



Annual Review

April 2019 – March 2020

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

North East
Local Enterprise Partnership



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North East LEP Senior Management Team
Top: Michelle Rainbow, Richard Baker, Jen Robson
Bottom: Alan Welby, Helen Golightly, Colin Bell



Helen Golightly, Chief Executive Officer

"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

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Introduction from Helen Golightly

This year's Annual Review is being compiled in very different circumstances to this exercise last year. Despite this, one thing holds absolutely true; the North East Local Enterprise Partnership (LEP) once again made excellent progress over the last twelve months and I'd like to thank everyone who has played a role in helping us achieve our objectives.

While all our thoughts and efforts are currently focused on the consequences of the COVID-19 pandemic, we must still take time to reflect on our work with partners over the last year.

For me, there have been some key highlights, which include:

- The North East Growth Hub has become critical in providing our North East businesses with support, particularly during the run up to EU Exit and the COVID-19 pandemic. I'm proud of the way in which the team has proved it can quickly mobilise high quality, intensive support. We've been recognised nationally for our approach and we are seeing our efforts making a real and measurable difference to North East businesses.
- Building on our pioneering work on the Good Career Guidance Benchmarks, I was thrilled to see the launch of a second pilot in the North East LEP region, this time focusing on primary schools. This aims to sow the seeds of ambition from an early age in recognition of the fact children can start to make career limiting decisions as early as five years old.
- We are extremely encouraged by the announcement in March 2020 that the North East will be at the centre of government investment in innovation. This is expected to be in Power Electronics and Electric Machines and centred around the establishment of four

Driving the Electric Revolution Centres which will share £30m to research and develop green electric machines including aircraft, ships and cars.

- A highlight within our transport programme must be the region collectively securing £198m from the Transforming Cities Fund to invest in key sustainable transport projects.
- Each year government reviews Local Enterprise Partnerships' performance. This year, our team received the highest category 'exceptional' for our delivery. This demonstrates our strong leadership and solid implementation to ensure that our strategic projects are delivered to make the maximum impact to boost economic development and create more and better jobs.
- The Our Economy 2019 report on the theme of 'What makes the North East competitive' was launched at an event attended by over 200 delegates in May 2019. The launch clearly demonstrated our ability to provide robust evidence that is valued by our partners, helping inform decision making and shaping a more accurate narrative about the North East.

Of course, every year brings an element of change within the team and we shortly say good bye to our Senior Economist, Victoria Sutherland.

Victoria leaves us in June to take up a new role as Head of Evidence for the What Works Centre in London. I'd like to thank her for bringing our vision of Our Economy to life and for her unwavering commitment to analysing our economic performance, which informs our strategic direction and decision making based on solid statistical data and trends.

The impacts of COVID-19 are undoubtably going to play a central part of our forward plan of activity for 2020/21 and beyond. It has been

incredible to see the huge efforts made by all those involved in planning for the region's short, medium and long-term recovery.

I am particularly proud of our strong partnerships with the North of Tyne and North East Combined Authorities and with businesses, coordinated through the CBI, to develop the North East COVID-19 Economic Response Group.

The Group's five-point plan to support the economy, build resilience and prepare for recovery is well underway and enabling us to help businesses stay operational, keep people in employment, collaborate to find solutions to new challenges and use our collective voice and influence with government.

These may be truly uncertain and turbulent times but rest assured, the North East Local Enterprise Partnership continues to support businesses and communities.

The one thing this region is not frightened of is a challenge and I am confident that our inbuilt resilience and strong community identity will carry us through to the recovery when we will do everything we possibly can to ensure our regional economy is back to pre-COVID-19 levels – and stronger again.

Helen Golightly
North East LEP, Chief Executive Officer

Impact to date

The Strategic Economic Plan sets out six targets for the region. These set out the progress we want the region to make between 2014 and 2024 in relation to the number, quality and type of employment opportunities available, the proportion of our workforce that is in employment and economically active and our productivity.

The most recent data available for four of the targets is 2019 and for the other two it is 2018. As such, the impact of coronavirus (COVID-19) has not yet begun to be seen in the targets.

COVID-19 has had 'and will continue to have' a significant impact on the economy of the North East and will make it more difficult for the region to achieve these targets. However, the ambitions that the targets set out - to increase employment opportunities and the proportion of our workforce that is in work and to improve our productivity levels - continue to be our priorities.

The position set out in this section provides us with a pre-COVID-19 baseline. We will work with our partners to help the region to return to and build on this position as quickly as possible.

The targets

More and better jobs

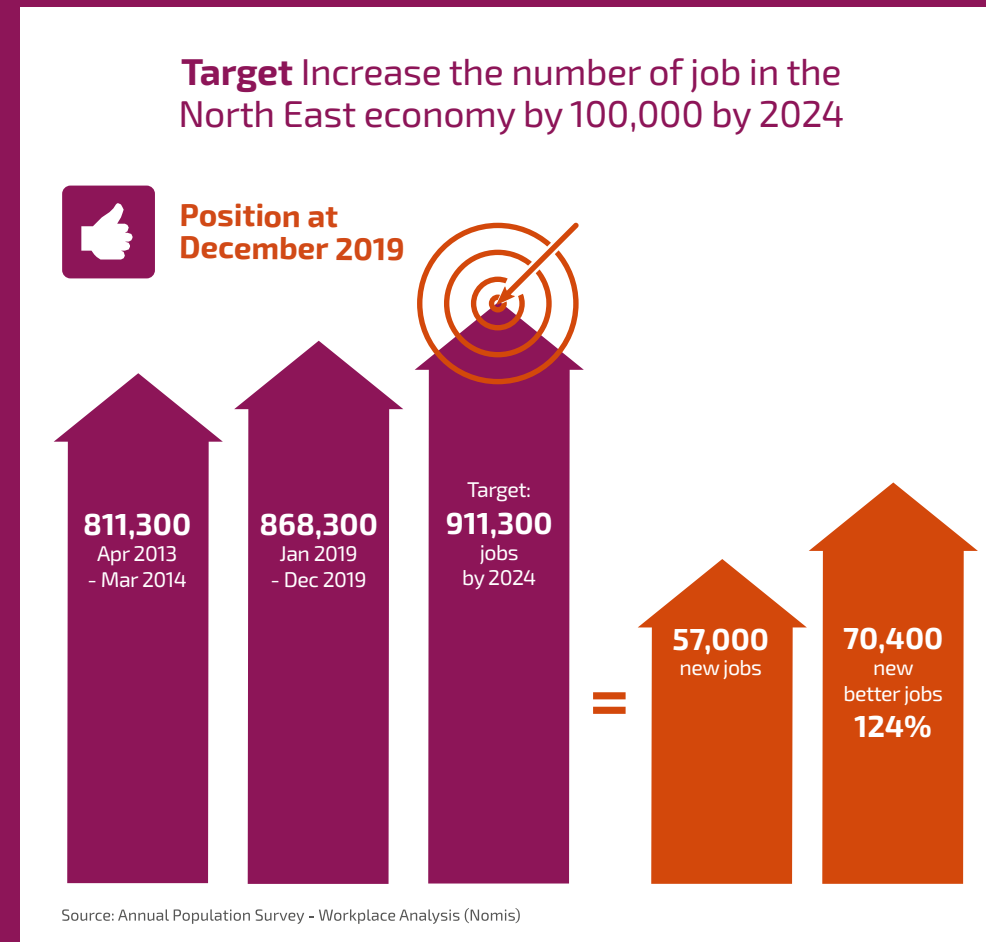
The two headline targets are to increase the number of jobs by 100,000 between 2014 and 2024 and for 70% of the additional jobs to be 'better jobs'. Better jobs are defined as those in the occupational groups: managers, directors and senior officials; professional occupations; and associate professional and technical occupations. Examples of professional occupations are doctors and civil engineers and examples of associate professional and technical occupations are laboratory technicians and graphic designers.

By December 2019, total employment had increased by 57,000. Employment in 'better jobs' had increased by 70,400, equivalent to 124% of the total increase.

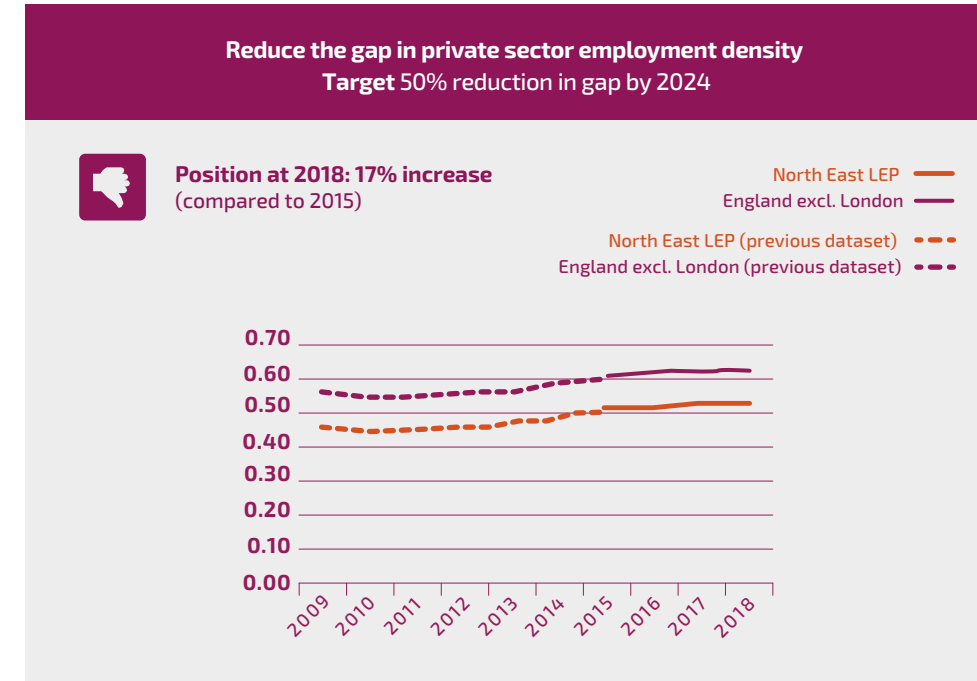
Closing the gap with England excluding London

The four other targets are for the gaps in private sector employment density per head, the economic activity rate and productivity (GVA per hour worked) to be reduced by 50% by 2024 and for the gap in the employment rate to be completely closed. The rates and density all refer to the working age population (aged 16 to 64).

According to the latest data, the North East LEP area has improved its performance on each measure since 2014. However, in three cases the improvement in the performance across England excluding London has been greater, resulting in increased rather than reduced gaps. The exception is the employment rate where the North East increase has been slightly larger leading to a small (3%) decrease in the gap.

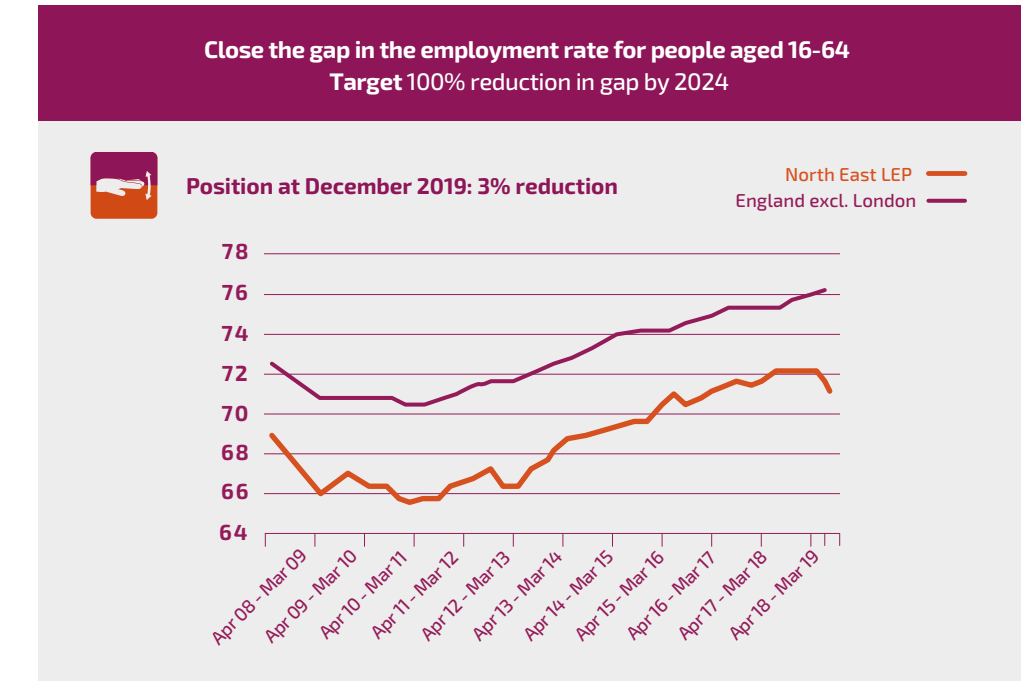


Private sector employment density



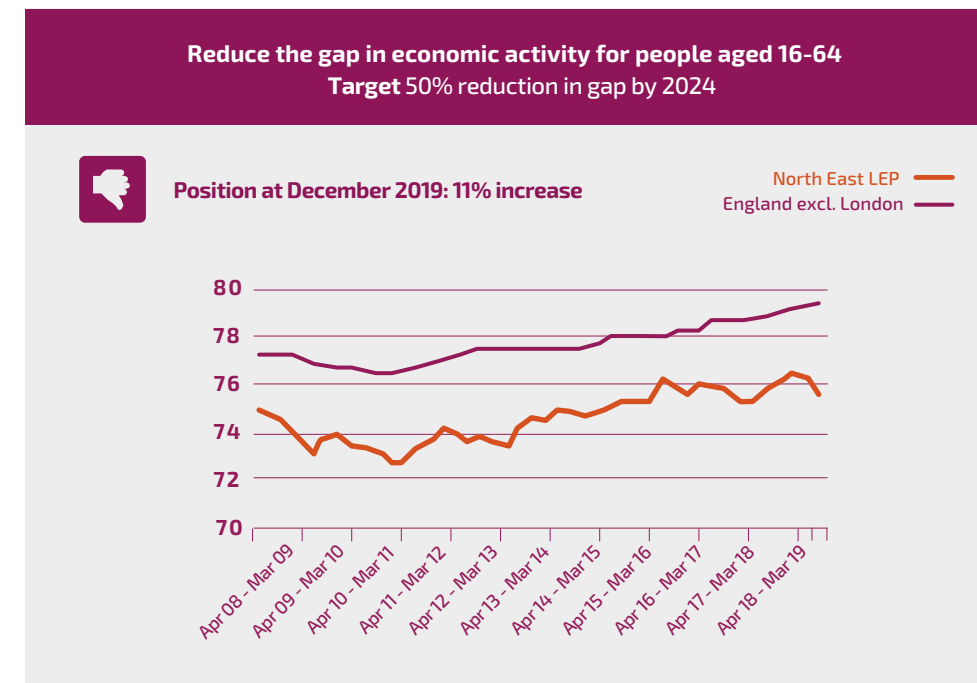
Source: Business Register and Employment Survey and Population Estimates (Nomis)

Employment rate



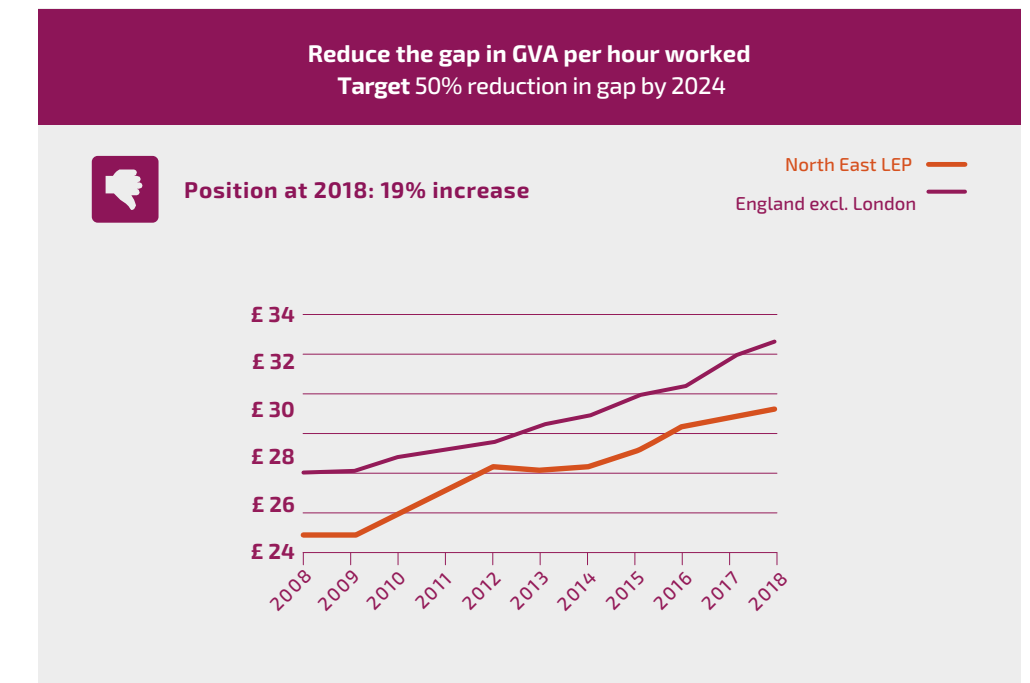
Source: Annual Population Survey (Nomis)

Economic activity rate



Source: Annual Population Survey (Nomis)

Gross Value Added per hour worked



Source: Regional and sub-regional productivity in the UK (ONS)

Business growth



“2019-2020 was a pivotal year that saw the hard work of previous years pay off and begin to deliver measurable business and economic impact.”

Colin Bell, Business Growth Director



Connectors, Ken Arnold, Karl McCracken, Craig Harrison



Working with the North East business community, we continue to make progress towards the goal to increase the density of scaleup businesses in the North East LEP area by 50% by 2024.

Scaleup North East remains a central part of our strategy to deliver this, with 286 businesses having engaged with the programme and forecasting an uplift of £37million of GVA and the creation of 551 jobs in the North East economy. Scaleup North East has evolved and strengthened its bespoke offer to serve ambitious businesses to achieve defined objectives, ensuring they are taking the actions required to scale.

“Our business base is demonstrating its growing ambition by raising over £85 million of capital through the North East Fund and private sector leverage to fuel future plans”

Jason Hobbs, Chief Executive Officer, North East Fund

Supporting businesses through times of crisis and change

Events in 2019-20 caused uncertainty and disruption to businesses. Working with government, the North East Growth Hub has been the primary source of guidance to businesses on issues such as exiting the EU and the recent impacts of COVID-19.

The Chancellor announced additional investment for the national network of Growth Hubs in recognition of the contribution they are making to business support.

Increasing ambition and demand for business support and finance

During 2019-20, we generated 17,179 referrals for business support and finance providers. Our Growth Hub Connectors worked with 555 businesses to review their business needs to offer impartial brokerage to business support and finance solutions. We are delighted our Growth Hub Connectors have achieved a 98% customer satisfaction score, which reflects the quality and customer centred approach we adopt.



“Ken was fantastic and extremely knowledgeable about the support that I needed to progress my business. Ken was engaging, understanding and interested in my journey and I would highly recommend this service to others. Thanks once again to another quality service.”
Growth Hub Connect client.

Generating a pipeline of future scaleups

To support our pipeline of scaleup businesses we introduced High Potential Startups to support founders with a great idea and the ambition to create a high growth business.

We launched High Potential Startups with a communications campaign and attracted over 300 expressions of interest with 34 founders now working with us, which is 45% of our three year target.



David Beavis (left) and Sean Murphy, co-founders of etika

Raising productivity

Improving productivity, remains both a national and local priority. Digital adoption has critical role in improving productivity, so we were delighted when we were successful in securing Business Basics funding, in partnership with Sheffield and Greater Birmingham and Solihull Growth Hubs, to trial an innovative approach to this agenda.

Additionally, Supply Chain North East continued to support process improvement and the adoption of digital technologies within the wider scope of securing business resilience through market diversification.

Opening new markets

Supply Chain North East has continued to work with businesses to diversify their offer, expand their customer base and unlock opportunities in new markets. The team has linked local suppliers with Heathrow expansion, HS2, the Nexus Metro fleet renewal and is playing a central role in the COVID-19 response in terms of Personal Protection Equipment (PPE) supply and demand.

Developing leadership capability

We have matched over 50 entrepreneurs with mentors, with 100% mentee satisfaction. Working in collaboration with Be the Business we are matching business leaders with mentors from PLCs to support productivity improvement.



Growing award-winning business Latimer's Seafood in Whitburn is exploring new opportunities and boosting efficiency thanks to Supply Chain North East.

Supporting the rural economy

As well as ensuring the Growth Hub offer is available to rural-based businesses, over 270 jobs have been created through the 45 North East Rural Growth Network investments and the Rural Payments Agency Growth Programme invested in 51 projects. The North East Fund continued to support businesses in the rural economy, with over £9m investment secured for businesses located in County Durham and Northumberland.

A new approach to partnership and ecosystem development

We were chosen as one of six teams nationally to participate in the renowned MIT Regional Entrepreneurship Acceleration Programme. Working with a team of regional partners, it will enable us to accelerate economic growth and social progress, through the co-creation of a plan to accelerate innovation-driven entrepreneurship.

Creating an ecosystem post EU Exit

We've been working closely with our partners locally and nationally to prepare the way for business growth and innovation support post-EU Exit that is based on good practice ecosystems from around the world.

Innovation



"This year marked a shift in focus for the Innovation programme with long-term projects moving further into delivery, investment in new incubation facilities, shared learning around open innovation, and success in national funding rounds. We have also progressed with the development of an Innovation Delivery Framework that will launch later in the year."

Alan Welby, Innovation Director

Setting a framework for future delivery

We have worked with partners throughout the past year to set a framework for co-ordinated and prioritised future delivery.

Our approach has built on the Strategic Economic Plan and the development of the Local Industrial Strategy and brings together public and private partners to accelerate innovation-based growth in the North East.

The challenges unleashed by Covid-19 on our economy will require our businesses to adapt quickly and unlock creative ways of working to deliver successful new processes, products and services. Our work in developing a new innovation delivery framework will allow the region to respond more quickly and effectively to businesses. It also provides prioritised focus on major transformative projects to support swift economic recovery.

We have engaged with the region's innovation support organisations and national experts to develop a new approach to business growth support and this will feed into preparation for the COVID-19 response programme and programmes emerging from the expected Shared Prosperity Fund.

We are also progressing with a second commission looking at outputs and monitoring approaches, and working with partners to help us further develop an Innovation Delivery Partnerships (IDPs) model. These IDPs bring together public and private partners to anticipate and accelerate North East market share in emerging innovation growth markets.

COVID-19 will unlock new opportunities and regional partnerships can fast-track our businesses to take advantage of a rapidly evolving economy.



The Biosphere at Newcastle Helix.

Cllr Ged Bell, Cabinet Member for Employment and Investment, Newcastle City Council said:

"The Biosphere was a significant investment for the local economy and marked a clear commitment to life sciences growth. So much has been achieved since 2015, the design, construction and operation of a new lab facility that is now home to 10 dynamic life science businesses with global life-changing ambitions."

29

new projects joined regionally significant innovation pipeline



More than 600

investor meetings delivered through Innovation SuperNetwork events

Prioritising, promoting and supporting key projects

Delivering investment in our innovation infrastructure and assets remains a key activity. The competitive nature of national funding competitions for innovation means we need to have strong propositions to be successful. We have therefore introduced a prioritised pipeline to highlight key projects and shape work with partners that leads to investment-ready projects. The rigorous approach we have implemented this year is already proving successful, with proposals from the Centre for Sustainable Advanced Manufacturing and North East Chain Ageing progressing to the second round of the highly competitive Strength in Places Fund. £37m of funding has also been announced for Driving the Electric Revolution, and support for the National Innovation Centre for Rural Enterprise is anticipated.

£37m

of funding has been announced for Driving the Electric Revolution

Working together for collaborative actions

We have continued our commitment to supporting open innovation to thrive across our region. This year we have worked with partners already delivering open innovation support to understand routes to make a coordinated offer to businesses. We have run the first in a series of workshops with the Innovation SuperNetwork to understand the appetite for joint working, and following this, have developed a plan to investigate this further. This will ensure businesses and other organisations joining open innovation events know what the process will involve, and what they can get out of it. We will be running more sessions throughout 2020-21.

Accessing European collaboration through INVITE

The INVITE programme has had a positive year of delivery. Building on the groundwork of the last two years, the programme has moved into the delivery phase, holding two rounds of competitions which have involved 50 North East businesses.

This has resulted in 18 applications as part of the Europe-wide competition for proposals and partners, helping 18 North East businesses to successfully find collaborative partners.

Through the INVITE programme, North East businesses are already finding ways to work closely with partners from across Europe to develop new ideas, products and services.



The INVITE working group held their annual general meeting in Newcastle in November 2019.

Improving the innovation offer of the North East

Since 2017 we have invested £2.7m in supporting local partners through the Innovation Development Fund and the Incubator Support Fund both secured through the Local Growth Fund, £1.9m of which has supported the developed of seven incubation projects bringing in a further £2m of matched investment. The Innovation Zone at the North East BIC has opened its doors and Northumbria University's incubator is due to open in mid-2020. The Innovation Development Fund has awarded £1m to 13 projects to develop strong business cases, including the Centre for Sustainable Advanced Manufacturing. The Fund has also supported the completion of a £12m new facility on the International Advanced Manufacturing Park site.

£2.7m

of funding awarded through LEP's Innovation Project Development and Incubator Support funds

Skills, employment, inclusion and progression



"This last year has seen the growth of the skills team to full capacity and I'm delighted by the progress the team has made to embed the programmes and projects across the region. Our partnerships are strong regionally, nationally and internationally and the North East's reputation for innovation in skills has started many conversations and highlighted opportunities to trial new approaches to existing challenges."

Michelle Rainbow, Skills Director



St Aloysius RC Primary School, South Tyneside.
Career Benchmarks: Primary Pilot

"I can't put across in words how much the LEP has helped me maintain and really kick start our career programme here at Washington Academy. Being a Careers Leader in general can feel very isolating at times as it's all relatively new and sometimes a one man band in schools. The LEP have been a constant stream of support and expertise for me to rely on."

Kelly Oakland, Washington Academy

150 schools and colleges

are engaged with North East Ambition

College Hub members deliver across 35 different campuses, supporting 73,000 learners

North East Ambition

North East Ambition continues to support every school and college in our region to adopt, implement and achieve the eight Good Career Guidance 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 into work.

To achieve this we are working across our network of secondary schools and colleges 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. We have 118 Enterprise Advisers supporting schools and colleges.

Our termly Regional Careers Leader Network Meetings go from strength to strength, with the last event attracting 140 schools and colleges. Our dedicated website, northeastambition.co.uk, has been developed further to provide an enhanced offer of resources and toolkits to help schools achieve the benchmarks.

We are proud to host England's only dedicated college hub and a new SEND-focused hub which alongside two school hubs, collectively support 95 schools and colleges. Our Career Benchmark: Primary Pilot is now up and running and, whilst it is still very early on in the pilot, it has been an incredibly positive start. The work in the pilot is enabling schools to sow the seeds of ambition from an early age.

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 expand and develop with the addition of two more secondary schools and a further education college.

The project engages a wide range of stakeholders to co-develop students' development and learning, giving purpose, context and real-world application.

Three of our schools are enrolled on the Ford Next Generation Learning programme, which sees students benefit from an approach to learning that involves local employers - linked to strategically important sectors of industry - working with them to not only contextualise learning, but also to give them an insight into the opportunities ahead of them.

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

The programme will start this year, supporting 14 year olds to understand the options available to them and widen their knowledge of the world of work.

Generation North East

Generation North East helps people aged 18 to 29 find work and progress in employment. The programme has been active since 2014 and in 2018 extended its services with ESF funding, partnering with The Prince's Trust. Working closely with SMEs, Generation North East has knitted together complementary elements to enable employers to reach new talent while fulfilling the dreams of young people. To date Generation North East partners have supported over 5,000 young people, helping more than 2,000 into employment.

DurhamWorks

DurhamWorks provides targeted support to unemployed young people aged 16 to 24 in County Durham. Its work is based on an understanding that the most vulnerable young people in the area require sustained support and that single interventions will not produce a long-term impact on young people's life chances. Over 7,000 young people have engaged in DurhamWorks since 2016, with 69% of those completing the programme entering employment. The programme has also seen a significant decrease in the proportion of young people in vulnerable groups who are not in education, employment or training.

Progression

We are working with partners to improve skills progression by encouraging the provision of high quality opportunities to learn. We are supporting the development of the region's Institute of Technology (IoT), which will offer top quality training and apprenticeships in higher-level technical skills, to ensure the North East is known for excellence in technical education. The IoT represents a partnership approach, with involvement from Newcastle University, employers including Nissan and Esh Group, and a range of colleges from the region. We are encouraging businesses to take on apprentices in our area, and we want to ensure organisations are providing higher and degree level apprenticeships too. We are also working closely with partners to ensure that the roll out of T-Levels in the region is a success.

Mental Health Trailblazer

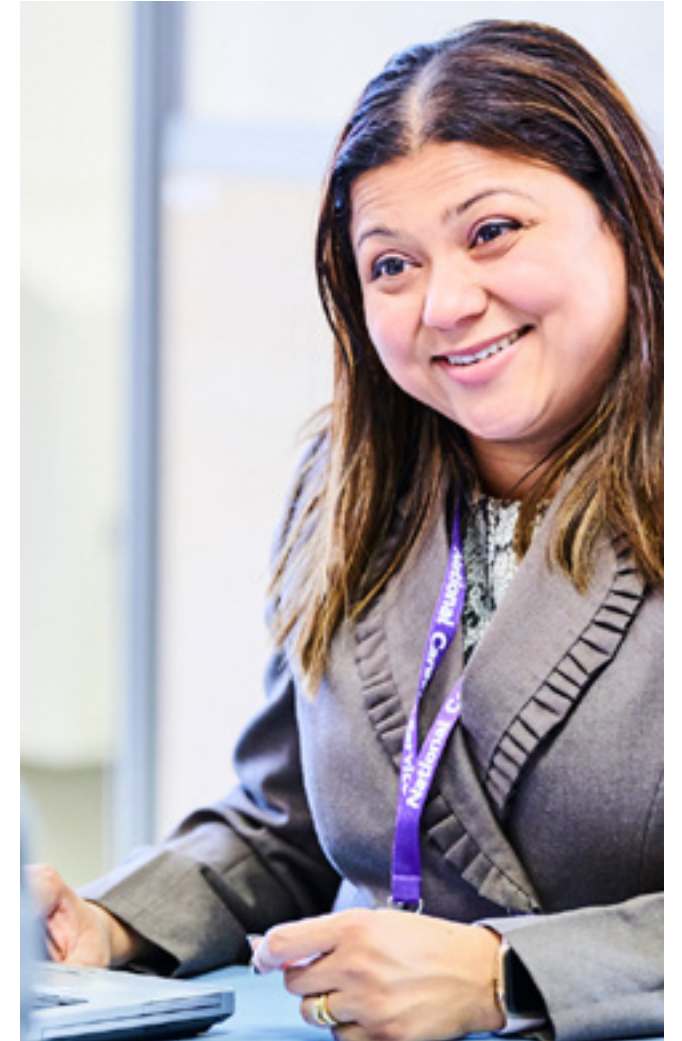
This was developed as a pilot project to support people across the region back into work through an individual job placement and ongoing support, using a model advocated by the Centre for Mental Health. Mental Health Trailblazer tested the effectiveness of this approach in moving people with mental health conditions linked to unemployment, primarily anxiety and depression, into work, and supporting them to stay in work. The project provided intensive, individual support, with rapid job search followed by placement in paid employment, and in-work support for the employee and employer. The Trailblazer ran from January 2017 to December 2019 and supported 1,500 residents.

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 to attract and develop the best and most productive workforce they can, while giving people access to training and flexible working practices that allow them to stay in work longer. We have articulated the challenges facing the North East in our Local Industrial Strategy and are working with partners to respond to the challenge set out in the National Industrial Strategy, exploring ways to harness the power of innovation to help meet the needs of an ageing society.

National Careers Service

This programme, delivered by the Educational Development Trust, provides 50 Careers Advisers who provide professional information, advice and guidance across the North East. The role of the National Careers Service is to support people to achieve learning and career progression and manage their careers and a key aim is to give people tools and skills to independently access support. During 2019-20 the National Careers Service supported over 25,000 people, with 2,000 finding sustainable employment and over 5,000 undertaking further learning.



National Careers Service

"My careers adviser Briony helped me improve my confidence by guiding me through the interview process and preparing me for some of the questions that might be asked. I was successful in an interview and will be moving into a job soon."

Deborah, National Careers Service customer.

Investment and infrastructure



"I'm delighted to see significant funding in our regional infrastructure continue over the year, strategically invested into projects creating more and better jobs."

Helen Golightly, Chief Executive Officer



Jade Business Park



Local Growth Fund

The Local Growth Fund (LGF) £28m budget for 2019-20 has been fully committed, helping create more than 1,000 new jobs and apprenticeship places, and leveraging over £90m into the North East economy.

Over the past year several major project investments have launched, including:

Energy for Growth programme - £1.2m

A new, two-year Energy for Growth programme is already supporting nine new initiatives across the region, including feasibility studies into the development of an onshore test turbine facility at Northumberland Energy Park, East Sleekburn, and the potential for a hydro scheme on the River Tyne at Hexham.

A19 to North Bank of Tyne junction improvements - £4.7m

North Tyneside Council has completed a two-year initiative to improve junction capacity along the North Bank of Tyne highway network, enabling better access to key riverside employment sites.

South Shields Transport Corridor - £7m

In South Tyneside, major improvements at two of the region's key strategic road corridors - the Arches junction off the A194 and the A185 - has eased congestion and improved air quality whilst improving access to the Port of Tyne and South Shields.

North East Investment Fund

As of February 2020, the North East Investment Fund (NEIF) has contracted for £67.9m against 28 projects. There remains £18.6m available for future investment.

£67.9m

invested to date

28

projects

£18.6m

available for new loans

Enterprise Zones

The Enterprise Zone programme continues to deliver improved, high-quality locations for businesses to occupy and grow.

During the last 12 months our 21 Enterprise Zones became home to six more businesses, creating 240 new jobs. This brings the total number of businesses located on Enterprise Zone sites to 54, collectively employing more than 1,500 people.

There has been significant progress made on several sites including the International Advanced Manufacturing Park (IAMP) in Sunderland and South Tyneside; Jade Business Park in County Durham; Newcastle Airport Business Park in Newcastle upon Tyne; Northumberland Energy Park in Blyth; and Follingsby Max in Gateshead.

During 2019-20, new investment from the North East LEP has been awarded to two Enterprise Zones, North Bank of Tyne (Newcastle upon Tyne) and Holborn 2 (South Tyneside). These investments total over £16m and will make these sites more attractive for private sector development, particularly in relation to the offshore and subsea sectors.

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 North East Strategic Economic Plan. The European Social Investment fund is made up of three key funds and the North East allocations and commitments are as follows:

Current North East LEP area position (Feb 2020)

	Allocation	Potential commitments	Funding remaining
Total	£498.4m	£484.4m	£14m
European Regional Development Fund	£263.18m	£253.9m	£9.3m
European Social Fund	£224.7m	£224.7m	£0
European Agriculture Fund for Rural Development	£10.5m	£5.84m	£4.6m

Figures subject to change in line with exchange rates.

Industrial and Commercial Property

In Sunderland, the first office scheme known as, The Beam, on the city centre Riverside site (formerly VAUX), has completed and attracted three tenants including online retailer, Ocado, who have begun the recruitment of up to 300 jobs. On Infinity Park at Monkton Business Park South, South Tyneside, all three advance industrial units developed by Hellens Group are now occupied with the Spanish-owned utility contracting firm, IQA Elecnor Group, leasing the final unit and expecting to create over 100 jobs over 12 months.

70,000

of new commercial and industrial floorspace completed

Over 1,000 jobs

on LEP-supported development sites and buildings

"The BEAM is central to the plans for the regeneration of Sunderland's city centre and attracting a major employer such as Ocado was a key milestone that will unlock further development and lead to the creation of more and better jobs for our citizens."

Helen Golightly, Chief Executive, North East LEP.



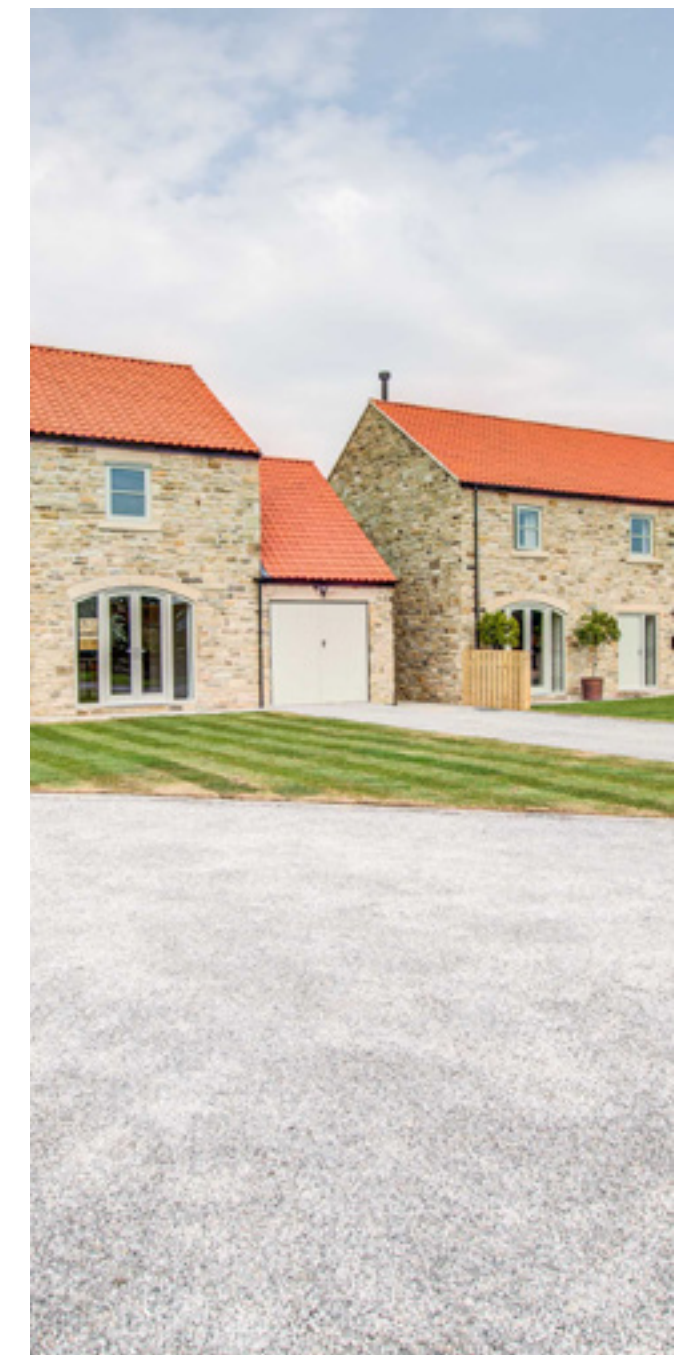
The Beam

Housing

The North East Property Fund, established between the North East LEP, Santander and FW Capital, continues to support small scale housing developers to unlock stalled housing and commercial sites across the region.

11 projects have received loans delivering 75 new homes. On the Integra 61 site in Durham, Persimmon Homes have started building 30 homes.

On the Newcastle Helix site in Newcastle city centre, new homes are planned that will benefit from the District Energy Centre, which formally opened in February 2020.



One North Property at Whorlton, County Durham.

Transport connectivity



"We continue to make excellent progress in improving the region's transport network, making it easier for people and goods to move around. However, more needs to be done and we continue to make the case for funding to further improve our transport offer."

Phillip Meikle, Transport Strategy Director



Azuma train

"Transport investment has never been a higher priority for the North East. Investment in our transport networks addresses the urgent need to rebalance the UK economy and share economic wealth with regions like the North East."

CLlr Martin Gannon, Leader of Gateshead Council and Chair of the North East Joint Transport Committee.



Public transport to our key tourism sites is a part of the plan

North East Transport Plan

The North East Joint Transport Committee is continuing to make considerable progress in developing the North East Transport Plan which sets the vision of 'moving to a green, healthy, dynamic and thriving North East'.

The plan aims to:

Achieve a carbon neutral North East

Overcome inequality and grow our economy

Achieve a healthier North East

Put in place appealing sustainable transport choices and a safe, secure network.

Closely aligned with the North East Strategic Economic Plan and Local Industrial Strategy, the Transport Plan will set out the region's transport priorities up to 2035.

East Coast Main Line

Improvements to the East Coast Main Line through HS2 and the Northern Powerhouse Rail programme will transform North East connectivity to the rest of the UK, and we continue to take a proactive role in campaigning for investment in the East Coast Main Line between York and Newcastle. We continue to support the North East Chamber of Commerce in their 'Fast Tack' East Coast campaign to secure investment and North East Joint Transport Committee members represent the region on the East Coast Mainline Authorities consortium.

The North East is continuing to make the case for greater control and accountability over the specification and operation of local rail services. Work is underway to develop a prospectus for 'North Eastern Railways'.

"By improving our transport infrastructure and ensuring it's future proof, we can compete globally, grow our economy, create more and better jobs and bring more investment into the region."

Andrew Moffat, Board member of the North East Local Enterprise Partnership

Transforming Cities Fund

The Transforming Cities Fund (TCF) aims to drive up productivity and improve access to work through investment in public and sustainable transport. Last year, the region secured £10m from TCF Tranche 1, which delivered measures including new and enhanced cycle routes and improvements to the Urban Traffic Management Centre.

Over the course of 2019 an ambitious plan was developed for investment in our transport network up to 2023. It featured Metro and passenger rail improvements, bus priority schemes, new transport interchanges, improved city centre transport gateways, more park and ride facilities and improved cycling and walking routes.

In March 2020 it was announced that the region was awarded £189m to progress our Metro flow scheme and a range of smaller local schemes. Funding was also confirmed for reopening the Northumberland Line to passenger trains, using a different funding source.

£183m

Transforming Cities Funding awarded in March 2020

Bus services

New and innovative technologies that are emerging in the bus industry continue to be explored by local authorities to deliver improved bus services for passengers. The powers vested in the Bus Services Act, including the requirement for operators to share data, could have the potential to achieve this. Alongside this, the North East Transport Plan will include a vision for buses, designed to create the conditions for a successful network and build the foundations for a successful region.

North East Freight Partnership

The North East Freight Partnership has continued to meet regularly with industry members and other stakeholders to address concerns over the shortage of HGV drivers and the impact of goods vehicles on carbon emissions and air quality. A separate skills group has been set up to address skill shortages.

Go Ultra Low North East

The Go Ultra Low North East programme, is funded by the Office for Low Emission Vehicles and European Regional Development Fund. It has made significant progress over the last year, notably the opening of the UK's first Electric Vehicle filling station in Sunderland in April 2019. The installation of eleven rapid charging hubs will be installed by summer 2020.

The North East has also been successful in receiving £500,000 from the Office for Low Emission Vehicles Taxi Fund to install 10 rapid chargers for taxis and private hire vehicles across the region.



Fastned first rapid charging station, Sunderland

Delivery of transport schemes funded through the Local Growth Fund

The delivery of the Local Growth Fund (LGF) transport programme is progressing well, with £3.2m from the fund spent on transport projects in 2019-20. The Newcastle Central Gateway project, which will transform one of the region's key gateways, is expected to begin delivery in mid-2020 with completion in 2021. The £21m South Shields Transport Interchange, which brings Metro and bus services together, opened August 2019. The Arches junction improvement scheme was completed under budget and opened in March 2019. The scheme, which has been nominated for several awards, has reduced congestion, improved travel time and reduced CO2 emissions along the route.



Central Gateway, Neville Street Entrance



South Shields Interchange

Strategy, policy, evidence and analysis



"This year, we have continued to build the North East LEP's ability to inform and support decision making about our regional economy with influential data and evidence activities, strengthened relationships with partners in our areas of strategic importance, and new capacity to respond to a complex and changing public policy environment. This groundwork will stand us in good stead to support the region through a future of great change."

Richard Baker, Strategy and Policy Director

"Sharing international insights on the opportunities and challenges for regional development strategies is at the core of OECD work. It was great to present findings from our work, and engage with such an informed, diverse and engaging audience."

Joaquim Oliveira Martins
Deputy-Director, OECD Centre for Entrepreneurship, SMEs, Regions and Cities

550+

delegates

Local Industrial Strategy
Engagement Summit

Local Industrial Strategy

We worked with government, the North of Tyne and North East Combined Authorities, businesses and partners to co-ordinate the development of the North East Local Industrial Strategy. Our aim was to develop a strategy for industrial growth which is outward looking, collaborative, and that articulated North East opportunities to improve the UK's productivity performance and living standards in the region.

In July 2019 we hosted an engagement summit, attended by over 550 delegates. We tested our emerging priorities, updated delegates on the evidence base and provided examples of 'what works' in delivering a more productive and inclusive economy.

We welcomed guest speakers from the Organisation for Economic Co-operation and Development, Be the Business, and the University of Pittsburgh who brought insight and ideas from international evidence and business practice. As we look forward to a changed economic environment, the work we have done together will underpin future recovery and regional economic development.



Northern Powerhouse Convention, July 2019.

Leaving the European Union

The North East Brexit Group was renamed and repositioned as the EU Exit Implementation Group following the departure from the European Union in January. It remains a key point of regional co-ordination as we work through the transitional period.

The group continues to work together to understand and produce evidence and policy responses to key domestic policy issues, and co-ordinate projects and activities to seek to ensure that EU Exit delivers positive outcomes for the region.

Regional engagement, policy analysis and the gathering of evidence have supported submissions to consultations and meetings with Government departments. A review of our workplan identified key priorities for key North East sectors, preferred outcomes for future immigration and labour market policy, and options for future regional funding. It is developing practical initiatives to support the economy in the future including innovative proposals to establish a Free Zone in the region to facilitate frictionless trade, supporting just in time supply chains and providing an attractive proposition for future businesses investment.

Northern Powerhouse

We continue to play a key role in the development of NP11 by leading on its innovation work stream, and making significant inputs into its energy and supply chain programmes. We support other Northern initiatives, contributing to the work of Transport for the North as a steering group member on its review of the Northern Powerhouse Independent Economic Review, and as the NP11 representative on the steering group for the review of research and innovation. We also work alongside five other LEPs, government, and the North East and Yorkshire Local Energy Hub on our energy programmes.



The North East Local Industrial Strategy Summit, July 2019.

Evidence and Analysis

Building the evidence base

Over the last year, we have continued to develop an evidence base that informs the delivery of the North East Strategic Economic Plan and the development of the North East Local Industrial Strategy. This has included analysing published data, commissioning research and evaluations, building strategic partnerships with universities, and improving access to, and engagement with, evidence across the region.

North East Data Hub

The North East Data Hub ensures that anyone can access data on the North East economy. Launched in March 2018, the Data Hub publishes data from a range of sources using simple tools and provides easy-to-understand commentary. During 2019-20 we continued to develop the site's functionalities, broaden the range of data available and promote the Data Hub across the region. The site now includes a repository of research and publications about the North East economy.

Our Economy 2019

Our Economy presents an overview of the North East LEP economy and how it is changing over time. It provides a resource for partners and positions the North East for future policy developments. Our Economy 2019 was published in May, with the launch event attracting over 300 attendees and having a large social media reach. Every year, the Our Economy report provides a comprehensive look at a specific topic and in 2019 it examined what makes the North East a competitive place.

Research and evaluation projects

During 2019-20 we have supported a wide range of research and evaluation projects including providing the evidence to underpin the development of proposals for a North East Free Trade Zone, an evaluation of the North East Ambition Career Benchmarks, and development of a business growth and innovation ecosystem model. Over the last year we have worked with a number of universities in the region to develop strategic relationships and this has led to a number of new avenues of research.

North East Strategic Economic Plan evaluation

The interim evaluation of the North East Strategic Economic Plan was in its second year in 2019-20. The focus of the evaluation this year has been on building a stronger narrative around our programmes of delivery through the inclusion of mini project evaluations and case studies on Strategic Added Value.

Skills Advisory Panel

The North East has established a Skills Advisory Panel (SAP) that brings together employers, providers and others to ensure that skills provision in the North East is meeting the region's needs. The analysis team has developed an extensive evidence base to help inform the work of the SAP and has commissioned a range of research to develop this further. Linked to this, we have worked with colleagues in the skills team to deliver training for college staff on the use of labour market statistics.

North East Economic Evidence Forum

The North East Economic Evidence Forum continues to bring together partners from across the region, national research organisations and government to identify the evidence needs of the region, review emerging findings and disseminate research. During 2019-20 the forum considered evidence on the Northern Powerhouse, transport, tourism and culture.

DataJam North East

We helped organise the second annual DataJam North East, held in September 2019 at Newcastle University. The event was established to create opportunities for people passionate about the North East to come together to use their data and service design skills to improve the lives of people in our region, with its flagship event being two days of hacks, training and unconference sessions. This year's event was attended by around 180 participants.



The North East Local Industrial Strategy Summit, July 2019.

"Durham University is committed to having a positive impact from our research in the North East region. Working with the LEP to ensure that relevant research informs policy and investment decisions is one really important element of this."

Over the last year we have begun to develop a vision for future collaboration in this area and shape a joint research programme, with some exciting initial projects seeking a better understanding of key issues for the region such as productivity and good employment practice.'

Durham University

Areas of opportunity

We continue to develop the North East LEP's capacity to support the four areas of strategic importance identified in the Strategic Economic Plan. As we have developed resources, this year has seen further expansion of our work on the Energy for Growth strategy with and new strategic capacity on digital, and health and life sciences.

Alongside, we continue to work closely with partners in sector organisations on advanced manufacturing and to take opportunities to support sector growth in other parts of the economy

Energy

Delivery of the Energy for Growth strategy has continued with partners during 2019-20.

The North East Energy Catalyst has launched, bringing together the capabilities of the region's comprehensive energy innovation and demonstration asset base into a single co-ordinated vehicle.

Promoted at events including the Northern Powerhouse Energy Summit, the North East Energy Catalyst has established a delivery plan which builds on shared capabilities across business, science and research, to showcase solutions to global energy challenges and drive economic growth in the North East.

Regional energy opportunities are also being progressed. Our focus on rural energy project development is supported by the Rural Community Energy Fund.

The North East LEP has convened a national mine energy taskforce, co-ordinating cross sector organisations with the shared goal of unlocking delivery of geothermal heat from mines at scale.

Offshore energy and subsea technology sectors continue to present significant opportunities to build on the region's asset base, with offshore wind a particular focus as a result of the national sector deal launched in March 2019.

The North East LEP has commissioned work to establish the scale of the job creation, GVA growth and export opportunities for the region, showing that the North East can deliver a major part of the UK's aspirations for the sector deal.

The North East LEP is also an active participant, together with the Tees Valley Combined Authority, regional businesses, and developers, in the reconstituted Energi Coast cluster body which provides a focus for growth for the whole North East region.

GVA in the energy sector has potential to grow by between 150% and 190% by 2025



North East Energy Catalyst

Digital

The North East's digital strategy, Digital for Growth, was launched in October 2019 at an event held at PROTO, The Emerging Technology Centre in Gateshead.

The event was attended by over 100 key stakeholders from the public, private, third and education sectors.

Delivery of Digital for Growth will enable the region to develop a confident and connected digital economy that addresses the cross-cutting aspirations of digital adoption, digital transformation and digital skills development.

It builds on the North East's vibrant tech community and brings together our digital support networks.

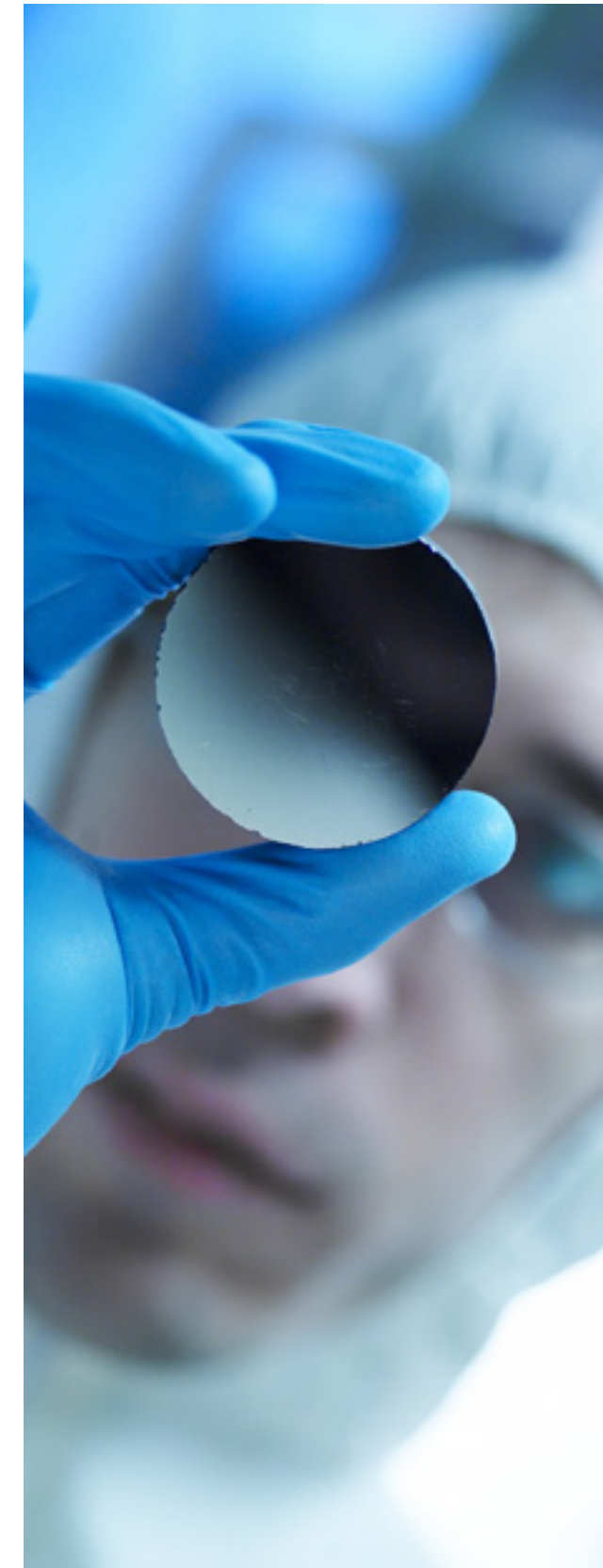
A steering group, chaired by Stuart Lynn, former Chief Technology Officer of Sage UK, has been convened, made up of representatives with backgrounds in large and small digital businesses, education and research.

The strategy identifies four priority themes: Workforce; Data; Infrastructure and Connectivity; and Digital Collaboration and Enterprise.

Evidence and a pipeline of projects for each is currently being designed with regional partners.



The North East's Digital for Growth steering group



Health and Life Sciences

With support from AHSN NENC and CPI, in September 2019 we appointed a Health and Life Science Programme Lead to bring forward the work of the Health and Life Sciences steering group which comprises key stakeholders from across the health, life sciences and pharmaceuticals economy.

Members represent the NHS, Academic Health Science Networks for the North East and Cumbria, Centre for Process Innovation, the region's four universities, business support organisations and a number of businesses in different sectors in health and life sciences.

The steering group has an agreed terms of reference to support the development and delivery of an economic growth strategy for this area of strategic importance.

As part of the strategy, we continue to support the development of a pipeline of key regional projects. Established priorities include the Smart Delivery of Medicines, The Great North Care Record and the Advanced Therapy and Treatment Centre for Cell and Gene therapies, each of which will significantly enhance the sector's capabilities and opportunities for growth.

Further projects will be identified as the work progresses.

Advanced Manufacturing

We work closely with sector bodies in Advanced Manufacturing sectors.

Automotive

We continue to work closely with the North East Automotive Alliance, as a strong and highly effective business led body which brings together automotive manufacturers and the supply chain and provides a strong voice and point of co-ordination.

We continue to support developments on the International Advanced Manufacturing Park and were delighted to work with partners in the NEAA and the region's universities and local authorities to support the opening of the Centre for Sustainable Advanced Manufacturing (CESAM) as a focus for future innovation in the automotive sector and wider advanced manufacturing.

Pharmaceuticals

The North East has a well-established, strong and growing pharmaceuticals cluster, with wider supply chain linkages into the region's chemistry and process industries.

Having recently published a profile report with First for Pharma and CPI on the scale and profile of the sector, we are working closely with these partners and with NEPIC to develop proposals which can support future growth in this sector, and which can connect it to the life sciences research and science eco-system in our universities and catapults.



Centre of Excellence for Sustainable Advanced Manufacturing (CESAM)

North East Local Enterprise Partnership

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