

North East
Local Enterprise Partnership



Annual Delivery Plan 2022/23



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Introduction – a time of transition for Local Enterprise Partnerships

Government's Levelling Up White Paper was published in February 2022 and provided details about the outcome of the review of Local Enterprise Partnerships. It stated that there was a strong role for LEPs moving forward, but that the role would change.

The Paper was followed by a letter from government on 31 March 2022 that was more specific about the roles of Local Enterprise Partnerships and that LEPs were on a transition pathway to merge into a local institution, either a Mayoral Combined Authority or a County Deal area to align geographies.

The letter was clear on the roles of LEPs which are to:

1. Embed a strong, independent and diverse local business voice into local democratic institutions.
2. Carry out strategic economic planning in partnership with local leaders that clearly articulates their area's economic priorities and sectoral strengths
 - specifically leading the development of the regional evidence base and utilising our strengths in convening and developing strategic partnerships.
3. Continue to deliver a number of functions on behalf of government departments including:
 - Growth Hubs, on behalf of the Department for Business, Energy and Industrial Strategy;
 - International trade and investment activity, provision of local business intelligence, grant funding and levelling-up focused projects, on behalf of the Department for International Trade
 - Local Digital Skills Partnerships, on behalf of the Department for Digital, Culture, Media and Sport;

- Careers Hubs, on behalf of the Department for Education
- Local skills analysis via Skills Advisory Panels, on behalf of the Department for Education
- Monitoring and assurance pertaining to existing local growth programmes and funds for which LEPs are responsible.

4. Where appropriate, LEP business boards can help broker and support new or deeper devolution deals, where requested by local partners.

Our 2022/23 delivery plan reflects this new remit. But it also captures the added value that our Local Enterprise Partnership offers. The Strategic Economic Plan has been the blueprint for regional economic development for almost a decade. It is a ten year plan that is due to conclude in 2024 and we are committed to this and to demonstrating the impact that it has made. We have included a section in this plan that demonstrates where our continued delivery will be focused.

You will note that transport delivery does not feature in this plan, but remains a key theme within the Strategic Economic Plan. Transport delivery has never been the responsibility of the LEP. We continue to work closely with our colleagues within Transport North East to report on delivery and impact.

2022/23 is a time for change for the whole region, not just the LEP. We have changes in national funding through the UK Shared Prosperity Fund, devolution agendas to navigate and progress and an approach to economic development that is very different to the way it has been delivered over the past decade. Our LEP is exceptionally well placed to play a central role in supporting and guiding partners through this process as we continue to create more and better jobs together for our region and this delivery plan reflects that.

A regional approach to economic growth

The North East Strategic Economic Plan

The North East Strategic Economic Plan sets out our ambition to create more and better quality jobs for the North East LEP area. It is a ten year plan that was published in 2014. Throughout the past eight years, it has been embedded, reviewed and refreshed and always been led by clear evidence, research and business experiences. It has been informed, endorsed and championed by regional business, public sector and education leaders and supported by a wider community of partners.

Moving forward the responsibility of economic strategy development and investment decision making lies with the region's political leaders and we will be active participants in this process. The role of ensuring a robust evidence base is available to inform these strategies and that the business voice is heard, remains the responsibility of the LEP.

During this time of transition, we are committed to take forward our new role as defined by government, but are also committed to see the delivery of the Strategic Economic Plan through to 2024. In line with best practice, we will continue to report on its progress and ensure that a robust evaluation of impact is completed.

Creating more and better jobs

The North East Strategic Economic Plan aims to drive forward a modern, diverse and entrepreneurial economy, which is agile in the face of change, as well as competitive, resilient and inclusive.

Between 2014 and 2024, we want to grow the number of jobs in the region by 100,000, with at least 70% of the new jobs being better jobs, defined as those in managerial, professional and technical roles.

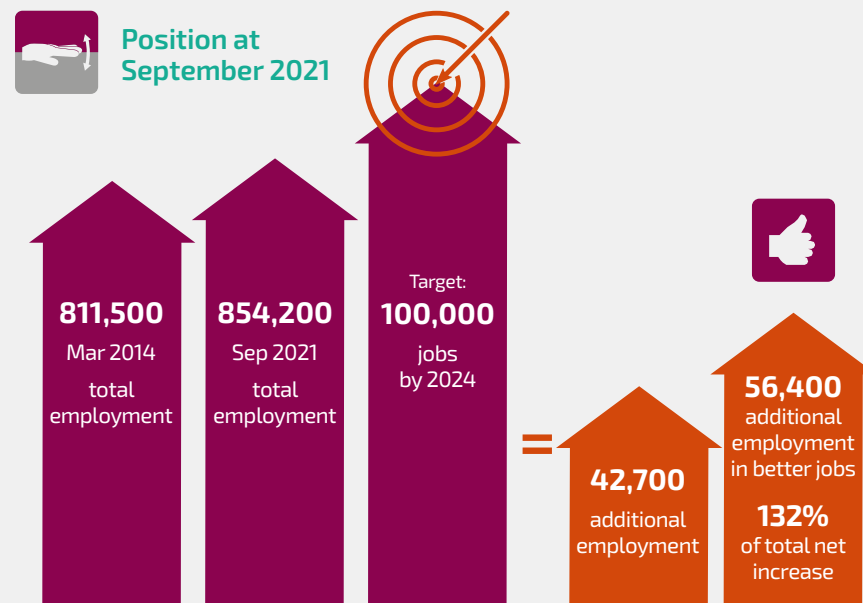
You can read the North East Strategic Economic Plan in full at northeastlep.co.uk and you can keep up to date with our progress on the [North East Evidence Hub](#).



Delivering more and better jobs for our region

By September 2021, total employment had increased by 42,700. This had been driven by an increase of 56,400 in employment in 'better jobs', equivalent to 132% of the total net increase. The upwards trend in North East employment growth between 2014 and early 2020 has reversed since the start of the pandemic. Total employment in September 2021 was 26,200 lower than in March 2020, with employment in 'better jobs' falling by 14,000. In March 2020, our employment stood at 76,000.

Target: Increase the number of job in the North East economy by 100,000 by 2024



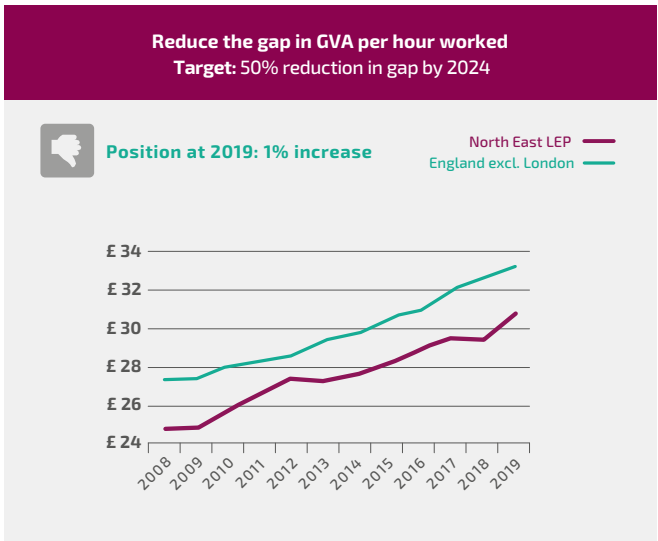
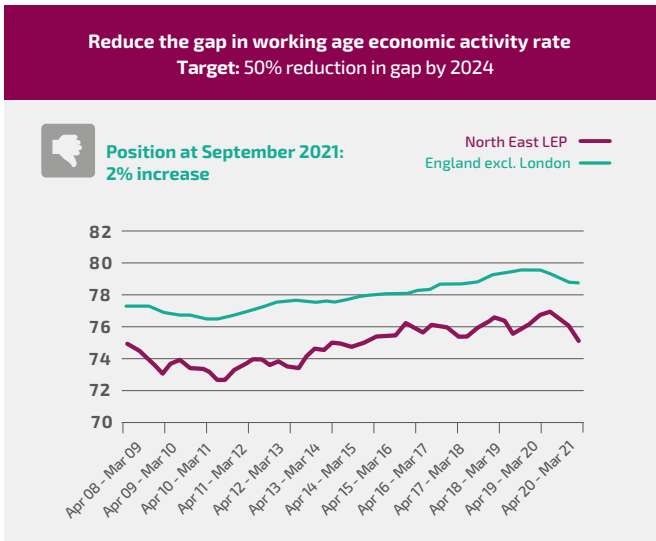
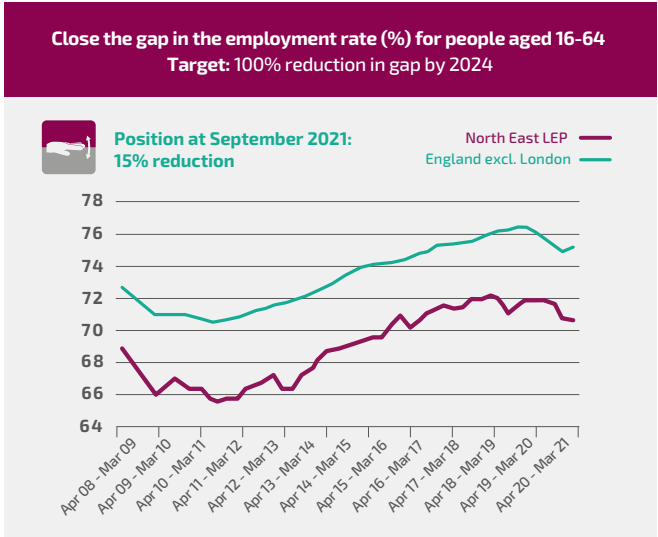
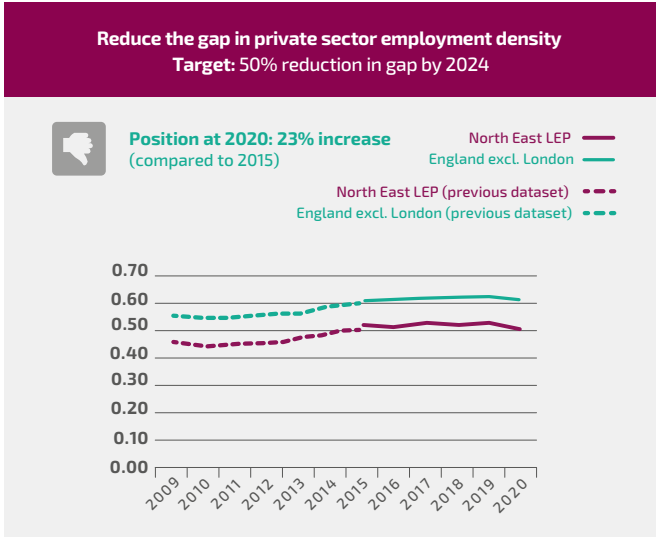
Targeted delivery based on data and insights

Levelling up targets

We share government's ambition to level up the country and our region. We have identified four key economic performance gaps for our region to be addressed to achieve this ambition in relative levels of employment, economic inclusion, productivity and the proportion of jobs in businesses. We have set clear targets to close these gaps.

We have great potential in the region and closed these gaps towards these targets between 2014 and 2021, but the last two years has impacted on this progress.

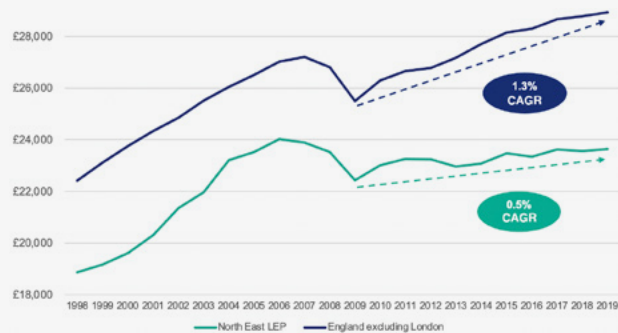
A strong partnership with government, and investment and support for our programmes to support recovery of our economy will enable us to accelerate this progress and level up our region



The wider evidence base

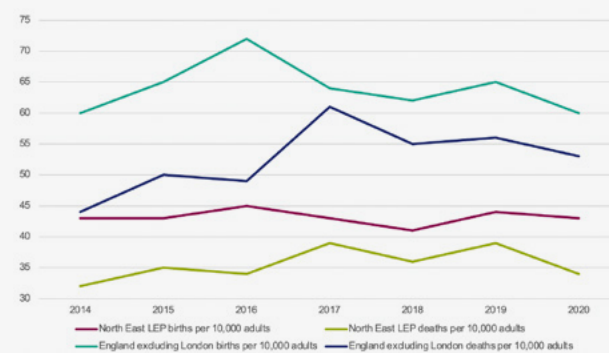
As we focus on our refined remit from government, it is important to understand the key data that is driving some of these agendas forward. More data and insights is available on the North East Evidence Hub, but an overview is included below.

Inflation adjusted GDP per head North East LEP and England excluding London (1998–2019)



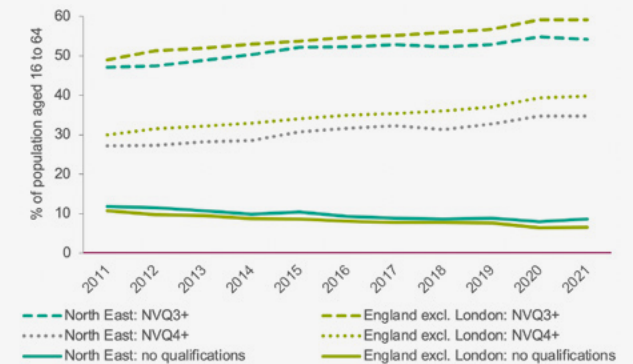
CAGR = compound annual growth rate
Source: Regional economic activity by gross domestic product (ONS)

Business births and deaths per 10,000 adults (2014–2020)



Source: Business demography (ONS)

Population aged 16 to 64 by highest qualification level (%), 2011–2021



Source: Annual Population Survey (Nomis).

- Real GDP growth has been slow in the North East LEP compared to nationally, especially since the 2008 recession.
- GDP per head was £23,645 in the North East LEP area in 2019, £5,286 lower than in England excluding London.
- Taking into account inflation GDP per head in the North East LEP area was larger in 2006 than in 2019 (£24,022 vs £23,645).
- Since real GDP per head started rising again in 2009/10 growth has been slow in the North East LEP area compared to nationally growing on average by 0.5% per year compared to 1.3% per head in England excluding London.
- The impact of Covid-19 has yet to be reflected in these figures.

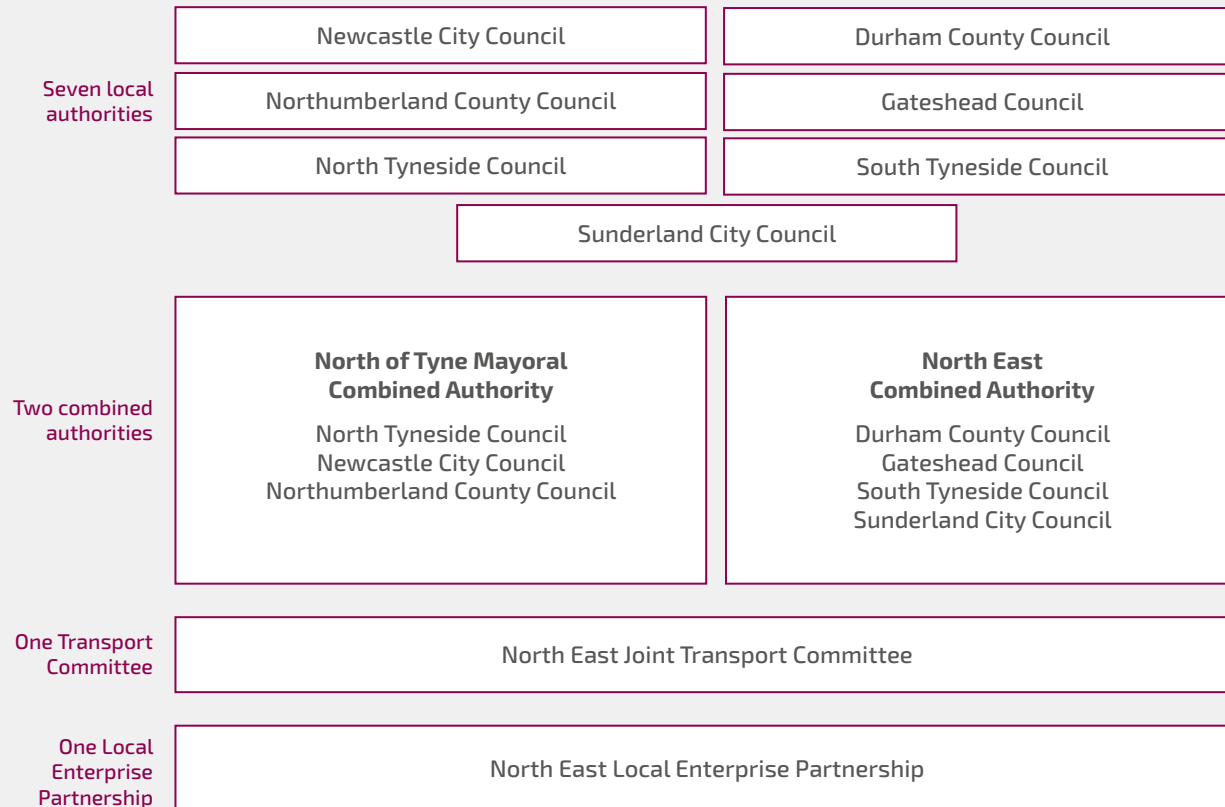
- The North East LEP area has consistently low business birth and death rates, limiting the potential for private sector growth.
- There were 43 business births per 10,000 adults in the North East LEP area in 2020, compared to 60 for England excluding London. Both areas had very similar birth rates to 2014.
- If the North East LEP had the same rate of business births as England excluding London there would be an additional 2,800 businesses started each year.
- There were 43 business deaths in the North East LEP area in 2020, compared to 53 in England excluding London. Research suggests business birth and death rates are closely correlated.

- Progress addressing the lower qualifications profile than England has slowed.
- The North East LEP area has a lower percentage of working age people educated to NVQ3+ level (equivalent to 2 or more A levels) and to NVQ4+ level than England excluding London.
- Recently, progress made in closing the gap between the North East and England excluding London has reversed.
- The latest North East employment rate for those educated to degree level (NVQ4+) was more than twice that of people with no qualifications.

Governance and transparency

Regional governance at 1 April 2022

Whilst devolution plans develop, we continue to work within a regional governance model that involves two combined authorities – the North East Combined Authority and the North of Tyne Combined Authority – and seven local authorities. Our accountable body is in the North of Tyne Combined Authority.



Governance and transparency

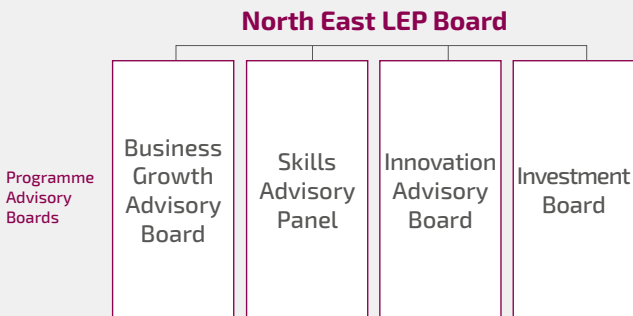
North East LEP governance

The North East LEP Board is a business led, private, public and education partnership. It is supported by advisory boards that are structured around our delivery programme and areas of opportunity. They provide oversight for the main Board.

The North East LEP Board is chaired by Lucy Winskell, OBE.

The main North East LEP Board receives an operational performance report at every meeting, which shows progress against each programme of delivery and highlights any concerns.

Our governance structure



Lucy Winskell, OBE, North East LEP Chair

Our Assurance Framework

The North East LEP follows a robust Assurance Framework.

Our [Assurance Framework](#) sets out how we make decisions and ensures value for money when investing in projects across the North East LEP area.

The Local Growth Fund programme is managed in accordance with the North East Local Assurance Framework.

It is a live document, updated annually and accessible via the North East LEP website.

We are committed to robust, transparent and fair governance at every level of our operations.

Decision making


All project funding decisions are taken by the North East LEP Board or, where appropriate, under delegated authority by the North East LEP Investment Board.

Both boards receive programme monitoring reports at each bimonthly meeting. Government receive quarterly progress reports on our funding programmes and investments.



Our delivery priorities

Our delivery plan has been restructured to reflect our new remit:

- Representing the business voice
 - Strategic economic planning
 - Improving skills
 - Growing businesses
 - Managing funds
- 

Representing the business voice



Representing the business voice

Embed a strong, independent and diverse local business voice into local democratic institutions.

Between April 2022 and March 2023, we will:

Fill vacancies on the North East LEP board as they become available to ensure a strong representation of businesses across the North East

Review the structure and remit of our advisory boards and sector groups to ensure their remit reflects the priorities outlined by government and has strong business representation

Work with combined and local authorities to highlight business led priorities and the priorities identified within the Strategic Economic Plan, to ensure they are integrated into future devolution proposals

Support the democratic institutions leading on strategic investment plans for the UK Shared Prosperity Fund by providing the evidence base to inform decision making and leadership to ensure business priorities are central to thinking

Work with the local and combined authorities to ensure that there is a shared economic evidence base across the region, and to highlight regional investment priorities for integration into investment planning, to maintain a regional-level approach where appropriate

Added Value

Part of ensuring continued engagement with the business community requires the LEP to remain consistent with its strong governance and communications activity. In addition to the above, between April 2022 and March 2023, we will:

Ensure progress updates to the North East LEP board reflect the new remit for LEPs as defined by government and the progress of the North East Strategic Economic Plan to 2024

Hold a public Annual General Meeting

Update the Assurance Framework in January 2023

Continue to embed communications across our programmes and priorities, but specifically deliver strategic communications to ensure the revised role and remit of the North East LEP is understood by the business community and wider community

Strategic economic planning



Strategic economic planning

Lead the development of data, research and evidence for the North East Economy

Between April 2022 and March 2023 we will:

- Provide a comprehensive state of the region evidence base, including place-based intelligence that is accessible and reflects the North East's economic performance
- Review and produce analysis of the 2021 census data, ensuring a clear understanding of the North East's position post COVID-19
- Develop and support delivery of collaborative analytical and evidence activities to support key projects for Strategic Economic Plan programmes, devolution, levelling up and UKSPF with our partners in combined and local authorities and through the Economic Evidence Forum
- Systematise processes and governance for commissioning, publication and communication of evidence, data and analysis outputs and products on LEP platforms
- Deliver the preparatory activities for the final evaluation of the Strategic Economic Plan programme for 2014-2024
- Improve the accessibility, visibility and understanding of key North East data and evidence through the relaunch of the North East Evidence Hub
- Lead the development of the Northern Evidence Network working with NP11 LEPs, TFN and government across the agreed activity areas
- Work with Newcastle University and other partners to deliver strengthened academic contribution to the evidence base through the Insights North East programme
- Build on existing co-operation and develop new opportunities for research collaboration with Durham University and Northumbria University
- Working with the North East Economic Evidence Forum and other partners, develop a comprehensive analysis of the data, trends and causes of inequality and exclusion across the North East including analysing the impact of recent economic events on standards of living, to 'map and gap' data and indicators related to White Paper missions

Strengthen regional collaboration

Between April 2022 and March 2023 we will:

- Support the region on the development of proposals for the next stage of the region's strategic economic plan post 2024
- Continue to convene the Economic Prospects Group with the Bank of England as a regional platform to share data and information about the economy with key partners
- Work closely with Destination Management Organisations (DMOs) and other partners to drive forward the implementation of the Statement of Intent, North East's response to the review of DMOs, and engagement with government's strategy to enhance the visitor economy to strengthen strategic coordination in the region for growing the visitor economy
- Working with local authority planning and economic leads, the Geo-spatial Commission and other partners such as Northumbria University to develop partnership projects that can deliver strengthened spatial economic evidence to support economic development, investment in infrastructure and regeneration
- Collaborate with inter-governmental partnerships, think tanks and consultancies on strategic evidence and policy activities including the What Works Centre and Productivity Institute
- Work with the EU Exit Implementation Group to complete its report analysing the impact of EU Exit on the region, bringing forward recommendations for priorities for strengthening the outcomes for the region through international work and for influencing domestic policy activities implementing the Free Trade Agreement with the EU
- Co-ordinate the North East Northern Powerhouse Working group enabling information sharing across Northern Powerhouse priorities with NP11, TFN and CLGU Leadership. This will include the coordination of the North East's response to the updating of the Northern Powerhouse Independent Economic Review

Added Value

Identifying opportunities, using our convening power and our ability to engage with the region to develop projects and programmes that make sense to delivery regionally has always been a strong role in our organisation and is consistent with our new mandate. Between April 2022 and March 2023, we will:

Support the ongoing development and launch of Net Zero North East as a collaborative regional programme to accelerate decarbonisation, develop a greener economy and secure a positive transition for our environment and communities – which includes publication of an evidence base.

Work with the DIT, North East England Chamber of Commerce and Trade Strategy to drive forward implementation of the key workstreams in the North East Trade and Export strategy in the context of the UK Trade Strategy. Co-ordinate engagement with the Northern Powerhouse trade and investment strategy and programme, ensuring that the North East secures strong presence and outcomes from this work.

Monitor and influence the ongoing development of the proposals in the Levelling Up White Paper and engage with new local institutions as they develop.

Improving skills



Improving skills

Provide regional leadership and delivery on an integrated careers programme

Between April 2022 and March 2023 we will:

Deliver local Careers Hubs on behalf of the Department for Education

Deliver the North East Ambition programme which aims to get all schools and colleges from across the region working towards the eight Good Career Guidance benchmarks.

Deliver the Education Challenge programme, which aims to support teachers, school leaders, governors and employers to work collaboratively to integrate an understanding of the world of work and career opportunities into the curriculum. Delivery includes Opportunity North East, a two year careers and business engagement pilot, a CPD programme for careers professionals, supporting business leaders to take up opportunities as governors and an employer engagement strategy.

Ensure the successful implementation of post 16 technical skills education policy across the region to ensure it addresses the imbalance between technical skills supply and demand in key employment sectors.

Produce local skills analysis via Skills Advisory Panels, on behalf of the Department for Education

Between April 2022 and March 2023 we will:

The Skills Advisory Panel (SAP) brings together local employers and skills providers to pool knowledge on skills and labour market needs, and to work together to understand and address key local challenges. The SAP will continue to deliver key functions that include advising the main LEP Board, providing oversight of delivery of regional skills, inclusion and progression programmes and projects, commissioning research into key skills challenges, reporting into government and National Skills and Productivity Board.

Added value

Our skills programme has always considered the skills agenda, the importance of improving labour market activation, ensuring communities are connected and that there is a strong agenda to deliver employability across the region. We will continue our work in this area during 2022/23 by:

Support the rollout of phase three of skills bootcamps and continue to promote the benefits of apprenticeships to businesses across the region.

Develop and publish a regional digital inclusion strategy and together with partners, explore funding and delivery opportunities for the strategy.

Continue to support DWP's fuller working lives initiative and work with key stakeholders and partners to support for strategic regional programmes aimed at supporting disadvantaged groups into employment.

Growing businesses



Growing businesses



North East
Growth Hub

Deliver the North East Growth Hub on behalf of the Department for Business, Energy and Industrial Strategy

Between April 2022 and March 2023, we will:

Secure investment to continue to deliver and develop the North East Growth Hub and the business and sector growth ecosystem

In response to a 50% reduction in funding we will implement a new operating model for the North East Growth Hub which will fulfil government's requirement by continuing to provide a one stop shop for all businesses to access support and advice, whilst developing a more targeted approach for key growing sectors

Work with government, local authorities, and regional stakeholders to help shape the UK Shared Prosperity Fund and national programmes so that they collectively prioritise delivery of a more impactful, simplified, cohesive and better targeted business support ecosystem

Develop an evidence base to inform the development of a regional and local enterprise strategy and interventions designed to level up the North East's business birth rate

Develop an evidence base to inform the creation of a regional scaleup plan designed to build on the momentum generated in the North East over previous years

Establish the firm level drivers of productivity performance and consider how these drivers can be diffused across the wider business community by working with the Productivity Institute

Identify opportunities and funding to implement the recommendations of the North East Internationalisation Strategy that relate to increasing the number of active exporters in the North East

Ensure that the business support framework and taxonomy support business resilience through, supporting businesses to identify and mitigate areas of risk around net zero plans and the effects of rising energy prices as businesses adapt to new ways of working

Work with Invest North East England to identify and convert investment opportunities to create more and better jobs for the region

Identify actions needed to support priority sectors, aligned to the relevant leveling up missions

Our delivery activities have always focused heavily on areas and sectors of opportunities, specifically energy, tech, health and life sciences and advanced manufacturing. Our Delivery activity in these areas is included below.



Energy

Between April 2022 and March 2023, we will:

Accelerate regional low carbon energy projects across all seven local authority areas, to deliver on net zero goals

Work with partners in the North East and Yorkshire to ensure the successful transition of the Local Energy Hub to the Net Zero Hub, supporting the UK Net Zero strategy and wider Net Zero action

Coordinate the North East Energy Catalyst, enhancing collaboration through the partner and SME networks, and enabling delivery of the Energy Innovation Pipeline and an Energy Innovation Challenge Programme 2

Work with industry and public authorities to support cluster development in key energy and net zero sectors needed to level up the region, including offshore wind, EV and battery, and low carbon heat

Position the North East as a lead region in energy and net zero, e.g. by leading the national geothermal and mine energy taskforce, and progressing an energy masterplanning approach



Tech

Establish a North East Tech Sector Strategy Group as part of the Business Growth Board

Work with the strategy group to develop north east tech sector development plan

Establish a tech sector development plan delivery group to deliver the plan

Secure resources and funding required to deliver the plan



Health and life sciences

Following the COVID-19 pandemic, we will refresh the North East Health and Life Science strategy governance

Modernise and grow pharmaceutical manufacturing by supporting diversification into new and emerging markets, supporting the adoption of industrial digitisation technologies and creating a framework to develop a pipeline of skills.

Increase the number of life science businesses that are born, grow and scale in the region by supporting the formation of university, NHS and corporate spinouts, developing a skills framework to create a skills pipeline that meets the needs of the sector and promoting the regions strengths.

Ensure that the right infrastructure, connectivity and investment in place do grow the sector

Broker access to a range of expert support and services across the health and care sectors through the Innovation Pathways through development of the AHSN's Innovation Pathway Omnia brokerage system – integrating it into the North East Growth Hub to support sector innovations and to help businesses break into the NHS

Progress ecosystem development by completing the proof-of-concept study for the development of the Life Science Manufacturing and Innovation Zone and consider the findings and recommendations made

Advanced Manufacturing

Mobilise and begin delivery of the three year Made Smarter digital adoption in partnership with government and Tees Valley Combined Authority to support regional manufacturers to adopt industrial digitisation technologies

Establish a North East Advanced Manufacturing Strategy Group as part of the Business Growth Board

Work with the strategy group to develop a North East advanced manufacturing sector development plan

Establish an Advanced Manufacturing Sector development plan delivery group to deliver the plan

Secure resources and funding required to deliver the plan

Innovation

Between April 2022 and March 2023, we will:

Stimulate new business opportunities through the North East Open Innovation Challenge, with specific delivery focused on the £880k North of Tyne project

Work intensively with the nine priority innovation projects to support them into delivery and understand how we can support eleven more to develop their business cases. Selected projects have been through a robust selection period prior to 2022/23

Work with regional partners to shape the region's response to the innovation component of the Levelling Up White Paper, to capitalise on the region's research and innovation capability and agree an approach to embed innovation into businesses across the region

Increase private sector investment into growing innovation businesses, ensuring innovation is positioned within the successor to the North East Fund, Venture North and Northern Accelerator

Deliver the UK Community Renewal Fund project - 'future markets acceleration project' by October 2022, as awarded by Gateshead and Sunderland local authorities

Work in partnership with local and combined authorities to highlight the investment opportunities from the innovation project pipeline to secure investment from the UK Shared Prosperity Fund

Support seven Innovation Delivery Partnerships to develop their plans

Publish the Economic Markets Foresight Analysis study and integrate findings into future strategy and funding development

Facilitate connections and collaborations between national and regional partners including UKRI/Innovate UK, NP11 and the Innovation SuperNetwork to boost innovation activity in the region

Managing funds



 **Investment and infrastructure****Monitoring and assurance pertaining to existing local growth programmes and funds for which LEPs are responsible**

We will continue to manage the following funding streams in line with the North East Assurance Framework. Activity will involve working with partners to develop project business cases and agree investments, then ensure legal and financial compliance and documentation is in place for management and audit purposes. We will continue to monitor delivery and output generation with partners and report to government quarterly.

- Local Growth Fund legacy £9.3m
- Getting Building Fund legacy £11.4m
- Enterprise Zone sites infrastructure programme £28m
- North East Investment Fund programme £7.5m
 - Commercial Property Investment Fund
 - North East Property Investment Fund schemes
- Enterprise Zone surpluses programme £2.0m
- £1m Project Development Accelerator Fund

Added Value

We will work with partners to inform and support delivery of a number of regionally significant projects using the funding available to us

We will lead the coordination of the regional access to finance work to ensure future programmes meet the needs of North East businesses. This includes preparation work to understand the supply and demand issues and reaching regional consensus to inform the development of:

- The second tranche of the Northern Powerhouse Investment Fund for implementation by the British Business Bank in autumn 2023.
- The successor fund to the regional North East Fund Limited for implementation in January 2024.

North East

Local Enterprise Partnership



North East Local Enterprise Partnership

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