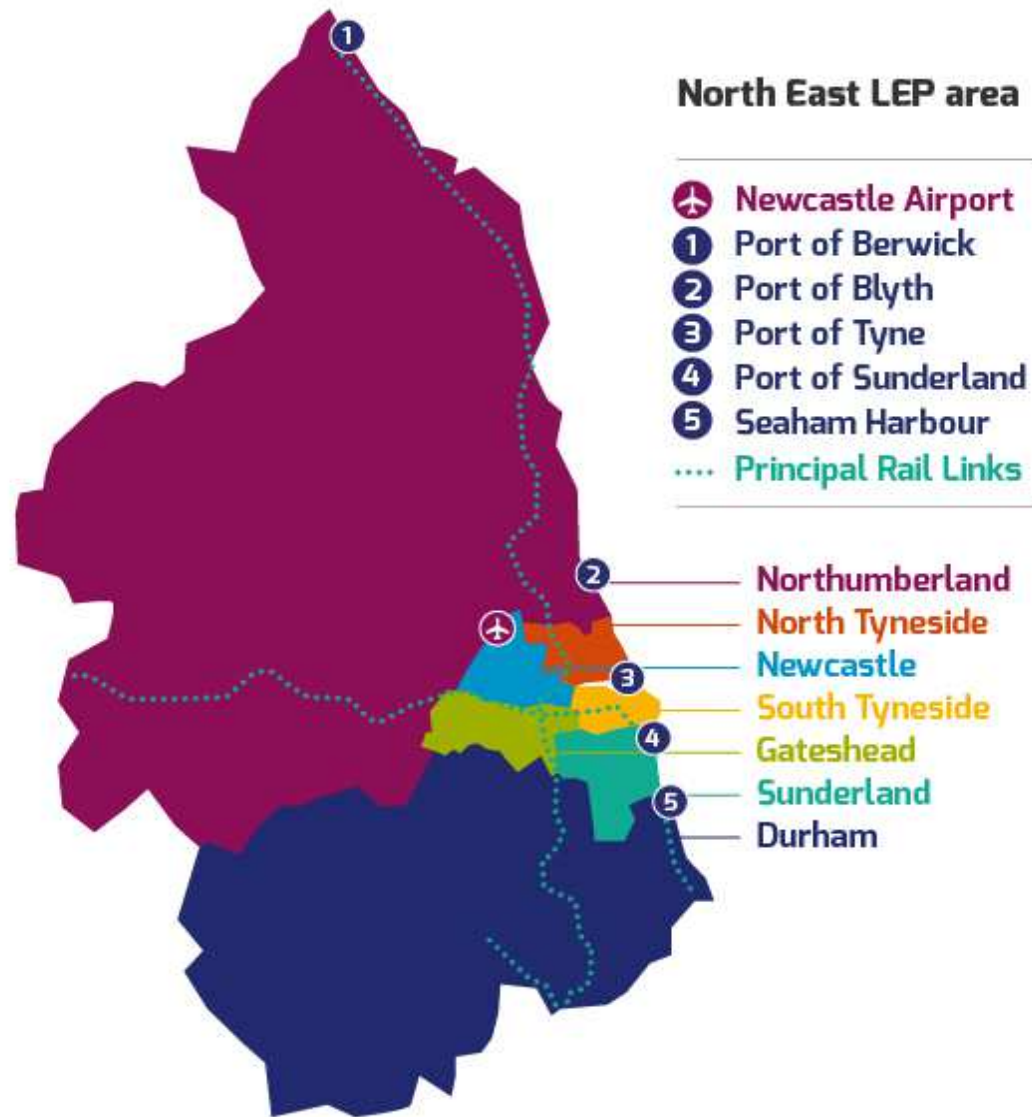
**25<sup>th</sup> February 2019**



# Purpose of Presentation

- 1. To briefly outline the role of the North East LEP including assurance systems**
- 2. To illustrate the range of capital projects in County Durham that have received support for North East LEP funding programmes**

# Where do we cover ?



# About the North East Local Enterprise Partnership

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**What is the North East Local Enterprise Partnership (LEP)?**

**What is the North East Strategic Economic Plan (SEP)?**

**SEP updated with a Programme for 2019-21 - launched on 14<sup>th</sup> Feb 2019**

**Working on 'Local Industrial Strategy' focus is on increasing productivity**

## North East SEP 2019 - Four Priority Growth areas

- **Digital** - digital technology transformation in business and commerce ( cross cutting in today's economy)
- **Advanced manufacturing** – e.g. automotive and medicine manufacture.
- **Health and life sciences** - Improving health and responding to population ageing.
- **Energy** - Tackling climate change and promoting clean growth

## North East SEP 2019 - Four key enabling sectors

- **Education**
- **Financial, professional and business services**
- **Transport and logistics**
- **Construction**



# North East SEP 2019-21 – Five Delivery Programmes

- Business growth
- Innovation
- Skills, employment, inclusion and progression
- Transport connectivity
- Investment and infrastructure

## Three LEP managed capital investment funds

| Fund                                                  | Budget                                                   | Period                                          | Amount contracted |
|-------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------|-------------------|
| North East Investment Fund (revolving loan fund)      | £55m (From Growing Places Fund and Regional Growth Fund) | 2012 - onwards                                  | £65m              |
| Local Growth Fund (grant)                             | £270m (From 3 Growth Deals )                             | 2015- 2021                                      | £255m             |
| Enterprise Zone (loan funded by business rate income) | Circa £450m (est) from Business Growth Income            | 25 years from 2012 EZ Rnd 1 2017 EZ Rnd 2 sites | £74m              |



# Assurance and Scrutiny of LEP Funds

- All funds are managed in accordance with the North East LEP **Assurance Framework** – this follows national Government guidelines and best practice. LEP Board reviews this annually.
- **Government holds an Annual Performance Review with each LEP** – this covers performance in regards to Governance, Strategy and Delivery. Future years funding is dependent on a positive review.
- Locally our programmes are subject to **audit and inspection** e.g. recent audit completed for NECA examined processes for project monitoring and verification of project data collected.
- The **North East LEP Board and Investment Board receive regular updates on performance** for each funding programme.
- **All LGF approved projects are monitored** – data on expenditure, performance and milestones are reported locally and to Gov't.



# National Formulation Centre, NETPark, Sedgefield

|                  |                                                                                                                                      |                         |              |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------|
| Project Name     | <b>National Formulation Centre, NETPark</b>                                                                                          |                         |              |
| Description      | Opened March 2018, The Coxon Building houses The Centre for Process Innovation's (CPI's) new National Formulation Centre at NETPark. |                         |              |
| Total Cost       | £15.7m                                                                                                                               | <b>LGF contribution</b> | <b>£8.9m</b> |
| Current position | Centre is operational, with 10 business supported. Project has supported 39 new jobs to date, exceeding original forecasts.          |                         |              |



# Houghall College, Durham

|                  |                                                                                                                                                    |                         |               |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------|
| Project Name     | <b>Rural Skills Development, Houghall College, Durham</b>                                                                                          |                         |               |
| Description      | Major refurbishment and development of facilities to support land based industries                                                                 |                         |               |
| Total Cost       | £3.35m                                                                                                                                             | <b>LGF contribution</b> | <b>£1.12m</b> |
| Current position | Opened by HRH Princess Anne in January 2017. More than 200 Level 3 and 130 apprenticeships have been delivered through the new facilities to date. |                         |               |



# Durham City Incubator, Salvus House

|                         |                                                                                                                                        |                         |               |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------|
| <b>Project Name</b>     | Durham City Incubator                                                                                                                  |                         |               |
| <b>Description</b>      | Acquisition of long-term vacant Salvus House at Aykely Heads and conversion into incubator / managed workspace over four floors.       |                         |               |
| <b>Total Cost</b>       | £3.9m                                                                                                                                  | <b>LGF contribution</b> | <b>£1.25m</b> |
| <b>Current position</b> | Refurbishment works completed. Ground floor incubation space offers small offices / collaborative workspace. 120 jobs created to date. |                         |               |





# Auckland Castle Welcome Building

|                  |                                                                                                                                                      |                         |              |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------|
| Project Name     | Auckland Castle Welcome Building, Bishop Auckland                                                                                                    |                         |              |
| Description      | Highway / public realm improvements to facilitate development of Auckland Castle Welcome Building and Tower, increasing visitors to Bishop Auckland. |                         |              |
| Total Cost       | £4.2m                                                                                                                                                | <b>LGF contribution</b> | <b>£1.7m</b> |
| Current position | Welcome Building construction and public realm works completed. Project launched in October 2018                                                     |                         |              |



# NETPark Phase 3 infrastructure



|                  |                                                                                                                           |                         |               |
|------------------|---------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------|
| Project Name     | <b>NetPark Infrastructure Phase 3a</b>                                                                                    |                         |               |
| Description      | 1km internal highway constructed to open up phase 3 of NETPark, creating serviced plots for up to 11 businesses on 13 ha. |                         |               |
| Total Cost       | £5.09m                                                                                                                    | <b>LGF contribution</b> | <b>£5.09m</b> |
| Current position | Works completed Nov. 2018. Site development plots to be marketed.                                                         |                         |               |

# Forrest Park, Newton Aycliffe.



|                  |                                                                                                                                                                                   |                         |             |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------|
| Project Name     | <b>Forrest Park, Newton Aycliffe</b>                                                                                                                                              |                         |             |
| Description      | Provision of offsite highway access and electricity substation servicing new strategic employment site near to Hitachi Rail plant.                                                |                         |             |
| Total Cost       | £13.6m                                                                                                                                                                            | <b>LGF contribution</b> | <b>£13m</b> |
| Current position | Highway and Substation works completed in 2017 with residual works completed in 2018. Masterplan developed. Roadside commercial development project expected to commence in 2019. |                         |             |





# Explorer – Grow on space for NETPark

|                  |                                                                                                                               |                         |              |
|------------------|-------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------|
| Project Name     | Explorer – NETPark, Sedgefield                                                                                                |                         |              |
| Description      | Lab / office space development on NETPark, to provide grow on space from incubator / secure inward investment.                |                         |              |
| Total Cost       | £7.2m                                                                                                                         | <b>LGF contribution</b> | <b>£3.2m</b> |
| Current position | The buildings operational since January 2018. Two businesses employing 48 have taken up space – one in each of the buildings. |                         |              |



# Other projects supported in County Durham

**National Centre for Healthcare Photonics** – recently completed on NETPark. To be formally opened in March.

**Integra 61, Bowburn** – strategic employment and housing site infrastructure works in progress.

**North East Rural Growth Network** – 10 smaller scale developer / business growth projects supported in County Durham to date.

**Durham Station cycleway** – new cycle path connection to County Hall

**Hordon Rail Station** – works expected to start Feb 2019 for completion early 2020.



**Further information on all North East LEP funded projects can be found here:**

**<https://www.nelep.co.uk/projects/>**

**Thank you**

