



Northumberland

County Council

CABINET

TUESDAY, 14 FEBRUARY 2023

ENERGY CENTRAL CAMPUS GOVERNANCE UPDATE

Report of: Councillor Wojciech Ploszaj, portfolio holder for Business

Lead Officer: Janice Rose, Interim Executive Director of Regeneration

Purpose of report

This report seeks approval regarding amendments to the representatives from Northumberland County Council on the Energy Central Campus Company Ltd Board of Directors.

Recommendations

Cabinet is recommended to approve that the Director of Regeneration and Executive Director for Children, Young People, and Education postholders (or their equivalents) are nominated by the Council to the Board of Energy Campus Company Ltd with the current Interim Director of Regeneration undertaking the role of the Director of Regeneration in the short term until that role is appointed to on a permanent basis.

Link to Corporate Plan

This project is part of the Energising Blyth Programme supported by the Town Deal. This is a placemaking 'whole town' programme which contributes across most of the Council's Corporate Plan Priorities but particularly to the living, enjoying, thriving and connecting strategic priorities.

Key issues

This report focuses on amendments required to Council representation on the Energy Central Campus Company Ltd, the two projects being delivered by the company are a key part of the £70m Energising Blyth Programme to grow, renew and connect the town.

The Energy Central Campus (ECC) is a transformational, business led skills, education

and innovation development supporting growth in the low carbon energy sector in Blyth and the wider North East.

The Campus will be delivered in two phases, at different sites:

- ECC Phase 1 - Energy Central Learning Hub (ECLH) - A new STEM education and vocational training facility at South Harbour
- ECC Phase 2 - Energy Central Institute - A new higher-level skills and innovation facility in the town centre

This report sets out summary background regarding the Campus. It seeks agreement to amendments to the Council representation on the Energy Central Campus Company Ltd, which was created in 2021 to support the successful development and delivery of the projects below.

A more detailed report about progress with the Energy Campus's development and delivery including necessary approvals regarding the delivery arrangements for the first phase of the Campus will be provided to Cabinet in April 2023 following recent reports regarding the business cases of both phases (Phase 1 Cabinet report in August 2022 and Phase 2 Cabinet report in November 2022).

This report is therefore concerned only with agreeing amendments to current Energy Central Campus Company Ltd governance arrangements to enable the company to continue to operate effectively following the departure of the Council's Interim Chief Executive (previously the Interim Executive Director of Regeneration) on 7 February 2023. This is currently the sole Council representative on the Company Board alongside representatives from Port of Blyth and Offshore Renewable Catapult.

In summary, the proposed changes are as follows:

- To appoint Sarah McMillan, Interim Director of Regeneration to the ECC Board until Spring 2023 when the new Director of Regeneration will be in post and assume this role; and
- To add a further Director from the Council alongside an additional Director from Port of Blyth and ORE Catapult. It is recommended that this should be the Executive Director for Children, Young People and Education postholder.

Subject to Cabinet approval the above changes will be ratified and then enacted by the Company via Companies House.

BACKGROUND

ENERGISING BLYTH PROGRAMME

1. Northumberland County Council and its partners have been successful in attracting both Future High Streets and Town Deal funding alongside contributions from Northumberland County Council, North of Tyne Combined Authority and other partners to transform Blyth town centre creating the £70m Energising Blyth Programme.
2. This substantial funding will stimulate confidence and further investment, create new jobs, bolster economic growth and transform the town ensuring it realises its full potential. This significant programme of renewal is underpinned by creative engagement with the community of Blyth demonstrating demand and support for positive change.
3. The Energising Blyth Programme includes the flagship delivery of the new Energy Central Campus in Blyth across two phases on Blyth Quayside and the Town Centre.
4. This report sets out summary background regarding the Campus and seeks agreement to amendments to the Council representation on the Energy Central Campus Company Ltd, which was created in 2021 to support the successful development and delivery of the projects below.
5. A more detailed report about progress with the Energy Campus's development and delivery including necessary approvals regarding the delivery arrangements for the first phase of the Campus will be provided to Cabinet in April 2023.

ENERGY CENTRAL CAMPUS

6. The Energy Central Campus (ECC) is a transformational, business led skills, education and innovation development supporting growth in the low carbon energy sector in Blyth and the wider North East.
7. The project will equip young people and adults with the skills needed to take up careers in the sector and enable local companies to grow through access to a skilled workforce and support to adopt the latest innovations in clean growth technology. It will demonstrate to businesses and potential investors that Blyth is ready to meet their growth needs and will be delivered in two phases, at different sites:
 - **ECC Phase 1 - Energy Central Learning Hub (ECLH)** - A new STEM education and vocational training facility, developing energy sector skills and aspirations among young people at school and college, and adults re-training for new roles. Based at the Port of Blyth, learners will develop skills in a real-world

energy port setting.

- **ECC Phase 2 - Energy Central Institute** - A new higher-level skills and innovation facility, developing energy sector expertise at degree and PhD levels. Creating a focal point for collaboration between energy businesses, OREC, and North East universities, it will develop higher-level skills and technological innovations to keep Blyth at the forefront of energy sector growth. Located at a prominent town centre gateway site, it will attract footfall and enliven the town centre.

8. A considerable amount of work has been undertaken to develop the Outline Business Case (OBC) in line with the assurance requirements of the Energising Blyth Programme, for both Phase 1 and 2. This documentation has now been signed off by the council and the Town Deal Board in 2022 and submitted to the UK Government to secure Town Deal contributions. The report mentioned above scheduled to come to Cabinet in April 2023 will go into further detail on the overall projects progress and delivery arrangements.

ENERGY CENTRAL CAMPUS COMPANY LTD GOVERNANCE

9. This report is concerned with agreeing amendments to current Energy Central Campus Company Ltd governance arrangements.
10. The establishment of the Energy Central Campus Company was set out in detail in a report to Cabinet which was agreed in October 2021 alongside reports to the Boards of the other founding members of the company – Port of Blyth and the Offshore Renewable Catapult.
11. These reports established the Directors of the Company as the Council's Interim Executive Director of Regeneration (who has subsequently become the Interim Chief Executive), the Chief Executive of Port of Blyth and the Chief Operating Officer of ORE Catapults Blyth site.
12. The Interim Chief Executive leaves the Council on 7 February 2023. This means a new Council nominee is needed.
13. The Company Board has also agreed to seek to add a further Director nominee from each founding member at this stage of the Companies development to ensure the company can operate effectively with a broader skills mix from the founding partners. Further nominees will be added later in 2023 to reflect the industry and training sectors supporting the Campus's objectives.
14. As such this report outlines for agreement two proposed new nominees from the Council as Directors of the Energy Campus Company Ltd. This will ensure the Company can continue to operate effectively following the departure of the Interim Chief Executive.

15. Any changes to Council nominees will be made following agreement of the recommendations outlined in the report to Cabinet.

AMENDMENTS TO GOVERNANCE ARRANGEMENTS

16. The recommended changes to the Council nominations on the ECC Company Ltd are set out below.
17. The existing ORE Catapult and Port of Blyth Directors will continue and have already nominated a second Board Director respectively pending confirmation of the Council's additional Board Director being added too. All will be appointed at the same time following approval of this Cabinet report.
18. Under the company articles the additional Directors will need to be appointed on the basis of their expertise in supporting the company (sec 21 a-d) in addition to the three founding Directors from the Council, Port of Blyth, and ORE Catapult.
19. Ultimately, the aim is to broaden the above membership to include three employer partner Directors (e.g. major businesses involved in Energy Central) and a strategic delivery partner (e.g. a key delivery partner involved in supplying learning and skills to Energy central industry). The articles allow for a maximum of 12 Directors.
20. The Company Board is meeting regularly, convened by the ECC Project Manager who is acting as the Company Secretary on an interim basis as part of the Project Management role he plays in developing the ECC.
21. The Board met in December 2022 and noted planned departure of the Council's Interim Chief Executive and are anticipating confirmation of the expected changes pending approval of the Council's Cabinet. Following this, further meetings of the Board will be scheduled on a regular basis. Changes will be enacted by the Company and necessary processes followed via Companies House to make changes to the Directors of the company.
22. The below recommendations take note that when the interim Chief Executive of the Council leaves his role on 7 Feb 2023 the proposed permanent replacement (Director of Regeneration postholder) is unlikely to be in post until Spring 2023. As such a temporary solution is proposed as outlined below.
23. It is recommended that from February 2023 the Council Director nominees on the ECC Company Ltd will be (unless the Council's own management structure is changed, or a member of staff departs in future necessitating any changes):
 - Interim Director of Regeneration for the Council – Sarah McMillan until Spring 2023 followed by permanent postholder

- Executive Director for Children, Young People and Education for the Council – Audrey Kingham

Both postholders have agreed to undertake this role subject to Cabinet approval and arrangement of appropriate insurance cover.

24. The nominees above will ensure the County Council maintains the strategic thematic oversight and leadership from the Council given the ECCs critical role in supporting the growth of the economy and as a flagship project in the Energising Blyth Programme. It will also ensure that the Education and Skills Service in supporting the objectives of the company are closely involved in the Company's and Campus' overall development in support of developing a clear industry led pipeline of learning and skills opportunities in the offshore wind and renewables industry.

NEXT STEPS

25. Subject to Cabinet approval the above changes will be ratified by the ECC Company Ltd in February 2023 and registered via Companies House.
26. As the Energy Central Campus is a flagship project within the Energising Blyth Programme the Town Deal Board will also be notified of the above Company changes as part of regular ECC project delivery updates as a matter of course.
27. A more detailed report about progress with the Energy Campus's development and delivery including necessary approvals regarding the delivery arrangements for the first phase of the Campus will be provided to Cabinet in April 2023.

IMPLICATIONS

Policy	The project fully supports the Council's Corporate Plan, the Northumberland Economic Strategy and the Energising Blyth Town Investment Plan
Finance and value for money	n/a – all implications have been set out in previous reports on the Energy Central Campus Phase 1 and 2 and will be outlined in the forthcoming detailed report to Cabinet in April 2023.
Legal	None other than as outlined in this report. The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council.
Procurement	n/a – as above
Human Resources	The resources for Board nominees from the Council are expected to be encompassed within existing staff capacity.
Property	N/A

Equalities	(Impact Assessment attached) Yes X No <input type="checkbox"/> N/A Available on request
Risk Assessment	A risk register is in place for both ECC project which will manage and monitor risk.
Crime & Disorder	This project is part of the proposals in the Energising Blyth Programme which in totality include various measures intended to reduce crime and disorder in Blyth through positive regeneration measures.
Customer Consideration	There has been partner and community consultation throughout the development of the project
Carbon reduction	The Energy Central Campus will support the county's contribution to carbon reduction and clean growth objectives. This will provide new research, development and education facilities supporting industry needs in the offshore wind and energy industry.
Health and Wellbeing	The Town Deal proposals include an underpinning objective to support the development of an 'Inclusive Town' supporting positive health and wellbeing outcomes through successful town centre regeneration. The projects developed by the Energy Central Campus are focused on widening participation from young people and adults in the clean energy, offshore wind and renewables sector by providing a range of pathways into learning equipping local people to secure jobs in the industry of the future.
Wards	All wards in the town of Blyth

Background papers:

Energy Central Campus Company Ltd - Articles of Association
Energy Central Campus Company, Cabinet Report October 2021
Energy Central Learning Hub Outline Business Case, Cabinet Report August 2022

Report sign off

Authors must ensure that officers and members have agreed the content of the report:

	Full Name of Officer
Monitoring Officer/Legal	Suki Binjal
Executive Director of Finance & S151 Officer	Jan Willis
Relevant Executive Director	Rick O'Farrell
Chief Executive	Rick O'Farrell
Portfolio Holder(s)	Councillor Wojciech Ploszaj

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