

Subject: North East LEP – Made Smarter Project**Report of: Helen Golightly, North East LEP Chief Executive****Portfolio: ALL**

Report Summary

The report seeks the approval of the North of Tyne Combined Authority, as the Accountable Body for the North East LEP, to implement a decision made by the North East LEP Board on the 27 May 2021 to accept the funding from BEIS that will support the work of the advanced manufacturing sector.

Recommendations

In its capacity as the accountable body for the North East LEP the below decisions are required:

1. Acceptance of £600,000 of Section 31 funding from the Department for Business, Energy and Industrial Strategy (BEIS) to support the Made Smarter Project;
2. Approve entry into a partnership agreement with the Tees Valley Combined Authority (TVCA) to undertake the project.

1. Background

- 1.1 The Made Smarter Project is a new initiative funded by The Department for Business Energy and Industrial Strategy (BEIS) that will support work with firms from the advanced manufacturing sector across the North East LEP and Tees Valley Combined Authority (TVCA) areas to help them to explore and adopt Industrial Digital Technologies (IDT - "Industry 4.0").
- 1.2 The work will be undertaken by working with sector organisations to recruit appropriate businesses, assessing their current technology level, helping them to develop a roadmap for their next phase of technology adoption, and then detail, appropriately resourced projects to move this forward. The programme will run from mid-June 2021, with final beneficiary work completed by 31 March 2022.
- 1.3 The total programme size is £720,000, with £600,000 in the form of a s.31 Grant from the project's funder, BEIS. An additional £75,000 and £45,000 in match is being contributed by North East LEP and TVCA respectively from Peer Network Funds and will fund the core of the partnership work being delivered. A summary budget showing which of North East LEP or TVCA spends which element of the funding is attached, and there is a more detailed MoU between the two authorities that sets out the responsibility for each element and achieving the overall programme's deliverables. In broad terms:
 - North East LEP's responsibilities are overall project management, employing an account manager to shepherd participating SMEs through the programme, procure the diagnostic tool which will be used to qualify SMEs for the detailed element of the programme, procure Automotive and Offshore / Renewables sector organisations to market the programme to SMEs, procure a delivery partner for the detailed workshop phase of the programme, take overall responsibility for its marketing, and report on outcomes and participants to BEIS
 - Tees Valley Combined Authority's responsibilities are employing an account manager to shepherd participating SMEs through the programme, procuring Pharmaceutical / Process Industries sector organisation to market the programme to SMEs, procure a second delivery partner for the detailed workshop phase of the programme, procure and manage payments to a delivery partner to manage revenue grant payments to SMEs and associated compliance

issues, and report on outputs so that North East LEP may compile and submit overall reports to BEIS.

2. Potential Impact on Objectives

2.1 The decision supports the vision and objectives of the North East Strategic Economic Plan and the Covid-19 Recovery and Renewal Deal for the North East.

3. Key Risks

3.1 The North East LEP is managing financial, regulatory and reputational risks at both project level and programme level. Individual project level risks are assessed in accordance with the agreed North East LEP Assurance Framework.

3.2 NTCA's finance and legal officers have considered the proposed recommendations.

4. Financial and Other Resources Implications

4.1 The financial implications of the recommendations are outlined in the background information, section 1 above.

5. Legal Implications

5.1 The comments of the Monitoring Officer have been included within this report.

6. Equalities Implications

6.1 All North East LEP funded projects are required to be delivered in accordance with the objectives set out under s149 of the Equalities Act 2010

7. Inclusive Economy Implications

7.1 The North East LEP follows the policies set out in its North East Strategic Economic Plan that promote sustainable economic growth across the region. The core objective of the North East SEP is to support the creation of 100,000 'more and better' jobs in the region by 2024/25.

8. Climate Change Implications

8.1 There are no implications on climate change with regards to this report.

9. Consultation and Engagement

9.1 Proposals have been developed and the approach to the Project through ongoing dialogue with BEIS, key stakeholders e.g. North East Automotive Alliance, North East Process Industries Cluster, NOF Energy, Centre for Process Innovation, Northumbria University Business School, Tees Valley Combined Authority, and Teesside University.

10. Appendices

10.1 Outline budget.

11. Background Papers

None

12. Contact Officers

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13. Glossary

13.1 BEIS – Department for Business, Energy and Industrial Strategy

14. Sign-off

1) Mayor: Yes	2) Director /SMT: Yes	2) Chief Finance Officer: Yes	3) Monitoring Officer: Yes	4) Head of Paid Service: Yes
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Delegated Decision Report - Appendix

2 June 2021

Outline Programme Budget

Workpackage	Cost (£)	Source	Spend		Notes
			NELEP	TVCA	
WP1: Project management and coordination					
Project management and coordination	£60,000	MS	£60,000		
WP2: Made Smarter investment fund and IDT Framework					
Access to specialist support 80 businesses @ £3k - 100% funding ave 3-4 days per business	£264,000	MS		£264,000	Payed to TVCA on the basis of defrayed expenditure
Fund set up costs	£5,000	MS		£5,000	Payed to TVCA in line with funding schedule from BEIS
Fund management and coordination	£50,000	MS		£50,000	Payed to TVCA on the basis of defrayed expenditure
WP3: Account Management					
Account Managers x 2 @ £50k per role	£100,000	MS	£50,000	£50,000	Payed to TVCA in line with funding schedule from BEIS
Diagnostic Development/licencing	£15,000	MS	£15,000		
Training and development	£5,000	MS	£5,000		
WP4: Digital Roadmaps & Leadership dev					
Digital Road Map design inc training (supported by Project manager)	£6,000	MS	£6,000		
Content development and licencing	£35,000	PN	£25,000	£10,000	TVCA Contribution, from their Peer Networks Programme
Roadmapping x 8 cohorts 88 businesses inc recruitment	£80,000	PN	£50,000	£30,000	TVCA Contribution, from their Peer Networks Programme
Training & Development	£5,000	PN		£5,000	TVCA Contribution, from their Peer Networks Programme
Funded Student Internships (6-8 off)	£40,000	MS	£40,000		
WP5: Marketing and communications					
Website development	£10,000	MS	£10,000		
EOI and CRM Integration	£5,000	MS	£5,000		
Marketing and communications inc case study development	£30,000	MS	£20,000	£10,000	Payed to TVCA in line with funding schedule from BEIS
WP6: Evaluation & Data Analysis					
Evaluation and data analysis	£10,000	MS	£10,000		
Total Expenditure	£720,000		£296,000	£424,000	
	£600,000	MS	£221,000	£379,000	
-	£120,000	PN	£75,000	£45,000	
Income					
Made Smarter	£600,000	MS			
Peer Networks (NELEP)	£75,000	PN			
Peer Networks (TVCA)	£45,000	PN			
Total Income	£720,000				