



Annual Review

April 2018

March 2019

Creating 100,000 more and better jobs for the
North East economy between 2014 and 2024.

Annual Review 2018/19

Contents

5	Welcome from Helen Golightly
6	Impact to date
8	Finance and investment
10	Innovation
12	Business growth
14	Skills
16	Employability and inclusion
18	Economic assets and infrastructure
20	Transport connectivity
22	Policy and strategy

More and better jobs



▲ North East LEP Senior Management Team



“There is no doubt that we are operating in uncertain times, but one thing is for sure, we will never stop advocating for the North East. We have solid foundations to build upon and through ongoing partnership working and a clear target on which to aim, I believe we will continue to achieve great things.”

Helen Golightly, Chief Executive Officer

Introduction from Helen Golightly

Chief Executive of the North East Local Enterprise Partnership

Writing the annual report provides a useful point to reflect on what we have achieved here at the North East Local Enterprise Partnership over the last 12 months.

I'm thrilled to say it's been a positive year for the North East Local Enterprise Partnership (LEP) and we've continued to take huge strides forward, thanks to the ongoing hard work and support of our talented and committed executive team, board members and partners.

A real highlight and a focus for us over the past twelve months has been the update of the Strategic Economic Plan. This is the second time we have updated our Plan since 2014. We do this to ensure our thinking and our programmes of delivery are based on the most up to date evidence and that we are focused to take advantage of opportunities stemming from economic change and new directions in public policy.

Whilst the ambition of the Plan remains the same, we want to see the creation of 100,000 more jobs by 2024, with 70% of these to be better jobs, the landscape in which we operate has changed significantly, since our last update in 2016.

Since 2016, the UK voted to leave the European Union, the UK Industrial Strategy and subsequent Local Industrial Strategies have been introduced, opportunities in digital technology, ageing and the management of climate risks are increasingly areas of focus and also provide potential for economic growth – all of which we have captured in our updated plan.

We launched the updated Strategic Economic Plan to a packed-out audience in February 2019, which demonstrated exactly how engaged and committed local businesses and partners are in driving regional economic growth. It's good to take stock and appreciate what, together, we have been able to achieve.

Our delivery is focused on the vision of the Plan and we remain committed to growing jobs and increasing the quality of those jobs available. We want to expand our business base and support businesses to start and scale. Ensuring our workforce has the right skills and competencies to allow both individuals and organisations to flourish will always be a top priority, with careers advice and guidance, fundamentally part of our core. We want an innovative economy that is accessible, connected and inclusive for all.

Some of our 2018/19 highlights include:

- Directly investing £72m in infrastructure across the region to boost job creation and economic growth.
- Contributing to driving our innovative economy forward. On Newcastle Helix, we saw the £24m Biosphere laboratory and office scheme opened with occupation levels achieving 30% by the year end.
- The announcement that the North East has 17% more 'scaleups' in 2019 than it did in 2014. We now have 820 companies in the region that meet the definition of a scaleup because they have increased turnover or employment by more than 20% annually.
- Being selected in July 2018 to host a prestigious Careers Hub dedicated to improving careers education for young people – further strengthening our reputation for leading the way in careers guidance nationally.
- Securing £10m from Tranche 1 of the Transforming Cities Fund, that aims to improve productivity and tackle air quality, and will make a real difference in boosting cycle provision, improving connectivity and cutting traffic congestion in the region.



▲ Andrew Hodgson, Chair of the North East LEP, and Helen Golightly.

- Forming the North East Brexit Group that has brought together key partners in the North East to influence the national debate. Through the group and the North East Growth Hub, we launched our Brexit toolkit, which was viewed over 7,000 times in three months and has been used as a national example of best practice.
- Welcoming our digital and energy programme managers, who will work with partners to set out a regional strategy in these areas, prioritise opportunities, and shape delivery plans to improve our economic competitiveness in these areas

As I reflect on our achievements, I also look towards the next 12 months with optimism and confidence. Delivering the Strategic Economic Plan remains front and centre of what we do, but alongside this, we will be developing our North East Local Industrial Strategy, that will set out how the region and government will work together to deliver increased productivity and living standards for the region and contribute to the delivery of the UK's Industrial Strategy.

There is no doubt that we are operating in uncertain times, but one thing is for sure, we will never stop advocating for the North East. We have solid foundations to build upon and through ongoing partnership working and clear targets, I believe we will continue to achieve great things.

On behalf of the North East LEP I'd like to thank our partners and the business community for their ongoing support.

Impact to date

The Strategic Economic Plan sets out six targets for the region to achieve between 2014 and 2024.

Our headline targets are to create more and better jobs in the North East LEP area.

More and better jobs

In 2014, there were 811,300 jobs in the North East LEP area. We have set a target to increase this by 100,000 to 911,300 by 2024.

In addition, we have set a target that 70% of the additional 100,000 jobs are 'better jobs'. Better jobs are defined as managers, directors and senior officials; professional occupations (such as civil engineers and doctors); and associate professional and technical occupations (such as laboratory technicians and graphic designers).

We also have four targets that compare the North East LEP area performance with English excluding London.

Employment rate

It is important that residents in the North East LEP area are benefiting from the additional jobs created. One way of measuring this is the employment rate. In 2014, the North East LEP area had a lower employment rate than England excluding London.

We have set a target to close the gap between the North East's employment rate for 16-64 year olds with England excluding London by 100% by 2024.

Economic activity rate

The economic activity rate measures the proportion of people aged 16 to 64 who are participating in the labour market, including those employed and those out-of-work but actively seeking a job. Again, the North East has a lower economic activity rate than England excluding London.

We have set a target to reduce the gap between the North East's economic activity rate and England excluding London by 50% by 2024.

Private sector employment

There are fewer private sector jobs per working age adult in the North East than in England excluding London.

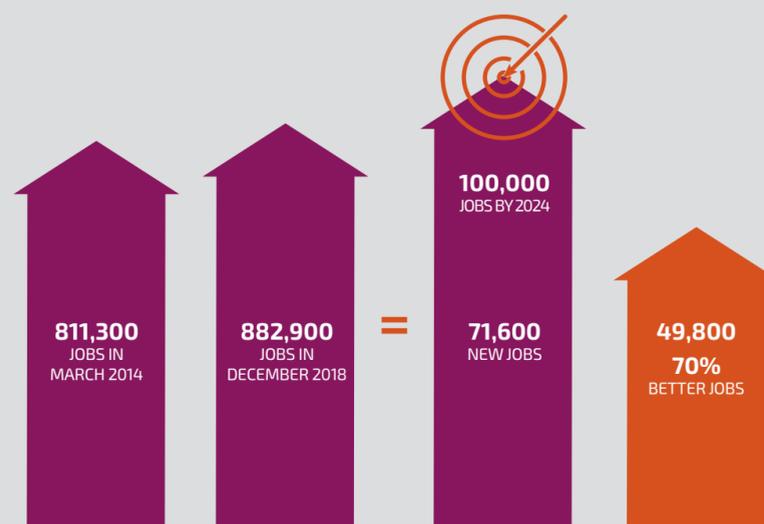
We have set a target to reduce this gap by 50% by 2024. Continuous data is only available from 2015 so we are using this as a baseline year rather than 2014.

Gross Value Added per hour worked

Gross Value Added (GVA) measures the contribution to the economy of each individual producer, industry or UK region. GVA per hour worked is a way of measuring productivity.

We have set a target to reduce the gap between the North East and England excluding London on GVA per hour worked by 50% by 2024.

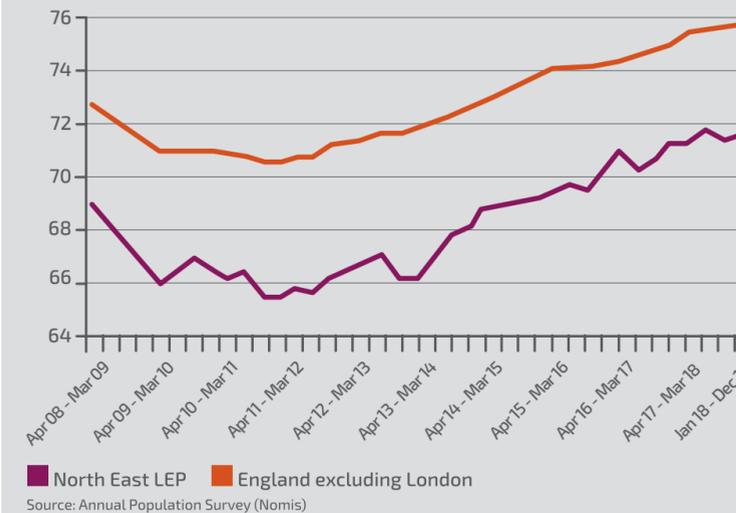
Progress: By December 2018, the number of jobs had increased by 71,000. 49,800 (70%) of these were better jobs.



Source: Annual Population Survey - Workplace Analysis (Nomis)

Employment rate

Progress: By December 2018, the gap between the North East LEP area and England excluding London had reduced by 34%.



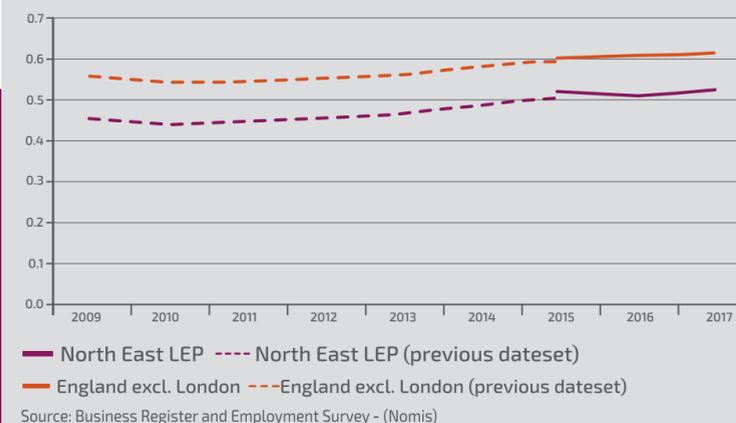
Economic activity rate

Progress: By December 2018, the gap between the North East LEP area and England excluding London had reduced by 15%.



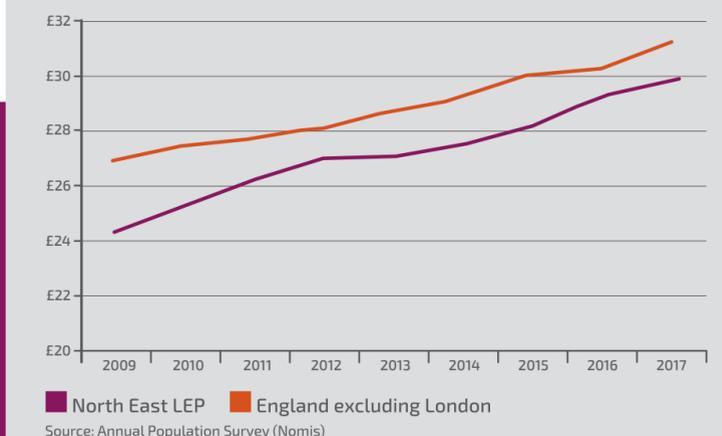
Private sector employment

Progress: Between 2015 and 2017, the gap had widened by 5% on this measure. This reflects a 3.2% increase in private sector employment across England excluding London, compared to a 1.5% increase in the North East LEP area.



Gross Value Added per hour worked

Progress: By 2017, the gap between the North East LEP area and England excluding London had reduced by 29%.



Finance and investment

The North East Local Enterprise Partnership directly manages the £55m North East Investment Fund, £270m Local Growth Fund and around £400m of anticipated Enterprise Zone income. We also influence the allocation of €560m European Funding, and work closely with the £120m North East Fund.

We are undertaking an assessment of how the North East Investment Fund is best utilised to meet market demands. We have continued to invest in our Enterprise Zone (EZ) sites by providing upfront infrastructure investment, which is crucial to attract businesses and investors to locate and develop on these sites.

During the past year an evaluation of the processes used in managing the £270m Local Growth Fund was completed by Steer ED. The evaluation considered the views of projects receiving grant awards about how the fund operates and we were pleased to find that partners regarded the fund as flexible, well managed and essential in enabling strategic projects to happen. We are also proud that all our internal and external audits of our fund management activity have been positive and complimentary of our working practices.

More information on all projects receiving funding from the North East LEP can be found on our website: www.nelep.co.uk/projects.

“Attracting more and higher skilled jobs to our region is a key priority of ours and we are delighted that Pryme Group has been able to benefit from this Grade-A industrial unit, developed by UK Land Estates with support from the North East LEP.”

David Land, Chair of the North East LEP’s Investment Board.



The North East Investment Fund

Many of the investments made to date have reached completion and are now repaying back to the fund. There is approximately £12m currently available for new loans.

£67.3m
invested to date

27
projects

£12m
available for new loans

2018/19 investments

Infinity Park – Monkton South – £1.69m loan

Hellens Developments led on the speculative build of three new grade-A industrial units on Infinity Park on the Monkton South Business Park, South Tyneside. The units range in size from 980sqm to 2,920sqm and two of the three units now have tenants in place.

North East Institute for Mining and Mechanical Engineers (NEIMME) regeneration – £1.5m loan

NEIMME was founded in 1852 and is constituted as a Professional Institute and Learned Society under a Royal Charter.

The regeneration project initially involves the full restoration and refurbishment of the Grade 2 Listed Neville Hall in the centre of Newcastle, providing a fully accessible facility with heritage meeting rooms and a grand historical lecture theatre. These works are now underway.

The project will build on the heritage of the Institute by delivering an associated programme of activities dedicated to supporting engineering apprenticeships across the North East.



European Funding

Decisions for projects using European Funding sit with government and not the North East LEP. However, we work hard to influence these decisions and ensure investments are made to support the delivery of the Strategic Economic Plan.

European Structural Investment Funds - current North East LEP area position (February 2019)

	Allocation	Potential commitments	Funding remaining
Total	£498.4m	£377.5m	£120.9m
ERDF	£263.2m	£205.3m	£57.9m
ESF	£224.7m	£161.7m	£63m
EAFRD	£10.5m	£10.5m	-

Figures subject to change in line with exchange rates.

▼ Intersect 19, Tyne Tunnel Trading Estate



Local Growth Fund (LGF)

The £270m fund is now in year five of its six year delivery programme and more than £259m of the budget has been awarded across 48 projects and four mini-funds.

The majority of projects are either underway or completed.

International Advanced Manufacturing Park (IAMP) - £41.1m grant

The nationally significant IAMP site located in Sunderland and South Tyneside is being unlocked using support from LGF. Construction work on the first building on IAMP ONE has started, which will be home to car parts manufacturer SNOP.

Eagles Community Arena - £1.1m grant

The Eagles Community Arena is a brand new 3,000-seater sports venue and home of the Newcastle Eagles and the Eagles Community Foundation.

The Foundation is using the space to provide a community venue for sports participation, vocational training, health and wellbeing provision, and conferencing and events.

Intersect 19 - Tyne Tunnel Trading Estate - £1m grant

The speculatively built 5,350sqm industrial unit has been taken up by The Pryme Group to enable them to continue with their expansion plans.

More than 90 jobs are now housed in the unit, with the expectation it will rise to 150.

National Healthcare Photonics Centre - £8.1m grant

Further boosting the reputation of NETPark as an important innovation park, the National Healthcare Photonics Centre has expanded the Centre for Process Innovation's areas of specialism.



▲ Eagles Community Arena

“The Local Growth Fund was a pivotal building block in our development, which even in our early stages has seen significant job growth, jobs safeguarded for the long term and a number of new apprenticeships launched across several sectors.”

Paul Blake, Managing Director, Newcastle Eagles.

▼ National Healthcare Photonics Centre



Innovation

2018/19 has been an exciting year for our innovation programme, with a number of projects and activities starting to realise their potential, seeing the start of new developments and supporting delivery in new programme areas.

Mini-funds launched with successful awards

Our two funds for project development and incubator development have led to almost £1 million being awarded to seven projects, helping the North East innovation ecosystem to grow and develop.

During 2018/19 there have been successful applications to both funds and six projects are still in appraisal with a total value of £1.486m.

There is a shortage of high quality, innovation focused incubation in the North East, so over the past 12 months, we have started to address this by supporting three critical projects:

We've enhanced the incubation offer in the North East,

- The Northumbria Incubator (Newcastle)
- NETPark incubator expansion (County Durham)
- Innovation Zone (Sunderland)

The Project Development Fund has been designed to support North East partners to develop high-quality bids for large-scale competitive investment, such as Strength in Places, and private-sector funding. During 2018/19 this has supported four projects: the Centre of Excellence in Sustainable Advanced Manufacturing, The Stephenson Challenge (now known as Driving the Electrical Revolution), the National Centre for Rural Innovation and the International Centre for Connected Construction, known as IC3.

7 projects supported with
£954,302

through mini-funds

3 incubation
projects supported



▲ The Northumbria incubation space

“The North East LEP has provided invaluable funding and expertise to Northumbria University and partners, to facilitate the development of a business case to secure funding for the development of an International Centre for Connected Construction (IC3), a hub for the global construction sector, driving productivity and performance through digital technologies and smarter working processes and applying them to the entire building and infrastructure lifecycle.”

Simon Robson, Northumbria University.

Innovation SuperNetwork delivery

We continue to strengthen and develop our partnership with the Innovation SuperNetwork, as they work with 50 partners and engage with over 5,000 businesses since 2016.

Demonstrating the value of a coordinated approach, this has included a series of Innovation Practice sessions that raise awareness of the key aspects of innovation thinking.

2019 has marked another successful year in delivering VentureFest North East, attracting the highest number of attendees ever and bringing the total investment from the event to £1.7m.

Accompanying this is the continued success of FinanceCamp which has led to 1,200 investor introductions for North East SMEs.

Through the 147 challenges run, North East SMEs have benefitted from 23 new contracts.

▼ VentureFest



Science and Innovation Audits

This year we have completed the Applied Digital Technologies Science and Innovation Audit (SIA), working closely with partners across the North East and Tees Valley.

This study, supported by the government, sets out a strong evidence base around the opportunity for supporting growth by bringing together our digital capabilities and manufacturing prowess.

Although focused initially on the automotive, pharmaceutical and chemicals manufacturing sectors, the learning has relevance across all our sectors and businesses.

We've also contributed to a number of other SIAs including:

- Health Innovation (led by the Northern Health Science Alliance)
- Process Industries (led by Tees Valley Combined Authority and Durham University) SIAs.

We'll use the learning to inform our practice and delivery during 2019/20.

Start of the INVITE project

Innovation requires connections between different sectors, companies and organisations. These are often across different countries that are not always easy for individual companies to navigate. The INVITE project was launched this year with partners from Greece, Luxembourg, Germany and Belgium, testing a new approach to linking SMEs from different countries to address identified challenges through an open innovation approach.

The North East and the area around Stuttgart in Germany will be the first test locations and will benefit local SMEs by early access to the model and international opportunities.

▼ INVITE project



Development and funding of major projects and initiatives

A significant focus for us over the last 12 months has been engaging with partners on a strategic basis to develop aligned, coherent project proposals to major funding opportunities.

A prime example of this was a workshop with the Innovation SuperNetwork to support partners to bring together project ideas for the first round of Strength in Place Funding. This resulted in four priority projects being submitted representing potential across key sectors, with three successfully selected to progress after a very competitive bidding process.

This joined up approach to supporting priority projects has similarly seen the development of the North East 5G proposal, which has attracted strong local and business buy-in and has been welcomed more widely as a test-bed approach to this next generation technology.

“The North East LEP has been very supportive in enabling the BIC to create an incubator that will house potentially high growth businesses and allow them to make the most of their new ideas, products, processes and applications. This will be a real “front door” for innovation and bring together many like-minded support organisations and stakeholders to help these businesses grow. We sincerely thank the North East LEP for making this possible.”

David Howell, BIC.

Business Growth

Our Business Growth programme has continued to grow and expand this year, but our focus has remained the same. **We are committed to increasing the density of scaleup businesses in the North East LEP area by 50% by 2024.**

We've made huge strides towards reaching our ambitious target - there are now 820 scaleup companies in the region that have increased turnover or employment by more than 20% annually. **That is 17% more than there were in 2014.**

North East scaleups are employing a total of 74,000 staff and their turnover is worth £9.5 billion. The evidence tells us that what we are doing is working, coupled with the dynamism and strength of the North East business community. Despite continued uncertainty around Brexit, our entrepreneurs are continuing to scale and drive the North East economy forward. We've outlined some of our programme highlights below.



Online

Growth Hub Online

We remain committed to:

- Providing simplified access to the support and finance that business need to start, grow and improve
- Encouraging more people to start and grow their business
- Increasing demand for business support
- To achieve these goals, we've been working hard to refine our platform's user experience and to develop a new approach to publishing content.

We want people to come onto the Growth Hub and access information on the business support and finance that will help their company grow. We measure our success on achieving this by monitoring the number of visitors who visit the site and how many of these visitors connect with one of the 250+ business support and finance providers listed on the site. We've seen an uplift in both of these areas during 2018/19 compared to the previous 12 months, which is demonstrated below.



76,664 +71%

number of visits



13,785 + 34.1%

number of referrals



18%

of people who visited the North East Growth Hub, contacted a provider



Mentoring

Mentoring

There has been some shift and increase within our pool of 40 mentors. The mentors offer a range of business growth experience and we have good representation across most sectors.

Independent research reveals mentoring supports mentees to develop their strategic thinking and understanding, developing leadership capability and increasing business confidence.

Reported business impacts can be seen within business planning and strategy including accelerated pace of growth, improved leadership and the development of better, more sustainable business models.

“The main benefits to my business of working with a mentor are, quite simply, my mentor's considerable business and life experience. Insights and recommendations have fast-tracked my business knowledge base and thereby increased my value and effectiveness within the company.”

Growth Through Mentoring participant.



Connect

Growth Hub Connectors

Our Growth Hub Connectors providing one-to-one guidance to business leaders and making introductions to the relevant business support and finance providers who can help businesses realise their growth potential.

Between September 2018 and March 2019, we have connected with 230 businesses.

“I really found it the most useful hour or so I've spent chatting about the business. Lots of advice that we will try to put into practice straight away.”

Growth Hub Connect user.



Supply Chain

Supply Chain

Launched in October 2018, Supply Chain North East works with businesses who want to diversify, broaden their customer base and unlock new market opportunities. It is Delivered by RTC North, the North East Automotive Alliance, the North East Process Industry Cluster and Generator.

Over 60 companies with a combined headcount of 1,131 employees and £114m turnover have already been assisted to diversify and explore new sector markets since launch and there is a healthy interest in the programme.

The programme is exploring supply chain opportunities for our SME business base across sectors and including the expansion of Heathrow Airport, Tyne & Wear Metro Futures procurement, Hitachi Rail supply chain, the Northern Offshore Federation and the Offshore Renewable Energy Catapult.



Scaleup

Our flagship programme Scaleup North East has continued to thrive since launching in January 2017. The programme has supported almost 300 businesses to develop leadership capability and scale. To date, the 298 companies who have completed the programme are forecast to create an additional 1014 jobs, of which 75% will be 'better jobs', and generate a £71.1m uplift in GVA. This is an increase in GVA by £6.7k per additional job, vastly reducing the productivity gap between this group of businesses and the rest of the UK.

The wider ecosystem has become embedded in this programme as a bank of over 40 Scaleup Solutions Providers has been developed to provide tailored support to the participants.

£71.1m uplift in GVA
£6.7k
per increase in GVA per job created

This will vastly reduce the productivity gap between this group of businesses and the rest of the UK.

£71.1m
Amount Scaleup North East is forecast to lift GVA.

Improving export

We have worked to strengthen the export offer to new and existing exporters with the Department for International Trade and their local delivery partner, the North East England Chamber of Commerce. We published the Growth Hub Export Toolkit in collaboration with the region's Exporting is GREAT partners and ensured companies are supported to internationalise through Scaleup North East, Supply Chain North East and Connect.

The North East Fund

The North East Fund made a solid start to investment in the region, with 113 investments made, totalling £18.4m.

Supporting the rural economy

The £31.3m Rural Growth Network is a capital grant programme, resourced through Local Growth Funding which aims to create 523 additional jobs in the rural economy by March 2020. It aims to support rural businesses to grow within the rural areas of Northumberland, Durham and Gateshead. In its fourth year of delivery and with one delivery year remaining, 33 projects have been completed and 10 are in progress. These projects have delivered 178 new jobs. Also supporting rural businesses, the £10.6m RDPE Growth Programme contracted 43 projects and is processing 94 applications. 97% of the funding available has been allocated to projects.

Inward Investment

2,796 new jobs
created in 2018/19 into the region through 84 inward investments

Of these, 58 were from foreign-owned companies (both new or re-investment projects) creating 1,841 jobs. 26 were projects from UK companies previously outside the region creating 955 new jobs. Projects came from a wide variety of sectors - advanced manufacturing, energy, digital technology, life sciences and business services. In terms of foreign-owned businesses, the largest number of projects came from the USA, with France, Japan and India being the next three most frequent source countries.

Early Response and managing change

To ensure the region has the appropriate structures in place to deal with economic shocks and Brexit, we have established multi agency Rapid Response Group. The group is designed to:

- React and respond to events that could lead to business/sector/supply chain decline and job losses.
- Once an event that demands a regional response has been identified the group will develop a plan and convene a Taskforce designed to reduce negative impacts and to mitigate the risks associated with the identified event.
- Own the delivery of the agreed plan through identifying, aligning, mobilising and managing the resources required to implement strategy and to mitigate the associated risks.

Skills

Improving skills in the North East workforce is fundamental to our economic future, underpinning our aim of driving an uplift of 100,000 jobs by 2024, and ensuring that the majority are 'better' jobs.

“North East Ambition is truly that, an ambition to improve the opportunities for all our young people; good career guidance is critical for social mobility.”

Sarah Glendinning, Regional Director CBI.

70 primary schools

signed up to take part in the Careers Benchmark: Primary Pilot.

More than 100,000 students

benefiting from excellence in careers guidance through the schools and colleges careers hubs.

North East Ambition

Our North East Ambition programme has continued to build on the success of the Gatsby Good Career Benchmark pilot during 2018/19 and the team has remained committed to support every secondary school in the area to adopt the benchmarks.

Our ambition is to embed a quality approach to careers guidance that ensures each and every young person in the region can access excellent careers advice and identify routes in work. To achieve this we are working across our network of secondary schools to make sure every school in the area has access to at least one Enterprise Adviser to provide strategic support to their careers related activities. At the end of March 2019, there were 94 Enterprise Advisers matched with 94 secondary schools.

In July 2018, we were selected to host a prestigious Careers Hub dedicated to improving careers education for young people.

One of 21 across England, the 'North East Ambition: Careers Hub' is supporting schools and colleges in the region to implement and achieve the benchmarks - it's the only hub in country to support colleges, which is shaping what good career guidance looks like in a college setting. Through these career hubs we are promoting excellence in careers guidance for over 100,000 students across the North East LEP area.

We have secured funding and are in the initial stages of our Careers Benchmark: Primary Pilot. We are delighted to be piloting work in an area that is gaining national significance as government steps up work in careers related learning at a primary level. We look forward to working with our 70 pilot primary schools to raise the aspirations of primary school children across our region.



I ♥ NE
A great place for graduates
 #LiveWorkandStay

▲ Higher education: Jordan Hewitt and Jill McKinney from Sunderland Software City, in the Live, Work and Stay campaign

Higher Education

After exceptional engagement with our 2018 Live, Work and Stay campaign, we launched phase two of the campaign in January 2019.

We built on the success of the first phase of the campaign and focused on profiling career opportunities for graduates with a range of employers in the region. On social media alone, a reach of more than 100,000 was achieved, and the short films profiling graduates and employers in the region were viewed nearly 50,000 times. This activity has contributed to raising awareness of the opportunities for graduates within the North East.



▲ Education Challenge: Pupils from Norham High School visit Go North East to learn about careers in the transport sector

Education Challenge

Our Education Challenge programme is all about reducing the gap between our best and lowest performing secondary schools. This year saw the programme of activity expand and develop.

We have been working in three schools where we have co-developed a wide range of curriculum projects with employers.

Pupils are already benefiting from the integration of employer expertise in their learning, giving purpose, context and real-world application.

Pupils have gained a real insight into the world of work and the progression routes they can choose. We look forward to adding further schools or colleges to this exciting venture later in the year.

We are working with government to maximise the impact of the £24m Opportunity North East programme that aims to improve the prospects of young people in the North East, boost social mobility and raise aspirations.

Our Chair, Andrew Hodgson, is part of the board that leads on the allocation and focus of this funding, which is chaired by Lord Agnew.

“I look forward to my project lessons and I remember everything that I do. When my dad asks 'what have you done today', I can explain other things I have learnt not just what I have heard from the teacher, I really like how we get to work in a team.”

Pupil participating in our Education Challenge programme.

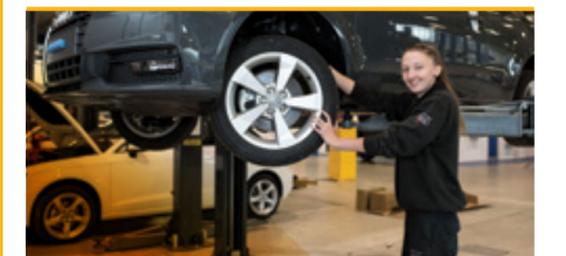
Fuller Working Lives

Our region has an ageing workforce, with significant numbers of people over the age of 50 in employment and looking for work in our region. We want employers to be able to use and develop this existing talent in our labour force and be able to attract and develop the best and most productive workforce they can. We want to give people access to training and flexible working practices that allow them to stay in work longer. We have been working on an innovative approach with employers and government to develop and drive forward a strategy that will allow people in the region to have fuller working lives. We have a group that continues to promote positive messages regionally and are champions within large and small businesses, public and voluntary sectors. Delivery of EU funded programmes on this agenda has continued and older workers are one of a priority group of projects as we move forward. We also are part of a national Healthy Ageing Group representing the North East, articulating our particular challenges in order to influence future policy decisions.

Technical education

We want to see more businesses taking on apprentices in our area, and we want to ensure businesses are providing higher and degree level apprenticeships. We are working with partners to increase the number of apprenticeships available and we are targeting our region's growth sectors to maximise take up. We are helping our partners respond to emerging government policy and provide good quality T-levels. We want to ensure we are offering the appropriate technical education pathways that reflect evolving labour markets and help ensure our region becomes known for excellence in technical education.

▼ Technical education: Kirsty Pickering, Apprentice Technician at Lookers



Employability and inclusion

Since 2014 the gap in the rate of employment between the North East and the rest of England (excluding London) has been narrowing.

There has been particularly strong growth in employment rates among the young, and the rate of young people aged between 16 and 18 who are not in employment, education or training has fallen from 10.1% to 7.3% between 2017 and 2018.

However, our area faces ongoing challenges, with considerable uncertainty in the national economy contributing to a high degree of fluctuation in the labour market.

We are championing a number of projects and programmes that are delivering significant outcomes to address these challenges.

**10.1%
to 7.3%**

The rate of young people aged between 16 and 18 who are not in employment, education or training has fallen between 2017 and 2018.

“The National Careers Service coordinated a tour of our facility which was a fantastic opportunity to show potential future employees the high-tech and professional environment they may be a part of; it provided a great opportunity for young people to learn the basics in a highly valued industry.”

Ford Aerospace.



▲ National Careers Service.

National Careers Service

This programme, delivered by the Educational Development Trust, provides locally tailored information, advice and guidance and supports customers to achieve positive outcomes.

The programme is working to increase digital engagement. The aim is to give people tools and skills to independently access support.

They are guided and supported to use high quality digital tools that will enable them to manage their careers, progress in learning and then into employment.

Generation North East

Generation North East helps those aged 18 to 29 to find work and progress in employment. The programme continues to be hugely successful, having helped over 5,000 young people into employment and apprenticeships since its inception in 2014. It has expanded its offering and now provides a fully digital support service to over 700 people. It is now extending this to those who are supported face to face, providing flexibility in dealing with young people facing a variety of challenging contexts.

Generation North East has highlighted the challenges that young people face in the labour market and has been innovative in providing solutions. It improves the visibility of “better jobs” that are available to young people and has also had success in engaging young people outside the system, bringing them into mainstream support. It has forged new partnerships with FE colleges, training providers and other support organisations to maximise impact and provide flexible support to young people.

“I would 100% recommend Generation NE to anyone looking for work. They are kind, patient and caring. The digital service is particularly fabulous as you are able to get the best possible help to find employment but through entirely online support, which removes the limitations of expensive travel costs - especially if you don't live near the city. I am so happy with the service given and I LOVE how there is still support there after you get into work.”

Leah, Generation NE service user

**5,000
young people**

helped into employment and apprenticeships by Generation North East

DurhamWorks

DurhamWorks provides targeted support to vulnerable young people, based on an understanding that the most vulnerable young people in our area require sustained support and that single interventions will not produce a long term impact on young people's life chances. The programme provides individualised support, using a range of innovative and flexible activities that promote emotional resilience and develop employment skills. The programme also engages employers to create opportunities for young people.

Over 5,000 young people have engaged in DurhamWorks since 2016. It has had an impressive impact, with a seven percentage point increase in young people aged 16-18 in employment since the start of the DurhamWorks programme and a significant decrease in the proportion of young people in vulnerable groups who are not engaged in education, employment or training.

▼ DurhamWorks service user, Sophie, who took up an apprenticeship and found full time employment through the programme.



Work and Health Programmes

We are working with partners to deliver a range of programmes supporting those with disabilities or health conditions. The Work and Health Programme provides individualised, consistent and sustained support to help those with disabilities and long term health problems into employment. The North East Mental Health Trailblazer programme is delivering an innovative model of employment support, integrating employment support and psychological therapy to help unemployed people experiencing anxiety or depression to move into work while managing their condition.

The programme has experienced very high demand and to date over 900 people have participated in the programme and over 150 have found sustained employment.

**More than
900 participants**

in the North East Mental Health Trailblazer programme.

“From our first meeting, Stephen has shown complete confidence that I'm going to find and secure employment; this has made such a difference to my own confidence. Stephen has also supported me to produce a professional CV that will stand out to potential employers.”

North East Mental Health Trailblazer service user.

Economic assets and infrastructure

Creating attractive business environments is fundamental to securing private sector confidence in the North East economy. Over the past year we have continued to make strides to enhance our regional economic infrastructure to facilitate future investment.



Enterprise Zones

The Enterprise Zone programme has continued to deliver improved, high-quality locations for businesses to occupy and grow during 2018/19.

Over the last 12 months, the North East LEP Board has approved over £40.63m worth of investment on Enterprise Zone sites, developing attractive plots and enhancing the physical environment, access and connectivity of the 21 sites from Berwick to Seaham. During 2018/19 new investment has been awarded to seven locations: Ashwood Business Park (Ashington), Bates Quay (Port of Blyth), Follingsby Max (Gateshead), Holborn Enterprise Park (South Shields), Jade Business Park (County Durham), Newcastle International Airport Business Park (Newcastle) and the Port of Sunderland (Sunderland).

Working with partners, the improved Enterprise Zone sites have successfully attracted eight new businesses to locate there during the last year. In addition, the Enterprise Zone sites have also drawn in over £146m of other investment to support ongoing development. This brings the total number of businesses located on Enterprise Zone sites to 48, employing around 1,400 people.

Building sustainable community economic infrastructure

Work commenced on the £2m refurbishment of underused station buildings at Morpeth Railway Station to create an enterprise hub, whilst in Bishop Auckland a new Welcome Building was launched to serve Auckland Castle and link to the town centre.

The Beacon of Light in Sunderland and Eagles Community Arena in Newcastle have created major new regional sporting facilities and venues through which local communities can engage in community learning and employment support activities.

▼ Beacon of Light



▲ The launch of Auckland Tower. Image by Colin Davison courtesy of The Auckland Project

“We’re immensely grateful to the people who have helped us to create this tower. The Local Enterprise Partnership has been a really great ally in this and their contribution to this has been absolutely fundamental in funding the road realignments, so that the tower can press out into the marketplace and the road can bend around it. Without their help it wouldn’t be here.”

David Maddan, CEO, the Auckland Project.

Housing

Two Homes England selected Housing Investment Fund schemes at Murton, North Tyneside and in the South Sunderland Growth Area, and have since prepared full funding business cases to provide advance highway and utility infrastructure to unlock the development of over 5,000 new homes.

The North East Property Fund pilot programme has begun to support small scale developers to bring forward smaller housing schemes. Four have been approved in the last 12 months.

Strategic employment sites

Work has commenced on the first phase of the 150ha International Advanced Manufacturing Park (IAMP), located in Sunderland and South Tyneside, where two companies have announced they are to locate major new manufacturing facilities.

In County Durham, NETPark has benefited from a new internal highway that opens up new development plots, whilst the £8m National Healthcare Photonics Centre was formally launched on one of the last remaining sites on Phase two.

Elsewhere in County Durham, advance highway infrastructure on the Integra 61 site has helped secure a circa 2msq ft development on a 40-acre site - the largest single-let logistics building outside of the South East - with work to commence later this year.



▲ International Advanced Manufacturing Park

Adoption of Local Plans

The plans for County Durham, Northumberland, South Tyneside and Sunderland are in development and have different expected adoption dates throughout 2019 to 2021.

Creating high specification industrial, commercial and laboratory space

Gap funding support to local developers enabled the construction of circa 120,000 sq ft, Grade A industrial units on Tyne Tunnel Estate and Monkton Business Park, in turn helping to secure new business investment into the region.

On Newcastle Helix, the £24m The Biosphere laboratory and office scheme opened with occupation levels achieving 30% by the year end. Speculative office schemes have also commenced at Newcastle Helix and on Gateshead Quays to overcome the shortage in Grade A offices.

In Sunderland, the Vaux site's first office building, The Beam, is nearing completion, providing 60,000 sq ft of city centre office space.

Circa **300,000sq.ft**

of new and improved commercial and industrial floorspace

Over **500 jobs**

reported from LEP-supported projects

Annual per capita investment, North East region **£1,013**

£262 (26%) Central and local government investment

£751 (74%) Private sector investment



▲ Artist's impression of The Biosphere laboratory

Transport connectivity

We continue to make excellent progress in achieving our vision to provide affordable, attractive, reliable, safe and healthy transport choices for businesses, residents and visitors. We are working with the seven local authorities in the North East LEP area to develop a Regional Transport Plan that will embed this vision and set the direction for transport in the North East.

“Our successful bid for funding from Tranche 1 of Transforming Cities Fund is hugely encouraging. We received the highest award of any city region, demonstrating the strength of our bid and our successful track record of delivery. Tranche 1 consists of measures that can be put in place quickly but will make a real difference to our daily journeys. They provide the foundation for the even bolder proposals we will be submitting in Tranche 2 and complement the other transport schemes underway across the region, to help improve productivity, link people to jobs and reduce the environmental impact of our transport choices.”

Tobyn Hughes, Managing Director of Transport North East.

Transforming Cities Fund

Improving productivity and tackling air quality are key priorities and our successful funding bid to the Transforming Cities Fund Tranche 1 will make a real difference, boosting cycle provision, improving connectivity and cutting traffic congestion.

The Transforming Cities Fund aims to drive up productivity and spread prosperity through investment in public and sustainable transport, linking people to jobs through high quality transport links while helping the environment.

The region has recently secured £10m in funding from Tranche 1 for early delivery of measures which will include new and enhanced cycle routes across the region. We are developing ambitious proposals for a Tranche 2 bid to be submitted in 2019.

Secured £10m

in funding from Tranche 1 of the Transforming Cities Fund.



▲ Construction of South Shields Transport Interchange

Delivery of transport schemes funded through the Local Growth Fund (LGF)

We continue to make excellent progress with the delivery of transport schemes funded through the Local Growth Fund (LGF), including:

- Construction of South Shields Transport Interchange is progressing well and the interchange is expected to be operational in Autumn 2019. The scheme will receive a total of £9.4m in funding from LGF.
- The A1058 Coast Road scheme which aims to reduce congestion and improve accessibility for pedestrians and cyclists has reached completion. The scheme was awarded £6.53m from LGF.
- The Arches scheme, in South Tyneside, which has received £7m from LGF, is now complete.
- The Local Sustainable Transport Fund capital programme is nearing completion with 14 of the 15 schemes having been delivered. The programme was allocated £7.33m from LGF.

Go Ultra Low North East programme

We are making excellent progress with the delivery of the £3.03m Go Ultra Low (GUL) North East programme.

An electric vehicle filling station, one of the first in the UK, is currently under construction in Sunderland and is expected to be operational from Spring 2019.

11 electric vehicle charging clusters are due to be delivered across the region, six of which will be operational by late Spring 2019, with the remaining five scheduled to be installed in late 2019.

The GUL project is being supplemented by £1.3m from Newcastle University's UK Collaboratorium for Research into Cities funding source which is being used to deliver a rapid charger filling station on the Newcastle Helix site. The filling station will be owned by the University.

A 'Fleet Revolution' campaign has also been launched to provide SMEs with advice on the benefits of introducing Ultra Low Emission Vehicles into their fleet and potential grants that are available.

Urban Traffic Management Centre (UTMC)

The regional UTMC has relocated to Newcastle Helix and the move of the back-office system to a cloud hosted environment is complete. 100 Automatic Number Plate Recognition cameras have been purchased and installed. 20 additional CCTV cameras at critical points on the network which will improve traffic flow and reduce congestion have also been installed.

Bus services

Local authority partners are continuing to explore how the powers vested in the Bus Services Act, including the requirement for operators to share data, can be used to improve local bus services. Innovative technologies offer the potential to deliver better bus services in ways that meet people's increasing expectations surrounding personal mobility. In this context, concepts such as Mobility as a Service and Future Mobility offer opportunities to deliver first mile/last mile links to Metro stations and interchanges, reducing short-distance car trips with resulting environmental benefits.

North East Freight Partnership

The efficient movement of goods is crucial to the region's economy and the freight sector is a major employer.

The North East Freight Partnership has continued to meet regularly, including meetings with the rail sector to discuss possible interchange and rail freight opportunities.

In January 2019, the Partnership organised a special event in Newcastle involving officers from the National Infrastructure Commission, at which freight operators from around the region were able to discuss the National Infrastructure Commission's emerging Freight Study.

Rail projects

We are working closely with Northern, TransPennine Express and Network Rail on a number of projects around station development and new passenger services which will improve connections between Northumberland and Newcastle.

▼ Artist's impression of the electric vehicle filling station in Sunderland



Policy and strategy

2018/19 has been a busy year for the North East LEP's strategy and policy team, with the update of the Strategic Economic Plan and starting to develop the North East Local Industrial Strategy with government. We have also been heavily involved in helping to shape the region's response to the UK leaving the EU. We have continued to work on developing the evidence base for the North East and have recruited programme leads to support the priorities identified in the North East Strategic Economic Plan in relation to energy and digital.

Policy

Developing strategies for our areas of strategic importance

As set out in our Strategic Economic Plan, we've identified four areas of strategic importance for our regional economy: energy, digital, advanced manufacturing, and health and life sciences. In each of these areas we will work with partners to set out a regional strategy, prioritise opportunities, and shape delivery plans to improve our economic competitiveness.

Work on this has already started, with energy and digital programme leads having been appointed, a digital steering group having been formed, and an Energy for Growth strategy having been developed for the region.

North East Local Industrial Strategy

In July 2018, government announced that the North East is one of six areas that the government will work with to develop a Local Industrial Strategy (LIS). The LIS will set out the North East's strategy for improving productivity and living standards and will contribute to the delivery of the national Industrial Strategy. We have been working closely with government and regional partners to develop the North East LIS, including commissioning a review of North East productivity and mapping key regional assets.

North East Brexit Group

The North East Brexit Group, led by the North East LEP, has continued to provide a collective regional voice and has developed a collaborative work programme to prepare for a range of Brexit scenarios. These include supporting the development of the Brexit Toolkit on the North East Growth Hub; convening an Emergency Response Task Force to respond to regional scale economic shocks; and creating an Infrastructure Sub-Group involving the Ports of Sunderland, Tyne and Blyth, Newcastle International Airport and NEXUS. The latter will ensure oversight and co-ordination of physical infrastructure in the region including liaison with the Department for Transport on infrastructure planning and the Home Office on border arrangements.

“The North East Brexit Group has provided an exceptional platform for all parts of the region's economy to work collaboratively in understanding and assessing the process as well as minimising detrimental impacts where possible. The collective expertise and reach of those in the group has opened doors no single representative would have been able to access. Its work is hugely important to the North East.”

Alistair Westwood, Deputy Regional Director – North East & Cumbria at CBI.

Brexit toolkit

7004 visits

02:46 average time spent on the page

Launched December 2018



Over 40 partners

involved in the development of the Energy for Growth strategy.

Research and evaluation

Over the last year, we have developed a research programme to ensure that our strategies and interventions are robust and evidence based.

The research programme captures work streams being conducted across our programmes of delivery and wider executive team.

We have also supported our programmes of delivery in commissioning evaluations across a range of programmes.

North East Evidence Forum

We have fully established the North East Economic Evidence Forum as a point of contact and collaboration on the development and dissemination of the region's economic evidence base. Drawing together research users, producers and commissioners from our local authorities, Universities and business organisations together with partners from leading think tanks and government, it provides a point of discussion and scrutiny for our research and evidence activities and an opportunity for others to discuss and present their work.

Research projects

In developing the evidence base for the North East Local Industrial Strategy, we have commissioned two independent research projects: a review of North East productivity, led by Cambridge Econometrics and Steer Economic Development; and a review of our sectors, assets and competencies and how these align with the Industrial Strategy Grand Challenges and Sector Deals, conducted by Technopolis.

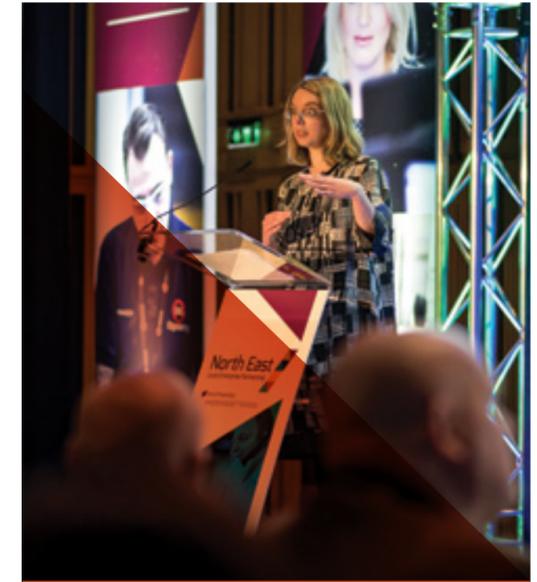
North East Strategic Economic Plan evaluation

We commissioned independent consultants Steer Economic Development to undertake an interim evaluation of the North East Plan over the next three years.

The focus of the evaluation is on the effectiveness and impact of the Strategic Economic Plan in driving economic growth and our role in facilitating the delivery of it.

4 North East Economic Evidence Forum meetings

with presentations from Joseph Rowntree Foundation, Centre for Cities and IPPR North



▲ Our Economy 2018 launch event

Data

Our Economy report

In March 2018, we published the first Our Economy report: an annual overview of the North East LEP area economy and how it is changing over time. It provides a resource for partners and positions the North East for future policy developments.

The North East Data Hub

Launched in March 2018, the North East Data Hub brings together data from a range of sources alongside easy to use tools and commentary to improve accessibility to and understanding of the North East economy. We have worked with partners to develop additional functionalities, broaden the range of data available and promote the Data Hub across the region.

DataJam North East

We worked with Newcastle University, DWP Digital, Newcastle City Council, Northumberland County Council and public sector reform movement, One Team Gov, to organise DataJam North East. The two-day event involved presentations, workshops, unconference sessions and hackathons, bringing together data, digital and service design teams to work on developing new insights in relation to skills, health, innovation and attainment.

North East Local Enterprise Partnership

1 St James Gate, Newcastle upon Tyne, NE1 4AD | **Tel** 0191 561 5420 | **Email** info@nelep.co.uk |  @northeastlep



northeastlep.co.uk



northeastgrowthhub.co.uk



northeastdatahub.co.uk



northeastambition.co.uk