

North East Local Enterprise Partnership Board



Thursday 27 January

17.00 – 19.00

AGENDA

Items 6 and 8 are confidential as they contain commercial information relating to the financial or business affairs of a particular person or organisation and they are not for wider circulation.

1. **Welcome from the Chair and apologies** (5.00pm)
2. **Declarations of interest** (5.00pm)
3. **Minutes of the last Board meeting held on Thursday 2 December 2021** (5.05pm) Board will be asked to agree the Minutes.
4. **Annual Delivery Plan progress update** – paper attached (5.10pm)
Helen Golightly to present to the Board.
5. **Strategic Economic Plan – Next Steps** – paper attached (5.20pm)
Helen Golightly to present to the Board.
6. **Funding decisions and update** - **confidential** paper attached (5.40pm)
Paul Woods to present to the Board.
7. **Updated 2021/22 Revenue Budget and Indicative 2022/23 Revenue Budget** – paper attached (5.55pm)
Katy Laing to present to the Board
8. **Innovation Project Pipeline update** – **confidential** paper attached (6.10pm)
Alan Welby to present to the Board
9. **Chair and Chief Executive update** - paper attached (6.30pm)
Lucy Winskell and Helen Golightly to update the Board.
10. **Any Other Business** (6.40pm)
11. **Date and time of next meeting - Thursday 17 March 2021 from 5 - 7pm**

27 January 2022

Item 4: Annual Delivery Plan Progress

1.0 Purpose of Report

1.1 This report provides a summary of the progress against the Annual Delivery Plan 2021/22, with further details available in *Appendix 1*.

1.2 Summary of current positions of Annual Delivery Plan deliverables:

Annual Delivery Plan Progress - summary table

Programme	Number of key deliverables	Key deliverables by RAG status				Key deliverables by progress status			
		G	A	R	N/A	Complete	In Progress	Overdue	Not Started
Business and sector growth	59	45	10	4	0	5	48	0	6
Innovation	17	12	5	0	0	1	16	0	0
Skills, employment, inclusion and progression	25	21	3	0	1	1	22	0	2
Transport connectivity	22	18	4	0	0	2	20	0	0
Investment and infrastructure	18	15	3	0	0	0	18	0	0
Policy, strategy, evidence and analysis	14	13	1	0	0	1	13	0	0
Governance	10	0	0	0	0	0	0	0	0
	155	124	26	4	1	10	137	0	8

2.0 Highlights and points to note since the last meeting

Business and Sector Growth

- INEE has a strong pipeline of significant projects, particularly in the following sectors: advanced manufacturing, energy, digital technology.
- An energy innovation project pipeline, under the NE-FEST vision, **of c£285m** has been established through the North East Energy Catalyst
- Comprehensive evidence base has been developed by Policy and Strategy to underpin the development of a North East Advanced Manufacturing Strategy
- Contractors appointed to carryout proof of concept study for the formation of the North East Life Science Manufacturing and Innovation Zone.
- Work started on the 'Modernising Business Support Project' to introduce a more transformational approach to business segmentation and diagnosis.
- Letter sent to Michael Gove, Ministers and Civil Servants on behalf of the North East Business Support Provider Network outlining recommendations for the introduction of the Shared Prosperity Fund and inviting them to a briefing session.
- Recruitment completed for BEIS Funded Peer Network and Made Smarter Projects.
- Findings and recommendations received from the Growth Hub's Inclusive Growth project, relevant ministers have been invited to a briefing session 28th Jan. This project has received significant interest from other LEP's and Combined Authorities.

- The LEP submitted a regional response to the heat network zoning consultation, a BEIS-led national exercise which will use energy mapping to identify areas suitable for heat networks

Innovation

- We are mobilising innovation activity through the Community Renewal Fund with our IDP partners and RTC North and are contracting with added-value suppliers.
- The 51 expression of interests for regional innovation projects were endorsed by the Innovation Board and main LEP boards. Nine were endorsed as priority pipeline projects and 11 as development pipeline projects.
- Challenge North Tyne proposal was approved by North of Tyne Combined Authority Investment panel in December and goes before Cabinet on 25 January.

Skills, employment, inclusion and progression

- The North East LEP has secured the opportunity to host the launch of National Careers Week for the UK next year. It will be a great opportunity for the region, as the first LEP to host and the first time that the NCW has been held outside London.
- Regional Skills lead was a guest speaker on a national FE News Podcast sharing learning and experiences on supporting providers and employers with industry placements. This has led to an increase in national asks including representing the national LEP network for technical education for which time will be compensated.

Transport

- The UK government's 'Integrated Rail Plan' for the north and midlands has been published. The outcome for the region is severely disappointing as the North East will no longer be fully connected to the UK's high speed rail network. However, there are commitments to delivery interventions on the ECML between York and Newcastle to lift the capacity from 6 trains per hour to 7 or 8.
- The Full Business case for the reintroduction of passenger services onto the Northumberland Line was submitted to the DfT in December 2021 and is awaiting Ministerial decision. In tandem progress is being made with both the planning applications for the new stations and the legal orders required to secure permission to allow the infrastructure works to proceed. The Public Inquiry covering the required Transport and Works Act required has concluded and the Inspector's report awaited

Investment and Infrastructure

- Project Accelerator Fund second call closed 16 December 2021, with nine applications received.
- Enabling works have commenced on the Gateshead Quays conference and exhibition centre
- Procurement of the CPIF Fund Manager progresses; tender submissions were received 3 December 2021

Strategy, Policy and Analysis

- The Executive Summary of the Strategic Economic Plan has been updated to include a revised narrative and evidence base, which is in line with the current public policy agenda and the range of economic evidence reports recently published
- A collaborative response has been prepared by partners in the region to the Government's consultation on a Free Trade Agreement with the Gulf states.
- The Advanced Manufacturing strategy evidence base has been completed and an internal working group is being formed to develop an approach to a future strategic framework

Communications

- There continues to be growth in the number of followers across the LEP's social media (0.9% on Twitter and 3.4% on LinkedIn). The North East LEP remains the most followed LEP in the country on Twitter.

- The story with the most impressions on Twitter related to the Energy Catalyst. On LinkedIn the post with the most engagement related to the enabling works commencing on the Gateshead Quays project.

3.0 Recommendations

- 3.1 The Board is recommended to note the contents of the report and *Appendix 1*.

Appendix – Annual Delivery Plan – progress update



Annual Delivery Plan – progress update



Business and sector growth | Lead: Colin Bell

Vision (in SEP)

To be a growth orientated, dynamic and productive environment where businesses invest, grow and thrive. At a time of change, we want business leaders to be inspired and supported to achieve their goals through strengthened leadership, innovation and trade, resulting in:

- An increase to the density of scaleup businesses in the North East by 50% from 2014 to 2024. These businesses will deliver 6,000 new jobs into the North East economy
- The attraction of new businesses who invest in the North East and create 4,000 new job per year between 2014 and 2024

We want more businesses to actively seek, and find with ease, the support and finance they need to grow and to strengthen the visibility of opportunities for investment in our economy.

Highlights in current period:

- INEE has a strong pipeline of significant projects, particularly in the following sectors: advanced manufacturing, energy, digital technology.
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- Recruitment completed for BEIS Funded Peer Network and Made Smarter Projects.
- Findings and recommendations received from the Growth Hub's Inclusive Growth project, relevant ministers have been invited to a briefing session 28th Jan. This project has received significant interest from other LEP's and Combined Authorities.
- The LEP submitted a regional response to the heat network zoning consultation, a BEIS-led national exercise which will use energy mapping to identify areas suitable for heat networks

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Raise levels of business growth ambition				
Deliver ongoing communications activity to encourage business engagement with the North East Growth Hub and to inspire businesses to start and grow their businesses. The communications activity will deliver 17,850 light touch interventions.	We have recently undertaken a review of the tagging set up for the North East Growth Hub website. As part of the review, we concluded that referrals to events, EOI's for an appointment with the Connectors and engagement with our toolkit content, should all be counted as part of our light assists. We have backdated our reports and the total number at the end of November 2021 was 11,083, which is slightly down on our target of 12,000 for this point in time.	Jen Robson	A	In Progress
Increase demand for external business support and finance				
Increase the capacity of the North East Growth Hub to deliver: -915 Medium Intensity Interventions -580 High Intensity Interventions to businesses with scaleup potential, This support will deliver: -750 additional jobs of which 490 will be better jobs -21.9million additional GVA	We are a little behind for predicted quarter three volume stats, but this is due to the recruitment of Peer Networks cohorts. We are however ahead on impact stats (jobs and GVA) and Customer Satisfaction remains high at 96% which indicates what we are delivering is having the desired effect. We have achieved: - 586 Medium Intensity Interventions (64.0% of BEIS annual target) - 393 High Intensity Interventions (72.8% of BEIS annual target) - 458 additional jobs (61.1% of annual target) of which 246 are better jobs (50.2% of annual target) - £39.2 of additional forecast GVA created (179.1% of annual target)	Siobhan Finnon	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Introduce a triage team to service inbound enquiries and carryout outbound lead generation and intelligence gathering activities.	Triage team in place; actively managing inbound enquiries and making outbound lead generation. The Triage team have also been gathering intelligence to support the development of sector strategies through conducting telephone surveys with businesses in the Digital and Energy sectors.	Helen Lee	G	Complete
Integrate the sector teams and sector delivery plans with the North East Growth Hub.	Each Growth Hub Connector has been assigned a sectoral responsibility. Significant activity has been taking place across each of our priority sectors to deepen relationships with businesses and to gather intelligence on their needs and opportunities which is being fed into steering groups. This approach is also increasing the uptake of business support by businesses in priority sectors and identifying ways in which they can contribute to sector strategy.	Helen Lee	G	In Progress
Introduce a new approach to business segmentation, diagnostic, and brokerage that better identifies and focuses on account management through the Growth Hub Connectors and Scaleup Partners, with the businesses who can deliver impact.	<p>The project to introduce a new segmentation, diagnostic and brokerage model has been mobilised in partnership with Tees Valley CA. The segmentation and diagnostic frameworks have been designed and agreement to work with the Department of International Trade has also been reached.</p> <p>Related project in development to consider Inclusive Growth. The final project report is being finalised and will be presented to Ministers and MP's during a briefing event 28th January.</p>	Colin Bell	G	In Progress
Ensure the support of external business support and finance matches the needs of businesses and the economy				
Work with government and regional partners to support the development of, and transition to, a new business support and sector development landscape.	Facilitated by the LEP, the North East Business Support Provider Network have produced a letter to Michael Gove, relevant Ministers and Civil Servants making recommendations on how the Shared Prosperity Fund can best be implemented in the North East to maximise economic outcomes and the levelling up of the economy. The SoS, Ministers and MP's have been invited to a briefing event.	Colin Bell	A	In Progress
Continue to lead the North East Growth Hub Cluster and work closely with government to support the development of the national Growth Hub network.	Provide a sounding board to Govt on the development of policy and strategy. Working on national project to align services delivered by GH's, DIT and Innovate UK. Key collaborations with TVCA inc: Made Smarter, EU Exit/NetZero workshops and new approach to segmentation, diagnosis and brokerage.	Colin Bell	G	In Progress
Deliver 26 government funded Peer Networks to support approximately 280 businesses to improve their productivity performance.	Recruitment is now complete for 22 of the 26 Peer Networks. Recruitment was difficult in December due to the time of year and the Omicron variant. During January demand has significantly accelerated. Demand has been particularly strong for Net Zero cohorts which support SME's to develop Net Zero plans.	Emily Carlson	G	In Progress
Expand the Growth Hubs Mentoring for Growth Programme with the aim of supporting 100 businesses to unlock their growth potential.	Commitment from mentors to support expanded mentoring offer to support high growth and early-stage mentees. We are supporting four mentees through the Cross Company mentoring pilot (2x Newcastle Building Society, 1x Northumbrian Water and 1x Learning Curve Group). Due to business constraints Mayborn Group had to withdraw from the pilot however they remain keen to re-engage at a later date. We quickly secured commitment from Learning Curve to enable the pilot to go ahead. The mentees have been matched with mentors from the pilot companies (2x Newcastle Building Society, 1x Northumbrian Water and 1x Learning Curve).	Helen Lee	A	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Work with sector teams to ensure that the business support ecosystem meets sector specific firm level needs.	Work is being undertaken across each sector to understand the specific challenges, barriers and opportunities that businesses are facing at different states of development. The intelligence gathered will support the development of policy and strategy.	Colin Bell	G	In Progress
Deliver 11 Local Growth Fund Cluster Development Fund projects.	9 of the funded projects are now complete. 2 experienced delays due to covid and have been granted short extensions.	Colin Bell	G	In Progress
Improve the region's economic resilience				
Develop Peer Networks in the sectors most effected by COVID-19 (hospitality, retail, tourism) to support businesses to recover	Collaborations have been formed with Business Improvement Districts (e.g. NE1) to target businesses in the retail and hospitality sectors.	Colin Bell	A	In Progress
Continue to gather and develop weekly intelligence reports to inform government and regional stakeholders on the state of business and to identify issues early.	Work continues, no change since last report	Siobhan Fannon	G	In Progress
Run bespoke workshops and support services to educate businesses on specific issues/changes related to EU transition.	Our first Net Zero workshop was held in December 2021, helping micro and small sized enterprises in the North East and TVCA areas to understand what is net zero, why it's important and how they can make a commitment to reduce their carbon footprint. Two other workshops will run in January and February, alongside three that will focus on EU Exit and International Trade.	Siobhan Fannon	G	In Progress
Continue to work as part of the North East Economic Response Group to develop and inform regional response.	No change since last report	Colin Bell	G	In Progress
Grow inward investment in the region				

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<ul style="list-style-type: none"> · Combined and local authorities, the LEP, the Department for International Trade and private sector will work together with a shared ambition of securing maximum inward investment into the North East · Establish and follow a clear target driven, lead generation model that is focused on the SEPs areas of strategic importance and support service sectors · Have a robust account management system, led by local authorities, to share knowledge and investment opportunities with key partners · Develop and deliver an integrated marketing plan to raise the profile of the North East as a place to invest and locate 	<p>21/22 is shaping up to be a bumper year for inward investment. Many high-profile successful projects announced in a variety of sectors, including: Envision/Nissan; Just Eat; Smulders, Xplor, JDR Cables; Equinor/SEE; Amazon; Monstarlab.</p> <p>Not all these investments will be completed this year, but collectively they involve £billions investment and many thousands of jobs.</p> <p>INEE has a strong pipeline of significant projects, particularly in the following sectors: advanced manufacturing, energy, digital technology.</p> <p>Key areas of focus for INEE in 21/22 are northshoring, offshore renewables, electrification, and biopharma. A new member of staff has been appointed to help develop activity in the last two of these.</p> <p>Lead generation work is ongoing with DIT from completed High Potential Opportunities (HPOs) on Plant-based Manufacturing, Heat Networks and Immersive Technology. A further HPO on Healthy Ageing is being developed.</p> <p>INEE working with partners to develop new model of lead generation to be launched in 2022/23.</p> <p>Still significant concerns on medium to long-term impact on inward investment from COVID-19 and Brexit</p>	Guy Currey	A	In Progress
Deliver annual key sector development plans				
Accelerate delivery of energy projects within the region, helping deliver growth and net zero				
Operationalise the Energy for Growth Accelerator	The programme has been operational since September 2021 and is actively supporting 10 local authority led low carbon energy projects through the project development process.	B/M	G	Complete
Convene stakeholders to agree the North East masterplan approach	<p>Paper on energy masterplanning approach approved by EDs. Accelerator integrating into Ops meetings to progress, draft response to Heat Network zoning consultation complete</p> <p>The LEP submitted a regional response to the heat network zoning consultation, a BEIS-led national exercise which will use energy mapping to identify areas suitable for heat networks. Next step is to convene a meeting with reps from LA's to determine next steps for developing a region wide energy masterplan.</p>	B/M	A	In Progress
Tactically promote heat networks High Potential Opportunity, heat study, mine energy white paper	Discussions have continue with BEIS and DIT on tactical opportunities arising from the HPO. The Mine Energy White Paper has continued to garner significant interest, leading to an approach from BEIS to widen the LEP-led North East Mine Energy Taskforce to a national group.	B/M	G	In Progress
Coordinate regional local authorities in delivery of local authority delivery 2 programme	Schemes in delivery led by respective LAs. LEP in discussions with Energy Hub allocating regional underspend to projects in the North East area.	B/M	G	Complete
Support capacity building in local authorities for retrofit delivery	LEP supported retrofit coordinator training within LAs, and is developing a model for housing retrofit skills development. NTCA retrofit framework development work nearing completion.	B/M	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Complete rural community energy fund delivery and evaluation	Fund fully allocated to projects. Further funding has become available due to national underspend. Projects that proved feasible at stage 1 are being offered the opportunity to bid for this funding to develop their projects further.	B/M	G	In Progress
complete feasibility for retrofit skills proposition and determine roles in delivery	Skills Team lead, with Energy Team support. On track to complete qualitative/ quantitative assessment of domestic retrofit skills gaps. 3 workshops delivered, strong representation at each workshop from regional LEPs, education leads and industry bodies. Final report being drafted for completion end of January and dissemination February / March 2022.	David Lynch	G	In Progress
Coordinate our energy innovation and demonstration assets to develop and showcase solutions to global challenges				
Finalise bids for North East future energy systems today £50m+	An energy innovation project pipeline, under the NE-FEST vision, of c£285m has been established through the North East Energy Catalyst	David Lynch	G	Complete
Establish the Energy Catalyst SME support model	Planning underway for phase 2 Energy Innovation Programme. Plans being discussed with Innovation SuperNetwork and various discussions held with investment agencies including City London Corporation. Final plan to be firmed up in the next quarter with a view to launching phase 2 in Q1 2022/2023.	David Lynch	A	In Progress
Launch the Energy Catalyst SME network and partner network	Partner network launched with new partners including Daikin, Connected Places Catapult, TNEI. SME network engaging well with funding opportunities. For example, nine SMEs expressed interest in Ofgem Strategic Innovation Fund with 2 SMEs submitting formal bids following an Energy Catalyst led workshop.	David Lynch	G	In Progress
Plan and schedule the Energy Catalyst summit	An outline plan for the Catalyst summit is in development agreed with the Catalyst board supported by LEP communications team. Date for Energy Catalyst Summit revised to early March due to capacity and COVID-19 concerns.	David Lynch	G	In Progress
Forward comms plan for Catalyst, increase awareness and influence nationally and internationally	Key messages and assets showcased during 12 days of COP26, video also finalised and shared during the last quarter. Over 1400 views of the video in first week of launch. Asset map updated on Energy Catalyst website, plans to conduct spotlights on energy assets during 2022/2023.	David Lynch	G	In Progress
Support growth, investment and cluster development in key energy sectors				
Devise targeted inward investment process, and initial targets	Identification of key investment targets and subsectors underway. Leveraging input from DIT on low carbon heat, and OREC and Energi Coast for offshore wind.	Andrew Clark	G	In Progress
Agree, together with Energi Coast, ownership and workplan for wider offshore wind cluster development priorities	LEP established skills sub-group for Energi Coast, action plan, and appointed leads.	Andrew Clark	G	In Progress
Agree with stakeholders and coordinate the LEP's role in supporting the electric vehicles and battery sectors	Energy team now attending EV North, supporting Newcastle Uni in developing battery centre of excellence. Increasing regional strategic coordination between key sector leads in EV/Battery development.	Andrew Clark	G	In Progress
Convene stakeholders to agree and promote a low carbon heat cluster approach	Two ministerial held on North East's low carbon heat opportunities. Heat networks HPO launched. Strategic stakeholder roundtable held. LEP team developing heat sector plans.	Andrew Clark	G	Complete
Agree regional recommendations on UK content and channels to feed these into	Feedback provided to Government by NTCA, further work to identify potential LEP interventions. Roundtable discussion to be held.	Andrew Clark	G	In Progress
Support mobilisation of the Global Underwater Hub in the North East and effective connections into networks	The LEP is participating in the implementation group for the GUH, and SubseaUK have updated the LEP's offshore energy and underwater markets stakeholder group on progress.	Andrew Clark	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Work with partners on the North East Digital Ambition, by developing and publishing goals, strategic priorities and a plan that supports them				
Finalise and publish the North East's digital ambition	Will commence once Private Sector Digital Strategy Board in place	Colin Bell	R	Not Started
Agree strategic priorities	Will commence once Private Sector Digital Strategy Board in place	Colin Bell	R	Not Started
Mapping how stakeholders can contribute to the achievement of the North East Digital Ambition	Will commence once Private Sector Digital Strategy Board in place	Colin Bell	A	Not Started
To carry out research study exploring rates of digital Sector business start-up and scaleup and what's either enabling or inhibiting growth	Initial research based on STEER data and various digital/tech reports has been collated, however additional research is being carried out via a Digital Business Survey which is now live and will remain open until the Strategy Board and Advisory/Partner Board are up and running (likely March 2022). This survey will also be a driver in the creation of more digital sector Medium Assist engagements. The Digital Peer Network group is now onboarded and first session will be launched on January 19 th (6 weekly sessions), this will feed in deeper intel from the 11 digital businesses participating in the NELEP area (representation from Gateshead, Newcastle, North Tyneside, Northumberland, Sunderland and Durham (as yet no business from South Tyneside is participating).	Craig Harrison	G	In Progress
The intelligence generated from these action's will be used to inform the development of a digital sector action plan	Will commence once Private Sector Digital Strategy Board in place	Colin Bell	A	Not Started
Review and implement new governance structure	Delayed – will progress following outcome of LEP review	Colin Bell	R	In Progress
Modernise and grow pharmaceutical manufacturing in the region				
Finalise business case for funding pharma manufacturing and innovation facility and identify funding sources	Outline business case for generics manufacturing facility received. Supporting project leads to explore possible funding sources and develop proposition further	Kami Kundi	G	In Progress
Develop supply chain development programme to move forward recommendations of gap analysis and support diversification. Generics manufacture - also look at wider supply chain and supply and demand dynamics	Feasibility study received which outlines regional assets and opportunities connected to supply chain for generics manufacture. Further understanding of policy environment and impact on market opportunities required.	Kami Kundi	G	In Progress
Develop a sector skills framework to support development of an appropriately skilled workforce to enable growth	Skills group established, group chair elected and objectives and action plan agreed with stakeholders.	Kami Kundi	G	In Progress
Support Industrial Digitisation through Made Smarter Hub	Working with NEPIC to recruit a pharma manufacturing cohort	Karl McCracken	G	In Progress
Develop an inward investment proposition around out advanced manufacturing strengths	In the process of appointing contractors to carry out a proof of concept study on the development of a Life Science Manufacturing and Innovation Zone.	Colin Bell	G	In Progress
Refresh first for pharma study to understand trajectory of businesses in the sector and to understand needs, barriers and opportunities for growth	Engagement being undertaken via the Growth Hub to understand businesses challenges, barriers and opportunities.	Kami Kundi	G	In Progress
Increase the number of innovative health and life science businesses that are born, grow and scale in the region				
Support the formation of university spinouts	No change since last report	Kami Kundi	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Support the formation of corporate and NHS spinouts	No change since last report	Kami Kundi	G	In Progress
Support existing businesses to diversify into Health and Life Science Sector	No change since last report.	Kami Kundi	G	In Progress
Develop a sector skills framework to support development of an appropriately skilled workforce to enable growth	Skills group established, group chair elected and objectives and action plan agreed with stakeholders.	Kami Kundi	G	In Progress
Promote the region via Ageing HPO and expand HPO approach via IDPs to promote regional strengths e.g. Diagnostics, Rare Disease, Advanced Delivery Systems	NE diagnostics task and finish group established to enable collaboration across regional stakeholders to coordinate activities and communications to promote regional strengths in in-vitro diagnostics. Innovation team working with NIC-A to identify opportunities to attract investment via Ageing HPO.	Kami Kundi	G	In Progress
Broker access to a range of expert support and services across the health and care sectors through the Innovation Pathways				
Develop Innovation Pathway brokerage system including the mapping and gapping of supply and informing Innovation funding pipeline	AHSN are a partner in the development of the Growth Hub's new approach to segmentation and diagnosis which will streamline the innovation pathway for those seeking to supply the NHS.	Colin Bell	G	In Progress
Develop our ecosystem				
Progress priority LGF pipeline projects that demonstrate greatest contribution towards programme goals	Being considered through the Innovation programme pipeline	Alan Welby	G	In Progress
Carry out study to assess if property and infrastructure can meet the needs of industry	LGF funding secured by Newcastle City Council to develop business case for expansion of Biosphere at Helix.	Kami Kundi	G	In Progress
Carry out freight logistics study	Funding secured through Project Acceleration Fund to progress next phase of business planning.	Richard Baker	G	In Progress
Develop baseline data for sector and publish on Data Hub	No change since last report.	Kami Kundi	G	In Progress
Develop the competitiveness of the North East's Advanced Manufacturing sector				
Working with government and Tees Valley Combines Authority to lead the development of a North East Made Smarter adoption programme which will support 100 manufacturers to adopt industrial digitisation technologies	Made Smarter Fully Mobilised. Delivery on track in partnership with TVCA. Bidding for additional money from BEIS to introduce a capital grant element to add further value to participating businesses.	Karl McCracken	G	In Progress
Following the mobilisation of Made Smarter we will establish an Advanced Manufacturing steering group	Delayed whilst we await the outcome of the LEP review	Karl McCracken	R	Not Started
The steering group will then work with the LEP to develop an Advanced Manufacturing Sector plan/strategy	Policy and Strategy team working alongside the sector lead have developed a comprehensive evidence base to underpin Advanced Manufacturing Strategy development. The evidence will be considered by a newly formed Strategy Group which will be formed soon.	Karl McCracken	A	Not Started

Innovation | Lead: Alan Welby

Vision (in SEP)

Innovation is central to our long-term aim to build a more productive North East, fostering a competitive and embedded business base and solving social and economic challenges in the region and beyond. It is a tool for internationalising our economy, particularly in areas of specialisation, by attracting partners and investors to engage in our science, research and business base and for strengthening the competitiveness of businesses and creativity of communities.

We have an ambition of a collaborative and open innovation eco-system that enables the matching of what is needed to what is possible to drive economic or social value, or both.

We aim to increase the number of innovation active businesses by 550 and increase investment in business research, development and innovation by 50% between 2014 and 2024.

Highlights in current period:

This period's headlines:

- We are mobilising innovation activity through the Community Renewal Fund with our IDP partners and RTC North and are contracting with added-value suppliers.
- The 51 expression of interests for regional innovation projects were endorsed by the Innovation Board and main LEP boards. Nine were endorsed as priority pipeline projects and 11 as development pipeline projects.
- Challenge North Tyne proposal was approved by North of Tyne Combined Authority Investment panel in December and goes before Cabinet on 25 January.

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Stimulate new business opportunities through the North East Open Innovation Challenge				
Bid for, and aim to deliver three innovation challenges with proposed themes of decarbonising the circular economy, crime reduction in rural areas and health innovation.	The Challenge North Tyne bid to NTCA was approved at the Investment Board meeting in December and goes before Cabinet on 25 January. The revised programme will run from January 2022 to August 2023.	Alan Welby	A	In Progress
Develop the Challenge North East website so that it can evolve into a site that not only educates and informs about the benefits of the challenge process but becomes a platform to host and facilitate challenges in different sectors.	Development of the website continues. It will be ready for launch by end January 2022.	Nicola McIntosh	G	In Progress
Position innovation challenges as a route to new business opportunities and growth.	Our proposition to NTCA remains a priority and is an example of our route towards a successful regional approach to innovation. We continue to work with regional partners in building these activities. At the same time, we are building open innovation content for the Growth Hub that clearly articulates the benefits of innovation as a route to new business opportunities and growth.	Alan Welby	G	In Progress
Prioritise a regional pipeline of projects to form a Strategic Investment Programme				
Work with at least ten regional partners identified and assessed via an expression of interest process, to champion and develop investment-ready business cases for innovation projects and support them to secure funding and private sector investment.	A draft pipeline of projects was presented to the Innovation Board for endorsement on the 7 December. Nine projects were endorsed as priorities, where the team will assist projects in to delivery. Eleven were endorsed as development projects. The team will engage with these projects with a view to them joining the priority listing. The remaining projects were endorsed as prospective projects, the progress of which will be monitored by the team. These include university-lead projects, private sector innovation projects and non-innovation projects. In a parallel process, revenue business support projects have been categorised using the business growth and innovation ecosystem model. Proposals will be developed in preparation for the UK SPF.	Rebecca Furness	G	In Progress
Continue to support our businesses to capitalise on local research and innovation capability				

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Identify opportunities for collaboration and facilitate relationships between businesses and innovation assets	Since last report and the innovation project pipelining activity, we have focused on the opportunities for collaboration through the UK CRF-funded projects.	Alan Welby	G	In Progress
Facilitate access to research and capabilities that will help businesses increase innovation activity and facilitate knowledge transfer.	We will curate innovation support through the project pipelining activity in preparation for the UK Shared Prosperity Fund. We are in discussion with the KTN to identify further opportunities to enhance access for the region's businesses.	Alan Welby	G	In Progress
Inform and help shape emerging national innovation strategy.	The Innovation Strategy deferred key decisions on regional innovation until the Levelling up white paper. Although anticipated at the end of the year, publication is still awaited, reported to be due for publication at the end of January.	Alan Welby	A	In Progress
Increase private sector investment into growing innovation businesses				
Support mechanisms to increase investment in R&D and innovation through relationships and collaboration including: 1. Support the promotion and launch of the City of London Corporation Interconnector 2. Facilitating the preparation of an investment plan for Venture North 3. Supporting the evolution of the Northern Accelerator programme.	The Venture North Fund and Northern Accelerator were both endorsed as priority projects through the Innovation project pipeline process. Alan Welby supports the Northern Accelerator through the NA Board. The team continues to support the Interconnector as a mechanism to boost innovation activity and investment through relationships..	Alan Welby	A	In Progress
Contribute to the development of proposals for the successor to the North East Fund, ensuring the needs of the region's innovators are met.	We continue to inform Investment Team, lead delivery team for successor funding, of emerging national innovation policy that may impact succession planning.	Alan Welby	A	In Progress
Engage with partners to identify emerging opportunities and drive business growth through an Innovation Delivery Partnerships (IDP) approach:				
Submit bids proposals to the UK Community Renewal Fund for a project to develop further and deliver at pace the IDP approach. If successful deliver the proposals in line with funding award(s).	We are mobilising the project. An integral part is the evaluation, the specification of which is out to ITQ. It is intended that independent evaluation will pick up the concerns regarding fragmentation. The lead authorities approved our preference for a single evaluation contract to cover the two localities. Quotations are due 19 January with intention to contract at the end of the month. Lessons learned from the UK CRF approach and processes are critical for UK SPF. We continue to work with the two lead authorities to bring about common processes and complementary systems.	Dinah Jackson	G	In Progress
If unsuccessful, work with partners to explore the opportunities to continue to develop the IDP approach, including: 1. To continue to support the current and future potential IDPs 2. Develop and test the approach which is anticipated to include an assessment tool and benchmarks framework.	We continue in dialogue with several external partners to bring expertise to the IDP activity. As part of funded actions, a collaboration webspace is proposed which will be used to share resources between IDPs and between innovation assets and the IDPs. The UK CRF funding is contributing to the development of the assessment tool and benchmarks. A supplier briefing was held 13 January, preceding the ITQ for external support to accelerate the activity. LEP delivery teams continue to be engaged in the development of the IDP approach.	Dinah Jackson	G	In Progress
Undertake an economic markets foresight analysis project to identify emergent global market opportunities for the North East.	The project continues to make good progress with the external validation completed at Christmas. It is now in the conclusion phase, and milestones are identified pre-LEP Board on 17 March and to follow the LEP Board meeting, the initial action being the cross-chairs meeting on 12 January. We are on track to publish the work internally by February 2022, prior to the sub-board meetings.	Dinah Jackson	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Coordinate regional partners to provide enhanced innovation support activity:				
Facilitate connections and collaboration between national and regional partners including Innovate UK, NP11 and the Innovation SuperNetwork to boost innovation activities.	The ISN are working closely with us to develop open innovation challenge proposals for regional benefits. Alan Welby chairs the NP11 innovation group and working with all NP11 LEPs to develop a Northern Powerhouse portfolio of priority projects	Alan Welby	G	In Progress
Work with government and regional partners to support the development of, and transition to, a new innovation business support and sector development landscape.	We continue to liaise with the No. 10 Levelling Up Unit, BEIS and IUK colleagues to keep pace with Government intentions for innovation support and have continued conversations with The Productivity Institute. We await the Levelling Up white paper before the end of the year. It is hoped that this should give a clearer outline to the emerging regional innovation support landscape. The Community Renewal fund funded a variety of innovation projects and programmes across the UK. These projects seemed to have selected due to local opportunities rather than a coordinated strategic approach. We continue to work with local and regional partners to prepare local approaches to innovation business support and proposals for new innovation support are reflected in part in the project pipeline through nine innovation support proposals. These total a project value of £36.5m.	Alan Welby	A	In Progress
Work with innovation business support providers to enhance content on, and improve signposting to, schemes on the North East Growth Hub	Content continues to be updated with input from support providers and social media is being utilised as a tool to drive traffic to innovation scheme information on the Growth Hub.	Nicola McIntosh	G	In Progress
Publish an innovation toolkit on the North East Growth Hub. The toolkit will generate 300 referrals to the provider network	Further content has been added to the toolkit and paid advertising to promote it to relevant audiences continues to perform well. The toolkit had over 1,500 pageviews in November and December 2021; Google Ads being the biggest driver of traffic to the page. The average time visitors spent on the page in this time period was 2 mins 36 seconds and the bounce rate was relatively low at 49%, this suggests that the content on the toolkit page is relevant and is engaging visitors.	Nicola McIntosh	G	Complete
Evaluate the Local Growth Fund programme's Innovation Pipeline Development Fund.	An internal evaluation approach for this mini fund is currently being determined in conjunction with North of Tyne Combine Authority as the North East LEP's accountable body. The delivery of the projects supported through the fund has been significantly delayed by Covid-19 and consequently formal external evaluation will be delayed until project outcomes are realised for all projects.	Alan Welby	G	In Progress

Skills, employment, inclusion and progression | Lead: Michelle Rainbow

Vision (in SEP)

Our long-term ambition in the North East is that demand for skills and the quality of jobs continue to improve, leading to higher productivity. To delivery this, the North East must be a place where:

- Individuals, regardless of age or employment status, have a good understanding of the employment opportunities available in the North East and the pathways to access them
- Employers have strong links with education and training providers leading to responsive provision that meets local needs
- All patterns understand the importance of skills in improving productivity and living standards, with commitment to delivering good working environments for residents

This is an ambition vision that will require substantial changes to deliver. By 2024, our ambition is that these principles are understood across the region and that there has been significant progress made towards their achievement, providing a strong base to build on in future years.

Highlights in current period:

- The North East LEP has secured the opportunity to host the launch of National Careers Week for the UK next year. It will be a great opportunity for the region, as the first LEP to host and the first time that the NCW has been held outside London.
- Regional Skills lead was a guest speaker on a national FE News Podcast sharing learning and experiences on supporting providers and employers with industry placements. This has led to an increase in national asks including representing the national LEP network for technical education for which time will be compensated.

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<p>Deliver North East Ambition</p> <p>Support and demonstrate progress and impact as we work with 145 schools and colleges to achieve the eight Good Career Guidance benchmarks.</p>	<p>Over the last two months we have continued to establish our new model of delivery for North East Ambition. This includes working on a 1:1 basis with primary schools, secondary schools, SEND schools and colleges within the region to support them with their Benchmark achievement.</p> <p>Since the last report, we have had a strong focus on supporting our schools and colleges to complete their Term 1 Compass report – a self-assessment of their progress against the Benchmarks (BM). In total 135 schools and colleges submitted a new report this term.</p> <p>Within our hub schools/colleges, we have seen a 0.29% increase – with the average BM score now 4.24. Within our broader EAN schools, we have seen a 0.23% increase – with the average BM score now 3.68</p> <p>A number of individual Benchmark scores have reduced, but we have plans in place through a series of events, training sessions and 1:1 work with individual schools/college to support them to start making progress again.</p> <p>In addition, our work with schools and colleges included:</p> <ul style="list-style-type: none"> • Finalising a new Strategic Hub Plan for our work with The Careers & Enterprise Company (CEC) • Finalising the logistical details of the SEND focussed ETF project, so it is ready for its operational launch early in the new term. This has included successfully procuring a provider to deliver the personal guidance offer to young people and work experience elements of the project. • Commissioning a series of LMI resources for use at KS3, KS4 and in KS5/post-16 education. These are intended to be piloted in January. • Delivering a presentation to North Tyneside Headteachers • Attendance at each LA CEIAG group and facilitating a further group, involving all of the individual Chairs of these LA groups 	<p>Matt Joyce</p>	<p>G</p>	<p>In Progress</p>

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Use the experiences and results of an independent evaluation of the two-year Career Benchmarks: Primary Pilot to expand the number of schools using the adapted set of benchmarks as a framework for delivering effective careers-related learning in primary settings to over 100.	During this period, in addition to meeting individually with the schools involved and delivering a full network meeting, we have worked with Career Mark – an organisation who offer a quality award in careers for primary schools. We undertook a mapping exercise for them, aligning the criteria for their award to the content of the primary version of the Career Benchmarks.	Matt Joyce	G	In Progress
Continue to facilitate the partnerships between businesses and educators to reduce the gap between skills supply and skills demand, through the Enterprise Advisor Network, by engaging with 40 new employers.	<p>The Gateshead Building Education and Enterprise Partnership (BEEP) project was successfully launched in November with full capacity attendance and guest speakers including the Chair of the SAP, Principal and Deputy Principal of Gateshead College and CEO of Apprenticeship Ambassador Network and 3 senior employer representatives. Support from the 3 local MPs has been achieved with event invitations sent out from Ian Mearns MP.</p> <p>The team ran a specialised event engagement with the Civil Service departments DWP and HMRC to promote Enterprise Advisor (EA) opportunities.</p> <p>We launched a business volunteering campaign in December, with the aim of recruiting new EAs and/or establishing relationships with businesses interested in other forms of education engagement. The campaign has continued into 2022 and has had a positive response to date.</p> <p>Further monthly bulletins have been sent to the employers engaged in North East Ambition, and we have hosted further EA meetings.</p>	Matt Joyce	G	In Progress
Continue to act as an advocate of the eight Good Career Guidance benchmarks and offer strategic leadership regionally and nationally by delivering 15 regional events to educators and businesses.	<p>The North East LEP has hosted the first Regional Careers Leader Network Meeting of the year in November. It was held as a hybrid event – allowing Career Leaders to attend in person or via a livestream. It provided us with a platform to provide a regional and national LMI update, an update on technical education update and other content relevant for Career Leaders within the region. 80 Career Leaders signed up to attend this event, split over two dates.</p> <p>In addition to this regional event, we also hosted a College Hub Meeting and a Full Network Meeting for the Primary Hub.</p>	Matt Joyce	G	In Progress
Participate in a number of key working groups and steering groups.	<p>The North East LEP skills team:</p> <ul style="list-style-type: none"> Facilitated one LEP Apprenticeship Group meetings Chaired the NE College Careers Hub Meeting Chaired the FE Enterprise Adviser group Attended and presented at national Local Area Programme learning & looking forward event convened by Gatsby Represented the LEP on the IoT Operational Board meeting, inputting into the DfE performance/added value reports Attended 3 x Construction Excellence NE meeting to support collaboration between education and industry Attended and presented at Regional Health Skills Hub meetings with representation from NE FE Principals and NHS and PCT Senior Colleagues to explore opportunities for delivering unsuccessful LSIP ambitions 	Kim Smith	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<p>Work with 156 businesses and employers to enable them to make effective investments in their workforce. We will support them to navigate the skills ecosystem to access apprenticeships, traineeships, Kickstart, technical education pathways, in-work training, provision of placement and work experience opportunities.</p>	<p>ESF North East Ambition (the pilot) – we submitted a request to extend the project to December 2023. This has now been approved by DWP – following a thorough three stage DWP approval process. This will enable the Skills team to achieve the contracted output targets that were behind profile due to Covid lockdown restrictions. The project is now delivery ahead of profile across most KPIs (for the first time since March 2019) with 364 SMEs engaged to date which is 107% of profile. The engagement is slightly below profile (92.3%) in the Transitional area of Durham with 60 SMEs engaged. The Skills Team have developed a Durham Action Plan with our partners EDT to engage SMEs. The project has supported 931 participants against a full contract target (Dec 2023) of 875.</p> <p>A buddying approach is now operational – with Skills Team, Growth Connectors and EDT Skills Facilitators working collaboratively to ensure a wholistic package of support to SMEs.</p>	Anthea Pratt	G	In Progress
Deliver Education Challenge				
<p>Continue the support offered to One Vision schools, aiming to improve the destination outcomes of a selected cohort through targeted and personalised careers advice and interventions.</p>	<p>All schools are due to start Cycle 6 of career adviser interviews. An event is currently being planned for the Durham region to support students as they move towards their post 16 transition. Students will meet a range of employers with apprenticeship opportunities as well as FE and Independent Learning providers. An independent University of Oxford study of almost 1,600 year 10 and 11 pupils in 28 North-East schools has shown that pupils on the Department for Education’s Opportunity North East (“ONE”) programme of career education have better industry knowledge and are statistically significantly more focused on their future career plans than pupils not on the ONE programme. The report is available here https://www.ox.ac.uk/news/2021-12-02-oxford-study-shows-government-programme-increases-pupil-focus-careers</p>	Neil Willis	G	In Progress
<p>Further develop processes and partnerships with a focus on the strategic use of data to improve progression and career pathways for young people.</p>	<p>We now sit on the advisory group for the Newcastle University project to develop a proof-of-concept technology that will enable career guidance providers to configure and run engagements through existing platforms to encourage 14-18 year old students to provide, and meaningfully engage with, rich career and progression data at key transition points in their journey.</p>	Neil Willis	G	In Progress
<p>Develop a strategy for the North East LEP to capitalise on our position as the only LEP to be a School Governor Champion. The strategy will encourage other LEPs to recruit business people, particularly from SMEs, to be school governors.</p>	<p>National Governance Association are currently producing the North East regional report which will be published by the end of January. Key messages will be shared with relevant stakeholders.</p>	Neil Willis	G	In Progress
<p>Support national organisations, including Inspiring Governance, to achieve their KPIs specific to the region including diversity of governing bodies.</p>	<p>Case studies and additional resources are now being collated and website updates being made to support recruitment of governors.</p>	Neil Willis	G	In Progress
<p>Support the expansion of the Ford Next Generation Learning pilot, to work with Further Education colleges to embed employer- led learning partnerships to provide high quality learning opportunities.</p>	<p>Employers have started to collaborate with the college and support activity for learners. The action plan for the next academic year will be shared with the employer stakeholder group in January 2022 and will include opportunities for stakeholders to engage in planning and delivery.</p>	Neil Willis	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Develop a partnership approach to continued professional development for both schools and businesses that encourages and highlights the benefits of closer engagement between business and education. The offer will include curriculum engagement, support to develop meaningful work experience and support for Initial Teacher Trainees to develop understanding of careers learning in subject areas	Support for Health and Care teachers at Northumberland College to undertake externships is in place, partner employers will be identified for this academic year.	Neil Willis	G	In Progress
Improve skills progression				
Promote the concept of fusion skills regionally	Initial desk research and scoping of the fusion concept completed Met with CEO of NCFE who is interested in exploring collaborative approaches to progress this agenda. Next meeting planned for January	Kim Smith	G	In Progress
Deliver a pilot that demonstrates how fusion skills (STEM and arts and design skills) are critical for success in an A.I. workplace.	Project activity not planned until Q4	Kim Smith	N/A	Not Started
Work with partners to analyse data relating to FE to HE transitions, graduate retention trends, post-graduate employment opportunities and degree apprenticeship provision. Use this intelligence to prepare a plan to promote the North East as a location for graduates and skilled workers to stay and thrive.	We commissioned research to understand the planned curriculum offer by FE colleges and common challenges to meeting post Covid skills needs. We facilitated a 'skills dialogue' with Skills Director and Principals and a follow up session will agree next steps to facilitating opportunities for further collaboration to align skills provision to business skills needs. Data analysis is underway and will form the evidence base to form a strategy to promote graduate retention.	Anthea Pratt	G	Not Started
Develop an approach to support the Careers Education, Information, Advice and Guidance community to embed broader technical education in their practise to support progression pathways.	Established and chaired 6 Careers Education focus groups aimed at improving ceiaig for T-levels. This involved consultation with 60+ career leads/practitioners and engagement of national and regional stakeholders resulting in resources and training programme being agreed.	Kim Smith	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Support eight early adopters to deliver good quality T-levels and specialist technical education	<ul style="list-style-type: none"> Newcastle University website now reflects where T-level qualifications are recognised for under-graduate admission External, online training provision for the delivery of effective employer engagement in T-levels to 45 attendees from early adopter of T-levels was delivered in Nov and December Facilitated 6 T-level Route network meetings for providers and industry (2 new meetings for Engineering & Manufacturing, 1 X Digital, 1x Construction and 2 x Health & Science). Only area nationally to have secured industry placements for all health and digital T-level students Established working group comprising of awarding bodies, schools and Science T-level providers to develop resources for promoting this route way to secondary schools Facilitated 2 T-level Stakeholder groups – the second one was in response to demand from first meeting owing to successfully engaging Professor Maggie Gregson (UoS) in the group who is leading on national T-level developments for DfE. Facilitated T-level Provider group in which all providers agreed to implementing consistent entry requirement for T-levels across the LEP Provider network The Domestic Retrofit Skills Assessment project has delivered 3 workshops to a range of sector stakeholders, businesses and education/training providers. An analysis of current education provision to meet the skills challenge of Net Zero targets is underway, including surveying all ESFA funded providers who have delivered retrofit/energy education and training in the North East LEP area in the 2020/21 academic year. This will be utilised to undertake a capacity and capability assessment. Reviewed and updated content for FE website and proposed content for all tech ed activity on NEA and Growth Hub Engaged in discussions with DEFRA and DWP Regional Directors to explore opportunities for supporting T-level placements Contributed to Northern Insights blog showcasing the role of the NHS in supporting T-level placements 	Kim Smith	G	In Progress
Increase youth employment				
Build on the success of Generation North East and Durham Works to develop future models to prevent youth unemployment, by developing programmes of career guidance, education and skills support for young people ages 16-24.	Established a focus group comprising of 4 Senior College Career Hub representatives from 6 of the LA areas to explore opportunities to collaborate to reduce NEET and support improved transition.	Michelle Rainbow	A	In Progress
Analyse data to establish if there are barriers to entry to apprenticeships and develop a strategy to address any gap in provision in response to this research to share with partners and providers.	<p>Facilitated Apprenticeship group in which all providers have now identified circa 40 SMEs to consult with on 16-18 apprenticeships. 75% of survey results received as at December with the rest expected by end of the November. The purpose being to identify if there are myths which can be dispelled during National Apprenticeship Week campaign in Feb 2022.</p> <p>Established relationship with AOC Policy Lead for Apprenticeships who has agreed to feedback provider and employer challenges associated with onboarding as a new apprenticeship Providers. They have also agreed to attend future Apprenticeship group meeting.</p>	Kim Smith	G	In Progress
Improve labour market activation				

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Building on the Mid-life MOT pilot, we will continue to work with DWP 50+ Choices delivery partners to inform development of their activities to help businesses to understand the importance and productivity benefits of a mixed age workforce and access various targeted schemes that can help the upskilling and retention of the key 50+ workforce.	DWP have now published the outcome of the Mid-Life MOT pilots. North East LEP was one of 10 LEPs who piloted a Mid-Life MOT project in 20/21. Lessons learned from this and other pilots will be utilised to develop an action plan to support upskilling and retention of the key 50+ workforce in the North East LEP area.	Anthea Pratt	A	In Progress
Focus support for those most negatively impacted by COVID-19 by promoting and maximising the impact of government initiatives such as Kickstart, skills bootcamps, employer grants for apprenticeships and traineeships.	<p>The DfE funded Digital Skills Bootcamps is now fully operational. It is a North East collaborative partnership of Colleges, and Sunderland Software City who coordinate employer engagement to ensure Bootcamp Participants can access a guaranteed interview, and employers are able to steer the programme to ensure that Bootcamps provide suitably skilled candidates. Led by Gateshead College, the contract will provide 485 Bootcamps places for North East residents before August 2022. 135 individuals started a Digital Skills Bootcamp programme by December 2021 – with the L3 Data Skills Accelerator being the most popular bootcamp with 19 participants progressing to a Data Apprenticeship role.</p> <p>The North East LEP team is supporting DfE in the roll out of phase three of the bootcamps. We intend to scope a proposal to DfE for a Green Skills Boot Camp – operational from March 2022.</p>	Michelle Rainbow	G	In Progress
Provide specialist intensive support for those most distant from the labour market because of disadvantage, poverty and poor physical and mental health, by supporting calls published by the European Social Fund.	<p>We are closely monitoring the roll out of the Restart programme in the region. We have follow up meetings to explore how the delivery model will support those in the community with mental issues and those living in rural communities.</p> <p>The DurhamEnable Supported Employment Service is now established across the county, helping residents with disabilities to move into or closer to work. We now have 69 customers registered with the DurhamEnable Service who our Job Coaches are working with to progress into paid employment.</p> <p>21 of our customers have now received offers across a range of job types and employers including apprenticeships with Durham County Council. Other employers include Tesco, NHS Newcastle Hospitals Trust, The Gala Theatre and Countrystyle Foods.</p>	Michelle Rainbow	A	In Progress
Inform the replacement investment post-European funding.	<p>We continue to respond to opportunities to inform and influence national discussions and policies regarding investment in skills in the region:</p> <p>The Skills Team are now providing representation at meeting with ESFA and DWP to review the performance of existing ESF projects to ensure that ESF revenue to the North East LEP area is maximised.</p>	Michelle Rainbow	G	In Progress
Ensure connected communities				
Commission a research project to understand the impact of digital exclusion in our communities and understand the changing nature of jobs due to automation and digitalisation.	The commissioned report has now been finalised and the SAP has accepted the recommendations.	Anthea Pratt	G	Complete

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<p>Work with government, local and combined authorities, the voluntary sector, and businesses to secure funding and resources to ensure that all North- East residents can develop their digital skills regardless of their age, location, or economic status.</p>	<p>Following the recommendations of the commissioned research project the following have been implemented:</p> <ol style="list-style-type: none"> 1. Secured £80,000 of Accelerator Funds to fund the development of Centres of Digital Expertise in the North East LEP area to provide coherent programmes of digital skills. The funding letter has been received and the first stage of procurement is underway. 2. The North East LEP will lead regional stakeholders to agree a North East Digital Inclusion strategy. 	Michelle Rainbow	G	In Progress

Transport connectivity | Lead: Philip Meikle

Vision (in SEP)

Our ambition is one of improved, greener and more sustainable transport options, including public transport, cycling and walking.

New mobility solutions will make travel simpler and affordable across our distinctive local economy. Quality infrastructure will make for reliable, fast journeys with connectivity into national and international freight and passenger networks. This network will be the enabler to sustainable growth and opportunity, and to the North East being an outward looking economy attracting trade, investment and visitors from across Europe and the world.

Through the Strategic Economic Plan we have established a strong investment pipeline. Our aim is to continue to deliver continuous improvement in a modern, integrated transport system that underpins our economic ambitions.

Highlights in current period:

- The UK government's 'Integrated Rail Plan' for the north and midlands has been published. The outcome for the region is severely disappointing as the North East will no longer be fully connected to the UK's high speed rail network. However, there are commitments to delivery interventions on the ECML between York and Newcastle to lift the capacity from 6 trains per hour to 7 or 8.
- The Full Business case for the reintroduction of passenger services onto the Northumberland Line was submitted to the DfT in December 2021 and is awaiting Ministerial decision. In tandem progress is being made with both the planning applications for the new stations and the legal orders required to secure permission to allow the infrastructure works to proceed. The Public Inquiry covering the required Transport and Works Act required has concluded and the Inspector's report awaited

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Continue to progress ongoing transport project delivery				
Deliver seven of the eight Active Travel Fund Tranche 2 schemes by March 2022, with the Newcastle Grey Street scheme to be complete by July 2022.	Transport North East has agreed extensions for 6 schemes (out of 8) with the DfT. All schemes are now due to complete by March 2023. The first scheme is now on site which is the Durham County Council Newton Aycliffe scheme. A further two grant funding agreements are due to be sealed shortly.	Jonathan Bailes / Izzie Broadbent	A	In Progress
Deliver the Active Travel marketing campaign funded through the Active Travel Fund by March 2022	<p>The regional 'Go Smarter, Go Active' marketing campaign which aims to encourage the use of our cycling and walking infrastructure to explore our region, improving health and boosting the local economy, is being project managed by Transport North East on behalf of the North East Joint Transport Committee. The campaign consists of three projects;</p> <ul style="list-style-type: none"> - Series of 7 week long cycling roadshows, - New cycling and walking maps, - Series of days out guides by cycling and walking travel. <p>The three projects were delivered summer 2021.</p> <p>Comms activity continues to promote the maps and days out guides including regional editorials and social media engagement. This will continue until March 2022.</p>	Kim Farrage/ Rachelle Forsyth-Ward	G	In progress
Receive a final funding award from the Transforming Cities bid				

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Seek approval from the Joint Transport Committee for the release of £65million funding to sustainable transport projects which are due to start construction by March 2022.	<p>In the July 2021 JTC meeting, a delegated decision was approved to release £16.3m of TCF funding for the Sunderland Central Station and MSCP scheme. A further £7.74m of advanced funds was agreed to be released by JTC in October 2021 to ensure scheme delivery within TCF programme timescales. The regional ITS scheme is currently in appraisal and is expected to be approved in January. The Sunderland A690 scheme and the South Tyneside Healthier Metros scheme are also currently in appraisal and are due to be approved in February. This will bring the total amount of funds approved up to £48.6m. Transport North East is expecting an additional 8 full business cases to be approved prior to the end of March 2022.</p> <p>There is still some potential risk attributable to capacity constraints. This is being actively managed and mitigated against through regular meetings with scheme promoters and appropriately programming the resource of independent review consultants to expediate the appraisal process.</p>	Jonathan Bailes / Izzie Broadbent	A	In Progress
Release £9.8million for the Metro Flow scheme.	<p>£1.7m was released to Nexus in July following sealing of a Grant Funding Agreement between Nexus and NECA. Following discussions between TNE, the DfT and Nexus, given Metro Flow's status as the only Department for Transport retained scheme within the TCF programme, it was agreed that all remaining grant funding for the scheme will be paid directly to Nexus by the Department for Transport. Nexus received the funding allocation for 21-22 in July 21.</p>	Tom Hardwick	G	In Progress
Continue to improve and deliver better connectivity through improved infrastructure				
Deliver a funding strategy by the end of December 2021 for the Transport Plan pipeline. This will be maintained and regularly updated to secure forward capital and revenue funding for the pipeline	<p>A capital programme management framework was agreed by JTC in October 2021. The regional Transport Assurance Framework is currently being audited by our internal auditors and following the recommendations of the audit the Assurance Framework will be reviewed and refreshed as appropriate. In addition, Transport North East will refresh the Transport Plan Pipeline beginning in March 2022.</p>	Jonathan Bailes / Andrew Dorrian	G	In Progress
Use transport to drive innovation and business growth				
Work with Transport for the North, East Coast Mainline Authorities, MPs, Chamber of Commerce, etc to seek investment from government for interventions that will uplift in the East Coast Mainline's capacity and line speed, north of York	<p>Lobbying for improvements in the East Coast Mainline (ECML) continues. Partly due to lobbying by the North East, the rail industry consultation proposals for a major timetable change on ECML from May 2022 has been postponed to May 2023. The UK government's 'Integrated Rail Plan' (IRP) for the north and midlands has been published. The outcome for the region is severely disappointing as the North East will no longer be fully connected to the UK's high speed rail network (neither High Speed 2 nor Northern Powerhouse Rail). However, there are commitments to delivery interventions on the ECML between York and Newcastle to lift the capacity from 6 trains per hour to 7 or 8.</p>	Derek Gittins / Harry Nicol	G	In Progress
Dependant on the outcome of the Government's Integrated Rail Plan for the North and Midlands and the Restoring your Railways bid for the reopening of the Leamside Line, we will prepare strategic outline business cases for local rail services and an umbrella Strategic Outline Business Case (SOBC). This umbrella SOBC will encompass the various projects looking to use the Leamside line to achieve an integrated solution which maximises North East benefits.	<p>Despite the disappointing outcomes of the IRP, work is progressing to complete the umbrella Strategic Outline Business Case (SOBC). This will provide a framework within which individual projects can be taken forward. An SOBC is shortly to be commissioned for a Metro extension along the northern section of the Leamside Line linking South Shields, via Washington to Sunderland. This is being jointly funded by the LEP and JTC.</p>	Derek Gittins	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Continue to support Northumberland County Council to prepare the full business case, for the reintroduction of passenger services onto the Northumberland Line, which is scheduled to be submitted in Autumn 2021.	The Full Busines case was submitted to the DfT in December 2021 and is awaiting Ministerial decision. In tandem progress is being made with both the planning applications for the new stations and the legal orders required to secure permission to allow the infrastructure works to proceed. The Public Inquiry covering the required Transport and Works Act required has concluded and the Inspector's report awaited.	Derek Gittins	G	In Progress
Ensure that pipeline identified in the North East Transport Plan of schemes to support economic recovery is managed as a live programme	A Capital Pipeline of schemes was agreed in the Transport Plan. New funding opportunities such as Active Travel Fund Tranche 3 and ZEBRA funding will be integrated into our Capital Programme following potential successful regional bids to DfT. Announcements on these funds are expected in January 2022 and March 2022 respectively. A prospectus and pipeline of schemes which could be delivered through a City Region Sustainable Transport Settlement for the region has been developed and will also be integrated into our Capital Programme subject to confirmation of the North East's eligibility to bid for funds. A Programme Management Framework has now been agreed by JTC. The framework details how the Transport Plan Programme will be managed and updated including reporting to Joint Transport Committee on progress towards delivery.	Jonathan Bailes / Andrew Dorrian	G	In Progress
Continue to develop regional Transport Strategies and policies that align with the North East Transport Plan				
Produce a North East Rail and Metro Strategy to complement the North East Transport Plan	A pre consultation draft is to be presented at the 10 th January JTC. Consultation then to follow through January /February and once any revisions are made seek JTC sign off the Strategy in June/July 2022.	Derek Gittins	G	In Progress
Develop and publish a Zero Emission Policy during 2021/22 that sets out our regional commitment to the future of zero emission vehicles	A Zero Emission Vehicle Policy is currently being developed for publication in Spring 2022.	Kim Farrage / John Bourn	G	In Progress
Deliver a strategy by March 2022 that sets out how we will communicate with individuals, businesses and communities across our region to encourage people to make more sustainable transport choices	A Transport North East Engagement Strategy is in the early stages of development. A Project Initiation Document has been drafted and a project team has been assembled. The 'Making The Right Travel Choice sub group' which has recently been set up will act as a steering group for the development of the strategy. The Strategy is on course to be consulted upon in summer 2022 and published in Autumn 2022	Rachelle Forsyth-Ward / Kim Farrage	A	In progress
In collaboration with bus operators, we will produce a Bus Service Improvement Plan, to take advantage of funding available through government's National Bus Strategy	Following the successful publication of the regions Bus Service Improvement Plan (BSIP), TNE, bus operators and the seven local highways authorities have progressed on the preparation of the Enhanced Partnership (EP). The EP Plan and EP Scheme have now been prepared and the North East Joint Transport Committee is currently in an operators objection period before moving onto the statutory consultation. With the support for BSIP funding the EP aims to improve bus services in the region, grow bus demand to support a green recovery.	Heather Jones/ Philip Meikle	G	In Progress
Deliver the Electric Vehicle charging infrastructure funded through Local Growth Fund				

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Deliver EV charging infrastructure at the seven priority sites as identified in the enabling study undertaken by Urban Foresight to set out a five-year programme of works to ensure that region is in a strong position to support the transition to Evs. Through LGF funding, priority locations will be delivered by 31 March 2022.	Following a tender exercise to procure a contractor to install, operate and maintain the EV chargers at the 7 identified locations, Swarco has been appointed. The exercise was undertaken through a specialised EV framework. It is anticipated that the delivery of the chargers will be completed in 2022.	John Bourn	A	In Progress
Complete Metro Asset Renewal Programme				
Continue with a system-wide overhead line renewal programme.	Overhead line contact and catenary wire replacement now to be delivered in longer more efficient possessions – to incorporate secondary works within the closures. Planning now advanced for February 2022 blockage. Component and cantilever replacement continuing.	David Shields	G	In Progress
Continue to delivery platform compliance works by Autumn 2021.	All site contract works completed – formal close out documentation in preparation..	David Shields	G	Complete
Continue our cable testing and replacement and the location case re-wiring programmes across the network.	Cable testing and replacement agreed and approved and being progressed on site together with location case rewires by the internal Capital Delivery team. Contract awarded for Relay Room Cable surveys.	David Shields	G	In Progress
Deliver the track renewals at Tyne Dock in September 2021.	Work completed to programme over weekends of 9 th / 10 th October and 30 th /31 st October by the Nexus internal Capital Delivery Team	David Shields	G	Complete
Deliver the switches and crossing renewals at Christon Road (South Gosforth) in February 2022.	Contract awarded for main install contract, and planning progressing for 12 th -14 th February possession.	David Shields	G	In Progress
Prioritise and deliver lift and escalator half-life refurbishments based on asset condition	Tender return due on 18 th January for refurbishment programme - work to be phased across current and next financial years.	David Shields	G	In Progress
Continue to invest in the current Metro fleet to improve reliability.	Ongoing continuous programme of works – progressing to plan	David Shields	G	In Progress
Continuation of project development work to progress scoping, surveying and designs to enable future delivery – subject to funding availability, e.g. Pelaw/Prudhoe/Monkseaton switches and crossings, multi-story car parks, Whitley Bay Station canopy and Scada/power mimic replacement.	Design package for 3 switches and crossing progressing, Whitley Bay station canopy surveys and structural assessments underway, Northumberland Park Car Park surveys and scoping underway, Scada – initial Consultant report and estimates received and under evaluation. Note: progression beyond design is dependent on funding availability.	David Shields	G	In Progress

Investment and infrastructure | Lead: Helen Golightly

Vision (in SEP)

Through focussed and coordinated investments we will address market failures and competitive weaknesses. We will work with partners to quicken the pace and scale of investment across the North East, focusing on our business and infrastructure investment opportunities and needs. Opportunities for job and productivity growth on strategic employment sites, in town and city centres, along strategic transport corridors, in our culture and tourist hubs and in the rural economy will be prioritised.

Highlights in current period:

- Project Accelerator Fund second call closed 16 December 2021, with nine applications received.
- Enabling works on the Gateshead Quays conference and exhibition centre have commenced.
- Procurement of the CPIF Fund Manager progresses; tender submissions were received 3 December 2021

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Continue to manage the already secured North East LEP funding effectively:				
Report quarterly performance monitoring dashboards to the North East LEP Investment Board.	Investment Board received reports on progress of LGF, GBF, NEIF and EZ Programmes at the 17 January 2022 meeting.	Helen Golightly	G	In Progress
Monitor programme level risks via the Technical Officer Group.	Programme risks continue to be reported as required to Technical Officer Group (most recent meeting 6 January 2022).	Helen Golightly	G	In Progress
<p>Deliver the Local Growth Fund (LGF) programme including reporting, as required, performance to the Ministry of Housing, Communities and Local Government.</p> <p>Key project infrastructure outputs by 31 March 2022 include:</p> <ol style="list-style-type: none"> 1. Jarrow Business Centre – Manufacturing workspace completion 2. Gateshead Quays – work to commence on £300m Arena, Conference and Exhibition Centre 3. East Pilgrim Street, Newcastle - ongoing public realm improvement and Bank House office construction 4. Pattern shop, Stephenson Quarter – 3,238m² of refurbished commercial floorspace completed 5. VCSE infrastructure programme – 14 projects completed delivering 10,800sqm of new/refurbished learning space, 262,000sqm of improved green space and 10 community buildings refurbished. 6. Northumberland Energy Park Phase 1 – site reclamation completed – 17 ha of development land and new dock facility. 	<p>Update on key infrastructure projects (numbers below refer to key on left):</p> <ol style="list-style-type: none"> 1. Construction completed; first tenant occupation expected by end of January 2022 2. Preliminary works underway, including multi-storey car park. Enabling works underway and main contractor to start on site has been re-programmed to Q1 2022/23. Major sponsorship announcement expected. 3. Progress on Bank House continues as per new programme, public realm works continued to be detailed with phase 1 due to start this year. 4. Enabling works have started with view to main refurbishment contract to be let in early 2022. 5. Projects are largely delivering to programme, some minor delays. 6. Main contractor works anticipated to be completed by end of 2021/22, JDR Cables announced intention to build major manufacturing facility on the site with the creation of 170 jobs 	Ray Browning	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<p>Deliver the Getting Building Fund (GBF) programme including quarterly performance monitoring returns to Ministry of Housing, Communities and Local Government.</p> <p>Key infrastructure outputs by 31 March 2022</p> <ol style="list-style-type: none"> 1. Public realm improvements in town and city centres totalling 26,229sqm 2. Construction of new commercial, industrial and retail space totalling 21,200 sqm by 31st March 2022 3. Support over 1,471 construction jobs 4. New R&D facilities totalling 3,550sqm 5. New learning floorspace 1,137sqm 6. New superfast broadband connections – 1,350 7. 175 new jobs created and 170 jobs safeguarded 8. 4.4km of new or improved roads / cycleways 	<p>Awaiting Quarter 3 monitoring data. Likely that output delivery will not be achieved in current financial year due to slippage on the construction phase of projects across the GBF programme.</p>	Ray Browning	A	In Progress
<p>Manage the legacy budget from the LGF programme 2015-21 including £15m (tbc) programmed to support a mix of revenue and capital projects.</p>	<p>Awaiting Quarter 3 monitoring data</p>	Ray Browning	G	In Progress
<p>Complete the LGF/EZ programme independent interim evaluation by 30 June 2021.</p> <p>Complete at least 10 project evaluations, which will be delivered by partners by March 2022.</p>	<p>Interim evaluation of the LGF and EZ programme reported to Investment Board and North East LEP Board in September 2021.</p>	Ray Browning	G	In Progress
<p>Ensure that the Local Assurance Framework is adhered to when making funding decisions by maintaining the operational management structures and decision-making accountabilities within the North East LEP.</p>	<p>All investment decisions made during the period were in accordance with the Assurance Framework.</p>	Helen Golightly	G	In Progress
<p>New businesses will begin operating on the Enterprise Zones, including at Follingsby Max in Gateshead.</p> <p>By March 2022, our Enterprise Zone sites will become home to more than 3,000 jobs with North East LEP investment having been more than £100m, unlocking more than £210m of follow on investment</p>	<p>Amazon development on Follingsby Max site is now operational, with around 1,300 jobs on site. Awaiting Quarter 3 monitoring data.</p> <p>The 2021/22 forecast for jobs created will be met, largely due to the Follingsby Max site becoming operational during Q3 2021/22.</p>	Matthew Ebbatson	G	In Progress
<p>Have significant infrastructure works underway or complete on four more Enterprise Zone sites, that will be ready to secure private sector investment at:</p> <ol style="list-style-type: none"> 1. Northumberland Energy Park 2. Port of Sunderland 3. Ashwood Business Park in Northumberland 4. Holborn 2 in South Tyneside 	<ol style="list-style-type: none"> 1. Main contractor works at NEP 1 site are anticipated to be completed before end of 2021/22. JDR Cables have announced decision to invest on the site. 2. Progress of work at Port of Sunderland is on track for completion by end of Q1 2021/22, with advanced investor discussion on going for East Shore site 3. Plot specific works underway to support two new occupants, who are anticipated to be operational next financial year 4. Infrastructure works relating to the site are progressing, with O&M facility for JV related to Offshore Wind expected to be operational in 2022. 	Matthew Ebbatson	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Coordinate partners to develop a regional project pipeline based on spatial economic priorities				
Develop a strategic project pipeline for the North East, building on the work carried out during the development of the Local Industrial Strategy, the COVID-19 Economic Recovery Plan and previous regional pipeline work.	Strategic pipeline developed with local authority and transport partners. Will continue to be developed and updated, through activity such as the Project Accelerator Fund and the Innovation Pipeline work being undertaken.	Nicola Laverick	G	In Progress
Facilitate prioritisation of shovel ready projects through regional collaboration and make preparations for Government's future funding announcement including the proposed Shared Prosperity Fund	Second call for projects is now open for the Project Accelerator Fund Call closed on 16 December 2021, with applications considered at the January 2022 cycle of the North East LEP Investment Board.	Nicola Laverick	G	In Progress
Secure additional investment in the North East including resources to support the Regional Recovery plan:				
Manage the second-year budget of £23.5m of Getting Building Funds across the North East. The North East LEP has allocated up to £8m of additional resources to this programme to add value and to help deliver greater impact.	£23.5m GBF budget remains on course to be fully spent during the financial year. Q3 spend to be confirmed following receipt of monitoring data.	Ray Browning	G	In Progress
Develop a Project Development Fund to accelerate the volume and quality of shovel ready projects making use of LEP resources	Second call of the Accelerator Fund closed on 16 December 2022, with nine applications received. Contracting process for successful applications to be completed by end of February 2022. Strategy for future calls to be considered further by LEP Investment Board later in 2022.	Nicola Laverick	G	In Progress
Work with and support Local Authorities throughout the year to understand plans to bid for funding from the Levelling Up Fund.	Four Levelling Up Fund bid from Local Authorities were successful; Durham transport improvement in Bishop Auckland; two in Newcastle for regeneration of Grainger Market/Old Eldon Square and well-being hub in West Denton; and Sunderland Housing Innovation and Construction Skills Academy. LEP teams are continuing to work with partners on potential asks for future rounds.	Helen Golightly	G	In Progress
Deliver the final development phase of the Commercial Property Investment Fund (CPIF) and launch the fund. We will: 1. Procure a property fund manager between April 2021 to January 2022 2. Launch the CPIF programme in March 2022 3. Contract with several new CPIF pilot programme projects between April and August 2021, with resources from the Getting Building Fund to be delivered by March 2022 4. Continue to develop the pipeline of projects throughout the year to maximize take up once the fund is live.	1. Procurement of the CPIF Fund Manager progresses. 2. Launch of CPIF programme will take place following procurement of fund manager, which is expected to complete in March 2022 3. Total of six projects have received funding from the GBF funded pilot 4. Pipeline of CPIF projects remains under development	Matthew Ebbatson	G	In Progress
Continue to maximise national reserve funding from the European Structural Investment Funding and ensure the full reserve allocation is delivered within the region.	Government have focused allocation of reserve funds for activity relating to Covid recovery, and the North East has received additional funds for Growth Hub activity and high street investment via the Local Authorities	Helen Golightly	A	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Increased access to finance for businesses to invest				
Work with the North East Fund Limited to maximise its investment potential for North East SMEs.	After a drop off in demand for funding over the early stages of the pandemic, there has been a sustained period of strong investment activity. During Q2 2021/22 North East fund completed a total of 13 deals, investing £4.4m with cumulative investments to date over £66m. The fund has now provided financial support to 318 different SMEs. Awaiting Q3 monitoring data	Helen Golightly	G	In Progress
Develop and deliver a regional access to finance programme, which will look at supply and demand within the region and consider the development of the successor to the North East Fund Ltd. Continue to support North East Finance and North East Access to Finance to optimise use of legacy funding to support North East initiatives.	A Strategy for maintaining a regional investment fund is being developed to ensure that there is no period between the current programme and any future provision including the Government announcement through CSR of the British Business Bank led new £660m investment fund for the Northern LEPs. Broader work on the Access to Finance programme (to include supply and demand potential support requirements) continues.	Helen Golightly	A	In Progress

Strategy, policy and analysis | Lead: Richard Baker

Vision

The North East LEP will be recognised locally and nationally as an exemplar for driving evidence based economic strategy, public policy and programme delivery.

Highlights in current period:

- The Executive Summary of the Strategic Economic Plan has been updated to include a revised narrative and evidence base, which is in line with the current public policy agenda and the range of economic evidence reports recently published
- A collaborative response has been prepared by partners in the region to the Government's consultation on a Free Trade Agreement with the Gulf states.
- The Advanced Manufacturing strategy evidence base has been completed and an internal working group is being formed to develop an approach to a future strategic framework

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Building and encouraging use of the evidence base:				
<p>Strengthen our research, evidence and analysis programme by:</p> <ol style="list-style-type: none"> 1. Supporting the LEP's delivery programmes (Strategic Economic Plan, COVID-19, sectors) and external stakeholders to improve the evidence and analysis underpinning their work 2. Co-ordinating a corporate approach to data licences, tools, procurement and visualisation 3. Developing tools, advice and support to ensure North East LEP teams and stakeholders can operate to best practice standards in research, analysis and evaluation. Examples include standardisation of quality questions, support with writing research specifications and developing 'how to' guides for using the North East Data Hub. 	<p>We continue to support teams on developing the evidence base, including deep dive analysis on inclusion, sector intelligence and trade and export data; the emerging markets research with the innovation programme, potential in the heat network pipeline and the interim evaluation of the North East Growth Hub and associated programmes.</p> <p>We are currently working with the business growth team to undertake a review of our data licenses and platforms to ensure they strategically and operationally fit.</p> <p>The internal working group reviewing procurement processes and guidance has developed a FAQs and process maps for procurement routes.</p>	Emma Ward	G	In Progress
<p>Strengthen communication and dissemination of key strategy, policy data and research findings by:</p> <ol style="list-style-type: none"> 1. Reviewing and developing the North East Datahub as a key platform for regional evidence and analysis and implementing a marketing plan to increase engagements and usage of the site by 100% from 2,500 yearly visitors to 5,000 2. Enhancing the LEP's commentary on key economic issues and evidence in priority areas 3. Delivering the Our Economy Programme 4. Producing commentary pieces on key pieces of data and analysis, including the main and programme targets identified in the North East Strategic Economic Plan and priority strategy and policy themes. 	<p>We have produced analysis and commentary about topics such as the local labour market, regional trade and retail and recreation footfall. We commented on the most recent labour market release. We have provided advice about specific datasets.</p> <p>We continue to expand the data sets that are available on the North East Evidence Hub and have recently uploaded our Area of Strategic Importance datasets and enhanced the GDP and GVA pages.</p>	Emma Ward	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<p>Driving forward collaboration in research and data by:</p> <ol style="list-style-type: none"> 1. Coordinating the North East Economic Evidence Forum and strengthening the group as a recognised platform for the discussion, collaboration and development of the regional evidence base 2. Working with North East universities to build the quality and quantity of research projects to support regional economic development and to help secure new sources of investment 3. Working with the NP11, Transport for the North and other northern and national partners to define a collaborative approach which can enhance the North East's access to evidence and data. 	<p>We are developing a future programme of Forum meetings and activities, linking to key research themes identified by the group.</p> <p>We are continuing conversations with Newcastle University on the development of the regional Insights North East bid and with CAPE and Durham University about future collaborative projects.</p> <p>We are hosting the Northern Evidence Network meeting in workshop format in January, bringing together NP11 partners to discuss the formation and operational elements of the network.</p>	Emma Ward	G	In Progress
<p>Horizon scanning and development of new sources of knowledge including:</p> <ol style="list-style-type: none"> 1. Working with national and international inter-governmental partnerships, think tanks and consultancies on strategic evidence and policy activities 2. Exploring, accessing, and developing new methods, tools and approaches to data analysis, research and evaluation such as tools like Power BI and new databases available through platform such as Red Flag Alert and Glass.AI. 	<p>We continue to explore and test the potential of tools such as Power BI, GIS and RStudio to add to the team's data visualisation and analysis capabilities. We are currently building a pilot Power BI using trade data to test its functionality. We are also working with the innovation team to pilot an approach to social listening with our partners, Wordnerds, linked to the Innovation Delivery Partnerships.</p>	Emma Ward	G	In Progress
Coordinating and supporting on regional strategy and policy projects				
<p>Net Zero</p> <ol style="list-style-type: none"> 1. Develop an evidence base with government and partners to demonstrate plausible pathways towards Net Zero in the North East 2. Work with partners across the region to build activities to accelerate regional action towards Net Zero, developing a more sustainable and resilient economy and natural environmentCoordinate work within the North East LEP to accelerate the drive towards Net Zero. 	<p>Work has continued to prepare Net Zero North East as a regional programme to accelerate decarbonisation in the North East including updating the draft prospectus and evidence base</p> <p>Discussion has started within the framework of the Local Energy Hub, to make the transition to a Net Zero Hub as set out in the national Net Zero strategy. Work is underway to implement the Public Sector Decarbonisation Skills Fund in the North East and Yorkshire region</p> <p>Work is underway with BEIS and partners on the next stages of the Mine Energy White paper, including consideration of opportunities to incorporate wider geo-thermal projects.</p>	Richard Baker	A	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<p>Internationalisation</p> <ol style="list-style-type: none"> 1. Publish the North East Trade and Export Strategy 2. Work with other northern LEPs and the Department for Business and International Trade to ensure that future national and northern powerhouse strategies respond to the North East strategy 3. Through a second phase of work, strengthen the evidence base and develop specific proposals identified in the strategy, including: <ol style="list-style-type: none"> a) Target exporter development at firm level b) Align and promote views of market opportunity for the North East with northern, UK and overseas services c) Define and agree approaches to develop and strengthen the export support ecosystem d) Improve communication and promote collaboration to enhance trade and exporting. 4. Strengthen the alignment between international facing activities in the region, between trade, inward investment, innovation and higher education. 	<p>Following publication of the UK Trade and Export strategy reported at the last meeting, work is underway with the Department for International Trade on arrangements to take forward the recommendations of the Global North East report.</p> <p>Supporting these discussions, a final report of the Trade and Export strategy process has now been received. The North East LEP and DIT teams are considering next steps in consultation with the Steering Group.</p> <p>A collaborative response has been prepared by partners in the region to the Government's consultation on a Free Trade Agreement with the Gulf states, working with the Gulf Co-operation Council, building on the momentum created by the recent investment in Newcastle United. This highlights opportunities for trade and inward investment.</p>	Richard Baker	G	In Progress
<p>Devolution</p> <ol style="list-style-type: none"> 1. Monitor and respond to developments in national government policy relating to devolution, including the LEP review and Levelling Up White Paper 2. Support regional partners to secure and implement additional devolution to the region. 	<p>The LEP team has continued to contribute to the LEP review.</p> <p>The SPA team has produced briefing notes and analysis of the Community Renewal Fund announcements for the North East.</p> <p>The Levelling Up White Paper is expected to outline future government policy on devolution and the outcome of the LEP review. Publication of the White Paper has been delayed and is now expected in January 2022.</p>	Paul Carbert	G	In Progress
<p>EU Exit Through the EU Exit Implementation Group, we will:</p> <ol style="list-style-type: none"> 1. Continue to monitor the impact of new trade arrangements with the EU and report intelligence and insights to government and the LEP team 2. Work with the group and sector representatives, produce a report on the impact of EU Exit on key North East sectors 3. Provide a platform for joint consideration of future internationalisation approaches for the North East in the context of new trade deals and international policy 4. Update the evidence base with latest data about the opportunities and challenges for businesses and sectors 5. Identify opportunities and challenges arising from post-EU Exit domestic policy and co-ordinate regional response as required. <p>Focus areas to include the labour market, funding and regulation.</p>	<p>The EU Exit Implementation Group continues to meet monthly. The Group meeting in December focused on a discussion about the introduction of the subsidy control regime and the need for greater clarity on the rules as we transition away from State Aid and prepare for the UK Shared Prosperity Fund. We will take this action forward with Group members.</p> <p>Work is ongoing to produce a report updating the evidence base on the impact of EU Exit on key North East sectors. This will include an analysis of regional economic and trade performance following the referendum with a focus on the impact of EU Exit 12 months after departure, and changes in other key areas such as migration and the labour force.</p>	Paul Carbert	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<p>Northern Powerhouse</p> <ol style="list-style-type: none"> 1. Through the Northern Powerhouse Co-ordination Group ensure that there is a regional response to the development of the Northern Powerhouse agenda across transport, economic development, energy and intelligence workstreams 2. Co-ordinate North East LEP engagement with the NP11 3. Working with NP11, Transport for the North and other partners lead the development of a project to assess the opportunities to strengthen the evidence base about the northern economy. 	<p>We continue to support the NP11 and Transport for the North with preparations for a refresh of the evidence base on Northern economic performance and the updating of the Northern Powerhouse Independent Economic Review.</p>	Paul Carbert	G	In Progress
<p>New strategy projects</p> <ol style="list-style-type: none"> 1. Continue to scan the environment for the North East region and the LEP, and determine approaches to identified opportunities and challenges 2. Monitor development of planning policy and the work of the National Infrastructure Commission to identify issues and opportunities for the North East 3. Develop a proposal for a mapping tool utilising GIS systems across the region to strengthen tools supporting development 4. Develop and deliver an Advanced Manufacturing strategy 5. Continue to support tourism partners to develop a strategic approach to recovery and future growth and development of the sector, including: <ol style="list-style-type: none"> a) The development of a statement of intent b) Responding to the review of Destination Management Organisations c) Prepare for a future sector vision and possible Action Zone 6. Develop a framework for North East LEP action to address inclusion and inequality in the region 7. Ensure collaborative structures and work programmes are in place for agreed policy activity and to share intelligence between partners including ongoing support for the Economic Prospects Group working with the Bank of England. 	<p>Work continues on each of these areas.</p> <p>Advanced Manufacturing</p> <p>Since the last Board report, the development of the Advanced Manufacturing strategy evidence base has been completed and an internal working group is being formed to develop an approach to the development of a future strategic framework for Advanced Manufacturing</p> <p>Economic Prospects group</p> <p>At its meeting on December 22 the Group noted:</p> <ul style="list-style-type: none"> • GDP growth estimates are below expectations at 0.1% in October 2021. This covers the period before the impact of the Omicron, and reflects supply constraints in a number of sectors • The likelihood of further contraction in December due to consumer confidence • UK unemployment down to 4.2% in the latest figures following the end of the furlough scheme, with lowering in the North East at 5.3%. However, there are concerns over growth in the economic inactivity rate at 25.7% in the NE and 21.2% in the UK • The inflation rate increased to 5.1% - this led to the Monetary Policy Committee increasing interest rates the following day • Uncertainty about the long-term impact of the Omicron variant, although short term impacts on hospitality and leisure including public events, but a more positive position for retail, although still below previous years • Strong pipeline of inward investment, with new job announcements expected in January in sectors including health and life sciences, corporate services, energy and electrification • Positive manufacturing order books although long lead times because of logistics and materials issues and skills shortages 	Richard Baker	G	In Progress
<p>LEP public policy actions</p> <ol style="list-style-type: none"> 1. Continue to brief the LEP Board on future policy priorities 2. Further develop the approach to public policy set down in March 2021 following the outcome of LEP review process 3. Complete stakeholder mapping exercise and identify priority audiences for public policy messaging. 	<p>Work is ongoing to co-ordinate stakeholder engagement across the LEP with Government departments and key civil service contacts, and to review national policy developments that affect LEP strategies.</p>	Paul Carbert	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Co-ordinating corporate and regional strategy development				
<p>Work with the Board to agree a strategic approach to future regional economic strategy development including:</p> <ol style="list-style-type: none"> 1. Baselining and updating the economic evidence base in preparation for an update of the North East Strategic Economic Plan and/or other strategic processes 2. Evaluate and implement the approach required at regional level to respond to Government's Plan for Growth 3. Prepare to support an Economic Review project in advance of any future devolution process 	<p>Work has been undertaken to prepare an updated Executive summary of the Strategic Economic Plan, updating the narrative and evidence base in line with the current public policy agenda and the range of evidence reports recently published. This will facilitate the updating of our Annual Delivery Plan for the next two years.</p> <p>A longer term piece of work is being prepared, the plan for which will be confirmed following the publication of the Levelling Up White paper and proposals for future sub-national economic development.</p> <p>Following receipt of the final report of the SEP Interim evaluation, work is being done to prepare proposals to move to the final evaluation in line with recommendations in the report.</p>	Richard Baker	G	In Progress
<p>Support and co-ordinate activities which support the immediate and longer-term economic response to COVID-19 including:</p> <ol style="list-style-type: none"> 1. Continuing publication of the evidence base 2. Support for the actions derived from the COVID-19 Economic Response Group and the Economic Response Plan 3. Evaluate, and support discussion about, the impact of the COVID-19 Response Group to support future regional resilience. 	<p>The impact of Covid 19 on the regional economy continues to be monitored as part of our ongoing evidence base, with recent updates of data looking at impacts on flows of business in retail, leisure and other sectors prepared and circulated and continuing analysis of Labour market data</p> <p>The post Covid environment is a key part of the evidence base underpinning the update of strategic documents</p>	Richard Baker	G	In Progress
<p>Support the alignment and development of strategic processes led by partners including the North East Transport Plan.</p>	<p>The North East Transport Plan is complete. Future actions will be incorporated into the Annual Delivery Plan</p>	Richard Baker	G	Complete

Highlights from the past two months

Below is a summary of the content we have issued to support projects and initiatives as well as strategic announcements and activity during November and December 2021.

Corporate

ONS regional labour market statistics

The North East LEP issued a response to the ONS regional labour market statistics with Chief Executive, Helen Golightly OBE, saying: "...it is now apparent that because the North East region has the highest inactivity rate across all regions in England, we need to work with government to ensure a swift implementation of the Skills White Paper and to ensure the Levelling Up White paper is published and progressed early in 2022 with no further delays." The full statement can be seen [here](#).

Annual General Meeting

Our Annual General Meeting will take place on 25 January. There are currently 179 people signed up, with a final push taking place wc 20 January. You can find more information about the event and sign up [here](#).

The economic impact of International students

A blog post by Jane Robinson, Pro-Vice Chancellor, Engagement & Place at Newcastle University was published, highlighting a new report by the Higher Education Policy Institute and Universities UK International that shows how international students help create a more prosperous North East economy. Jane's blog has been viewed more than 100 times. The post can be read [here](#).

Business and sector growth

Black, Asian and Minority Ethnic business leaders invited to share views on North East business support

Black, Asian and Minority Ethnic business owners in the North East were invited to a consultation meeting with MP Chi Onwurah to share their views about any barriers they face when trying to access business advice. A news release and social media content were used to raise awareness of the event. A letter has been issued to Paul Scully MP and regional MPs to update them on the project and invite them to a more detailed briefing.

Energy specialists appointed to accelerate low carbon projects in the North East

The appointment of Marissa Granath and Bobo Ng as Programme Managers for the North East LEP's new Energy Accelerator programme was announced via a news release and social media content, generating coverage in [Insider Media](#) and [Business Live](#).

North East Growth Hub campaign

A new communications campaign has begun, highlighting the range of support available via the North East Growth Hub and that it is more than just a website. Paid and organic social media content, press advertising, advertorial, e-communications and news releases will be used to reach North East businesses and prompt enquiries to the team of Connectors.

EU Transition support

1 January 2022 brought about new changes on how UK companies trade with the EU. To ensure businesses in the North East were aware of and prepared for the new changes, a social media campaign was delivered directing people to more detailed information on the North East Growth Hub's [EU Transition Toolkit](#). In November and December 2021, there were more than 350 visits to the EU Transition Toolkit on the North East Growth Hub.

COVID-19 support for businesses

The Omicron variant has caused further disruption for businesses in the North East. To support those businesses/organisations affected, the North East Growth Hub's [COVID-19 toolkit](#) has continued to act as a 'one stop shop' for people to access the latest government guidance, and details of finance and funding and business support programmes available to help them through the crisis. [The latest update](#) included details of Chancellor Rishi Sunak announcement on 21 December outlining £1bn in support for businesses most impacted by Omicron. In November and December there were almost 200 visits to the COVID-19 toolkit.

Help to Grow: Management

The North East LEP has worked in partnership with Northumbria University to encourage more businesses to sign up to the government-backed business support programme, Help to Grow: Management. Support was provided via the North East LEP's owned communications channels (social media and newsletters), and its partnership with Bdaily.

Made Smarter Adoption North East

We continue to support the recruitment drive for Made Smarter. We recently worked with RTC north to target supply chain contacts, which resulted with five expressions of interest.

Peer Networks

Recruitment of cohorts has been prioritised, with the North East's effort largely seen as best practice. We have generated 315 EOI's with a conversion rate of 47% with 149 people being fully on-boarded onto the programme.

We are also publishing case studies of participant experience to add value to the process.

Innovation

Innovation toolkit

Further content has been added to the toolkit and paid advertising to promote it to relevant audiences continues to perform well. The toolkit had over 1,500 pageviews in November and December 2021 Google Ads being the biggest driver of traffic to the page. The average time visitors spent on the page in this time period was 2 mins 36 seconds and the bounce rate was relatively low at 49%, this suggests that the content on the toolkit page is relevant and is engaging visitors.

Future Markets Acceleration Programme

The Future Markets Acceleration Programme is a package of innovation support for business to unlock a greater share of emergent markets. The full cohort of Innovation Delivery Partnerships is involved along with the new Design Support Alliance. Communications activity is initially centred on internal communications with the programme partners to share news of successes and best practice. External comms will take place toward the end of the project in June 2022.

Skills, employment, inclusion and progression

North East Ambition Career Benchmarks: Primary Pilot

An evaluation of the two year North East Ambition Career Benchmarks: Primary Pilot project was published, with the accompanying communications campaign including a news release, a blog post by Matt Joyce, Regional Lead: North East Ambition, and paid and organic social media content. Read the news release [here](#). There have been 121 downloads of the report to date.

North East work on skills development recognised in House of Lords youth unemployment report

Evidence and recommendations provided by the North East LEP was included in the House of Lords Youth Unemployment Committee's Skills for every young person report. Ellen Thinnesen, Chair of the North East Local Enterprise Partnership's Skills Advisory Panel [commented on the recommendations](#).

Good Work Agenda report

The North East LEP and Durham University Business School published a new report looking at how COVID-19, and the introduction of widespread flexible working, has contributed to the Good Work Agenda in the North East. The report page on the North East LEP's Evidence Hub has been viewed 847 times since it was published. The report itself has been downloaded 140 times, and the accompanying press release has been read 278 times. Anecdotal feedback from Durham University also reinforced how well received and well read the report has been. [Find out more on the Evidence Hub](#).

What does the North East need from the new Secretary of State for Education?

In her monthly column in Northern Insight magazine, Michelle Rainbow, Skills Director at the North East LEP, laid out what she would like to see from the government to help raise the level of skills in the North East. [Read the article](#).

Enterprise Adviser Network recruitment campaign

The first phase of a campaign to recruit more Enterprise Advisers in the North East LEP area has been rolled out. The social media-led campaign has generated 20 EOIs to date. The second tranche of activity will continue throughout January 2022 with Bdaily and the existing Enterprise Adviser Network.

Funding

VCSE Capital Grant programme

A rolling programme of communications highlighting the outcomes of projects funded by the VCSE Capital Grant programme continued, with North East LEP Chief Executive, Helen Golightly OBE, providing quotes for a news release about the [Ouseburn Green Spaces project](#) and attending the media launch.

Local Growth Fund

Communications activity to highlight the North East LEP's role in delivering the Local Growth Fund in the North East LEP area continued. November and December was spent liaising with funded projects to identify future communication milestones.

Getting Building Fund

Communications activity to highlight the North East LEP's role in delivering the Getting Building Fund in the North East LEP area continued. Coverage was secured around the development of Bedlington Town Centre (opening of the new Aldi store) and [the beginning of enabling works](#) at NewcastleGateshead Quays. The North East LEP has also provided a quote that will be included in an upcoming media announcement unveiling NewcastleGateshead Quays' new sponsor.

Enterprise Zones

Communications activity to highlight the North East LEP's role in delivering Enterprise Zones in the North East LEP area continued. [Coverage was secured](#) about the construction of new commercial units at Hillthorn Business Park.

North East LEP website performance summary: 1 November - 31 December 2021

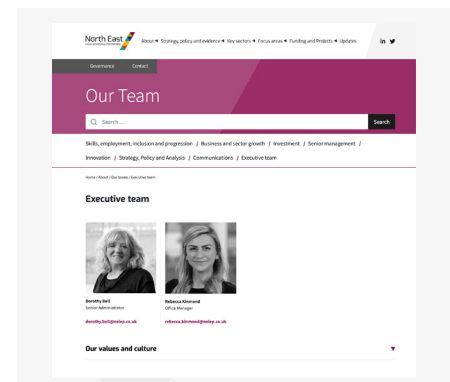
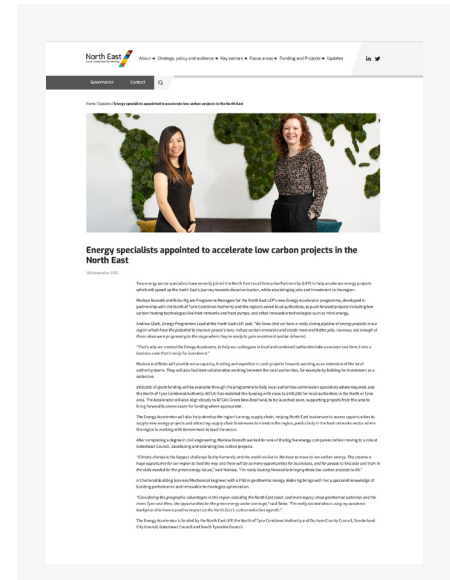
Audience		
Visitors	9,331	(-9.51%)
Total page views	47,186	(-8.13%)
Average session duration	1m 27s	(+2.88%)

Note - we always see a decline during the festive period

Traffic source	Users	views
Organic	4,204	27,250
Direct	4,080	13,866
Referral	605	3,424
Social	486	1,888
Paid search	160	478
Email	131	280

Top five news pages	views
The importance of good school governance	561
Energy specialists appointed to accelerate low carbon projects in the North East	442
North East work on skills development recognised in House of Lords youth unemployment report	350
Project to improve careers guidance in North East primary schools extended after positive impact on pupils	350
New report shows impact of COVID-19 on Good Work Agenda in the North East	250

Top five pages	views
Home	6,454
Executive Team	2,389
Kickstart Opportunities	1,599
About Us	1,530
The Plan	1,169



Social media

	Total followers	Impressions
Twitter	12,869 (+0.9%)	89,731
LinkedIn	9,537 (+3.4%)	59,947

Followers for other LEPs on Twitter			
1. North East LEP	2. Leeds LEP	3. Liverpool LEP	4. Black Country LEP
12,869	11,594	10,271	9,409

Best performing organic posts: Twitter



@northeastlep

Wed 11/10/2021 3:11 pm GMT

We are proud to work with partners in the North East Energy Catalyst to introduce a new video showing how our region is leading the way in...



Impressions

6,631

Engagement

128

Clicks

6



@northeastlep

Mon 11/29/2021 12:30 pm GMT

In partnership with [@EY_Foundation](#) we've helped 70 North East primary schools embed careers-related learning for their pupils. Find out...



Impressions

6,614

Engagement

77

Clicks

16



@northeastlep

Mon 11/29/2021 10:18 am GMT

As referenced in last week's [#youthunemployment](#) report from [@LordsYouthUnemp](#), you can now read about...



Impressions

3,833

Engagement

78


Clicks

14

Social media

Best performing organic posts: Twitter




 [@northeastlep](#)
Tue 11/23/2021 9:15 am GMT

Working in partnership with [@DUBusSchool](#), we've published a new report looking at how [#COVID19](#) has impacted and influenced the...


...t of COVID-19 on the Good Work Agenda and flexible working

work and good jobs with
employment security and flexibility,
with guaranteed working
should be prioritised





Impressions	Engagement	Clicks
3,364	92	27



 [@northeastlep](#)
Wed 12/8/2021 9:58 am GMT

In our latest blog, [@janeerobinson97](#) - Pro-Vice Chancellor, Engagement & Place [@UniofNewcastle](#) - reflects on a recent...






Impressions	Engagement	Clicks
3,255	31	2

Social media

Best performing organic posts: LinkedIn

in₁

 **in** North East Local Enterprise Partn...
Mon 12/13/2021 12:13 pm GMT

Enabling works have begun on the landmark NewcastleGateshead Quays arena and conference centre scheme. Supported by funding from...

Home - Newcastle Gateshead Quays



Impressions	Engagement	Clicks
7,595	425	265

in₂

 **in** North East Local Enterprise Partn...
Mon 11/22/2021 2:00 pm GMT

The Department for Environment, Food and Rural Affairs has announced it will open a new core hub office in Newcastle upon Tyne, taking advantag...

New core Defra hub revealed for Newcastle



Impressions	Engagement	Clicks
6,369	396	274

in₃

 **in** North East Local Enterprise Partn...
Thu 11/18/2021 11:06 am GMT

Two energy specialists have been appointed to accelerate low carbon projects in the North East. Find out more about the new additions to our...



Impressions	Engagement	Clicks
2,967	202	138

Priorities for the next two months

1. Launch updated CMS for the North East Ambition Website and complete content refresh.
2. Deliver Technical Education and Pathways campaigns
3. Plan and execute the National Careers Week event (7 March)
4. Appoint and induct newly appointed digital agency.

Forward plan of content

Topic	Description	Type	Estimated date of issue
Corporate			
Corporate document process	Coordination, proofing and publication of the Annual Delivery Plan 22/23, End of Year Review 21/22 and the Annual Review 21/22.	• Document drafting and publication	January - March 2022
Annual General Meeting	Annual event - to be held virtually.	• Online event • Social media	25 January 2022
Podcast	Introduction of a LEP podcast discussing issues relevant to our strategic economic plan	• Podcast and supporting social media	Activity to begin January 2022 for an initial six months
Airport Advertising	Progress concept to print and installation phase.	• Design and print	To be installed by April 2022
Business and sector growth			
More than Just a Website Campaign	Ongoing positioning campaign to demonstrate that the Growth Hub is more than just a website - call to action is to book an appointment with the Connectors	• Campaign	Until February 2022
Peer Networks	Recruitment marketing campaign to continue, supported by case studies from participants to demonstrate value.	• Case studies • Marketing campaign	January 2022

Help to Grow: Management and Help to Grow: Digital	Support recruitment of future Help to Grow: Management cohorts and support registrations for Help to Grow: Digital	<ul style="list-style-type: none"> • Campaigns - including e-newsletters, social media, media relations, stakeholder comms 	January - March 2022
Made Smarter Adoption North East	Continued promotion of the programme to generate EOIs	<ul style="list-style-type: none"> • Social media • Enewsletters • Partner communications 	January 2022 - onwards
North East Growth Hub toolkits	Refresh of content across all toolkits	<ul style="list-style-type: none"> • Content development 	Ongoing
Energy for Growth	Production of case studies on Energy for Growth-funded projects	<ul style="list-style-type: none"> • Case studies 	January - February 2022
Health and Life Sciences	Continued promotion of case studies and regional successes	<ul style="list-style-type: none"> • Social media • Partner amplification 	January - February 2022
High Potential Startups	Final campaign highlighting impact of programme	<ul style="list-style-type: none"> • Content to be developed 	February - March 2022
Innovation			
Future Markets Accelerator Programme	Internal communications with project partners	<ul style="list-style-type: none"> • Intranet/sharepoint space development • Information pack 	January - February 2022
Emergent Markets study	Develop plan for communication of results to different audiences	<ul style="list-style-type: none"> • Content development 	January - February 2022
Innovation toolkit	Rolling programme of new articles and content supported with paid for advertising	<ul style="list-style-type: none"> • Content development • Social media 	January - February 2022
Innovation overview	Introduction of a podcast with Innovation Director chatting to trailblazers/thought leaders about their journeys and vision for future of innovation in the region	<ul style="list-style-type: none"> • Podcast • Supporting social media 	To commence in February 2022 and run initially for six month

Skills, employment, inclusion and progression

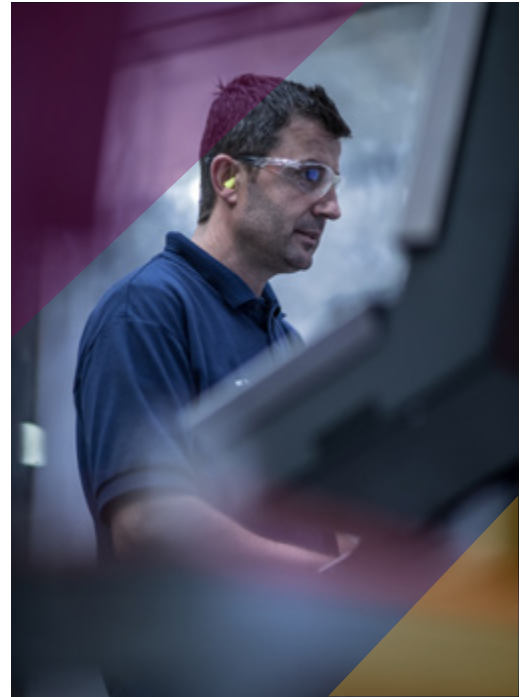
Northern Insight magazine	Use of monthly page to highlight skills, employment, inclusion and progression programmes	• Advertorial	Monthly
Primary Pilot evaluation	Evaluation of campaign	• Final social content • Evaluation report	January 2022
Technical education	Campaign to showcase the benefits and opportunities that studying a higher technical qualification can open up Campaign to communicate benefits to businesses of being involved in technical education	• New toolkit content • Campaign to be developed	January - March 2022
Enterprise Adviser Network recruitment campaign	Ongoing campaign to recruit new Enterprise Advisers	• Paid social media campaign • Paid Bdaily campaign • Newsletters • Stakeholder comms support (from existing Enterprise Advisers)	January 2022
North East Ambition	Transfer of web content to new CMS	• Content transfer	January 2022
Social media training	Deliver training for careers leaders	• Two training sessions	March 2022

Investment

VCSE funding	Rolling communications plan highlighting outcomes of funded projects	• Social content • Media relations	Ongoing
Local Growth Fund / Enterprise Zone interim evaluation	Report highlighting success/impact of North East LEP's management of the Local Growth Fund and Enterprise Zone funding	• Report • Blog • Social media • Owned media, inc newsletters	January - February 2022
Getting Building Fund	Rolling communications plan highlighting funded projects, including key milestones	• Social content • Media relations	Ongoing
Local Growth Fund	Rolling communications plan highlighting funded projects, including key milestones	• Social content • Media relations	Ongoing

Please note, where content is owned as oppose to media relations, audience profiles are in place to ensure the content is targeted at the most relevant audiences as well as the LEP's general followers.

Any feedback on input into our content plan, please email jen.robson@nelep.co.uk



North East LEP

 info@nelep.co.uk  0191 561 5420  nelep.co.uk

 [@northeastlep](https://twitter.com/northeastlep)  [/company/north-east-lep](https://www.linkedin.com/company/north-east-lep)

 1 St James Gate, Newcastle upon Tyne, NE1 4AD



27 January 2022

Item 5: The North East Strategic Economic Plan: next steps

1.0 Background

- 1.1 At its meeting in September 2021, the Board noted that early 2022 was the previously planned time window to update the Strategic Economic Plan (SEP) for the final two-years of the ten-year SEP period (2014-2024). This timeline to update now was driven by the current three-year SEP programmes' delivery period ending in December 2021 and the need to develop the next Annual Delivery Plan for 2022/23 which will include new SEP Programmes' interventions. It was also noted that as the economy moves out of controls, that this would be a good time to reflect on changes triggered by the EU Exit, COVID-19 and other government policy and economic changes to ensure delivery was appropriately targeted.
- 1.2 The Board also noted in September that now would be the right time to start to plan for a strategic regional plan beyond the current SEP (post 2024). This would provide an opportunity to consider not only the range of economic and policy changes which are occurring, but also to look systematically at longer term change in the economy and consider the impact of our research, data and evaluation work.
- 1.3 However, with further delay in publishing the Levelling Up White Paper, there is continuing uncertainty about the future framework for sub-national economic development. Therefore, it is not prudent now to formally update the current SEP or begin any public facing stakeholder engagement about a future regional plan until the government policy and funding landscape is confirmed, given it will significantly influence the delivery focus of the remaining two years of the current SEP and the context for the longer-term future framework of a regional plan beyond 2024.
- 1.4 Therefore the executive team have focussed on three parallel pieces of work, which are listed below and described in the next section:
- To continue to take the regional lead on building and coordinating regional economic evidence, data and analysis to inform regional strategy development;
 - To update some of the language in the current SEP Executive Summary document to inform the 2022/23 Annual Delivery Plan development;
 - To begin to map out, with the Regional Economy Group, a process to prepare the next regional economic strategy, once changes in the policy and delivery environment are confirmed.

2.0 Actions since September Board meeting

- 2.1 Building and coordinating regional economic evidence, data and analysis to inform regional strategy development –

There are three aspects to this work:

1) **Core evidence base:** two core products have been published which provide underpinning data and evidence:

- 'Our Economy 2021' was launched on the 7 October 2021 providing a comprehensive overview of the latest data about the North East economy benchmarked to 2014. Themed additional sections have been included this year looking at key policy agendas and sub-regional data to support consideration of Levelling Up issues.¹
- 'Covid 19 and EU Exit impact report' was launched alongside 'Our Economy 2021' and provided a full review of data and intelligence about the impact of Covid 19 and the EU Exit, including standard and non-traditional data sets, survey evidence and results of a round of engagement sessions with key sectors and local representatives. It provides an assessment of opportunities, challenges and changes which these shocks represent for the North East.

2) **Wider Evidence Base:** Work on the wider evidence base has continued and includes the following:

- Strategic reports linked to our Areas of Strategic Importance; updates on the Energy Strategy and specific aspects of it; the Life Sciences Strategy and projects within it; the development of an Advanced Manufacturing evidence base; progression of the Digital Strategy; Tourism evidence base;
- Key research reports examining emerging themes in the economic environment including the digital exclusion report, Net Zero prospectus, Global Britain report including proposed North East Trade Strategy and an EU Exit Impact report;
- Interim evaluation of the SEP;
- Analysis of longer-term market development through the Emerging Markets project.

3) **Policy Framework:** Ongoing analysis of the emerging development of the policy framework including:

- Levelling Up: monitoring of Government statements and wider thinking about the development of this agenda including both performance metrics and policy proposals;
- Net Zero: analysis of the Net Zero strategy published in October 2021, and the outcomes of COP26;
- Global Britain: analysis of the Trade and Export strategy published in November 2021
- Analysis of the November budget and spending review, which was previously reported to the Board and which gives some foresight on key departmental priorities and budgets and the plans for future sub-National funding

¹ Available at: <https://www.northeastlep.co.uk/tag/our-economy-2021/>

2.2 Updating the SEP Executive Summary document to inform development of the Annual Delivery Plan for 2022/23 -

The 2019 version of the SEP Executive Summary has been updated to reflect current policy language to take us through the final two years of the Plan. See appendix 1 for the updated draft version.

The proposed summary is consistent in structure with the refreshed SEP published in 2019, but has been updated to include:

- Updated narrative to reflect the evolution of the current public policy agenda and language, and key changes in the economy
- Updated information about performance of our KPI's, including the reflection of the Levelling Up agenda in the discussion of our 4 comparative targets. These targets which were set in 2014 together demonstrate a significant ongoing economic performance gap in key areas of economy which align closely to the metrics which Government have discussed in the context of Levelling Up
- A reflection on the wider economic evidence base and the drawing together of the analysis of policy and economic issues into a new statement of current opportunities and challenges
- Renaming of the 'digital' Area of Strategic Importance to 'tech', as the wider digitalisation agenda is more explicitly shown as a cross-cutting theme to be addressed across all programmes.
- Moving Knowledge Intensive Services from the enabling services section in the Plan to an Area of Strategic Importance. This builds on analysis undertaken to support the draft Local Industrial Strategy which demonstrated the increasing importance of a number of high value service sectors on the regional productivity and delivery of higher value employment. This has been confirmed in the work undertaken to support the Trade and Export Strategy during 2021, which shows significant growth in regional exports from the knowledge intensive service sectors including professional services, manufacturing services and technical and consulting services. It is also noted that the forthcoming Emerging Markets research highlights a number of knowledge services as future opportunity areas for the region. The effect of adding Knowledge Intensive Services as an Area of Strategic Importance will be that the North East LEP and partners will give additional focus to it, including working towards a regional strategy for growth in this area. In practice this will also build on interventions being taken forward in the region by businesses and our local authorities to support growth in these areas
- Identification of decarbonisation as a cross-cutting theme. The effect of this will be to prompt each of our programmes to develop plans about how they will respond to the Net Zero agenda.

2.3 Beginning to map out, with the regional economy Group, a process to prepare the next regional economic strategy, once changes in the policy and delivery environment are confirmed.-

Work has commenced to map out how the next regional strategic plan to follow the SEP will be developed by the region. The Regional Economic Group and the LA7 Economic Directors have been involved in early conversations, however, the work is paused pending the publication of the Levelling Up White Paper, which is likely to influence the policy focus, the timeframe (up to 2035 or 2040?) and the

development and delivery framework, as well as how it develops alongside regional devolution.

3.0 Recommendation

3.1 The Board is recommended to:

- i. Note the contents of this paper and comment on the progress to date and next steps;
- ii. Endorse the draft updated Executive Summary in appendix one noting the proposed structural developments identified in 2.2 above.

The North East Strategic Economic Plan

Creating more and better jobs

Executive summary

January 2022

DRAFT





Our long-term plan at a time of change

The North East Strategic Economic Plan sets out the region's long-term framework for improving our economy, delivering 100,000 more and better jobs and creating a more productive, sustainable and inclusive region.

The North East Strategic Economic Plan was published in 2014 and sets out an evidence-led, ten-year plan focusing on:

- Developing areas of our economy (tech, energy, health and life sciences and advanced manufacturing) and programmes of work (business growth, innovation, skills, investment and infrastructure, and transport connectivity) where there is an opportunity for growth and productivity
- Improving the economic, social, cultural and physical foundations of our region across our towns, cities, and rural areas
- Strengthening our contribution to levelling up the national economy.

Our Plan was developed collaboratively, with input from business, public, education and third sector partners. Our delivery model is flexible yet robust, focused on securing investment and taking action.

Over the past seven years, we have made a difference. Our interim independent evaluation stated that:

"The North East Strategic Economic Plan has played a key role in the economic development of the North East LEP area, particularly in the development of a cohesive and unifying voice and set of objectives [and] interim value for money assessment of the Local Growth Funding and Enterprise Zone programmes have indicated good to very good value for money in line with national benchmarks".

COVID-19 and the longer-term transition to a future outside of the European Union have together disrupted the way we do business at home and overseas, and the way we live and spend our time.

Whilst there has been opportunity for many – individual businesses, creative entrepreneurs and whole sectors have found new markets and enjoyed stimulus – others have faced challenges – unemployment, ill health and insecurity, disrupted markets and business processes, and disconnection for individuals and communities.

We've also seen sharpened global focus and regional urgency around climate, demographic and technological change.

I am encouraged that the core principles in our long-term regional plan are strongly aligned to government's priorities. Enhanced investment and joint working between government and regional partners can provide us with an opportunity to deliver the aims identified in our Plan and to support government in its mission to level up the UK economy. We can do this by delivering on our ambition to:

- Improve the quality of employment for our people and the infrastructure of our places
- Close the performance gap of the North East with England excluding London in productivity, private sector growth, employment and economic activity rates, in line with the government's vision to level up the UK
- Enhance our five programmes to drive competitiveness and deliver more and better jobs, giving a regional focus to the Plan for Growth
- Drive growth and exports through green energy, electrification, life sciences, manufacturing, and digital and knowledge intensive services supporting the ambitions of the national net zero and trade and export strategies
- Support younger and older people to find good work, and to support people in work to make progress in good careers, providing government with a strong partnership to support delivery of the Skills for Jobs White paper.

The region has shown strong and united commitment to the vision and the strategy set out within the North East Strategic Economic Plan – and now is no different. Our direction of travel remains clear and as government policy continues to emerge we are encouraged by the alignment.

However, our Plan is not static. We hold it under constant review, refreshing and refocusing as economic and policy circumstances develop. We will continue to be proactive in building the evidence and intelligence we need to make the right choices to evolve our Plan, and our region should have confidence in its shared approach and ambition.

Together with our partners we look forward to working with government to grow our economy, deliver more and better jobs for our region and to make our contribution to level up the UK economy.

Lucy Winskell OBE
Chair, North East Local Enterprise Partnership

The North East Strategic Economic Plan

What is the North East Strategic Economic Plan?

It is the North East's plan for growing and developing a more productive, inclusive and sustainable regional economy.



What does the Plan want to achieve?

The Plan's ambition is to increase the number of jobs in the North East by 100,000 between 2014 and 2024, with 70% of these being better jobs, defined as managerial, professional and technical roles.

In addition it aims to level up the region by closing gaps in our performance on productivity, employment, economic inclusion and the strength of our private sector.

What is the North East Local Enterprise Partnership and its role in delivering the Plan?

The North East Local Enterprise Partnership is a private, public and education sector partnership, supported by a small executive team that provides strong, collaborative leadership to support the growth and development of the North East economy.

The executive team works with partners to lead, facilitate and evaluate delivery of the Strategic Economic Plan.

It drives the ongoing development of the region's economic evidence base to ensure that the decisions are informed. It takes the lead on strategy and policy projects that can accelerate the ambitions of the Plan.

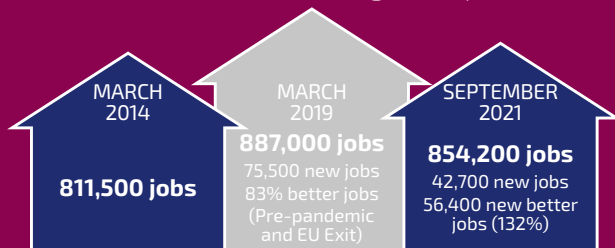
Why are we updating the Plan?

Our Plan is not static - we have always held it under constant review. Our strategy is and continues to be based on solid and thorough analysis of evidence and intelligence to understand opportunities and challenges and to adapt our delivery priorities to achieve our long term ambitions.

As we work through the immediate and longer term impact of COVID-19 and the transition from membership of the European Union, we need to respond to these changes for our businesses and residents. We have a range of assets which can make a significant impact on the global challenges of decarbonisation, technological and demographic change, and we want to sharpen our focus on these social and market opportunities in this update.

Levelling up the North East economy – progress to date

Our ambition is to create 1000,000 more jobs between 2014 and 2024, with 70% of those being better jobs



By March 2020, employment in all jobs had increased by 42,700, with better jobs having reached 56,400.

The last two years has seen a subsequent reduction in overall jobs, with net growth falling to 42,700 by September 2021. The stock of better jobs has been more resilient with additional better jobs exceeding the fall in other jobs, meaning net growth of 132%, ahead of our target. A better job are classified as managerial, professional and technical roles.

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.

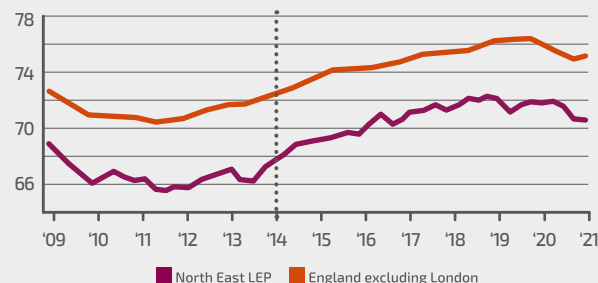
We have great potential in the region and closed these gaps towards these targets between 2014 and 2021, but the last two years has impacted on this progress.

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.



Employment rate

To close the gap between the North East LEP area and England excluding London by 100%.

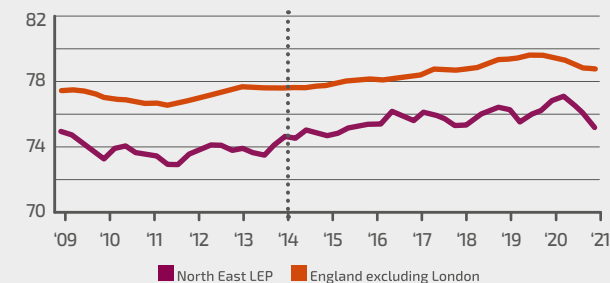


By September 2021, the gap had reduced by 15%. Some of the earlier reductions in the gap were reversed in the most recent year as the North East employment rate decreased faster than nationally.



Economic activity rate

To close the gap between the North East LEP area and England excluding London by 50%.

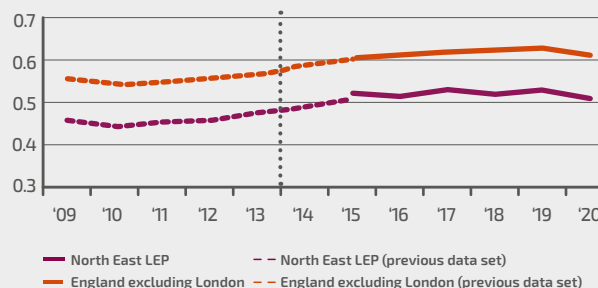


By September 2021, the gap had slightly widened rather than narrowing. Earlier progress towards the target had been completely reversed by the North East's much larger rate decrease in the most recent year.



Private sector employee jobs per working age person

To close the gap between the North East LEP area and England excluding London by 50%.

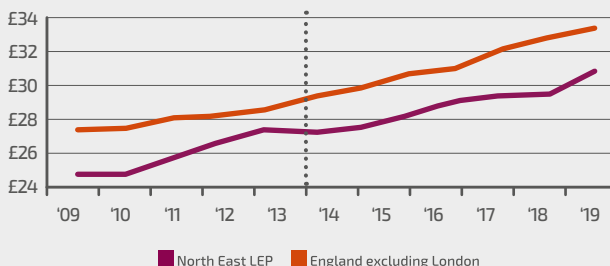


Between 2015 and 2020 the gap had widened by 23%. This was the result of a decrease of 2.0% in North East private sector employment combined with a 2.5% increase in England excluding London. The earliest consistent data is from 2015.



Gross Value Added per hour worked (£)

To close the gap between the North East LEP areas and England excluding London by 50%.



Between 2014 and 2019, productivity in both areas increased by about 12%. In the year to 2019, the latest available data, North East productivity increased by 4.6%, compared to a 1.7% rise in England excluding London, suggesting that the gap was beginning to close.

Note: Vertical line on charts indicates the start of the North East Strategic Economic Plan

Our plan for growth at a time of change

Our Plan is aligned to emerging policy and economic priorities, which we have summarised below:

Public policy

These policy areas provide an opportunity for us to work with government to develop the regional economy:

Build Back Better: The Plan for Growth

This [report](#) sets out government's overarching approach to UK economic growth as we move forward from COVID-19 and the European Union exit. It details government's approach to industrial support, planning, and trade and investment.

Levelling Up White Paper

This paper is due to be published in early 2022 - it is expected to frame government's ambitions to enhance local leadership, improve living standards and public services, and strengthen communities and places. It is expected to focus on proposals for the evolution of regional institutions and local government and provide the framework for investment programmes including the UK Shared Prosperity Fund and Community Renewal Fund.

Net zero and decarbonisation

The decarbonisation of the global economy and our social, economic and physical infrastructure is a priority that cuts across all aspects of government policy and delivery. The next steps include policies, as outlined in [Net Zero Strategy: Build Back Greener](#), to decarbonise all sectors of the UK economy and achieve net zero climate emissions by 2050.

Global Britain

The government's internationalisation agenda is focused on enhancing trade, exports, research collaboration and foreign direct investment to strengthen the UK's economic and political influence.

[Made in the UK, Sold to the World](#) details how government will support businesses to grow through a focus on global export opportunities prioritising new and future trade deals.

Skills and good work

The [Skills for Jobs](#) White Paper aims to strengthen skills across the UK and looks at routes to employment and progression within careers. It promotes a life-time skill guarantee, aims to revolutionise post-16 education, and reshape the training and further education landscape.

Change in the regional economy: short to medium term priorities

The impact of COVID-19 and the UK's departure from the European Union have delivered short term disruption in our key industries, communities, and labour markets. [Our Economy 2021](#), the annual state of the region report and a report that looks at [insights into the impact of COVID-19 and EU transition](#) on the North East Economy, highlight the following themes we will prioritise for action:

- Continuing to address the number of jobs available, ongoing improvement of the proportion of better jobs, and responding to changes in work requiring different skills, particularly digital skills
- The reduction in employment and economic activity rates – the North East has lower levels than elsewhere in England excluding London and we have challenges in disadvantaged communities
- The mismatches of labour supply and demand, skills shortages, and younger and older people needing support to take the jobs available.
- Continuing gaps in productivity metrics and private sector employment rates are long term priority issues for the region
- Increasing the number of scale up businesses, the amount of private sector R&D investment, and the value of exports
- Growth in our areas of opportunity as they drive growth and employment through their focus on global challenges including decarbonisation of energy, heat and transport, health and demographic change
- Challenges for the foundational economy, including retail, tourism, and public transport
- Digitalisation of processes, goods and services across business public bodies and social organisations
- Increased barriers to trade, especially for small businesses.



Our plan for growth at a time of change

Change in the regional economy: long term opportunities and priorities

In addition to looking at the region's short term response and immediate recovery we continue to look for opportunity in the long term changes to the global economy.

Trade, export and investment

['Global North East: Driving growth in North East trade and exports'](#), published by the North East LEP, Department for International Trade (DIT) and North East England Chamber of Commerce, outlines how the region can build its competitiveness, drive higher productivity, and create more and better jobs by increasing international trade.

The report sets out where the North East has opportunities to grow exports in global markets, building on new Free Trade Agreements and ongoing support for trade into Europe.

Future markets

The North East LEP is leading a piece of strategic work to identify the major market, technology and other divers in the global economy, with the aim of identifying where our regional capabilities and innovation and other assets can deliver opportunities for growth and economic transformation over the longer term. Exciting opportunities in established markets where we have existing assets like electric vehicles, energy generation, energy storage and software development, and emergent markets like autonomous vehicles, robotics, and space and satellites, are some of the 17 opportunity areas in focus. Over the next year we will examine these areas in more detail, positioning our region to play a strong role nationally and internationally.

Net zero

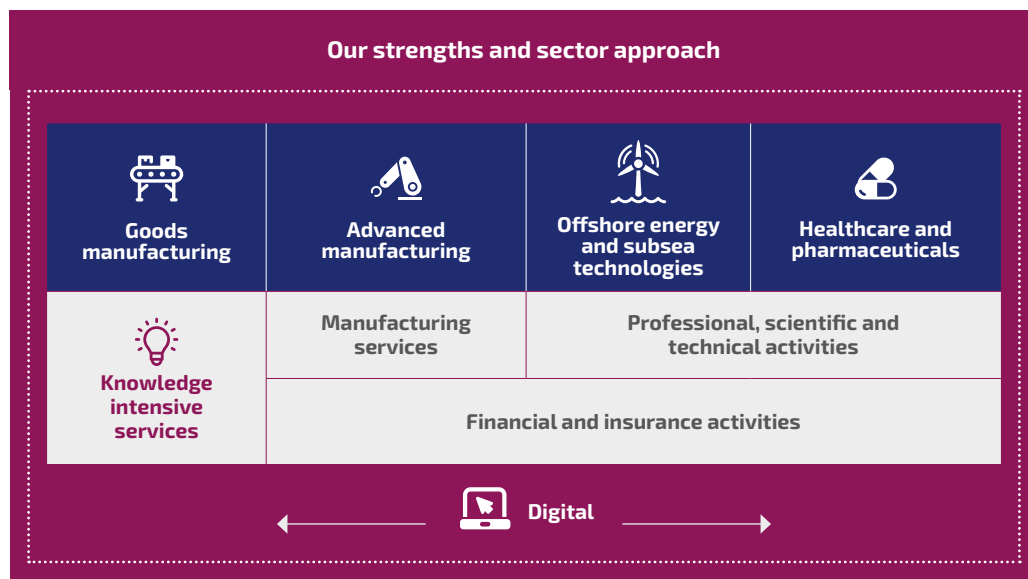
The North East has ambitious targets to accelerate our progress to reach net zero emissions in the 2030s. To do so needs strengthened regional action.

Partners across the region are focusing collaboratively on our strengths in energy generation and manufacturing, and the management of natural assets in areas like water and land sectors, to drive new jobs, investment and growth and are a focus for research and innovation.

Strategies to reduce our transport and heat emissions in particular need to be accelerated as together these represent 70% of our current emissions. Our strengths and assets in science, industries, public transport systems, and a focus on our retro-fitting of homes will help us achieve this.

We have opportunities to capture and store carbon through deployment of technology and increased investment in our landscapes, protecting our peat and wetlands, and planting more trees.

If we meet our net zero targets, it is estimated that we could see an uplift of our economy by £1.9 billion (3.4% of 2020 GVA) and 27,000 new jobs by 2050. This includes 13,500 jobs in the energy and electricity sector which represents the largest net opportunity for the North East.



Our plan for growth – our strategy

The North East Strategic Economic Plan

A framework to create 100,000 more and better jobs for the North East economy between 2014 and 2024

Areas of strategic importance



Advanced manufacturing



Health and life sciences



Energy



Tech



Knowledge intensive business services

Enabling services



Education



Transport and logistics



Construction

Programmes of delivery



Business growth



Innovation



Skills, employment, inclusion and progression



Transport connectivity



Investment and infrastructure

Cross cutting themes

Decarbonisation and the drive to net zero

Digital transformation

Our challenges and opportunities

To deliver effectively, we need to understand our region's opportunities and challenges. Many are ongoing, reflecting the longstanding economic profile of the region, however recent policy and economic change is identifying new areas that also require focus, investment and action.

Challenges

- Areas of our foundational economy, such as tourism and retail, have been severely impacted by COVID-19 and the UK's departure from the European Union. We must focus on this area of economic recovery and aim for more productive and resilient business models.
- We are seeing signs of skills shortages and mismatches across our labour force. According to the evidence we have, solutions should include supporting businesses to invest in automation and innovation, the identification of new sources of labour, and better promotion of employment opportunities to residents.
- Many of our young people and people in work have seen disruption to their education, training and apprenticeships. There is a need to minimise the resulting impact and accelerate support.
- Our employment rate remains lower than the national equivalent at 70.6% and in the last year over 18,000 working age people have become economically inactive.
- In addition to longstanding basic skills challenges, there is an urgent priority to enhance digital skills in response to changes in the economy and society
- Our towns, cities and rural communities must reimagine and adapt as people and businesses change the way they work, travel and spend their time.
- As we move to a more digitalised economy, demands on our digital infrastructure will increase and we need to ensure this remains robust and continues to develop.
- We must unlock the transport investment funding allocated to the North East to stabilise our transport system and deliver a sustainable model as we move forward.
- Transport and domestic heating represents 70% of our region's emissions. We need to accelerate our strategy to get these industries to net zero by 2050, while continuing to support the rest of the economy on their net zero journey.
- There is currently a lack of clarity about future government funding streams, the levels of funding that will be made available, and the scope of what the funding can be used for. Clarification in this area is critical to supporting our regional priorities.
- Leaving the European Union has introduced a number of challenges for our region, including regulation, trade barriers and costs, which we need to address as they have significant impact on our overseas trade, investment, research and science, tourism, workers and students. Promotion of the North East is a critical part of this.

Opportunities

- Continuing to maintain our strategic focus on delivering more and better jobs, and on improving productivity, employment, inclusion and strengthening our private sector.
- Our areas of strategic importance continue to grow and offer significant growth potential for our region. We should continue to build on our assets, invest in and nurture the following areas:
 - **Energy** – Energy and subsea industries, with particular focus on renewable energy generation, and emerging opportunities including heat networks, electrification and geothermal, and mine energy.
 - **Advanced manufacturing** – Electric vehicles and other transport and logistics sectors, battery manufacturing and the wider automotive supply chain.
 - **Health and life sciences** – The proposed pharmaceutical development zone that could deliver new treatments, medicines and care services, and contribute to health resilience.
 - **Tech** – Technology, digital and knowledge-based services which are growing rapidly, as well as looking at new industries of the future including software, financial technologies, immersive technologies and professional services.
- Supporting those key enabling sectors which underpin our economy and deliver jobs; logistics, education and construction.
- Building on the policy opportunity to promote levelling up, to respond to significant change in place-based and foundational sectors including tourism, retail, culture and environmental services to recover employment and promote more productive and resilient business models.
- We have a regional investment plan that details a pipeline of projects and interventions which can drive forward our regional growth. These include:
 - Innovation - focused projects which can deliver innovation and commercialisation into the markets of the future, with opportunities in space, surface technologies, digital and knowledge-based services including financial and immersive technologies, transport and mobility, and decarbonisation.
 - A strengthened and more integrated business support framework, providing advice, guidance and finance for start up, scale up, exporting, digitalisation and productivity improvement.
 - Skills, employment and careers activities seeking to deliver the skills needed in good quality jobs.
 - Support for towns and cities, driving forward our pipeline of infrastructure and connectivity proposals to secure new investment.

Delivering the North East Strategic Economic Plan

Areas of strategic importance

The clusters and industries which have the most potential to drive our ambitions and targets – in particular to deliver growth in our economy, higher quality jobs and productivity, in turn strengthening our competitiveness and long term sustainability.

In addition to developing the North Easts assets and capabilities in each area there is a focus on building strong collaborations and leveraging collective strengths of our partners from across the North, such as through the Northern Powerhouse 11 and the North East, Yorkshire and Humber Energy Hub and Growth Hub Clusters.



Energy

Expertise in offshore Energy and subsea technologies, regional energy and demonstration and innovation

Our aim is to deliver on national energy policy, while driving growth in the North East.

- We will invest in our offshore renewables and sub sea industries.
- We will deliver on national and regional decarbonisation goals through unique North East energy projects
- And make the North East the go-to place to develop and showcase new energy solutions that change the world.

You can find out more about our Energy for Growth Strategy and its delivery progress [here](#).



Health and life sciences

Excelling in clinical research, innovation in pharmaceuticals, responding to an aging population

We want to position the North East as the UK leader in developing, testing and adopting patient centred treatments, and the manufacture of medicines and therapeutics at a time of demographic change.

You can read our health and life science strategy and find out more about our delivery activity [here](#).



Advanced manufacturing

Specialising in automotive, electrification and medicine manufacturing

Our ambition is to nurture a globally focused, competitive and integrated cluster, driving productivity by innovating in high level engineering; from design to manufacturing and from the application of knowledge and innovation assets.

You can find out more about the North East tech sector and our plan for growth [here](#).



Tech

Specialising in software, cloud computing, communications, buildings information modelling, gaming. Emerging specialisms include data analytics, immersive technologies and cybersecurity.

The North East is a global hotbed of tech product innovation where:

- There is a vibrant startup scene
- Tech businesses are a magnet for venture capitalist investment and talent
- Businesses have grown to global significance
- The North East is a critical engine for tech talent creation nationally
- Businesses from across the globe are choosing to relocate to the North East.

You can find out more about the North East tech sector and our plan for growth [here](#).



Knowledge intensive business services

Over the last three years, we have seen strengthened presence in these markets, with these higher value areas delivering 80,000 jobs, 49% of business services and digital employment in the region, and increasing exports across the world. For this reason, we have positioned knowledge intensive business services as a fifth area of opportunity in Our Plan and will develop an approach, together with partners on how to continue to grow and take advantage of opportunities within this sector.

You can find out more about this sector [here](#).

Key enabling services

We also identify a group of key enabling services which underpin the economy and provide the potential for significant growth of higher value jobs.



Education

Education is important to our economy. The sector employs 78,000 people. Those working in the sector educate young people and adult learners, giving them the skills and knowledge they need to secure employment and build careers. The jobs they do contribute to all areas of our economy.

Our four universities, nine colleges and 870 schools, plus private and sectoral skills bodies, are estimated to contribute about 7% of regional GVA.



78,000 people are employed in education in the North East



Education system includes
870 schools
9 colleges
4 universities



Estimated to contribute about **7% of regional GVA**



Transport and logistics

The North East's transport and logistics infrastructure provides the foundations for our economic activity, trade and tourism.

1,500 enterprises employ 16,000 people in transport and logistics – supporting the movement of goods and people across the region. In 2020, over 47 million tonnes of goods were moved by vehicles from the region and 5.6 million tonnes were shipped to and from global markets through our ports.



1,500 enterprises employ **16,000** people in transport and logistics organisations, supporting the movement of goods and people across the region

Freight in 2020

47 million tonnes lifted by vehicles
5.6 million tonnes handled by North East ports
1039 tonnes handled by Newcastle Airport



Construction

The total regional GVA for construction was £3.5 billion in 2019, 6% of the North East Region total, and the sector employed 40,000 people in 8,100 enterprises in 2020.

The sector supported economic recovery from COVID-19 through industrial, commercial and housing development.



8,100 enterprises employ **40,000** people in a construction related industry



The GVA contribution of this sector to the North East is equal to **£3.5 billion** in 2019

Delivering our plan: five programmes of delivery

Initiatives and projects that will deliver the ambitions of this Plan.



Business growth

Our ambition for the North East is to be an entrepreneurial, growth orientated, dynamic and productive environment where businesses start up, grow, invest, and thrive.

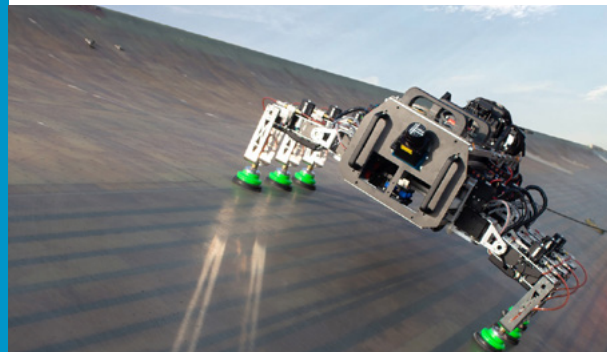


You can find out more about our business growth programme [here](#).



Innovation

Innovation is central to our long-term aim to build a more productive region, fostering a competitive and embedded business base and solving social and economic challenges.



You can find out more about our innovation programme [here](#).



Skills, employment, inclusion and progression

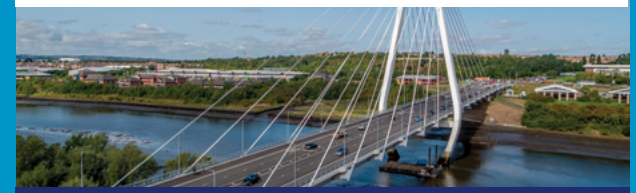
Our ambition is that all individuals in the North East have a good understanding of the employment opportunities available and how to access these and that employers have strong links with education and training providers, helping to ensure that provision meets local needs. We will work to ensure that all partners understand the importance of skills in improving productivity, social mobility and living standards.

You can find out more about our skills, employment, inclusion and progression programme [here](#).



Investment and infrastructure

Through focussed and coordinated investment we will address market failures and competitive weaknesses. We will work with partners to quicken the pace and scale of investment across the North East, focusing on our business and infrastructure investment opportunities and needs. Opportunities for job and productivity growth on strategic employment sites, in town and city centres, along strategic transport corridors, in our culture and tourist hubs, and in the rural economy will be prioritised



You can find out more about our investment and infrastructure programme [here](#).



Transport connectivity

In March 2021 the North East Transport Plan was published setting out our vision of 'moving to a green, healthy, dynamic and thriving North East.'

You can read more about the North East Transport Plan [here](#).





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27th January 2022

ITEM 7: Update on 2021/22 Revenue Budget; and a Provisional Estimate for the Revenue Budget for 2022/23

1. Introduction

- 1.1 The purpose of this report is to provide an update to the Board on the North East Local Enterprise Partnership (North East LEP) revenue budget position for the current financial year (2021/22), and to provide an indicative budget for the next financial year (2022/23). This report also provides an updated budget position in relation to the Enterprise Zone account, and an update on the Local Growth Fund (LGF), the Getting Building Fund (GBF) and the North East Investment Fund (NEIF).
- 1.2 As in previous years it is intended to provide an indicative outturn report for 2021/22 and an updated indicative budget for 2022/23 with latest information about funding and a three-year budget projection coming to the May LEP Board.
- 1.3 As of 1st April 2020, the North of Tyne Combined Authority (NTCA) became the new accountable body for the North East LEP, the 2021/22 indicative outturn and 2022/23 indicative budget position continues to reflect this.

2. North East LEP 2020/21 Revenue Budget

- 2.1 The North East LEP (LEP) core budget covers LEP operational activity and also management of the LGF, GBF, NEIF and Enterprise Zone programmes. Table 1 provides a summary of the revised revenue budget for the year compared with the revenue budget reported in January 2021, and the subsequent updated revenue budget reported in May 2021, with supporting notes provided below.
- 2.2 The North East LEP Board agreed a provisional revenue budget for 2021/22 of £5.462m in January 2021 and an updated revenue budget of £7.906m in May 2021. With a higher gross income estimate of £7.764m in May, the projected drawdown from the LEP reserve had reduced from £0.285m in January 2021 to £0.141m, leaving an estimated reserve of £0.613m at the end of the year, as reported in May 2021.
- 2.4 Total revenue expenditure in 2021/22 is estimated to be £7.958m, which is £0.051m slightly more than estimated in May 2021. This slight increase in revenue expenditure is the net effect of new funding streams and their associated operational expenditure budgets, and a reduction in employee expenditure due to other funding streams coming to an end and natural wastage. However, gross income has increased by (£0.329m) compared with (£7.764m) in May to (£8.093m) in the revised January 2022 budget, increasing the net budget position by (£0.276m) compared to May resulting in a positive surplus position of (£0.135m) compared to the net deficit position reported in May of £0.141m.
- 2.5 This follows the pattern in previous years, where a cautious view on income and a prudent provision for costs, results in an estimated call on reserves at the start of the year, and additional income or lower costs in the year reduces the call on reserves at

the year end. The estimated level of the North East LEP Reserve to be carried into 2022/23 is now £0.748m.

2.6 The main budget variations are summarised below.

Employee Costs

2.6.1 Employee costs reduced from £3.741m in May to £3.381m, a reduction of £0.360m. This reduction is in part due to fixed term contracts linked to funding streams ending and a freeze on recruitment pending the outcome of the national LEP Review. A 1.75% assumption for pay award has been included in the employee budget estimate however, this has not yet been confirmed. A budget for staff allowances/expenses is also included in the budget total of £0.020m.

Other Costs

2.6.2 Other operational cost budgets reflected in the 2021/22 revised budget relate to new grant income streams, including Made Smarter (£0.520m) and Community Renewal Funding (CRF) in relation to the Future Market Acceleration Programme (£0.079m). There is a reduction shown on the Skills operational budgets (£0.202m) with the cessation of EY grant funding and also a reduction on the North East Ambition operational expenditure budget due to realignment of operational budgets to employee costs.

Table 1. North East LEP 2021/22 Indicative Outturn

	2021/22 Original Budget (Jan 2021)	2021/22 Updated Budget (May 2021)	2021/22 Revised Budget (Jan 2022)	Variance
	£'000	£'000	£'000	£'000
Employees	3,533	3,741	3,381	(360)
Premises	207	225	225	0
Communications	250	250	256	6
Growth Hub Operational Costs	60	250	256	6
Innovation Challenge Covid	0	313	313	0
Other Operational Costs	600	670	676	6
North East Ambition Operational (ESF) 2	0	192	76	(117)
Peer Networks	0	160	212	52
Made Smarter	0	217	520	303
LGF High Potential Operational	99	0	158	158
Life and Health Sciences			135	135
Brexit Policy Work Programme	0	85	123	38
Trade and Export Strategy	0	46	70	24
Norther Powerhouse11	0	0	30	30
Energy Commissioning, Studies, Research Projects	0	85	125	40
Skills Operational CEC, EY CITE	10	714	512	(202)
Future Markets Accelerator Fund			79	79
Inward Investment Contribution	140	140	140	0
EZ NEIF Costs	0	405	405	0
LGF Project Management	55	51	101	50
Getting Building Fund Project Management	94	133	165	32
GROSS EXPENDITURE	5,462	7,906	7,958	51
LEP Core & Strategy Grant from DCLG	(500)	(500)	(500)	0
Local Authority Match Contributions	(250)	(250)	(250)	0
CORE FUNDING	(750)	(750)	(750)	0
Local Growth Fund (Programme Mgmt)	(447)	(454)	(604)	(150)
Getting Building Fund (Programme Mgmt)	(298)	(320)	(370)	(51)
Interest Generated on Funds	(140)	(140)	(140)	0
Growth Hub	(780)	(780)	(780)	0
Business Support			(40)	(40)
Peer Networks	(100)	(410)	(375)	35
ERDF + Digital Catapult	(76)	(42)	(42)	0
Academic Health Science Network (AHSN)		(47)	(135)	(88)
LGF High Potential	(148)	(41)	(197)	(156)
Made Smarter	0	(288)	(600)	(312)
Energy Accelerator	0	(143)	(143)	0
Energy Strategy BEIS/TVCA, RCEF, OREC Misc.	(189)	(192)	(178)	13
Energy Commissioning, Studies, Research Projects	0	(85)	(79)	6
Innovation Challenge Covid	0	(313)	(313)	(0)
NEIF Contribution to cover activity costs	(110)	(418)	(485)	(67)
EZ Contribution to cover activity costs	(110)	(96)	(236)	(140)
North East Ambition 1 (ESF)	(188)	(188)	(203)	(15)
North East Ambition 2 March 2023	(1,122)	(1,190)	(845)	345
Skills Operational CEC, EY CITE, Education Challenge, DFE,	(443)	(1,305)	(1,085)	219
LA Contributions re ESIF Co-ordinator	(20)	(20)	(20)	0
Brexit Policy Work Programme	0	(144)	(40)	104
Trade and Export - World Wide Chamber	0	(46)	(70)	(24)
Norther Powerhouse11		0	(30)	(30)
Future Markets Accelerator Fund			(79)	(79)
Contribution Pension - NTCA	(156)	(168)	(154)	14
Other Income	(100)	(100)	(100)	0
EXTERNAL FUNDING	(4,427)	(7,014)	(7,343)	(329)
GROSS INCOME	(5,177)	(7,764)	(8,093)	(329)
NET BUDGET	285	141	(135)	(276)
Increase in LEP Reserve/(Contribution from Reserve)	(113)		135	
EZ Reserve (Contribution)	(172)	(141)	0	
LEP savings/LEP income				
B/F LEP RESERVE	(613)	(613)	(613)	
C/F LEP RESERVE	(500)	(613)	(748)	

3. LEP 2022/23 Revenue Budget

- 3.1 The indicative revenue budget for 2022/23 reflects the latest known information for income in 2022/23 with the employee and operational costs required to meet the delivery associated with the individual income streams.
- 3.2 The estimates in this report are indicative and will be refined further to be reported to the LEP Board in May, as part of a three-year Medium-Term Budget, when the outturn position for 2022/23 is clear and more information about grant income available for 2022/23 should be known.
- 3.3 A summary of the indicative budget for 2022/23 is set out in the table below. The indicative figures show a 26% decrease in Gross Expenditure from £7.958m to £5.878m and a 31% decrease in Gross Income from £8.093m to £5.624m. The overall effect is an indicative net deficit of £0.254m.
- 3.4 Employee costs reflect a small decrease of £0.049m from £3.381m in 2021/22 to £3.332m in 2022/23. The estimate takes into account the increase to national insurance contributions of 1.25% as reported in the Comprehensive Spending Review in October 2021. An assumed 3% pay award has also been factored into employee costs reflecting the anticipated increase in inflation. A contribution equivalent to the level of the employers pension contribution (£0.145m) is received from the Accountable Body the NTCA, as previously the LEP had benefited from the surplus pension position under the North East Combined Authority (NECA).
- 3.5 The main changes in income reflect the cessation of some of the Skills grant funding, such as Education Challenge, EY and DfE (£1.085m). A reduced contribution for the Local Growth Fund (LGF) programme management as it nears the end of the programme (£0.366m) as well as reductions from the LGF High Potential (£0.197m) and Peer Networks (£0.375m). The North East LEP continues to bid for additional grants and any grants secured will be included in the budget as they are announced.
- 3.6 Other significant changes in the estimates are summarised after table two:

Table 2. North East LEP 2021/22 Indicative Outturn and 2022/23 Base Budget

	2021/22 Revised Budget (Jan 2022)	2022/23 Base Budget	Variance
	£'000	£'000	£'000
Employees	3,381	3,332	(49)
Premises	225	228	3
Communications	256	250	(6)
Growth Hub Operational Costs	256	244	(12)
Innovation Challenge Covid	313	0	(313)
Other Operational Costs	676	619	(56)
North East Ambition Operational (ESF) 2	76	135	59
Peer Networks	212	0	(212)
Made Smarter	520	437	(83)
LGF High Potential Operational	158	0	(158)
Life and Health Sciences	135	0	(135)
Brexit Policy Work Programme	123	27	(96)
Trade and Export Strategy	70	6	(64)
Norther Powerhouse11	30	0	(30)
Energy Commissioning, Studies,Research Projects	125	0	(125)
Skills Operational CEC, EY CITE	512	187	(324)
Future Markets Accelerator Fund	79	68	(11)
Inward Investment Contribution	140	0	(140)
EZ NEIF Costs	405	95	(310)
LGF Project Management	101	22	(79)
Getting Building Fund Project Management	165	76	(89)
GROSS EXPENDITURE	7,958	5,878	(2,080)
LEP Core & Strategy Grant from DCLG	(500)	(500)	0
Local Authority Match Contributions	(250)	(250)	0
CORE FUNDING	(750)	(750)	0
Local Growth Fund (Programme Mgmt)	(604)	(512)	91
Getting Building Fund (Programme Mgmt)	(370)	(201)	169
Interest Generated on Funds	(140)	(110)	30
Growth Hub	(780)	(780)	0
Business Support	(40)	(154)	(114)
Peer Networks	(375)	0	375
ERDF + Digital Catapult	(42)	(36)	6
Academic Health Science Network (AHSN)	(135)	(40)	95
LGF High Potential	(197)	0	197
Made Smarter	(600)	(600)	0
Energy Accelerator	(143)	(180)	(38)
Energy Strategy BEIS/TVCA, RCEF, OREC Misc.	(178)	(163)	15
Energy Commissioning, Studies,Research Projects	(79)	0	79
Innovation Challenge Covid	(313)	0	313
NEIF Contribution to cover activity costs	(485)	(110)	375
EZ Contribution to cover activity costs	(236)	(87)	149
North East Ambition 1 (ESF)	(203)	(167)	36
North East Ambition 2 March 2023	(845)	(896)	(51)
Skills Operational CEC, EY CITE, Education Challenge, DFE,	(1,085)	0	1,085
LA Contributions re ESIF Co-ordinator	(20)	0	20
Brexit Policy Work Programme	(40)	(67)	(27)
Trade and Export - World Wide Chamber	(70)	(6)	64
Norther Powerhouse11	(30)	0	30
Future Markets Accelerator Fund	(79)	(68)	11
Contribution Pension - NTCA	(154)	(145)	9
Other Income	(100)	(100)	0
EXTERNAL FUNDING	(7,343)	(4,874)	2,458
GROSS INCOME	(8,093)	(5,624)	2,469
NET BUDGET	(135)	254	378
Increase in LEP Reserve/(Contribution from Reserve)	135		
EZ Reserve (Contribution)	0	(254)	
LEP savings/LEP income			
B/F LEP RESERVE	(613)	(748)	
C/F LEP RESERVE	(748)	(748)	

Core Funding

- 3.6.1 The 2022/23 budget has assumed that LEP Core Funding from Government will continue at the same level. The national LEP Review has still not been reported. Should the LEP Review recommend any change to the current LEP Model, the assumption used for this indicative budget is that 2022/23 will form a transition year and funding will be made available to implement any changes. It is anticipated that the review will report ahead of the 2022/23 financial year, allowing for an accurate grant figure to be used in the May Board report. Likewise, Growth Hub funding is assumed at the same level as 2021/22, until Government informs us of an alternative position. In previous years, formal clarification of Growth Hub Funding has been made in the March ahead of the April start date.

Local Growth Fund (LGF)

- 3.6.2 The income source used to fund the £0.140m contribution from the LEP to support the Invest North East England Budget was previously funded from interest gained from investing LGF funding. As Local Growth Funding (LGF) from Central Government has now come to an end this funding source is no longer available to the LEP. LGF replacement funding is now being channelled through Combined Authorities and Local Authorities.
- 3.6.3 The LGF programme ran from 2015-2021 with £270.1m of funding. Temporary project funding swaps, using budget freedoms and flexibilities from DLUHC (formerly MHCLG) during the programme, are now being returned to support the completion of approved projects. It is estimated that £9m will be spent in 2022/23 on residual projects ranging from infrastructure investment on the strategic International Advanced Manufacturing Park, where AESC Envision have announced they are to build a new giga factory, to a range of smaller Community and Voluntary Sector led green infrastructure recovery projects across the region. New investments include the establishment of the £4m Project Development Acceleration Fund to assist with the accelerated development of regional strategic capital and revenue projects and to support the leverage of new funding into the region.
- 3.6.4 The residual LGF legacy projects carried through into 2022/23 and beyond will require ongoing project management, not least where there is a substantial amount of match funding for example on Gateshead Quays which includes £300m match funding stretching to 2024/25. There remains an uncommitted LGF balance of just over £0.800m, it is recommended within this report to seek approval that the original percentage applied over the life of the LGF scheme associated with project management costs of 2.5% is increased to 2.8% to meet the ongoing project management activity required.
- 3.6.5 An impact and value for money assessment of the LGF programme has been commissioned externally (by Steer ED) during the year. The report highlighted that the programme is ahead of target in terms of job creation to date with over 6,300 jobs reported.

Getting Building Fund

- 3.6.6 A revenue stream to fund programme management costs on Getting Building Fund (GBF) is reflected in 2022/23 (£0.201m), in line with delivery of the completion of the programme. The GBF programme is in its second year with an annual budget award from DLUHC of £23.5m (half of the £47m grant approval). Reflecting the wider economic context, many building projects have faced a challenging year with tenders coming in above budget due to rising construction costs, delays in the supply of

materials and COVID related constraints. Nevertheless, it is forecast that this year's GBF budget will be fully spent with all of the second tranche of £23.5m grant being fully used in 2021/22. This will leave the additional allocation of NEIF/EZ surplus and the return of temporary funding swaps made in 2020/21 to be spent in 2021/22, which includes the contribution to programme management costs.

- 3.6.7 Work is well advanced on several projects including highways infrastructure on the Tyne Dock Enterprise Zone, where Equinor are to locate their Operations and Maintenance base to serve the Dogger Bank windfarm in 2023. Elsewhere in Newcastle, the Newcastle United Foundation NU Futures building is nearing completion creating new learning, coaching and community facilities. A pilot of the planned new regional Commercial Property Improvement Scheme is now up and running with six private sector industrial and office schemes being implemented across the North East.

BEIS Funding

- 3.6.8 BEIS has provided funding in respect of Peer Networks (£0.375m) in 2021/22 which is not expected to be continued in 2022/23. However, the Made Smarter Grant has been confirmed to continue at the same level in 2022/23 (£0.600m), which is part delivered by Tees Valley Combined Authority. Growth Hub Supplemental funding has been received from BEIS of £0.780m in 2021/22 and anticipated in 2022/23.

North East Ambition (ESF)

- 3.6.9 An extension has been agreed to North East Ambition 1 (NEA1) to December 2023 in line with North East Ambition 2 (NEA2) delivery.

4. North East LEP Revenue Balances

- 4.1 The estimate for 2021/22 and 2022/23 shows that the North East LEP revenue balance on 1 April 2021 was £0.613m and this is shown as increasing slightly to £0.748m at 31 March 2022. It is important to maintain a reasonable balance to deal with future uncertainties.
- 4.2 The balancing figure of £0.254m in the indicative 2022/23 revenue budget is a call on the Enterprise Zone surplus from the previously agreed £0.5m per annum budget.
- 4.3 In November 2014, the Board agreed that Enterprise Zone Business Rates Growth Income surplus of up to £0.5m per annum could be utilised to support the revenue budget if required. To date there has not been a requirement to use this facility and therefore in effect saving £2.0m of potential spend from the EZ account. It was agreed by the LEP Board in May 2021 that as necessary a call on this unspent EZ requirement could be used to support the revenue budget. The intention is to reduce the call on the EZ account by the year end though additional income and cost savings.
- 4.4 The balance on the Enterprise Zone account is estimated to grow from £3.655m to £4.829m this year and £5.118m next year, as illustrated in section 5 below. The intention is to keep a cash balance of at least £2m in the EZ account each year, which if needed can be used to support LEP costs following the approval of the LEP Board, as mentioned in paragraph

5. North East Enterprise Zones

- 5.1 Ten Round 1 Enterprise Zones are located across four local authority areas: Newcastle, North Tyneside, Northumberland, and Sunderland. In April 2017 these were joined by a further ten Round 2 sites across, Durham, Gateshead, Newcastle, Northumberland, South Tyneside, and Sunderland with the International Advanced Manufacturing Park (IAMP) site launched on the 1st April 2018 to complete the coverage of our 21 Enterprise Zones.
- 5.2 Business rates growth generated on Enterprise Zones accrues to the North East LEP for a 25-year period, in accordance with national regulations. This income is used to fund the capital financing costs of approved Enterprise Zone capital infrastructure, revenue administration costs, and a contribution towards Inward Investment activity. The financial administration of Enterprise Zones is managed in accordance with the local Enterprise Zone Business Rates Income Pooling Agreement. This agreement helps to pool and manage risk relating to borrowing undertaken by councils to fund Enterprise Zone capital works; helps to minimise costs and to helps to avoid additional revenue costs for council. The administration of the agreement has succeeded in achieving a positive cash flow on the Enterprise Zone account, which has enabled a cumulative surplus to be generated. This acts as a contingency to help mitigate the risk of annual income shortfalls.
- 5.3 Table 3, below, provides a summary of the Enterprise Zone account income and costs for 2020/21 (actual) and the estimated income and expenditure figures for 2021/22 and 2022/23. The Business Rate Income figures includes an element of contributions from the Section 31 grant provided by DLUHC to compensate for the under-indexation of the business rate multiplier, which should have been increased by the Retail Price Index. This grant has been confirmed as 20/499th of rates in 2020/21, 26/499th in 2021/22 and 51/499th in 2022/23.

Table 3: Enterprise Zone Account

<u>Enterprise Zone Account</u>	<u>2020/21</u>	<u>2021/22</u>		<u>2022/23</u>
	Actual	May 2021 Estimate	Latest Estimate	Estimate
	£000	£000	£000	£000
<u>Business Rate Income</u>				
<u>Round 1 Sites</u>				
Newcastle (Neptune)	537	502	593	621
North Tyneside (Swans)	143	217	217	232
Northumberland (Blyth)	334	326	326	308
Sunderland (A19)	628	705	692	659
<u>Round 2 Sites</u>				
Northumberland	34	38	38	40
Gateshead (Follingsby)	255	233	1,289	2,457
IAMP	581	689	667	703
South Tyneside (Holborn)	0	60	60	171
Durham (Jade)	51	157	142	219
Newcastle (Airport)	0	137	137	144
Business Rate Income	2,563	3,064	4,161	5,554
Interest of Account Balance	14	21	15	20
Total Income	2,577	3,085	4,176	5,574
<u>Expenditure</u>				
Capital Financing Costs	1,805	2,101	2,174	2,528
INEE Team Contribution	65	157	157	160
EZ Account Operation	99	86	108	90
Total Costs	1,969	2,421	2,439	2,778
Annual Surplus	608	664	1,737	2,796
Less - Use of Surplus				
- To Fund LEP Costs		-500	0	-500
- Project Development Fund		-1,300	-500	-1,000
- CPIF Incentives*		0	0	-1,000
Cumulative Surplus	3,655	2,519	4,892	5,188

5.4 The increase in income in 2021/22 is mainly due to the completion and occupation of buildings on the Follingsby EZ site and the receipt of income from buildings completed in 2020/21 on the Newcastle Airport and IAMP EZ sites, where business rate income for that year is due to be received in 2021/22. Some of the income figures in the table above are provisional and will be updated when information is received from councils. The intention is to reflect any updated information received before the Board meeting in a revised table.

5.5 While income for 2021/22 is expected to be higher than the previous year, the rateable value for some new buildings has not yet been formally set by the District Valuer and a prudent estimate of the level of income has been made including a contingency. It is possible that the £1m increase in business rate income for the new buildings for 2021/22 could be paid in 2022/23 if their rateable value is not set in time this year by the District Valuer. An inflation uplift in income of 4.8% in 2022/23 will be funded by way of Government grant for the under-indexation of the business rate multiplier.

- 5.6 The costs mainly relate to capital financing costs including borrowing costs (which includes interest) and the repayment of previous interest free loans from the LEP's North East Investment Fund (NEIF) and the repayment of LGF funding swaps.
- 5.7 The cumulative surplus is expected to increase both this year and next, with increasing surpluses in future years.
- 5.8 One of the agreed uses of the Enterprise Zone surplus is to underwrite the costs of the LEP Team budget of up to £0.500m each year. The original 2021/22 LEP Team budget, agreed in January 2021, envisaged a potential call on the EZ surplus of £0.5m. This was during the year and the latest estimate is that no contribution will be required in 2021/22. This follows a similar pattern to previous years, where the use of the EZ surplus was not called on at the year end. In the latest draft 2022/23 Revenue Budget, a potential contribution of Enterprise Zone Surplus of £0.254m looks to be required. At this point the normal allocation of up to £0.5m is being set aside as a prudent provision. It is envisaged that this contribution will reduce as additional income or cost savings are identified during 2022/23. In the event of a contribution actually being required, this will reduce the Enterprise zone cumulative surplus. More information will be reported in May when a report on the projected lifetime surplus on the EZ account will be presented to the May Investment Board and the full Board.
- 5.9 The use of the EZ surplus to fund the Project Development Fund is shown in 2021/22 and 2022/23. The potential use of £1m the EZ surplus to fund Commercial Property Investment Fund (CPIF) Incentives* is also shown, which is subject to the approval of the LEP Board. In a report on this agenda

6. North East Investment Fund (NEIF)

- 6.1 During 2021/22 the North East Investment Fund continued to receive repayments from its projects continuing its record of 0% default on investment, although the impact of Covid 19 has resulted in some rescheduling of repayments. Of greatest significance to the Fund, after long period of negotiation and having satisfied requests made by the Finance Investment Sub Committee (FISC) of BEIS, the North East LEP (and its Accountable Body) were released from the contractual obligations of the £30m Regional Growth Fund contribution to the North East Investment Fund. This has provided the North East LEP with the flexibility to use the NEIF to pursue a strategic objective of setting up an independently fund managed Commercial Property Investment Fund to help tackle weaknesses in the North East commercial property market. During 2021/22 steady progress has been made with procurement of an independent fund manager for the CPIF, with the expectation of launch early in 2022/23. The CPIF will be £35m of senior debt, supported by up to £15m of grant incentives. It will primarily be financed from the NEIF, with the potential for two allocations of £5m to be allocated from the EZ surplus if approved by the LEP Board.
- 6.2 Repayments have continued from significant projects, including the Centre for Innovation and Growth at University of Durham. However, NEIF beneficiaries have been amongst the many businesses effected by COVID19 pandemic, and this has resulted in several projects renegotiating repayment terms. The secured nature of NEIF investments has meant the Investment Board has been able to agree to such requests when they have come forward when supported by satisfactory evidence. The major investment of the year has seen the expansion of the North East Property Development Fund, managed by FW Capital, providing loans up to £2m to developers of small scale residential and commercial development. The additional

investment occurs following the successful piloting of the Fund and growth in demand from SME developers in region.

7. Recommendations

7.1 The Board is requested to:

- i. Note the positive Budget outturn position for 2021/22.
- ii. Note the indicative Budget for 2022/23, with an update on the 2022/23 Budget being reported to the LEP Board in May along with a three-year estimate.
- iii. Approve the increase to the percentage of Local Growth Fund (LGF) project management costs from 2.5% to 2.8% over the life of the LGF Scheme.
- iv. Note the estimated end of year position of the Enterprise Zone account, which will be updated when updated income projections are received from all councils.

27 January 2022

Item 9: Chair and Chief Executive Update

1.0 Background

1.1 The Chair and Chief Executive would like to provide an update to Board Members on some of the discussions they have been involved in since the last Board meeting in December.

2.0 Chair key meetings and discussions

2.1 Since the last Board meeting on the 2 December, the LEP Chair has been involved in a variety of meetings and discussions as outlined below:

These include:

- Regular meetings between the LEP Chair and CEO;
- Meeting with Mayor Driscoll;
- LEP staff 'Team huddle';
- LEP Cross Chairs meeting;
- Annual General Meeting;
- Annual Performance Review with BEIS.

3.0 Chief Executives key meetings and discussions

3.1 Since the last Board meeting, outside of the internal 'business as usual' meetings, the Chief Executive has been involved in a number of meetings to continue to move the regional economic growth agenda forward. These include:

- LEP Cross Chairs meeting;
- Monthly meetings with the North of Tyne Combined Authority and the LEP;
- NTCA's Overview and Scrutiny Committee;
- Tyne Taskforce Meeting and Business Roundtable;
- NP11 Chief Executives' Meeting;
- North East Net Zero Steering Group;
- Annual Performance Review with BEIS;
- LEP's Annual General Meeting;
- Blyth Town Deal Board Meeting;
- North East Development Conference Briefing;
- Meetings with BEIS.

4.0 Recommendation

4.1 The Board is recommended to note the report.