

Annual Review

April 2021 – March 2022

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

2021
2022

Introduction from Helen Golightly

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Helen Golightly OBE, Chief Executive Officer



North East LEP Senior Management Team. Left to right: Michelle Rainbow, Alan Welby, Richard Baker, Helen Golightly OBE, Colin Bell, Jen Robson.

When I think back to the start of the pandemic in 2020, I will always remember that despite the fears and uncertainties we all faced, the rigour, commitment and sheer determination of our team, partners and communities to do the right thing and continue to champion our region did not falter.

As we emerge from the pandemic, I am so proud of the fact that, throughout all the challenges, we have remained focused, been driven by evidence and continued to make a positive contribution to the North East economy, mitigating the impact of COVID-19 wherever we could.

This year, I was awarded an OBE for services to business and the regional economy – I am immensely proud and humbled to have been recognised in this way. I dedicated this honour to the whole North East LEP team because I feel so incredibly lucky to have people behind me who have commitment, passion and drive like no other – who strive to increase investment and improve skills, job opportunities and purposeful business support across the North East to improve the lives of others, because they want to do the right thing for a region that is so special to us all.

I'd like to thank every leader and volunteer who supports us – partners, members of our board and sub-boards – for giving us their time and experience. Thank you particularly to our Chair, Lucy Winskell OBE, who leads in a way that is respectful, inclusive, focused and insightful. Lucy is respected across the region and by government, and has a truly inclusive approach to regional leadership.

At the North East LEP, we have always been clear – we have a plan to create more and better jobs for our region. Our Strategic Economic Plan is built on evidence and partnership and it has made an impact.

The Strategic Economic Plan has continued to define our direction of travel as we strive to

create a stronger, greener and more inclusive economy for the region. We have continued to navigate through the impact of the UK's departure from the European Union and remained delivery focused despite a policy vacuum caused by delays to the Levelling Up White Paper and national LEP review

We've continued to develop our understanding of the labour market so that we understand if our activity is working, or if we need to pivot or accelerate activities to meet changing circumstances and influence partners and government.

With this in mind, a significant piece of work for us this year has been the interim independent evaluation for the North East Strategic Economic Plan. The evaluation gave us lots of recommendations to take forward, but also highlighted two particularly positive points:

- Leadership, influence, synergy and engagement are areas where the North East LEP has excelled through the delivery of the Strategic Economic Plan.
- Assessment of the Local Growth Fund and Enterprise Zone programmes to date have indicated good to very good value for money in line with national benchmarks for these programmes.

Our programmes of delivery have also had some highlights during the last twelve months.

Our Business Growth team were on the frontline during the pandemic, supporting and listening to businesses as they, in many cases, strived to survive. We have supported over xx business in the past twelve months with a customer satisfaction rate of 98%. We offer a quality service to businesses yet, as a team, we are faced with uncertainty about our future funding. I therefore urge government to confirm funding for Growth Hubs for 2022/23 and beyond, so that this valuable service is maintained for the region.

Our Skills team has continued to make an impact locally and nationally. We provided evidence to the House of Lords Select Committee on Youth Unemployment and focused particularly on our primary school careers pilot. It was also a privilege to host the launch of National Careers Week 2022 here in the North East. Not only was this our first in-person event post Covid, it was the first time the event had taken place outside London. It was attended by 300 people, was trending nationally on social media, and gave a profile to the young people of the North East to tell their story of how they had been impacted by good careers guidance.

Our Innovation team are committed to embedding innovation challenges as a way of proactively looking for solutions to problems faced by our region. They are also leading the Innovation Delivery Partnerships pilot, testing that if we bring the right people, organisations and innovation assets together to develop and deliver a focused plan on a particular market opportunity, we can accelerate regional growth in new global markets. The team have securing £1.03m to deliver two innovation programmes against these priorities during 2022/23.

We have also demonstrated our strategic convening ability and influence to bring partners, including government, together to develop the regional trade strategy, illustrating our capacity to work on important issues for the region. And now the rest of the north are looking to our example.

Our Investment team continue to deliver significant capital projects across the region, but my highlight has to be the development of a new Commercial Property Investment Fund set for launch in early summer 2022.

I end this year feeling hopeful, confident and determined.

Helen Golightly OBE
North East LEP, Chief Executive Officer

Our targets

The Strategic Economic Plan has six targets which, if reached, will grow and level up our economy compared to national performance. These measure the progress we want to make between 2014 and 2024 in relation to our productivity; the number, quality and type of employment opportunities available; and the proportion of our workforce in employment and economically active.

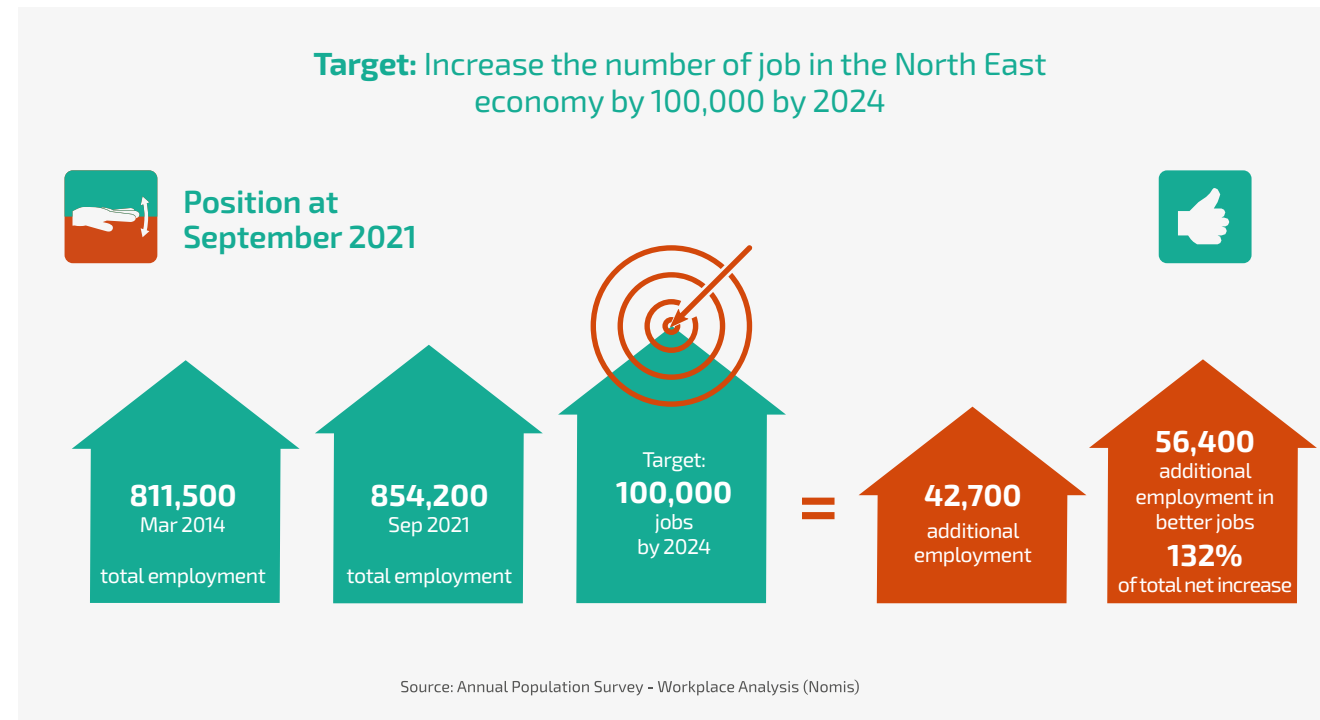
Data for five of the six targets show some of the impact of the economic shocks caused by COVID-19 and the UK's departure from the European Union. For GVA per hour target, local statistics are only available up to 2019.

The data for our more and better jobs and employment and economic activity rate gaps targets covers a 12-month period, updated each quarter. The latest available data covers October 2020 to September 2021, when the furlough scheme was still in operation. The official definition of people in employment includes most furloughed workers, so any local effects of the ending of this scheme are not yet shown. We've looked at other, more recent, data sources, that suggest we did not see a significant impact when the furlough scheme came to an end and therefore supporting the trajectory reported here.

As well as these six targets, that are also closely aligned to targets set out in government's Levelling Up White Paper, we also monitor a wide range of national, administrative, and new data sources to give us a broader understanding of the economic position of the region. Many of which can be found on the [North East Evidence Hub](#).

More and better jobs

The two headline targets are to increase employment in all types of jobs by 100,000 between 2014 and 2024, and for 70% of the increased employment to be in 'better jobs'.



This measure has been selected to show the changing nature of our labour market towards higher skill and leadership roles.

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.

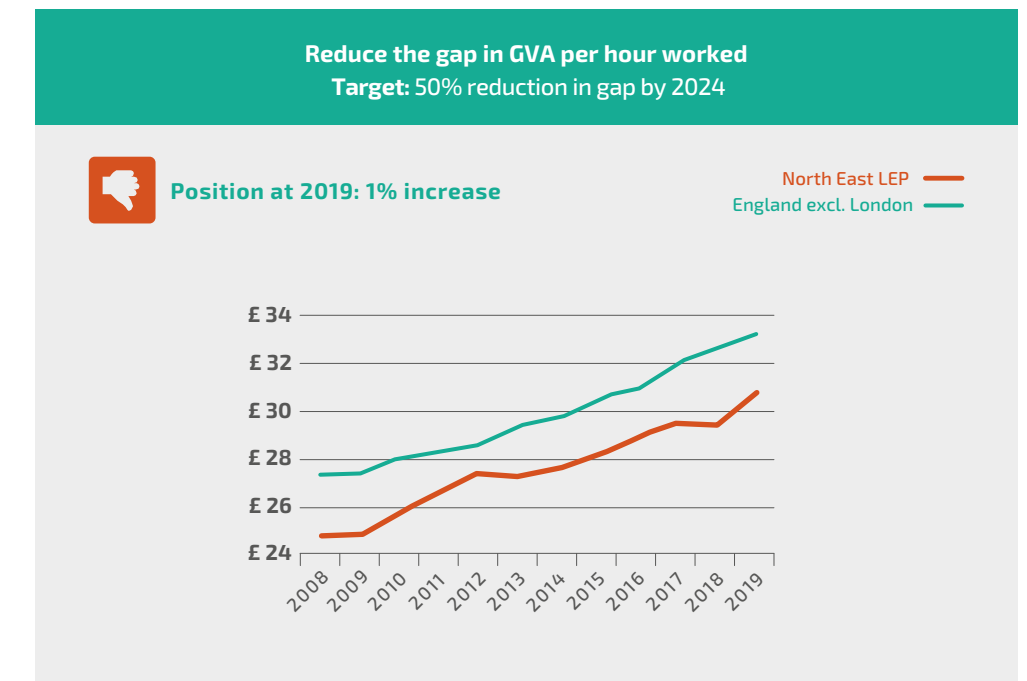
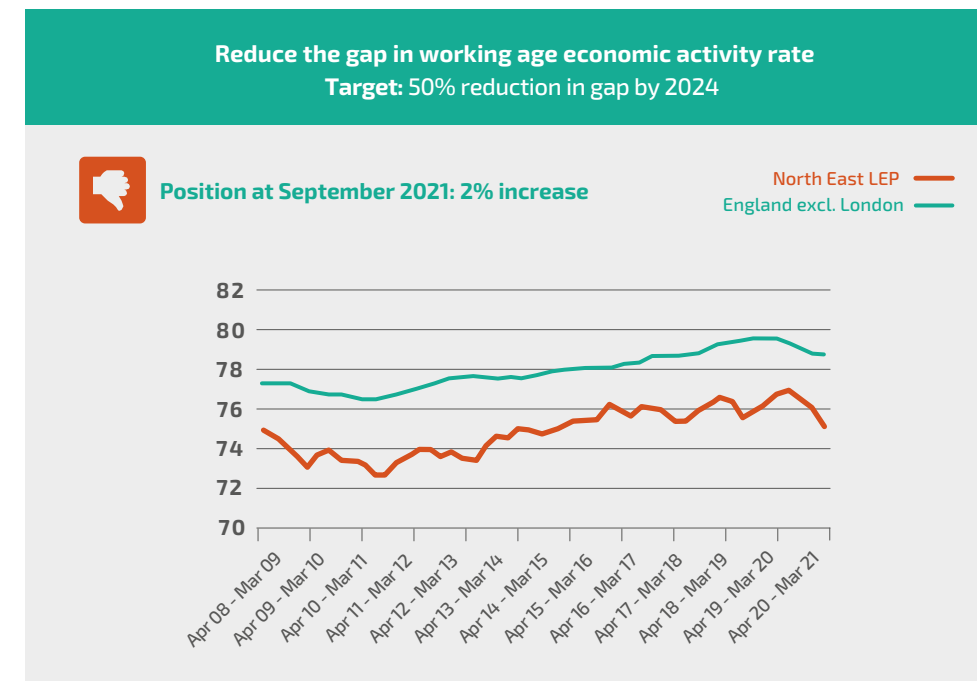
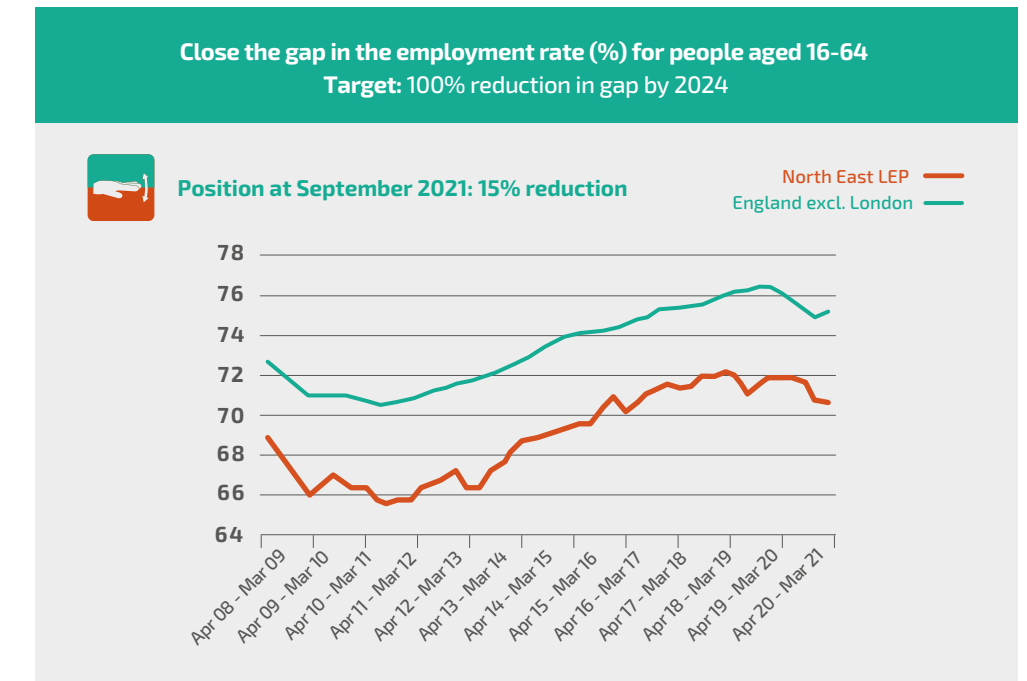
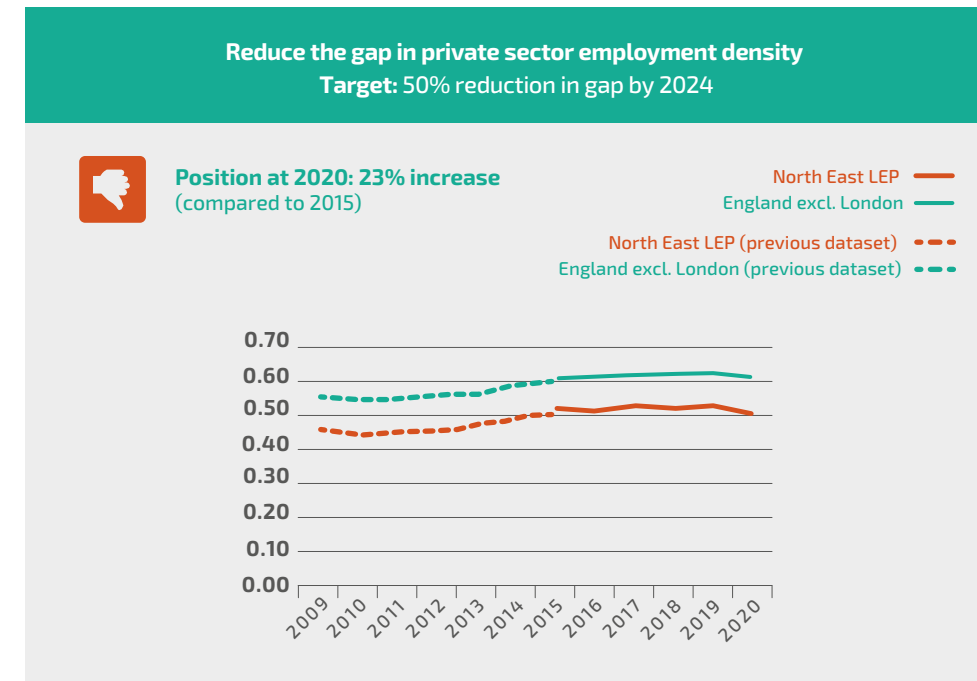
Closing the gap with England excluding London

Our four other targets are for gaps in private sector employment density per head, 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).

The latest data shows the North East LEP area employment rate, economic activity rate and productivity rate (GVA per hour) have all improved since 2014. However, only the employment rate gap has reduced (by 15%). The latest gaps in economic activity rate and GVA per hour were a little larger than in 2014, as England excluding London growth had been slightly faster. The latest North East private sector employment density was lower than in 2015 (the earliest comparable date) while the density in England excluding London had increased.

The North East employment density and economic activity rate had particularly decreased since the start of COVID-19. A recent trend has been for a sharp increase in the number of working age people leaving the labour market (becoming inactive). During 2022/23, we will monitor whether this is a long-term trend and analyse the reasons why people are becoming inactive.



Business and Sector Growth



2021/22 has been a year of two halves. Businesses have continued to deal with the effects of the COVID-19 pandemic: tackling staff shortages, supply chain disruption, rising costs and adapting to new consumer behaviours and working practices. In parallel, they have placed increasing emphasis on developing and putting into action innovative plans to drive forward their recovery and growth.

Colin Bell, Business and Sector Growth Director

96% of Growth Hub users reported that they were either satisfied or very satisfied with the support provided



1,248 jobs
and £54,735,508 additional GVA injected into the economy.

Provided advice, guidance and support to **23,987 businesses** interventions

As businesses eyed recovery it was essential to further develop the capacity of the North East Growth Hub so we secured the funding to double the size of the team who delivered:

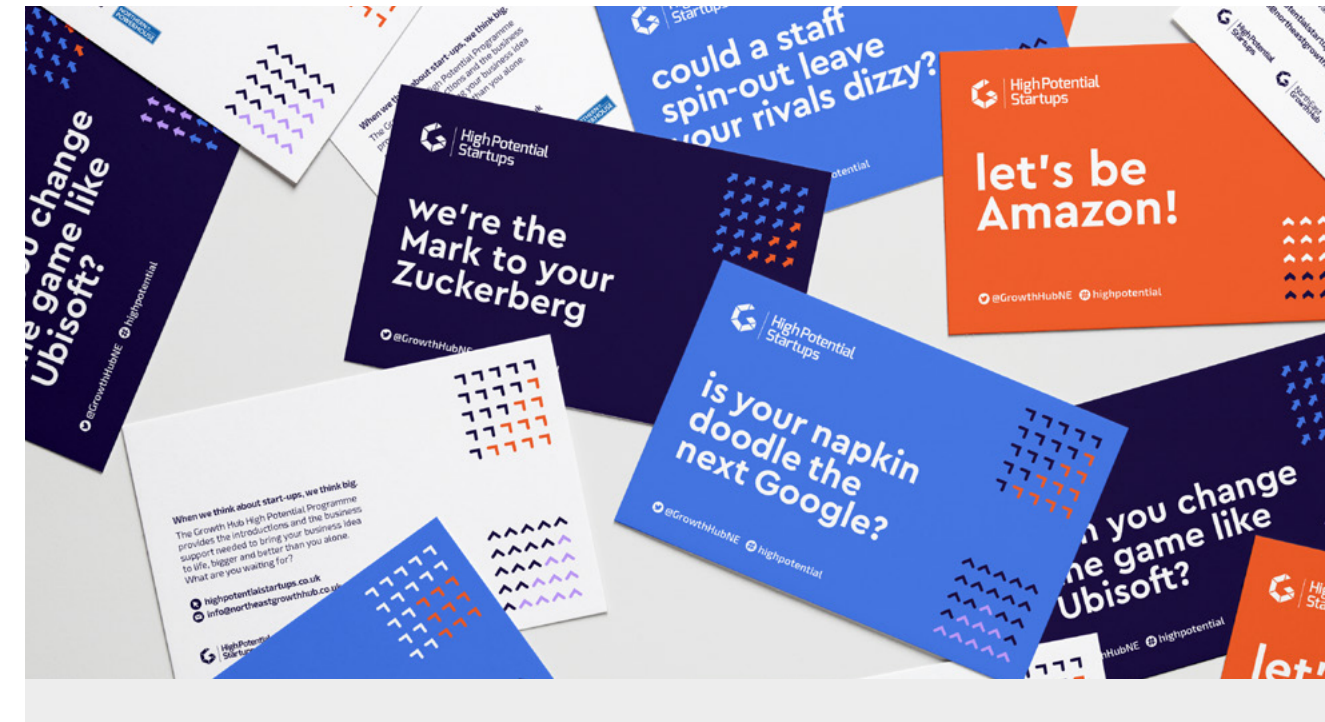
Information and guidance to 22,481 people and businesses interventions

One to one advice and brokerage to 894 businesses.

Intensive support to 611 businesses generating 1,248 jobs (686 of which are better jobs) and £54,735,508 additional GVA.



North East Growth Hub Connectors



Other projects directly delivered through the North East Growth Hub included:

- High Potential Start-ups which concluded in December 2021 supported a further 35 high potential entrepreneurs in 2021-22 to accelerate the formation of their business.
- Peer Networks which was a notable success supporting 164 businesses across 21 cohorts. Business leaders came together to support and learn from one another. Several thematic cohorts were formed focusing on areas such as the creation of net zero plans and digitisation.

MADE SMARTER

- Made Smarter worked with 28 businesses to adopt industrial digitisation technologies through the development of leadership capability, digital roadmaps and funding.



County Durham's Aura Infection Control have recently undergone a Management Buyout. Working alongside dedicated Scaleup Partner Jon Symonds, Aura were able to identify that one of the key barriers to long term growth was the desired retirement of a shareholder.

Recalling the guidance from the Scaleup team, Laura said: "With the support of our Scaleup partner we were able to engage with the right services and partners to be able to create an opportunity for the business to move forward."

There has been a lot of change for LEPs and Growth Hubs. As we transition from the European Union and towards a new landscape set out in the Levelling Up White Paper, we started to modernise the North East's business support landscape and approach to business segmentation and diagnosis.

We've continued to work closely with the North East Provider Network, drawing on the network's collective expertise to present a joint letter to Rt Hon Michael Gove, Secretary of State for Levelling Up, Housing and Communities, on how the Shared Prosperity Fund can be effectively deployed within the North East.

Inclusive growth is an important element of a modernised landscape. We have worked closely with Asian Business Connections and Diana Crouch, an adviser to the All Party Parliamentary Group for Ethnic Minority Business Owners, to review the North East's business support ecosystem and to design a framework to take forward during 2022/23.

During the year, the Scaleup Institute launched its 2021 report which shone a light on the dynamism of our business base, highlighting that while in many regions the number of scaleups had either stalled or declined, the North East was one of only three LEP areas to see its scaleup population grow. It is fantastic the Scaleup North East team has secured further investment from European funding to build on this momentum.

There has been a continued necessity to support business recovery. Throughout the year we have worked closely with regional partners to submit weekly intelligence reports to government on the issues and challenges faced by businesses, and how best they can support and respond to the issues raised.

The North East was one of only three LEP areas to see its scaleup population grow

Business and sector growth

Health and life science

More jobs have been created in the Health and life science sector over the past two years than in the previous 10 years, generating significant momentum towards the achievement of our ambition to double the number of people employed in the sector by 2030.

During 2021/22 a pipeline of ambitious projects has accelerated the growth of the sector, including the development of the North East Life Science Manufacturing and Innovation Zone and the advancement of plans for a Generics Manufacturing Facility by North East Pharma. There continues to be significant private sector investment in the sector alongside the ongoing development of the region's Integrated Covid Hub.

Progress is being made towards modernising pharmaceutical manufacturing with 12 businesses helped to adopt industrial digitisation technologies through the government funded Made Smarter Adoption North East programme.

The North East Growth Hub has developed Life Science Sector specialism supporting the growth and productivity improvement of 18 sector businesses and entrepreneurs. Northern Accelerator has supported nine university spinouts and AHSN has supported 291 businesses to bring forward innovations and break into the NHS.



The Biosphere building situated on Newcastle Helix. The North East LEP is providing funding for Newcastle City Council to develop a business case for the creation of a Biosphere 2.



The LEP published the North East Health, Life Sciences and Medicines Manufacturing Strategy, designed to double the number of North East jobs in the health, life sciences and pharmaceuticals industry to 24,000 by 2030.

Advanced Manufacturing

More than £4bn has been invested by Envision-AESC and Britishvolt into the manufacture of next generation batteries. When coupled with the formation of the UK Battery Alliance, EV North, and Nissan's growing investment and commitment to the region, the North East has fast become the heart of the UK's battery and electric vehicle manufacturing industry.

In 2021/22, we secured funding to develop and deliver the Made Smarter Adoption North East scheme which has supported 76 manufacturers to adopt industrial digitisation technologies. The success of Made Smarter Adoption North East has led to securing a scaled up three-year project for the region from BEIS.



Made Smarter Adoption North East programme

The North East LEP supported six cluster development projects during 2021/22 designed to support advanced manufacturers to recover from the COVID-19 pandemic, including:

- Advanced Manufacturing Forum – Making Owt
- Collingwood Solutions – Semiconductor Cluster
- Food and Drink North East – COVID-19 business support
- NEPIC – Pharmaceutical Innovation Accelerator
- North East Automotive Alliance – EV North
- Reatech Ltd – Resilient Communications Cluster.

Tech

In 2021/22 we refocused our Digital Strategy to have a sharper focus on supporting the growth of the North East tech sector. Overseen by a new private sector-led Tech Sector Strategy Board, the emerging strategy identifies how the sector can boost regional productivity and fulfil the vision of:

In 2030 the North East is a global hotbed for tech product innovation, there is a vibrant start-up scene, the region is a magnet for VC investment and talent, businesses have grown to global significance, we are an engine for digital talent creation, a global tech hub, and businesses are choosing to relocate to the North East.

During the year, several Peer Networks were launched with a focus on the tech sector to bring businesses together to learn from each other. The digital/tech group had remarkably high levels of engagement and shared a great deal of challenges; at least three of those businesses are now collaborating beyond the group activity. This is something we are looking to continue to explore in the coming year. In addition, we supported Dynamo to progress plans for an Office for Rapid Cyber Security Advancement.

2021/22 saw the continued strengthening of the North East tech sector with a flurry of inward investments including Just Eat, Thoughtworks, Arctic Wolf, the global E-Sports bodies relocation to Sunderland and key developments such as Immex City in Gateshead to support the immersive tech sector.



British Esports – The British Esports Association (BEA) – the national body for esports – will open a performance and education campus at Riverside Sunderland.



Just Eat – the global online food delivery marketplace – will create more than 1,500 new jobs over the next 12 months, and invest more than £100m into the region across the next five years.

Business and sector growth: Energy



Energy and net zero sectors are creating thousands of jobs in the North East, the region played a critical role in the industrial revolution and is now leading in the clean growth revolution. The Energy for Growth team is continuing to find new ways to work with partners to accelerate delivery of these opportunities at greater pace and scale.

Andrew Clark, Energy Programme Lead

The North East's regional energy pipeline includes over **£600m** of low carbon projects, including **£150m** under active development support by the Energy Accelerator.

The Energy for Growth strategy was developed as part of government's local energy programme. Some delivery highlights include:

Supporting growth sectors

Offshore energy and underwater markets: We provided enabling funding to the Energi Coast cluster, we active members of the group and coordinated its skills-sub group.

Electric vehicles and batteries: We convened partners to agree opportunities to coordinate and build on the region's strengths. We funded the North East Battery Alliance bringing together the region and UK's battery capabilities.

Low carbon heat: Worked focused on developing the UK's first low carbon heat cluster, identifying through research that the region is a prime location for heat pump manufacturers and heat network supply chain. Working closely with government we promoted these opportunities, including through Ministerial visits and a strategic industry roundtable.

Making the North East the go-to place for energy innovation

We coordinated the North East Energy Catalyst, promoting the region through a new website and video, attracting engagement from industry and Government.

We established a Catalyst partner and SME network, leading to development of two projects:

- Clean Tyne, a consortium involving Siemens, Port of Tyne, the Connected Places Catapult, Newcastle University and the North East LEP won a national bid for c£1m funding to develop a blueprint for decarbonisation of UK Ports.
- Equinor is working with Newcastle University, Durham University and the Offshore Renewable Energy Catapult, to analyse offshore wind farm data.

The Catalyst identified a £285m project pipeline of innovation and demonstrator projects, and delivered a post-COP26 summit to showcase the region's assets – over 100 businesses attended the online event. The Catalyst's Energy Innovation Challenge Programme distributed £200k to SMEs, to help bring products or services to market.



Clean Tyne Project Group

Over 4,000 jobs

will be created in the region following over £3.2bn of new investments from companies such as JDR Cables, Equinor, Nissan, Envision and BritishVolt.



Net Zero Carbon Zero Tour – regional businesses were invited to share their Net Zero story at the North East leg of the Carbon Zero Tour

Accelerating low carbon energy projects

We launched the Energy Accelerator, which supports development of Local Authority low carbon energy projects. Two Programme Managers were recruited and enabling funding made available for consultancy work. The programme is supporting 10 projects, with a value of £150m. Eight of these are heat networks.

We worked as a member of the NEY Net Zero Hub, delivering a Domestic Retrofit Skills Assessment, and supporting programme delivery such as RCEF and LAD2.

£285m

The North East Energy Catalyst is enabling development of a £285m energy innovation and demonstration project pipeline and has supported 40 regional SMEs with funding and new partnerships.



North Gas Networks Customer Energy Village site visit

We published a 'mine energy white paper' to support UK delivery of geothermal heat from mines, coordinating the national mine energy taskforce with over 100 members.

We hosted the North East leg of the Zero Carbon Tour, a series of events in the run up to COP26 showcasing the efforts being undertaken – both locally and globally – to aid in the transition to a net zero carbon economy.

£100m

The North East LEP has supported net zero developments and projects with over £100m through its capital programmes. Including infrastructure investment, research facilities, EV infrastructure, business support and district energy.

Innovation



As the economy adapts to new ways of working post-COVID, innovation remains an important cog in driving regional competitiveness and growth. Our Innovation Delivery Partnerships are collaborating to unlock opportunities in future markets, have established challenge programmes aimed at SMEs to work together to solve key problems and realise opportunities, and have updated the regional prioritised pipeline to accelerate major innovation projects into delivery.

Alan Welby, Innovation Director

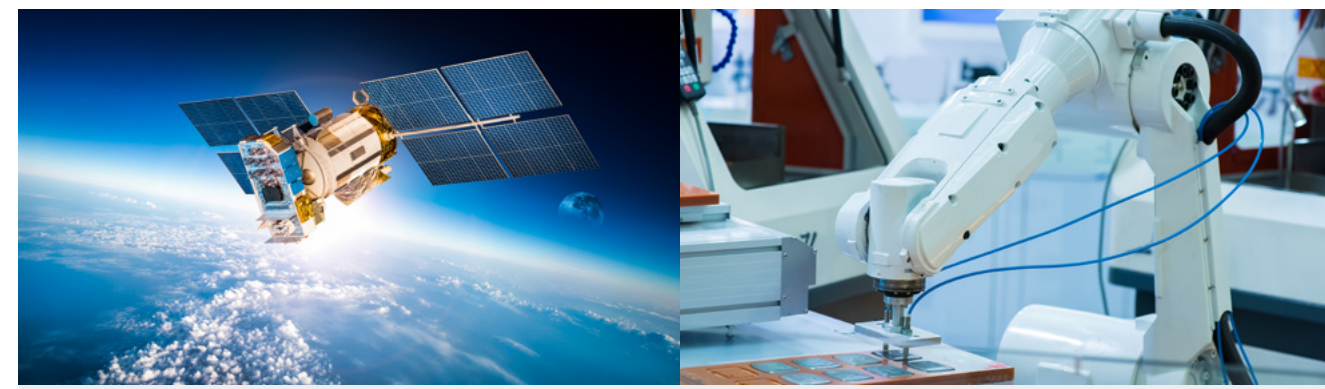
We've secured **£1.03m** to deliver two strategic innovation programmes for the region

Maximising opportunity in the markets of the future

We know that to gain competitive advantage and make the North East a more innovative and productive economy, we need to be on the front foot. We need to not only understand what markets are emerging across the globe, but also what is driving these markets and how the North East can prepare for and secure jobs and growth in these markets as they emerge.

We have focused on two key projects that will allow us to be ahead of the competition and seize the opportunities to create more and better jobs for our economy.

Innovation Delivery Partnerships (IDPs) are a group of pilot partnerships that are testing if we bring the right people, organisations and innovation assets together to develop and deliver a focused plan on a particular market opportunity, we can accelerate regional growth in new global markets in which the North East has a genuine (actual or potential) competitive advantage.



Our IDPs focusing on critical markets. Two of our seven active partnerships are looking at opportunities in space and robotisation.

Seven IDPs have developed partnership structures:

1. North East Space Hub
2. Battery Materials
3. North East Drives
4. Immex City
5. Cybersecurity
6. IC3
7. Robotisation Alliance

Immex City and the Space IDPs have secured additional UK Community Renewal Funding to deliver partnership projects. The North East Drives and Batteries IDPs have secured

government funding for project development and capital investments. The Cybersecurity IDP has progressed a business case for major investment.

We secured £321,000 funding from the UK Community Renewal Fund to develop our Innovation Delivery Partnership activity and to deliver more intensively in Gateshead and Sunderland.

We have also completed a research project that has identified 17 emergent markets the North East has strengths and capabilities in and a strong opportunity to capitalise on. Understanding these markets will inform strategy development and delivery planning.

Innovation Challenge

We have championed challenge-led open innovation through a range of projects to begin to embed open innovation as a way of addressing economic and social challenges across the region.

Our COVID-19 challenge was targeted at solving problems caused by the pandemic, specifically looking at in-person events and home-based services. The programme received 63 expressions of interest across the two challenges. 16 SMEs were successful with their applications, receiving a total of £79,130 grant funding in phase one and being matched with challenge supporters to develop their concepts.

More recently, we have secured £712k through the North of Tyne Combined Authority Investment Fund for an open innovation challenge project to bring solutions to pressing problems in decarbonisation, healthy aging or 5G / digital transformation, which will allow us to further embed this approach.

"The challenge process enabled me to develop stronger links with Northern Gas Networks and develop an informal partnership arrangement which has culminated in plans for a national project. Affotek would not have had access to this market if it hadn't been for Challenge North East".

Dr. Chennakesavalu Rajagopal of Affotek

£200,000
received by 16 businesses in the COVID-19 Open Innovation Challenge

£712k
secured through the NTCA's Investment Fund for an open innovation challenge project to bring solutions to pressing problems in decarbonisation, healthy aging or 5G / digital transformation.

Innovation project pipeline

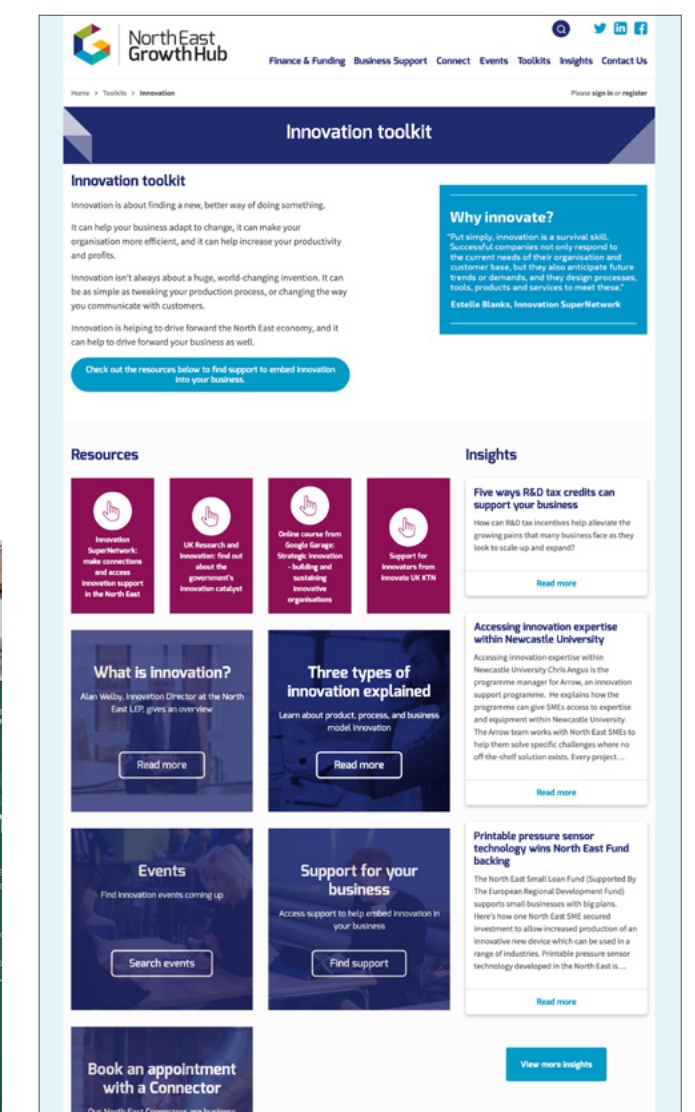
Ensuring our pipeline of innovation projects is live and always developing is critically important to us. This year, we have seen projects moving from our pipeline into delivery, and others undergoing significant changes to their proposals due to external circumstances. We launched a new project call during the Summer for both innovative capital and revenue proposals. Of the 51 expressions received, the North East LEP Board approved priority status for nine projects which will be assisted into delivery in 2022/23. We agreed to monitor and support less intensively a further 11.



NICRE team at Rural Catalyst Conference 2021, Alnwick Garden

Innovation Business Support

We launched the Innovation Toolkit on the North East Growth Hub as a mechanism to reach innovation active businesses and potential innovators, and to raise awareness of opportunities for our businesses to capitalise on local research and innovation capability. The Innovation Toolkit was the most visited toolkit in the two months to February 2022 with 190% more traffic than the second most visited toolkit (Net Zero).



North East Growth Hub Innovation Toolkit

Skills, employment, inclusion and progression



Despite 2021 being a challenging year for our team and our partners in both education and business, there were significant achievements throughout the year. We have adapted to new ways of working with our partners, encouraged innovation in delivery of programmes, and provided evidenced challenge and positive feedback to regional plans and national skills policy on behalf of the North East.

Michelle Rainbow, Skills Director

Making a national impact

The North East LEP has been recognised as achieving national impact. We hosted National Careers Week for the first time in the North of England and it was attended by over 300 careers leaders nationally.

We provided oral and written representation to the House of Lords Youth and Employment Select Committee resulting in the North East being highlighted several times as exemplars. We have been represented on a Department for Education regional group piloting an innovative and unique provision for young people to improve progression. Our innovation and influence at a national level is reflected in our programmes of delivery.



National Careers Week launch

"I have found the Kickstart process very beneficial and with the help of our Skills Facilitator, Rochelle at North East Ambition, the whole process was made very easy to navigate. Without the Kickstart scheme I would not be able to take on new people and I would struggle to be able to grow my business as quickly as I would like."

Martin Young,
Director of Cassidy Forsythe



North East Ambition 2 supported Cassidy Forsythe – a small multi-disciplinary practice specialising in providing 3D modelling services – to recruit four new members of staff through the Kickstart scheme, which provides funding to create six month job placements for young people.

North East Ambition

Our North East Ambition programme was extended to support a further 170 SMEs and through this we have had success supporting businesses to take on apprentices and Kickstart applicants in order to fill vacancies.

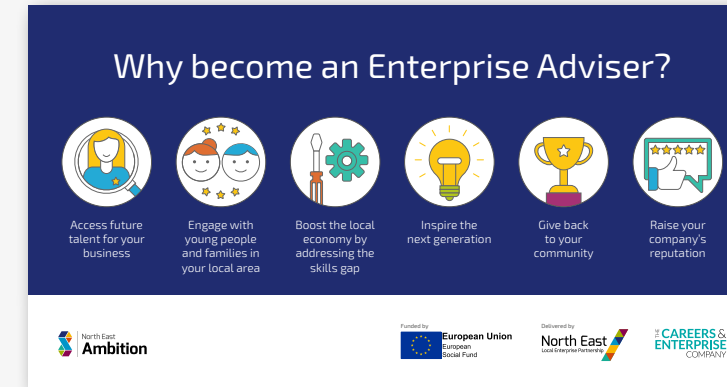
The programme continues to underpin education across the region. Over the two years, our Primary Pilot demonstrated the positive impact that careers-related learning can have in primary settings by improving children's understanding of the range of future possibilities open to them, and enhancing teachers' careers-related knowledge, understanding and skills. Pupils within the pilot schools are receiving more careers education than ever.

170 SMEs

supported through North East Ambition 2

89%

of Career Leaders involved in the Pilot now say that their careers-related learning covers all year groups in the school



Campaign artwork that was the creative approach to encourage businesses to join the Enterprise Adviser Network. We generated over 100 expressions of interest, that converted to 24 new members of the network.

Opportunity North East careers pilot

This programme targets 480 pupils across 16 schools providing enhanced careers advice and bespoke interventions to support their post 16 choices. Those involved in the project have shown an 89% increase in the assessment of their understanding and knowledge related to careers. The impact was validated by an Oxford University study, which showed that pupils on the programme had significantly higher levels of career planning and engagement than those not on the programme. This was higher than any other factor such as gender, parental graduate status or ethnicity, which have traditionally been shown to be the most significant influences on the career aspirations of children.

"The benefits of this kind of approach, such as the development of transferrable skills like reflection, the ability to research and present information, and have confidence in what you are talking about, are vital. It's not always about what you have been taught, sometimes it's what you find out for yourself."

Andrea McLoughlin,
Public Health at Sunderland City Council.

Developing our evidence base

The Skills Advisory Panel has commissioned reports on key strategic issues for the North East including digital exclusion, domestic energy and skills Impact on the green economy and the nature of 'Good Work' post COVID-19. Our programmes are producing robust evidence to inform future delivery in the region and influence national policy.

Supporting the covid response and recovery

We have adapted and rolled out hybrid models to support careers education in primary, through to further education, and within our business network throughout a disruptive year for all. We developed hybrid models for providing work experience. We supported skills bootcamps aimed at benefiting adults by providing access to in-demand skills training and a guaranteed interview.

Skills White Paper

We have been continuing to improve and grow apprenticeships through the North East LEP's Apprenticeship Provider group. We have supported the role out of T Levels through the establishment of new T Level routes. We reported opportunities and challenges to government, influencing policy direction, including increasing the incentive available to employers.

We continue to facilitate a strong relationship between industry and education providers. We have delivered Industry Insight Sessions to deepen educators understanding of industry. We developed a new place-based approach to the Enterprise Adviser Network to raise awareness of post-16 technical education and we continue to work with partners to improve access to labour market information.

The skills programme demonstrates exceptional strategic added value, influencing national strategy on careers provision, based on the initial Gatsby pilot. This project is also directly addressing its specified outcomes, specifically around raising young people's aspirations due to good careers guidance and exposure to industry.

Comment from the interim evaluation of the North East Strategic Economic Plan

Independent evaluation of our impact

The independent interim evaluation of the North East Strategic Economic Plan praised our strategic vision, relationship development and partnership working. It also noted that we stand out compared to other LEPs for our focus on education and skills, which deliver outcomes over the long rather than the short term.

Investment and infrastructure



Over the last year we have continued to focus our attention on supporting regionally important infrastructure investments to help realise strategic sector development opportunities and to promote a green economic recovery from the COVID-19 pandemic.

Despite the inflationary and supply chain challenges faced by the construction industry, there has been steady progress on our investment programmes and importantly, several major business investments have been confirmed. This new investment is helping to build new and strong regional economic foundations, supporting our core goal to create more and better jobs.

Helen Golightly OBE, Chief Executive

£23.6m of funding support for 14 capital projects approved during the year.



HM Government

Local Growth Fund

Total Growth Deal investment to date has been £260m, of which £9.3m is forecast to be spent in 2021/22.

Over 800 new jobs are forecast by March 2022. Including over 80 by SMEs moving into Jade Business Park, Phase 1 development which is now fully occupied. The International Advanced Manufacturing Park (IAMP) employment site in Sunderland/South Tyneside has also secured a £450m investment from Envision-AESC to create a new car battery production 'gigafactory'. In Northumberland, JDR Cables has confirmed it is to invest £130m on the Northumberland Energy Park on the River Blyth Estuary to manufacture cables to supply offshore windfarms.

2,400 jobs

created by capital projects supported by the North East LEP



Enterprise Zones

The Enterprise Zone programme continues to support enabling infrastructure to improve the competitiveness and appeal of key regional employment sites, facilitating both local and inward private sector investment and new jobs.

£157m capital investment has been approved in principle to get Enterprise Zone sites ready for development, with £69.9m spent by March 2022.

During the last 12 months, our 21 Enterprise Zones became home to three more businesses, creating more than 1,363 jobs. This brings the total number of businesses located on the Enterprise Zone sites to 62, collectively employing more than 3,200 people.

Getting Building Fund

The North East LEP was allocated £47 million over 2020-22 for investment in regional infrastructure projects to help stimulate jobs and support economic recovery – with a particular focus on town and city centre rejuvenation – and supporting investment in green economic infrastructure.

Expenditure this year is forecast at over £26m, with 127 jobs expected to be created. The first of 20 capital projects to complete is the Newcastle United Foundation £7m NUCASTLE building, providing an innovative three-storey community hub offering learning, health and recreational facilities. In Northumberland, phase one of the Bedlington town centre redevelopment has also completed with 19,000sqft of new retail floorspace. However, challenges in the construction industry over the past year has commonly resulted in project delays, consequently we expect the full programme to complete later than planned in 2023.

North East Investment Fund

The North East Investment Fund has been allocated in full and repayments are coming in to be reinvested.

During 21/22 we invested in one project and jointly supported six new business premises projects coming through a pilot Commercial Property Investment Fund under the Getting Building Fund (GBF).

We have continued to develop a Commercial Property Investment Fund, building on this year's pilot programme, which we plan to launch in Spring 2022 drawing £35m of the NEIF over the next fifteen years.



Construction has started on a new £4.5m speculative development on the Tyne Tunnel Trading Estate which has received GBF funding.



Amazon Warehouse, Follingsby Park

Investment and infrastructure highlights

The pilot CPIF programme has supported six private sector commercial industrial and office development projects across the North East. Between them they are creating or enhancing over 33,000sqm of commercial floorspace and leveraging private investment of almost £40m.

One of the first projects planned to complete is a 4,484sqm industrial unit on Tyne Tunnel Trading Estates being developed by UK Land Estates.

JDR Cable Systems – Northumberland Energy Park Enterprise Zone site, Northumberland:

Work is nearing completion by Advance Northumberland on the remediation and construction of a new quay at the site of the former Blyth Power Station where JDR Cable Systems has confirmed an investment of £130m to develop a new manufacturing facility initially creating 170 new jobs following its planned opening in 2024. When complete, the facility will include a new catenary continuous vulcanisation (CCV) line, making it the only facility in the UK capable of full start-to-finish manufacturing of high voltage subsea cables for offshore wind farms to support the growing global renewable energy market.

Amazon development – Follingsby Enterprise Zone site, Gateshead:

Significant progress has been made on the Follingsby Enterprise Zone sites during 2021-22. Following the opening of the Amazon Last Mile Delivery Centre in quarter two, the Amazon Fulfilment Centre was opened in September 2021 and by November 2021, 1,300 permanent employees were on site, with an additional 1,000 seasonal workers also employed. Across the site, 187,024 sqm of commercial floor space has been successfully developed and occupied. Amazon has made a significant investment in the North East of England, spending £650m across three sites – one of which being on the Follingsby Park Enterprise Zone. Gateshead Council is continuing to work with the land owner Legal & General to explore all opportunities for development of the three remaining plots, building upon the momentum created during 2021-22.

InTEGReL, Customer Energy Village, Thornley, Gateshead

This £2.5m research facility, led by Northern Gas Networks, is supporting the need to decarbonise the UK housing stock and address the challenges of retrofitting millions of homes that currently rely on natural gas. The project is constructing nine homes that reflect 85% of the housing stock in the UK to create a ready-made environment for businesses and universities in the region to develop and demonstrate technologies linked to the green economy, such as hydrogen ready appliances, hybrid heat pumps linked to utility infrastructure and smart technologies. The project will be completed in Autumn 2022.

Accelerating the development of regional strategic projects

In May 2021, a £4 million 'Project Accelerator Development Fund' was established by the North East LEP Board, with the purpose of helping to speed up the research and development of regionally important capital and revenue projects, allowing them to become 'shovel ready' and to secure investment funding.

The first two project funding calls have resulted in 21 projects being approved and £1.8m of grant being awarded.

One initiative that is benefiting is the recently established North East Battery Alliance. A £90,000 award was made to help develop the region's capacity and potential in this growing market where the North East has a leading edge.



InTEGReL Customer Energy Village – research facility consisting of retro houses constructed to enable real time testing of new technologies and products

Transport connectivity



We continue to shape our regional transport network to deliver on the ambitions outlined in the North East Transport Plan which was adopted in 2021. This year has seen us move forward on our plans to reopen the Leamside Line, raise awareness of our rail plans, install more EV charge points to drive sustainable EV take-up, improve our cycling and walking infrastructure, and make improvements to our bus and Metro services for all.

Philip Meikle, Transport Strategy Director, Transport North East

At the end of 2021/22, the region received indicative funding on **£163.5m** for its Bus Service Improvement Plan.

East Coast Main Line and Leamside Line

The North East continues to campaign for credible, timely and properly funded plans to upgrade the East Coast Main Line, including the full reopening of the Leamside Line. The government's Integrated Rail Plan dented the ambitions of the region to be directly plugged into any future high speed rail network. However, it does include some significant East Coast Main Line capacity upgrades along the stretch from Northallerton to Newcastle and we are keen to work with government to ensure a swift delivery of these essential interventions. The Integrated Rail Plan excluded the Leamside Line, instead suggesting this should be developed as a local scheme. Cross party political support and cross business support is still strong for both of these priority projects. Locally funded early business case development is underway for both the uplift in capacity on the East Coast Main Line and the development of a Metro extension, as a first phase towards the reopening of the Leamside Line in full.



Cross-party MPs, local politicians and business leaders come together to make the case for the reopening of the Leamside Line

"As a region we must be better connected so we can position ourselves as a major economic hub in the UK. With the right investment, we can improve our transport infrastructure, compete globally, grow our economy, make a significant contribution to the levelling up agenda and create more and better jobs for the people in our region, both now and in the future. I urge government to commit and invest into the East Coast Mainline and support the North East to level up the national economy"

Helen Golightly OBE, Chief Executive, North East LEP



Cycling around Saltwell Park, Gateshead, as part of the Go Smarter, Go Active Roadshow

Active Travel Fund

£2.2 million of emergency active travel funding has now been delivered. Delivery of our Tranche two programme is well underway, which will see £9.049 million of active travel schemes delivered across our region. A regional bid for £27 million of active travel funding was submitted in August 2021 and the region successfully secured £17.9m for delivery of our Tranche 3 programme.

Go Smarter, Go Active – a promotional campaign aimed at increasing active travel in the region – was delivered in 2021/22. The campaign consisted of three parts:

- A new cycling and walking map for the region
- Production of 16 guides for days out by active travel
- A seven-week long cycling roadshow aimed at encouraging people to cycle.

North East Rail and Metro Strategy

During the year a new Rail and Metro strategy was developed jointly between Transport North East and Nexus and is now at the public consultation stage. The strategy highlights the region's rail and Metro ambitions and what our local network could look like by 2035. The strategy highlights the important part rail plays in the day-to-day lives of local people and what changes could be made to improve the current services and expand the network further.



The new EV charge Point next to the Angel of the North on the A167 Durham Road in Gateshead

Go Ultra Low North East

The Go Ultra Low North East programme, funded by the Office for Zero Emission Vehicles and European Regional Development Fund, ended in May 2021. As a result of this project, the UK's first Electric Vehicle (EV) filling station was installed at Sunderland, 11 EV rapid hubs were delivered, and over 52 SMEs received consultancy support to assist their transition to EVs. The project has the potential to deliver a reduction of at least 293 tonnes of GHG.

The EV taxi project which received £500,000 from the Office for Zero Emission Vehicles, has delivered eight of the 10 rapid chargers. Two sites are still to be delivered; one of which will be operational by March 2022. The remaining site is currently being utilised as a COVID-19 testing station. Engagement with the trade to encourage the uptake of EVs is underway.

Capability Fund

The region has secured £2.16 million of funding through the Capability Fund to support the development of schemes to deliver behavioural change and modal shift.

Bus Service Improvement Plan

Following the publication of the National Bus Strategy in March 2021 the region published the Bus Service Improvement Plan (BSIP) in October which was the region's bid to be able to access government funding to improve



Durham Bus Station redevelopment

the bus network. The BSIP set out plans to reduced fares, increase bus service frequency, provide new bus services and to improve bus priority measures on the busiest bus corridors. At the end of the 2021/22 financial year the region was confirmed as being successful in obtaining indicative funding of £163.5m.

Transforming Cities Fund

The Transforming Cities Fund tranche one programme is now complete, with £10 million of investment delivered across the region. The tranche two programme is well underway, with five of our major schemes in delivery – including Durham and Sunderland Station.

By the end of March 2022, approximately £65 million of investment in sustainable transport projects will have been approved by the Joint Transport Committee.

Metro Asset Renewal Programme

Following completion of the 11-year Metro Asset Renewal Programme in March 2021, which has invested a total of £378 million, a further £18 million is on target to be invested in 2021/22. This includes further investment in our most critical assets including overhead line equipment, rail renewal at Tyne Dock, switch and crossings replacement at Gosforth, network wide testing, and renewal of signalling cables.

Strategy, policy, evidence and analysis



As we continue to respond to significant short-term economic volatility and changing public policy, we also maintain a focus on strategy for the long-term development of our economy with the ongoing development of our Strategic Economic Plan, the crucial framework for this work.

Innovation and development of data, insight and analysis across our priority areas and collaboration with business, research and public sector partners are key enablers to our work.

Richard Baker, Strategy, Policy and Analysis Director

11 research projects completed

Development of the North East Strategic Economic Plan

The three year interim independent evaluation of the Strategic Economic Plan, completed in December, demonstrated the impact of the Plan and highlights our role as its champion working with partners. It makes recommendations for action as we prepare for a final evaluation in 2025.

An updated Executive Summary was produced, reflecting change in the economy and the new policy environment, including the Levelling Up White Paper and Plan for Growth. It incorporates regional priorities for economic recovery post post-COVID-19 and the UK's departure from the European Union.

We have adopted digitalisation of the economy and the drive to net zero as organisation wide priorities and strengthened our focus on knowledge intensive services.

147 attendees
at the Our Economy online launch event



Our Economy 2021 report

Building our evidence base

Our Economy 2021 was published in October highlighting economic performance across over 200 metrics. We also published an impact report examining the experience, opportunities and challenges resulting from COVID-19 and the EU transition.

We commissioned research on the impact of COVID-19 on the Good Work Agenda, digital exclusion, investment flows and the SME

business base. COVID-19 triggered significant innovation in our use of data. We continue to incorporate new techniques into our programmes.

During 2021 we repositioned our Data Hub as the North East Evidence Hub, creating a wider platform for publishing a range of data, research and commentary. A priority for us is to continue to enhance this platform.



The impact of COVID-19 on the Good Work Agenda and flexible working

At a time when organisations are faced with an opportunity to change the way in which they work, this is a perfect opportunity to link into and develop the Good Work Agenda.

Working in collaboration

The North East Economic Evidence Forum continues to focus on the region's evidence needs and review current research. Our close work with academic partners continues and we look forward to joining Insights North East, led by Newcastle University. Collaboration with Durham University continues on strategic projects including trade and energy. We are active participants in the UK Productivity Institute.

We commissioned research for NP11 LEPs, Transport for the North (TFN) and government assessing how northern partners develop data and evidence. It proposed stronger collaboration and we are now leading development of the Northern Evidence Network (NEN).

Strategy development

The NEN is supporting TFN to update the Northern Powerhouse Independent Economic Review.

In June 2021 we published our North East global trade and export report, in partnership with the

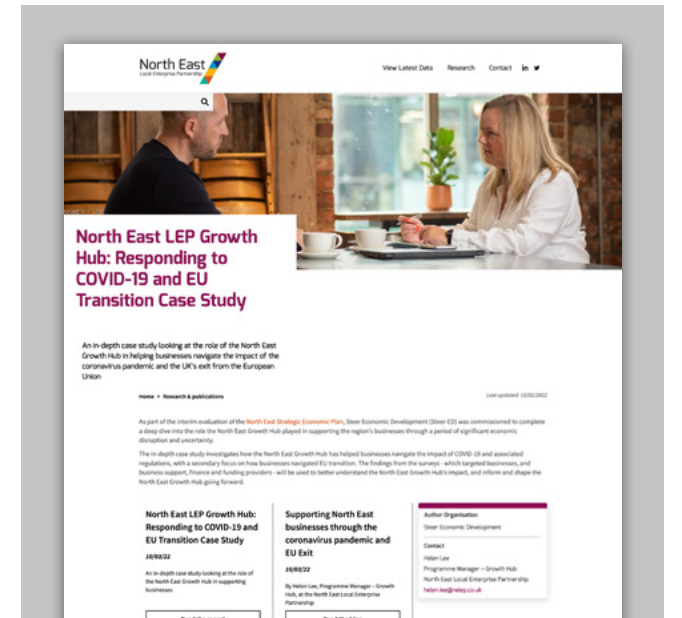
Department for International Trade (DIT) and North East England Chamber of Commerce. This proposed a strategy to strengthen future export growth by building on current trade relationships and exploiting new trade deals. A second report completed in December identifies a delivery plan.

With partners, we are developing Net Zero North East, a regional collaboration to accelerate decarbonisation. A prospectus identifies current action, opportunities and challenges. We supported the Department for Business, Energy and Industrial Strategy to publish a study on the economic impact of the net zero transition on our region.

As one of six partner LEPs, we are supporting the transition of the North East and Yorkshire Local Energy Hub to a Net Zero Hub following the Net Zero strategy.

Informing policy

The EU Exit Implementation Group continues to work on transition issues. We co-ordinated responses to government consultations on UK trade with the Gulf Cooperation Council,



North East Evidence Hub

on subsidy control, and migration priorities. A forthcoming report will assess the impact of EU Exit on the North East one year on, informing future priorities.

With partners we produced both a growth-focused regional statement of intent, and a response to government's review of Destination Management Organisations (DMOs). We are supporting landmark projects such as the Durham 2025 City of Culture bid and opening of the Convention Centre.

We have produced analysis of the White Paper published in February 2022, following on from similar briefings on key fiscal events and policy processes. Priorities identified include devolution and funding proposals, and implementation of the LEP Review.

In conjunction with the Bank of England, we have continued to convene the Economic Prospects Group as a platform to share economic intelligence and review key UK-level reports such as the Bank of England Inflation Report.

North East Local Enterprise Partnership

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