

IMPACT Ø19

HAVE YOU MADE AN IMPACT THIS YEAR?

North East Times' Impact Awards returns for its second year to celebrate those individuals who have made a significant mark on the North East in 2019

Five categories (finance, global, regional, profile and innovation) have been specially chosen to acknowledge those based in the North East who have made an impression in a variety of ways.

North East Times will be asking people to nominate individuals for each category via a simple three-question form available on our website.

Three shortlisted nominees for each category will be invited to take part in an exclusive interview and photoshoot in November 2019, which will appear in North East Times' December 2019 issue and shared across our digital channels.

North East Times will then hold an exclusive event at Wylam Brewery on December 4, 2019, where the five Impact Award winners will be announced, as well as one overall Impact Awards winner. Tickets cost £10/£15 per person with a charitable donation made to Marie Curie.

2018 PROFILE WINNER - JIM MAWDSLEY

CEO, Generator and Digital Union



THIS IS YOUR YEAR

Finance Award

This award will recognise an individual who has led a company or organisation to financial success over the past 12 months*. As well as the relevant statistical information (profit and turnover), we will be asking how these financial results have been achieved and key decisions made.

*or previous Financial Year.

Global Award

This award will honour someone who has made a significant impact internationally over the past 12 months. We will be asking about their company/organisation's global footprint, how this has developed over 2019 and how this has been achieved.

Regional Award

This award will be given to an individual who is deemed to have made the greatest impact on the North East. This may be by job creation or economic investment, or someone who has – or has led a company – that has impacted the quality of life of those living in the local community in a significant way.

Profile Award

This award will recognise a person who has used their profile to promote the North East or has helped to foster debate on key issues affecting the region.

Innovation Award

This award will be given to an individual who can demonstrate the use of exceptional innovation in 2019. We will be looking at the inventiveness of their ideas, their use of technology and the impact – or potential impact – of their product or service.

Outstanding Impact Award

The judging panel will select one category winner for the Outstanding Impact Award. Winners will not know who has won this accolade until the awards event, where their image will be revealed on the cover of the December 2019 issue of North East Times.

To make your nominations

www.netimesmagazine.co.uk

For sponsorship enquiries

Please contact:
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Tickets for the event are available at eventbrite

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No time for a summer slowdown

A traditionally quieter season for business has been busy this year

I became your new President in March, three months earlier than planned and I can't believe how time has flown. We're almost at the end of the summer already with our annual dinner in Durham Cathedral fast approaching.

The summer months used to be considered a quiet time for businesses with manufacturing companies closing for a two-week holiday period and meetings being arranged around staff holidays. But now things are very different with companies trying to ensure order books are filled and work continues throughout the summer at a steady pace with technology playing a part in supporting this move to seamless working. I know my own company has been kept busy with prospective and existing customers, alongside making plans for changes to further extend flexible working for our team.

And it's interesting to see how the Chamber summer calendar has reflected this changing business practice with more regular events being held and more over-subscribed, at a time of year when you might expect fewer people attending. This is a great indication of the value members place in Chamber membership and events as they attend them to help them grow their knowledge; learn from their peers and find out more about what makes companies successful.

Other highlights of the summer have included our Tees Valley 'Drawing the



Focus' event in July which explored why the Tees Valley is set for growth with input from the Combined Authority and companies outlining the exciting developments taking place and being planned in the south of the region.

Members also had the opportunity to meet with Adam Marshall, director general of the British Chambers of Commerce and with the South African High Commissioner, Nomatamba

"Thembi" Tambo, daughter of the legendary Oliver Tambo who both visited the Chamber in June.

Also, this year we introduced two President's summer receptions to the calendar. Held in the centre and south of the region, they saw a good turnout by companies from all over the region providing excellent networking opportunities and a great chance for me to meet and talk with more of our members.

I continue to look forward to meeting more of you, our members as you continue to join us at events in the coming months.

In the meantime, I hope you enjoy this issue of *Contact* and its insights into finance and funding.

"Companies are trying to ensure order books are filled and work continues throughout the summer at a steady pace"



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Legal solutions that fit

Key politicians engage with region on vital issues

Sajid Javid and Liz Truss have visited the North East; a rallying call on the East Coast Mainline; reflections on poor employment statistics; and planning for Dubai 2020

James Ramsbotham CBE

Chief executive

@NEEChamberJames

As I write this article I'm preparing to attend the political party conferences and October 31 looms large in our business calendar. There is still so much that needs to be decided in order for us to know what will befall our country on Halloween. Rest assured, as a Chamber, we will do our best to deliver the support you so urgently need.

We have already made our case on immigration when we had the opportunity to welcome back Sajid Javid, Home Secretary. He visited our region four years ago to deliver the keynote speech at our 200th anniversary dinner. It was a result of that connection that he asked us to arrange a roundtable to meet our members to discuss key immigration issues.

The businesses and organisations present stressed the importance of rethinking the proposed post-Brexit salary threshold for skilled immigrant workers. Concern was raised that the proposed £30k threshold would preclude many North East university researchers, for example, as many of them work with senior academics moving to the UK, and would not be on that salary level.

I would never say politicians are like buses but the newly appointed International Trade Secretary, Liz Truss, was in our region not long after the Home Secretary. She was in Tees Valley to put forward the Government's freeport idea.





The free trade zone proposal is something we mooted back in 2016 after the referendum result, but we appreciated very quickly that businesses needed to stay in the single market. Freeports have no benefit for companies which operate already without tariffs or barriers. Our benchmark is that we need to have the same trading conditions as present, without question.

Our region regularly punches above its weight and the launch of the new Azuma train, built in County Durham, for the East Coast Mainline service was a perfect example of this. It was wonderful to see these trains in operation, the result of substantial investment and made by a great North East workforce. I now look forward to seeing the whole fleet replacing the existing trains which are now over 30 years old.

This leads me nicely on to our major campaign to get investment in our East Coast Mainline between Edinburgh and London. The infrastructure between these two major cities is Victorian and badly in need of updating to cope with the ever-increasing need for capacity.

We are encouraging our members to support this work by letting us know why this rail route is so fundamental to their businesses. The more case studies we are able to collect the better as we aim to present the findings to Government, clearly setting out the need for improvement.

Creating great connections around the region and beyond is at the very core of our campaign work together with creating a working North East.

The latest employment statistics make for extremely disappointing reading. We are not keeping pace with the national average. Our employment rate is falling while nationally it is rising. As well as this, our unemployment rate remains the highest in the country. We believe we need a targeted response to the issues which are holding back our

businesses from employing more people. Our members cite the apprenticeship reforms two years ago as being detrimental to them employing young people. Brexit has also reduced cashflow, caused delays to investment decisions, all of which cause barriers to new job creation.

The latest Quarterly Economic Survey (QES) will be released next month, October and, particularly in the light of these figures, it will make for interesting reading. Results of the last two surveys have been a growing cause of concern, with confidence down, especially in the manufacturing sector. I was pleased to see these findings are held in high regard as they are used regularly by senior politicians to urge the Government to give us a fair deal.

I am also delighted that Durham University Business School is now sponsoring the QES publication.

Despite these challenging times there is still much to celebrate in our dynamic region and I look forward to seeing many of you at our Annual Dinner to be held again in Durham Cathedral. It is a huge honour to be able to host our members in this UNESCO world heritage building.

We are continuing to support and encourage our members to be outward-looking and take advantage of every opportunity to create new connections. One of these is the Dubai 2020 exhibition and we are holding a day-long conference on how best to exploit this global showcase.

Yes, there are challenges at present but also amazing chances to build our economy, by working as one, so together we grow stronger.

I would like to offer our most sincere condolences to the family and colleagues of the lawyer Peter Duncan who was tragically killed in Newcastle and worked at one of our members, Royal IHC. Our thoughts are with them all.



L-R: NBSL client Weardale Adventure Centre's Kay Sheppard and John Noble with NBSL's Jonathan Barnes

BUSINESS SUPPORT

Business finance fund calls for more bids

Valuable grant awards are available to SMEs, but time is running out to secure them

A fund that has supported over 4,000 North East SMEs over the past seven years is calling for more business bids, as it enters its final year.

Business support organisation NBSL launched the North East Business Support Fund (NEBSF) – part financed by the European Regional Development Fund (ERDF) – back in 2012 in a bid to provide project-specific grants to growing businesses across the region.

Targeting small and medium-sized businesses (SMEs) in County

Durham, Tyne & Wear and Northumberland, the fund differs from more traditional business support programmes by providing grant funding towards the cost of using external experts to deliver business improvement projects.

Now, as the fund reaches its final stages, SMEs are being urged to make the most of the opportunity to get involved.

A total of £450,000 is still available for County Durham businesses, who can receive up to 40 per cent funding towards projects costing between £2,500 and £8,000.



The train carriages arrive at Port of Tyne

LOGISTICS

Port welcomes Express delivery

There was an express delivery at the Port of Tyne recently, when five Transpennine Express train carriages arrived into the UK from Kobe, Japan.

Built in Japan, Hitachi is using its bullet train technology to make the new Transpennine fleet light and aerodynamic.

Weighing 50.4 tonnes each, the carriages arrived at Port of Tyne onboard the Høegh Antwerp, and will be stored at the Port's secure Tyne Dock estate before continuing on their journey to Hitachi Rail Europe in Newton Aycliffe.

Alongside the five train carriages were 16 Kobelco Excavators, weighing up to 26 tonnes each; 12 Komatsu Excavators, weighing up to 35 tonnes each; and three Hitachi Excavators, weighing eight tonnes each.

The 200m long deep-sea car carrier, Høegh Antwerp, covered 12,792 nautical miles, from Kobe, Japan via Hiroshima, Lianyungang, Masan, Singapore, Livorno, Barcelona and Bristol, before arriving at the Port of Tyne in North East England.

From 2019, the new generation Transpennine Express fleet will connect major cities in the North of England and Scotland.

COMMERCIAL PROPERTY

Knight Frank secures major new Boldon letting

Knight Frank has let 28,000 sq ft of warehouse and office space at Boldon Business Park in South Tyneside to global baby brand, Nuby.

The deal, brokered by partner Simon Haggie, sees the company lease a property more than six times larger than its last premises.

Nuby now has 42 staff, with further recruitment planned across the firm, and a projected turnover of £17.5m this financial year.



L-R: Jonathan Walker, Jennifer Rycroft and Peter Allen

EDUCATION

Business school backs QES

Durham University Business School has become an associate sponsor of the North East England Chamber of Commerce's Quarterly Economic Survey (QES). QES, the region's largest independent business survey, is a long-standing analysis of the region's business situation and is regularly quoted in Parliament by MPs campaigning on key issues.

Jonathan Walker, Chamber assistant director of policy, said: "The Business School is the perfect partner for our QES and its important work into what difficulties and opportunities our businesses are looking at during the year."

FINANCE

Perspective acquisition

Chamber member Perspective Financial Group has announced that it has made its fourth acquisition this year and 35th in total. It has purchased Goodman Financial Planning based in Marlborough. The firm, which has £20m of assets under management, was founded and run by Peter Goodman, who is retiring after 25 years.

CREATIVE INDUSTRIES

Major investment in Hartlepool film and media

An exciting new creative industries development programme is being kick-started with backing from the Tees Valley Mayor and Combined Authority, in partnership with agency Northern Film + Media.

Tees Valley Screen is being set up to provide support to individuals and businesses in the region who work, or are looking to enhance their work, within film, television and moving imagery.

Regular networking events, training, and access to industry experts will be held as part of the scheme, providing opportunities for funding.

It is anticipated that the initiative will



be run from Hartlepool's new BIS centre. The £3m Grade II Listed former Post Office building in Whitby Street forms part of the wider Innovation and Skills Quarter (ISQ) project that aims to revitalise Church Street and develop a thriving creative industries quarter.

Cllr Shane Moore, leader of Hartlepool Borough Council, with the Tees Valley Screen Steering Group

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FINANCE

LaneSystems eyes growth

Business development and financial forecasting Chamber member business LaneSystems has revealed it is targeting 20 per cent growth this year, as it celebrates its 25th anniversary.

The company was created in 1994 by Michel Lane at the age of 25 in a bedroom, at home, with a £600-limit credit card.

After outgrowing limited space, operations moved to a shop in Norton, where Michel began to build his team of locally-recruited staff.

In October 2008 the company found a new home at Alexander House in Fishburn and shortly after became a family business, when Michel's wife Galina joined the team as financial controller. The company now has 16 staff, including two apprentices.

BUSINESS SUPPORT

SuperNetwork scales up

A North East innovation support organisation is investing in its own future development by moving into a larger bespoke office space.

Innovation SuperNetwork is using a £24,000 investment from the North East Small Loan Fund to support its move into new premises within the North East Business & Innovation Centre (BIC) on the Wearfield Enterprise Park in Sunderland.

The Small Loan Fund investment was secured through regional fund management firm NEL Fund Managers and will enable the organisation to make better use of the BIC's new Innovation Zone business incubator and co-working space.

Founded in 2015, the Innovation SuperNetwork is strategically aligned with the North East LEP with a mission to increase the adoption of innovative practice in regional businesses through cross-sector collaboration, ultimately supporting economic growth.



TRANSPORT

North East-built Azuma services begin

London North Eastern Railway (LNER) has launched Azuma passenger services on the East Coast route between Edinburgh and London.

The inaugural LNER Azuma service departed Edinburgh Waverley ushering in a new age of rail travel along the 393-mile route connecting the Scottish and English capital cities.

The fleet of 65 Azuma trains have been built in the North East and represent a game-changer for cross-border long-distance travel. The trains will help create more regular journey times of just four hours between Edinburgh and London with the introduction of a new timetable from 2021.

CHARITIES

Car spectacular at shopping centre

Staff at Coulby Newham's Parkway Shopping Centre are celebrating after a hugely successful weekend, raising money for charities and bringing super cars to Middlesbrough for the very first time.

The centre's One Great Day charity event takes place every year and raises money for Great Ormond Street Hospital and JPC Community Farm.

The sunny Saturday event was the culmination of months of planning to bring stunning super cars and motorbikes to the shopping centre.



PARKS

Newcastle launches National Park City campaign

Campaigners in Newcastle, including Newcastle Parks and Allotments Trust and Newcastle City Council, have launched a bid for the city to become the UK's next National Park City.

Announced by Newcastle Parks and Allotments Trust chief executive, James Cross, at an event celebrating London as the world's first National Park City, the campaign will see Newcastle show its support for making the city greener, healthier and wilder.

James said: "I want our campaign to be a beacon that inspires communities in Newcastle and the wider region to value, cherish and celebrate our amazing parks, allotments and green spaces."

The campaign announcement follows the news that two of Newcastle's parks, Walker Park and Jesmond Dene, have been presented with a Green Flag Award in recognition of the quality green space they provide local people.

IT

IT services businesses merge

Three North East IT services businesses have announced their intention to merge and form a new business. SITS Group, PCI Services and Pivotal Networks will combine to form a newly-incorporated company called TruStack.

The turnover of the new business will exceed £10m, with significant growth plans in terms of turnover and additional services post-merger.

PRINTING

Large Print Works doubles tech investment

North East independent printing firm Large Print Works has boosted its capacity to take on large scale projects as well as significantly ramping up production with a £230,000 investment in two of the industry's most technologically-advanced printers.

The Ouseburn-based business has installed the Océ Arizona 6170 XTS which will open up larger volumes, faster turnaround times and slash ink consumption by a third. It precedes the arrival of the second printer in July - the Canon Océ Colorado 1650. Large Print Works will be one of the first printing companies in the UK to install the latter model since its announcement at Fespa Print Expo in Munich in June.



Managing director John Laidler with the Océ Arizona 6170 XTS

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ARCHITECTS

Nicholson Nairn Architects expands practice

A North East architecture practice is targeting further growth with a new Yorkshire studio.

Nicholson Nairn Architects (NNA), founded in Whickham in 1991 by Tony Nicholson and Garfield Nairn, has appointed associate Gary Wilson to run the new office.

Chris Barr, NNA managing director said: "The Yorkshire studio is key to the continued strategic growth of the business and its future plans.

"Gary is an experienced and talented architect with drive and ambition aligned to Nicholson Nairn's ethos. His excellent local knowledge and reputation are also important in establishing the new studio."

EXHIBITIONS

Feelgood Designs lends parks exhibition a hand

To celebrate 70 years of National Parks, a new interactive exhibition which delves into the history of how and why these scenic spots came to be, and what the future holds for them has launched at the Sill National Landscape Discovery Centre, located within Northumberland National Park.

Within the "Yours since 1949" exhibition, there is opportunity for all ages to get creative with the exhibition, through a special projector system, soft play furnishings and colour changing light tables supplied by Hexham-based children's furniture company Feelgood Designs.

Feelgood Designs supplies furniture and provides design services to improve spaces for children in education, retail, domestic and public settings. The eco-friendly materials have featured in sustainability events worldwide.

APPOINTMENTS



Samantha Legget and Andrew Silver

Newcastle-based business growth specialist, 360 Growth Partners, has appointed a new marketing associate to support its growing list of clients.

Marketing and communications specialist, Samantha Legget, will use her 16 years' experience to help businesses in the North East scale up by advising them on everything from developing a marketing strategy to delivering a successful PR campaign.

Andrew Silver, director of 360 Growth Partners, said: "Samantha is a well respected practitioner in the region and her skills in marketing, brand development and communications will help our clients to grow their businesses."



Alexander Franklin

North East planning specialist Hedley Planning Services has appointed Alexander Franklin as a planner in its Hexham office.

A student member of the RTP1 studying for a Masters in Urban Planning at Newcastle University, he brings experience of working on instructions, assisting in preparing detailed supporting statements and submissions of all documents for the application.



L-R: Claudia Thompson, Victoria Borrowdale and Susan Whitley

B2B marketing agency Horizon Works has announced three new appointments, in a move aimed at supporting further growth.

The company's client delivery team has been bolstered by the additions of Claudia Thompson as digital marketing specialist and Victoria Borrowdale as creative designer.

Claudia, a Google-certified digital marketeer, has previously worked in in-house marketing roles in the technology sector and Victoria has 11 years of creative experience in the North East.

Meanwhile, Susan Whitley has joined the company as office manager. She is a well-known figure in the region's business community, having worked as operations manager at The Entrepreneurs' Forum for more than a decade.



Stuart Lloyd

Stuart Lloyd has been named as the new general manager at Raddison Blu Durham. A resident of Bishop Auckland, he has previously worked in the region for other international brands such as Accor and IHG.

Stuart said: "I'm looking forward to developing the knowledge of the local area in our hotel being the perfect host for all types of meetings and celebrations as well as a being rather uniquely to Durham a spa retreat in the city. It's the perfect place for business and pleasure."

Raising a glass to a great business partnership

Mark Lane hears how Chamber member, Business Durham, the economic development arm of Durham County Council, has helped another member Durham Distillery, to firmly place the region as a leading player in the independent gin revolution

Business Durham
www.businessdurham.co.uk
@_BusinessDurham

Durham Distillery
www.durhamdistillery.co.uk
@DurhamDistilUK

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Gin is big business these days. Visit any popular nightspot, and many pubs, in the North East and you will likely find specialist gin menus, gin cocktails – we’re even seeing the opening of dedicated gin bars in some parts of the UK.

And it’s not just the usual names supplying the gins. Most of us have heard of famous traditional gins from the likes of Gordon’s and Beefeater, but in recent years a new breed of independent gin brands has entered the industry, making for a vibrant, exciting scene.

One name entering the segment in recent years – and placing the North East well and truly on the UK gin map – is Durham Distillery. As home-grown success stories go, this is one we can certainly all raise a glass to. A small batch craft distillery making gin, vodka and some other gin-based products, Durham Distillery was founded in 2014 by Jon Chadwick who, after a trip over to the US, saw that small distilleries were at the heart of bustling university towns.

He was joined by Jess Tomlinson, at the time was the youngest female distiller in the country, and they began expanding their range and distributing to local stockists, as well as further afield, including export.

In Durham Distillery’s formative, pre-commercialisation stages, Jon approached Business Durham, the economic development arm of Durham County Council.

Brian Archer, managing director at Business Durham, takes up the story: “Jon approached Business Durham in 2012 with an ambition to open a gin distillery in Durham City. He had undertaken considerable research both internationally and in



Jess Tomlinson with Brian Archer

the UK and could see the potential to develop his own distillery. At that time, there were no other gin distilleries located within the North East of England, so each step of Jon’s project was not only a learning curve for him, but also for Business Durham and other departments within Durham County Council.

“Jon initially approached the Business Durham team to ask for help to secure funding and suitable premises, in which to locate his distillery. Business Durham undertook a review of property available at that time within Durham City and initially nothing suitable was found. However, we quickly found industrial premises at Langley Park, which were financially attractive and in a qualifying area for grant funding at that time.”

The benefit of working with Business Durham, as well as financial signposting, was the networking opportunities it opened. For instance, Business Durham also introduced Jon to some of its other clients within County Durham, who had brewery businesses. “They offered Jon invaluable insight and connections to the drinks industry within the UK,” says Brian.

He adds: “It was very clear from the outset of the business that Jon wanted to create a craft distillery and ultimately a brand, that was renowned for quality and tried to incorporate as many locally-sourced ingredients from the North East of England as possible within its recipe. Many introductions were facilitated

by Business Durham to relevant contacts within our networks who also became part of the Durham Distillery journey.”

Since then, Business Durham has remained very much part of the Durham Distillery story, helping it to identify property, funding, contacts, networks, suppliers, planning and so on.

Durham Distillery was also the first company to successfully secure investment from the Finance Durham fund, which was established by Business Durham and Durham County Council, to help provide loan finance to companies looking to expand, invest and create employment within County Durham.

I also caught up with Jess Tomlinson, head distiller at Durham Distillery, to find out about the company’s relationship with Business Durham and also the challenges of setting up the region’s first gin distillery.

Given that this was a slightly leftfield venture, I was curious to find out how challenging it was to secure finance.

Jess replies: “We are quite fortunate that there is a large amount of funding available in the North East for business, especially small businesses. However, some sources are more easily accessed than others. We’ve also benefited from some small business grants and favourable rates in the past, but it can

“As a business we have made the conscious decision to grow organically rather than take large funding from sources that wouldn’t have been right for us”

be tricky navigating the rules of each type of funding and ensuring there is no overlap between them.

“As a business we have made the conscious decision to grow organically rather than take large funding from sources that wouldn’t have been right for us. This has meant our growth has been slower than other distilleries, but our expansion is based on a solid existing business and this is very important to us.”

Jess says that Business Durham has helped a lot with the funding side, notably when it secured £250,000 through Maven Capital Partners.

She adds: “Other than the obvious finance one of the most useful benefits of Business Durham is the additional support related to training and development for our staff, attending a number of courses either free of charge or at a reduced rate, which as a small business we may not have been able

to afford otherwise. This has better prepared our staff for the demands of the business as we expand.”

Now firmly established, what are the broader goals of Durham Distillery? Jess answers: “We hope to bring another sector of tourism to the city and county of Durham and that of the wider North East of England. We would like to work with other local businesses to create growth in the area and for something for locals to feel proud is ‘theirs’.

“The future is very exciting with expansion plans, and a move into the heart of the city, offering tours and tastings to Durham’s ever-growing tourism sector and the loyal locals. We will also be producing the first whisky ever to be made in the North East of England and a few more products which are under lock and key for now!”

Something tells me we’ll be hearing much more of this spirited business in the next few years and beyond.



What went wrong for Woodford?

Gary Stockdale, co-founder and head of investment research at Vertem Asset Management reflects on the suspension of the Woodford Equity Income Fund

Vertem Asset Management
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The prolonged closure of the Woodford Equity Income Fund has prompted many of us to reflect on how we approach investment management.

In one sense, it is a recurrence of an old problem, managing illiquid assets in an open-ended fund.

In terms of the latter, I refer to a fund that can, under normal circumstances, accept daily investments and redemptions. But there is much more to consider. Structural factors that present both opportunities and challenges to investors.

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Let us start with the problems of holding illiquid assets in open ended funds. This issue is one that has periodically plagued open-ended commercial property funds. Transactions involving commercial property take time to complete and are expensive. This is a significant challenge to funds needing to manage daily cash flows and has led to closures in times of stress, most recently after the 2016 referendum on the UK's membership of the EU. These issues are, however, far rarer in equity funds, particularly those that invest in a diversified portfolio of dividend paying companies.

Upon leaving Invesco and subsequently establishing Woodford Investment Management, Neil Woodford was keen to utilise greater investment freedom. Mr Woodford had long held an interest in both large dividend paying companies and small, often unlisted, innovative businesses. These require very different approaches. The mistake was blending them together in one open-ended fund. It was hoped that the larger dividend paying businesses would provide investors with an attractive income, while the latter, would, in time, generate attractive growth. Problems began after a prolonged period of underperformance.

The fund started to experience heavy redemptions. Redemptions were satisfied with the sale of larger, more liquid shares, as selling unlisted shares is complex and time consuming. This left the fund disproportionately exposed to illiquid stocks, as redemptions mounted. Ironically, Woodford Investment Management also created an investment trust, Patient Capital, which invests in smaller, mostly unlisted businesses. This



is a more suitable structure for such a strategy. Woodford Investment Management initially offered investors full portfolio visibility. But this left the company exposed, as the whole market could see what he needed to divest. This facility has since been removed.

On the strength of Neil Woodford's long-term performance record at Invesco, Woodford Investment Management raised many billions of assets. Equity Income fund was the largest of the range. As such, the size of his positions in listed businesses was very high. In some cases, Woodford Investment Management owned as much as 30% of the listed equity of investee companies. Selling down positions when holdings are so large is extremely difficult.

Although an extreme example, this is a problem across the industry. There has been much consolidation in the wealth management sector.

Many of the names that existed when I started my career have been absorbed into large national businesses. Fewer businesses managing much more money. These have largely wound down their stockbroking services, instead placing client assets into funds.

Due to the large sums they manage, it is only possible to recommend the largest funds, which in turn must find the most liquid shares, or they start to face the issues experienced by Woodford Investment Management. Consequently, large areas of the stock market are overlooked and, in some cases, neglected.

This presents a very interesting opportunity for a business like Vertem Asset Management, which operates a modern, innovative stockbroking service. We are not encumbered by size, and our robust research process stands ready to capitalise on this market dislocation. We want to identify the shares and funds that will be on the radars of our larger peers in the future.



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Innovative financing and blue-sky thinking boosts biomass power generation at Drax

In an ongoing quest to make renewable electricity more affordable, efficient and environmentally friendly, Drax and Siemens have been collaborating to develop a range of innovative biomass and renewable energy solutions

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In 2018, as part of a plan to reduce the cost of biomass generation, Drax announced a £40m upgrade to significantly improve the efficiency of three of its biomass generating units. The contract with Siemens in Newcastle includes replacing three HP turbines with a more modern barrel turbine design, as well as a new turbine governing and control system. The work which began in July 2019 will take three years to complete, with one biomass unit being upgraded each year as part of its planned maintenance programme. Higher efficiency will come from the new blading design and long-life seals within

the turbines and the new pipework and valves.

The success of the project however lies in the longstanding relationship between both companies, which Steve Austin, lead turbine engineer from Drax credits to “simple and open conversation that has solved a tremendous amount and really made things happen.”

Supporting that success is also an innovative funding approach which thanks to Siemens Financial Services has helped to give the initiative momentum and enhance the payback of the project.

Having worked with the Siemens team in Newcastle over a number of years,

Drax has already successfully converted four of its six power generation units to use biomass instead of coal, delivering carbon savings of more than 80 per cent - making it the biggest decarbonisation project in Europe. Drax is also the UK’s largest renewable electricity generator, producing 11 per cent of the country’s renewable electricity.

Collaboration has been fundamental to the success of the project and in finding solutions much more quickly. Steve Austin, added: “We’re working in a very collaborative partnership and the fact we can talk very openly about our businesses, without being guarded or stifled, gets us to a solution much more quickly.”

Innovative ideas and improvements have also played a significant role in aiding the project, which have been facilitated through the business’ blue-sky discussions. An all-important forum, given their ambitious plans to make Drax the best available power generator on the grid and a strategic asset to the UK. As Steve said: “No ideas are off limits. Every suggestion is listened to and Siemens is very good at facilitating them. Ninety-five per cent of the ideas on the list won’t make the final cut, but five per cent go onto the shortlist and that’s what we go away and drive forward.”

Over a decade has passed since



Siemens last carried out a major upgrade on the HP turbines. With laser tracking the team can now make much more accurate measurements on the design and fit of the barrel turbine.

Steve explained: “A small improvement in efficiency makes a big difference in the biomass world because the cost of fuel is much higher. The other driver is emissions. We want to do all we can to keep emissions to a minimum.”

As well as the team’s blue sky thinking another key component in giving the project much needed momentum was finance. Introduced by the Newcastle team to Siemens Financial Services, Drax was able to take advantage of an innovative financing proposal which is already paying dividends and enhancing the payback of the project.

Gill Danby, procurement projects manager at Drax said: “It essentially means that we make reduced upfront payments during the start of the project, which helps us with our working capital and means we can fund other projects.”

With major projects, a frequent challenge is incurring big upfront costs many months before the financial benefits start coming through. “We’re always looking for the initial payments to be as low as possible, so to start getting benefits two years before any outlay definitely helped push the project forward,” she said. “It moved it up the ranking of other capital investments we were considering, where cash flow is always a major consideration. It was always a viable scheme, but the financing helped improve its appeal.”

With funding, planning and preliminary work in place, the first upgrade on the turbines began in July 2019, just a year after the contract award. Combining the old with the new has been a fundamental part of the project. The Newcastle team for example is taking responsibility for the turbine’s complex pipework and electrical control system. In order to keep costs down,



rather than invest in a new site-wide control system, Drax is buying part of a Siemens control module and plugging it into its existing system.

As engineering manager at Drax, Les Lemmon explained: “It’s a little like

to two. The original solution lost quite a bit of efficiency, so we took it back to Siemens. They spent a lot of time on the redesign and we are pleased to say they’ve cracked it!”

Both businesses acknowledge that

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“A small improvement in efficiency makes a big difference in the biomass world because the cost of fuel is much higher. The other driver is emissions. We want to do all we can to keep emissions to a minimum”

buying a Tesla and getting it to talk to an Austin Morris. We’ve bought a new, hi-tech control system that has to communicate with technology designed and built in the 1960s. That’s the really clever bit.”

The need for innovation, however, extends far beyond the control system: “That same innovative thinking has been required to get the barrel turbine to fit within the existing steelwork, and to modify the pipework from four pipes

whilst the scale of the project has been one of the most extensive and complex they have been involved in, it has also been one of the most rewarding as they eagerly anticipate the first outage which will be the biggest ever undertaken at Drax. Fundamental to the project’s ongoing success, will continue to be the team’s transparency of communication, innovative thinking, development of bespoke technology and willingness to try the untried.

Grabbing the low-hanging fruit of international trade

Jack Simpson, policy adviser, assesses the current exporting landscape and finds nothing but reasons to be cheerful, despite the shadow of Brexit



Jack Simpson

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International trade is a funny old thing. When I first joined the Chamber, I had this impression that international trade was for big business, with assets across the world and brands we recognise just from their jingle.

However, when within my first two weeks at the Chamber I met a couple of guys, straight out of Newcastle University who in their first six months had secured an international contract from China. Maybe it was my naivety, but I was blown away.

Then, just the other week, I met a freelance website developer who had been contacted by a Lithuanian business to help make their website UK friendly. Without even trying this freelancer was trading internationally. These aren't even one-off stories.

Exporting can be part of any business plan, no matter age, size or sector. First-time exporters grew an average of 30 per cent over two years, with two thirds never believing such growth possible. We have a good record in the North East, exporting double the national average per exporter (£4.1m v £2.1m in 2018). This results in more jobs, increased innovation, greater opportunities and larger cashflows.

Despite this low hanging fruit, only five per cent of North East business export. It's not hard to imagine the new prosperity and jobs that could be generated in the region if we only raised this by a few percentage points.

Some might say their product is not suitable for exporting. Which in some cases may be true, and I won't pretend international trade is as easy as pushing a button for free money. It requires time, research and commitment to work out which markets will provide the best return for your product.



Yet I constantly hear that the British market is one of the most competitive in the world and that if you can sell it here, you can certainly trade it internationally. At the Chamber, we have members selling coffee to South America and palm trees to the Middle East.

With support from the regional DIT team and Chamber networks, it's easy to start building the knowledge, capacity and in some cases accessing funding, to start an export journey.

I will admit, as someone who has had the unfortunate pleasure of following the Brexit negotiations for the last three (three!) years, it can feel like only a fool would be trading internationally and the world is going to come crashing down on October 31.

But trading internationally is a good method of offsetting financial uncertainty. Resilience through expansion. By not putting all your eggs in one basket and expanding your global reach, cashflow becomes less vulnerable to one nations market uncertainty... ahem.

This was highlighted by a chemical industry member selling to Europe, who for years had discarded a waste product. Yet when they underwent a Brexit review, they found that product was in demand in Eastern markets. With small investment, they set up a new revenue stream away from Europe offsetting the impact of Brexit.

Not to distract from the seriousness of Brexit. Any market disruption on day one of Brexit will have huge implications for UK-EU trade, affecting tariffs, documentation and logistics, and the Chamber is campaigning to avoid this by securing a smooth Brexit outcome, that protects the North East business community.

However, the short-term impact on

“We cannot, as much as I would like to, control the course of Parliament, but that does not mean Government cannot help us capitalise on global opportunities”

trade to “third party states”, those we have signed continuity agreements with, will be minimal. There will likely be longer term changes as new deals are brought in, but there will be much more time for business to adjust than the dwindling days before October 31.

The likely impact from Brexit will be on the value on the Sterling. Since the 2016 vote, the usually strong currency has been on a volatile, downward path. Without pointing the finger, this generally shows a lack of global confidence in our market. But a ‘slightly’ weaker currency isn’t necessarily a bad thing.

A weaker currency means British exports become more competitive. In very simple terms, if a New Zealander can now buy two British widgets for the price of one New Zealand widget, the New Zealander will be more inclined to buy the British, better quality of course, widgets.

That’s not to say we should trigger hyper-inflation; a weak currency slows growth and raises inflation. But, trying to see the light in this period of darkness, a minor short weakening could boost export activity, and allow business to establish a foothold in markets while the currency

recovers. Consulting with regional currency exchangers is a quick and easy way to manage currency risk.

We cannot, as much as I would like to, control the course of Parliament, but that does not mean Government cannot help us capitalise on global opportunities. UK Export Finance is considerably backed, providing £14bn over five years, but it is often criticised for being too narrow and bureaucratic.

Just looking across the Channel we can see how trade policy could be different. The German state bank, KfW, is much more flexible and competitive in the funding of projects, committing to longer term strategies of SME business, in contrast to the high value, national target, strategy of the UK. Maybe we should focus on the prospects and potential of our businesses.

But promoting international trade is more than money. Talking with the Swedish Chamber, local organisations are given the power and resource to facilitate long-term international activity according to their regional strengths, rather than national targets.

Here, missions are short-term, and target driven. For example, the Boston Trade Mission, which has successfully run for the last five years, will be replaced in February 2020. Developing longer term partnerships abroad provides a reliable gateway to that market and benefits us not just economically, but in culture and innovation. Something I think is lost on central decision-makers.

Hopefully I have been able to convince you that, even in these turbulent times, international trade is a good thing for business. The Chamber will always champion the global ambitions of its members, whether exporting for the first or the umpteenth time.

Advice for businesses to reduce deliberate fires



Did you know...

86%

of businesses that have a fire **NEVER** recover



Top Tips:

- Store waste in a secure area away from buildings
- Keep entrances/exits clear
- Plan ahead for busy periods with more waste/stock
- Keep perimeters secure - repair damaged fencing
- Consider installing external lighting and/or CCTV as a deterrent
- Staff are your biggest asset, ensure they are vigilant and know how to report concerns

For more advice visit our website and download our leaflet:
Safer Business: Information and advice to reduce deliberate fires

Report incidents anonymously to **CrimeStoppers** on 0800 555 111



www.clevelandfire.gov.uk/business

Taking care of business...

For almost two decades, NBSL has been a constant in the ever-changing landscape of business support and access to finance

The organisation has become the North East's largest volume provider of funding to growth businesses across the North East - helping over 25,000 companies since it was formed 18 years ago...but it remains focused on delivering more.

Managers of the North East Business Support Fund (NEBS grant fund) - part financed by the European Regional Development Fund (ERDF) - NBSL provides project-specific grants to

growing businesses across the region.

Over the past seven years, it has provided SMEs with over £5m to match-fund projects as broad as web design through to marketing and PR support, animation, SEO, social media, becoming GDPR compliant, even Brexit planning - anything falling beyond the realms of business as usual work.

The NEBS grant fund is for SMEs in County Durham, Tyne & Wear and Northumberland, with specific focus on County Durham, where businesses can receive up to 40% funding towards projects costing between £2,500 and £8,000. £290,000 is still available for Northumberland and Tyne & Wear businesses, which can access 35% funding towards projects between £3,000 and £8,000.

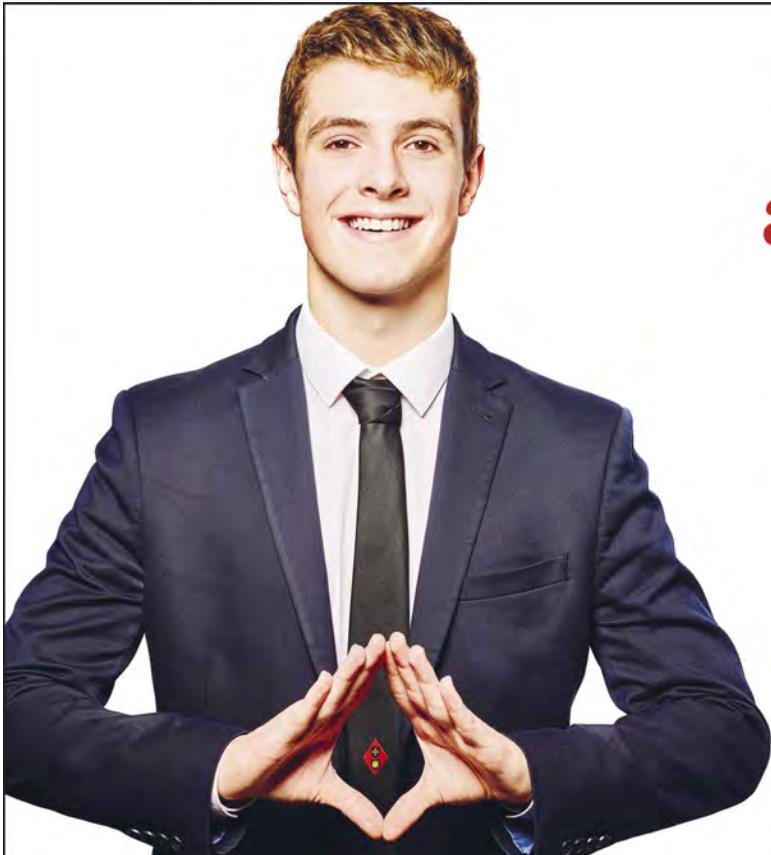
A recent independent Evaluation Report shows the NEBS grant fund has yielded an impressive £4.40 economic boost for every £1 invested.



North East business support manager, John King, said: "NEBS grant fund has supported thousands of SMEs looking to go to the next level. This has helped create over 1,750 jobs and safeguard countless others.

"We're in the final year of the current fund and still have £450,000 available for County Durham, so if you've not yet accessed support, get in touch and see if we can help you."

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How to get paid in international markets

Simon Bedford, director of SGB Associates (UK), says that proper planning and some simple precautions are vital in ensuring the prompt settlement of invoices by overseas customers

For exporters, managing payments is an important part of trading successfully in international markets.

For companies new to selling overseas there can be an assumption that there are greater risks of non or late payment compared to doing business in the home market. So firstly, companies should manage the process just as carefully as they would when dealing with domestic clients. After that, with the right approach exporters can often find that payments from overseas are much more secure than from UK customers.

It's important to do your homework on the overseas market and the client to ensure that you get paid in full and on time. The payment terms you offer your overseas customer may depend on a number of factors:

- How well do you know your buyer?
- Is this the first export order from this customer?
- What terms is the customer requesting?
- How much risk is involved?
- How large is the contract?

The main payment terms used in international trade fall into four areas. From most secure to highest risk these are payment in advance, letter of credit (L/C), bank/documentary collection, and open account:

- Payment in advance sometimes referred to as "cash with order" or "proforma" payment. Full or partial payment is required before you deliver the service or product.
- Letter of credit (L/C) is a guarantee from a bank on behalf of the buyer. This is one of the most secure methods of payment, but the exporter must comply with all the conditions in the L/C.
- Bank collection or documentary collection which involves you shipping your goods or services but retaining control of them until you receive payment or a legal undertaking of future payment from your overseas buyer.
- Open account, where you deliver the product or service prior to receiving payment. You will trust your customer to pay as agreed in the contract, for example, 30 or 60 days from date of invoice.

You can contact your bank for advice about which option is best for your particular situation.

In the lowest risk markets such as the Irish Republic and

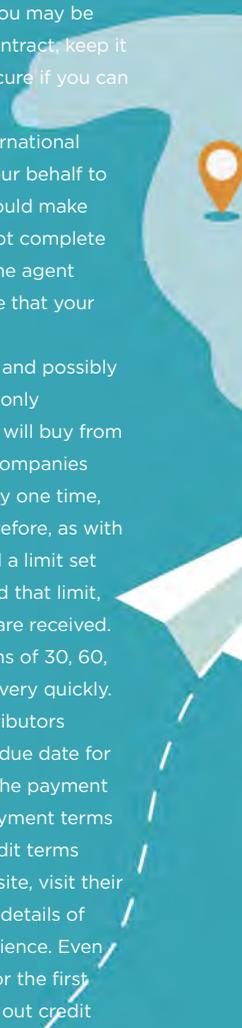
mainland Europe your buyers will expect the most generous terms. Therefore, as in the UK, open account is very usual. In higher risk, emerging economies in Africa, the Middle East, Asia, and Latin America, buyers will often expect to have to offer secure payment terms. Therefore, don't be concerned about asking for payment in advance. In practice this could be 50 per cent with order and 50 per cent before despatch. You may be offered a letter of credit but unless this is a large contract, keep it simple. L/Cs can be tightly-worded and are only secure if you can conform to all the terms and conditions stated.

What role do agents and distributors have in international payments? Your commercial agent is working on your behalf to warm up and liaise with your export clients. You should make it clear in your agency agreement that the deal is not complete until payment has been received in full. This gives the agent an incentive to follow up with customers and ensure that your invoices are settled on time.

If you have appointed a distributor for a territory and possibly made them exclusive then they are effectively your only customer in that country or region. Your distributor will buy from you and as the name suggests, distribute to other companies across the territory. If they are successful then at any one time, the amount owing to you could be substantial. Therefore, as with any customer payment terms should be agreed and a limit set for the maximum outstanding liability. If they exceed that limit, supplies should be stopped until further payments are received. Be aware that if you offer the distributor credit terms of 30, 60, or even 90 days the outstanding debt can build up very quickly.

Whether selling to new export customers or distributors clearly set out the terms of payment and a definite due date for payment in full; also be precise on how and where the payment should be made. Find out in advance the typical payment terms offered in that market. If you have to give some credit terms take some simple precautions. Check out their website, visit their offices, and ask for bank/trade references. Request details of other suppliers and contact them to see their experience. Even in secure markets consider being paid in advance for the first few orders to build up trust, and think about taking out credit insurance to guard against non-payment.

With the right planning and some simple precautions your payments from overseas may be much better than you receive from your domestic customers.





How a business-focused approach transformed the fortunes of Gateshead College

Mark Lane looks back on some of the changes that turned Gateshead College into one of the best education institutions in the country, in conversation with outgoing chairman, Robin Mackie, who is standing down after 11 years

“As a college we’ve established ourselves as number one in the country,” Robin Mackie, outgoing chairman of Gateshead College tells Contact.

“And I think even more importantly we’ve shown the significance and impact of our role in making the region excellent. It is about making sure our young people are job-ready; making sure the North East is well placed to be the premier region in the UK. I hope that this will encourage others to follow our lead and strive for similarly high standards.”

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Robin is on a roll, so much so that it’s slightly sad to think that by the time people read this he will have vacated his position after an 11-year stretch during which he has presided over a remarkable upturn in the fortunes of Gateshead College. His successor, the ex-North East England Chamber of Commerce president John McCabe, is eminently capable and everything we know about him points to a seamless transition, with more of the same.

And yet, there’s also no doubt that the likes of Mr Mackie would be a loss to any organisation. His background is in industry, his day job being managing partner and CTO of Mackies Partnership UK, which provides consultancy, investment and support for start-up companies.

“When I first encountered Gateshead College, I worked with a local engineering company, we were having problems getting talent, both in terms of graduates and apprentices,” he says. “We were seeing a high staff turnover in these areas and I became interested in this process. I spoke to the principal at Gateshead College and shared some of my ideas about the how the college could work more closely with industry to try and tackle the issues we were facing.” The relationship with the college mushroomed from there and Robin joined the board in 2001.

What were the challenges in terms of college’s relationships with business clients back then?

Robin replies: “One issue was that Gateshead College, like most others, had been turning out students who were academically proficient but not did not necessarily have all the broader skills a business would be looking for. I wanted to help the college become more external facing, close enough to the businesses

to get under the skin of what they needed and in a position to respond with customised training which made a seamless transition from college to work possible.”

He recalls receiving the papers ahead of one of his early board meetings which, he suggests, were lengthy and thorough, intimating at good governance but he felt that the college still was “not getting to the point”. He recalls: “The way of working wasn’t sufficiently agile or responsive, it wasn’t enabling me or my colleagues on the Board to offer the best support and challenge to the principal at that time and his executive team.”

So what was the turning point? Robin makes a telling observation, suggesting that, “when I became chair at Gateshead College, it was an educational establishment that happened to be in business. I wanted to change it into a business that happened to be a college. I was able to bring that business best practice into the boardroom and that’s had a really positive impact on where the college is today.”

It doesn’t sound like such a big deal when put like that but one cannot emphasise enough how much the education-business landscape has changed over the past 15 years. The idea of acting like a business and working hand in hand with the business community was virtually unheard of in further education circles when Robin joined Gateshead College. These days, it is a necessity, and there is no doubt that under Robin’s chairmanship, Gateshead, particularly in more recent years, has been a trailblazer on that front.

Yet to reach this point, Robin says Gateshead has had to adapt as an organisation. He’s supported Judith Doyle CBE who took up her role as Principal/CEO six years ago, in her drive to drive broader cultural change throughout the college, focusing every member of her team on one clear purpose, to make their students the most highly prized in the jobs market.

“This has culminated in our most recent accolade: becoming the number one college in the UK for student achievement and becoming one of the best at demonstrating what it means to develop bespoke courses for employers so that they get precisely the skills they needed from their young starters,” Robin says. “Our focus has always been clear – delivering what employers want, when they need it.”

The initial thinking behind this more commercially focused approach was, says Robin, because the feedback was that many employers had ideas about what they needed in terms of skills, but it was unclear how this was going to be delivered to them.

“That’s when we started to think about the customisation

of courses,” he says. “This is something we built on slowly over a long period – delivering tailor-made packages to customers according to their requirements. We are not saying we do this better than any college but what we have done is to deliver it consistently.”

Underpinning this thinking for Robin has been the focus on students as individuals. While his background might not be academia, his enthusiasm for the potential of youth and the learning process constantly shines through during our interview.

“When Judith Doyle first became CEO she and I sat down and looked at how we were going to take things forward,” he says. “We recognised for us that it was about offering every student that came through the door the very best of what the college could provide, right through from enrolment, teaching and so on. It was about a personalised experience, setting and expecting the highest standards from everyone – staff and students.

“I always believed that if we were doing it right at the student level then we were doing it right as a college more broadly in terms of what we could offer the business community. Those things are intrinsically-linked and it is this student-centric approach which has got us to number one.”

Right now, FE is in a state of flux – is it ever not? In the meantime, requirements from industry in terms of skills is changing. We’re seeing a shift towards digital industries in the region, while other skills requirements die out. The ability to adapt to meet market demands remains a constant.

To this end, Robin feels Gateshead College is well placed to react accordingly. “When I first joined, our ability to respond to change was limited,” he says. “As I said, what we have done is become a business first and foremost and that has meant becoming more agile and responsive to market forces. We’ve changed how we work as a Board and we’ve supported Judith and the team to put the right structures and systems in place across the organisation so this can happen.

“The Board are kept very well informed and can make the decisions needed to ensure the college can react quickly just like a high performing private business. All of this also helps to ensure financial stability. For sure, there are huge challenges moving forward but I have always felt we have managed to remain one step ahead.”

Robin has done a lengthy stint at Gateshead College but his decision to step down still came as a surprise to many. Why now? Answering, he says: “I’ve had a great time at the college but I’m the type of individual where the fun was always about getting to where we wanted to be. During my time as chair the college has achieved a lot and I really feel my job is done now. It is what happens next that is important and I am not sure I am the best equipped person to decide that.”

He adds: “You need fresh ideas, fresh thinking, a different perspective.”

What about his successor, John McCabe? Is he confident that the baton is being passed into a safe pair of hands? “John is a well-known and respected character in the business community with an outstanding contacts book,” Robin says.

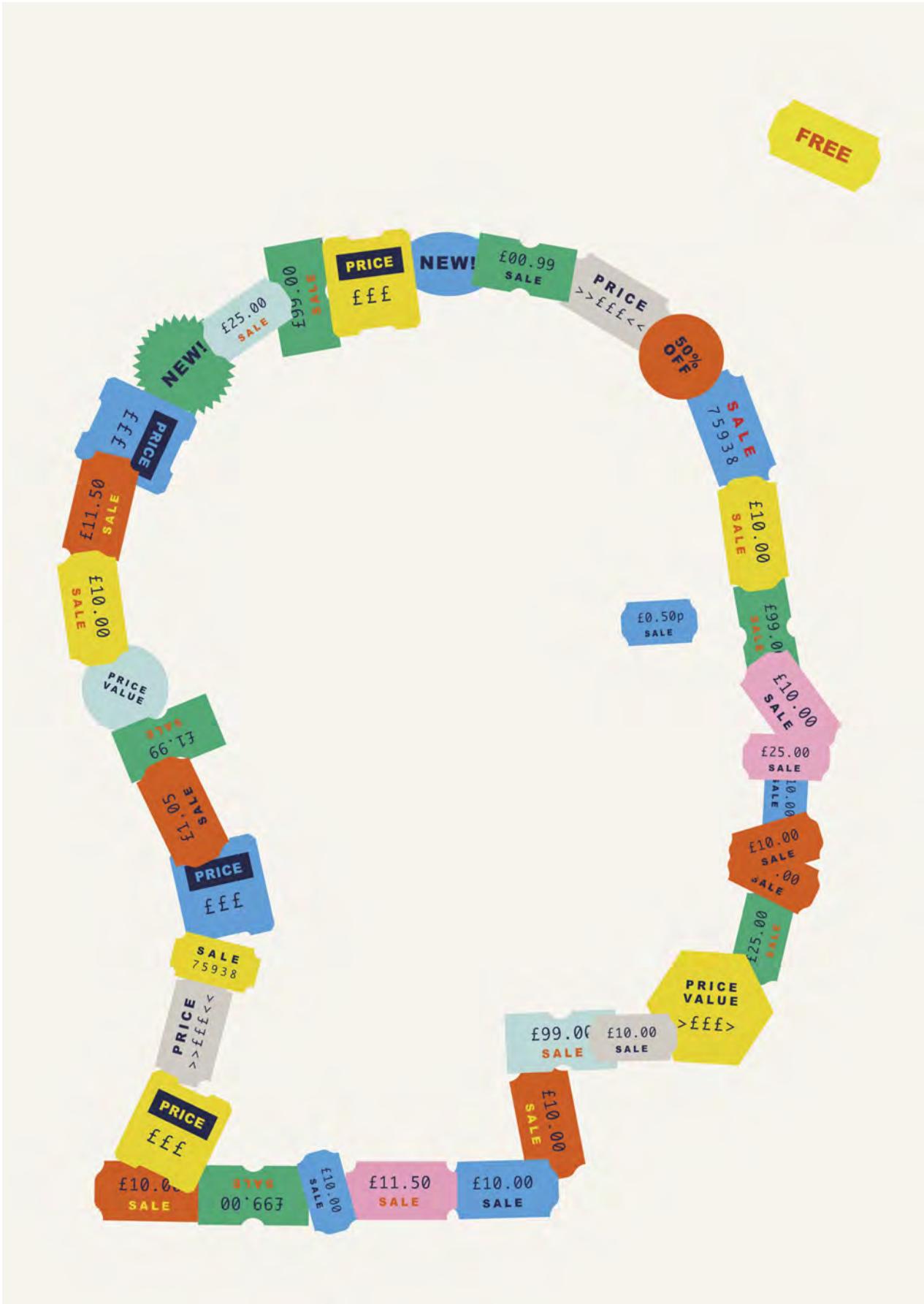


“He has fantastic credentials. He has a really nice humility to him which I think is very important. He is thoughtful and very capable and above all he is highly respected across our region. John will work very well with Judith; providing the appropriate support and challenge at Board level that will take the college to the next stage and the transition will be as seamless as it could be.”

Asked what advice he has for his successor, Robin stresses the importance of walking round the college to “feel what it is like when it is full of students... get yourself out there, understand and feel the pulse of the place.”

He ends with a goodbye, of sorts. “I have enjoyed every moment here because of the people,” he says.

“What we have achieved here is complete transparency. Everybody knows where we are going and how we will get there. Working with this outstanding team of people has been an absolute pleasure.”



Navigating a complex funding landscape

Whatever source of business funding you're investigating, it's vital to know exactly what you're trying to achieve and exactly how you're planning to do it, says knowledge development manager, Arlen Pettitt. Here, he offers some observations on how businesses might find the right funding package to meet their needs



Arlen Pettitt

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The world of business finance is a complicated one. Long gone is the outdated image of a person with an idea, sitting nervously clutching a folder containing a business plan outside their bank manager's office. The good news is the landscape is far more diverse than it used to be – grants, loans, venture capital, crowdfunding, to name a few.

The bad news is, with such a range of options, it can be incredibly difficult to know what's right for you. Even once you've nailed down what type of funding is right, there's then the question of which grant or which loan.

You won't be eligible for everything on offer, and even where you are, it might not be right for your purpose – it can depend on the size of your business, the sector you operate in, where you are geographically, and what you're planning to do with the funding.

In both the North East and Tees Valley Local Enterprise Partnership areas, they have a team focused on delivering funding, offering support and signposting to specialists. In the north of the region they're called Growth Hub connectors, and in the south they are Growth Consultants.

The North East Growth Hub lists more than 80 different funding sources, ranging from support for research and development, to covering some of the cost of hiring an apprentice, to finance for relocating your business.

In Northumberland, Durham and Tyne and Wear, the North East Fund has a £120m pot to invest in 600 businesses before 2023, with five sub-pots targeting innovative businesses, disruptive businesses, those with ambitious growth plans, and two specifically for small businesses, whether new or established.

The Tees Valley has funding for growth, leadership and management, capital investment and match-funding for things like innovation. There are also grants available for start-up and scale-up businesses.

Applications for all of these programmes tend to be simpler than engaging with your bank for finance, with less involved in the initial approach and more focus on the future business case.

In some cases, even these programmes might not fit the bill, so what about alternatives like crowdfunding?

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There have been some notable successes with businesses reaching out to their current or future customer base and asking them for support.

In the North East, two high profile cases are the Lakes Distillery and Noveltea.

In 2017, the Lakes Distillery raised £1.75m in the space of a month, with around two and a half thousand people investing in their plans to create a single malt whisky for a total 3.53% stake in the business. They also successfully pulled forward revenue by allowing enthusiasts to reserve a barrel while it was still maturing and not yet ready for market.

Noveltea, a far smaller affair at the outset – under a million valuation compared to over forty million for the distillery – successfully raised more than half a million pounds over the course of two crowdfunding rounds.

Both used online platform Crowdcube and made use of government backed schemes providing tax relief to investors.

The Lakes Distillery investors could make use of the Enterprise Investment Scheme (EIS) which allows 30 per cent tax relief up to £1m investments. Noveltea's

“Having a product the general public can understand – and want to consume themselves – gives you a wider and more engaged audience, leaving other sectors at a disadvantage”

backers could receive tax relief of up to 50 per cent for up to £100,000 investments.

One obvious thing they had in common is they're both alcohol-based businesses. That's not inherent to the success of their crowdfunding campaigns, but being in the food and drink sector will have certainly helped.

Having a product the general public can understand – and want to consume themselves – gives you a wider and more engaged audience, leaving other sectors at a disadvantage.

It's more exciting to invest in a growing food and drink business whose products you can see on the shelves and in your kitchen cupboard than a B2B service provider, no matter how good their business model.

Whatever source of funding you're investigating, it's vital to know exactly what you're trying to achieve and exactly how you're planning to do it.

Having that clarity of vision will allow you to look for the right funding package to meet your needs, rather than trying to fit your needs into a defined funding package.

You may also be required to improvise.

Billingham-based Fijifilm Diosynth is part of a multi-national, multi-billion-dollar biotechnology business but is still required to find the funding it needs to meet growth aspirations, and bundled together various sources of finance in order to move forward plans for a new BioCampus.

The entire plan will cost £14.5m, with just over a third coming from Fujifilm and the rest drawing in funding from the Tees Valley Combined Authority, the Tees Valley Business Compass and the Local Growth Fund.

It will create 50 jobs, and relocate their highly skilled workforce to a new facility.

These are big sums of money, especially when for most businesses getting started means using your own savings or borrowing from friends and family, but it does show the value of a clear sense of what you're trying to achieve and using that to pull together money from various sources.

That clarity lets you seek the right funding for the right purpose.

Say you're a business in County Durham and in need of a new website – NBSL have grants available to match fund up to 40% of business improvement projects between £2,500 and £8,000.

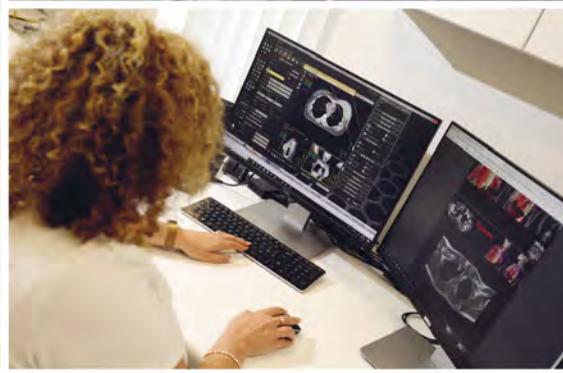
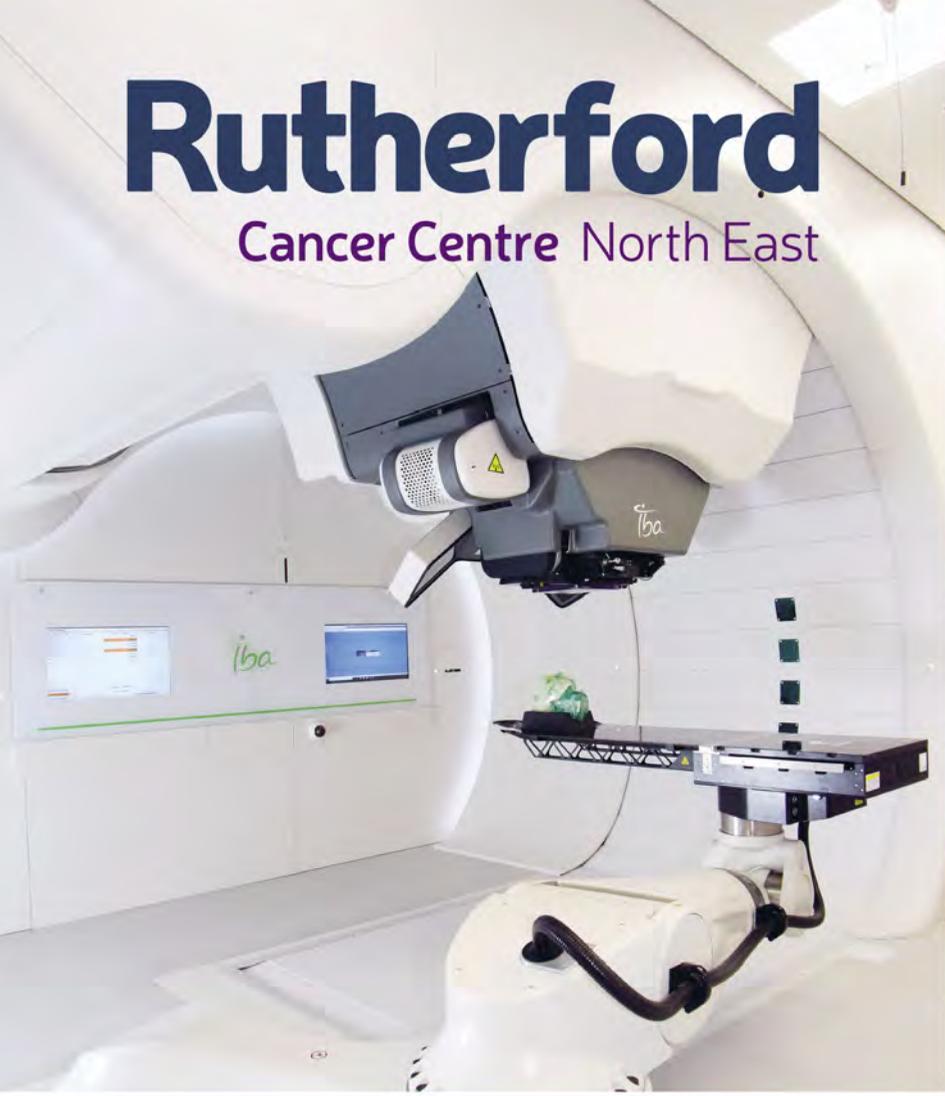
Or maybe you're a company in Redcar in the process of developing a new product – the Tees Valley Business Compass has an innovation voucher programme for 33 per cent of the project.

Or maybe you're taking on a new graduate from Northumbria University for a six-month internship – the university can help you access nearly £4,000 towards their salary.

Whether it's substantial investment you need, or just a little bit of additional help to deliver something that will make a significant difference to your business, the best place to start is by cutting through the noise and speaking to an expert – not about what funding you want, but about what you're looking to achieve.

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The North East's leading role in the fight against cancer

Mark Lane gets the inside track on how medical professionals in the region are playing a significant part in the battle against cancer, the local fundraising work of Cancer Research UK and how your business could help

Cancer affects us all - it doesn't discriminate, young, old, rich, poor. Each year there are around 365,000 cases of cancer in the UK, a sobering statistic. Most of us will know somebody with the illness and most will have lost loved ones or friends to it.

Despite these frightening statistics, and despite the fact that the very word 'cancer' in the eyes of many is still synonymous with a death sentence, the fact is that there are many wonderful things being done in the research and medical field when it comes to tackling this high profile illness.

Some more facts: in the 1970s, less than a quarter of people with cancer survived. But over the last 40 years, survival has doubled, so that today half will survive. The aim at Cancer Research UK (CRUK), which last year spent £546m on cancer research work, is that three-quarters of people will be surviving the disease by 2034.

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To find out more about the fight against cancer in the North East, I met with Professor Ruth Plummer, professor of experimental cancer medicine at the Northern Institute for Cancer Research (NICR), Newcastle University (pictured above).

Professor Plummer, who is mainly based at Newcastle's Freeman Hospital, actually wears a number of hats. As well as her Newcastle University links, she is also an honorary consultant medical oncologist in Newcastle Hospitals NHS Foundation Trust, and director of the Sir Bobby Robson Cancer Trials Research Centre within the Northern Centre for Cancer Care, which is a dedicated clinical trials unit based within the regional cancer centre. She leads the Newcastle Experimental Cancer Medicine Centre and also the CRUK Newcastle Cancer Centre.

Her clinical practice involves leading on the systemic therapies for skin cancer, with a portfolio of trials across all phases of drug development. In addition she runs a Phase I all-comers practice, taking responsibility for one of the most active Phase I units in the UK.

That's quite an intro but, then again, this is quite a role. Indeed, the remarkable, genuinely life-changing work being



done by Ruth and her inspiring colleagues simply cannot be understated.

I wanted to find out more about clinical trials for cancer and how they are offering hope to many. Answering, Ruth says: “These trials mean we are at the clinical beginning of potential new cancer treatments in patients. With any cancer we have a human cell that has gone wrong, it is growing out of control and sending out signals to get its own blood vessels. You get a lump or a tumour with its own blood supply then this sends cells off to spread elsewhere. A laboratory will look at cancer cells and try to understand what is going on.

“With clinical trials, we have taken this learning all the way through - starting with a bright idea in the laboratory and taking it into the clinic.

“What is different about clinical trials with cancer drugs and other drugs is that with other drugs, for instance to treat blood pressure, you are trying to alter a bodily function. With a cancer drug, if you want to treat the cancer, you have to kill the cells. But even though those cells are abnormal, they are still human cells.

“Thus with other drugs, you can trial them on healthy volunteers, to measure doses, impacts, and so on. To find the dose for cancer drugs, we are treating cancer patients who are on clinical trials because they have run out of options. It is the end of the line - the patients I see are the ones with the limited treatment options.”

Ruth points out that the real strength of the Northern Institute for Cancer Research at Newcastle University is that half the staff are clinically qualified, the others scientists and chemists. “We have that chain running all the way through from scientists looking at biology, chemists designing a molecule to target it, and then scientists doing pre-clinical testing before we do a clinical trial.”



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The question we are all interested in is, where are we in the battle against cancer? Ruth says: “Things have certainly changed a lot. In the 80s and 90s, there were a few small changes but over the last decade there have been some huge developments.

“With any cancer we have a human cell that has gone wrong, it is growing out of control and sending out signals to get its own blood vessels”

First came more targeted treatments where we started to understand the genetics of tumours so that we could target a cancer’s specific genes, proteins, or the tissue environment that contributes to cancer growth and survival.

“For example, in melanomas where I work, there were no new treatments for 40 years. UK scientists led on research which showed half of melanomas had a mutation called BRAF which is effectively like a growth switch being stuck on - in the chain



of proteins, one is stuck on all the time. By discovering the drug that turned this switch off, we went from having no effective drugs in this area to a drug with a 60 to 80 per cent response rate.

“We have seen similar things with lung cancer. We had a lady recently who was given a new, targeted drug called osimertinib on a trial. This gave her another three and a bit years.

“The other big change is the introduction of immunotherapy whereby you harness the immune system to attack the cancer. Ordinarily, our bodies are not designed to attack cancer cells – as they are not designed to attack our own cells. Cancer cells use this as a cloaking device. New immunotherapy drugs are called checkpoint inhibitors

very important side in the battle to beat cancer. That is one of fundraising, without which research couldn’t happen.

To get a better understanding on fundraising at CRUK I spoke to Sam Moralee, the organisation’s fundraising manager for Tyne & Wear and Northumberland. To offer some background first of all, CRUK is the only charity in the UK fighting all 200 types of cancer. It funds scientists, doctors and nurses as well as providing cancer information to the public.

In addition, its policy development team develops evidence-based policy to inform Government decisions related to cancer and research (including policy around smoking and obesity).

I asked first of all about the Northern Institute of Cancer Research and how it came into being. Sam explains: “Launched in July 2009, the Newcastle Cancer Centre at the Northern Institute for Cancer Research (NICR) is a collaboration between Cancer Research UK, North of England Children’s Cancer Research Fund, The Sir Bobby Robson Foundation, Newcastle University and Newcastle upon Tyne Hospitals NHS Foundation Trust.

“CRUK Centres are established research centres that develop local and national partnerships with charities, universities, cancer networks, NHS Trusts, government agencies and industrial partners.

“By promoting collaboration between scientists, doctors, nurses and funding organisations, CRUK Centres aim to speed up the delivery of new therapies and improve cancer services in the area.

“The NICR is at the heart of the Newcastle Cancer Centre. It has a strong track record in developing and testing new treatments, helping to take novel ideas from the lab to patients, faster than ever before. There are now 14 CRUK Cancer Centres in the UK delivering world-class research, improved patient care and greater local engagement.”



as they block that checkpoint and allow the immune system to attack the cancer. These have been game-changing.”

Ruth loves her role. “I have a great team who all get what we are trying to do. If I didn’t do this job, I would really miss seeing patients as just listening to peoples’ stories and what they get on with and cope with, you just think that we have to try and help.”

As well as research there is another

EXCLUSIVE EVENT

Contact will be bringing you details of Cancer Research UK’s exclusive behind the scenes event in partnership with the North East England Chamber of Commerce scheduled for early 2020. It will give participants the chance to see some of CRUK’s lifesaving cancer research at its Newcastle labs.



The North East is a key region in terms of cancer-fighting infrastructure. As well as being home to the Cancer Research UK Newcastle Centre, it is also home to the CRUK Drug Discovery Programme, which is working to translate discoveries from basic and clinical research into new drugs.

So what about cancer statistics for the region? Sam tells me 16,500 people are diagnosed with cancer each year in the North East, and 7,900 die. Cancer deaths have fallen by ten per cent in the past decade.

The region is doing a lot to help in the fight against cancer –for example, local scientists discovered a way to exploit genetic weaknesses in cancer cells that prevent them from fixing their DNA. Sam says: “This brings about a new family of drugs, called PARP inhibitors, which specifically kill cells with faulty BRCA1 and BRCA2 genes. These faulty genes can substantially raise the risk of ovarian and breast cancers, among others.”

The region also ran the first in-human trial of Rucaparib. Sam explains: “Our scientists in Newcastle carried out the 1st in-human trial of rucaparib (Rubraca). Rucaparib was the first PARP inhibitor to reach clinical trials. Rucaparib was approved by the EMA in 2018 and was later FDA approved as a treatment for certain patients with advanced ovarian cancer.

“We helped develop a drug to treat advanced bladder cancer. The initial stages of developing the new drug, balversa (Erdafitinib), were performed by our scientists at Newcastle University. The drug received FDA approval for treatment of advanced bladder cancer in 2019.”

Among other notable achievements, scientists in Newcastle helped make the pioneering discovery that aspirin could help prevent bowel cancer in people at high risk.

Most excitingly, there is more in the pipeline. Sam tells me the team in Newcastle is currently creating a network to develop immunotherapy as a treatment for liver cancer.

There are other promising strands of research underway, though one of the most touching and poignant relates to children’s cancer treatment. Sam says: “We’re personalising treatment for children’s brain tumours. Professor Steven Clifford, at Newcastle University, is personalising treatments for medulloblastoma, the most common type of brain tumour in children. He is studying a large number of samples to identify genetic differences between tumours that indicate how well they respond to treatments.

“This could lead to a test that would tell doctors what the best course of treatment is for each patient, helping

improve survival for children.”

All this pioneering work requires funding – and lots of it. Thankfully, there are plenty of ways to get involved and it is hoped the North East business community continues its fine track record of supporting cancer research through fundraising.

See the Business Beats Cancer panel with this article to find out more about how your business can get involved.

BUSINESS BEATS CANCER

Cancer Research UK fundraising activity in the North East, volunteer and staff led, relies on working in partnership with corporate organisations both big and small.

As part of its commitment to building even stronger and long-lasting links with business leaders in the North East, it is bringing its Business Beats Cancer initiative to Newcastle.

Business Beats Cancer brings together business leaders across the UK to fight cancer one city at a time. Board members are the ambassadors for Cancer Research UK in their cities and membership to these boards is exclusive but growing. Members work with their business networks to host annual fundraising events.

There are already successful boards operating in Birmingham, Bristol, Glasgow, Edinburgh and Belfast. Since launching in 2006 in Glasgow, Business Beats Cancer has raised over £500,000.

If any North East business would like to get involved or find out more about supporting Cancer Research UK, please call Sam Moralee, Local Fundraising Manager on 07881 816059 or email her at sam.moralee@cancer.org.uk.

Connecting the region

Newcastle International Airport recently unveiled a direct route with German airline Lufthansa from the North East to Munich International Airport from February 2020, further strengthening its global reach. The new service will provide onward connections from Munich to further destinations in Europe, as well as the Americas and Asia. Nick Hogarth, hotel manager at Motel One Newcastle, discusses why this is an opportunity for the Munich-headquartered business

Newcastle International Airport
www.newcastleairport.com
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Tell us about Motel One..

Motel One is a luxury budget hotel chain founded in 2000, headquartered in Munich, and now has 70+ hotels across Europe. We now proudly operate seven hotels in the UK, with more city-centre locations on the horizon.

Motel One Newcastle is located in the city-centre, ideal for overnight travel when visiting the city for business and leisure, offering unique interiors and individually designed rooms with free WIFI, and a welcoming service.

How frequently does the Motel One team use Newcastle International Airport for travel?

As hotel manager, I travel back and forth to Munich regularly, up to 10 visits a year. In addition, all team members working in Motel One Newcastle visit our headquarters in Munich at least twice a year.



In addition to training, our team will often travel to other European hotel destinations, for conferencing and events, using Newcastle International Airport as a hub for global travel.

With over 20 members of staff, we certainly use the airport frequently!

What is the impact of the airport's close proximity to the city-centre?

It is a short 25-minute drive from Newcastle International Airport to Newcastle city-centre, plus fantastic transport links via the Tyne and Wear Metro, making travel to and from the airport very convenient!

The airport benefits passengers with a great selection of flight times, and previously flying to Munich I would have needed to connect through Paris, London, Amsterdam or Dusseldorf, so the direct flight will hugely improve travel efficiency.

Do you frequently have international travellers staying at the hotel?

Yes, with huge credit to the fantastic universities and opportunities for learning we have in the North East, we frequently welcome students, and also their friends and families from across the world. In addition, we have travellers checking in daily who are visiting the city for business and leisure.

We were thrilled to see the Visit North East England campaign unveiled by Newcastle International Airport recently, encouraging inbound tourism in the region. We hear the many ways travellers are uncovering, exploring and experiencing our brilliant region every day!

Will the direct flight with Lufthansa create more opportunities for Motel One?

Yes, absolutely. Munich is a city where Motel One is very well-known, so this new route will increase visibility of our region and opens the door to leisure travellers looking for a European city break, and business travellers who may not have visited the North East previously due to accessibility.

The new route provides further opportunity for increasing passengers travelling into Newcastle International Airport, and this can only be a positive for the region.



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Lufthansa
Say yes to the world

Why financial wellbeing should be a top priority

Tom Solly, chartered wealth manager at Brewin Dolphin, discusses why his company is launching a campaign alongside the North East England Chamber of Commerce to raise awareness and address the issue of financial wellbeing

So many companies have been brilliant at embracing the wellbeing movement and are educating and helping their staff deal with the issues and stresses life throws at them. The rationale is obvious. Improved wellbeing can result in improved performance, productivity and quality of work and greater job satisfaction. Whereas poor financial wellbeing can have negative consequences on employees' performance at work and can affect their health, which has costs for a business.

However, the one area that can be a persons' biggest source of stress – money – tends to be the one area that gets ignored the most. This could be because it is a more complex topic than some of the other wellbeing issues or it could be that many of us just don't like talking about money. However, we need to take financial wellbeing seriously.

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Brewin Dolphin has recently conducted a study, The Family Wealth Report, to better understand what is really important in people's financial lives. We commissioned Opinium Research, an independent company, to survey 5,000 people across a range of age groups throughout the UK to look at three broad areas:

- In the midst of Brexit, and a decade on from the global financial crisis, how are Britons' finances faring?
- What are people's concerns, their expectations and their aspirations in relation to their finances?
- What are their attitudes to saving, retirement and passing on their wealth?

By creating a detailed picture of peoples' finances, we got deeper insights into the myriad of financial pressures we all continue to face. However, this also gave us the wherewithal to help steer people to where the opportunities lie to make their money work harder.

Many of your colleagues or members of staff will have struggled with rising living costs, trying to build their pensions and making sure they have a rainy day fund for when the car breaks down. All at a time of statistically low wage growth and historically low interest rates giving their savings little help.

Or what about the struggle faced by younger members of the workforce who are trying to get on the housing ladder while often paying down the debt from higher education? This is before they have even considered how they will afford a family or fund their retirement. This perfect storm of pressures

on current and future financial goals has led to personal debt reaching record levels while saving levels have fallen to all time lows. 34 per cent of the working population regularly run out of money before pay day. The stress of this is untenable.

What is clear to us from our analysis of the study is that regardless of your stage of life, having a plan can help you make the most of your opportunities for the future. However, many of us feel uncomfortable talking about money or find it hard to imagine what the future holds. Planning for the unknown is even harder than planning for the here and now.

And then so many of us just don't quite know what our options are and how we can solve the issues we are confronted with. This means we are prone to putting the conversation off and hoping the problem will go away on its own, which does not get rid of the stress and anxiety.

Whether some of these issues resonate with you or not, they are likely to with people you work with. No one should carry this burden around with them, but it is only with knowledge and understanding that we can stop worrying. That is why all of us at Brewin Dolphin want to get people thinking and play a role in more and more people having a conversation that could transform their finances.

We want to allow your staff and colleagues to ask the questions they want, and arm them with the knowledge that will help them look to the future with confidence. That is why we are launching a campaign alongside the North East England Chamber of Commerce to raise awareness and address the issue of financial wellbeing. We are going to be offering each and every member a financial wellbeing tool kit that should help their staff find some financial peace of mind and wellbeing and learn to have those difficult money conversations in a constructive and stress free way.

Through this offering, Brewin Dolphin will help your staff create their own financial plan to achieve what matters most to them. We will look at how to reach these goals and the importance of revisiting the plan in the future. We will also look at how to protect your income, making the most of the benefits you get at work and some clever money saving tips. If it is something you are interested in, please contact your Chamber representative for more information.



Esh Group: shaped for success

Mark Sowerby, Esh Group's chief financial officer, began his career training with KPMG before spending more than 21 years at engineering consultancy WS Atkins plc, most recently as Finance Director for Faithful+Gould working across four continents. Returning to his roots in County Durham, Mark took up his current position at one of the region's largest privately-owned businesses. Here, Mark shares his vision for the company as he helps to prepare Esh for its next phase of growth

Why Esh Group?

I joined in October 2017 when construction and the UK economy both were going through a difficult period of uncertainty. Andy [Radcliffe] had recently been appointed as CEO following seven years as CFO. I was attracted to Esh as it is a business with real potential, built on good people, loyal shareholders, a solid track record of delivering great construction projects and a firm financial footing. In addition, the business has a real social conscience, and that was important for me. We are, and want to continue to be, a business that is easy to do business with and one people are proud to do business with.

How is Esh evolving?

Led by Andy, the senior team undertook a wholesale strategic review; we recognised that we had grown very quickly over a short period, and we were experiencing some growing pains. We had to step back and reflect on the direction we were going and the markets we were working in.

We put a plan in place to ensure we optimised cost and capital efficiency. This involved reducing the number of divisions and our geographical footprint, focusing on our core businesses strengths in the North East and Yorkshire. We withdrew from Scotland, rationalised our development arm, and reduced the amount of speculative land we were sitting on.

We have invested £8m in the last three years on our core back office system, a wholesale system upgrade which will give us greater control of our business and better inform decision making – this will be fully implemented by the end of 2019.

We have already rolled out some aspects, such as our HR, payroll, estimating, programme management and CRM systems, and are finalising our commercial, procurement, finance and fleet management modules.

All the above have not come without a tremendous amount of hard work by the wider team at Esh.



What challenges has Esh faced?

Brexit uncertainty has unsurprisingly seen some organisations defer capital investments, and our commercial build division still feels the impact of this. There is an honest recognition that this sector is not going to grow for the next 18-24 months. There has been a knock-on effect of Carillion's demise with several other national players experiencing financial difficulty; credit insurers, bankers, bonding providers and suppliers are all naturally taking a more cautious view when dealing in the sector.

A big part of my role is communicating Esh Group's and our main trading division Esh Construction's position so that these stakeholders are all aware of the strength of our business. Following two years of change we are leaner, fitter, financially robust and as dependable as ever.

What does the future hold for Esh Group?

I believe we are well placed in the market and are well-equipped to take the business forward, Esh has a well-informed group of shareholders who have supported every part of our change programme. We pride ourselves on having a strong balance sheet and a broad client base operating across sectors that are both cyclical and non-cyclical. Our pipeline is healthy, particularly in the civils and social housing sectors, and our private housing business is well established across the North East.

The UK, the region and Esh Group needs to be optimistic about the future, while recognising that we must plot a careful course through the current turbulence. Yes, there are challenges, but the economy is not broken, and we are confident that it will get better. Working collaboratively with our supply chain and stakeholders, we believe we are in a strong position to meet the needs of our clients and the wider region in the years ahead.

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Funding is vital for rebalancing the UK economy

Jonathan Walker, assistant director – policy, says he wants to see national funding mechanisms reflective of the need to recognise the potential of places such as the North East and encourage investment in them



Jonathan Walker

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For businesses, securing the right investment and funding at the right time can be the difference between success and failure, or the thing that kick starts growth.

The same is true for our region. There is a complex mixture of public and private investment, consumer spending, grants, loans and many more things besides that make up the notional idea of our economic output.

But who decides what we get and where it goes? I don't have the space here to provide a full dissection of investment in the North East, nor do I suspect you have the time to read it. However, with a new Chancellor promising a 'fast track' review of Government spending in the near future, it seems right to ask whether we get a fair deal and where we think his priorities should lie.

Sajid Javid certainly has a lot to think about over the next few weeks. With the outcome of Brexit still up in the air, there can rarely have been a time when the outlook for the economy and public finances has seemed so uncertain.

His predecessor talked up the fiscal 'headroom' that had been created through the Government's budget management, leading to the declaration last Autumn that austerity was over.

Austerity has been keenly felt in our region. Earlier this year, the Centre for Cities thinktank highlighted that seven of the ten cities that had faced the largest spending cuts were in the North. Between 2009 and 2018, Newcastle, Middlesbrough and Sunderland saw their total spending fall by 26.6 per cent, 17.8 per cent and 21.1 per cent respectively.¹



This is the backdrop against which Government spending decisions must be taken. While all local services are experiencing pressures, it has often been those on which businesses rely the most that have seen the biggest relative cuts to their budgets.

Take Council planning departments as an example. They are often (and sometimes rightly) criticised as the biggest obstacles to development, yet many in the construction sector tell me that cuts, and the resulting loss of resource and expertise, have made it slower and more difficult to progress planning applications.

Successive Governments have talked about their desire to close the economic performance gaps that exist between different regions. We're up for the challenge and believe the North East has far more to offer UK Plc, but the task is made more difficult if we're starting with one hand tied behind our back.

We're also up against flaws in the processes used to allocate Government spending that often count against our investment priorities.

Infrastructure spending is a classic example of this. To put it very simply, the rules used by the Treasury to assess whether a new project provides good value for money (the so-called 'Green Book') give a significant weighting to schemes that alleviate congestion and move large volumes of people, rather than to their potential to regenerate regional economies or unlock development.

The consequence of this is a cycle of infrastructure investment in congested areas such as London and the South East, which in turn encourages business growth and migration; placing further pressure on the infrastructure and therefore demand for investment.

This isn't to say that all spending in London should be stopped and diverted to the North. As a regular traveller down there I know all too well that in many places the infrastructure is far from perfect.

“We're up against flaws in the processes used to allocate Government spending that often count against our investment priorities”

However, what we do want to see is funding mechanisms that recognise the potential of places such as the North East, encourage investment in them and represent concrete steps towards that goal of rebalancing the economy.

It is these kinds of positive reforms that we look for whenever a Chancellor makes a big Budget or spending announcement. The review being undertaken by the new Treasury team right now represents a real opportunity for Government to show they are serious about support regional economic growth.

What else could they do? For a start, ensuring that far more decision-making over how money is spent is taken closer to those it affects. Far reaching proposals to devolve much more power and funding to local areas are needed, as well as meaningful steps towards the transfer of Government departments out of Whitehall into the regions.

With Brexit looming large over this spending review, there is a clear need for Government to do all it can to ensure that the exporting prowess of our region is not undermined and can be further developed.

Leaving aside the outcome of the Brexit negotiations, we must see a significant increase in Department for International

Trade funding to provide on the ground support for new and existing exporters, alongside a comprehensive review of inward investment activity to place far greater emphasis on regional strengths.

In addition, Brexit raises huge questions for the North East around the future of, and replacement for, the EU funding that currently comes into our region.

It is often said that North East England has done very well out of EU funding. That is not necessarily something to be proud of. This money is allocated on economic need and measures of deprivation. We have received more money than other regions because we have needed it.

Sadly, despite progress in many areas, the causes of that deprivation have not gone away. The proposed UK Shared Prosperity Fund must focus on regional need and opportunity and should not be a competitive process. The Chancellor should also provide firm guarantees that the North East will not receive lower funding under new arrangements.

As well as changing the rules on infrastructure spending, the Chancellor can build upon the Prime Minister's backing for new rail investment in the North.

Both Northern Powerhouse Rail and HS2 have the potential to dramatically improve intercity connections from our region and should be fully supported alongside investment in the East Coast Main Line to allow us to capitalise on this connectivity.

Ultimately what we want to see from the spending review is a sense of fairness and a recognition that the North East is not only particularly exposed to any negative consequences of Brexit but is also a place of huge opportunity.

The Prime Minister and his entire Government stood for election on a manifesto that claimed closing the economic performance gap between London and the rest of the UK to be the “biggest prize in Britain today”. Let's see if they're up for winning that prize.

New governors and leaders at Northumberland College set to drive forward ambitious new vision

A new senior leadership team has been appointed at Northumberland College to drive forward its ambitious strategic vision of excellence

Education Partnership North East
@EPNorthEast

The college, which merged with Sunderland College and Hartlepool Sixth Form in March to form Education Partnership North East, has appointed 12 prominent and well-respected figures from the North East to form a new board of governors and has confirmed the appointment of two new senior leaders.

Associate Principals, Lee Lister and Joanne McManus have been appointed to join the college's leadership team. Lee Lister, former Associate Principal of Grimsby Institute brings a wealth of senior management experience following a 23-year career in education. He is joined by Joanne McManus, who has 21 years' experience in both further and higher education, and will oversee Northumberland College's Ashington and Berwick campuses.

The new board of governors consists of 12 distinguished North-East business leaders, including Alison Shaw, a Professor of Practice with Newcastle University.

Furthermore, Jeff Hope, head of manufacturing unit at AkzoNobel Ashington is one of 12 appointed, alongside Head of HR, Kerry Patterson from Blyth-based advanced machine and robotics manufacturer, Tharsus, Andrew Ferguson, commercial and real estate manager and chartered surveyor at Virgin Money, John Holmes, chairman of Bernicia, Louise Doyle, founder



L-R: Joanne McManus Associate Principal NC and students Daniel Meek, Ann Marie Penuluna, Matthew Hann and Miles Stubbs

and director of Mesma, energy and renewables business leader, Ian Brown of MKM Technology, legal advisor, Cllr David Towns from Muckle LLP, chartered secretary, Neil Salvesen, Holly Thompson of Future Skills Vision and professional educator, Mark Patton, who holds the National Professional Qualification Headship (NPQH).

Nigel Harrett, Principal of Northumberland College said: "This is an incredibly exciting time for Northumberland College as we progress significant improvements and investment across all campuses, and embark upon a new chapter, strengthening and transforming the educational, social and

economic needs of our students, staff, employers and the local community.

"The governing body is instrumental to successfully delivering this period of change and their vast knowledge across all business areas will help position Northumberland College as the county's premium provider of further and higher education. I'm delighted to welcome them on board."

This is an exciting period of transition for the college which recently unveiled plans to deliver a multi-million pound investment programme, which is now underway, to further position itself as one of the region's leading education and training providers.

Lighting the blue touch paper for North East culture

Mark Lane meets Sage Gateshead managing director Abigail Pogson, and is impressed by the sheer scale of the venue's activities and its impact in culture terms on the people of our region

For those of us who live and work in the North East of England, it's easy to take Sage Gateshead for granted. In historical terms, this key venue is a relatively new addition to Tyneside's iconic architectural backdrop, yet it's difficult to remember a time when the building wasn't there.

Distinguished and eye-catching it might be, but somehow it fits seamlessly into its surroundings. The local population have taken it to the heart, recognising no doubt that it has played such an important part of placing and keeping Tyneside on the cultural map in the UK.

Sage Gateshead, with its grand plans and uncompromising ambition, could so easily have turned out to be a white elephant. However, in the 15 years it has been in operation it has been anything but, consistently punching above its weight in terms of its contribution to the region from both a cultural and economic perspective. For those who think too much money is wasted on arts-related projects – of which there are a sizeable number – Sage Gateshead is the perfect riposte.

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Each year, Sage Gateshead welcomes more than 500,000 people and features over 400 concerts, including many kinds of local, regional and international music.

Its tentacles also spread beyond the building itself, with Sage Gateshead having become a regional catalyst for music-making and learning activity across the North East, with more than 13,000 people of all ages taking part in over 10,000 music classes and workshops with links to the venue.

Most recently, this cultural phenomenon has embarked on its latest development and, as it did so, I caught up with Sage's managing director, Abigail Pogson (pictured above).

Abigail, who was previously chief executive of London music charity Spitalfields Music, joined Sage Gateshead four years ago. While a native of Yorkshire, she had spent much of her career in London so I was surprised to find out that she was actually very well aware of Sage Gateshead before taking up the challenge of this role.

She says she had followed the fortunes of Sage Gateshead for several years before making the move up North, calling it a "game-changer of a project in terms of having performance and education sat side-by-side with equal value".

Before discussing Abigail's role and her general thoughts on the region's cultural scene, I was keen to find out about



key recent developments at Sage Gateshead, the most notable of which is the introduction of a bespoke seating system, which will enable the quick removal of seats to create space for a part-standing audience.

The project has been made possible thanks to £1.2m from National Lottery funding through Arts Council England's capital programme. This in turn has been matched by donations of £800,000 from individuals and trusts from the North East and across the country.

The project will allow the installation of a unique new seat mechanism giving the venue the flexibility to provide standing space on level one of the main concert hall (Sage One) - beyond the existing standing pit - as well as continuing to offer the option of a fully-seated hall. The system will also enable the seats to be put back in again at speed.

In fact, removal of the seats has only been done twice before at Sage Gateshead, once for MS Life Conference and secondly for BBC 6 Music Festival.

Once seats are removed, the capacity of the hall will increase from a current maximum of 1650 to 2000, allowing the venue to add to its diverse programme, including more indie, dance and prom-style performances.

In addition to adapting the seating in Sage One, the project will also include a major refurbishment of the building's

main concourse, which has become a focal point for many festivals and free events as well as a place to relax, play and work. The concourse is open to the public seven days a week and the aim is to improve facilities so that more people can use the building each year.

In fact, numbers and scale has always been a major part of Sage Gateshead's mantra. Abigail suggests the Sage has already, "had a massive impact on the cultural sector in the region... of course when you create a building like this it gets attention. But it was never just about the building, it was about the broader creative approach to widening interest in the arts. I was attracted by the mission of the organisation."

Abigail has northern roots but has been pleasantly surprised since her arrival in the region, not just by the people and the wonderful countryside but also the interest in the arts and culture. "Audiences here are incredibly curious about different music and the appetite for hearing and learning about music is really strong here," she says.

Our region is not particularly renowned for its cultural heritage, but Abigail feels sure that Gateshead, Tyneside and, "the region more widely is in a strong place culturally", and that Sage Gateshead can act as a powerful focal point for cultural activities in the North East.

She adds: "There are some fantastic

cultural organisations here and many important, brilliant artists that are living and working here. The region has a very strong track record and this building is an example of investment in culture that has been coming down the pipelines.



You can see the impact it has had and ripples it has created.

"It is so important to make sure young people can see that music and cultural activity is available to them and can be a big part of their life."

Abigail suggests there is also a bigger picture here. The Sage Gateshead is in many ways about helping people in our region make connections and network beyond the North East. It is well known that for young musicians, the best way to get recognised is to play gigs in London where so many of the promoters



the arts is in short supply in the UK, with numerous organisations competing for funding.

A little surprised, I discover Sage Gateshead is only 20 per cent publicly funded. The rest, it must find itself.

Abigail says: “We are 20 per cent public funding, 50 per cent is earned via events then we fund-raise and trade to bring in the remaining 30 per cent. For instance, if you purchase a coffee here, part of that will be gifted to the charity.

“20 per cent public funding compared to some of our peers is modest but there is real strength in a mixed model. Our audience is an important part of that mix. If you buy a ticket you are part of the economic model of the charity and I see that as a strength. We are not about profit we are about breaking even and delivering social value.”

Money from conferences is a key source of income. Some conferences are on rotation and, as Abigail points out, “you want to make sure you are on the list of rotated venues”.

Other conferences are essentially locked down, and it is here where you are competing with the likes of Glasgow and Liverpool. “We work with NGI in putting forward bids and they have a great track record of capturing

business,” Abigail says.

She continues: “At the moment we run lots of conferences in Sage Gateshead but we don’t have pure exhibition space, which means the very biggest conferences don’t fit. So, for example the very biggest international conferences or autumn political party conferences can’t come to the site as it stands.

“Beyond our own capital development in the next 12 months, there’s the bigger development of Gateshead Quays by GMBC in the pipeline which is targeted for completion by 2023/24. The new facilities will complement Sage Gateshead’s facilities, particularly with purpose-built exhibition space. This will mean the site will be able to accommodate international scale conferences and is a really exciting prospect for the region.”

That said, Abigail firmly believes that the venue already has a fantastic offering, thanks to its sheer scale, the quality of its space, and its unique configuration which includes two main auditoriums, a rehearsal hall and many smaller spaces.

“The mix of audiences is one of our strengths,” she says. “One night we might have an audience in for a concert, the following night it might be a gig. We might have local school children in or people having a business meeting.”

This, of course, is a significant strength. Abigail also believes the identifiable architecture of Sage Gateshead has become “an emblem for Tyneside and has been part of a gravitation back towards the Quayside”.

As indicated, Abigail’s background is in the London arts scene which, as we all know, is recognised and celebrated internationally as well as being a lightning rod for culture in the UK. Does London get too much support? Does its arts scene get too much funding? Should money be better and more evenly distributed across the UK?

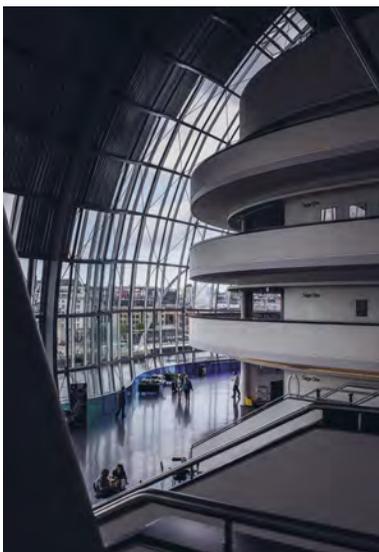
For Abigail, such a question is not as

and agents reside. Yet this is not always easy – it costs money and it requires a level of business acumen many young creatives might lack.

Thus as I interviewed Abigail, Sage Gateshead was running a Summer Studio initiative for emerging artists, providing training briefings on how to network more broadly beyond the North East and helping them gain a more practical understanding of the industry they aspire to enter.

We know, however, that this training does not come for free. We also know that money for what is loosely termed





black and white as it might sound. She says: "I think there is value in a national investment which is what happens through London. There is also a positive awareness about the need to invest outside London although this needs to be dependent on context rather than a blanket thing that replicates London.

"I don't think the answer is to take money out of one place and put it in another. I think you need both. For instance, a region like the North East

needs a different kind of investment to London.

"I also think we need to acknowledge that really exciting things are happening in the arts in the likes of Middlesbrough, Sunderland and other parts of the region. The blue touch paper has been lit on this issue and investment is taking place.

"I also don't think we should be thinking exclusively in public funding terms. This organisation is a mixed model and our primary income is people purchasing tickets. Cultural organisations are about a range of funds coming in, not just public money."

Asked what her ambitions are for what she can achieve at Sage Gateshead, Abigail says: "My main driver is to see this place open to as wide a range of audiences as possible. By that

I include a musician doing work in the studio, somebody coming to an event to hear a band, somebody coming to try a festival, a young person participating in our In Harmony programme in West Newcastle, students from schools across the region – I include everybody in that."

She finishes, "My passion is about making sure as many people as possible can connect with music as that is our currency here."

KEY FACTS:

Sage Gateshead is an international music centre and conference and event venue located in the North East of England. It is for artists, for audiences and for the North.

- 500,000 people visit the building every year – often national and international visitors.
- Sage Gateshead presents over 400 events and festivals each year to a live audience of over 250,000 in the building and a further 50,000 through tours.
- Each year Sage Gateshead works with more than 10,000 children and young people.
- Each year the venue supports over 100 musicians through its artist development programme.
- Sage Gateshead provides employment for over 500 people.
- In its first decade, its economic impact was £283m.
- The iconic building, designed by renowned architects Foster + Partners, is home to Royal Northern Sinfonia and is a place where emerging artists are nurtured through dedicated programmes and festivals.
- As a charity, Sage Gateshead uses the support it receives to help to ensure everyone in the community can experience the joys of music.

Building partnerships to support innovation

Newcastle University's Arrow project provides free support, building partnerships with SMEs, to capitalise on the University's expertise, assets and resource to translate valuable business projects to commercial outcomes

Newcastle University
go.ncl.ac.uk/arrow
arrow.admin@ncl.ac.uk

"There's no way that we could be where we are now without the intervention and support of the Arrow project and Newcastle University."

Dik Barton, COO and co-founder of ArmaTrex Ltd, has been one of the early beneficiaries of the £3.4m Arrow project. "We've been extraordinarily well supported by Arrow."

"An independent review of our work so far has identified that we're offering something truly different. Our support is bespoke, intensive, and flexible with personal interventions based on world leading research"

Setup in 2018, Arrow exists to bring SMEs in the North East LEP area together with Newcastle University. Providing free



support, it aims to translate valuable business projects to commercial outcomes.

"The thinking behind Arrow is to capitalise on the University's expertise, assets and resources in a way that will result in the development and commercialisation of new or improved products and services," explains Arrow Programme Manager, Chris Angus.

"Development and prototyping can be challenging for two key reasons. They can distract from the day-to-day business that is paying the bills. And there are costs and risks involved. It is understandably very difficult to innovate as a SME. We want to change that."

But support for SMEs and innovation isn't anything new. There are multiple schemes and opportunities out there. Some might say too many. Do we need another one?

"An independent review of our work so far has identified that we're offering something truly different. Our support is bespoke, intensive, and flexible with personal interventions based on world leading research.

"As well as matching SMEs with academics, we have a dedicated team of Innovation Associates and access to finance for third party support."

Northumberland-based Nuchido, an anti-ageing supplement developer, has been another early user of the Arrow scheme. Nuchido CEO Nichola Conlon explained:

"We were interested in market opportunities offered by an ageing population but recognised our lack of experience in specific aspects of ageing biology. Our Arrow project produced a unique biological platform for the testing of molecules which inhibit cellular ageing or which selectively kill senescent cells.

"We've gone on to secure a Knowledge Transfer Partnership project to advance our product development in collaboration with the same University team."

Chris is in the process of growing his team, ready to take on more projects across the North East.

"We're keen to hear from North East SMEs. You might have a clear innovation goal that we can support. Or we could help to refine the beginnings of an idea into a plan.

"Because of the funding behind Arrow there are qualification criteria but we make working with us as easy as possible. We're also happy to be the front door to the University. Businesses can use us to access more than 2,500 researchers and academics, the National Innovation Centre for Data, the National Innovation centre for Ageing, and other teams supporting businesses.

"It is important that our teaching and research can be shared, enriched and enhanced through partnership. I'm really proud to be leading the Arrow scheme as a way to work with our region's SMEs."

Arrow is funded by the European Regional Development Fund.

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The power of breaking down finance requirements

Funding is available for innovative North East businesses, but how can you access it? Simon Green, CEO of Innovation SuperNetwork, has some answers

Innovation is risky by definition. Innovation is about doing

things in a new way to produce an economic or social benefit. Because of this 'newness', exact outcomes are difficult to predict at the outset, so how is it possible to finance projects that are inherently risky?

When looking to finance innovation projects three questions should be in your mind:

- How can I reduce risk to improve the chances of raising finance?
- Are there ways of securing cheaper funding for individual elements of a project?
- What sources of finance are most relevant to each element?

The riskiness of innovation projects can be reduced through effective management. The simplest approach is a so-called 'stage-gate' methodology, where regular review points are

used to check on progress against objectives. At each 'gate' there is an assessment of what has been achieved and a decision made as to whether to go ahead with the next 'stage'. The consequence is that finance can also be staged, with the potential to stop investing if the project isn't going to plan.

A more advanced approach involves an iterative process, such as lean innovation or agile project management, where not just progress but also plans for the next stage are reviewed at each gate. By doing so, the risk of heading in the wrong direction is reduced and the chances of getting to a valuable outcome increase. Lean innovation concepts also imply testing the most important assumptions and risks early in the project, so it can be killed quickly if there's no realistic prospect of success. Effective project management and management of risk will make a project more attractive to funders.

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Another thing to consider, particularly for smaller businesses, is sharing risk (and potentially the rewards of success) with other organisations, suppliers and customers. Not everyone is open to such a conversation but if you've got good relationships with your suppliers, they may be willing to provide materials or services at reduced cost, on the basis that you'll contract on a commercial basis if the project is successful.

Breaking down finance requirements is a stage that I've rarely seen used effectively but can be hugely powerful. The key is to identify which tasks within a project are higher risk and which are lower risk. If part of a project involves buying assets that could be reused or sold at the end, whether the project succeeds or not, these assets could likely be financed much more cheaply than higher risk tasks. By splitting out lower risk, easier to finance tasks, the amount of finance required for higher risk tasks can be reduced.

Finance associated with higher risk tends to be more expensive, so reducing the risk element of financing can make it both easier and cheaper to fund the whole project. Some suggestions here are to look at asset finance, invoice finance, secured lending against business assets and grant funding.

Finally, identifying the right type and source of finance is crucial. Sometimes necessity drives decision-making but ideally the amount of risk, potential rewards and timescales of a project will be matched to the cost and timescales of finance. Using

short-term borrowing like overdrafts to finance a new product that will take years to get to market will be expensive and require repayment from other revenues. Ideally, a longer-term project will be financed through selling shares or long-term loans and riskier projects will involve investors sharing in the risk.

The good news for North East businesses is that finance for innovation projects is available. Local funds, like the £120m North East Fund, invest in businesses to support innovation projects. We are also working hard on increasing the amount of private investment in the region, through encouraging individual angel investment (for example through the Newcastle Angel Hub) and making connections between local businesses and investors from outside the region.

Innovation funding from national government has increased massively over the past two years as part of its industrial strategy and it's worth checking out the funding competitions run by Innovate UK. Finally, we'll have dozens of investors and other sources of finance at VentureFest Tees Valley (September 25, Middlesbrough) and VentureFest North East (November 28, Newcastle).

Innovation SuperNetwork
www.supernetwork.org.uk
[@SuperNetworkNE](https://twitter.com/SuperNetworkNE)



Business Confidential: Sir James Mackey

James Mackey, known as Jim, started his career in the NHS in 1990 as a qualified accountant and, following a number of senior roles, assumed his current position as chief executive of Northumbria Healthcare in 2005. In October 2015, Jim oversaw the creation of NHS Improvement, bringing together the Regulators Monitor and the Trust Development Agency. Passionate about the North East, he was knighted in January 2019

Northumbria Healthcare NHS Foundation Trust
www.northumbria.nhs.uk
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If you could invite four people (living or dead) to dinner – who would they be and why?

Assuming I can have whoever I want there who are still with us, I would add those closest who no longer are – namely my Dad (Jim), father-in-law (Jack), mother-in-law (Rena) and our dog who passed in 2015 (Brinkley).

Which type of books do you like to read, and what was the last book you read?

I never really studied history when at school so like to do this now and regularly listen to history podcasts when walking the dog or running. I like history books, or fiction based on historical events, but struggle for time. I often have two or three on the go at the same time. I think Six Minutes in May by Nicholas Shakespeare would be the last one I read properly, start to finish.

Do you use social media, and what is your opinion of it?

No and hope never to. I understand that it does have benefits but it's not for me and I do worry about what its long-term impact will be.

What does your typical day at work involve?

I like to be up early (5am) and do some work with the dog beside me (Teddy – who is less enthusiastic than me at that time), have breakfast with my wife and work out, then into work. No two days are the same, but I try to maximise contact with staff – usually lots of meetings, catch-ups, walkabouts,

engagement etc., then a catch up on e-mails at the end of the working day. I then like to spend time with my wife over dinner.

Name your fantasy board of directors (up to four people), and why you have chosen them.

I can get into all kinds of trouble on this one, and have been very fortunate to be a part of several great boards so I'm copping out on that one!

If you weren't doing what you're doing now, what would be your dream job, and why?

I've always had a hankering after being a barrister but didn't really think it was a realistic prospect when setting out so did accountancy instead. I love what I do but, if I wasn't doing this, I think barrister would be next choice.

What are your favourite places in the North East, and why?

I am North East born and bred and love all of it. My wife and I enjoy going up the coast with our dog and Craster/Dunstanburgh probably top our list. I also think the train journey from Newcastle to Edinburgh has to be the best in Britain for views.

Which are your favourite newspapers and online sources of news, and why?

I read The Times online during the week, and then the paper version on a weekend. I find so much news now to be inaccurate, misleading or badly put together so don't take as much in as I used to. In terms of TV, it's the BBC (or Sky for sport).

“I understand that social media does have benefits but it's not for me and I do worry about what its long-term impact will be”

If you could choose somebody to play you in a biopic, who would it be, and why?

Absolutely no idea but it would have to be someone who could do the accent well. I once had an awkward discussion with colleagues in another part of the country who thought I was related to Jimmy Nail, what they were actually saying was that all of us Geordies are the same.

What's your best piece of business advice?

Know what you believe in, work hard, be prepared to listen and adapt, don't be afraid to change tack, treat people well and enjoy what you do.



Venture capital and scaling small businesses

Mark Lane seeks advice for small companies on securing venture capital finance, in conversation with Jane Reynolds MBE, business development manager with Northstar Ventures, which manages the £27m North East innovation Fund

For many small and growing businesses, access to finance is a make or break issue. Meanwhile, the funding landscape is broad and complex, and certainly not for the faint-hearted. Venture capital is one popular avenue – but what kind of businesses are venture capitalists looking to invest in?

I put this question to Jane Reynolds MBE, business development manager with Northstar Ventures (pictured right). This company has been supporting entrepreneurs since 2004 and is one of the leading early stage investors into businesses in the North East region and beyond.

“We make and manage investments

into a wide range of scalable ventures,” Jane says. “We currently manage the £27m North East Innovation Fund, supported by the European Regional Development Fund, and have already invested over £6m of that in a wide variety of businesses across very different sectors in the North East.”

Many readers will no doubt be curious as to the best way of tapping into this kind of finance, which obviously differs from ordinary bank lending. Is the funding process as portrayed on Dragon’s Den? “While Dragon’s Den is great TV, in reality the investment journey is a lot more collaborative!” Jane replies.

“You do need to have a confident pitch however that covers the key issues, so in that sense watching the programme can give you some tips there.”

To offer an idea of the kind of criteria venture capitalists are looking at when supporting businesses, Jane highlights three local companies Northstar has invested in.

Setting the scene, she says, “We make investments anywhere from £10,000 to over half a million pounds. At the lower end of the scale, we support accelerator programmes like the one run here in the North East by Ignite; this gives the chance for entrepreneurs who may just be starting with their idea or very early stage.

“At the other end of the scale we may be part of a group of investors putting larger sums into scalable businesses.”

One recent recipient was incuto, a business which helps tackle the ‘poverty premium’. incuto, which has an office in Cramlington and works as a technology partner for credit unions and the community banking sector, received £100,000 from the North East Innovation Fund.

“The funding will help support incuto’s expansion plans for its software solutions that are aimed at helping everyone have access to low cost, high quality financial services, as well as levelling the playing field between credit unions and less ethical payday lenders,” Jane says.

Another recent client was Changing Health, a venture which was spun out of Newcastle University and Newcastle Hospitals NHS Foundation Trust in 2016 by professor Mike Trenell. The business provides digital, personalised support to patients wanting to make changes to a healthier lifestyle.

Says Jane: “Northstar provided further funding, from the North East Innovation Fund, along with Shift Invest, and Tate and Lyle Ventures. The total investment





“While Dragon’s Den is great TV, in reality the investment journey is a lot more collaborative!”

Enterprises, which provides care services across the North East and also runs a number of charitable businesses.

The funding will help the organisation continue to deliver and expand its services, providing new education, training and employment opportunities for people with a disability and those who want to pursue a career in care services.

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Northstar Ventures

www.northstarventures.co.uk

@NorthstarVent



package of £3m will help the company develop new programmes and expand both in the UK and overseas.”

Emphasising the eclectic mix of businesses Jane and her colleagues have worked with is Wordnerds, a Gateshead-based business which recently received £650,000 investment from the North East Innovation Fund, as well as from angel investors Paul and Gerard Callaghan, founders of The Leighton Group, Kevin Beales, founder and CEO of Refract, and Maurice Whittle.

Wordnerds combines cutting-edge AI and advanced linguistics to train

computers to understand the huge volume of unstructured text that is currently invisible to most companies.

Northstar also manages the North East Social Investment Fund, with which it invests in regional social enterprises and charitable organisations. Investments range from £100,000 upwards and can be used for a wide range of purposes. “The fund’s aim is to increase or protect an organisation’s ability to deliver social impact,” says Jane.

Examples of the fund at work was a recent investment in Azure Charitable

An upbeat outlook for the south of our region

Mark Lane is uplifted by very positive observations on the future of Teesside from Andrew Rowe, partner with Baldwins Group and chair of the North East England Chamber of Commerce Redcar and Cleveland committee

Andrew Rowe doesn't have to think too hard when

contemplating what motivates him to keep pressing the case for the North East, and Teesside in particular. "My children are 14 and 12 and I would like to think that they won't need to move away from the area to achieve their goals," he tells me.

Andrew, partner with Baldwins Group and chair of the North East England Chamber of Commerce Redcar and Cleveland committee, was talking in context of some of the hits the business community and people in the south of our region have taken in recent times, as well as ongoing uncertainty over Brexit, which could potentially hit North East exports.

Despite such issues, his glass remains half full. "I really think this is a once in a lifetime chance for Redcar and Cleveland to really take off," he enthuses. "There are game-changing large projects such as Sirius in East Cleveland and the South Tees Development Corporation on the old SSI site.

"Take this together with low priced housing, great beaches, wonderful countryside and new independent shops, bars and

qualified in accounting in 2000 and was part of the founding team of award-winning firm, Evolution, which eventually merged into the Baldwins Group, now one of the largest accounting and advisory firms in the UK.

"In that time my work has moved from compliance initially into advisory, helping businesses across the board from start-ups and sole traders to much larger multi-million-pound companies," he says.

"I'm a proud Teessider, from the 'Mighty' Redcar. The majority of my work is in the local area with some in the wider North East region."

Andrew is rightly keen to take the positives where local business is concerned. But is there actually support out there for ambitious businesses from Teesside? Answering, he says: "There certainly is assistance out there for new businesses, with Tees Valley Combined Authority, under Mayor Ben Houchen, for example doing a great job in providing support together with organisations like UK Steel Enterprise.

"However, it is difficult for new businesses to be experts in everything and to know how to access funding easily. This is where professionals such as Baldwins come in. We advise on the most suitable, available funding."

So, what does Andrew see as Redcar and Cleveland's key business sectors of the future? He replies: "On the tourism front I would like to see us build on the success of the recent beach music events in Redcar, the Summer Sounds event in Guisborough and the Food Festival in Saltburn and attract more visitors to the area."

He adds: "I would like to see more affordable hotel provision to back this up. On the industry front we need to be market leaders in digital (exploiting Teesside University's influence and expertise) and areas such as clean energy and advanced technologies."

Finally, on to Brexit - threat or opportunity for Redcar and Cleveland? It's no surprise to hear Andrew is erring towards the latter. "As someone whose dad worked at Teesport for over 20 years, I'm particularly excited about the prospect of a free port and the jobs and opportunities it would bring."

Baldwins Accountants

www.baldwinsaccountants.co.uk
[@baldwinsandco](https://twitter.com/baldwinsandco)

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"We are a pretty hardy bunch up here and are used to pedalling a bit faster to get the job done"

restaurants springing up what seems like weekly, we must get the message out there that this is a brilliant place to work and live."

But what about the business closures we have seen? "All my life we seem to have been dealing with one downturn or another," Andrew responds. "We are a pretty hardy bunch up here and are used to pedalling a bit faster to get the job done. My generation were the last of the steelworks and old ICI Wilton site's large intake. I had a lot of friends who subsequently lost their jobs. The vast majority have now moved on to work in well paid, quality jobs."

It's easy to warm to this positive theme, and for my own part I firmly believe we need more upbeat thinking like this in the region.

Interestingly, Andrew's own career started via a North East England Chamber of Commerce training scheme at Middlesbrough accountancy practice Keith Robinson & Co. He



All smiles on fast track to exporting success

Billingham's Whitewash Laboratories, supplier of teeth whitening and oral care products, now exports to 40 countries despite only being established less than a decade ago. Mark Lane discusses the company's strategy with managing director Tom Riley

Whitewash Laboratories

www.whitewashlaboratories.com

Facebook - @whitewashprofessional

At a time when the UK is a huge net importer of Chinese-made products, it's always good to find a North East company exporting goods in the opposite direction. Whitewash Laboratories is doing just that; this Billingham-based business, which makes teeth whitening and oral care products, exports around 40 per cent of what it makes to 40 countries globally, and China is very much a key market.

Tom Riley, managing director of the company explains: "It's quite satisfying to be selling goods that we manufacture in our factory in Teesside to our distributor in China. It always seems to be UK companies buying from Chinese companies so to be selling UK made products to China is great.

"British-made products are hugely popular and held in very high regard in China. They can also command a higher price point and can therefore be more profitable than locally-made Chinese products."

Tom's business formed in 2010, and was exporting products within a few months. "Export has always been a key focus area for us since the very beginning," he says.

Export was a natural early progression. The company's products are developed and formulated by leading UK dentists and with British dentistry respected the world over, Tom and Whitewash Laboratories have found a receptive audience in global markets.

Initially, Tom was the face of the business internationally, but expansion has allowed him to take a backseat, with a growing sales team enabling the business to continue building its international portfolio of clients. Europe, the Middle East, Russia and Australia are important markets; but the company is now also about to launch in what Tom describes as "several new emerging markets".

Research, of course, is critical in order to hit the ground running in new territories. Tom says: "Before we go into any overseas market we undertake a lot of market research. After we have done as much research as possible we then go to see potential distributors that we would use to sell our products in that particular country."

Asked about the most satisfying aspect of exporting, Tom answers: "On a personal level my most interesting experience is visiting major cities in the countries that we export to such as Moscow and Tel Aviv. On a business level my most rewarding experience is seeing our products being sold on the shelves in international supermarkets and shops."

But what about Brexit? We know many UK exporters are adopting a wait and see approach on this issue, given the huge





“Both of these points balance each other out, thus, our turnover has not been negatively affected. We are unsure how Brexit will affect us in the future, so

“When purchasing materials abroad we cannot buy as much due to the current exchange rate, on the other hand, our customers are ordering a lot more stock to take advantage of the weakening pound”

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uncertainty around it and what kind of deal - if any - the UK will end up with.

Tom suggests the Brexit situation is quite nuanced, explaining: “When purchasing materials abroad we cannot buy as much due to the current exchange rate, on the other hand, our customers are ordering a lot more stock to take advantage of the weakening pound.

we have invested in buying surplus raw materials in case imports are disrupted.”

Asked about the lessons he has learnt along the way and any advice he might have for other would-be exporters, Tom replies: “Get out and visit your international customers as much as possible - don’t just leave them to it - support them with training, marketing support, incentives, promotions etc. Also exhibit at international tradeshows too - there are always plenty of international customers who want to buy your products so it’s about getting your product or service out there as much as possible.”

He concludes with a further piece of advice: “We get a lot of enquiries through our website too so obviously make sure that your site is optimised so that you can be found online.”

On a mission to support North East businesses

Mark Lane meets David Langley, North East England Chamber of Commerce chief operating officer, and finds out about the financial structure of the organisation and its commitment to providing the best possible value for money for its members

David Langley
Chief operating officer

While the North East England Chamber of Commerce is a not-for-profit organisation, it is run very much along commercial enterprise lines – indeed, it has to be.

The Chamber's members are always top priority but sometimes there are opportunities to bid for contracts which also support North East businesses. In these situations, the Chamber is competing with other organisations and the tendering process can be highly competitive and onerous. Being able to demonstrate sound business credentials as well as a robust financial footing are absolute musts for the Chamber.

Integral to ensuring it succeeds on this front is chief operating officer, David Langley. He suggests that in many ways, the Chamber operates like a large company. "As a mutual owned by our members the way we approach our governance and run the business is more typical of a much larger organisation which is a great experience for me," David says.

David has a financial background. After a degree in economics, he trained as a chartered accountant with KPMG in Newcastle, working with companies all around the North East, many of them members of the Chamber. He has also worked in financial management roles in other businesses in the leisure and professional services sectors, before joining the Chamber in 2014.



“I was attracted to work at an organisation with such a great reputation in the North East, and by getting to work with and get to know so many new people in the region’s business community,” he says.

“Also I liked the idea of working for an organisation with a real mission and purpose to support the region.”

So how does the Chamber operate financially, and what are its key revenue sources? David replies: “The three main funding streams for the Chamber are membership subscriptions, fees for processing export documentation, and the contracts which we run supporting international trade in the North East on behalf of the Department for International Trade, and the European Regional Development Fund.”

Anybody assuming that funding falls into the Chamber’s lap are greatly mistaken. The Chamber operates in a challenging market, often competing with private sector rivals to win contracts, as well as servicing members in a way that ensures they get value for money for their subscriptions.

Offering examples and reflecting on the Brexit situation, David says: “Some of the international trade contracts the Chamber runs are likely to go out to tender later this year; they are a significant component of our business, and we are already planning how we will bid for these again.

“Brexit could impact the Chamber in several different ways, including big changes in our export documentation business, changes in ERDF-funded projects, and indirectly through the impact on our members.

“Fortunately, as an organisation we are as close as anyone can be to these issues, and can adapt our business quickly as changes become clear.”

As indicated, finance is a key part of David’s role. He suggests his work involves, “making sure that the Chamber’s financial performance is strong enough to keep the organisation



on a sound footing, and that we can keep investing in the business on behalf of our members”.

He adds: “I have to make sure all the decisions we take as a business are well thought through financially, and that we report on our finances regularly to the board and annually to our members in the annual report and at the Chamber AGM.”

David points to a number of highlights when asked to name his biggest achievements in his role so far. His most significant, he suggests, is “building a fantastic team around me, who all do such a brilliant job it makes my job so much easier”.

He was also involved in restructuring

the Chamber and managing the sale of its training business in 2016, and delivering solid financial results for the following years which have allowed it to invest and bring the assets of the organisation up to date.

I close by asking him how he would like to think the Chamber is perceived: “I’d like to think we are seen as a high quality and professional organisation, with great ethics and values, which backs its members and the North East all the way.

“I’d also like to think that people see the Chamber as a modern and relevant organisation, with a great culture, and a long and distinguished history, which dates back as far as 1815.”

Heather Mills shares an inspiring business journey

Hosted on July 11, the Chamber President's Club Lunch welcomed over 180 members at Beamish Hall, sponsored by North East Times. Heather Mills shared an insight in to her hugely successful vegan food processing company, VBites. Heather was invited to speak to members following recent investments in the region

Heather Mills, founder of vegan food business VBites, operates factories in Longbenton and Peterlee. She is well-known as a proud ambassador of prosthetic limbs after losing part of her leg, and is now blazing a trail in an emerging market with one of the world's largest vegan food processing companies, Vbites.

Speaking at a North East England Chamber of Commerce event at Beamish Hall Hotel, Heather shared her success with the 100+ Vbites product range, which are now exported globally, and offered advice for other inspiring entrepreneurs.

Heather said: "To be a great leader you must run a business you love, so you can live and breathe it. If you want to be successful, be prepared to live in a campervan."

"One of the best things about investing in the North East has been building the teams in Peterlee and finding great talent there."

"In the future my aim is to build strategic partnerships in the region and have an incubator space at Seaton Delaval for likeminded businesses that Vbites might be able to collaborate with."

"One of the best things about investing in the North East has been building the teams in Peterlee and finding great talent there"

"To date there has been around £23m invested in Vbites to make sure it is the very best it can be."

"My advice to future entrepreneurs is to aim to become successful, not famous."

VBites
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Serving the region

Two of the region's leading education institutions have joined forces to support the Chamber's prestigious Annual Dinner in Durham Cathedral, raising funds for its important maintenance work

Durham University, which is currently ranked in the Top 5 of UK Universities in The Guardian, and Gateshead College, recently placed best in the country for student success, make a significant contribution to the region's economy and its future potential.

Judith Doyle, principal and CEO of Gateshead College said, "We are very proud of the contribution our college brings to the region, not only as a large employer but as a developer of people – giving them the skills to drive productivity and growth across sectors."

Stuart Corbridge, vice chancellor of Durham University is equally proud of the institution's financial contribution.

"Our university is a significant contributor to the regional economy with an annual income of c.£400m. This investment has a multiplier effect of about three, with two thirds of that staying in the North East – so we can look forward fairly soon to around £1bn being generated annually by the university for our region.

"As well as the economic impact there is also the great 'soft' power of the university, with our 18,000 students and 4,200 staff spreading the word globally about our research, education and wider student experience. Many of our students are international and return to their countries caring greatly about our region. They become marvellous ambassadors."

They may be substantial businesses but both institutions are passionate about their primary mission of developing their students to be the best they can be.

Judith Doyle said: "It is our responsibility to ensure each and every student leaves the college with the skills they need for a job and a career which puts them ahead in the jobs market. This might also mean setting up their own business if that is where their aspirations lie. To do this, it's imperative that we work hand in hand with employers, something we do extremely well. There is a tremendous value in getting a great technical education which is driven by industry and we are proud to be at the forefront nationally of this.

"We are constantly looking at ways to improve how we do things, collaborating and creating solutions to very specific challenges and that means being creative and extremely responsive to changes in the market."

Stuart reiterates the point: "We want our students to be rounded individuals and to support this we have launched our Durham Inspired Award with a focus on Thinking, Growing and Acting. Durham University graduates will have all the starting tools they need to succeed in their careers."

Excellent leadership skills are also part and parcel of both organisations' approach to student development and their own success.

Cross college programmes including enterprise society, Northern Stars, are significant in giving young people the skills to become leaders within their own organisations with alumni including Alex Henderson, owner of Tyneside tech company Newgen Creative, beauty blogger and campaigner Katie Meehan and restaurant owner, Aiden Jackson.

The college also helped to develop women's football leaders with three of the England women's football team from the recent World Cup, Jill Scott, Demi Stokes and Carly Telford all having honed their skills there.

Durham University's alumni include notable figures in sport and broadcasting, such as Jonathan Edwards, Sophie Hosking, Will Greenwood and Gaby Logan. Among its globally influential alumni business leaders are Dr Neil Hunt, a key figure in the development of Netflix, Katherine Garrett-Cox, at Gulf International Bank, Arnab Basu, the managing director of Kromek, Charles Wilson a pioneer at Booker and Tesco and Steve Easterbrook, CEO of McDonalds.

Strong business relationships are critical for both organisations. Gateshead College's work with Ryder and a consortium of employers resulted in the award-winning Plan BEE, a programme which has provided an alternative route into the construction industry for high achieving students.

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They may be substantial businesses but both institutions are passionate about their primary mission of developing their students to be the best they can be

Durham University has similarly beneficial working relationships with major North East employers including CPI, Procter & Gamble, Orsted, IBM and Northumbrian Water. These links also support the university's ambition to be more inclusive and an integral part of the life of the city and region.

Sponsorship of the Chamber Annual Dinner is a further commitment by them to supporting partnerships. They see it as a unique opportunity to celebrate the region's success together, as a business community, in its most prestigious building.

The Chamber Annual Dinner takes place on Thursday, September 26 and is sold out. The money raised from the ticket sales will help support Durham Cathedral's Foundation 2020 campaign.

UPCOMING EVENTS



OCTOBER 3, 10AM-3PM
**CHAMBER
SHOWCASE AT
TEESSIDE EXPO**

The Chamber has joined forces with Fresh Start Events to bring members the first of two Autumn Chamber Showcases. The Teesside event, which is new for 2019, will be held at Wynyard Hall and gives Chamber members a dedicated exhibiting space, whilst members can attend the event as a delegate for free.

www.teessideexpo.co.uk/chamber-showcase



OCTOBER 8, 11AM-2PM
**CHAMBER
EXCHANGE IN
ASSOCIATION
WITH
DARLINGTON
BUSINESS WEEK**

This is the Chamber's flagship networking event and will attract 100+ attendees, encouraging an exchange of experiences, ideas and offers between members; intertwined with multiple opportunities to network and build new contacts. This Chamber Exchange event is being held in association with Darlington Business Week. Headline sponsored by Digital Allies, venue sponsor Rockcliffe Hall, supported by Clive Owen.

NOVEMBER 21, 9-11AM
**THE FUTURE OF
WORK - HOW
CAN NORTH EAST
BUSINESSES BE
READY?**

The workplace is changing. Employers requirements are changing and, more importantly, employee expectations are changing. Remote working, flexible or part-time hours, job share roles, new technology, changing behaviours and emerging sectors are all having an impact. So, what can your business do to prepare for the future, and how can you make sure you're supporting a happy, healthy workforce?

This event, hosted at Lumley Castle, will discuss how the future of work will impact the North East. We will be joined by Martin Temple, chair of the Health and Safety Executive to discuss how the regulator is working to help businesses adapt to changing workplaces. Also, expert panellists will offer their insight into new ways of working and the future of the workplace.

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NOVEMBER 14, 9AM-4PM
**CHAMBER SHOWCASE AT
NORTH EAST EXPO**

The second Chamber Showcase this Autumn will be hosted at Newcastle Falcons. The event will feature a variety of seminars, networking opportunities and presentations throughout the venue. This is an opportunity to grow your network and business connections. You can participate in either Showcase event as an exhibitor or attend as a delegate and see fellow members' exhibitions.

www.northeastexpo.co.uk/chamber-showcase



For further information about all Chamber events, visit - www.neechamber.co.uk/events, or contact the Chamber Events Team at events@neechamber.co.uk or 0300 303 6322



INSPIRING FEMALES CONFERENCE

Hosted at Ramside Hall on July 17, the annual Inspiring Females Conference welcomed 170+ entrepreneurs learning about how to develop successful businesses and tips for personal success. Guest speakers included Sophie Moorby, operations manager at Go North East, Darush Dodds of Esh Group, Brenda Coade of Designer Childrenswear, Nicola Wood of Wonderful Wig Company, Susan Bell of Waterstons and Steph Edusei of A New View Consultancy. Members enjoyed breakout sessions from Donna Elliott and Cheryl Lee of Now is Your Time, and Jessica Williams of Just Williams.



CONTACT LAUNCH

On July 19, the Chamber welcomed 75+ attendees to Beacon of Light in Sunderland to launch issue 3 of the all-new Contact magazine. Tobaugh Hughes, managing director of Nexus, joined us as guest speaker, discussing the connectivity of the region.



EVENTS

SUMMER SOCIAL

The Chamber's Summer Social was kindly hosted by Beamish Museum on August 22. Members travelled back in time to the 1900s town by tram and enjoyed summer refreshments and networking in the park and Sun Inn. Sally Dixon, assistant director of partnerships and communications at the museum welcomed attendees and gave an update about the plans for the 1950's town and friends of the museum.



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CHAMBER EXCHANGE

The July Exchange was held at Middlesbrough Football Club on July 18. The roundtable networking event encouraged delegates to share a recent business success, as well as a current or recent challenge and how they faced this.





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