
Title: Department of Business and Trade: Key Account Management
Report of: Guy Currey, Head of Inward Investment
Portfolio: Finance and Investment

Report Summary

The purpose of this report is to

1. Provide a background about the Department of Business and Trade (DBT) Key Account Management (KAM) programme.
2. Accept the latest grant funding award of £88,606.96, to deliver the KAM programme in North East of England from 01 October 2024 – 31 March 2025.
3. Approve the passporting of funds to Newcastle Gateshead Initiative, Northumberland County Council, North Tyneside Council, Gateshead Metropolitan Council, and South Tyneside Council to deliver the KAM programme.

Recommendations

In accordance with the Scheme of Delegations, the Director of Finance and Investment, in consultation with the Monitoring Officer, the Mayor and the relevant Cabinet Member, is recommended to:

1. Accept the grant funding of £88,606.96 from the Department of Business and Trade for the Key Account Management programme (for the period 01 October 2024 – 31 March 2025).
2. Approve the passporting of funds to Newcastle Gateshead Initiative, Northumberland County Council, North Tyneside Council, Gateshead Metropolitan Council, and South Tyneside Council to deliver the KAM programme.

A. Summary of Proposal

1. Background

- 1.1 The DBT KAM programme has been delivered in the North East of England since 2018. This has been in the form of a grant funding agreement between DBT and Invest North East England (INEE).
- 1.2 The North East Combined Authority (North East CA) is the relevant accountable body for INEE.
- 1.3 INEE is the strategic inward investment agency for North East CA. The INEE team acts as the regional inward investment resource in the North East of England and works collaboratively with its local authority partners and other key stakeholders to increase the levels of inward investment flowing into the region from both UK-owned and foreign-owned businesses.
- 1.4 The purpose of the DBT KAM grant is for the delivery of Key Account Management in the North East CA area that is additional to work that is currently delivered by DBT's central Strategic Relationship Management function. Only management of foreign owned companies not on the DBT One List (A-C) will be funded through this resource.
- 1.5 The objective of providing the grant is to deliver additional Foreign Direct Investment into the North East, by enabling INEE and delivery partners (subcontractors) to identify and engage existing foreign investors in the North East CA area to generate reinvestment in the region.
- 1.6 Foreign owned companies managed via this programme must display a high propensity to grow and create new jobs.

1.7 The model that has been adopted is INEE enters the regional KAM contract with DBT. INEE leads on the business case development and bids for annual funds on behalf of the region, subcontracting with participating local authorities to deliver KAM to key foreign-owned companies located in the North East CA area.

18 For governance, INEE hold a monthly Investment Gateway Meeting (IGM) with local authority inward investment leads and DBT. The group coordinates inward investment activities and makes decisions on day-to-day operational activity. INEE and IGM members agreed that INEE would subcontract the delivery of the KAM programme to the participating constituent local authorities.

2. The Investment Proposal

2.1 In the most recent round of funding, a total Grant amount of £345,991.00 has been awarded to North East CA (as INEE’s accountable body), for the delivery of the KAM Programme from April 2023 – March 2025. Grant funding has been awarded via a Grant Determination plus a Grant Addendum Notice (001) and Grant Addendum Notice (002).

2.2 This delegated decision is to accept specifically the funding in the Grant Addendum Notice (002) - £88,606.96 which covers the period of 01 October 2024 – 31 March 2025.

2.3 A full breakdown of the grant funding:

Item of Expenditure	Budget/forecast expenditure		
	2023-24	2024-25	Total
Dedicated staff resource and associated costs (salary, travel & subsistence, marketing) to engage foreign investors in the local area to generate additional reinvestment.	£168,777.00	£177,214.00	£345,991.00
Total	£168,777.00	£177,214.00	£345,991.00

2.4 The Grant is to fund three Full Time Equivalents (FTEs) of dedicated staff resource within the North East CA geography to engage existing foreign investors in their local authority area to generate additional reinvestment.

Subcontractor (Partner) Agreements

2.5 Following the Grant Addendum Notice (002), INEE agreed that funding of £84,000 will be split in the form of a Grant, between participating local authorities of:

- Newcastle Gateshead Initiative
- Gateshead Metropolitan Council
- Northumberland County Council
- North Tyneside Council
- South Tyneside Council

2.6 The remainder £4,606.96 will be retained by INEE as a top slice for administration and facilitation.

2.7 Durham County Council and Sunderland City Council were consulted about the Grant but declined the offer.

2.8 The above sub-contractors will enter a Grant Funding Agreement with the North East CA (as the accountable body for INEE).

2.9 The Grant will part fund an FTE for each sub-contractor within the timescales specified. The dedicated members of staff will be delivering, substantive strategic account management throughout this agreement period.

2.10 The Grant and outputs for each partner is below (for the contracting period of 01 October 2024 – 31 March 2025):

Local Authority	Contract Value	FTE	Outputs: Project Successes	Outputs: Accounts Managed
Gateshead Metropolitan Council	£18,585	0.66	3	20
Newcastle Gateshead Initiative	£18,585	0.66	3	20
Northumberland County Council	£14,122.50	0.5	2	15
North Tyneside Council	£18,585	0.66	3	20
South Tyneside Council	£14,122.50	0.5	2	15

2.11 KAM investment successes from the portfolio of companies managed, should be in addition to any investment successes delivered by sub-contractors as part of their business-as-usual activity.

2.12 Subcontractors will prepare monthly reports which are submitted to INEE. INEE then collates and submits a regional monthly report to DBT on activity and facilitates the invoicing.

2.13 The full amount of the Grant to subcontractors will be paid upon satisfactory reporting of outputs.

3. Outputs and Outcomes

Regional contract DBT and NECA (as the accountable body for INEE) for 2023/24 and 2024/25. To note: these outputs are the total outputs for the year rather than the contract period.

Total Outputs	23/24	24/25	Total
Regional Investment Successes	18	20	38
Account Managed Companies via KAM			120

4. Timetable for Implementation

Milestone	Forecast Date
Contract start	01 October 2024
Contract end	31 March 2025

B. Potential Impact on North East Combined Authority Objectives

The funding supports NECA's Corporate Plan and mission statement 'A welcoming Home to Global Trade'

C. Key risks

The main risk related to this commission is the performance of the partners in meeting required outputs. This will be managed through INEE's robust contractual arrangements and monitoring. The subcontractors prepare monthly reports which are submitted to INEE. INEE then collates and submits a regional monthly report to DBT. Grants are paid in arrears and following satisfactory evidence being provided.

D. Financial and other resources implications

The financial profile for the project/programme is included below:

Funding source	2023/2024	2024/25	Total
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<i>DBT KAM Funding</i>	£168,777.00	£177,214.00	£345,991.00
<i>North East CA Investment Fund (£)</i>	£0.00	£0.00	£0.00
<i>Private Sector Leverage (£)</i>	£0.00	£0.00	£0.00
Total (£)	£168,777.00	£177,214.00	£345,991.00

There is no financial risk as this is external funding via DBT with no North East CA Investment Fund or Match Funding.

Grant funding will be paid to partners in arrears at the end of the contract and subject to satisfactory evidence.

E. Legal implications

There are no legal implications to this programme. North East CA Legal Team have been consulted during this process. The comments of the Monitoring Officer have been included in this report.

F. Equalities implications

The North East CA follows the Public Sector Equality duty and this report has due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010.

North East CA has an Equality and Diversity Policy and is fully committed to complying with the Equality Act 2010 and to fulfilling its statutory duties towards its employees and residents with regards to equality and inclusion.

The approach taken will positively contribute to creating a more inclusive economy in the North East CA area with specific positive impact on addressing the needs of businesses.

The Combined Authority has considered the implications relating to climate change in decisions and believe there will be no negative impact as a result.

G. Consultation and engagement

Consultation and engagement has taken place throughout the process and this has included all seven constituent local authorities (via the IGM), LA7 Economic Directors and DBT.

H. Appendices

n/a

I. Background papers

DBT Grant Funding Letters can be supplied on request:

- 2023 Contract
- Grant Addendum (001)
- Grant Addendum (002)

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K. Glossary

North East CA	North East Combined Authority
INEE	Invest North East England
DBT	Department of Business and Trade
KAM	Key Account Management
NTCA	North of Tyne Combined Authority
FTE	Full time equivalent
IGM	Investment Gateway Meeting

L. Consultee

Cabinet Member:	Director/Head of Service:	Director of Finance and Investment:	Monitoring Officer:
Yes	Yes	Yes	Yes

