

North East Local Enterprise Partnership Board



Thursday 28 July 2016

17.00 – 19.00

Venue: **Sunderland College, Bede Campus,
Durham Road, Sunderland, SR3 4AH**

AGENDA

1. **Welcome from the Chair and apologies (5.00pm)**
2. **Minutes of the last Board Meetings held on Thursday 26 May 2016 and Monday 4 July 2016 (5.10pm).** The Board will be asked to agree the Minutes.

3. **Appointment of Vice Chairs – paper attached (5:15pm)**
Andrew Hodgson to update the Board

4. **SEP Refresh (5.20pm)**
Richard Baker to present to the Board

5. **CONFIDENTIAL ITEM – SEP delivery – (5:45pm)**
 - Delivery Plan 2016/2017 – paper attached
 - Innovation Observatory – paper attached

Helen Golightly to update the Board.

This report is confidential as it contains commercial information relating to the financial or business affairs of a particular person or organisation and is not for wider circulation.

6. **EU Referendum – Board discussion (6.00pm)**
Andrew Hodgson to lead the discussion.

7. **CONFIDENTIAL ITEM - Let's Grow Funding – Paper attached (6.20pm)**
Helen Golightly to present to the Board.

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8. **CONFIDENTIAL ITEM - Funding Update – Paper attached (6.25pm)**
Jeremy Middleton and Helen Golightly to update the Board.

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9. Devolution Update – Verbal update (6:35pm)

Adam Wilkinson to update the Board.

10. NECA Theme Updates

- Employability and Inclusion – paper attached **(6.45pm)** Councillor Davey to update the Board
- Economic Assets and Infrastructure – paper attached **(6.50pm)** Councillor Watson to update the Board
- Transport and Digital Connectivity - paper attached **(6.55pm)** Councillor Forbes to update the Board

11. Any Other Business

12. Date and Time of next meeting – Thursday 29th September 2016 from 5-7pm

North East Local Enterprise Partnership Board

28 July 2016



ITEM 3: Appointment Vice-Chairs

1.0 Purpose of the report

1.1 This report sets out the new arrangements for the Vice Chairs on the North East LEP Board.

2.0 Vice Chairs

2.1 At the North East Leadership Board meeting of the 19th July 2016 it was agreed that Councillor Watson would replace Councillor Henig in his role as Vice-chair of the North East LEP Board.

Thursday 28th July 2016

ITEM 10a: Employability and Inclusion Update

1 Employment Support

Intelligence

- 1.1 The Labour Market Intelligence (LMI) Portal for the North East has been redesigned to include real time access to Office for National Statistics data sets and now incorporates vacancy data available through the Labour Insight Tool. The data is available at NELEP/NECA and Local Authority levels at: <http://www.labourmarketnortheast.co.uk/>. The site has received almost 38,000 views by 9,000 unique users in the last 12 months and has 1,200 subscribers to a weekly e-bulletin.
- 1.2 The next stage of development is the design of a number of Careers Videos that will be developed to promote our key priority sectors. Denis Hall Associates have been appointed to develop the videos, which are expected to be available in the autumn 2016. They will involve local employers and younger employees (apprentices) who can talk about what it is like to work in a particular industry. The videos will be supplemented by information packs and lesson plans for teachers.
- 1.3 CfBT (the North East provider for the National Careers Service) is currently developing a programme for a North East LMI Conference to take place in November 2016. The conference will raise awareness of the availability and potential uses of LMI as well as including a number of sector-focused workshops to showcase current and future opportunities in particular sectors and industries.
- 1.4 Work is ongoing to support various initiatives with their LMI needs including the Good Career Guidance Benchmarks, development of Devolution proposals and support to ensure that ESF proposals meet our strategic priorities.

DWP European Social Fund (ESF) Opt-In for the North East

- 1.5 The DWP 'Opt-In' programme utilising £6m European Social Fund (ESF) will test a locally designed programme to help long term unemployed residents into work, targeting residents who have completed the DWP Work Programme without finding sustained work and who have a mental or physical health condition acting as a barrier to work.

- 1.6 NECA officers designed a service specification which was issued by DWP as a commercial Invitation to Tender, closing at the end of April. A good number of bids were received and NECA officers have been involved in assessment and scoring of tenders. A single prime provider will be awarded the contract but will be required to work with a local supply chain and to demonstrate integration with other public services, particularly mental and physical health services. The contract will be awarded in July and the programme operational by November 2016 for a three year period, with a target to support 2,500 participants.
- 1.7 NECA officers will continue to work with DWP to ensure the contract is delivered effectively at a local level and is well integrated with other local provision. Performance management arrangements will be established between DWP, NECA and the prime provider. Integration Boards composed of a range of providers who deliver services to the cohort will be established in each LA area to support the process. The programme will be co-ordinated with current and future programmes (including Generation North East, the NE Mental Health Trailblazer, and Work and Health programmes) to ensure a comprehensive package of support is available across programmes to effectively make a difference to the volumes of NE residents moving in to work.

Mental Health Trailblazer

- 1.8 Leadership Board has received updates on the development of a North East Mental Health Trailblazer, one of four national pilots to improve job outcome rates for unemployed people with mental health conditions. It will implement the Individual Placement and Support (IPS) model of intensive employment support co-ordinated with psychological therapy, in partnership with Increasing Access to Psychological Therapies (IAPT) services commissioned by Clinical Commissioning Groups (CCGs). The aim is to test the IPS model on a large enough scale to provide robust evidence using a Random Control Trial (RCT) trial to inform government investment in mental health services. The pilots will be overseen by the DWP / DH Work and Health Unit. DCLG investment is being matched by ESF to total a £2.2m two year programme supporting 1,500 participants across the NECA area.
- 1.9 Northumberland County Council (NCC) is project managing and employing delivery staff on behalf of NECA, working with IAPT providers in all seven local authority areas to host staff in clinical delivery teams. The first phase of recruitment for delivery staff began has been concluded and appointments will start in early July.
- 1.10 The programme was due to be operational in early 2016 year but has been significantly delayed for two key reasons: a) delay in the ESF approval process and b) delay in DWP approval of the Random Control Trial (RCT) trial methodology managed by the Behavioural Insights Team (BIT). The delay was escalated to the Head of Labour Markets and Skills at Cities and Local Growth Unit and discussions in early June between BIT, DCLG and the DWP Minister for Welfare Reform have largely resolved the issue. Assurances have

been received of ministerial commitment to ensuring trailblazers are supported to begin delivery as soon as possible.

- 1.11 Processes for implementation are currently being worked out with DWP and IAPT teams around data sharing and referral mechanisms. Engagement work is taking place with local Jobcentre Plus offices to identify suitable referrals, and Jobcentre staff will undergo training to be able to better identify and assess the needs of claimants with mental health conditions and make suitable referrals. The Trailblazer employment coaches, to be co-located with IAPT teams, will undertake specialist IPS training by the Centre for Mental Health. The programme is scheduled to have staff in place from mid-July with delivery to begin in August.

2 Youth employment

Generation NE

- 2.1 Generation NE is now fully operational and the programme has exceeded its 2000th young person participating, of which 965 have moved into employment and over 200 have gained work experience to date, 500 of those gaining employment have now sustained employment for 6 months or more.
- 2.2 The programme is continuing to deliver very good value for money compared to original expectations and this has been highlighted in a 'mid-term review' of the programme; a full report of the review findings will be prepared for Leadership Board in September.
- 2.3 Delivery of Generation NE will extend to the full NECA geography by August 2016, with the programme manager involved in an active dialogue with officers and Jobcentre Plus representatives to facilitate this.
- 2.4 Generation NE as a programme stemmed from devolved funding, and was intended to test the ability of localities to develop and deliver interventions to tackle youth unemployment at scale and with comparable impact to national initiatives. The programme has delivered a significant impact to date and has also delivered many lessons learned, used to shape other programmes such as the Mental Health Trailblazer and DWP ESF Opt-in.
- 2.5 Since June 2014 and the start of Generation NE the number of young people claiming Jobseekers Allowance and Universal Credit has reduced and the programme has delivered a significant impact on this group. However, there are still significant numbers of young people who are claiming benefits due to ill health and importantly from a productivity perspective the number of young people that are unemployed but not making any claim to benefit at all has remained stubbornly high.
- 2.6 Generation NE is demonstrating the impact that can be achieved through a programme that is locally led, both strategically and operationally and that can impartially 'make sense' of a complex and fragmented system. In order to continue to contribute to tackling our local economic challenges it is suggested that Generation NE should be extended and widen its focus,

delivering support for those young people that do not claim benefit and are generally ineligible for much of the mainstream government support.

- 2.7 Funding is currently available to support this extension under Investment Priority 1.2 of the European Social Fund. It is recommended that the principle of aligning some of this available funding to Generation NE should be further explored, which will allow the lifetime of the programme to be extended for up to 3 years and also the impact of the programme to be broadened to support a wider cohort of young people outlined above. Support will continue to be delivered to the existing eligibility group of young people who claim Jobseekers Allowance and Universal Credit. The rationale for this approach will be developed as part of the subsequent report to the Leadership Board in September.

Durham Youth Employment Initiative (DurhamWorks)

- 2.8 The approval of the Youth Employment Initiative for County Durham was received from DWP in mid-March. The £17.04m “DurhamWorks” programme, made up of £12.78m of YEI/ESF funding and £4.26m of match funding, commenced in April and is expected to run until July 2018, delivering the following outputs:.

- 5830 unemployed, long-term unemployed, inactive participants engaged;
- 4910 participants who are in education or training; gain a qualification or are in employment, including self-employment upon leaving;
- 542 participants who receive an offer of employment, continued education, Apprenticeship, Traineeship upon leaving.
- 875 participants in continued education, training programmes leading to a qualification, an Apprenticeship or a Traineeship six months after leaving.
- 2157 participants in employment, including self-employment, six months after leaving.

- 2.9 Significant progress has already been made, as follows:

- Service Level Agreements are in place with 20 Delivery Partners
- A Subcontractor Framework has been established which enables the procurement of specialist and targeted provision to enhance the DurhamWorks Programme as and when required.
- A data management system (Hanlon) has been procured which will support performance management of the DurhamWorks Programme.

- 2.10 The current number of participants engaged on the DurhamWorks Programme (as at 23 May 2016) is 356 (with verified paperwork). A greater proportion of current participants are in the 16-18 age category. In terms of gender, 57% of participants are male and 43% are female.

- 2.11 A project inception meeting has taken place with the Department for Work and Pensions (Managing Authority for ESF / Youth Employment Initiative) and the

feedback in relation to DurhamWorks systems and processes was very positive. Further guidance and clarification of eligibilities and output reporting arrangements has now been received and implemented.

- 2.12 A Strategic Partnership has been established to oversee delivery of the DurhamWorks Programme, with representatives from Jobcentre Plus, Federation of Small Businesses, The Wise Group (Talent Match), Newcastle City Council (Generation NE), Durham Community Action (voluntary sector), Bishop Auckland College (FE sector) and Durham County Council.
- 2.13 An Operational Group has also been formed, consisting of Delivery Partners. This will initially meet on a monthly basis and its role is to review performance, identify mechanisms to improve delivery, and develop /disseminate best practice.to inform future scheme development.

Good Career Guidance Benchmarks

- 2.14 From June 2015 and in partnership with The Gatsby Foundation, North East LEP has been supporting the application of the Good Career Guidance benchmarks. This provides the opportunity to test the benchmarks in action; lead the development of practice which will have local impact and national profile; and improve the quality of provision and opportunity for young people.
- 2.15 The 16 schools and colleges involved piloting the Good Career Guidance Benchmarks are currently re-benchmarking to showcase their progress. This will be complete by August 2016 and initial analysed and reported in September 2016. Action planning for year 2 is already underway, with each school and college allocated up to £3000 to support the implementation of their actions.
- 2.16 Initial auditing in October 2015 evidenced that no school/college fully achieved more than 3 of the 8 benchmarks, with the vast majority fully achieving somewhere between 0 and 2 benchmarks. 8 schools and colleges fully achieved 0/8 benchmarks.
- 2.17 Key indicators suggest schools and colleges are making good progress. These key indicators include an increase in the number of careers or business governors, the emergence of new structures to improve careers education, the re-allocation of existing finance and resource, an increase in the number of careers related activities, wider collaboration, improved careers websites, clear action plans with specific outcomes and measurable targets and the formation of new strategic relationships with employers. As the pilot progresses impact on student outcomes, career readiness and impact on wider school/college culture (including leadership, governance, finance and stakeholder engagement) are all being monitored.
- 2.18 The Independent monitoring and evaluation of the Good Careers Guidance Benchmarks Pilot is being led by the International Centre for Guidance Studies. They have designed the data collection systems and processes and have completed their school/college site visits. The evaluation team are also

financially auditing careers education provision in each of the schools and colleges to produce a robust financial assessment of the cost/benefit of providing good careers guidance. All students will complete a career readiness survey tool, designed uniquely for this pilot. A range of external stakeholder focus groups and interviews have also been scheduled.

- 2.19 Within this context, 48 case studies of good practice have already been captured and will be shared as part of the evaluation and dissemination plan. In addition, every school and college in the pilot has been matched with an Enterprise Adviser (see below), a senior business leader who is working, strategically, with the school/college to ensure that the careers programme enables young people to make more informed decisions about their future and that they are better prepared for the workplace.
- 2.20 In addition to the core work of the pilot, four working groups have been established to address key issues. These are exploring destinations data; labour market information; opportunities not determined by geography; and a “joined approach”. Two further work streams are also emerging with regard to Careers Education provision for SEND students and the introduction of the Good Career Guidance Benchmarks at an earlier age - at primary level.
- 2.21 An Innovation Day took place on 30 June to inspire idea generation, new ways of thinking and innovative approaches to the careers agenda. Partnership working, collaboration, wider benefit, replication and potential scalability was the focus of the session facilitated by the North East LEP Skills and Innovation Team and led collaboratively by Juicebox, Talentino and the MDI team from Northumbria University.
- 2.22 Finally, the Pilot has attracted significant national interest and the North East LEP has been recognized as nationally leading this area. The Department of Education have recognized the benchmarks as ‘transformative’. The benchmarks will become central to the new National Careers Strategy in England (due to be published by DfE in summer 2016) and will heavily influence the updated statutory guidance.

Enterprise Advisors

- 2.23 This key Government-backed initiative was initiated in September 2015. The Careers & Enterprise Company (CEC) is an employer-led organisation that has been set up to inspire and prepare young people for the fast-changing world of work. Its role is to take an umbrella view of the landscape of careers and enterprise, supporting programmes that work, filling gaps in provision and ensuring coverage across the country.
- 2.24 The North East LEP has taken the opportunity to shape and adapt the original CEC model to enhance the opportunities for school and business engagement. A dedicated co-ordinator was recruited in November 2015 and another in May 2016 and to date there are currently 47 Enterprise Advisers supporting the initiative, 18 schools and 3 colleges are actively involved and a

further 9 schools are in the process of completing the self-assessment document against the Gatsby Good Careers Guidance benchmarks

- 2.25 By using the benchmarks we can identify three areas where businesses can support schools and colleges directly. Enterprise Advisors are volunteers from the world of work (businesses and the public sector, organisations of all sizes included the self-employed). Working directly with school and college leaders, they are responsible for helping schools and colleges build employer engagement plans drawing on their own local business networks.
- 2.26 The Enterprise Advisors are provided with training and have simple tools available to lay out the range of programmes available to schools and colleges nationally and locally, for example speakers in schools, CV and skill building, work experience. The Enterprise Advisor network will help 'join the dots' at a local level and increase coverage across the country.

3 Apprenticeships

- 3.1 A written submission has been made to the Apprenticeships Inquiry currently being undertaken by the Parliamentary Committee on Education, Skills, and the Economy.
- 3.2 The response emphasises that the North East has a strong and active part to play in meeting the Government's target of three million apprentices by 2020. However, there is also a recognition that there is still much to be done to deliver the stretching targets that the region has set itself within the Strategic Economic Plan (SEP).
- 3.3 Given this background, a desire has been expressed to the Parliamentary Committee within the context of devolution and localism to explore the scope for ensuring how the structural changes being generated by the introduction of the Apprenticeship Levy can be tailored to the specific needs of the North East with a view to maximising the number of apprenticeships starts. This is based on the premise that whilst a simple and clear approach is welcome, one size may not fit all. The North East has a high dependency upon smaller businesses with low numbers of larger, independent employers. Therefore the Combined Authority is keen to influence local solutions and flexibilities that deliver greater outcomes for all our employers, including our smaller employers and individuals.
- 3.4 The Parliamentary Committee has therefore been requested to explore the scope to build in local flexibilities to the national framework for the Apprenticeship Levy – which could obviously be enshrined in subsequent Devolution Agreements. Within this the Combined Authority's submission indicated that the North East are prepared to act as a pilot in exploring such options and as such would be happy to participate and inform any debates or further work the Parliamentary Committee undertakes with regard to this issue.

- 3.5 The Apprenticeship Growth Partnership (AGP) reports to the North East LEPs Employment and Skills board and its remit is primarily to support businesses, to encourage the development of apprenticeship vacancies, to promote higher level apprenticeships and to engage sector groups to develop standards and liaise and promote the development of high quality apprenticeship provision which businesses value.
- 3.6 The AGP will engage with employers gathering feedback about the reforms, concerns and the challenges employers foresee and experience, collating these and feeding them back through boards to Government.
- 3.7 The AGP will continue to engage with all sectors to encourage the development of apprenticeship standards for their own sectors, and to especially promote the development of higher and degree level apprenticeships, raising the skills levels across the North East.

4 Skills – capital investment

- 4.1 2015/16 was the first full year of the North East Growth Deal LGF Capital Programme. Ensuring the annual budget was effectively committed was a major challenge and through the efforts of delivery partners 96% of budget was spent which is regarded by Government as a positive achievement.
- 4.2 Most projects in the programme still remain at the pipeline or construction phase; however two skills projects were fully completed in 2015/16. It is not until later years of the programme that contracted outcomes are forecast to increase and targets for 2015/16 were largely met.
- 4.3 Government has confirmed that the £4.275bn remaining from the £12bn national Growth Fund budget 2015-21 will be allocated as follows:
- Housing and Communities Agency (HCA) - £2bn to support, via loans, infrastructure investment for major housing schemes – developments of over 2,500 homes.
 - DofT Large Local Transport Scheme - £475m – of which £150m is pre-allocated.
 - Growth Deal Round 3 - £1.8bn – includes a non- ring fenced £500m Access Fund.
- 4.4 Proposals for the Growth Fund Round 3 and Large Transport Scheme will be submitted in mid-July 2016. Our objectives for LGF 3 are, therefore:
- To prepare a compelling and credible case for a significant award of Local Growth Funding to a North East programme, taking account of the increased competition from other LEP areas.
 - To build on the North East narrative, strategic priorities and investments, reflecting the success of previous investments.

- To link the North East priorities to the emerging themes and evidence being developed through the SEP Refresh process, by the Northern Powerhouse, and the national priority of increasing productivity.
- To bring forward examples of credible, deliverable but ambitious projects which would be attractive to BIS and National Departments and Agencies, given their strategic themes.

4.5 Consultation with a wide range of strategic partners has been undertaken to achieve this and Skills Capital is a high priority for the region.

5 Potential Impact on Objectives

5.1 The work being taken forward is consistent with the Combined Authority's stated objectives

6 Finance and Other Resources

6.1 Financial plans will be developed and reported to the Board as appropriate.

7 Legal

7.1 The legal implications of the work will be considered as delivery progresses.

8 Other Considerations

8.1 Consultation/Community Engagement

No consultation or community engagement has been undertaken at this stage in the work programme.

8.2 Human Rights

There are no specific issues arising from this report.

8.3 Equalities and Diversity

There are no specific issues arising from this report.

8.4 Risk Management

Appropriate risk management arrangements will be put in place as delivery progresses.

8.5 Crime and Disorder

There are no specific issues arising from this report.

8.6 Environment and Sustainability

There are no specific issues arising from this report.

9 Background Documents

9.1 None

10 Links to the Local Transport Plans

10.1 Accessibility to employability, inclusion and skills provision is a key challenge for the North East that is appropriately reflected in the emerging Local Transport Plan.

11 Recommendations

11.1 The Board is recommended to note the contents of the report.

**ITEM 10b: Update on the Economic
Assets and Infrastructure Theme**

1.0 Purpose of the report

1.1 The report provides an update on the development and delivery of the Economic Assets and Infrastructure SEP Theme. As with previous update reports to the Board, it addresses and outlines progress on:

- Inward Investment
- The development of a Regional Investment Plan / Project Pipeline

**2.0 Inward Investment – Summary of 2015/16 Investment Successes in the
NELEP / NECA Area**

2.1 Foreign Direct Investment

There were 71 investments leading to the creation of 1,966 new jobs, plus over a thousand safeguarded with the Nissan Juke contract being secured. Companies announcing significant investments included:

- TRW (Automotive)
- Thorn (Lighting)
- Akzo Nobel (Chemicals/Paint)
- Logicnow (Software)
- Accenture (ICT)
- HP (ICT)
- Piramal (Life Sciences)
- Nissan (Automotive)
- Amazon (Delivery Centre)

2.2 The investments were made by companies from USA (19 investments), Japan (7), Switzerland (5), Germany (4) and there were 36 investments from a range of other countries.

2.3 Investments by UK-owned Companies from Outside of the Region

There were 36 investments leading to the creation of 1,402 jobs. Companies announcing significant investments included:

- Ambassador Theatre Group (Ticketing)

- Home Logic (Customer support centre)
- Itison (Digital)
- Icarus (Steel Fabrication)
- Urosens (Medical Testing)
- Dunlop (Advanced Manufacturing)
- Rolls Royce (expansion) (Advanced Manufacturing)
- Mkodo (Digital)

2.4 In total, there were 107 investments, leading to 3,368 new jobs, with more than a thousand further jobs safeguarded.

2.5 2015/16 Investments - Sector Breakdown

Sector	FDI	UK Owned from Outside Region	Totals
Software / ICT (incl. Gaming)	13	5	18
FPBS (finance, professional & business services)	7	14	21
Oil/Gas/Offshore (incl. Marine)	5	2	7
Life Sciences	10	2	12
Automotive	10	2	12
Other Advanced Manufacturing (incl. Chemicals)	21	5	26
Other (incl. Distribution)	5	6	11
Total	71	36	107

3.0 Inward Investment - 2016/17 Successes

3.1 Successes for Quarter One are currently being compiled and details will be provided to the Board in the next update. A key investment has been made by the Hull-based company ResQ, which opened a new contact centre in June, at Spectrum Business Park, Seaham, creating 1,200 new jobs.

4.0 Invest North East England – Team Update

4.1 Enquiries

There have been significantly fewer enquiries in the first half of 2016 than there were in the first half of 2015. UKTI referrals/enquiries in particular, have been lower than usual. A significant issue has been the EU Referendum with companies delaying investment enquiries and decisions. The Team is however, currently dealing with a number of enquiries in various sectors (automotive, digital, advanced manufacturing and FPBS).

4.2 Invest North East England Website

The website is currently being built and will present the key selling messages and other information contained in the Sector Proposition Toolkits which were completed earlier in the year. It is planned to launch the new website and other marketing collateral in September 2016.

4.3 UKTI/Northern Powerhouse

The Team is working alongside UKTI colleagues on the development of the UKTI Northern Powerhouse Investment Team. The new team should be in place by the end of the summer and will provide a northern-centric focus for UKTI. A first 'summit' has been held with central, senior level and local representatives from UKTI and colleagues from NELEP and NECA to explore current capacity and opportunities to rationalise and focus investment services, to better promote and increase investment in the area.

4.4 MIPIM UK

The Team is organising an Invest North East England stand at MIPIM UK in London from 19-21 October, 2016. Private sector sponsorship is currently being sought to enable a joint private/public sector, North East presence at the property trade show.

5.0 Regional Investment Plan / Project Pipeline

5.1 Further to previous updates to the Board, the project pipeline under development, has continued to prove very useful in informing bids and programmes for funding.

5.2 The work undertaken to date, has included information being compiled on the type of investment, planned output/outcomes, any public investment required, delivery timescales, planning status and barriers to development, for each site (employment and housing).

5.3 The Board was previously advised that the project pipeline had helped identify suitable projects in response to NELEP's LGF Underspend Call (current round). More recently, it has helped inform the assembly of a set of

significant infrastructure projects, to be considered for LGF Round 3.

6.0 Recommendation

- 6.1 The NELEP Board is recommended to receive this report for information, noting the progress made under the theme.

**ITEM10c: Update on the Transport
and Digital Connectivity Programme**

1. Purpose of the report

1.1 The report provides an update on the development and delivery of the Transport and Digital Connectivity SEP Theme Programme. As with previous board update reports, it addresses and gives a progress update on:

- Actions against SEP Programme Objectives since the last Board meeting
- Actions to be undertaken to achieve SEP Programme Objectives to the next Board meeting
- Risk Assessment

2. Strategic Theme Objectives, key initiatives and projects for 2016/17

2.1 The Transport and Digital Connectivity Programme is guided by two key objectives:

- Improving strategic connectivity,
- Improving access to the priority locations for economic growth and getting people to jobs.

2.2 Strategic theme objectives were produced to ensure that transport schemes included in the plan would satisfy the key objectives. The strategic theme objectives are focused on:

- Congestion reduction for the central business districts,
- Alleviating congestion on A1,
- Central gateways enhancement,
- Enterprise zone development,
- Alleviating congestion on the A19

2.3 As part of the Transport and Digital Connectivity Theme, a range of transport schemes are due to be delivered in 2015/16 and 2016/17, contributing towards the goals of the Strategic Economic Plan.

2.4 Key initiatives for the projects include:

- Ensuring that a programme of works is produced for each of the transport schemes;
- Ensuring that the web-based project management tool, Project Vision,

is successfully being utilised to manage the programme;

- A strong governance framework is in place for each project using the Transport Assurance Framework to ensure transparency and deliverability. Schemes currently in the programme will need to receive approval from North East Leadership Board or Transport North East Committee before funding is released;
- Full business cases for each of the projects will be assessed by independent consultants. Scheme promoters will be given feedback on outline submissions which they should use to assist with the development of their final business case. Independent assessment will ensure that each scheme adheres to and fulfils the key components of the transport assurance framework and they will inform decisions on the release of funding.

3. Key actions and achievements since the last North East LEP Board

3.1 Go Smarter funding

3.1.1 Funding of £2.343m has been secured from the Department for Transport's Sustainable Travel Transition Year fund to deliver Go Smarter activities across the NECA area in 2016-17. Go Smarter combines the most effective elements from the former Local Sustainable Transport Fund Go Smarter programmes in Tyne and Wear and Northumberland, and the South Durham Local Motion LSTF programme, expanding the reach and impact to additional communities with co-ordinated delivery across the whole region. Go Smarter builds on the investment that has increased sustainable travel for businesses, schools and local communities.

3.2 Rail

3.2.1 The new franchises for Northern Rail (awarded to Arriva Rail North Limited) and TransPennine Express (awarded to First Trans Pennine Express Limited) commenced on 1st April 2016 and the working arrangements are starting to bed in. Mike Paterson has been appointed as the Regional Director for Arriva Rail North.

3.2.2 Rail North Limited formally endorsed the creation of the North East Rail Management Unit (NERMU) at its meeting on the 12th May 2016. As a result the NERMU has now been formally established and It is hoped to hold the first NERMU Board meeting in September 2016.

3.2.3 An associated 'North East rail performance management forum' has been established, comprising officers from each of the local authority areas covered by the NERMU along with all relevant Train Operating Companies, Rail North and Network Rail representatives. The first full meeting took place on 14th July 2016. The purpose of these meetings is to work with the train operators to look back over recent performance and look forward to future investment proposals and any promotional activities that can improve local rail services. The aim is to form a collaborative approach to drive forward

improvements in local rail service performance and quality.

- 3.2.4 A senior officer group has been formed to discuss strategic transport matters of common interest between the North East Combined Authority and the Tees Valley Combined Authority. This will assist when developing approaches to national agencies such as Network Rail and Highways England, and to the government and Transport for the North. The group will also be able to provide strategic direction to pan-regional projects such as NESTI and Real-time passenger information.

3.3 Transport for the North

- 3.3.1 This region continues to play an active role in the Transport for the North (TfN) partnership, bringing together transport authorities from across the North to promote investment in key inter-city and inter-regional connections across the north of England. NECA officers are actively engaged with all aspects of the TfN programme in order to ensure that our region's interests are fully represented.
- 3.3.2 TfN's Northern Transport Strategy Spring Report was published (on 7th March) and outlines progress with the various elements of the Transport for the North (TfN) programme of activities. The full report can be viewed at <http://www.transportforthenorth.com/pdfs/The-Northern-Transport-Strategy-Spring-2016-Report.PDF> .
- 3.3.3 A report for the 19th July meeting of the North East Leadership Board sought consent for the NECA to become part of TfN as a statutory body, following the passage of the Cities and Local Government Devolution Act which paved the way for a new statutory basis for the organisation.

3.4 Roads

- 3.4.1 The strategic study exploring the case for dualling the A69 and/or A66, with the aim of creating a new strategic link across the Pennines in northern England, is well under way. The study will be completed by October 2016. In the Budget, the Chancellor made available £75m development funding to assist with this work (and also the Trans-Pennine tunnel proposal).

3.5 Freight

- 3.5.1 The Northern Region Freight and Logistics Report has been completed and will be published shortly. A private sector reference group, including representatives from this region, has helped to inform the contents of this strategy which emphasises the need to improve road and rail capacity to support growing freight traffic and links to Northern ports.

3.6 International Connectivity

- 3.6.1 NECA are leading on this workstream, on behalf of Transport for the North, and have initiated a study to determine where improvements in international connectivity are needed and how these might benefit the Northern economy. The consultants carrying out the work, York Aviation, have already produced

an initial report and a stakeholder workshop was held in the week commencing 25th April. The final report will be produced in the autumn.

3.7 Smart Ticketing

3.7.1 Nexus officers continue to be actively involved in this workstream, acting on behalf of the Combined Authority, with the aim of delivering smart and integrated ticketing across local transport and rail services in the North. With the introduction of Smart Ticketing technology now well advanced on the Tyne and Wear Metro and across the NECA area through the NESTI Programme, the NECA is in a strong position to take a lead role in the early implementation phases of new technologies.

3.7.2 A joint submission by Nexus, made with Transport for Greater Manchester (TfGM), to lead activity related to the specification of an Intelligent Back Office on behalf of Transport for the North has been accepted in principle and was confirmed at the TfN Investment Committee on 24th June. The Back Office will enable the introduction of the next generation of Smart Ticketing technologies, including the use of contactless bank cards, although there are technical challenges, particularly in relation to revenue protection, that still need to be addressed through the specification process. Nonetheless this represents a strong opportunity for Tyne and Wear Metro to be an early beneficiary of this investment.

4. Transport Vision for the North East

4.1 The first part of the Transport Plan process, the Transport Manifesto, is now complete, as the consultation has ended. A total of 1,736 responses were received, which compares well with other similar exercises.

4.1 The first consultation question set out four Key Themes for transport (Easy to Use; Reliable; Affordable; Accessible), which respondents ranked as follows:

1. Accessible
2. Affordable
3. Reliable
4. Easy to use

Respondents also thought the following Key Themes should be added :

- a. Safety (both road safety and crime and fear of crime on public transport)
- b. Sustainability
- c. Integrated and connected

4.2 Respondents were then asked to rank ten Guiding Principles in order of importance. The results were as follows:

Good access to workplaces, services, shops and leisure
Well-maintained, climate-resilient and safe transport networks
Less road congestion
More sustainable travel
Growth in economic activity
Better air quality and lower carbon emissions
Healthy, active lifestyles
Efficient use of transport assets
Land use planning that favours sustainable travel
Equality of opportunity

4.3 The results of the consultation will help to inform the full Transport Plan which is currently in development for publication in 2017.

5. **Digital Connectivity**

5.1 The North East Digital Leads group is currently working with Economic Directors to refine our Digital Connectivity Strategy. Our vision is based on an appraisal of regional strengths, underpinned by our Strategic Economic Plan, which will enable people, businesses and communities to play a prominent role in the digital economy.

5.2 In delivering our vision, we will ensure that:

- Digital connectivity plays a significant role in future economic growth – with a ‘Digital Lens’ applied to all economic priorities.
- All businesses and communities in the North East are able to benefit from the digital economy; through wealth creation, jobs and skills
- We achieve distinctiveness within the UK, being widely regarded as a leading location for sorting, analysing and adding value to data.

5.3 **Current Activity**

5.4 We are currently appraising project options to be refined, prioritised and developed. In doing so, we are identifying what can be done by partners in the region and where there are specific asks of government to collaborate in taking propositions forward. Projects will support delivery of our Digital Connectivity Strategy, and will demonstrate a proactive approach to ensure:

- Connectivity in the North East is globally competitive – including 4G, Superfast and Ultrafast (residential and commercial). A connected approach across broadband and telephony networks throughout the region makes us a first choice for private investment in pilots and roll-out
- The North East is at the forefront of developing new technologies and data solutions, aligned to our priorities for Smart Specialisation
- Our unique European and Transatlantic connections support export –

setting us apart from competitors by utilising our location to develop strategic partnerships and open up fibre

- All businesses are equipped with the skills and confidence to use digital technologies to thrive and grow
- Digital assets in the North East work for the region as a whole – opened up and connected for community benefit

6. Key actions for the next North East LEP Board

- 6.1 Further progress will have been made with the Transport for the North programme, the Transport Vision and Transport Plan for the North East and with progression of the Digital Connectivity agenda.

7. Summary of current key risks, issues and mitigation

- 7.1 Key risks and issues include:

- Delay in production of outline/full business cases and submission to the independent assessor;
- Scheme promoters are unable to meet the deadline for submitting business case to TNEC and/or Leadership Board;
- Production of a final business case is delayed due to large number of concerns raised by independent assessment;
- Scheme promoter no longer able to deliver the project within the timescales;
- Delay in final funding decision at Leadership Board or TNEC;
- Scheme promoter no longer able to provide match funding;
- Scheme promoter unwilling to sign up to the terms and conditions set out in the settlement letter.

7.2 Mitigation

- A robust programme management arrangement is in place via the NECA Transport Group, which meets monthly. LGF transport schemes are a standing agenda item at this meeting.
- Scheme promoters are engaged with regularly on a one to one basis to ensure that risks are highlighted and mitigated as early as possible.

8. Theme Communications and Engagement Update

- 8.1 Engagement with DfT and Highways England and the various local authority scheme promoters is held regularly via the NECA Strategic Highways group. NECA officers are engaged with each of the Transport for the North workstreams.