

FOCUS ON South Tyneside

Summer 2024

North East Fund

Supported by the European Regional
Development Fund



The North East Fund has helped South Tyneside companies to raise £14.5 million



By Jason Hobbs,
Chief Executive, The North East Fund



Since it was launched in 2018, the North East Fund has built on the work of its two predecessors. Over the last two decades, the three schemes have generated more than £1 billion

North East Funds' £1 billion impact

of investment in local companies – boosting business growth and creating thousands of jobs.

In total, they've invested almost £400 million in 2,275 North East companies across multiple sectors. The investments have

helped these businesses to secure a further £700 million from other funding partners – generating a £1.1 billion impact in the region.

I don't think any of us who were involved in setting up the funds in the early 2000s could have imagined that they would make such a big impact. The three programmes have invested on average £50 million a year, helping hundreds of companies to launch and grow and acting as a catalyst

Since 2003



£400m
invested

2,275 North East companies secured investment



10,994
new jobs created



£1.1bn
total funding secured



Over
12,600
jobs safeguarded

Since 2018



£128m
invested

435 North East companies secured investment



3,125
new jobs created



£391m
total funding secured



Over
2,200
jobs safeguarded

to strengthen the investment ecosystem in the North East.

The funds have worked alongside multiple partners, including the region's universities, professional advisors and business support agencies, to provide backing for companies which wouldn't otherwise have had the opportunity to develop innovative projects in key sectors including clean energy, manufacturing, digital and low-carbon technologies and life sciences.

Providing funding on commercial terms rather than as grants means that the financial returns from successful investments are re-used to support new companies with the aim of making the funds self-sustaining. Almost £40 million of the current programme's funding has come from returns on previous investments.

One of the companies which contributed to that was **Fairstone Group**, which generated a significant return for our predecessor JEREMIE fund, which first invested in 2013 when the company was called **MoneyGate**. The financial services business had achieved impressive traction in its first five years and the additional investment helped it to widen its business model and accelerate growth from its Boldon Business Park base. Its rapid growth necessitated a move in 2023 to a larger HQ, at Doxford Business Park, from where it now manages £15bn of assets for over 95,000 clients.

The South Tyneside business base has a relatively large proportion of companies which often do not access third party finance, in the retail, leisure and tourism sectors. However, the North East Fund has to date helped 15 South Tyneside based

companies to raise £14.5 million and has also provided non-financial support relating to business plan preparation to over 90 businesses.

It's nearly 20 years since the former regional development agency, One North East, set up the predecessor to the North East Fund and tasked it with increasing the supply of finance for local SMEs. I'm proud that we've successfully delivered on this vision.

Further information on the North East Fund can be found at www.northeastfund.org. Contact details can be found at the end of this newsletter.

South Shields crafting company has designs on global expansion



↑ Sue Balfour with the Made in the UK, Sold to the World award

← Sue Balfour with the Katy Sue Designs team at South Shields

Established in 1993, Katy Sue Designs became one of the leading names in the crafting and cake decorating industry.

The South Shields based company designs and distributes award-winning silicone moulds for cake decorating as well as other high-quality craft materials, including greeting cards and other paper crafts.

A six figure investment from our Growth Capital Fund helped the company to close a significant fundraising in 2021, which enabled it to invest in its IT infrastructure, increase its product range and create new video and other marketing content – fuelling its growth.

Proudly manufacturing in the UK, **Katy Sue Designs** received a "highly commended" award in the Department for Business and Trade's "Made in the UK, Sold to the World" Awards in 2024. The awards celebrate the international sales success of small-medium businesses across the UK and provide a stepping stone for further growth and overseas opportunities.

Founder Sue Balfour saw opportunities in the fragmented nature of the craft industry and the company has acquired some complementary businesses to help consolidate its position and to increase the number of products manufactured at its South Shields base, which are sold worldwide.

Simply certified to grow

Support from our Small Loan Fund in 2021 helped Simply Certification to move into and fit out new premises in Jarrow, providing space for the business to grow from a handful of staff to over thirty today.

It also enabled the company to increase its marketing and add to the number of accreditations it offered.

The company is made up of industry experts, assessors and support staff who help businesses to gain accreditations which are required by regulations or which help to demonstrate compliance with best industry practice. These include various ISO standards and also now UK Government Publicly Available Specification (PAS) standards for energy efficiency, which support the pledge to reduce the UK's carbon emissions by 78% by 2035 and achieve net zero by 2050.

Companies involved in the retrofitting of energy efficient heating and insulation products must be certified to appropriate PAS 2030 standards to take part in government-funded energy efficiency schemes. Simply Certification helps those businesses to secure the necessary accreditation, and many others to obtain various ISO accreditations for the likes of Health & Safety, Quality Control and Environmental standards.

// **Support helped the business to grow from a handful of staff to over 30 today**



Far North looks east with funding boost

L - R: Far North's Ian Farrar, Luke Farrar and Mischa Steele



Fifteen years in global sales roles with technology and engineering companies gave Ian Farrar insight into how best to configure sales and marketing activities.

Understanding that smaller, growing companies may need sales and marketing expertise to help them grow before being in a position to employ staff to undertake those roles, he set up **Far North** in 2015 as an outsourced provider of business development resource.

Based at One Trinity Green in South Shields, the company has grown to provide a full outsourced business development solution – working with clients to ensure that their business is aligned holistically, reviewing their value proposition, sales process and overarching marketing plan. Far North also provides ongoing marketing services including management of companies' social media accounts, websites and search engine optimisation, as well staff training and coaching.

A loan from our Small Loan Fund in 2024 has helped the company to recruit further staff to its business development and delivery functions and to increase revenues. With the support of the Department for Business and Trade, it is now exploring opportunities to export services to the United Arab Emirates.

Investment aids growth of Boldon traffic management experts



Total Resources team members L – R:
John Connolly, Nick Owen, Ian Wilson, Paula McGrath, Les Thompson, Wayne Thomas

Mercia Ventures opened its first North East office in 2018 to deliver our Venture Fund. One of its early investments was also one of Mercia's largest, with a total of £8 million being invested in Boldon based traffic management specialists Total Resources.

The funding package enabled the company to significantly scale-up its activities, acquiring additional vehicles and equipment and recruiting around 100 more staff.

Fast forward to today and **Total Resources** has completed over 6,000 projects for multiple clients and now employs over 150 staff working from seven depots across the UK – all overseen from its Boldon Business Park HQ. In pursuing its mission of being the leader in the field of highway maintenance and synonymous with quality and professionalism in the sector, the

company has continued to invest in traffic management equipment such as the latest British standards approved traffic light systems.

As well as providing the traffic management services required by local authorities when undertaking resurfacing or upgrading work on the road network, Total Resources also has expertise in managing the traffic around major events. This has seen the company put solutions in place around the Stadium of Light for concerts by the likes of Bruce Springsteen, Rhianna and the Spice Girls.

Working together to spread the word



James Holloway is the North East Fund's External Engagement Officer who focuses on, and lives in, South Tyneside. He is very active in ensuring that businesses in the borough are aware of the support available from The North East Fund and other organisations, and commented:

"From the launch of the North East Fund's programme, we have been proactive in engaging with companies in South Tyneside. One of our main strategies has been to hold 'drop-in' or office hours sessions in the business centres owned by the council: Quadrus, One Trinity Green, Jarrow Business Centre and the Business Works.

These are often held in conjunction with other business support programmes that wish to increase their take-up in the borough and over the years have included RTC's Scale Up NE, the LEP's Growth Hub Connection and the council's Skill and Recruitment support service.

These were launched prior to the COVID lockdowns and continued online during that time, when many businesses were given advice on how to access funding to stay in business and to grow and develop through that challenging period, before returning to in-person events after restrictions eased.

As a show of commitment to the borough, the North East Fund has also signed the South Tyneside Pledge, a nationally recognised initiative aiming at bringing together people and organisations in South Tyneside by encouraging and enabling more local hiring, procurement and spending. Signing the Pledge means we have committed to supporting the borough as much as we are able, and has also given us access to many of the organisations in the area who typically might not attend networking or drop-in events."

James can be contacted by companies looking to discuss finance and support options, as well as business support agencies looking for assistance in promoting their programmes to South Tyneside based companies on 0191 211 2300 or james.holloway@northeastfund.org

