

THIS IS NOT A PUBLIC MEETING

North East Local Enterprise Partnership Board



Thursday 28 September 2023

17.00 – 18.30

AGENDA

1. **Welcome from the Chair and apologies** (5.00pm)
2. **Declarations of interest** (5.00pm)
3. **Minutes of the last Board meeting held on Thursday 20 July 2023** (5.05pm)
Board will be asked to agree the Minutes.
4. **Annual Delivery Plan update** - paper attached (5.10pm)
Helen Golightly to present to the Board.
5. **Fund management update** – confidential paper attached (5.25pm)
Paul Woods to present to the Board.
6. **Economic Update** – paper attached (5;40pm)
Thomas Atley to present to the Board.
7. **Business Growth Advisory Board update** – paper attached (5:50pm)
Colin Bell to present to the Board.
8. **Devolution update** –(6:05pm)
Henry Kippin to update the Board
9. **Chair and Chief Executive update** - paper attached (6.20pm)
Lucy Winskell and Helen Golightly to update the Board
10. **Any Other Business** (6.25pm)
11. **Date and time of next meeting - Thursday 30 November 2023 from 5 – 6:30pm**

Annual Delivery Plan 2023/24

2023/24 is a year of transition. Our delivery plan for this year reflects this as we work towards the formation of a new Mayoral Combined Authority for the North East, in which the LEP's functions will be integrated.

The roles of the LEP set out by government are to:

- Embed a strong, independent and diverse local business voice into the North East Mayoral Combined Authority
- Carry out strategic economic planning in partnership with local leaders that clearly articulates the North East's economic priorities and sectoral strengths
- Continue to deliver a number of functions on behalf of government departments, shaped by the local business voice
- Monitor and assure existing local growth programmes and funds for which the LEP is responsible for.

This document is structured around these.



Embed a strong, independent and diverse local business voice into the North East Mayoral Combined Authority

Action	Update	Decision/ discussion point	RAG
Lead the transition of the North East LEP board into the governance structure of the new Mayoral Combined Authority, where it will become the Business Board. Ensure that sub boards and business-led groups are also reflected in the wider evolving governance where appropriate.	The LEP Board will evolve into the Business Board within the new Mayoral Combined Authority governance model. Discussions are ongoing on how best to transition.		Green
Map and champion business priorities in line with the structure of the Devolution Deal, ensuring that critical projects identified in the Strategic Economic Plan are not lost.	The LEP executive team will work with the LEP Sub-boards to identify and feed into the developing portfolio plans and identify the projects that business and education stakeholders feel are of regional importance to the delivery of the Devolution Deal.	How and when does the business community feed into the development of the portfolios to ensure meaningful engagement?	Green
Convene a business-led group as the route for the new governance structures to be informed, challenged and engaged with the business community at scale with representation from business cluster and membership organisations and the education and VCSE sectors to share knowledge as the devolution detail is developed and provide a two-way forum to feed into the emerging MCA's priorities	The first Business Advisory Board took place on 13 September. A paper has been developed and will be presented as an agenda item during the LEP board 28 September.	To consider the recommendation outlined in the appended Business Advisory Board paper.	Amber

Action	Update	Decision/ discussion point	RAG
<p>Conclude, report on, evaluate and share learning on processes and practices against the delivery of the North East Strategic Plan to inform and transfer knowledge to future economic planning.</p>	<p>We appointed RSM on 27 July to undertake the evaluative research project into the role of the North East LEP in delivering the SEP. The first phase of work has been completed which included scoping interviews with senior stakeholders and internal leads to establish areas for further exploration. The next phase of the project is to agree a short list of areas for further exploration.</p>		<p>Green</p>
<p>Update and adhere to the Assurance Framework which includes holding an Annual General Meeting.</p>	<p>The AGM will be held in Q4. The Assurance Framework is being amalgamated into the new NEMCA Assurance Framework for next year.</p>		<p>Green</p>

Carry out strategic economic planning in partnership with local leaders that clearly articulates the North East's economic priorities and sectoral strengths.

Action	Update	Decision/ discussion point	RAG
<p>Prepare and disseminate a comprehensive evidence base that reflects the North East's economic performance and informs economic planning, investment, and prioritisation. Position the North East Evidence Hub as the go to platform to access and use this information.</p>	<p>We have commissioned a research project exploring the concepts of inclusive productivity and international comparators, which will form part of the evidence base for Our Economy 2023. We are also working with an academic at Northumbria University to sense check our analysis and narrative as this develops.</p> <p>We have analysed and disseminated a range of data on the North East Evidence Hub, including:</p> <ul style="list-style-type: none"> • The latest LEP and local authority level labour market statistics. This includes employment, unemployment and economic inactivity; the extent of part-time working and self-employment; reasons for inactivity; employment by occupation; and net commuting totals for each local authority area. • Recent skills and education related data releases including graduate outcomes; qualification levels of working age people; young people's participation in education, employment and training; and free school meal eligibility • Business and economy related data, including experimental rapid business births data; data on firm level productivity data; subregional data on, and jobs created through foreign direct investment GVA output of small areas firm level productivity data, subregional data on GVA per hour worked, and jobs created through foreign direct investment GVA per hour worked and jobs created through foreign direct investment GVA output of small areas; firm level productivity data; subregional data on GVA per hour worked, and jobs created through foreign direct investment. • New pages showing health-statistics, including life expectancy, diseases and behaviours. • New infrastructure data pages including housing tenure and affordability and broadband availability <p>We also continue to expand on our wider intelligence and evidence, including:</p> <ul style="list-style-type: none"> • Each month we publish a summary of the latest employment data for the wider North East region (the North East and Tees Valley LEP areas). This provides more timely data and is useful for highlighting the most recent trends at a larger scale. • Publishing a Strategic Economic Plan page which includes progress against our targets, key indicators and evaluation outputs of our programmes. • Sharing insights from our partners such as a recently published report by FSB on 'building an entrepreneurial North'. • Publishing blogs and commentary on newly updated data, for instance on graduate outcomes, GVA per hour worked and greenhouse gas emissions. 		Green

<p>Work with partners, including our universities, local authorities and national data bodies to analyse, develop research and share intelligence about the economy. This should complement current work programmes and ensure alignment into future priorities.</p>	<p>We are working closely with the Net Zero North East England team to update and develop the net zero evidence base ahead of the summit in November. We have supported the indicator dashboard development, the work programme on pathways to decarbonisation and met with industry partners around innovative datasets.</p> <p>We have developed sector evidence bases on the regional screen industry and defence and security cluster to support partners across the region with sector support and development.</p> <p>The Northern Evidence Network workstream one on data has agreed an indicative approach to a northern economic indicator dashboard which has been taken the NP11 Board for approval.</p>		<p>Green</p>
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Continue to deliver a number of functions on behalf of government departments, shaped by the local business voice. The functions are summarised below:

Action	Update	Decision/ discussion point	RAG
Deliver and develop contracted/funded business support programmes and services including but not exclusively:			
North East Growth Hub Fulfil our funding commitment to government to: <ul style="list-style-type: none"> • Connecting businesses to the best support available from the private and public sectors. • To target support on those businesses with the opportunity, ambition and greatest potential to grow. • To gather on the ground business and economic intelligence to feed into ongoing policy development. 	The Growth Hub website is being replatformed to improve functionality and allow us to support local authorities and businesses to navigate the new UKSPF landscape., The new site is scheduled to go live on 5 October.		Green
Made Smarter Deliver the £800k programme engaging with 75 manufacturers during 2023/24, in partnership with government and Tees Valley Combined Authority. The ambition of the programme is to increase digital adoption with advanced manufacturers.	Our first cohort of eight businesses is complete. Our target is to engage 35 businesses during 2023/24, with a further three cohorts to deliver. We currently have 12 businesses signed up for cohort two. £160,000 of the £350,000 grant fund has been committed and £103,000 defrayed. Manufacturing businesses are engaged in developing their digital roadmaps. Ahead of the Autumn budget, and on the request of the Department of Business and Trade, a proposal has been submitted to HMG that if successful would double the project size to approximately £2million.		Amber
Challenge North Tyne Deliver the £880,000 Challenge North Tyne programme in partnership with the Innovation SuperNetwork to enable 50 innovation projects to tackle the economic, environmental and social challenges through open and collaborative innovation.	Participants on the programme attended a pitch day in July where they shared an update on their innovation project and the impact of the programme on their innovation journey. Following a competitive application process seven businesses were awarded a stage two grant to develop their innovation project further. In total £88,333 funding was awarded.		Green

<p>Internationalisation</p> <p>Work with the Department for International Trade to mobilise international trade and investment activity, provision of local business intelligence, grant funding and levelling-up focused projects.</p>	<p>The LEP is collaborating with DBT Trade teams to deliver a country group event focused on trade with Turkey on 15 September.</p> <p>As devolution portfolios develop, consideration needs to be given to how best to incorporate internationalisation strategy.</p>		Amber
<p>Provide local skills analysis through the Skills Advisory Panel</p> <p>The Skills Advisory Panel (SAP) aims to bring together local employers and skills providers to pool knowledge on skills and labour market needs, and to work together to understand, address and inform the LEP board, partners, and government about local challenges.</p> <p>The SAP will provide oversight of the delivery of regional skills, inclusion and progression programmes and projects and commission research into key skills challenges.</p> <p>We will work closely with the region's employer representative bodies (ERBs) to produce Local Skills Improvement Plans (LSIPs) in the production of LSIP and continue to commission research on specific localised challenges and opportunities.</p>	<p>Members have been updated on the latest devolution developments including portfolios, timelines and governance.</p> <p>The interim evaluation of North East Ambition ESF was shared, with a final report due imminently. Members discussed expanding the BEEP project beyond Gateshead local authority area to the wider North East and updates on Skills Bootcamps and a Nissan-led skills academy were discussed at the September SAP meeting that was held at Nissan.</p>		Amber
<p>North East Ambition (including Careers Hubs)</p> <p>We will continue to champion and improve provision in good career guidance for each and every young person in the North East, by working with education and business.</p> <p>Through the North East Careers Hub, we will:</p> <ul style="list-style-type: none"> • Increase the number of schools and colleges engaged with us • Reduce the number of schools and colleges achieving fewer than three of the Good Career Guidance Benchmarks • Increase the average Benchmark score across the schools and colleges from within the North East Careers Hub <p>We will continue to deliver the Primary schools' programme, including a new DfE initiative 'Start Small, Dream Big' which focuses on careers related learning in primary schools.</p>	<p>Term three has reported schools achieving an average of more than five benchmarks for the first time. There has been an increase in the achievement of all 8 benchmarks, BM6 (experience of the workplace) seeing the greatest increase at 15%)</p> <p>The number of schools/colleges achieving less than 3 Benchmarks has decreased by 12 across 2022/23. Plans are currently in place to expand the Hub from 162 to 175 schools/colleges– ready for the 2023/24 academic year.</p> <p>We surpassed primary school recruitment goals for Start Small, Dream Big. Term 3 focused on securing interest to aid schools with 2024 employer encounters. Currently, 14 businesses onboarded, 40 more via partnerships.</p>		Green

<p>Enterprise Adviser Network</p> <p>We will champion the Enterprise Advisor Network and Education Support Partnerships by increasing the number of EAs, working strategically with schools and colleges in the North East Careers Hub.</p> <p>We will ensure a minimum of 45 SMEs receive support to engage with education.</p>	<p>An EA recruitment campaign has led to 127 Expressions of Interest.</p> <p>10 businesses signed-up to be part of the wider Enterprise Adviser Network, 13 are going through the application process to be an Enterprise Adviser and we continue to work through the remaining applications.</p> <p>A range of local Enterprise Advisers have been involved in filming of a national promotional campaign to support employer navigation of the Education Landscape.</p> <p>During July and August, 10 SMEs have received full support to engage with education through our programmes and 14 new SMEs have registered for support and developed a support plan.</p>		Green
<p>Removing Barriers to Digital Inclusion</p> <p>Working with the Digital Alliance we will begin to find ways to deliver a regional strategy to remove barriers to digital inclusion and support progression towards a set of minimum standards.</p>	<p>The template business case, for use by external stakeholders, is being refreshed, with links updated and will be shared by the end of 2023.</p>		Amber
<p>Positive outcomes</p> <p>We will continue to support education institutions with bespoke programmes to support careers leaders, teachers, school leaders, governors, employers and other stakeholders to work collaboratively to ensure positive destinations for all young people.</p>	<p>A summary of the Teacher Encounters can be viewed here.</p> <p>Seven of 10 pilot schools working with employers to develop their Physics Curriculum delivered activity in the classroom by July 2023, the remaining three have partnerships in place for the new academic year.</p> <p>The project will continue to support these schools through 2023-2024 as well as expand to work with another seven schools in curriculum areas identified as a priority by each school.</p>		Green

Action	Update	Decision/ discussion point	RAG
<p>Technical Education</p> <p>Collaborate with employers and sector groups to enhance the talent pipeline, bridging the gap between education and employment. Implement the #apprenticesReady vision to increase demand for apprenticeships and T-level industry placements, while ensuring high-quality technical pathways to priority sectors. Support T-level expansion and alignment with higher technical qualifications</p>	<p>#apprenticeReady activities:</p> <ul style="list-style-type: none"> • Mapped regional DfE activities for apprenticeship demand. Used findings for DfE pilot application on school and employer apprenticeship readiness. Steering group, including senior education and business reps, formed 5 task groups . • Procurement exercise is ongoing to appoint a supplier to help us understand further the barriers to recruiting apprenticeships and if the concept of a transfer levy pot should be pursued. <p>T-levels:</p> <ul style="list-style-type: none"> • We are developing T-level Industry Placement Top Tips guide for SMEs. Provider portal development is underway to improve Schools and Employers access to local T level offer • We have secured engagement from 3 government departments to host T -level Placements in region. 		Green
<p>Skills Bootcamps</p> <p>Deliver the £10m Skills Bootcamps project, funded by the Department for Education to support 2,150 learners to train in jobs of the future.</p> <p>Delivery will include completion of wave three, which is focused on green skills and wave four, which extends to include green skills, technical skills, pathways to accelerated apprenticeships, supporting the education, training and learning workforce, people and management skills.</p>	<p>Wave 3 Skills Bootcamps – Value £2.4m</p> <p>The focus of Wave 3 is evidencing completions and destination of learners who enrolled on a Wave 3 skills bootcamps (before end March 2023). We are working to a DfE final claim deadline of October 2023 (data reconciliation submission deadline January 2023). Achievements to date:</p> <ul style="list-style-type: none"> • 802 participants (127% contract allocation) • 694 successful completions (86% against 80% KPI) • of which 579 have achieved a successful outcome (83% against 75% KPI) • 137 businesses engaged • 93% of participants surveyed would recommend a North East LEP skills bootcamp <p>Wave 4 Skills Bootcamps – Value £7.4m</p> <p>Delivery of Wave 4 Skills Bootcamps commenced June 2023 and to date, delivery is on target; confirmed learner starts is at 14% of the overall target.</p>		Green

The remainder of Wave 4 delivery funds, £1,900,000, will soon go out for procurement. It is intended that delivery will commence mid-October 2023. The North East LEP is looking to procure delivery in:

- Lot 1 Business & People Management -
- Lot 2 Emerging Technical -
- Lot 3 Health & Life Sciences
- Lot 4 Renewables

Wave 5 Skills Bootcamps

The DfE are inviting bids for Wave 5 Skills Bootcamps and the North East LEP is collaborating with the North of Tyne Combined Authority with a view to a single bid being submitted for delivery .

A draft submission is required by 15th September and a final bid by 30th September 2023.

Action	Update	Decision/ discussion point	RAG
Monitoring and assurance of existing local growth programmes and funds for which the LEP is responsible for. Funds include:			
<p>The Local Growth Fund To ensure full expenditure of the residual £5.5m 'swapped' funding in 2023/24 and continue to monitor and report on the performance of over 30 live projects to their conclusion</p>	<p>Quarter one project monitoring forms have been returned with progress reported to the Investment Board on the 14 September. Expenditure in quarter one was £1,453,422 (26.4% of annual budget). 28 projects continue to be monitored as the programme tapers to completion.</p>	<p>There is a risk that one of the six EV charging point projects, located in Northumberland, being delivered by Transport North East, will not proceed. This would result in an underspend.</p>	Green
<p>The Getting Building Fund To ensure full expenditure of the residual £1.4m 'swapped' funding in 2023/24 and continue to monitor and report on the performance of 19 live projects to their conclusion.</p>	<p>Quarter one monitoring forms have been returned with progress reported to the Investment Board on the 14 September. Expenditure in quarter one was £926,549 (66.6%). The new 742m2 research facility at North Gas Networks site in Gateshead has been completed, with a formal launch to be confirmed in the autumn.</p>	<p>Lifetime job creation figures to date across the whole programme remain well below contracted targets due to late physical completion. A project review of the Besemer Court small industrial unit scheme in Consett, has assessed risks to full delivery with options to be reported to the Investment Board.</p>	Amber
<p>Enterprise Zone Programme To oversee continued investment of £20m across 21 EZ sites, to increase generation of Business Rate Income to the region.</p>	<p>A quarter one performance update was submitted to the government in August. quarter one expenditure was £1,219,629. Forecast expenditure for the year has been reduced to c£9m reflecting delays in the commencement of further phases of investment on IAMP and Jade Business Park. An application for further infrastructure works at Tyne Dock has been received and is being appraised prior to a report for approval. Newcastle Airport is seeking c£92k support for EZ site development studies and the continuation of an Air Cargo Manager post into 2025.</p>		Green

<p>The North East Investment Fund</p> <p>Includes the Commercial Property Investment Fund and the North East Property Fund performance monitoring of external contracts and also ongoing monitoring of the repayment of existing loans from the NEIF made in previous years.</p>	<p>A report to the Investment Board in September updated on specific projects with repayment challenges and associated actions.</p> <p>A quarterly update on the performance of the CPIF scheme from the Fund Manager FW Capital was considered including recommendations on one loans.</p> <p>The North East Property Fund by quarter one had made 51 investments to date, slightly below the target (55), the value of investments increased to £35.529m, 10% above target.</p>		Green
<p>Regional Access to Finance</p> <p>Lead the Regional Access to Finance development work</p>	<p>Work continues with regional partners on the development of the follow-on fund to the North East Fund Ltd.</p>		Green

Economic Round Up

September 2023



Economic Outlook

The latest UK [quarterly GDP data](#) (Apr-Jun 2023) shows a 0.2% increase on the previous quarter. The latest [monthly data](#) shows a 0.5% decrease in GDP in July.

In terms of housing, UK house prices fell at their fastest annual pace for nearly 14 years in May, the [Nationwide](#) has said. The building society said prices in the year to May dropped by 3.4%, the biggest decline since July 2009. UK rents rise at highest rate since 2016. Prices paid by UK renters rose by 5.3% on average in the year to July, [the Office for National Statistics said](#).

The Bank of England raised interest rates for the 14th time in a row by 0.25%. At 5.25%, [interest rates](#) are at a 15-year high.

The data for the Treasury's autumn statement has been announced as November 22.



Labour Market

The [latest labour market data](#) for the North East region (North East and Tees Valley LEP areas) shows that employment was 49,200 higher in the April-July 2023 quarter than it was a year earlier.

The rise in employment over the year was accompanied by a 55,000 decrease in working age inactivity and a 9,400 increase in unemployed people, non-workers who were actively seeking a job.

It also showed large increase in unemployment in the latest quarter and a fall in employment. It is unclear, as yet, whether this is the start of a new long-term trend or if it is a more temporary change. Experimental data suggests that the last year has seen an increase in unemployment among people aged 16 to 24 and this is likely to be the case over the latest quarter.

The region's latest working age employment rate for females was the fourth highest among the nine English regions and above the national rate. The North East male employment rate, in contrast, was the lowest of the nine.



Internationalisation

The [value of exports of goods](#) from the North East region in the latest four-quarter period was 15% higher than in the previous four-quarter period.

The [two largest markets](#) for the North East in the last four quarters were the United States and Germany, being the markets, respectively, for 11.7% and 11.0% of the value of the region's goods exports. EU nations were the market for 55.9% in total.

UK-India trade talks enter 'final, trickier' stage - [government sources](#), as the PM visits India in September. In the latest regional trade in goods data, India was the market for about 1.2% of the value of North East exports



Business Activity

Economists have warned of a "heightened" risk of [recession](#) after new figures revealed that UK businesses suffered an unexpectedly sharp downturn during August. The S&P Global-CIPS Flash UK PMI fell from 50.8 in July to 47.9 in August on the back of lower orders and higher borrowing costs for UK firms.

[Britain's manufacturing sector](#) is contracting at the quickest pace since the middle of the first Covid-19 lockdown, with factories hit by customers curbing spending amid high inflation and rising interest rates.

The North East Chamber of Commerce [economic survey](#) for Q2 of 2023 showed decreasing business confidence, with rising concerns about inflation and staff costs.

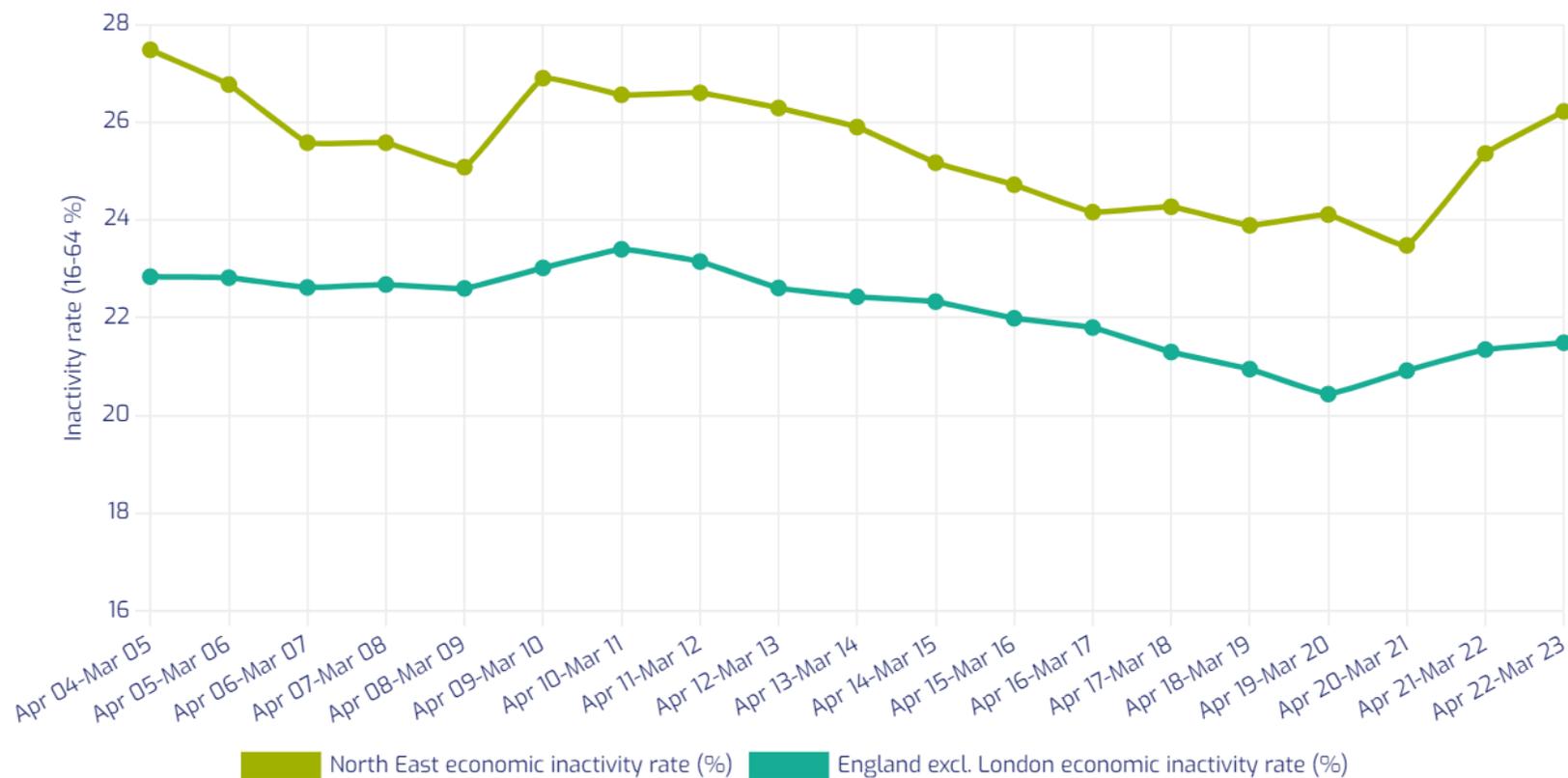
North East economic data summary

	Latest data	Recent change	Comparison with latest national data	Recent change compared with national change
Working age employment rate	70.5% (Apr 22-Mar 23)	 Increase by 0.1 pp (since Apr 21-Mar 22)	 Lower: 75.7% (England excl. London)	 Smaller pp increase than. England excl. London (+0.2 pp)
Working age economic inactivity rate	26.2% (Apr 22-Mar 23)	 Increase by 0.8 pp (since Apr 21-Mar 22)	 Higher: 21.5% (England excl. London)	 Larger pp increase than England excl. London (+0.2 pp)
Claimant count rate (% of 16 to 64 population)	3.9% (Aug 23)	 Decrease by 0.2 pp (since Aug 22)	 Higher 3.5% (England excl. London)	 Decrease: in contrast to England excl. London (unchanged)
Regional GDP index % change	Increase 0.7% (Q2 22 to Q3 22, North East region)	 Decrease -1.7% (since Q4 19)	 Higher increase 0.7% (Q2 22 to Q3 22, England)	 Larger decrease than England (+0.5%)
Regional exports of goods value	£8,272 ph (Q3 22-Q2 23, North East region)	 Increase by 15% (since Q3 21-Q2 22)	 Higher £7,775 ph (England excl. London)	 Larger % increase than England excl. London (+14%)

pp: percentage points – measuring the change or difference between two rates
ph: per head

Data Insights: Economic inactivity rate

Economic activity rate since 2004, North East, England excluding London



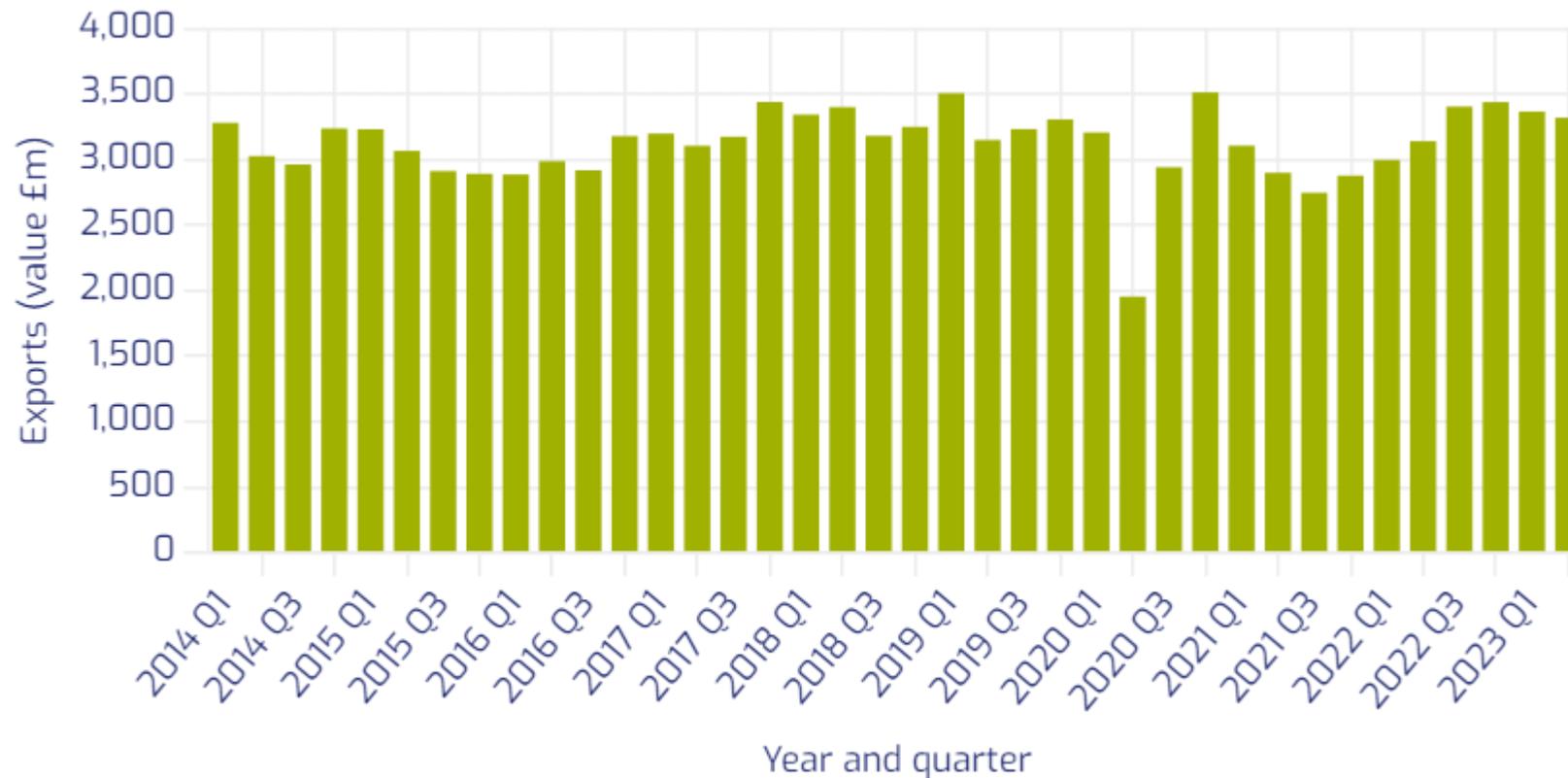
The North East rate is higher than England excl. London
26.2% compared to 21.5%



The North East rate has had a larger increase in the latest two years
+2.7 percentage points compared to +0.6

Data Insights: Trade in Goods (Value)

Export of goods (value £m), North East region, quarterly from 2014



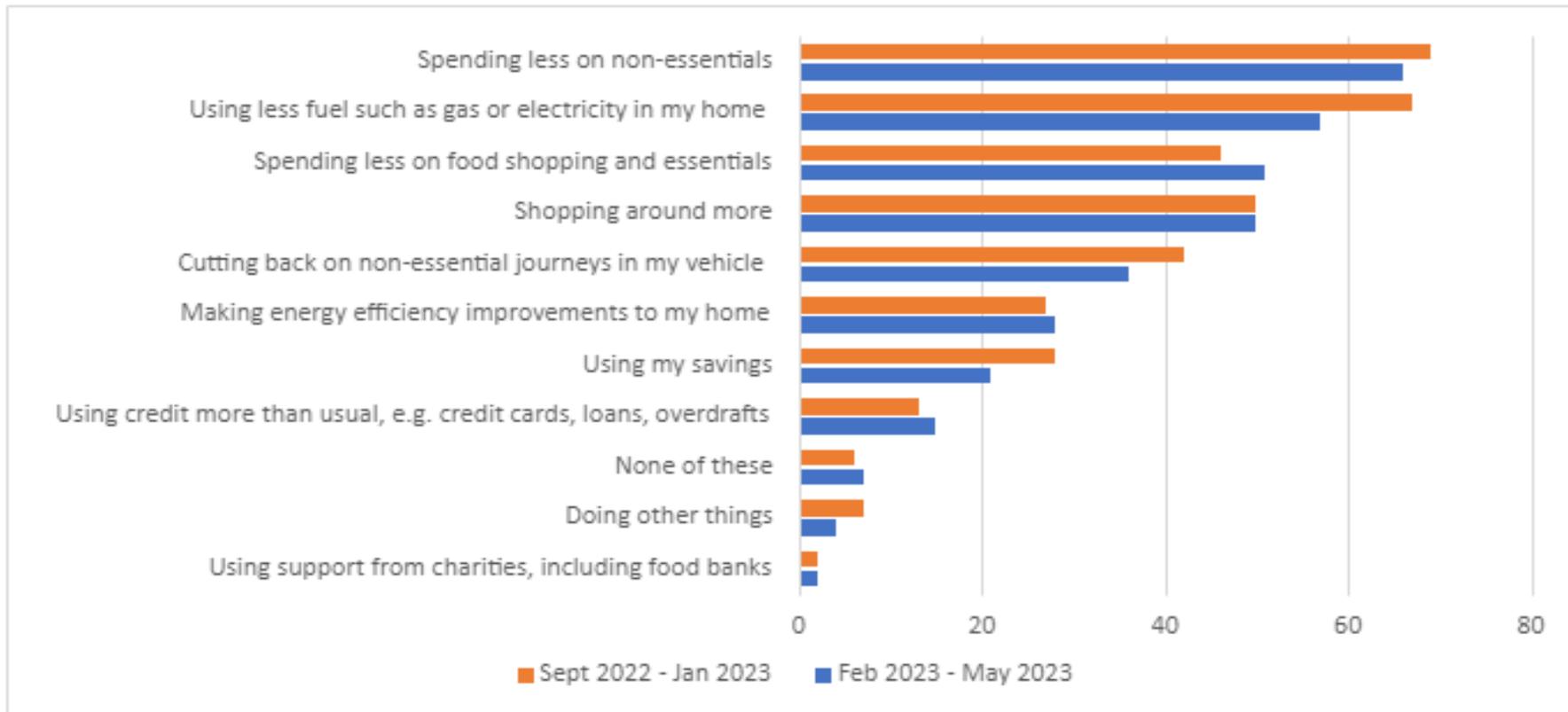
Latest four-quarter total was 15% higher than in the previous four quarters



Latest quarterly total was 1.4% lower than in the previous quarter

Data Insights: Action Response- Cost of Living

Analysis of the proportion of the population that are affected by an increase in their cost of living, and of the characteristics associated with financial vulnerability.



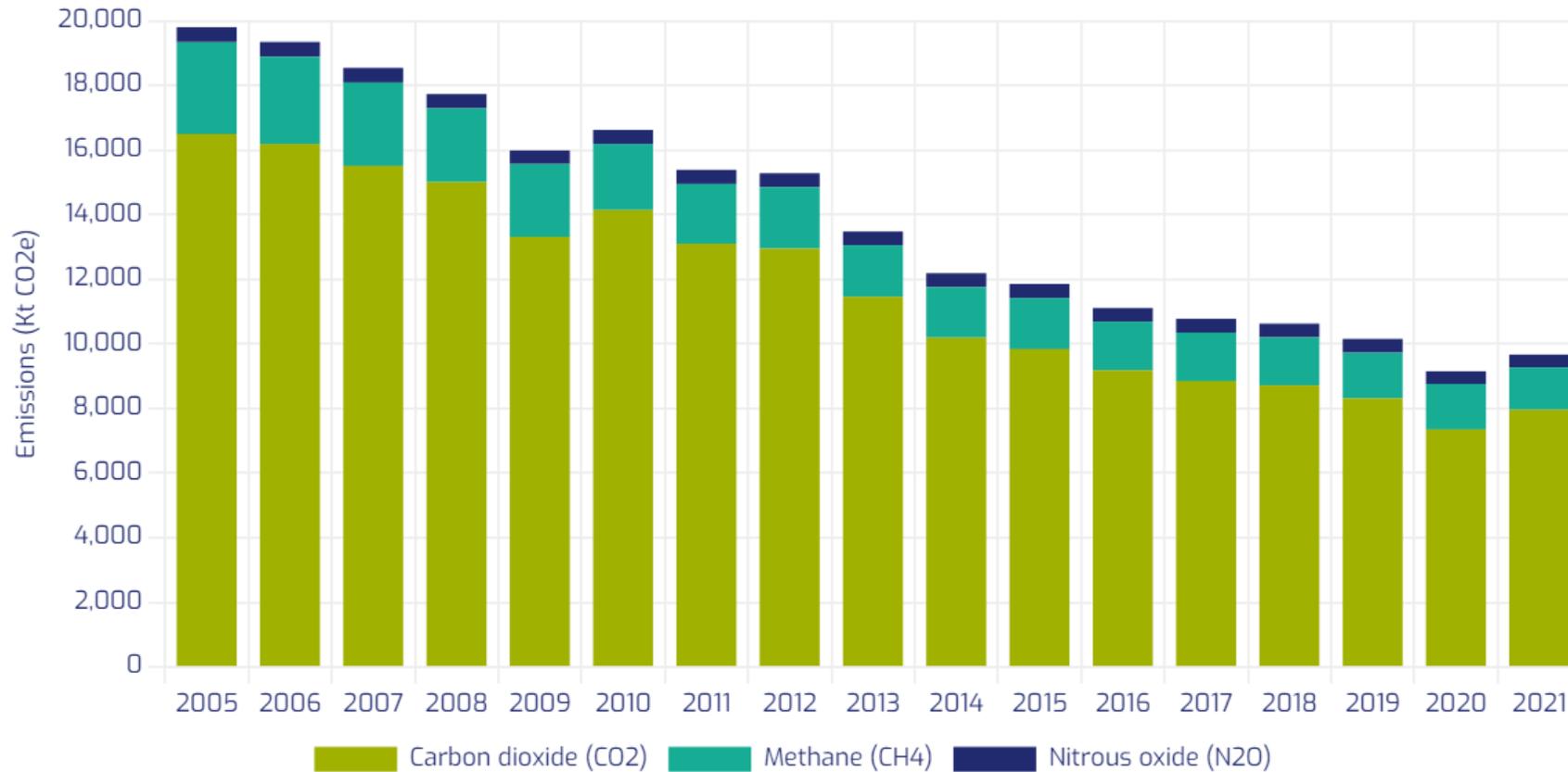
In spring 2023, over half of North East respondents were spending less on non-essentials and food shopping and using less fuel in response to a higher cost of living



The percentages spending less on food shopping and using credit more had increased from the previous, winter 2022/23 survey

Data Insights: Greenhouse gas emissions

Emissions, greenhouses gases, North East by gas, 2005- 2021



North East greenhouse gas emissions more than halved between 2005 and 2021



Emissions increased by 5.6% between 2020 and 2021 (removal of Covid-related restrictions is a key reason for this)

Key Trends: Inflation/ Workforce

Trends in inflation/ workforce

The CPI annual inflation rate for July was 6.8%, down from 7.9% in June. The August rate is released on September 20 and is widely expected to be higher than in July due to the impact of higher fuel prices.

The Bank of England is due to make a [new announcement on interest rates](#) on **September 21**.

The [Energy Price Cap](#), which limits the amount energy companies can charge per unit of energy, will be reset on **October 1, 2023**.

A second Cost of Living Payment of £300 is expected to arrive in autumn 2023.

[Analysis of the ONS July regional labour market release](#) highlighted that, in the 12 months to March 2023, almost 9% of the North East working age population were inactive with sickness or disability as the main reason.

About 11.6% of young people (16-24) in the UK were [NEET in Q2 of 2023](#).

The [NHS workforce plan](#) aims to increase the number of staff employed by the English NHS from around 1.5 million in 2021–22 to between 2.3 and 2.4 million in 2036–37.

Responses by residents and businesses

[The North East private equity market was "resilient"](#) in the first half of 2023, new research from KPMG has found, despite market volatility and tough trading conditions. According to the firm's latest Mid-Market Private Equity study, ten deals worth £1bn were completed in the region in H1 2023, which reflected a jump in volume of 25 per cent..

Bosses at Go North East, the region's largest bus operator, have offered their drivers an increased pay by £2,400 per year, despite making losses of £4.3 million in its most recent published accounts.

[County Durham firm Northern Lithium has joined forces with North West-based Evove](#) to use water extracted from under the surface in the North Pennines to produce lithium carbonate suitable for use in batteries.

[UK firm North Star teams up with Danish firm Stillstrom](#) to work on offshore floating charge points. The partnership will see Stillstrom demonstrate its charging buoy concept that provides the power needed by idle and anchored vessels.

Opportunities and challenges

Opportunities



[The £450million SeAH Wind](#) site at the former steelworks will be home to an 800-metre-long building which will be the world's biggest monopile facility and is the first of its kind in the UK, providing the pillars under massive wind turbine blades. Almost 400 people are now working on the site, with 750 direct jobs in total and 1,500 to come through the supply chain.



Teachers in the North of England will be able to [apply for grants](#) on 16th October 2023 of up to £25,000 for projects that help disadvantaged young people to realise their academic potential.



[Northumbrian Water's](#) role in North East is about to become more significant. From 2025, its spending is expected to more than double as it enters a new asset management plan (AMP) period. Such a significant increase in spending puts pressure on suppliers and the local workforce, who will have to adapt and expand to deliver what's needed.

Challenges



About 7,000 businesses are likely to fail every quarter in 2024 as high interest rates cause financial strain and the UK economy enters recession, [according to a thinktank](#).



Private sector investment worth up to £100 billion is needed to deliver key projects to safeguard UK energy security, according to the [offshore energies industry](#).



Nearly 40% of mid-sized businesses in the North East say [supply chain issues](#) are the greatest threat to their success over the next six months.



[North East councils facing deficit of nearly £200m](#) – as nationwide £5bn shortfall threatens basic services. A study from the BBCs Shared Data Unit has found the average council now faces a £33m predicted deficit by 2025/26 .

Date: 28 September 2023

Item 7: Business Advisory Board Update

1.0 Background

1.1 The Business Advisory Board was created following a review of the LEP's governance structure to merge the former Business Growth Advisory Board, Innovation Board, Regional Economic Group and the pre-LEP Board Business Group, which was approved by the Board to improve efficiency and consistent communications. The Board's role is to provide guidance and support to the main LEP Board to ensure that regional priorities, delivery and investment decisions are informed and supported by a strong business voice. The Board's membership is made up of representatives of the Business Representative Organisations and sector/cluster groups, and its functions are:

- To make recommendations to the main LEP Board to inform regional priorities and delivery which will strengthen the economy, in particular on-going work on the new mayoral combined authority portfolio areas and corporate plan.
- To work with the LEP executive to review the evidence base to identify, evaluate, and target areas of challenge and opportunity.
- To highlight where further research and intelligence is required to effectively produce policy, strategy and investment recommendations.
- To form task and finish groups, engaging wider stakeholders, to capture intelligence and to support the development of recommendations to the main LEP Board in portfolio areas.
- To work with the LEP's Skills Advisory Panel and the Investment Board, where appropriate to ensure strategic alignment.

The first board meeting took place 13 September when George Mansbridge (Strategic Economic Regional Adviser at NTCA) presented on the NEMCA portfolio development. George asked the Board a series of questions and member feedback was captured through a facilitated exercise. This paper presents the Business Advisory Board members feedback from the discussion.

2.0 Business Advisory Board Member Feedback

2.1 The presentation delivered by George was strongly welcomed by Board members who offered their forward support in helping to shape the North East Mayoral Combined Authority's (NEMCA) strategy and plans as they are being developed.

As part of the presentation members were asked to answer four questions:

1. What has worked over the past few years?

2. Any missing pieces?
3. How do we effectively engage businesses in NEMCA's decision making?
4. Going forward how do we continue to understand what's working?

Below is a summary of the main themes captured from the facilitated exercise which have been fed back to the NEMCA Transition team working on the portfolio development.

2.2 **What has worked over the past few years?**

There was a strong consensus to not reinvent the wheel and build on strategies that have already been co-created with partners through previous iterations of the regional Strategic Economic Plan (SEP) and the current sector strategies.

It was highlighted that the process of engaging partners in strategy development by the LEP has in large been effective, with the Health and Life Science strategy being referenced as an example of good practice.

It was also highlighted that the SEP provided clear strategic goals allowing partners to create plans and strategies to support its achievement, and make informed business development and investment decisions.

The Board also recognised that there is a strong evidence base (and that making this available through mechanisms such as the Evidence Hub) supports effective strategy development and decision making.

Recognition was given to improved regional collaboration through and following Covid19 and how this had supported the achievement of a devolution deal.

Several members recognised that regional boards, such as, the LEP Board and County Durham Economic Partnership Board have been effective in engaging businesses, and were hopeful that NEMCA would utilise this good practice.

2.3 **Any missing pieces?**

The Board feel that there needed to be a structured process to engagement that allows the Board and its members to formally feed into and collaborate on the development of emerging NEMCA strategy and policy, including the portfolio plans. Economic growth and social inclusion would be accelerated where businesses input their learning, challenges and opportunities into public policy in a meaningful way during the development phase.

Skills was a recurring theme with recognition given to the need for a 'full skills audit' for the region as the Local Skills Improvement Plans (LSIP's) only provided a partial view. It was also highlighted that skills strategy tends to be longer term and that there needed to be more innovative ways of increasing the skilled workforce in the short term, which the business community would like to engage in and influence.

Changes to the finance ecosystem were discussed recognising that there are limited sources of finance available in the region. It was recognised that NEMCA could built on

the regional discussions underway exploring the next stage for the North East Fund and Northern Power House Investment Fund.

Several questions were raised about how businesses who do not fall into priority sectors will be represented in the proposed NEMCA North East Industrial Strategy, how the overarching business support ecosystem will be represented and engaged with.

Several specific themes were called out as areas to be explored. These are:

- Accelerators to support innovation led start-ups.
- Unified planning (i.e. housing) activity across the region.
- Opportunities for working with other MCA's (e.g. TVCA)
- Joined up approach across the LA7 on inward investment and fund delivery.
- Global and international strategy including support for multinationals.
- Account management for high growth scaling businesses
- One point of contact for all business support services.

2.4 **How do we effectively engage businesses in NEMCA's decision making?**

There was a particular interest by sector and cluster membership organisations to support the development of the proposed Industrial Strategy through consultation with their members. The representatives on the Board were keen to represent their organisation at dedicated consultation events and act as the conduit between the membership businesses and NEMCA.

Having a formal structure and process that identifies people with the necessary knowledge and expertise and involves them in the development of relevant plans was requested.

Board members recognised the need for a strong and active business board in the NEMCA governance structure.

Specific mechanisms were mentioned such as the creation of steering and task and finish groups, and using sector and business representation groups to work with their members to present recommendations.

Members expressed that they could provide the most value when involved in a strategic development process rather than responding to consultations once plans have been written.

It was suggested that a strengths matrix is developed to help communicate to the NEMCA development team how and where partners can add value.

2.5 **Going forward, how do we continue to understand what's working?**

Board members would like to have an active role as part of a structured and ongoing strategic management process that captures the views of their members on what is and isn't working.

In order to effectively measure what's delivering impact, it was highlighted that there needs to be a clear vision, clear metrics, clear monitoring, and reporting systems that allow for reflection and adaptation.

Several members enquired what the role and remit would be of the NEMCA Business Board and how a wider sub board / engagement group akin to this Business Advisory Board could operate to feed in the wider business voice.

3.0 Recommendation

- 3.1 The Board is asked to support the LEP Executive to work with the NEMCA Transition Team to design a strategy and portfolio development process that effectively engages members of the Business Advisory Board in the development of future NEMCA strategy and plans.

28 September 2023

Item 9: Chair and Chief Executive Update

1.0 Background

1.1 The Chair and Chief Executive would like to provide an update to Board Members on some of the discussions and meetings that they have been involved in since the last Board meeting in July.

2.0 Chair's key meetings and discussions

2.1 Since the last Board meeting on the 20 July 2023, the LEP Chair has been involved in a variety of meetings and discussions as outlined below:

- Regular meetings with the North East LEP CEO;
- Miscellaneous conversations with Chairs and Chief Executives from other new mayoral Combined Authorities regarding the transition;
- NP11 meeting to discuss Pan Regional Partnerships;
- Transport for the North Partnership Board;
- Interview regarding the Strategic Economic Plan to inform decisions re transition;
- NP11 Board.

3.0 Chief Executive's key meetings and discussions

3.1 Since the last Board meeting, outside of the internal and external 'business as usual' and project meetings, the Chief Executive has been involved in a number of meetings that continue to move the regional economic growth agenda forward. These include:

- Meetings with the LEP Network;
- Meetings with government officials;
- North East Devolution Operational Transition Board;
- Mobilising NEMCA Meetings;
- NEMCA shadow exec weekly meetings;
- Net Zero North East Lead interview panel;
- Net Zero North East working group.

4.0 Recommendation

4.1 The Board is recommended to note the report.

