

## Record of Delegated Decision by Officer

### Decision Title:

North East LEP Project Funding Decisions (September 2023)

### Is this decision Key or Non-key?

Key

### If the decision is Key, has the decision been published on the Forward Plan?

Yes

### Is this decision subject to Call-in?

Yes

### Decision:

**The Head of Paid Service is recommended to authorise NTCA, acting on behalf of the North East LEP:**

1. To approve a grant award of up to £71,816 from the Enterprise Zone (EZ) programme towards Newcastle International Airport's Air Cargo Project.
2. To approve a grant award of up to £20,000 from the Enterprise Zone (EZ) programme towards preparatory work and site investigations to support a Development Agreement on the Newcastle International Airport Plot A EZ site.
3. To agree to the First Stage Approval of the CPIF provision of a loan facility of £5,983,517 to Almscliffe Properties Ltd (APL) which is 79% of cost, as an exception to the 70% ratio that is set out in the Investment Guidance. This is subject to detailed due diligence and credit checks being completed by the Fund Manager FW Capital.
4. To note, ongoing discussions with Solar Capture Ltd to put in place additional working capital facilities to enable the company to expand and improve its financial position, and that these changes would potentially require a new inter-creditor agreement with changes to our security arrangements and loan repayment schedule, and potentially also to the loan interest rate. The Head of Paid Service is also asked to give delegate authority to the North East LEP CEO to agree revised terms and conditions to the loan, relating to security, repayment schedule and interest rate of the loan, which would be compliant with subsidy control

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arrangements, in consultation with the North of Tyne Combined Authority, as the accountable body with the chief legal and finance officers.

5. To note that there are significant financial challenges facing The Common Room project and that the issue with the repayment of their loan will be discussed in detail by the North East LEP Investment Board in November 2023. In addition, to note that no loan payments will be made in September and October, and to agree that this would not involve the loan being formally considered to be in default, which would result in penalty interest being charged.
6. To vary an existing Getting Building Fund (GBF) grant to Project Genesis Ltd, County Durham on the Bessemer Court industrial unit scheme, reducing the number of industrial units to five, with completion by April 2024. An independent appraisal of the latest project costs to also be undertaken to confirm that the previously approved grant award of £448,265 can continue to be supported or otherwise appropriately reduced.

As set out in the attached confidential report.

Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 -Information relating to the financial or business affairs of any particular person (including the authority holding that information).

### **Delegation:**

Cabinet meeting on 2 June 2020 – Minute 73

### **Consultation:**

Chief Executive:	Yes
Monitoring Officer:	Yes
Chief Finance Officer:	Yes
Portfolio Holder:	Yes

### **Name and Title of the Decision-Maker:**

Henry Kippin, Chief Executive, North of Tyne Combined Authority

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**Contact Officer:**

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**Delegated decision made and published: 24 October 2023**