

## **£40.6M EXPANSION OF GROWTH DEAL BOOSTS LOCAL PLAN FOR NORTH EAST ECONOMY**

The North East Local Enterprise Partnership has agreed an expansion to its Growth Deal with the Government which will see an extra £40.6m invested in the North East economy between 2016 and 2021. This is in addition to the £289.3m of funding committed by the Government on 7 July 2014. Over the lifetime of its Deal (2015-2021) the Local Enterprise Partnership estimates that up to 5000 new jobs could be created and that it has the potential to generate £130m public and private investment.

The additional proposed projects include:

- The creation of a facility for a national centre to develop and commercialise photonics based therapies. Lead by the Centre for Process Innovation, part of the High Value Manufacturing Catapult.
- Upgrading the facilities at Northumberland College to improve skills levels and support economic growth in key sectors such as advanced manufacturing, renewables and ICT.
- Sunderland Enterprise and Innovation Hub. Enterprise and Innovation Hub, comprising the first 'Fab Lab' in the North East, incubation spaces and workshop, office and laboratory space for manufacturing, creative and science-based businesses.

In addition, the Government is committed in principle to support the development of Dun Cow Quay in Blyth and the regeneration of South Shields Town Centre through discounted Public Works Loan Board borrowing. These projects will provide 25,000 square feet of new commercial workspace in Blyth and a high quality bus and metro interchange to improve the public transport connectivity of South Shields Town Centre.

The North East Growth Deal is part of a long term plan to devolve at least £12 billion from central government to local economies. The plan aims for every part of the country to be a motor of growth for the national economy – building on the strength of the North East.

### **Quotes**

The Prime Minister said:

“Giving local communities the power and the money to unlock growth and development and make the spending decisions that work for them is a key part of our long-term economic plan to secure a brighter future for Britain and ensure a recovery for all.

“And this is happening right across the North East, with more money announced today for key projects to boost the local economy as part of the multi-million pound expansion of the Government’s Growth Deals.

“And because the money will be in the control of a partnership of local community, business and civic leaders it means it will go on the things that really matter to people and businesses here.

“That is what Growth Deals are all about, backing local people and investing in the infrastructure, housing and skills that will drive forward local economies, create more jobs and opportunities for hardworking people and supercharge all parts of our country.”

The Deputy Prime Minister said:

“A quiet revolution is underway in the North East and across the country, as Growth Deals signal the death of the culture where Whitehall calls the shots. I’ve seen for myself the difference it makes to give the region more power over skills, over business support, over infrastructure spending.

"I am delighted to announce the expansion of the North East Growth Deal today.

“The Coalition Government has been relentless in our efforts to sort out the public finances and set firm foundations for growth. Growth Deals help create a stronger economy and a fairer society by boosting local economies, and providing more jobs, better transport and affordable homes.”

The LEP Chair Paul Woolston said:

“The North East’s economic plan 'more and better jobs' sets an ambitious vision for the North East, to transform the economy and enable more businesses to invest, grow and prosper, delivering more and better jobs for everyone. We are delighted that government is further supporting our proposals with such a significant investment.

The additional £40.6m added to our £289.3million Growth Deal endorses our approach providing investment for innovation, skills, business support, and transport, developing our economic assets and supporting inclusive growth.

The overall deal will act as a catalyst to lever in substantial private and public investment, creating thousands of jobs and providing sustainable and long term growth.

The North East Local Enterprise Partnership is looking forward to working with our partners and government to make it happen”.

## FACTSHEET

### 1. How much is the Government investing in the North East as part of the Growth Deal?

	Initial Growth Deal (July 2014)	Expansion – additional funding awarded (Jan 2015)	Total Expanded Growth Deal
<b>Local Growth Fund</b>	<i>£289.3m</i>	<i>£40.6m</i>	<b>£329.9m</b>

### 2. What proposed projects will this new tranche of funding deliver?

- **National Centre for Healthcare Photonics.** Creation of a facility for a national centre to develop and commercialise photonics based therapies. The facility will be led by CPI part of the High Value Manufacturing Catapult.
- **River Tyne Economic Development.** This project will prevent and remedy on-going contamination (from historic sites) on the river Tyne to allow additional development on the riverside.
- **Sunderland Central Business District.** The creation of central business district/urban quarter to link city centre to river Wear.
- **Newcastle Life Sciences Incubation Hub.** Lab and office space to support businesses in life sciences and related sectors.
- **Northumberland College: Advance Manufacturing Centre.** Upgrading the facilities at Northumberland College to improve skills levels and support economic growth in key sectors such as advanced manufacturing, renewables and ICT.
- **Newcastle Gateway 24/7 Centre.** New entry portal to the college to allow increased vocational resource workspace and provide a new library and learning centre.
- **Merchant Park 2.** Further funding to provide support to investors and supply chain companies at the site adjacent to Hitachi Rail Europe.
- **Sunderland Enterprise and Innovation Hub.** Enterprise and Innovation Hub, comprising the first 'Fab Lab' in the North East, incubation spaces and workshop, office and laboratory space for manufacturing, creative and science-based businesses.

In addition, the Government is committed in principle to support the development of Dun Cow Quay in Blyth and the regeneration of South Shields Town Centre through discounted Public Works Loan Board borrowing. These projects will provide 25,000 square feet of new commercial workspace in Blyth and a high quality bus and metro

interchange to improve the public transport connectivity of South Shields Town Centre.

This adds to the projects that were announced in July 2014 including:

- **Merchant Park 2** - to support inward investment and supply chain development adjacent to the future home of Hitachi Rail Europe.
- **Rural Growth Network infrastructure** - a project to plug infrastructure gaps in key rural market towns and to grow the innovative, community-led network of rural enterprise hubs to support rural business growth.
- **Swans Wet Berth Infill** - to create development land with quay frontage within the Swans site of the North East Enterprise Zone, thereby increasing availability of commercial land available for priority sectors.
- **A North East innovation programme** - a package of five projects to support and drive innovation in the LEP area: (1) Newcastle Life Sciences Incubation Hub; (2) NETPark Infrastructure Phase 3; (3) Low Carbon Energy Centre; Newcastle Science Central; (4) Sunderland Enterprise and Innovation Hub; (5) The Centre for Innovation in Formulation.
- **A skills improvement package** - five projects to increase skills levels in key sectors: (1) Tyne Met College; (2) South Tyneside College; (3) Port of Blyth Offshore and Wind Energy Training Facility; (4) Newcastle College Group; Low Carbon Tech Centre; (5) East Durham College.
- **A transport improvement programme** - nine strategic transport projects starting in 15/16: (1) Northern Access Corridor: A189/A191 Haddricks Mill; (2) Newcastle Central Metro Station Refurbishment; (3) A19/A194/A1300 Lindisfarne Roundabout; (4) Newcastle Central Station to Stephenson Quarter; (5) A191 Junctions (Coach Lane and Tyne view Park); (6) A19 Employment Corridor (Silverlink North); (7) A1 Corridor Scotswood Bridgehead; (8) A1056-A189 Weetslade roundabout; (9) Local sustainable transport fund package.
- A185/A194/A19 Traffic Movements (The Arches Junction); Sunderland Strategic Transport Corridor Phase 3; Western Relief Road Durham City; Metro Enhancements; and A1/A19 Local Junction Improvements Package.

### **3. How does this benefit the people of the North East?**

The Growth Deal will promote growth in the North East through funding key projects, supporting the area's ambitions set out in the North East LEPs Strategic Economic Plan "More and Better Jobs" with an emphasis on creating the right environment for businesses to start, and expand and importantly to create jobs. The Growth Deal will

also support improved opportunities in training through investments in Northumberland College and Newcastle College to provide people with the opportunities to gain the skills which are important for growing sectors in the North East.

According to estimates by the LEP, the Growth Deal could bring to the North East:

- Up to 5000 Jobs
- Up to £130m public and private sector investment

#### **4. What is the benefit for local businesses?**

As well as much needed investment to infrastructure and business site improvements such as those in Sunderland City Centre, the Growth Deal continues to support vital investment in innovation at the Centre for Healthcare Photonics, will provide workspace for the development of hi-tech and innovative new businesses, and support an up skilling of the workforce in key sectors. It also builds on previous commitments made in July including the establishment of a Growth Hub to support businesses across the whole LEP area.

#### **5. Facts and figures**

The Growth Deal builds on significant recent investment in growth opportunities in the North East including:

Growing Places Fund total allocation: £25m.

The Newcastle and Gateshead City Deal: A £90m infrastructure programme across key sites in Newcastle and Gateshead.

The Sunderland and South Tyneside City Deal: Investing £5 million for the development of an International Advanced Manufacturing Park and more than £80 million to build the new bridge over the River Wear.

Regional Growth Fund: North East LEP area has to date received £219.2m investment from the Regional Growth Fund, and could also benefit from £1.5m invested in neighbouring LEPs.

Coastal Communities Fund: £13,735,983