

GROWTH DEALS 3 FACTSHEET – NORTH EAST LEP

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

	Growth Deal One (July 2014)	Growth Deal Two (Jan 2015)	Growth Deal Three (Nov 2016)
Local Growth Fund Award	£289.3m	£40.6m	£49.7m
Total Award	£379.6m		

2. What will this new funding deliver?

This new tranche of funding will deliver:

- **The International Advanced Manufacturing Park in Sunderland** adjacent to the Nissan UK manufacturing facility, which will be the location for advanced manufacturing and European-scale supply chain industries. The 100 hectare site, set alongside new infrastructure and services and will see an estimated 5,200 jobs created in the long term and around 260,000 sq.m of commercial space developed.
- **A Business, Innovation and Skills Infrastructure programme** which will support businesses seeking to grow and develop, and provide workers with the necessary facilities needed to improve their skills.

3. What has previous funding delivered?

This builds on previous Growth Deal investments in the North East, which will fund the following projects:

Economic Assets

- **Forest Park** - to support inward investment and supply chain development adjacent to the future home of Hitachi Rail Europe in Newton Aycliffe.
- **North East Rural Growth Network** - 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 Wallsend** - 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.
- **River Tyne Economic Development** – A package of measures to provide long-term solutions to historic sources of contamination.
- **Sunderland Central Business District** - Major new office development on brownfield city centre site formerly occupied by Vaux brewery.
- **East Sleekburn Site Reclamation & Dock Works** - acquisition and reclamation of former Power station site in Blyth to create serviced site with dock access for offshore industry.
- Other projects include speculative advanced Grade A manufacturing units on Tyne Tunnel Trading Estate in North Tyneside and Monkton South Business Park in South Tyneside; Durham City Incubator, Explorer office / laboratory units at NETPark; and

highway access improvements to facilitate a new Welcome Visitor Centre and Tower at Auckland Castle.

Innovation

- **Newcastle Life Sciences Incubation Hub**; a new £25 million 7,500sqm laboratory and life science business incubator at Science Central in Newcastle city centre.
- **Sunderland Enterprise and Innovation Hub** – a Sunderland University led project creating a city centre venue for students and wider community with a new fabrication laboratory.
- Other projects include: NetPark Infrastructure Phase 3; Low Carbon Energy Centre at Science Central; The Centre for Innovation in Formulation; National Centre for Healthcare Photonics at NetPark, Northern Centre for Emerging Technologies on Gateshead Quays.

Skills

- Projects to increase skills levels in key sectors: Tyne Met College STEM and Innovation Centre; South Tyneside College, facilities for marine and offshore engineering; BEACH, Offshore and Wind Energy Training Facility at Blyth; East Durham College; Ashington College, STEM Centre; Beacon of Light education and training centre at the Foundation of Light Sunderland, Eagles Community Arena sports training in Newcastle.

Transport

- Strategic transport projects: Northern Access Corridor Phase 2 (Cowhill to Osborne Road) and Phase 3 Osborne Road to Haddricks Mill); Newcastle Central Metro Station Refurbishment; A19/A194/A1300 Lindisfarne Roundabout; Newcastle Central Station to Stephenson Quarter; A191 Junctions (Coach Lane and Tyne view Park); A19 Employment Corridor (Silverlink North); A1 Corridor Scotswood Bridgehead; A1056-A189 Weetslade roundabout; Horden (Peterlee) Rail Station; A1058 Coast Road; Sunderland Low Carbon Zone; South Shields Transport Hub, A167 Park and Ride Corridor; A185/A194/A19 Traffic Movements (The Arches Junction); Sunderland Strategic Transport Corridor Phase 3; Western Relief Road Durham City; Metro Enhancements; A1/A19 Local Junction Improvements Package; Blyth Cowpen Road; and a local sustainable transport fund package.

4. How will this benefit the local community?

This new funding builds on previous Growth Deal rounds by supporting businesses seeking to grow and develop, and provide workers with the necessary facilities needed to improve their skills, helping the residents of the North East to access new and existing job opportunities.

According to estimates by the LEP, the Growth Deals could bring up to 8,200 jobs and up to £300 million of public and private sector matched investment to the North East.

5. How will this benefit local businesses?

The North East LEP Growth Deals have focussed on promoting growth in the North East through funding key projects, supporting the area's ambitions set out in the 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.

This additional funding will continue that overall aim, building on the area's strengths in advanced manufacturing, especially automotive and passenger vehicles and corresponding supply chain.

6. How does this link to the Northern Powerhouse?

The Northern Powerhouse is a vehicle for addressing productivity gaps across the country and ensuring a stronger, more sustainable economy for all parts of the UK. Through the Local Growth Fund, central government has already agreed over £2.9 billion worth of Growth Deals in the North to help address these issues by supporting locally-led projects to boost economic growth. This additional funding round will provide an extra boost of **£556 million** to LEPs within the Northern Powerhouse. The funding will also build upon the innovation, improved business support, and major capital projects which have already led to economic growth in the North, acting as a catalyst for growth building towards the Prime Minister's vision of an economy that works for all up and down the country.

Other Sources of Funding for LEPs

This is currently the last round of Growth Deals that will take place in this Parliament. However, LEPs are eligible to bid for many other sources of funding, which they can use to make investments in significant economic projects in their local area.

The North East LEP has successfully secured £474.2m million in additional investment so far, including:

- £25 million from the Growing Places Fund which is assisting growth projects across the North East with 495 jobs supported to date.
- £30 million from the Regional Growth Fund programme to support growth projects across the North East. This has created 206 direct jobs to date and is contracted for a further 500.
- £419.2 million notional European Structural & Investment Funds (€537.4m, exchange rate Jan 2016) to support SME growth, skills development, sustainable communities and social inclusion, climate change and environmental protection and infrastructure outcomes across the North East.

In addition the area has also benefitted from:

- The £145 million North East Fund, which will provide loan, equity and mezzanine funding into new and fast-growing businesses. The new fund combines ERDF backing with EIB finance and legacy money generated from historical funds which have operated in the North East LEP area since 2003.

- The Newcastle and Gateshead City Deal: A £90 million 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.

Communities Secretary Sajid Javid said:

“As part of efforts to deliver an economy that works for everyone, the Government is equipping local people with the resources they need to drive forward local growth.

“That is why we’re giving £49.7 million of new money to the North East to give businesses the support and opportunities they need to achieve their potential – on top of the £329.9 million we have already awarded”.

Northern Powerhouse Minister Andrew Percy said:

“Across the Northern Powerhouse, local people will benefit from £556 million extra investment thanks to these latest Growth Deals.

“This is more government money directly invested into the Northern Powerhouse. It is further proof that we will back the people of the North with the resources they need to reach their full potential.”

Andrew Hodgson North East Local Enterprise Partnership Chair said:

“This latest Growth Deal allows the North East LEP to invest and drive forward the delivery of the International Advanced Manufacturing Park. We will work with our local authority partners, North East Automotive Alliance and the private sector to deliver this vitally important scheme, which is of strategic importance not only for the North East, but for the UKs industrial strategy.”