

North East Local Enterprise Partnership Board



Thursday 24 November 2022

AGENDA

Item 5 is confidential as the paper contains commercial information relating to the financial or business affairs of a particular person or organisation and is 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 29 September 2022** (5.05pm)
Board will be asked to agree the minutes.
4. **Annual Delivery Plan - progress update** – paper attached (5.10pm)
Helen Golightly to present
5. **Fund management update** – confidential paper (attached (5.25pm)
Paul Woods to present
6. **Local skills improvement plans (LSIPs)** – paper attached (5.45pm)
Michelle Rainbow to present
7. **Economic policy update** – papers attached (6.15pm)
 - a) North East economic update
 - b) Autumn Statement briefingRichard Baker to present
8. **Chair and Chief Executive update** - paper attached (6.35pm)
Lucy Winskell and Helen Golightly to update the Board.
9. **Any Other Business** (6.40pm)
10. **Date and time of next meeting - Thursday 26 January 2023 from 5 - 7pm**

Item 3 – Minutes of the North East Local Enterprise Partnership Board meeting held on 29 September 2022

Meeting held virtually via Microsoft Teams

In attendance:

Lucy Winskell	- Chair, North East LEP
Gillian Hall	- Gillian Hall Consulting Limited
Heidi Mottram	- CEO, Northumbrian Water Group
Carol Botten	- CEO, VONNE
Ellen Thinnesen	- CEO, Education Partnership North East
Chris Day	- Vice Chancellor, Newcastle University
Cllr Nick Kemp	- Leader, Newcastle City Council
Cllr Richard Wearmouth	- Deputy Leader, Northumberland County Council

Apologies

Ammar Mirza – AmmarM (UK) Limited
 Mark Thompson – Ryder Architecture
 Erika Leadbeater – TSG Marine
 Kate Medcalf
 Mayor Jamie Driscoll – North of Tyne Combined Authority
 Mayor Norma Redfearn – North Tyneside Council
 Cllr Tracey Dixon – Leader, South Tyneside Council
 Cllr Amanda Hopgood – Leader, Durham County Council
 Cllr Martin Gannon – Leader, Gateshead Council
 Cllr Graeme Miller – Leader, Sunderland City Council

Officers

Helen Golightly – Chief Executive, North East LEP
 Henry Kippin – Managing Director, NTCA
 Patrick Melia – Chief Executive, Sunderland City Council
 Richard Baker – Strategy and Policy Director, North East LEP
 Catherine Auld – Ass. Director of Economic Regeneration, Sunderland City Council
 John Scott – Head of Inclusive Growth, South Tyneside Council
 Paul Woods – Finance Officer, North East LEP
 Katy Laing – Finance Officer, NTCA
 Christine Patterson - Democratic Services, Newcastle City Council

1 WELCOME FROM THE CHAIR AND APOLOGIES

The Chair welcomed everyone to the meeting.

Apologies were received from A Mirza, E Leadbeater, K Medcalf, and M Thompson. Cllrs T Dixon, M Gannon, G Miller, and A Hopgood. Mayors J Driscoll and N Redfearn. The meeting was inquorate so would be followed up with the Written Representation procedure.

2 **DECLARATIONS OF INTEREST**

The Chair declared an interest in Agenda item 5 (a) – Investment Fund Update, and the potential payment to the North East Access to Finance Board, explaining that she was a Board Member and as such would take no part in the decision making in respect of this.

3 **MINUTES OF THE LAST BOARD MEETING HELD ON THURSDAY 21 JULY 2022**

The Minutes of the last Board meeting held on Thursday 21 July 2022 were agreed as a correct record.

Matters Arising

None

4 **ANNUAL DELIVERY PLAN, PROGRESS UPDATE**

Helen Golightly (CEO, North East LEP) introduced the report, which had been refreshed against the key LEP Review findings. It was business as usual through all the programmes.

The Board was advised that there was some uncertainty around further funding in respect of both core and growth hub but there was an expectation that an announcement would be forthcoming on this towards the end of the calendar year, ahead of the current funding running out in March 2023. The LEP Team were losing staff, which was disappointing, as officers were being head hunted to work in Government Departments and key partners, which was a great opportunity for them. As a result, there were capacity issues, until posts were recruited to, which may impact the delivery of the Annual Delivery Plan and a smooth transition to a new Mayoral Combined Authority, should this go ahead.

Clarification was sought about the impact on the North East from the Government's mini budget announcement last week and their idea around Investment Zones. The Board noted that further guidance was expected in respect of this but that a regional meeting was planned the following week, where the guidance would be reviewed against the sites marked in the annex of the Growth Plan. The interface between existing Enterprises Zone and the potential new Investment Zones, would also be part of those discussions. The Chair asked that a copy of the Growth Plan briefing be circulated to Board.

The Board noted the intention to bring a report to the November meeting, in respect of the LSIPS and ERBs work.

The Chair expressed her disappointment about losing very good, talented LEP team officers but said she was delighted for those who were moving into high-profile national jobs. Discussions were underway to try resolve the capacity issues with combined local authority colleagues.

5 FUND MANAGEMENT UPDATE

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Paul Woods (Finance Officer, North East LEP) introduced the report.

Part A provided a summary on funding decisions taken under delegation since the last Board Meeting, which were presented for information.

Part B sought funding decisions as follows:

1. To vary two existing grant funding awards to Gateshead Council. Increasing the Getting Building Fund (GBF) grant to the Gateshead Quays Multi Storey Car Park from £2m to £2,753,100 and reducing the grant to the Gateshead Quays Link Road from £5m to £4,321,760.
2. To extend the term of the existing £4.5m North East Investment Fund's investment in the North East Fund initially from 31 December 2023 to 31 March 2025 and to retain the funds to invest in a follow-on successor fund to be procured thereafter, which would allow discussions on the access to finance to business.

The Chair deferred consideration of the two further recommendations relating to the International Advance Manufacturing Park (IAMP), until after the presentation by Catherine Auld, moving the meeting onto Part C and Part D decisions.

Part C provided funding programme 2022/23 Qtr.1 performance updates and forecasts for the Local Growth Fund (LGF), GBF and Project Development Accelerator Fund (PDAF). Interest and borrowing rates were being tracked and discussions were to commence with regional Finance Directors on finding alternative low-cost financial options following the Government's announcement last week. An updated Treasury Management Strategy would be presented in November, which would detail the approach to borrowing.

Part D outlined a planned communications infrastructure and tendering exercise, which was critical to the LEP website and the request to delegate to the Chief Executive the decision to determine the appointment of suppliers.

Catherine Auld delivered a presentation on the IAMP project - *a fully serviced, approximately 150 hectares of development land with focus on advance manufacturing and those related issues* - providing information about the Master plan, particularly referencing progress of International Drive: SNOP, Faltec, repurposing of the NHS Nightingale Hospital and Envision, in addition to talking about the next steps around building on the current success and the next 5 years phasing work e.g., securing private sector investment for the creation of microgrid; the dualling of A1290 to open up the north employment area, including the extension of international drive. Catherine also showed drone footage of the IAMP park, agreeing to bring similar footage regularly to Board.

Clarification was provided on the current manufacturing businesses on International Drive manufacture - SNOP made high-tech pressed major metal components for cars and Faltec made car trim parts.

The Chair congratulated officers on the progress and leveraging in from the private sector and partners, which was impressive and extended her thanks to all involved.

Reference was made to the powered electronic driven research project, with clarification sought about where in the park this was likely to be placed because of the huge amount of kit required to test the prototypes. The Board noted that it was currently to be sited in the middle of the park to the side of Nissan's gatehouse.

The Board also noted the collaborative work being done around upskilling with companies such as Nissan, Envision and the Blyth Gigait factory etc, the educational establishments and other sectors which would provide a runway for those leaving school and students to enable them to move into research and development.

The Board returned to the outstanding recommendations.

Part B – asked for approval to vary IAMP LGF and Enterprise Zone (EZ) funding agreements as detailed in the report and to delegate the decision to determine any further funding agreement variations to the North East LEP Investment Board.

RESOLVED- That the Board agreed to:

- i. Note the funding decision taken under delegation in Part A, set out in Table 1.
- ii. Approve an increase in the GBF grant to the Gateshead Quays Multi Storey Car Park from £2m to £2,753,100 and reduction in the GBF grant to the Gateshead Quays Link Road from £5m to £4,321,760 as detailed in Appendix 1 and para 3.1-3.6.
- iii. Approve that the £4.5m NEIF budget investment into the North East Fund, made as a repayable grant, is extended to 31 March 2025 as detailed in Appendix 2 and para 3.6-3.8.
- iv. Approve that the £4.5m NEIF budget following 31 March 2025, is reinvested as a long-term, up to 15-year repayable grant, into a successor North East Access to Finance fund, subject to other North East legacy funds contributions (from ERDF, Single Programme and RGF) also continuing to be recycled and committed, as detailed in Appendix 2 and para 3.6-3.8.
- v. Approve the variations to the International Advance Manufacturing Park (IAMP) LGF and EZ funding agreements as profiled in Appendix 3 and outlined in para 4.6.
- vi. Delegate the decision to determine any further funding agreement variations on IAMP, should these be required, to the North East LEP Investment Board.
- vii. Note the budget and performance forecasts for 2022-23 on the LGF, GBF, EZ and PDAF funding programmes set out under Part C.

- viii. Approve the commencement of a communication infrastructure tendering exercise to appoint a new framework with a value of £250,000 p.a. for two years with the option to extend for a further two years and to delegate to the Chief Executive the decision to determine the appointment of suppliers in consultation with the NTCA Monitoring Officer and S73 Officer.

6 DEVOLUTION – CONFIDENTIAL DISCUSSION

Henry Kippin (Managing Director, NTCA) gave a verbal update on devolution, referring to the collaborative working and joint submission to Government of the proposal, and how the commitments had been signed off by Governments Departments and the Treasury, resulting in a deal at an official level. The deal covered what had been discussed previously on the major components e.g., investment fund, skills element, the ability to scale up in respect of strategic brownfield housing, integrated transport with growth and jobs and inclusion and prevention, raised at a political level; all being referenced throughout the deal. The Leaders and Mayors were now working with their own political groups and their Cabinets to ensure a full understanding of the deal and to secure buy-in across the region. During October, all 6 local authorities would be asked to sign off the Devolution deal. This would enable the next phase of the process to begin, which was to publish the deal to allow the consultation/ scrutiny phase to commence with the final stage being the election in May 2024.

The Board noted that Durham was continuing their discussions with Government around exploring what a county deal would look like, so the Devolution deal would likely be progressed based on the 6 local authorities.

Comments were expressed about the lack of certainty from Durham, which had made things uncomfortable for others and probably an unhelpful distraction. It had been made apparent that Government should remain open but that there needed to be betterment for the 6 for an expanded deal to 7 and that the pace would be at the slowest mover.

Confirmation was given that there were strong links with the business membership organisations.

The Chair thanked Henry for everything he was doing in the region and the collaborative approach and discussions taking place around what the future would be for the LEP.

7 NET ZERO UPDATE

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Heidi Mottram, (Northumbria Water Group) introduced the report, confirming that with support of the Chief Executives and Leaders funding in the amount of £210,000 had been secured for the first year of operations, which would pay for a Senior Lead and administration, in addition to helping with programme development. Year two funding (2023/24) would be leveraged from private sector, providing an operational budget

creating a sustainable model for moving forward. Further discussions were required on several areas, including governance e.g., the appointment of a Chair, a Leader position and what the level of local representation should be established at. She referenced the launch event scheduled for 14 November, and what the focus of the event would be.

Following a brief discussion on the Chair position, Councillor Kemp suggested that he would have conversations with colleagues, as this was a political decision.

Henry Kippin in responding to a question, confirmed that the plan was to ensure there was linkage with the Devolution deal, presuming one was agreed, and to build around propositions with focus on clear air, net zero and economic growth.

The Board noted that net zero had not been borne out of Devolution discussions but ran alongside, in addition to noting details within the report about the objectives and the desired outcomes, which were welcomed as they linked with the aspirations of the Board.

The Chair thanked everyone for collaboratively working on this and making such good progress.

8 CHAIR AND CHIEF EXECUTIVE UPDATE

Noted.

9 ANY OTHER BUSINESS

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A. LEP Board Member Recruitment Update

A supplemental agenda had been circulated earlier that day on the above, with the Board being asked to approve the appointment of two people to replace John McCabe and Andrew Moffatt in respect of the current vacancies. The Board was also asked to approve a second round of recruitment, using the same process, due to other members' term of office ending shortly.

The Chair encouraged members to think about nominations and about the value they would bring to support the work of the Board.

The Board was reminded about ensuring diversity in the membership.

RESOLVED – That the Board agreed to:

- i. Appoint Colin Hewitt and Phil Redman to the Board ahead of the next Board meeting.
- ii. Approve a further recruitment exercise to commence to replace LEP Board member(s) whose terms are coming to an end.

- iii. Approve that the Nominations' Committee for the recruitment exercise is the Chair and three Vice Chairs, in line with the precedent previously set, and agree that any member of the Nominations' Committee can delegate their place to another LEP Board Member.

B. Social Event – Andrew Moffatt

The Chair announced that a date had been organised for drinks with Andrew Moffatt, one of the Board Members whose term had ended, and that this was now confirmed for the evening of Monday 7 November. An invite, including the details of the venue yet to be secured, would be circulate.

10 **DATE AND TIME OF NEXT MEETING**

Thursday 24 November from 5 - 7pm

Annual Delivery Plan Update November 2022

Item 4

This report has been refreshed in line with the Annual Delivery Plan, which can be seen [here](#).

It has been designed to show progress, priorities and raise any issues that the Board should be aware of.

Please contact jen.robson@nelep.co.uk if you have any feedback.

Representing the business voice: Embed a strong, independent and diverse local business voice into local democratic institutions

Initiative	Progress since last Board meeting	Priority action for next two months	Decisions / issues / discussion points	RAG status
Fill vacancies on the North East LEP Board as they become available to ensure a strong representation of businesses across the North East.	Recruited two new board members and we are out to recruit two more. Once recruitment finalised - skill set will be reviewed to fill the positions You can find out more about our new board members here .	Complete board induction on 21 November 2022		Green
Review the structure and remit of our advisory boards and sector groups to ensure their remit reflects the priorities outlined by government that they have strong business representation.	Work is underway to review the current sub-board governance structures, their terms of reference, membership and focus.	Considering new board members, appoint sub-board chairs to vacant roles and continue to review the focus and membership.		Amber
Work with combined and local authorities to highlight business-led priorities and the priorities identified within the Strategic Economic Plan, to ensure they are integrated into future devolution proposals.	Requested that representatives of the combined and local authorities meet with the LEP, the leads of the business representation organisations and key sector groups to understand progress with local and national devolution discussions and how the business voice can influence and the shape the next steps.	Confirm a meeting with the parties.	Devo delivery programme should embrace the LEP executive strengths and leadership of key areas of the programme	Amber
Support the democratic institutions leading on strategic investment plans for the UK Shared Prosperity Fund by providing the evidence base to inform decision making, leadership, and to ensure business priorities are central to thinking.	Provided supplementary evidence to individual local Authorities and led a session on evaluation and monitoring practice to support planning.	Continue to work with NTCA and the LA7 on the regional level priorities for UKSPF investment programmes and understand next steps and timeline for regional and local decisions.		Green

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

Initiative	Progress since last Board meeting	Priority action for next two months	Decisions / issues / discussion points	RAG status
Ensure progress updates to the North East LEP Board reflect the new remit for LEPs as defined by government, and the progress of the North East Strategic Economic Plan to 2024.	Ongoing board report – comments and feedback welcome.	Complete report.		Green
Hold a public Annual General Meeting.	No action until 2023			Green
Update the Assurance Framework in January 2023.	No action until 2023			Green
Continue to embed communications across our programmes and priorities, but specifically deliver strategic communications to ensure the revised role and remit of the North East LEP is understood by the business community and the wider community.	Communications activity is summarised on page 36 of this report.			Green

Strategic economic planning: Lead the development of data, research and evidence for the North East economy

Initiative	Progress since last Board meeting	Priority action for next two months	Decisions / issues / discussion points	RAG status
<p>Provide a comprehensive state of the region evidence base, including place-based intelligence that is accessible and reflects the North East's economic performance.</p>	<p>Our Economy 2022 – the event took place on 15 November and was attended by over 200 delegates, you can find out more about the agenda and speakers here. We also published a comprehensive evidence base published on the North East Evidence Hub that you can find here, that included a finding from our emergent markets study that you can find here.</p> <p>We published the Transition to Net Zero evidence base that you can find here.</p> <p>Our quarterly Board economic update has been submitted as part of the board papers.</p>	<p>Take forward discussions on the local economic assessment with North Tyneside Council. Progress conversations with Gateshead Council.</p> <p>Continue to update the North East Evidence Hub.</p> <p>Begin discussion about a project on the Visitor Economy with linked to the Destination Delivery Partnership proposal</p> <p>Prepare material to support the implementation of the Trade and Internationalisation work programme, including the launch of the US Country Group to be held on December 6th.</p>		Green
<p>Review and produce analysis of the 2021 census data, ensuring a clear understanding of the North East's position post COVID-19.</p>	<p>We have developed a timetable of analysis based on ONS's draft plan of topic releases and will analyse them as they are released by ONS.</p> <p>The initial Census population totals have been added to the Evidence Hub, with comparisons to previous mid-year estimates.</p>	<p>A series of ONS releases is scheduled from November to January and they will each be analysed and added to the Evidence Hub as they are made available</p>		Green
<p>Develop and support delivery of collaborative analytical and evidence activities to support key projects for Strategic Economic Plan programmes, devolution, levelling up, UKSPF with our partners in combined and local authorities and through the Economic Evidence Forum (EEF).</p>	<p>Evidence bases required to as part of the Innovation Launchpad bid and Transport North East's "Economic Benefits of Active Travel" report have been completed.</p>	<p>Publish the Advanced Manufacturing and Digital Tech evidence base.</p> <p>Begin work on the KIBS and Health and Life Sciences evidence bases</p>		Green

<p>Systematise processes and governance for commissioning, publication and communication of evidence, data and analysis outputs and products on LEP platforms.</p>	<p>A corporate protocol has been drafted as part of the Assurance Framework which will support internal commissioning of research and evidence.</p>	<p>Finalise the approach with SMT Implement programme of Evidence Hub briefings</p>	<p>These actions are rolled over to the next period due to the prioritisation of Our Economy and Net Zero North East England.</p>	<p>Green</p>
<p>Deliver the preparatory activities for the final evaluation of the Strategic Economic Plan programme for 2014-2024.</p>	<p>Due to other priorities, the development of the final evaluation specification has rolled over. We had initial conversations with the What Works Centre for Local Economic Growth about how they can support our final evaluation activity through being a critical panel or utilising their expert evaluation panel.</p>	<p>Develop a specification for the next stage of work.</p>	<p>This action has been rolled over to the next period due to the prioritisation of Our Economy and Net Zero North East England</p>	<p>Green</p>
<p>Improve the accessibility, visibility and understanding of key North East data and evidence through the relaunch of the North East Evidence Hub.</p>	<p>Over the past 12 months, The Evidence Hub has seen a 125.53% increase in users and a 75% increase in pageviews. The site received 8,614 pageviews in the past 30 days, compared to 2,340 this time last year. (+268%). Returning visitors has also seen a 1% increase at 16.1%, which is encouraging.</p> <p>Users are spending on average 1m 56s on the site, a 23% increase from last year. We also saw a spike in traffic on Monday 14 November, with 442 pageviews, and on Tuesday 15 November, 610 pageviews, 300 of which directly to the Our Economy content and exploring the content.</p>	<p>Continue to deliver the communications plan that has been developed to promote usage and engagement in the Hub. The plan includes briefings, digital marketing, bespoke newsletter to partners and commentary forward plan.</p>		<p>Green</p>
<p>Lead the development of the Northern Evidence Network (NEN) working with NP11 LEPs, TFN and government.</p>	<p>The NEN workstreams have now been mobilised led as follows by; Workstream 1 (Data), West Yorkshire CA; Workstream 2 (Long term research programme) Greater Manchester CA; Workstream 3 (Partnerships), Sheffield LEP</p> <p>A 12 month procurement has been completed providing co-ordination support for the NEN</p> <p>A presentation on the NEN was made to the cross-Government analytical group, led by the North East LEP</p> <p>The development of the NPIER has continued with scoping workshops held since the last meeting.</p>	<p>Continue to develop the three workstream action plans and scope early deliverables</p> <p>A final workshop on the scoping phase will be held on 24 November to sign off on this stage of work. This will trigger final reporting and modelling</p> <p>Host a full meeting of the NEN in December 2022 to receive final report on the NPIER</p> <p>Continue to prepare the ground with government and other funders for the funding proposition</p>	<p>Additional external funding for NEN activities will be required.</p> <p>An outline proposal has been developed and will be presented to potential funders. If funding isn't found, workstream 1 and 3 will continue, workstream 2 will need to be adapted and redefined.</p>	<p>Amber</p>

<p>Work with Newcastle University and other partners to deliver strengthened academic contribution to the evidence base through the Insights North East (INE) programme.</p>	<p>The Director of INE presented at Our Economy 2022.</p>	<p>Continue discussion with INE about the LEP's role going forward.</p>	<p>We are not currently a partner of the INE programme and proposal has been developed and is currently with the INE team for consideration.</p>	<p>Amber</p>
<p>Build on existing co-operation and develop new opportunities for research collaboration with Durham University and Northumbria University.</p>	<p>At the meeting to progress phase 1 of the regional energy masterplan (evidence base, stakeholder mapping and governance development), it was agreed to submit a proposal for funding to UKRI in collaboration with Durham University through the Innovative Place Pioneers Stage 1 Fund, which has since been supported by LA7, Northern Powergrid and Northern Gas Networks.</p>	<p>Submit a bid to UKRI in collaboration with Durham University through the Innovative Place Pioneers Stage 1 Fund by 30 November.</p>		<p>Green</p>
<p>Through the North East Economic Evidence Forum and other partners, develop a comprehensive analysis of the data, trends and causes of inequality and exclusion across the North East, including analysing the impact of recent economic events on standards of living and to 'map and gap' data and indicators related to White Paper missions.</p>	<p>The meeting of the Economic Evidence Forum to be held on 16 November was postponed because of the timing of Our Economy 2022</p> <p>The Evidence Hub has been updated with significant data sets about living standards indicators to support the Our Economy event.</p>	<p>Invite Money and Pension Service (MAPs) to present at the next meeting following the publication of their financial wellbeing survey.</p> <p>Meet with South Tyneside Council to pursue the work on the Inclusive Growth Network</p>		<p>Green</p>

Strategic economic planning: Strengthen regional collaboration

Initiative	Progress since last Board meeting	Priority action for next two months	Decisions / issues / discussion points	RAG status
Support the region on the development of proposals for the next stage of the region's Strategic Economic Plan post 2024.	Work has continued on the development of the regional evidence base.	Continue to liaise with the Regional Economy Group and its members on preparations for regional scale activity Continue to build the regional evidence base to inform delivery of key Levelling Up implementation activities	The North East LEP does not control this timetable but continues to undertake the roles envisaged in the LEP Review.	Green
Continue to convene the Economic Prospects Group with the Bank of England as a regional platform to share data and information about the economy with key partners.	Monthly meetings of the Economic Prospects Group have continued since the last Board. The group continues to share knowledge from across the North East.	Continue to share intelligence from these meetings through the Board economic update.		Green
Work closely with Destination Management Organisations (DMOs) and other partners to drive forward the implementation of the Statement of Intent, the North East's response to the review of DMOs, and engagement with government's strategy to enhance the visitor economy to strengthen strategic coordination in the region for growing the Visitor Economy.		Monitor ongoing development of these activities. Work with NGI to assemble Visitor Economy analysis on the Evidence Hub. Support Northumberland and Durham Local Authorities on their local destination management plans.		Green

<p>Working with local authority planning and economic leads, the Geospatial Commission and other partners such as Northumbria University, to develop partnership projects that can deliver strengthened spatial economic evidence to support economic development, investment in infrastructure, and regeneration.</p>	<p>Met with the National Infrastructure Bank to understand their forward plan.</p> <p>We will take a watching brief on this area given capacity priorities but there are no immediate actions for the LEP</p>			<p>Amber</p>
<p>Collaborate with inter-governmental partnerships, think tanks and consultancies on strategic evidence and policy activities, including the What Works Centre and Productivity Institute.</p>	<p>We have engaged with a number of workshops and seminars since the last Board meeting to provide input to help inform the policy and delivery agenda including:</p> <ul style="list-style-type: none"> • Consultee of Social Market Foundation on report; “The economic vitality of Towns” • Case Study presentation; “Using Data and Evidence to spark innovation and drive local growth” to Engaging Business in Local Government Conference • Office of National Statistics: Local Data Service Design Round Table • All Party Parliamentary Group discussion on Future of UK’s Freight and Logistics • Local Plan Development study: North Tyneside Council • Productivity Institute Business Conference 	<p>Meet with the new team supporting the Productivity Institute North East and Yorkshire Forum to agree forward plan</p> <p>Continue to engage with the What Works Centre to develop the final SEP evaluation specification.</p>		<p>Green</p>

<p>Work with the EU Exit Implementation Group to complete its report analysing the impact of EU Exit on the region, bringing forward recommendations for strengthening the outcomes for the region through international work and influencing domestic policy activities implementing the Free Trade Agreement with the EU.</p>		<p>Present a report to the North East LEP Board in January.</p>	<p>This action has been rolled over to the next period due to the prioritisation of Our Economy and Net Zero North East England.</p>	<p>Green</p>
<p>Coordinate the North East Northern Powerhouse Working group enabling information sharing across Northern Powerhouse priorities with NP11, TFN and CLGU Leadership. This will include the coordination of the North East's response to the updating of the Northern Powerhouse Independent Economic Review.</p>		<p>Convene a meeting of the Northern Powerhouse Working Group to review how levelling up conversations and changes in government have impacted the Northern Powerhouse proposition.</p> <p>Invite TfN to present the findings from the first phase of the refresh of the Northern Powerhouse Independent Economic Review (NPIER) and update on the next phase at the next meeting.</p>	<p>The timing on the NPIER has changed and this will be convened at an appropriate time to satisfy both these requirements</p>	<p>Green</p>

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

Initiative	Progress since last Board meeting	Priority action for next two months	Decisions / issues / discussion points	RAG status
<p>Support the ongoing development and launch of Net Zero North East (NZNE) as a collaborative regional programme to accelerate decarbonisation, develop a greener economy and secure a positive transition for our environment and communities.</p>	<p>Net Zero North East England was launched at its Inaugural summit on 14 November, attended by over 300 people. You can read more about the event here.</p> <p>The Prospectus and Evidence Paper was translated into a website that you can see here.</p> <p>A supporting Evidence Base was published on the North East Evidence Hub that you can find here.</p> <p>Ongoing partnership meetings have taken place in the run up to the launch, including the Shadow Board and presentations to the LA7 Economic Directors, LA7 Climate Leads, the Board of NEECCo.</p> <p>An Interim Programme Manager has been appointed to support the programme - commencing on 14 November.</p> <p>A scheme to secure private sector financial support to the initiative is being developed and the first contribution has been secured.</p> <p>A joint response to the Skidmore Review was prepared and submitted on behalf of NZNEE, which also included an invitation to Chris Skidmore to meet with the Board. You can find more information here.</p>	<p>Working with the Shadow Board and Officer Working Group:</p> <ul style="list-style-type: none"> • Continue with the communications activities to build awareness and engagement with NZNEE and the evidence base • Review the Inaugural summit and develop an action plan for NZNEE. Publish the engagement session summaries • Confirm the membership of the Partnership Board and organise a meeting • Continue to build the private sector contributions to NZNEE. • Complete recruitment of the team 	<p>This is a significant ongoing piece of work which requires continuing support until the core team is in place</p>	<p>Amber</p>

<p>Work with the Department for International Trade (DIT), North East England Chamber of Commerce and Trade Strategy to drive forward implementation of the key workstreams in the North East Trade and Export strategy in the context of the UK Trade Strategy. Coordinate engagement with the Northern Powerhouse trade and investment strategy and programme, ensuring that the North East secures strong presence and outcomes from this work.</p>	<p>The Steering Group met and agreed next steps, which included revising the Terms of Reference and membership, creating country groups to co-ordinate international facing activity into four priority countries and continued work on the trade evidence base.</p> <p>It was agreed to identify key personnel from within the various partners organisations to support workstreams and seek support for co-ordination capacity.</p>	<p>Develop a revised Terms of Reference for the Steering Group and seek agreement from key partners.</p> <p>First country group will take place on December 5th (US), with follow up meetings for three other countries to follow.</p> <p>Continue to monitor and publish evidence base.</p> <p>Publish blog from DiT to encourage businesses to make use of remaining Export Support Fund.</p> <p>Identify a route to develop co-ordination capacity to support the work programme.</p>		Green
<p>Monitor and influence the ongoing development of the proposals in the Levelling Up White Paper and engage with new local institutions as they develop.</p>		<p>A further discussion is being sought with the Spatial Data Unit and ONS.</p>	<p>This action has been rolled over to the next period due to the prioritisation of Our Economy and Net Zero North East England</p>	Green

Improving skills: Provide regional leadership and delivery on an integrated programme to increase partnership between education and employers to reduce the mismatch between skills supply and demand

Initiative	Progress since last Board meeting	Priority action for next two months	Decisions / issues / discussion points	RAG status
<p>Deliver the North East Ambition programme build and develop of true partnerships between SMEs and educators in the drive to lessen the gap between skills demand and supply through 1) supporting all schools and colleges to meet the eight Good Career Guidance Benchmarks and 2) linking employers to education through our Enterprise Adviser Network.</p>	<p>We delivered our Autumn Regional Careers Conference. 119 Career Leaders and other stakeholders signed up and the overwhelming feedback was positive with 84% describing the event as 'good or excellent'.</p> <p>Completed the middle school personal guidance project evaluation.</p> <p>Our primary transition project has been launched at the 3 secondary schools and accompanying 16 primary schools. CPD sessions have to date been delivered to 4 primary schools.</p> <p>The Business Education and Enterprise Partnership (BEEP) project produced digital resource to support interview skills using BEEP employer members.</p>	<p>Launch a new project, focused on supporting young people within the youth justice system.</p> <p>Supporting schools to prepare for changes in the Provider Access Legislation (PAL).</p> <p>Continue to deliver Gateshead's BEEP.</p> <p>Publish RENEA research paper with Newcastle University.</p>		Green
<p>Deliver local Careers Hubs on behalf of the Department for Education.</p>	<p>The 2022-23 Strategic Hub Plan has been completed and submitted. We have also had our annual review meeting with the Careers and Enterprise Company (CEC).</p> <p>The North East Hub has been expanded to include 162 schools and colleges.</p> <p>74 schools and colleges within the Hub have completed action plans, with the deadline for the remaining schools and colleges on 31 December.</p> <p>The Effective Transition Fund project is continuing. A recent all school event was successfully delivered at New College Durham.</p>	<p>Host the North East College Hub at PROTO focusing on embedding careers in curriculum.</p> <p>Deliver Compass+ training for new Career Leaders or schools not currently using Compass+.</p>		Green

<p>Deliver the Education Challenge programme, which aims to support teachers, school leaders, governors and employers to work collaboratively to integrate an understanding of the world of work and career opportunities into the curriculum. Delivery includes Opportunity North East, a two year careers and business engagement pilot; a CPD programme for careers professionals; supporting business leaders to take up opportunities as governors; and an employer engagement strategy.</p>	<p>Data dashboards have been developed for post-16 destination tracking of the pupils involved in the Opportunity North East project.</p> <p>10 schools have started the North of Tyne Combined Authority Linking Curriculum to Careers pilot project with regional employers involved in the first workshop along with the Institute of Physics.</p> <p>A Career Link Governor Toolkit has been developed and published on North East Ambition website.</p> <p>Co-hosted a lunch and learn session with Inspiring Governance with over 15 employers in attendance with some immediate recruitment.</p>	<p>Complete destination data analysis and final reporting on the Opportunity North East project.</p> <p>Complete development and publish online North East Provider Portal. Recruit ILP onto portal giving young people and parents easier access to information.</p> <p>Delivery of planning phase of Linking Curriculum to Careers pilot including business development for school-business matching.</p> <p>Develop a proposal to work in partnership with an Initial Teacher Training Provider to improve careers education knowledge of trainee teachers through CPD.</p>		Green
<p>Ensure the successful implementation of post-16 technical skills education policy across the region to ensure it addresses the imbalance between technical skills supply and demand in key employment sectors.</p>	<p>All four T-level route networks for Term 1 have taken place with a minimum of 20 attendees at each.</p> <p>Developed KPIs for the Health Education England, Gatsby & GFE College funded T-level Co-ordinator post.</p> <p>Our role as the national LEP network representative for the DfE Employer T-level support group has been extended for 6 months.</p> <p>The bid to DfE for support to SME apprenticeships was unsuccessful. New College Durham were successful and collaboration plan is in place.</p>	<p>Deliver keynote speech at the regional Higher Education Academic Teachers conference to share policy insight findings from apprenticeship research programme.</p> <p>Deliver technical education awareness sessions.</p> <p>Deliver Traineeships, Apprenticeships and T-levels CPD sessions for secondary career leads, subject teachers and LA leads in January 2023.</p> <p>Launch a new project, focused on supporting a small cohort of young people secure apprenticeships.</p> <p>Build on desk research and scoping exercise on fusion skills to develop a skills team narrative for employer engagement.</p>		Green

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

Initiative	Progress since last Board meeting	Priority action for next two months	Decisions / issues / discussion points	RAG status
<p>The Skills Advisory Panel (SAP) brings together local employers and skills providers to pool knowledge on skills and labour market needs, and to work together to understand and address key local challenges. The SAP will continue to deliver key functions that include advising the main LEP Board, providing oversight of delivery of regional skills, inclusion and progression programmes and projects, commissioning research into key skills challenges, and reporting into government.</p>	<p>The Employer Representative Groups contracted by Department of Education deliver LSIPs in the North East presented to SAP on their priorities in November 2022.</p> <p>Primary and secondary research for 16-18 apprenticeship research project is complete, using an ambitious research methodology, drawing on desk-based data analysis, data analysis and focus groups.</p> <p>The research Improving access to and progression within apprenticeship for young people who require additional support is now published on the North East Evidence Hub.</p>	<p>Develop specifications for sector specific research to complement LSIP delivery as set out by the CRBs in their presentations to SAP.</p> <p>First draft of the 16-18 apprenticeship report to be finalised and shared internally with recommendations. This will include a new apprenticeship strategy for SAP to consider in January.</p> <p>Working with stakeholders to update progress against the 10 recommendations in the access to apprenticeship research.</p>	<p>We continue to work with DfE to coordinate the development of two Local Skills Improvement Plans across the LEP geography which can be challenging.</p>	<p>Green</p>

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

Initiative	Progress since last Board meeting	Priority action for next two months	Decisions / issues / discussion points	RAG status
<p>Support the rollout of phase three Skills Bootcamps in green skills and continue to promote the benefits of apprenticeships to businesses across the region.</p>	<p>Progress to date (July – October) 270 learner enrolments (Contract target 629)</p> <ul style="list-style-type: none"> • 21% unemployed • 48% employed • 31% self employed • 62 learners completed • 41 learners progressed (job outcome/ progression within work or additional self-employed contracts) • 93 employers engaged <p>The North East LEP Skills Bootcamp in offshore wind (AIS) was featured in an article in The Sun Winds of change could create 2million green jobs by 2030 - how you can go eco The Sun</p>	<p>Facilitate three market warming event and issue Eols to respond to DfE Wave 4 funding opportunity.</p> <p>Develop a full proposal for Wave 4 bootcamps based on Eols submitted in November 2022.</p> <p>Revise delivery plans for Wave 3 providers in response to DfE's 'flex' in extending funding to 2023/2024 financial years.</p> <p>Work with both the Department of Education and our delivery partners to develop a quality assurance system.</p>	<p>Wave 4 will require a new procurement process c£4.4m.</p>	<p>Green</p>
<p>Develop and publish a regional digital inclusion strategy and, together with partners, explore funding and delivery opportunities for the strategy.</p>	<p>Strategy has been developed and is currently being consulted on with local authority leads and officers. Including: presentation to inclusive economy board and presentation to Economic Directors.</p> <p>A full first draft of the business case has been developed.</p>	<p>Mapping exercise, mapping digital inclusion provision, which faced delay to be completed by December 2022.</p> <p>Publish the strategy on the Evidence Hub.</p> <p>Finalise full final business case.</p>	<p>The mapping exercise has been extended due to poor engagement so far. As mitigation, more resources have been found to follow up directly with stakeholders. The map is due to be finalised in December.</p>	<p>Green</p>
<p>Continue to support DWP's Fuller Working Lives initiative and work with key stakeholders and partners to support strategic regional programmes aimed at supporting disadvantaged groups into employment.</p>	<p>On hold while the North East LEP waits policy guidance from DWP on the fuller working lives initiative.</p>			<p>Amber</p>

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

Initiative	Progress since last Board meeting	Priority action for next two months	Decisions / issues / discussion points	RAG status
<p>Secure investment to continue to deliver and develop the North East Growth Hub and the business and sector growth ecosystem.</p>	<p>There has been no change since last board.</p> <p>Civil Servants remain unclear about the direction of travel and the impact of the November budget may have on departmental budgets.</p> <p>We are working with colleagues nationally on the development of activity to grow the profile of GH's amongst new ministers.</p>	<p>Continue to work with colleagues nationally to develop a programme of activities required to secure funding for the future of the North East Growth Hub.</p>	<p>Future government funding priorities/ landscape/ devolution is currently unclear which puts the future of the Growth Hub at risk.</p>	<p>Red</p>
<p>In response to a 50% reduction in funding we will implement a new operating model for the North East Growth Hub which will fulfil government's requirement by continuing to provide a one-stop-shop for all businesses to access support and advice, whilst developing a more targeted approach for key growing sectors.</p>	<p>Half year figures are above target for light and medium assists with the following interventions delivered:</p> <p>Light assists (under one hour) 6,541 (65%) Medium assists (one hour plus) 244 (61%) High assists (12 plus hours) are reported on completion, we are 20% off target with 41 completed and 89 in progress.</p> <p>Successfully recruited triage project manager and business support officers.</p> <p>Growth Hub Connectors continue to take ownership for the development of Digital and Health and Life Science sector development plans which are outlined in the relevant sections of this report.</p>	<p>We will review our operational and resource plan to ensure the demands placed on people are manageable.</p> <p>Embed the triage team within the operational model and recommence outbound activity to increase awareness of the Growth Hub and support intelligence gathering.</p> <p>Continue development of the segmentation and diagnostic platform.</p>	<p>Although performance is high and above targets the pressures on staff are high, this is due to reduced budgets and having to take on additional responsibilities to compensate. It's likely that the current demands will not be sustainable over the medium term and there are signs that alongside the ambiguity over their future that the current situation is beginning to take its toll.</p>	<p>Red</p>

<p>Work with government, local authorities, and regional stakeholders to help shape the UK Shared Prosperity Fund (UKSPF) and national programmes so that they collectively prioritise delivery of a more impactful, simplified, cohesive and better targeted business support ecosystem.</p>	<p>Concern over delays to the UKSPF and if it will support an effective transition from ERDF. Although many programmes end June 2023, they will complete delivery towards the end of March which may result in redundancies and a weakened ecosystem. In addition, it's feared that delays will result in Government demands to spend and deliver outputs quickly which could result in selecting existing programmes based on their ability to spend budget and deliver outputs rather than longer term impact and transformation.</p> <p>Lead Authorities continue to work together to consider how best to deploy regional delivery/ procurement frameworks.</p>	<p>Continue to work with UKSPF working group to support the development of a regional commissioning framework.</p>	<p>Delays in UKSPF present a significant risk to Year 1 delivery and managing the transition from EU funding.</p> <p>A detailed regional framework and commissioning structure has yet to be agreed.</p>	<p>Amber</p>
<p>Develop an evidence base to inform the development of a regional and local enterprise strategy and interventions designed to level up the North East's business birth rate.</p>	<p>No change.</p> <p>Due to several members of staff leaving the LEP and internal changes we have not been able to progress this work.</p>	<p>n/a</p>	<p>Unable to proceed due to funding cuts.</p>	<p>Red</p>
<p>Develop an evidence base to inform the creation of a regional scaleup plan designed to build on the momentum generated in the North East over previous years.</p>				
<p>Establish the firm level drivers of productivity performance and consider how these drivers can be diffused across the wider business community by working with the Productivity Institute.</p>				

<p>Ensure that the business support framework and taxonomy support business resilience by supporting businesses to identify and mitigate areas of risk around net zero plans and the effects of rising energy prices as businesses adapt to new ways of working.</p>	<p>Cost of Living Toolkit has been published on the North East Growth Hub that you can view here.</p> <p>Continue to await feedback on bids to UKSPF on business resilience and net zero transition (South Tyneside, Sunderland and Durham)</p> <p>Decarbonisation is being considered as one of the areas of regional collaboration for the UKSPF.</p>	<p>Continue to update the Growth Hub's Cost of Living toolkit.</p> <p>Continue to support development of UKSPF decarbonisation theme.</p>	<p>Although plans are in place to bring forward new programmes existing ERDF funding programmes to support energy efficiency are coming or have come to an end.</p>	<p>Amber</p>
<p>Work with Invest North East England (INEE) to identify and convert investment opportunities to create more and better jobs for the region.</p>	<p>Led project visits to the region - in a variety of sectors - battery technology, aerospace, life sciences, energy, digital technology.</p> <p>Helped organise and attended UK government's national Green Expo held in Gateshead with regional visits.</p> <p>Attended key sector events to drive enquiries and the North East profile including Offshore Wind North East; Wind Energy Hamburg;</p> <p>First funding agreement signed for the North East Inward Investment Grant.</p> <p>Helped launch Regional Fintech Strategy report.</p>	<p>Organise inward investment visits to the region for key projects and continue to manage and grow a pipeline of investment projects.</p> <p>Organise regional visits for key DIT teams to deepen understanding of regional offer</p> <p>Complete document showcasing digital skills in the North East.</p> <p>Agree with partners requirements for investment in new toolkits of regional information and procure.</p> <p>Attend key out of region events, e.g. EV London in December with range of regional partners on new Electric North East stand.</p>		<p>Green</p>

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

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

Initiative	Progress since last Board meeting	Priority action for next two months	Decisions / issues / discussion points	RAG status
Energy				
Accelerate regional low carbon energy projects across all seven local authority areas, to deliver on net zero goals.	<p>Feasibility studies continue for Newcastle City Centre, Byker, Blyth and Cramlington heat networks and decarbonisation survey project.</p> <p>The Killingworth heat network and Northern Spire Park heat network feasibility studies are nearing completion.</p> <p>The deep geothermal scenario study involving both Newcastle and Durham University has started.</p> <p>One of the mine water boreholes (at Hebburn) has difficulty to establish permeability (and therefore mine water flow) from the intended coal seam.</p> <p>Eight delegated decisions have been approved with grant offer of £150k.</p>	<p>Supporting Hebburn Minewater project to explore alternative heat extraction and discharge approach with specialist consultant, Northumbrian Water and coal authority.</p> <p>Support applications to government for funding for detailed project development work for these projects.</p> <p>Support the Killingworth project in the detailed project development phase.</p>		Green
Work with partners in the North East and Yorkshire to ensure the successful transition of the Local Energy Hub to the Net Zero Hub, supporting the UK Net Zero strategy and wider Net Zero action.	<p>Further information for North East projects has been provided for the North East and Yorkshire Net Zero Hub evaluation which is due to complete this quarter.</p> <p>Turner and Townsend are delivering the Public Sector Decarbonisation Skills Fund for the Hub and have been introduced to North East Local Authorities to explore projects.</p>	<p>Support a visit to the region from Katherine Wright, BEIS Deputy Director, on 24 November. Providing a presentation on Energy for Growth Programme and regional activity.</p> <p>Develop project concepts for the Hubs strategic project fund.</p>		Green

<p>Coordinate the North East Energy Catalyst, enhancing collaboration through the partner and SME networks, and enabling delivery of the Energy Innovation Pipeline and an Energy Innovation Challenge Programme 2.</p>	<p>The second energy innovation challenge programme has five regional SMEs in the cohort. The programme will remain open for applicants on a rolling basis.</p> <p>A Catalyst board meeting was held where the project pipeline was shared, with an ask of partners to review and identify collaborative opportunities.</p> <p>Preparations have begun for delivery of the successful Clean Maritime Round 2 bid for the Clean Tyne project. This will commence in January 2023, the LEP assisting with dissemination.</p>	<p>Continue to refine the North East Energy Catalyst's project pipeline, identifying priority projects.</p> <p>Support the cohort of energy innovation challenge businesses.</p> <p>Prepare communications outputs based on the work of the Catalyst's Hydrogen working group, which together with partners can raise awareness of the region's hydrogen strengths.</p>		<p>Green</p>
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<p>Work with industry and public authorities to support cluster development in key energy and net zero sectors needed to level up the region, including offshore wind, EV and battery, and low carbon heat.</p>	<p>The Heat Network 22 conference was held in partnership with the ADE, Danish Embassy and BEIS. The event was hugely successful and well attended by national industry, regional partners and government, to shape a heat network cluster approach for the North East.</p> <p>An action plan has now been developed to take forward the development of the heat network cluster, and a follow up event will take place next year.</p> <p>An approach has been agreed to provide seven months extension funding to the Energi Coast Offshore Wind cluster, to allow a longer term funding strategy to be developed.</p> <p>The LEP energy team attended the Green Trade and Investment Expo, promoting the region's heat network opportunities.</p>	<p>Finalise and share the follow up action plan with partners from the heat network conference and cluster growth senior leaders forum. Organise, in partnership with Newcastle University and the Danish Embassy, the next cluster event in the first quarter of 2023.</p>		Green
<p>Position the North East as a lead region in energy and net zero, e.g. by leading the national geothermal and mine energy taskforce, and progressing an energy masterplanning approach.</p>	<p>The UK Geothermal White Paper project has commenced with the British Geological Survey, due to complete in March 2023.</p> <p>A draft report has been received for review for the Heat Network Investment opportunities study by Amberside Capital.</p> <p>The LEP has supported Newcastle City Council to prepare a direct to Government proposal for a regional deep geothermal investment programme. This will be tabled at Economic Directors.</p>	<p>Finalise a communications plan further positioning the North East as the lead region for heat network investment nationally. Utilising outputs from the heat networks event and studies.</p> <p>Work with government contacts and regional stakeholders to develop a forward plan for the Geothermal Taskforce.</p> <p>Support the launch of the Net Zero North East programme and event.</p>		Green

Tech				
Establish a North East Tech Sector Strategy Group as part of the Business Growth Board.	Group established and meetings are ongoing			Green
Work with the strategy group to develop North East tech sector development plan.	Held the first evidence review session, looking at key areas of focus that will lead to the formation of the strategy. Innovation Launchpad application submitted to Innovate UK focused on the Applied Digital Technologies cluster which has been informed by both the evidence work completed and the input of the strategy group.	Discuss alignment with the Innovation Launchpad proposition with strategy group and how this can inform the focus of the sector strategy.		Green
Establish a tech sector development plan delivery group to deliver the plan.		To be established once strategy intervention discussion is completed.		Amber
Secure resources and funding required to deliver the plan.				Amber
Health and life sciences				
Following the COVID-19 pandemic, we will refresh the North East Health and Life Science strategy governance.	Current chair (Michael Whitaker) requested a pause in plans to create two groups (SMEs and Delivery Partners) until devolution confirmed and this request has been granted.			Amber
Modernise and grow pharmaceutical manufacturing by supporting diversification into new and emerging markets, supporting the adoption of industrial digitisation technologies and creating a framework to develop a pipeline of skills.	Made Smarter continues to engage businesses across the sector to adopt industrial digitisation technologies.	Continue delivery of Made Smarter.		Green

<p>Increase the number of life science businesses that are born, grow and scale in the region by supporting the formation of university, NHS and corporate spinouts, developing a skills framework to create a skills pipeline that meets the needs of the sector and promoting the region's strengths.</p>	<p>Extensive work looking at skills needs, key role shortages and potential training/ progress routes has been progressed.</p> <p>The Life Science Innovation Zone proof of concept has incorporated recommendations on how to develop the ecosystem so more businesses start, scale and stay in the North East.</p>	<p>Monitor and report on partner progress in delivering the Health and Life Science Strategy.</p> <p>Present and seek advice on how best to take forward the Life Science Zone recommendations from the Life Science Steering Group and Innovation and Business Growth Boards.</p>		<p>Green</p>
<p>Ensure that the right infrastructure, connectivity and investment is in place to grow the sector.</p>	<p>Confidential developments continue to progress to support logistics and supply chains. Round table discussion was held with North East Pharma members to support the progression of these discussions.</p>	<p>Progress confidential discussions.</p>		<p>Green</p>
<p>Broker access to a range of expert support and services across the health and care sectors through the Innovation Pathways through development of the AHSN's Innovation Pathway Omnia brokerage system – integrating it into the North East Growth Hub to support sector innovations and to help businesses break into the NHS.</p>	<p>AHSN have further developed the Omnia brokerage system.</p> <p>Meeting completed with AHSN discuss AHSN collaboration with the North East Growth Hub.</p>	<p>Take forward collaboration discussions including meeting Innovation Pathway Navigators to explore integration.</p>		<p>Green</p>
<p>Progress ecosystem development by completing the proof-of-concept study for the development of the Life Science Manufacturing and Innovation Zone and consider the findings and recommendations made.</p>	<p>Project has progressed to stage 3 of 4 and the draft results have been provided and circulated with key stakeholders for consideration and comments prior to completion of report.</p> <p>Research report completed for Biosphere 2 to use in showcase with investors in London</p>	<p>Target for LSMIZ report to be completed by end of November for consideration by the steering group.</p>		<p>Green</p>

Advanced manufacturing				
Mobilise and begin delivery of the three year Made Smarter digital adoption in partnership with government and Tees Valley Combined Authority to support regional manufacturers to adopt industrial digitisation technologies.	<p>Draft annual delivery plan and three year projection received board approval and submitted to government.</p> <p>Procurement ongoing for SME Grants' Administration.</p> <p>Made Smarter Programme management board constituted and first meeting held and second meeting scheduled.</p> <p>First 2022 cohort complete, nine businesses on board, seven completed workshops, 2nd 2022 cohort has started with nine businesses on board, 3rd cohort starting end January 23, 14 businesses interested currently assessing eligibility. 3rd cohort complete by March 23</p>	<p>Finalise grant management procurement.</p> <p>Complete cohort 2 with all businesses applying for grant assistance.</p> <p>On board minimum of 12 businesses for cohort 3 by mid Jan 23.</p>	<p>Demand for capital grants has slowed due to economic uncertainty.</p> <p>The current Advanced manufacturing Programme Manager is leaving the LEP at the end of November. A recruitment process for a replacement has been completed, with new PM due to start in December.</p>	Amber
Establish a North East Advanced Manufacturing Strategy Group as part of the Business Growth Board.	<p>Evidence base has been finalised.</p> <p>Members of the strategy board have been identified. This has been slightly delayed due to the establishment of the Made Smarter programme board.</p>	<p>Arrange the first meeting of the strategy group. Present the evidence base for consideration.</p>	<p>Need to focus resource on mobilising Made Smarter has caused slight delays. Made smarter is now mobilised and resource will be focused on strategy development.</p>	Amber
Work with the strategy group to develop a North East advanced manufacturing sector development plan.	<p>Will commence once the group recruitment has been finalised.</p>	<p>Arrange the first meeting of the strategy group. Present the evidence base for consideration.</p>		Amber
Establish an Advanced Manufacturing Sector development plan delivery group to deliver the plan.	<p>Will commence once the strategy group has been established and strategic themes defined.</p>	<p>Work with strategy board to consider delivery group membership.</p>		Amber
Secure resources and funding required to deliver the plan.	<p>Not yet started.</p>	<p>Define resource requirements as strategy develops.</p>		Amber

Innovation				
Stimulate new business opportunities through the North East Open Innovation Challenge, with specific delivery focused on the £880,000 North of Tyne project.	Launch events held for two challenge areas. New CRM forms and processes built and rolled out. 50 EOIs from SMEs received between 7 October and 10 November.	Accept up to 50 SMEs onto programme. Start procurement process to appoint evaluator.		Green
Work intensively with the nine priority innovation projects to support them into delivery and understand how we can support 11 more to develop their business cases.	Reviewed status of innovation projects on the pipeline in terms of refining the broader LEP priority project pipeline.	Work with wider LEP team to prioritise, lobby and add value to the development of our key projects.		Amber
Work with regional partners to shape the region's response to the innovation component of the Levelling Up White Paper, to capitalise on the region's research and innovation capability and agree an approach to embed innovation into businesses across the region.	Following the North East LEP's restructure and refined roll, consideration is being given to the way in which we take forward this action and therefore there has been a slight change in the focus. Several collaborative sessions have taken place to consider the areas of focus which will deliver the maximum levels of impact.	Discuss strategic options with Innovation Board. Support the completion of regional UKSPF commissioning framework.	Although strong regional collaboration is in place the UKSPF landscape in its current form is not conducive to the creation of a coherent, coordinated and transformational business support landscape and it is likely that fragmentation and duplication will occur. This is due to the UKSPF system design; regional collaboration will help to address some of the system issues.	Amber
Increase private sector investment into growing innovation businesses, ensuring innovation is positioned within the successor to the North East Fund, Venture North and Northern Accelerator.	Working with the North East Fund Limited and North East Access to Finance to prepare for the British Business Bank consultation on the Northern Powerhouse successor fund 2024. Economic Directors positively received the North East Fund Ltd extension proposition.	Continue to work with NEF, NEA2F and LA7 EDs and FDs on the successor plan for the North East Fund. Next step is for the LA7 to sign off on the principle of the proposal.		Green

<p>Deliver the UK Community Renewal Fund project, 'future markets acceleration project' by October 2022, as awarded by Gateshead and Sunderland local authorities.</p>	<p>Three delivery partners completed delivery supporting 21 businesses in Gateshead and Sunderland.</p> <p>Both programmes are due to deliver underbudget presenting an underspend.</p> <p>Due to issues with the delivery of this type of programme on a subregional basis there have also been issues regarding the delivery of outputs.</p> <p>Contingency plans have been triggered meaning that one delivery partner (RTC) with a greater ability of delivering outputs will continue to support businesses until end of November.</p>	<p>Monitor performance against budget and outputs.</p> <p>Complete delivery and submit final claim to funders.</p> <p>Programme evaluation complete.</p>	<p>CRF isn't conducive to innovation programmes which need to deliver on a regional basis.</p> <p>Learning should be incorporated into UKSPF design.</p>	<p>Amber</p>
<p>Work in partnership with local and combined authorities to highlight the investment opportunities from the innovation project pipeline to secure investment from the UK Shared Prosperity Fund.</p>	<p>Innovation pipeline being integrated into broader LEP priority project pipeline. We continue to work closely with SPF lead authorities on the development of regional commissioning and programme frameworks and highlight the innovation opportunities and projects to LA and CA colleagues making decisions around investment.</p>	<p>Develop case studies on the priority projects and why they have been selected.</p>		<p>Amber</p>
<p>Support seven Innovation Delivery Partnerships to develop their plans.</p>	<p>Submitted bid to IUK for a regional Innovation Launchpad focused on Applied Digital Technologies which will support elements (i.e. through grant funding for innovation projects) of the IDP business plans.</p> <p>Six delivery plans prepared and reported to Innovation Board.</p> <p>Ageing plan is still in development.</p>	<p>Discussion with the Innovation Board to consider the best way to progress IDP's.</p>		<p>Green</p>
<p>Publish the Economic Markets Foresight Analysis study and integrate findings into future strategy and funding development.</p>	<p>Data and insights published on Evidence Hub and presented at Our Economy and can be seen here.</p>	<p>Continue to disseminate emerging Markets insights.</p>		<p>Green</p>

<p>Facilitate connections and collaborations between national and regional partners including UKRI/ Innovate UK, NP11 and the Innovation SuperNetwork to boost innovation activity in the region.</p>	<p>The Innovate UK Edge national conference took place in the NE during October.</p> <p>Worked with local authorities, Combined Authorities and stakeholders to develop an application for Innovate UK's Launchpad programme focussed on the region's Applied Digital Technologies business cluster.</p> <p>If successful, the Launchpad investment will allow the cocreation of an Innovation Cluster model in partnership with IUK and regional stakeholders.</p>	<p>Monitor Innovation Launchpad application progress.</p>	<p>Innovation Launchpad application decision due 5 December.</p>	<p>Amber</p>
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Managing funds: Monitoring and assurance pertaining to existing local growth programmes and funds for which LEPs are responsible

Initiative	Progress since last Board meeting	Priority action for next two months	Decisions / issues / discussion points	RAG status
<p>We will continue to manage the following funding streams in line with the North East Assurance Framework. Activity will involve working with partners to develop project business cases and agree investments, then ensure legal and financial compliance and documentation is in place for management and audit purposes. We will continue to monitor delivery and output generation with partners and report to government quarterly.</p>	<p>Getting Building Fund and LGF Q2 performance return submitted on time to government in November 2022. Government approval to GBF project Change requests obtained in October.</p>	<p>Assurance framework annual review with any necessary changes reported to Board in January Annual LEP performance review form to be submitted to government ahead of annual review meeting to be arranged in early 2023.</p>		Green
<p>Local Growth Fund Legacy £9 million planned expenditure 2022/23.</p>	<p>Q2 budget spend totalled £1.23m. Forecast expenditure for 22/23 remain has reduced from c.9.0m to £7,2m. Project evaluation reports received on three projects. Job figures reported this qtr. mean target for 2022/23 is achieved.</p>	<p>Undertake quarterly project review meetings and receive Q3 monitoring returns and claims. Continue to receive final project audits and /or evaluations. Resolve with Newcastle City Council all outstanding historic project audits. Assess delivery and sustainability risks for a voluntary sector project in Co. Durham.</p>	<p>EV charging infrastructure project meeting planned to review slow progress – only 1 of seven local authority projects completed to date. Project review also required on the East Pilgrim St. project in Newcastle due to further delivery delays.</p>	Green

Getting Building Fund legacy £11 million planned expenditure 2022/23.	Q2 expenditure was £2.1m. Latest forecasts indicate that the annual budget of £11.2m will be spent this year however there are three projects with risks that are being closely monitored.	Undertake quarterly project review meetings and receive Q3 monitoring returns and claims. Arrange press releases for those projects coming to fruition.	Panther Court project, Durham – assurance sought on delivery and budget take up following planning decision in November. Potential variation to Newcastle City Centre Transformation scheme to mitigate delays in programme delivery.	Green
Enterprise Zone sites infrastructure programme £25 million.	Ongoing project monitoring - Q2 project monitoring returns and grant claims received. Expenditure was £1.1m in Q2. Forecast annual expenditure further reduced from £16m to £15.1m. Quarter 2 report submitted to government.	Discussions continue with Gateshead and Newcastle Councils in regards to next phases of infrastructure on Follingsby and Newcastle Airport EZ sites respectively. Development Funding application received from the airport to support process of appointing preferred developer for EZ Site A. Port of Tyne exploring opportunities for further investment on Tyne Dock EZ.	Relationship with proposed Investment Zones to be assessed reflecting outcome of bids submitted from the region.	Amber
North East Investment Fund programme £7 million Commercial Property Investment Fund North East Property Investment Fund schemes.	New Commercial Property Investment Fund programme award letter issued to successful bidder. Business case appraised for NETPark Ph. 3 site, Sedgefield, advance units grant request and included in November Board Report for approval.	Formal launch of CPIF programme with successful fund manager during November.	Action required to recover £500,000 loan from project that is no longer able to proceed.	Green
Enterprise Zone surpluses programme £2 million (Project Acceleration Development budget allocation).	No further project calls planned using remaining balances due to interest rate uncertainty.			Red
Project Development Accelerator Fund £1 million planned expenditure 2022/23.	Q2 budget expenditure totalled £832,754. Committed budget of £1.3m remains profiled to be spent this year. 3 projects have secured implementation funding	Receive Q3 monitoring returns and claims and meet with project leads to discuss progress. Arrange press releases for those projects coming to fruition.	Two projects will now complete in early 23/24.	Green

Added value				
Initiative	Progress since last Board meeting	Priority action for next two months	Decisions / issues / discussion points	RAG status
We will work with partners to inform and support delivery of a number of regionally significant projects using the funding available to us.	Flexible support is being offered to approved projects where project delivery challenges have been experienced.			Green
<p>We will lead the coordination of the regional access to finance work to ensure future programmes meet the needs of North East businesses. This includes preparation work to understand the supply and demand issues and reaching regional consensus to inform the development of:</p> <ul style="list-style-type: none"> • The second tranche of the Northern Powerhouse Investment Fund for implementation by the British Business Bank in autumn 2023. • The successor fund to the regional North East Fund Limited for implementation in January 2024. 		Progress plans for NEF2 reflecting recent Board approval.		Green

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 October and November 2022.

Corporate

North East LEP welcomes new members to the Board

Colin Hewitt and Phil Redman will join the Board as non-executive directors as the North East LEP moves forward with a refreshed role and a continued commitment to create more and better jobs. Colin Hewitt is the Senior Partner of Ward Hadaway LLP. He is a lawyer of some 40 years standing and his expertise covers both commercial and public sector work. Phil Redman is Area Director of Mott MacDonald. He brings with him a wealth of business experience and a deep passion for the North East. Read more on the [North East LEP website](#) and in [Bdaily](#).

Net Zero North East England

The Net Zero North East England Inaugural Summit took place on Monday 14 November. Net Zero North East England is a new partnership created to accelerate our region's journey towards Net Zero, while also creating a greener, fairer and more sustainable North East. It's supported by all of the seven North East local authorities, the North of Tyne Combined Authority, the North East Local Enterprise Partnership, business organisations and universities, and the North East England Climate Coalition. Read more on the Net Zero North East England website: www.netzeronortheastengland.co.uk.

North East LEP response to government's Growth Plan

Helen Golightly OBE commented on the government's Growth Plan which was published on Friday 23 September 2022. Read Helen's response [here](#).

Business, Innovation and sector growth

Two days which will accelerate the UK's first low carbon heat network cluster

In September two major energy sector events took place in Newcastle. Marissa Granath, Programme Manager – Energy Accelerator at the North East LEP shared a blog post explaining how these two days moved the North East's plans to become the UK's first low carbon heat network cluster to the next stage. Read Marissa's post [here](#).

New cost of living toolkit

A new toolkit has been created for the North East Growth HUB focused on supporting businesses through the cost of living crisis. Content is being shared via social media and e-communications. See the toolkit [here](#).

Growth requires the courage of all

Colin Bell, Business and Sector Growth Director, shared a blog post commenting on how we can encourage more people to start their own enterprise. Read Colin's post [here](#). The article was also featured in Bdaily and was one of the most read articles w/c 31 October 2022.

International Trade Week

A social media campaign was delivered on the North East Growth Hub to highlight the Department for International Trade's, International Trade Week (31 October - 04 November). Content signposted North East businesses to special in-person events in the region and the Markets Toolkit on the North East Growth Hub.

Updated Net Zero for Businesses toolkit

This toolkit has been updated with new content to support the Net Zero North East England Inaugural Summit. It highlights business support and finance and funding to help SMEs on their net zero journey. The new updated toolkit can be viewed [here](#).

Finance and Funding Toolkit

A series of new articles have been added to the finance and funding toolkit on the North East Growth Hub too. Businesses can now access content on [debt management](#) and [financial resilience](#). A third article on effective cash flow management will be published soon.

Strategy, policy and evidence

Economic prosperity and cost of living are focus for North East LEP's Our Economy event

Expert speakers from The Institute of Directors, CBI (Confederation of British Industry) and the Resolution Foundation joined the North East LEP on Tuesday 15 November to discuss economic prosperity in the region and the cost of living crisis as part of the North East LEP's annual Our Economy event. Find out more about the event [here](#).

Skills, employment, inclusion and progression

£2.4 million awarded to deliver green skills training in the North East

Funding of £2.4 million has been awarded to deliver a new programme of Skills Bootcamps in green skills in the North East, helping to equip people with the skills they need to take on roles in the growing 'green economy'. Coordinated by the North East LEP, the courses cover topics ranging from green construction to wind energy, and are on offer to anyone over the age of 19. They are funded by the Government's National Skills Fund. The announcement resulted in media coverage in [Bdaily](#) and the [Journal](#). A blog by Anthea Pratt gave more detail on how we can design training for jobs of the future – read the post [here](#).

Colleges Week 2022

A social media campaign was delivered via the North East LEP's platforms to raise awareness of Colleges Week 2022 and the work of further education institutions in the region in delivering effective careers guidance and the roll out of T Levels.

Headlines newsletter

An updated Headlines newsletter was issued to secondary head teachers and principals in October 2022. A second edition of the newsletter will be issued in December. The latest version of the ne

Funding

Getting Building Fund:

North East LEP funding supports transformation of Gilbridge Police Station

Almost £850,000 from government's Getting Building Fund has supported the transformation of the former Gilbridge Police Station into brand new, multi-use office accommodation in the heart of Sunderland city centre. A news release about the project was issued and published online [here](#).

New development set to boost jobs in North Tyneside

The Getting Building Fund supported a new industrial development in North Tyneside. Commercial property and investment company UK Land Estates has finished construction of a new £4.5m building at its Tyne Tunnel Trading Estate. The speculative development was partly funded with a £731,818 grant from the Getting Building Fund. Read more [here](#).

Priorities for the next two months

- Support the Net Zero North East England team through the launch and post launch communications activities.
- Work with partners to manage internal and external communications as we move towards a Devolution Deal for the North East.

Forward plan of content

Topic	Description	Type	Estimated date of issue
Corporate			
Net Zero North East England	Post-launch campaign	<ul style="list-style-type: none">• Website content• Social media• Case studies	Ongoing
North East Evidence Hub	Ongoing development of the North East Evidence Hub	<ul style="list-style-type: none">• Web development and supporting communications	Ongoing
Business and sector growth			
North East Growth Hub Connectors	Campaign to increase enquiries to Connectors	<ul style="list-style-type: none">• Connector profiles• Business case studies	Nov-Dec 2022
North East Growth Hub toolkits	Completion of new cost of living toolkit	<ul style="list-style-type: none">• Content development	Nov-Dec 2022
North East Growth Hub toolkits	Review of content across all toolkits	<ul style="list-style-type: none">• Content development	Nov-Dec 2022
Northern Insight magazine	Use of monthly page to highlight business growth programmes	<ul style="list-style-type: none">• Advertorial	Monthly

Innovation

Challenge North Tyne	Campaign activities to encourage EOIs to the programme	<ul style="list-style-type: none">• Social media• Website development	Nov-Dec 2022
Innovation Toolkit	Encourage SMEs to learn more about innovation and programmes of support	<ul style="list-style-type: none">• Refresh of toolkit and accompanying social media	Nov-Dec 2022

Skills, employment, inclusion and progression

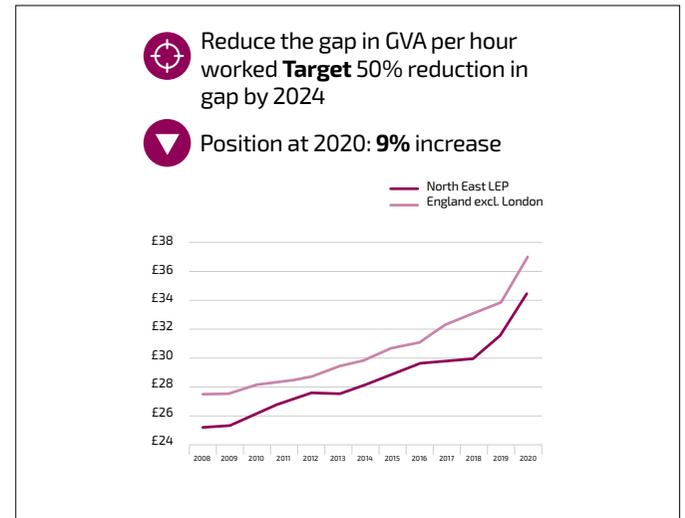
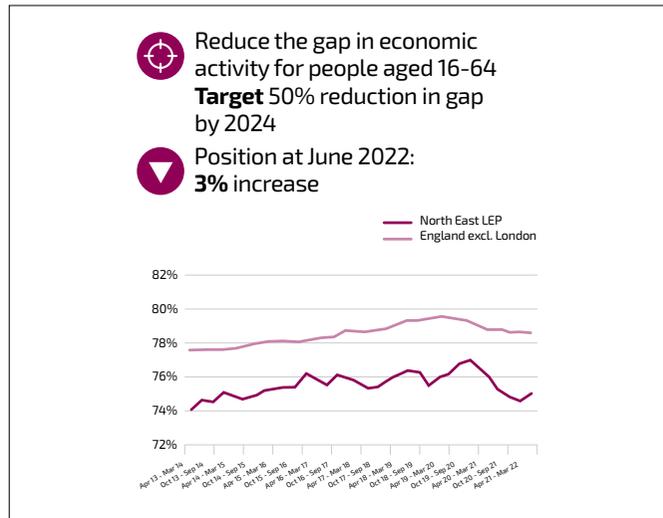
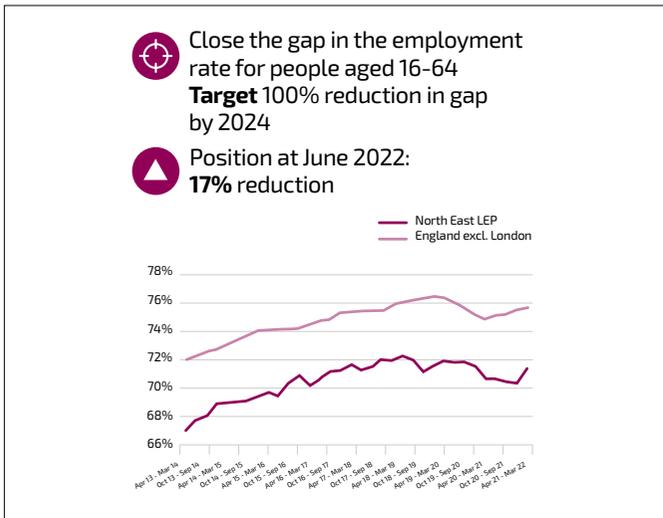
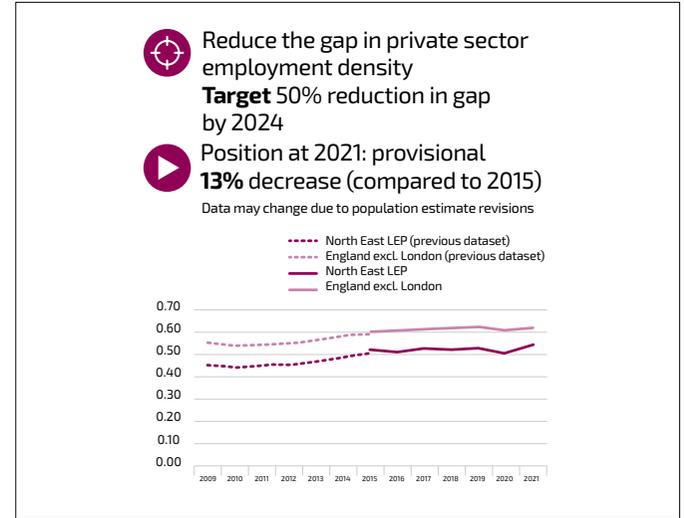
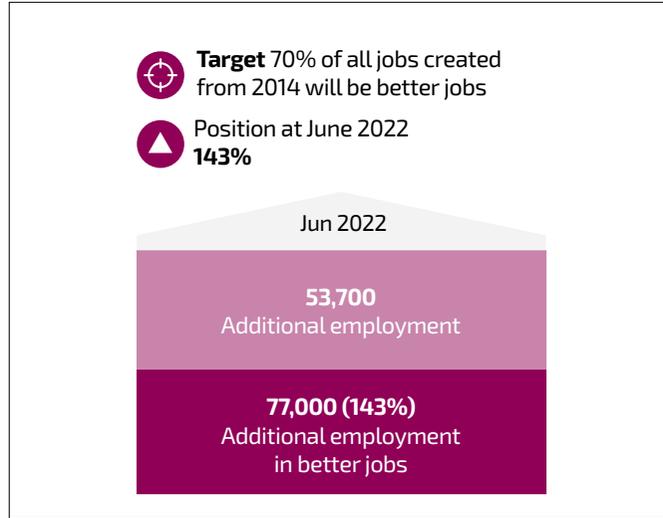
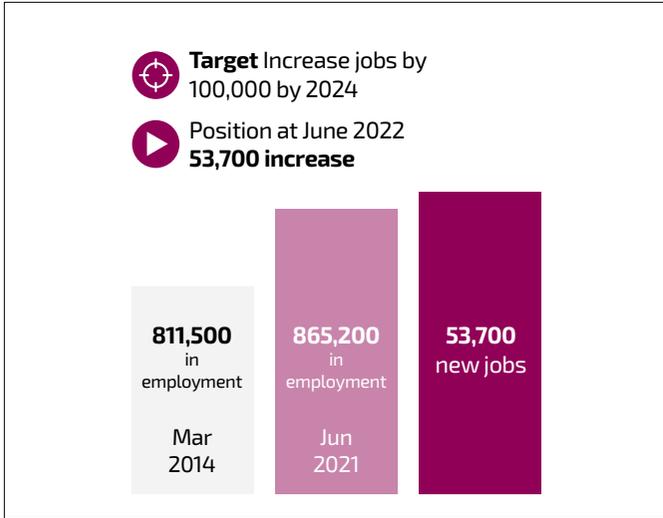
Ingolstadt exchange	Comms campaign around exchange	<ul style="list-style-type: none">• Press release• Post-visit blog post• Organic social content	November - December
Northern Insight magazine	Use of monthly page to highlight skills, employment, inclusion and progression programmes	<ul style="list-style-type: none">• Advertorial	Monthly
Preparing for Interviews - learning resource for Year 9 and Year 10 pupils	Two learning resources developed for students in Year 9 and Year 10 to help them prepare for job interviews. Local Enterprise Advisers ask a series of interview questions.	<ul style="list-style-type: none">• Presentations	November-December 2022

Investment

VCSE funding	Rolling communications plan highlighting outcomes of funded projects	<ul style="list-style-type: none">• Liaison with Foundation of Light on PR for their funded project	November 2022
Getting Building Fund	Rolling communications plan highlighting outcomes of funded projects	<ul style="list-style-type: none">• Support for JDR Cables ground breaking event (NET1)• News release about Panther Court in County Durham• Communicaitons support for Tyne Dock and opening of new Equinor Operations and Maintenance Base	Nov-Dec 2022
Local Growth Fund	Rolling communications plan highlighting outcomes of funded projects	<ul style="list-style-type: none">• Northern Gas Network and ORE Catapult projects to advance in 2023	January 2023

North East Strategic Economic Plan

Target update November 2022



24 November 2022

Item 6: Local Skills Improvement Plans

1.0 Background – Policy Context

1.1 Government Policy says **Local Skills Improvement Plans (LSIPs)** will form a new part of the local skills infrastructure that gives employers, through the designated Employer Related Body (ERB), a clear and strengthened role in shaping local skills provision:

1. Skills for Jobs White Paper - Sets out the overarching vision:

- Reforms to post-16 technical education and training to support people to develop the skills needed to get good jobs and improve national productivity.
- Local Skills Improvement Plans (LSIPs) will provide a clear articulation of employer skills needs in an area and set out the key changes needed to make provision more responsive to the needs of employers and the local economy.

2. Skills and Post-16 Education Act - Places LSIPs on a statutory footing:

- Powers for the Secretary of State to designate ERBs to lead the development and review of LSIPs for a specified local area in accordance with guidance.
- Duties on providers to co-operate with ERBs in the development and review of LSIPs and once developed, to have regard to these plans when making decisions on their Post-16 technical education or training offer.
- Duties on Secretary of State when approving and publishing an LSIP to be satisfied that:
 - the views of any MCA/GLA /LEP in the local area have been considered
 - the skills, capabilities or expertise required in relation to jobs that directly contribute to, or indirectly support net zero, adaptation to climate change and meeting other environment goals have been considered

3. Funding & Accountability Reforms - Provides the support and incentives to deliver change:

- Local Skills Improvement Fund (LSIF) will help build the capacity of providers to meet LSIP priorities.
- Changes in accountability and funding. The key changes are:
 - the introduction of Accountability Agreements, for which the LSIP should form the basis of the local priorities to which the college is accountable.
 - the enhanced Ofsted inspection on how well FE Colleges are contributing to meeting skills needs

2.0 Overview of Employer Representative Bodies (ERBs)

- 2.1
- LSIPs are led by employer representative bodies designated by the Secretary of State. Designated ERBs should be reasonably representative of employers operating in the specified local area
 - There are 38 local areas. These are generally based on the LEP and MCA areas. (the South East area has been split into two with changes to Coast to Capital now termed Sussex).
 - A full list of the designated ERBs can be found on [gov.uk](https://www.gov.uk). The designated representative bodies are a mix of local chambers, the FSB, as well as other employer representative bodies.
 - The ERBs need to work closely with employers, providers and other stakeholders to develop the LSIP.
- 2.2
- In the North East LEP area, there are two LSIPs and they are led by two ERB's :-
- The North East England Chamber of Commerce is leading the LSIP covering Northumberland, Newcastle and North Tyneside.
 - The North East Automotive Alliance is leading the LSIP covering Durham, Gateshead, South Tyneside and Sunderland.

3.0 Developing the LSIPs

Government guidance:

- 3.1
- Government Guidance states that LSIPs will set out the key changes needed to make technical education or training more responsive to labour market skills needs within a specified local area:
- LSIPs are both a process and plan for making provision more responsive to employers' skills needs
 - The process of developing the plan is as important as the LSIP itself by
 - creating dialogue and helping break down information barriers between employers and providers
 - embedding stronger and more dynamic relationships between employers and providers (and other stakeholders)
 - The LSIP report should set out key priorities for change that are evidence-based and actionable by providers, employers and other stakeholders
 - Focussing on where innovation and investment is changing demand for skills and amplifying the voice of those employers that most struggle to be heard
 - Providers will still need to take account of their fiduciary duties

Role of stakeholder

- 3.2 Guidance states developing and delivering an LSIP should be a collaborative process involving a range of different bodies. It is only by employers, providers and stakeholders working together that the alignment of post-16 technical education of training to local labour market skills needs can be improved.

Organisation	Role
Designated ERB	<p>Lead on the development of the LSIP</p> <p>Review and update the LSIP to ensure it remains relevant</p> <p><i>NB no statutory duties place on ERBs but terms and conditions require ERBs to have regard to the statutory guidance</i></p> <p><i>Provisions within the Act impact on how the ERB should undertake the role</i></p> <p><i>Education Secretary designated ERB and can remove designation in certain circumstances</i></p>
Other ERBs and employers	Collaborate with the designated ERB to develop the LSIP by supporting the identification of employers skills needs and driving greater employer engagement in local skills systems
Providers of post-16 technical education or training	<p>Co-operate with the designated ERB to develop and review the LSIP and to have regard to the LSIP when making decisions on their English-funded post-16 technical education or training offer</p> <p><i>NB – Statutory duties on further Education Colleges, Designated Institutions, Sixth Form Colleges, Independent Training providers and Higher Education Institutions</i></p>
MCA's	Support the designated ERB in the development of the LSIP including providing information regarding local priorities and local skills analysis
LEPs and Local Authorities	Support the designated ERB in the development of the LSIP including providing information regarding local priorities and local skills analysis
Jobcentre Plus, CEIAG providers, Centres of Innovation	Support the development and delivery of priorities and actions identified in the LSIP

Timescales and next steps

- 3.3
- Autumn 2022 – Publication of statutory guidance, designation of ERBs and planning of work
 - Autumn 2022 – Spring 2023 – ERBs develop the LSIP with stakeholders following the process set out in statutory guidance

- March 2023 -draft LSIP priorities
- Summer 2023 – LSIP reports submitted to DfE for approval by Secretary of State and publication
- From Summer 2023 – LSIP priorities taken forward by providers and employers. Funding (LSIF) supports this.

Priority areas for North East LSIPs:

- 3.4 The North East England Chamber of Commerce has identified the following approach for the LSIP covering Northumberland, North Tyneside and Newcastle:
- Green Energy / Net Zero - 2 phases: Green Transport and Green Energy/ Net Zero Manufacturing
 - Construction – Focusing on new technology in the Industry
 - Health and Social Care – Immediate requirement
 - Culture, Creative and Tourism
 - Employability – What do Employers mean, can it be taught?
 - Transferable skills: Digital, Professional, Project Management, Finance

- 3.5 The North East Automotive Alliance has identified the following strategic sectors for the LSIP covering Durham, Gateshead, South Tyneside and Sunderland
- Advanced manufacturing
 - Construction
 - Digital
 - Health & Health Science
 - Transport & logistics

- 3.6 Both ERBs presented to the Skills Advisory Panel in early November 2022 and have committed to engaging with and presenting further information to the SAP as the respective plans are developed.

Further details on the respective proposals from each ERB will be presented to the LEP Board for their input and comment as appropriate.

4.0 Recommendation

- 4.1 The Board is recommended to:

- (i) Note the contents of the report
- (ii) Note and engage with the content of the board presentation and provide feedback as appropriate.

Economic Round Up

November 2022



Economic Outlook

[CPI annual inflation](#) rose to 11.1% in October 2022. Increases in energy and food costs are the main reasons for this rise, with annual food price inflation is at 16.4%. ONS estimates that inflation for the lowest income households is at 12.5%. In response to this, [the Bank of England has increased interest rates](#) to 3% and expect inflation to remain above 10% in 2022 Q4 and 2023 Q1, before falling back to the 2% target within the next two years. GDP fell by 0.6% in September and 0.1% in August, with further falls predicted over 2023 and early 2024, signalling a prolonged recession.



Labour Market

In the [latest \(Q3 2022\) regional labour market data](#), the North East has the lowest employment rate (71.7%), the second highest unemployment rate (4.2%) and the highest economic inactivity rate (25.2%) among the nine English regions. Despite the low rate, North East employment has increased by 14,300 in the last year, with unemployment decreasing by 11,000 and working age inactivity falling by 3,100, one of only two regions where it has not increased. Nationally, the labour market is tight, with high vacancy levels. However, declining recruitment indicators in Q3 suggests that the market could be loosening. Annual employee pay growth was 6.0% in Q3 of 2022.



Internationalisation

Nationally, in September 2022, [59% of trading businesses](#) with 10 or more employees reported an increase in importing challenges, with 54% for exporting. [Total North East exports](#) to the EU in 2021 were 15% lower than in 2019, while exports to non-EU markets were 7% lower. Exports of road vehicles from the North East decreased in the latest quarter by 17%, the first-time exports of this commodity group declined since Q2 2021. Power generating machinery and pharmaceutical exports saw significant growth quarter on quarter (14% and 28%). The number of North East businesses that export has fallen since 2017, with bureaucracy highlighted as a main challenge.



Business Activity

National business nominal turnover [was steady due to price increases but volume growth had weakened](#). Business investment is expected to stagnate or fall over the next two years due to economic uncertainty. Alncom, a rural broadband company based in the North East, announced successful funding news allowing them to expand their services. Lhyfe, Tolent and Nissan all announced investment in the North East LEP area, with further job creation announced by Assytem and Recovery4Life.

North East economic data summary

	Latest data	Recent change	Comparison with latest national data	Recent change compared with national change
Working age employment rate	71.3% (Jul 21-Jun 22)	 Increase by 0.6 pts (since Jul 20-Jun 21)	 Lower 75.7% (England excl. London)	 Smaller ppt increase than England excl. London (0.7ppts)
Working age economic inactivity rate	25.0% (Jul 21-Jun 22)	 Increase by 0.9 pts (since Jul 20-Jun 21)	 Higher 21.4% (England excl. London)	 Larger ppt increase than England excl. London (0.2 ppts)
Claimant count rate (% of 16 to 64 population)	3.9% (Oct 22)	 Decrease by 1.3 pts (since Oct 21)	 Higher 3.5% (England excl. London)	 Larger ppt decrease than England excl. London (-1.0 ppts)
Regional GDP index % change	+0.6% (Q3 to Q4 2021) (North East region)	 Increase by 1.3% (since Q4 2019)	 Lower +1.4% (England)	 Larger % increase than England (+0.4%)
Regional exports of goods value	£7,015 ph (Q3 21-Q2 22) (North East region)	 Increase by 6.2% (Q2 2022 compared to Q2 2021)	 Higher £6,917 ph (England excl. London)	 Smaller % increase than England excl. London (+13.6%)

ppt: percentage point
ph: per head

Data Insights: Regional GDP

GDP Index (2012 Q1=100), North East region, England



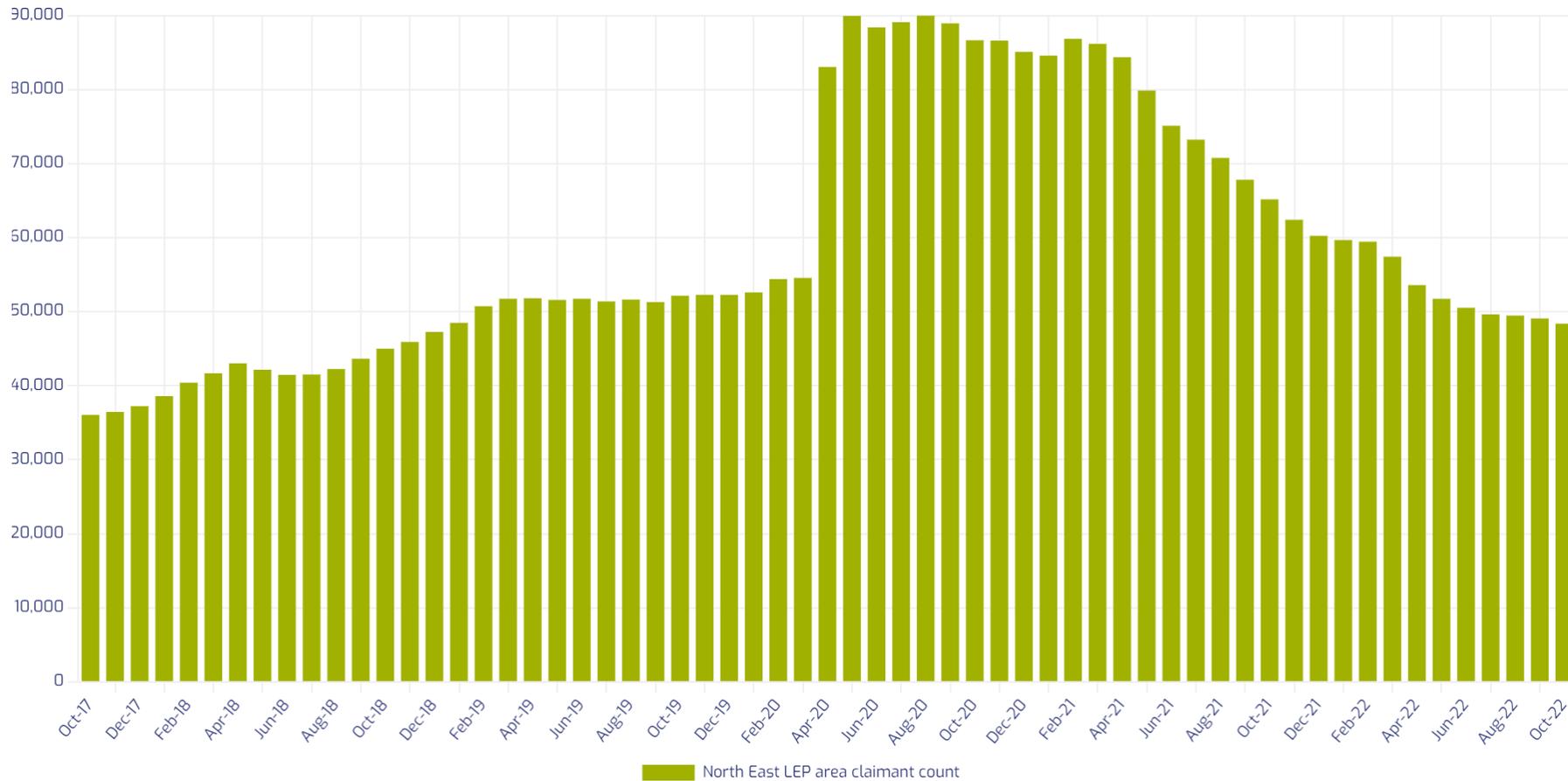
In Q4 of 2021, the GDP of the North East region was 0.6% higher than in the previous quarter and 7.4% higher than in the same quarter of 2020. This compares, respectively, to increases of 1.4% and 6.7% for England.



At the end of 2021, the North East was one of four English regions where GDP had moved above its pre-Covid value in Q4 of 2019. The 2021 Q4 figure was 1.3% higher than two years earlier with only London and the North West having larger increases.

Data Insights: Claimant Count

Claimant count, last five years, North East LEP area



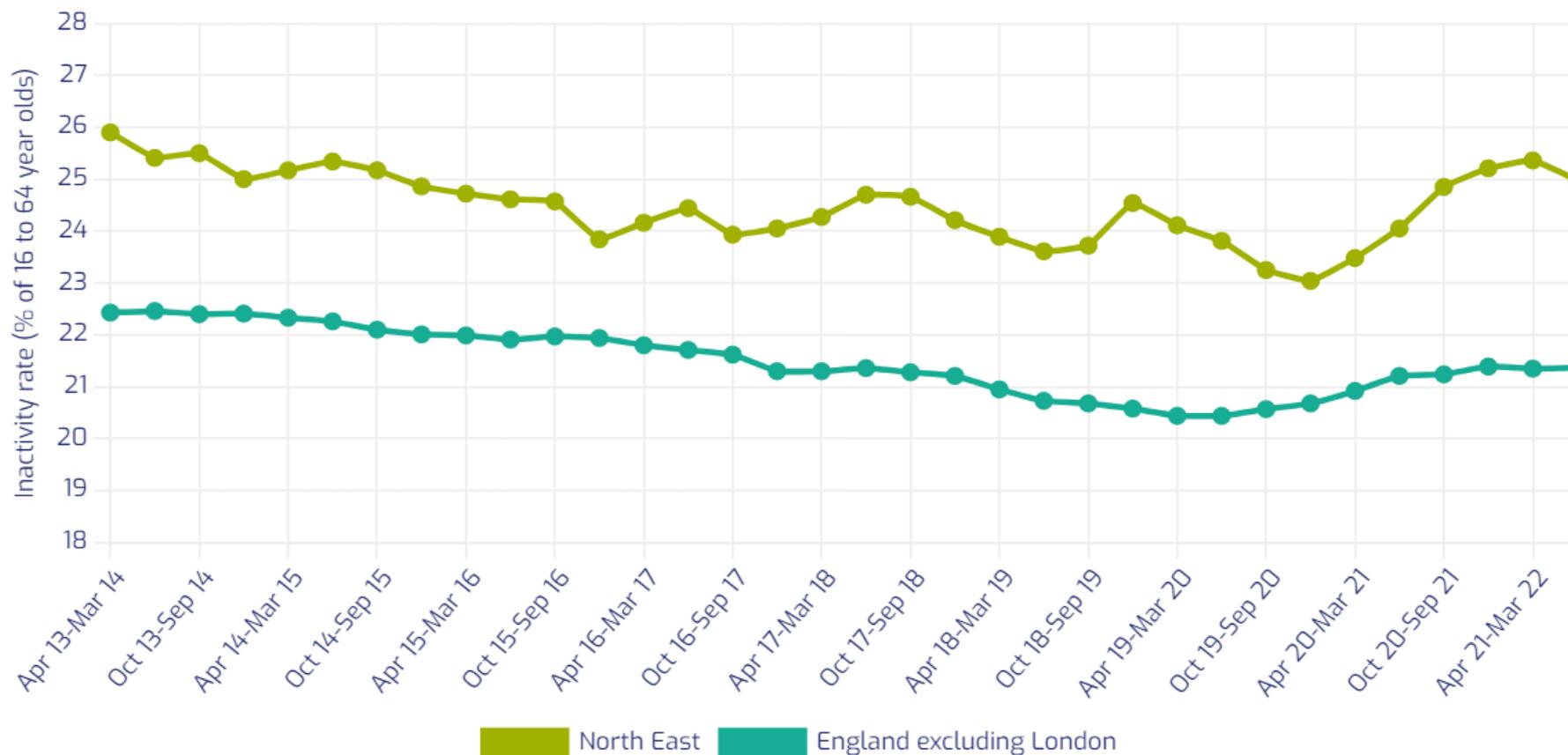
There were 48,370 claimants in the North East LEP area in October 2022. This was 16,785 fewer than in the same month of 2021 and 700 fewer than in the previous month. The total was 6,175 lower than the pre-Covid total in March 2020.



Within the North East, at local authority level the latest claimant count rate ranged from 3.1% in Northumberland to 5.5% in South Tyneside. In the most recent 12 months all seven rates have fallen by more than a percentage point and the latest rates are all lower than in March 2020.

Data Insights: Economic Inactivity

Economic inactivity rate since 2014, North East LEP area, England excluding London

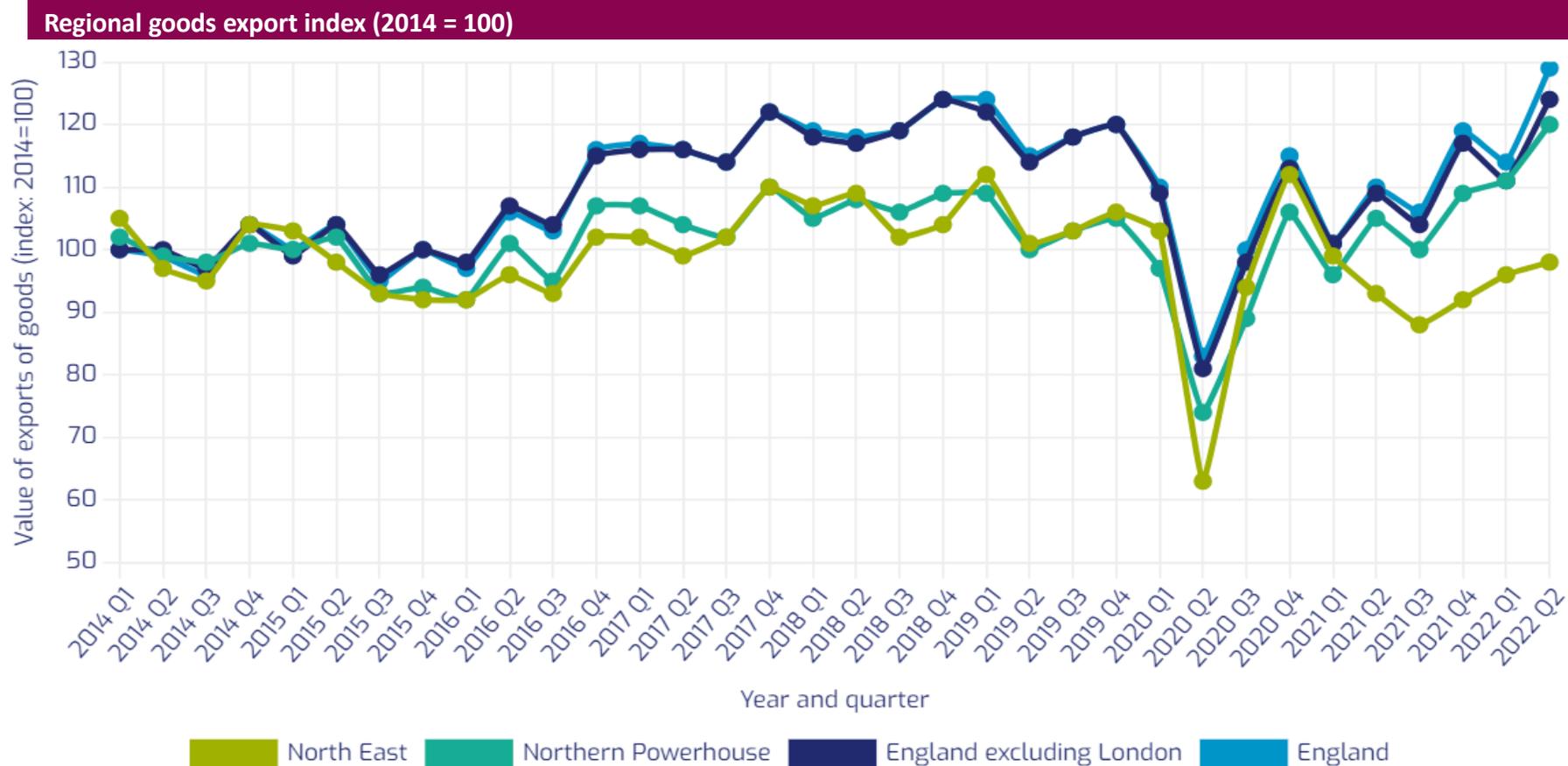


In the Jul 21-Jun 22 twelve-month period, 25.0% of the population aged 16 to 64 in the North East LEP area was economically inactive. This was above the England excluding London rate (21.4%) and the second highest rate among the eight core city LEP areas.



The latest North East rate was 0.9 percentage points higher than a year earlier, the fourth largest percentage point increase among the core city LEP areas and a larger increase than for England excluding London (up 0.2 percentage points).

Key trends: Regional Goods Exports



The total exports from the North East region in Q2 2022 were £3,077 million. This was an increase from the previous quarter of 3%, the third quarterly increase in a row. In the latest four quarter period the value of goods exported per working age person from the North East region was £7,015. This was higher than the value for England and England excluding London.



8 out of the 9 English regions saw an increase in the value of their exports in the latest quarter. The percentage change for the North East was lower than the rest of the Northern Powerhouse, England excluding London and England. The North East also saw the smallest percentage change in Q2 2022 compared to Q2 2021.

Key Trends: Inflation and Business

Cost of Doing Business



Nationally [corporate insolvencies reached their second highest quarterly figures](#) in a decade, with Voluntary Liquidations reaching the highest Q3 level in a decade.



Changes in exchange rates were a [challenge for 39% of importing businesses](#) with 10 or more employees and 29% of exporting businesses with 10 or more employees in September 2022.



Sterling depreciated [by around 5% against the US dollar](#) and 2% against the Euro since August 2022, signalling a potential boost to exports.



One hotel in the North East reported an energy bill increase of £400 000 a year, with the shortfall coming from their refurbishment budget.



Pay rises [averaged 5% to 7%](#), with companies feeling unable to pass the full cost increases to consumers.



The [Lloyds Bank Business Barometer](#) indicated that in October 2022, business confidence fell to 10%, with optimism in the economy falling by 28 points to -9%.

Cost of Doing Business



SME [bank credit availability](#) has fallen and the cost of borrowing has risen for UK firms as financial markets react to increasing uncertainty.



Price pressures from raw materials were identified as an issue by 60.5% of respondents to the [Q3 North East England Chamber of Commerce Economic Survey](#), an increase from 46.5% in the previous year.



The [Small Business Price Index](#) showed that costs to small businesses increased more rapidly in Q2 of 2022 than in any other period since 2008, with a rise of 4.4%.



The impact of rising energy prices is shown in the [ONS Business Insights survey](#) which highlights that 40% of businesses in October 2022 have taken action to reduce their energy costs. The most affected industry is food and accommodation services, of which 59% have taken action, with 96% reporting some form of concern over current financial conditions.



Only half of regional businesses are confident in their own success, according to a [survey by Sage](#).

Key Trends: Inflation and Households

Cost of Living



Of those looking for a job who responded to [the ONS Opinions and Lifestyle Survey](#), approximately 20% said they were looking for a new job due to the increased cost of living.

The [Measure of National Wellbeing framework](#) suggests that in 2019/20 44.5% of adults were satisfied with their household income, with 7% finding it quite or very difficult to manage financially. It is predicted that the cost of living crisis will have a significant effect on this figure and on financial wellbeing across the UK.



Adults over 50 are driving the increase in economic inactivity, with 66% of those not returning to work owning their homes outright and being relatively financially resilient. The [main factor for those who are inactive](#) but would return to work is flexible working hours, suggesting the cost of living crisis will not significantly affect the numbers of economically inactive individuals.



Cost of Living



[One in three UK households have a mortgage](#), with around a quarter of current fixed mortgages due to end between Q4 2022 and the end of 2023. With average quoted rates for a two year fixed rate 75% LTV mortgage increasing from 3.6% to 6%, interest rate increases could have a significant impact on household spending.



Food inflation [reached 16.4% in October](#), the highest rate since 1977. The largest upward effect came from price increases for milk, cheese, and eggs. Retailers are reporting increasing sales of lower-priced brands and discount supermarkets have increased their market share.



[The Vulnerability Index](#) indicates that the North East is the most vulnerable region to the cost of living crisis, with South Tyneside and Northumberland specifically becoming relatively more vulnerable.



Real incomes [are expected to fall by 0.4%](#) by 2022 Q4, far below the 2010 – 2019 average.

Key Trends: Business Counts

UK Business Count 2022

There were 55 030 registered private sector enterprises in the North East LEP area in March 2022, which was 535 higher than in 2021, representing a 1% increase. The North East's percentage increase was the third highest among the eight core city LEP areas. In comparison the total for England excluding London increased by less than 0.1%.

74% of registered enterprises are micro-businesses, with fewer than ten employees

There are high proportions of accommodation and food services; agriculture and forestry; personal service activities; and retail in the North East, there are relatively low proportions of information and communication; professional, scientific and technical; and wholesale enterprises.

As shown in the table below, Health and Life Sciences is the only Area of Strategic Importance (AOSI) to have seen an overall increase in the number of enterprises since 2021, with Advanced Manufacturing, Digital, Energy and Knowledge Intensive Business Services (KIBS) all seeing an overall decline. This fall has been driven by micro-businesses, with a fall of 590, while businesses with at least 10 employees increased by 30.

Health and Life Sciences enterprises are concentrated in County Durham and Newcastle Upon Tyne, with 145 of the 260 enterprises located in these two areas. KIBS represents the largest fall in AOSI enterprises with 475 fewer enterprises than in 2021, however it should also be noted that the total number of KIBS firms is much higher than any of the other AOSIs.

Area of strategic importance (AOSI)	Total firms in 2022	Change since 2021
Advanced manufacturing	3,975	-335
Digital/tech	2,515	-165
Energy	2,150	-180
Health and life sciences	260	10
KIBS	10,480	-475

Key Trends: Employment Counts

Business Register and Employment Survey Data 2021

The 2021 private sector employment gap for the North East LEP area shows an improvement compared to in 2020, with employment density increasing to 85% of England excluding London, from 83% in 2020.

Within the AOSIs, Health and Life Sciences showed the largest increase in employment with a 60% increase between 2020 to 2021. 3,000 of these individuals were employed in County Durham, with a further 1,750 employed in Northumberland and 1,250 in North Tyneside.

Digital and Energy saw the smallest percentage increase in employment between 2020 and 2021 with both achieving a 4% increase. Energy had the largest decrease in employment from 2015 – 2021 with a 17% fall across the time period, prior to the Covid-19 pandemic there were 32 000 individuals employed in the Energy sector whereas in 2021 this fell to 24 000.

The largest overall employer out of the AOSIs is Knowledge Intensive Business Services (KIBS) with 94 000 individuals employed in the sector in the North East LEP area.

Area of Strategic Importance (AOSI)	2021 employments	% change on 2020	% change on 2015
Advanced manufacturing	67000	5%	-12%
Digital	27000	4%	-7%
Energy	24000	4%	-17%
Health and life sciences	8000	60%	14%
KIBS	94000	18%	2%

Intelligence from Partners

Business Activity

89.3%

of survey respondents in the [North East England Chamber of Commerce's Quarterly Economic Survey](#) highlighted inflation as a concern, with energy prices also a concern for 88.2% of respondents.



The FSB's [Small Business Index \(SBI\)](#) put business confidence in the Yorkshire, Humber and North East region at -38 in Q3, a decrease from -26 in Q2 and below the national average of -35.9.



Small and micro businesses are concerned about trading due to a lack of financial resources, with the campaign #BusinessSOS warning of mass closures and redundancies.

Labour Market



Staff shortages are a challenge, however some firms are reporting that staff who left to take advantage of large bonuses offered by companies such as Amazon are now returning to their previous roles.



Employees are looking for new roles with higher pay due to the cost of living crisis, larger firms in the North East professional services sector are attempting to combat this by offering one off payments to retain staff.



Anecdotal reports suggest Eastern European workers are returning home due to the cost of living in the UK, with employers also struggling to recruit internationally following the end of freedom of movement with the EU.

Investment



Foreign investment into the North of England rose by 72% in the last five years, while the rest of the UK saw an overall decline.



Nationally foreign direct investment is estimated to have created 85 000 jobs in the UK between 2021 – 2022, with [another 500 000 jobs expected](#) to be supported by foreign direct investment by 2030.



Although business confidence is low, the SBI shows positive investment intentions for the region.



Sustainable industries appear to be relatively resistant to the current economic difficulties due to the renewed focus on Net Zero. A [landmark trade expo](#) was held in Gateshead and attended by global executives looking to invest in the sustainability industry.

For further data analysis and research visit the [North East Evidence Hub](#)



North East
Local Enterprise Partnership



Autumn Statement Briefing

November 2022

Background

The Chancellor of the Exchequer, Rt Hon Jeremy Hunt MP, presented the Autumn Statement (AS) to the House of Commons on 17 November 2022.

This briefing aims to summarise the key economic data and spending commitments, identify specific announcements about the North East LEP area and provide detail on future regional policy and funding issues.

Economic context

Table A.1: Economy forecast

	Percentage change on a year earlier, unless otherwise stated						
	Outturn	Forecast					
	2021	2022	2023	2024	2025	2026	2027
UK economy							
Gross domestic product (GDP)	7.5	4.2	-1.4	1.3	2.6	2.7	2.2
GDP per capita	6.9	4.0	-1.8	1.0	2.3	2.3	2.0
GDP level (Q4 2019=100)	95.4	99.4	98.0	99.2	101.9	104.6	106.9
Nominal GDP	7.9	8.8	2.0	3.0	3.4	3.6	4.0
Output gap (per cent of potential output)	1.4	1.0	-2.5	-2.5	-1.5	-0.5	0.0
Expenditure components of GDP							
Domestic demand	8.6	5.9	-2.3	1.2	2.5	2.5	2.1
Household consumption ²	6.2	4.7	-1.9	1.1	2.5	2.2	1.9
General government consumption	12.6	2.1	4.8	1.6	0.8	1.6	1.6
Balance of payments current account							
Per cent of GDP	-2.0	-5.8	-5.2	-4.4	-3.7	-3.4	-3.2
Inflation							
CPI	2.6	9.1	7.4	0.6	-0.8	0.2	1.7
RPI	4.0	11.6	10.7	1.5	-0.4	1.0	2.6
GDP deflator at market prices	0.1	4.4	3.5	1.7	0.8	0.9	1.7
Labour market							
Employment (million)	32.4	32.7	32.8	32.7	32.9	33.3	33.6
Productivity per hour	0.9	0.3	-0.8	0.9	1.5	1.6	1.4
Wages and salaries	6.2	7.2	4.3	1.4	2.1	2.7	3.2
Average earnings ⁵	5.3	5.9	4.2	1.7	1.7	1.9	2.7
LFS unemployment (per cent)	4.5	3.6	4.1	4.9	4.7	4.3	4.2
Unemployment (million)	1.5	1.2	1.4	1.7	1.6	1.5	1.5
Household sector							
Real household disposable income ²	1.1	-3.1	-3.4	1.2	2.9	2.3	2.0
Saving ratio (level, per cent) ²	12.5	6.4	4.7	4.8	5.3	5.4	5.4
House prices	9.2	10.7	-1.2	-5.7	1.2	3.0	3.5
World economy							
World GDP at purchasing power parity	5.6	3.1	2.7	4.6	4.4	3.7	3.3

The table above, produced by the [Office for Budget Responsibility](#) (OBR), provides an overview of the economic forecast for the UK over the next five years.

- GDP growth – the UK is now in recession, which the OBR expects to last for just over a year, with a peak-to-trough fall in GDP of 2%. Overall GDP growth in 2022 is forecast to be 4.2%
- CPI inflation - OBR forecast inflation will peak at around 11% this quarter before falling sharply towards the end of next year, and returning to the 2% target in 2027
- Unemployment is expected to rise by half a million from 3.6% to peak at 4.9% in Q3 2024
- Real Household Disposable Income per person (RHDI) will fall by 4.3% in 2022/23, the largest since ONS records began in 1956/57, followed by 2.8% in 2023/24. The total fall of 7.1% over the two financial years to 2023/24 will wipe out the previous eight years' growth, despite over £100 billion of additional government support. By 2027-28, RHDI per person recovers its 2021-22 level, but remains over 1% below pre-pandemic levels.
- Government borrowing will increase relative to the OBR's March forecast by £64.2 billion in 2022/23 and £39.8 billion in 2023/24. The deficit will rise from £133.3 billion (5.7% of GDP) last year to £177 billion (7.1% of GDP) this year
- The Government's two legislated fiscal targets to balance the current budget and get underlying debt falling in 2025-26 are on course to be missed by £8.7 billion and £11.4 billion respectively.
- Given the scale of the energy shock and the recession it has induced, the Government has announced new targets: to get borrowing below 3 per cent of GDP and underlying debt falling in five years' time, which it achieves, respectively, with £18.6 billion and £9.2 billion to spare. But the near-tripling of interest rates since March means the share of revenues consumed by servicing that debt rises from under 5 per cent in 2019-20 to 8½ per cent in 2027-28, leaving the public finances more vulnerable to future shocks or swings in market sentiment.
- Government spending: measures announced in the Autumn Statement amount to a £55bn 'fiscal consolidation' in 2027/28. Just over half of this is from reduced spending and slightly more than half from higher taxes.
- The OBR forecasts that exports of goods and services will fall by 2.8% in 2023, with modest growth between 2024 and 2027. The OBR's trade forecast reflects their assumption that Brexit will result in the UK's trade intensity being 15% lower in the long run than if the UK had remained in the EU.

Positioning

The Chancellor presented the Budget as a plan to tackle the cost-of-living crisis and rebuild the economy, focused on the priorities of stability, growth, and public services.

The increase in inflation was attributed by the Chancellor to global factors, primarily the fallout from the Covid pandemic and the energy crisis resulting from Russia's invasion of Ukraine.

The Chancellor reversed nearly all of the measures announced by his predecessor in the Growth Plan 2022. He set out further measures on taxation and spending – using fiscal policy to support the economy in the short term, and increasing the pace of consolidation to reduce the level of debt as economic growth returns.

People and Workforce – impact of changes to tax, pensions and benefits

Personal tax

- The income tax Personal Allowance and higher rate threshold, currently fixed at their current levels until April 2026, will be frozen for a further two years until April 2028
- The threshold for the 45p rate of income tax will be lowered from £150,000 to £125,140 from 6 April 2023
- Inheritance tax nil-rate bands will stay fixed at current rates until April 2028
- The Dividend Allowance will reduce from £2,000 to £1,000 from April 2023, and the Capital Gains Tax Annual Exempt Amount will reduce from £12,300 to £6,000 from April 2023, and £3,000 from April 2024

Pensions

- The State Pension triple lock will be maintained, with uprating of pensions by the September CPI rate of 10.1%.
- The standard minimum income guarantee in Pension Credit will increase in line with inflation from April 2023
- A review of the current timetable to increase the State Pension age will be published in early 2023

Benefits

- Benefits will be increased in line with the September CPI rate of 10.1%. The benefit cap will also increase by 10.1% from April 2023
- From September 2023, over 600,000 Universal Credit claimants who are in work will be required to meet with a work coach to receive support to increase their hours and earnings
- A review will be undertaken around the issue of economic inactivity given the growth in the numbers of people leaving the labour force
- A cap on social rent increase of max 7% in England from April (lower than would otherwise have been accepted)
- The introduction of reform to adult social care charging will be delayed from October 2023 to October 2025, and the government will make additional funding available to local authorities for adult and children's social care
- The government will provide households on means-tested benefits with an additional £900 Cost of Living payment in 2023/24. Pensioner households will receive an additional £300 Cost of Living payment, and individuals on disability benefits will receive an additional £150 Disability Cost of Living payment in 2023/24. These payments will be made on a UK-wide basis
- The National Living Wage (for those aged 23 and over) will be increased by 9.7% to £10.42 from April 2023. The government has also accepted the Low Pay Commission's recommendations for the other National Minimum Wage rates to apply from April 2023, including:
 - Increasing the rate for 21-22 year olds by 10.9% to £10.18 an hour
 - Increasing the rate for 18-20 year olds by 9.7% to £7.49 an hour
 - Increasing the rate for 16-17 year olds by 9.7% to £5.28 an hour
 - Increasing the apprentice rate by 9.7% to £5.28 an hour

- Increasing the accommodation offset rate by 4.6% to £9.10 an hour
- The current nil-rate threshold of Stamp Duty Land Tax (£250,000 or £425,000 for first-time buyers) will remain in place until 31 March 2025, before returning to the levels in place before September 2022 (£125,000 or £300,000 for first-time buyers).
- Council Tax – local authorities will be given flexibility to increase Council tax by 3% per year, and the adult social care precept by an additional 2%, without a referendum
- Electric cars, vans and motorcycles will no longer be exempt from road tax from April 2025. Rates for Alternative Fuel Vehicles and hybrids will also be brought in line with petrol and diesel vehicles.
- The OBR forecast refers to a planned 23% increase in fuel duty in March 2023 which will raise £5.7 billion next year, although this is not mentioned in the HM Treasury Autumn Statement documents.

Businesses – impact of changes to tax

- The Energy Profits Levy (windfall tax) on energy companies will increase to 35% from 25% from 1 January 2023, and will be extended from 1 January 2023 to March 2028.
- The Electricity Generator Levy will be introduced from 1 January 2023, a temporary 45% tax on low-carbon electricity generators. This will apply to profits made by electricity generators from an average output price above £75/MWh, on profits exceeding £10 million
- Corporation tax will increase as planned to 25% from April 2023 for companies with £250,000 in profits
- Employer National Insurance contribution thresholds will be frozen until 2028
- Government will proceed with business rates revaluation from 1 April 2023. A package of transitional support worth £13.6 billion over 5 years will be targeted at SMEs, with additional business rates relief for retail, leisure and hospitality businesses. English Local Authorities will be fully compensated for the loss of income as a result of these measures, and will receive new funding for administrative and IT costs
- Following consultation, an Online Sales Tax will not be introduced

Levelling Up, Communities and Local Government

- The second round of the Levelling Up Fund will at least match the £1.7 billion allocated to Round 1. Successful bids will be announced before the end of the year
- The UK Shared Prosperity Fund was not mentioned in the Chancellor's Statement. Financial tables in the Autumn Statement document do not include an allocation for the UKSPF in 2022/23, however feedback from DLUHC officials suggest that the 2022/23 allocation is reflected in DLUHC resource expenditure.
- Investment Zones will be refocused and the existing expressions of interest will therefore not be taken forward. The government intends to use Investment Zones to catalyse a limited number of the highest potential knowledge-intensive growth clusters, including through leveraging local research strengths. DLUHC will work closely with mayors, devolved administrations, local authorities, businesses and other local partners to consider how best to identify and support these clusters, driving growth while maintaining high environmental standards, with the first clusters to be announced

in the coming months. The first decisions will be announced ahead of the Spring budget.

Devolution and Regional Policy

- A Mayoral devolution deal for has been agreed with Suffolk County Council, and the government is in advanced discussions with local authorities in Cornwall and Norfolk. In his speech, the Chancellor said a devolution deal for an area in the North East would “follow shortly”.
- Devolution Trailblazer deals for Greater Manchester and the West Midlands will be agreed by early 2023. These could include additional powers for skills, transport and housing. The government will also explore the potential to provide single departmental-style settlements to Manchester and the West Midlands at the next Spending Review, to give more flexibility over key economic growth funds and move away from competitive bidding processes.

Transport and Infrastructure

- Capital budgets will be maintained in cash terms over the next five years
- The Autumn Statement re-commits the government to deliver East West Rail, core Northern Powerhouse Rail, and High Speed 2 to Manchester.
- The government will seek to accelerate delivery of projects across its infrastructure portfolio, rather than focus on the list of projects that were flagged for acceleration in the Growth Plan. These projects included the Northumberland Line, Tyne Bridge and Central Motorway A167, and dualling the A1 between Morpeth and Ellingham.
- The government also remains committed to supporting digital infrastructure investment through Project Gigabit, with an ambition to reach at least 85% gigabit-capable broadband coverage by 2025 and nationwide coverage by 2030.
- Following a consultation, regulatory measures will be introduced to increase investment from UK insurance funds [Solvency II reform].

Energy, Environment and Climate Change

- The government will build Sizewell C nuclear power plant, subject to final agreement
- The Chancellor announced a new long-term commitment to improve energy efficiency for households, businesses and the public sector, with an ambition to reduce energy consumption from buildings and industry by 15% by 2030
- £6 billion of new funding will be made available from 2025 to 2028 to deliver energy efficiency measures, and a new Energy Efficiency Taskforce will be launched
- The Energy Price Guarantee will be adjusted from April 2023, so that a typical household will pay £3,000 per year (up from the current £2,500) to April 2024.

- The Energy Bill Relief Scheme for businesses will be reviewed, with findings published by 31 December 2022. Some business support may continue beyond March 2023, but the overall scale will be significantly lower and targeted at those most affected

Science, Innovation and R&D

- The commitment to increase public spending on R&D to £20 billion a year by 2024/25 will be maintained
- The government will review retained EU law to identify changes that can be made over the next year with the greatest potential to unlock growth in key growth industries - digital technology, life sciences, green industries, financial services, and advanced manufacturing. The government will also task the Government Chief Scientific Adviser and National Technology Officer (Sir Patrick Vallance) to lead work to consider how the UK can better regulate emerging technologies, enabling their rapid and safe introduction.
- The Autumn Statement confirms that funding for the UK's 9 Catapults will increase by 35% compared to the last five-year funding cycle.

International Trade

- The government will remove import tariffs on over 100 goods for two years to help put downward pressure on costs for UK producers. The measure will remove tariffs as high as 18% on goods ranging from aluminium frames used by UK bicycle manufacturers to ingredients used by UK food producers.

Departmental funding allocations

- For the remaining two years of the Spending Review period, for departments other than the NHS and schools, the government will maintain the departmental budgets already set out in cash terms. Resource spending will then increase at 1% a year in real terms for the following three years – a reduction from previous plans to increase spending by 3.7%
- The core schools budget in England will receive an additional £2.3 billion of funding in 2023-24 and £2.3 billion in 2024-25. After adjusting Spending Review 2021 budgets down to account for the removal of the compensation for employer costs of the Health and Social Care Levy, this brings the core schools budget to a total of £58.8 billion in 2024-25, £2 billion greater than published at Spending Review 2021. This restores 2010 levels of per pupil funding in real terms and provides an average cash increase for every pupil of more than £1,000 by 2024/25, compared to 2021/22.
- The government will provide additional funding of £3.3 billion in each of the next two years to support the NHS in England
- The total funding available for local government will increase as a result of additional funding for adult social care.

24 November 2022

Item 8: 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 and meetings that they have been involved in since the last Board meeting in September.

2.0 Chair's key meetings and discussions

2.1 Since the last Board meeting on the 29 September 2022, the LEP Chair has been involved in a variety of meetings and discussions as outlined below:

- Regular meetings with the North East LEP CEO;
- Photoshoot with new Board members;
- North East Combined Authority Leadership Board;
- Port of Tyne Launch – Bates Terminal;
- Briefing with Tobyn Hughes, Transport North East;
- Transport North East lobbying event – Leamside line campaign;
- Governor Bank of England event;
- Net Zero North East and Our Economy events;
- Briefing Sir Roger Marsh, Chair of the NP11 and Mayor Driscoll;
- Meeting with Mayor Driscoll.

3.0 Chief Executive's key meetings and discussions

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

- Meetings with the LEP Network;
- Meetings with government officials;
- North of Tyne Combined Authority, Overview and Scrutiny Committee;
- IAMP Programme Board;
- Meetings with new Board members;
- Institute of Civil Engineers, Exhibition launch;
- Net Zero North East England Shadow Board;
- British Business Bank Roundtable;
- Bank of England Roundtable;
- Knowledge North East event – London.

4.0 Recommendation

4.1 The Board is recommended to note the report.