AI Growth Zone Programme
Preliminary Market Engagement Supporting information

1. Purpose

The North East AI Growth Zone brings together the region's AI-related assets, organisations and capabilities with the ambition of creating a hub for AI capability and innovation. The AI Growth Zone prospectus established the outcomes for the programme, and the North East MSA has subsequently agreed a programme plan and is moving towards delivery.
The wider programme is focused on ensuring that the benefits of the AI Growth Zone extend across the North East economy and its communities. This includes increasing AI adoption and innovation, supporting the development and growth of high-potential businesses, and better connecting the region's existing assets and opportunities. Earlier AI Growth Zone Taskforce discussions also identified the importance of increasing high-growth and scalable businesses and creating a clearer digital front door through which businesses can access support and navigate their AI journey.

Purpose of this preliminary market engagement

The North East MSA has developed an initial proposition for each of the three work packages covered by this preliminary market engagement.

The strategic direction and intended outcomes described below provide the starting point for these packages. They are not intended to constitute final service specifications, delivery models, eligibility requirements or contractual performance frameworks.

The purpose of preliminary market engagement is to use market expertise and relevant delivery experience to test and refine the propositions before the Authority finalises its requirements and procurement approach.

In particular, we want to understand:

- Whether the proposed scope, outcomes and target beneficiaries are clear, realistic and deliverable;
- How the packages can complement existing regional and national provision and demonstrate additionality;
- The combination of established and innovative delivery approaches most likely to achieve the intended outcomes;
- What represents a meaningful and proportionate approach to performance measurement and responsible delivery;
- What commercial, mobilisation and delivery considerations should inform the eventual procurement approach; and
- What package-specific requirements or opportunities could strengthen social value, local benefit and longer-term legacy.

We particularly welcome concise, evidence-based responses drawing on relevant delivery experience. Respondents may comment on one or more packages and do not need to repeat information already contained in the package descriptions.

2. Package details

Package 1: Delivery of key growth sector AI adoption

Proposed ambition

The ambition is to bring together businesses, AI developers and other relevant partners within key growth sectors in the North East to develop, test and adopt transformative AI products, services and solutions.

The programme is intended to support greater application and adoption of AI within the North East economy, helping AI become a driver of productivity, competitiveness and sustainable transformation.

Intended outcomes

The programme is expected to contribute towards:

- stronger collaboration between businesses, sectors and AI developers or solution providers, including relationships that can continue beyond the funded intervention;
- development, testing and application of new AI-enabled products, services and sector solutions;
- opportunities for new intellectual property and commercially relevant applications of AI; and
- improved productivity and performance through the adoption and application of AI.

Through preliminary market engagement, the Authority wants to test how these outcomes can best be achieved and evidenced, including which businesses and use cases should be prioritised and what approaches can successfully move organisations from identifying an AI opportunity towards practical adoption.

Package 2: Delivery of support for high-potential digital and AI companies

Proposed ambition

The ambition is to strengthen the North East's AI innovation ecosystem through interventions that encourage AI-led research, innovation, investment and commercialisation.

The programme will consider how best to support high-potential businesses at different stages of their growth journey, including university spin-outs, start-ups and scale-ups, enabling more businesses to develop, commercialise, grow and remain rooted in the North East.

The strategic rationale is consistent with the wider AI Growth Zone ambition to increase the number of high-growth and scalable businesses. The emerging procurement work also identifies commercialisation and access to growth capital as barriers for regional AI businesses.

Intended outcomes

The programme is expected to contribute towards:

- A stronger pipeline of high-potential digital and AI businesses;

- Increased commercialisation of AI-related research, technologies and products;
- Growth of university spin-outs, start-ups and scale-ups;
- Improved pathways to investment, customers and commercial opportunities;
- Business and employment growth associated with the region's AI and technology economy; and
- Increasing the ability of high-potential businesses to scale and remain within the North East.

Through preliminary market engagement, the Authority wants to test which businesses should be prioritised, what types and intensity of support are most effective at different stages of growth, and what realistic measures would demonstrate commercialisation, growth and longer-term impact.

Package 3: Delivery for Ecosystem Profile and Coordination

Proposed ambition

The ambition is to strengthen the profile, visibility, accessibility and coordination of the North East AI ecosystem, including delivery of the commitment to establish a Digital Front Door.

The Digital Front Door is intended to provide an accessible route through which businesses, residents, partners and wider stakeholders can understand and engage with the North East AI Growth Zone and connect with relevant opportunities and support.

The approach will also seek to strengthen coordination across the wider ecosystem, bringing together activity and expertise across the public, private and academic sectors and making the North East's AI proposition easier to understand and navigate.

The Digital Front Door has an established basis in the earlier AI Growth Zone work. The Taskforce specifically discussed partners collectively creating a front door where businesses could access support and get direction in their AI journey. The later emerging procurement proposition also envisages a single narrative, live digital portal, resident engagement and coordination across public, private and academic partners.

Intended outcomes

The programme is expected to contribute towards:

- Increased awareness and understanding of the North East AI Growth Zone and its opportunities;
- Meaningful engagement of residents, businesses and stakeholders in the development of the AI Growth Zone narrative and proposition;
- A more accessible route through which users can identify and connect with relevant programmes, activities and opportunities;
- Improved coordination, connectivity and information-sharing across the regional AI ecosystem; and
- A stronger and more coherent regional profile for AI capability, innovation and opportunity.

Through preliminary market engagement, the Authority wants to test which ecosystem coordination and Digital Front Door functions would provide the greatest additional value, how they should complement existing activity, and what will be required to ensure they remain relevant, credible and widely used.



3. How the packages fit together

Although the three packages address different aspects of the programme, they are intended to be mutually reinforcing. AI adoption will support businesses and sectors to identify and apply AI to real economic opportunities and challenges. Innovation and growth will strengthen the pipeline and development of high-potential businesses capable of creating and commercialising AI-enabled products and services. Ecosystem profile and coordination will make regional capabilities and opportunities more visible and accessible and strengthen connections between businesses, innovators, investors, academia, public bodies and wider partners.

Taken together, the packages are intended to support a more connected environment for AI adoption, innovation and growth across the North East.