

# North East Local Enterprise Partnership Board



Thursday 30 September

17.00 – 19.00

## AGENDA

*Items 5 and 9 are confidential as they contain commercial information relating to the financial or business affairs of a particular person or organisation and they 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 22 July 2021** (5.00pm)  
Board will be asked to agree the Minutes.
4. **Annual Delivery Plan progress update** – paper attached (5.10pm)  
Helen Golightly to present to the Board.
5. **Funding decisions and update** - confidential paper attached (5.20pm)  
Paul Woods to present to the Board.
6. **Sector and business growth update** – presentation (5.30pm)  
Colin Bell to present to the Board.
7. **Strategic Economic Plan Evaluation update** – paper attached (6.00pm)  
Steer ED - Consultant to present to the Board
8. **Strategic Economic Plan update and next steps** – paper attached (6.30pm)  
Richard Baker to present to the Board
9. **North East Net Zero update** – confidential paper attached (6.40pm)  
Heidi Mottram to present to the Board.
10. **Tourism update** – paper attached (6.50pm)  
Richard Baker to present to the Board.
11. **Chair and Chief Executive update** - paper attached (6.55pm)  
Lucy Winskell and Helen Golightly to update the Board.
12. **Any Other Business**
13. **Date and time of next meeting - Thursday 2 December from 5 - 7pm**

**30 September 2021**

**Item 4: Annual Delivery Plan Progress**

**1.0 Purpose of Report**

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

1.2 Summary of current positions of Annual Delivery Plan deliverables:

Annual Delivery Plan Progress - summary table

Programme	Number of key deliverables	Key deliverables by RAG status				Key deliverables by progress status			
		G	A	R	N/A	Complete	In Progress	Overdue	Not Started
Business and sector growth	59	43	14	0	2	4	47	0	8
Innovation	17	9	8	0	0	1	16	0	0
Skills, employment, inclusion and progression	25	20	2	0	3	0	19	0	6
Investment and infrastructure	18	15	3	0	0	0	18	0	0
Transport connectivity	23	21	2	0	0	0	23	0	0
Policy, strategy, evidence and analysis	14	13	1	0	0	0	14	0	0
	156	121	30	0	5	5	137	0	14

**2.0 Highlights and points to note since the last meeting**

Business and Sector Growth

- The national BEIS Growth Hub annual review identified the North East Growth Hub as a national exemplar
- Sector leads now in place for all four sector programmes (Energy, Health and Life Science, Advanced Manufacturing, and Digital)
- The North East Growth Hub experiencing some capacity constraints due to effects of Covid, the current difficult recruitment landscape and the need to leverage Growth Hub capacity to support sector programmes
- Made Smarter programme is now fully mobilised

Innovation

- UK Innovation Strategy published, and response outlined by our Innovation Director.
- Development of an Innovation Strategy for the North underway via NP11.
- Responses returned to the Innovation Delivery Partnership (IDP) innovation ecosystem assessment tool and facilitation underway to help build IDP governance structures and operational priorities.
- Business case submitted to the NTCA Investment Fund for open innovation challenge activity.
- Challenge North East website scope confirmed.

#### Skills, employment, inclusion and progression

- The North East LEP has been working closely with partners on the national and regional priority to increase take up of technical education. The skills programme has increased the number of industrial T-level placements through facilitation of education and enterprise networks resulting in over 50 learners now having secured placements as a direct result of LEP intervention during 2020/21 and 2021/22 academic year.
- The primary pilot concluded with a celebration attended by Lord Shipley OBE, who had become aware of the pilot through the North East LEP's contribution to the House of Lord's Youth Unemployment Committee. Initial findings from the pilot evaluation show significant improvement in achievement against the benchmarks across the pilot schools.
- The North East LEP published the final report on digital exclusion in the North East LEP area. This new report highlights impact of digital exclusion on access to education and employment in the North East.

#### Investment and Infrastructure

- Project Accelerator Fund first call closed, with strong interest shown. Ten applications considered at the September meeting of the Investment Board, with nine projects proceeding.
- Final GBF projects now approved at Investment Board, which will provide further confidence 2021/22 allocation will be spent
- Positive coverage of news story that Just Eat will create 1,500 jobs in Sunderland as a result of LGF support.

#### Strategy, Policy and Analysis

- The North East Data Hub has been repositioned as the North East Evidence Hub.
- Our Economy will be published on October 7<sup>th</sup>, a series of reports and think pieces have been produced to go alongside the publication
- Following on from the publication of the Trade report, Global North East, in July, a Parliamentary briefing has been held with North East MP's and the Department for International Trade
- The North East has featured strongly in the report of the review of Destination Management organisations produced by Nick de Bois
- A number of products have been produced to support Net Zero North East, working with partners from across the region
- A report coordinated by SPA on behalf of NP11 and TfN has led to plans for the creation of a Northern Evidence Network

#### Communications

- As expected, there was a dip in the level of engagement with the North East LEP website during the period, which is due to summer period.
- There continues to be growth in the number of followers across the LEP's social media (1% on Twitter and 2.6% on LinkedIn). The North East LEP remains the most followed LEP in the country on Twitter.
- The story with the most impressions on Twitter related to Lord Callanan's visit to the North East in July 2021.

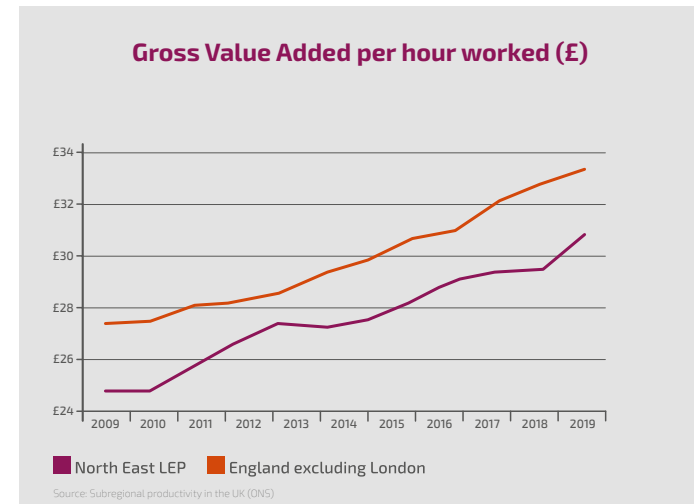
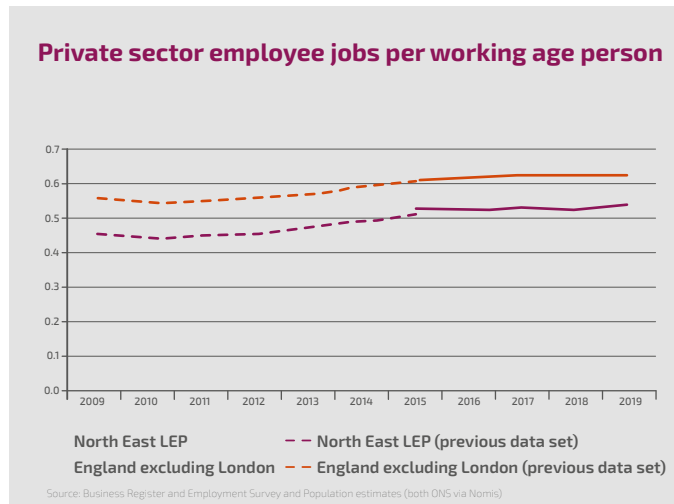
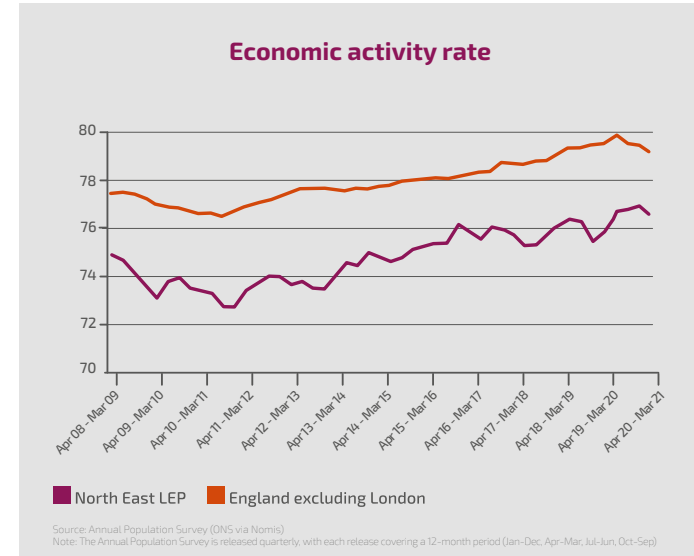
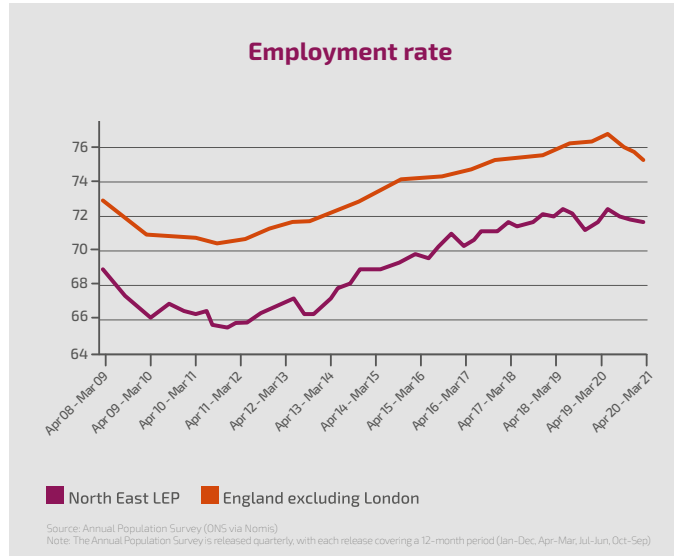
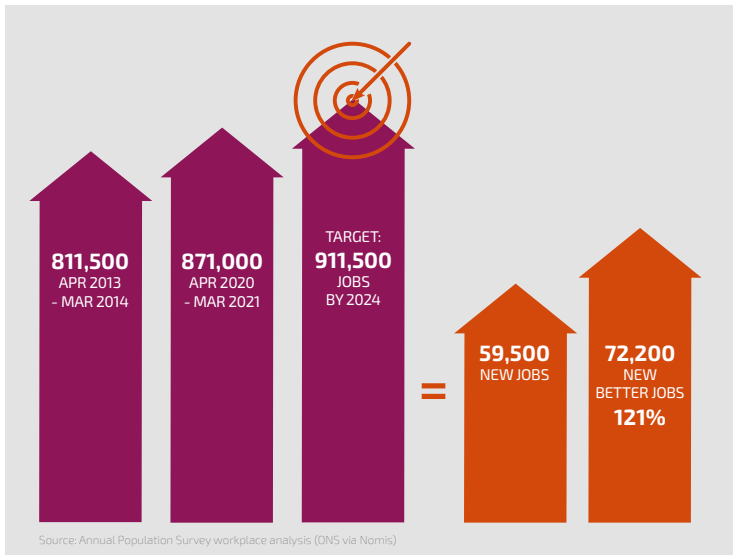
### **3.0 Recommendations**

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



# Annual Delivery Plan – progress update





# Business and sector growth | Lead: Colin Bell

**Vision (in SEP)**

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

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

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

**Highlights in current period:**

- The BEIS growth Hub annual review identified the North East GH as a national exemplar
- Sector leads now in place for all four sector programmes
- Growth Hub experiencing some capacity constraints due to effects of Covid, difficult recruitment landscape and need to leverage Growth Hub capacity to support sector programmes.
- Made Smarter mobilised

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<b>Raise levels of business growth ambition</b>				
Deliver ongoing communications activity to encourage business engagement with the North East Growth Hub and to inspire businesses to start and grow their businesses. The communications activity will deliver 17,850 light touch interventions.	7,100 light assists completed to date (-6.5% against annual target). Referrals on the North East Growth Hub website typically dip during August, so we are not concerned. We will monitor during September.	Jen Robson	A	In Progress
<b>Increase demand for external business support and finance</b>				



Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<p>Increase the capacity of the North East Growth Hub to deliver:            -915 Medium Intensity Interventions            -580 High Intensity Interventions to businesses with scaleup potential,            This support will deliver:            -750 additional jobs of which 490 will be better jobs            -21.9million additional GVA</p>	<p><b>BEIS Growth Hub Annual Review</b>            The feedback was hugely complementary and BEIS recognised the dedication, professionalism and quality of our team. More specifically BEIS recognised:</p> <ul style="list-style-type: none"> <li>- The disproportionate impact the NE has on national engagement and impact stats.</li> <li>- The quality of provision to businesses – which reflects the direction of travel i.e. a focus on more intensive and impactful support.</li> <li>- The quality and effectiveness of our marketing and communications activity.</li> <li>- The quality of our intelligence gathering and weekly intelligence reporting.</li> <li>- The role we play in providing leadership across the NE Growth Hub Cluster and the national GH network.</li> <li>- How we continue to develop the model and lead thinking (inc increased integration with Key Sectors) – they mentioned that they were impressed with the amount of proactive developments that are taking place.</li> </ul> <p><b>Growth Hub Performance</b>            We are a little behind for predicted quarter two stats, but this is due to the usual lull during holiday season and recruitment of Peer Networks cohorts. We have achieved:</p> <ul style="list-style-type: none"> <li>- 338 Medium Intensity Interventions (37% of BEIS annual target)</li> <li>- 172 High Intensity Interventions (32% of BEIS annual target)</li> <li>- 313 additional jobs (42% of annual target) of which 157 are better jobs.</li> <li>- £12.9m of additional forecast GVA created (59% of annual target)</li> </ul> <p>The Growth Hub is subject to capacity constraints due to:</p> <ul style="list-style-type: none"> <li>- A failure to recruit the full cohort of Growth Hub Connectors (largely due to the short term nature of employment contracts).</li> <li>- The effect of Covid on team members.</li> <li>- The existing Growth Hub team has been diverted to support the development of the Sector programmes which lack budget and capacity of their own.</li> </ul>	Helen Lee	A	In Progress
<p>Introduce a triage team to service inbound enquiries and carryout outbound lead generation and intelligence gathering activities.</p>	<p>Triage team in place; actively managing inbound enquiries and making outbound lead generation and intelligence led calls.</p>	Helen Lee	G	Complete
<p>Integrate the sector teams and sector delivery plans with the North East Growth Hub.</p>	<p>Each Growth Hub Connector has been assigned a sectoral responsibility. For both Digital and Health &amp; Life Science Growth Hub Connectors will assume sector lead responsibility on an interim basis (whilst the LEP review is concluded). In Energy and Advanced Manufacturing Growth Hub Connectors will work closely with their sector leads to support business engagement and the delivery of sector development plans.</p> <p>Responsibilities are assigned to each of our key sectors as well as enabling sectors and sectors that need focused support to recover from Covid (e.g. hospitality, retail etc...)</p>	Helen Lee	G	In Progress
<p>Introduce a new approach to business segmentation, diagnostic, and brokerage that better identifies and focuses on account management through the Growth Hub Connectors and Scaleup Partners, with the businesses who can deliver impact.</p>	<p>This project will be delivered across the North East Growth Hub Cluster in partnership with TVCA and DIT. We are currently working with TVCA to finalise a tender specification. There is significant levels of interest in this project, particularly in relation to alignment with DIT.</p>	Colin Bell	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<b>Ensure the support of external business support and finance matches the needs of businesses and the economy</b>				
Work with government and regional partners to support the development of, and transition to, a new business support and sector development landscape.	<p><b>CSR:</b> We have contributed to departmental CSR submissions which have now been submitted to HMT.</p> <p><b>The Business Support Provider Network</b> are becoming increasingly concerned about delays in the launch of the Community Renewal Fund, the lack of clarity over the Shared Prosperity Fund and the lack of consultation or visibility on the BEIS Enterprise Policy. We are seeking clarity on all of these areas from BEIS and are feeding in the Provider Networks concerns.</p> <p><b>Inclusive Growth:</b> we are progressing a project to develop the Growth Hubs approach to support inclusive growth in partnership with Asian Business Connections. This work will feed into the All Party Parliamentary Group on Inclusive Growth.</p>	Colin Bell	A	In Progress
Continue to lead the North East Growth Hub Cluster and work closely with government to support the development of the national Growth Hub network.	Several collaborative projects in progress with TVCA inc Made Smarter, Segmentation and Diagnostic project and Growth Hub Adviser Training & Development.	Colin Bell	G	In Progress
Deliver 26 government funded Peer Networks to support approximately 280 businesses to improve their productivity performance.	9 Peer Networks are now live, we need to deliver 13 inhouse to 'break even'. 5 Cohorts have been integrated into Made Smarter. A procurement has been launched to provide capacity to support the delivery the remaining 8 cohorts – this is to mitigate the effect of the impact Covid, a difficult recruitment landscape (LEP review and short term contracts) and having to divert GH resource to support sector programmes.	Emily Carlson	A	In Progress
Expand the Growth Hubs Mentoring for Growth Programme with the aim of supporting 100 businesses to unlock their growth potential.	Commitment from mentors to support expanded mentoring offer to support high growth, growth and early-stage mentees. Cross-company mentoring in early stage development, Three large NE employers (Mayborn Group, Newcastle Building Society and Northumbrian Water) have now committed to pilot a cross company mentoring programme. We will move to delivery during Quarter 3	Helen Lee	G	In Progress
Work with sector teams to ensure that the business support ecosystem meets sector specific firm level needs.	<p>Agreed with Business Growth Board to implement a new sector governance structure that better aligns to the Business Growth board and LEP Governance structure.</p> <ul style="list-style-type: none"> <li>- Craig Harrison (Growth Hub Connector) has been appointed interim lead for the Digital Sector programme.</li> <li>- Kami Kundi (Growth Hub Connector) has been appointed interim lead for the Health &amp; Life Science programme.</li> </ul> <p>We now for the first time have sector leads in place for each of our key sector programmes.</p>	Colin Bell	G	In Progress
Deliver 11 Local Growth Fund Cluster Development Fund projects.	Final project Monitoring Reviews due October 15 <sup>th</sup> – at which pint the project will be concluded. Communications planned to highlight project successes once established.	Colin Bell	G	In Progress
<b>Improve the region's economic resilience</b>				
Develop Peer Networks in the sectors most effected by COVID-19 (hospitality, retail, tourism) to support businesses to recover	As previously reported – no change	Emily Carlson	A	In Progress



Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Continue to gather and develop weekly intelligence reports to inform government and regional stakeholders on the state of business and to identify issues early.	As previously reported – no change.	Siobhan Finnon	G	In Progress
Run bespoke workshops and support services to educate businesses on specific issues/changes related to EU transition.	As previously reported – no change	Siobhan Finnon	A	In Progress
Continue to work as part of the North East Economic Response Group to develop and inform regional response.	As previously reported – no change.	Colin Bell	G	In Progress
<b>Grow inward investment in the region</b>				
<ul style="list-style-type: none"> <li>Combined and local authorities, the LEP, the Department for International Trade and private sector will work together with a shared ambition of securing maximum inward investment into the North East</li> <li>Establish and follow a clear target driven, lead generation model that is focused on the SEPs areas of strategic importance and support service sectors</li> <li>Have a robust account management system, led by local authorities, to share knowledge and investment opportunities with key partners</li> <li>Develop and deliver an integrated marketing plan to raise the profile of the North East as a place to invest and locate</li> </ul>	<p>In the North East for 20/21 there were 68 inward investment projects (2,935 jobs.) Of these, 53 were FDI projects (2,713 jobs).</p> <p>21/22 started well with significant successes totalling billions of pounds and many thousands of jobs. These include Just Eat, Nissan/Envision, Smulders, Xplor, Equinor/SEE</p> <p>In September, INEE launched a northshoring campaign to attract business services and digital companies to relocate/expand to the North East from London and the SE.</p> <p>Other key areas of focus for INEE in 21/22 will be on electrification, offshore renewables and biopharma.</p> <p>Still significant concerns on Long-term impact on investment from COVID-19 and Brexit</p>	Guy Currey	A	In Progress
<b>Deliver annual key sector development plans</b>				
<b>Accelerate delivery of energy projects within the region, helping deliver growth and net zero</b>				
Operationalise the Energy for Growth Accelerator	Both PMs now in post, first ops meeting diarised in Sept. Final draft programme paperwork complete.	Andrew Clark	G	In Progress
Convene stakeholders to agree the North East masterplan approach	Briefing paper drafted for initial regional meeting to discuss approach.	Andrew Clark	G	In Progress
Tactically promote heat networks High Potential Opportunity, heat study, mine energy white paper	Two Ministerial visits have occurred highlighting this work, further events and market engagement planned with sector & business growth team.	Andrew Clark	G	In Progress
Coordinate regional local authorities in delivery of local authority delivery 2 programme	Local authorities being supported to deliver and share best practice. Supply chain engagement opportunities being explored.	Andrew Clark	G	In Progress
Support capacity building in local authorities for retrofit delivery	LAs supported with retrofit coordinator training via retrofit academy.	Andrew Clark	G	Complete
Complete rural community energy fund delivery and evaluation	Fund fully allocated to projects. Evaluation led by TVCA supported by North East LEP.	Andrew Clark	G	Complete
complete feasibility for retrofit skills proposition and determine roles in delivery	2 x contractors procured (kMatrix/ Ideas for Change Consulting), weekly progress meeting in place delivery on track to complete qualitative/ quantitative assessment of domestic retrofit skills gaps by end of December 2021.	David Lynch	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<b>Coordinate our energy innovation and demonstration assets to develop and showcase solutions to global challenges</b>				
Finalise bids for North East future energy systems today £50m+	NB could deliverable be changed to 'Finalise innovation pipeline for North East future energy systems today £50m+'. Innovation pipeline under review with North East Energy Catalyst Board.	David Lynch	G	In Progress
Establish the Energy Catalyst SME support model	Support model under review following consultation with Utilities, North of Tyne, Innovation SuperNetwork and City of London Corporation. Further work required to identify most appropriate model.	David Lynch	A	In Progress
Launch the Energy Catalyst SME network and partner network	Partner network launched, TNEI, Port of Tyne, Siemens, Daikin, Suez signed up in recent weeks. Others to follow. SME network to be formalised by end of September 2021 but support to regional SMEs continues via Energy Team, Connectors, and Innovation SuperNetwork.	David Lynch	G	In Progress
Plan and schedule the Energy Catalyst summit	Plan for North East Energy Catalyst Summit drafted, consultation between North East LEP Communications Team, North East Energy Catalyst Board.	David Lynch	G	In Progress
Forward comms plan for Catalyst, increase awareness and influence nationally and internationally	Energy Team Communications Plan in circulation, refinements and dissemination plans underway in preparation for COP26 November 2021.	David Lynch	G	In Progress
<b>Support growth, investment and cluster development in key energy sectors</b>				
Devise targeted inward investment process, and initial targets	Initial discussions held regarding offshore wind sector approach. Market intelligence being gathered for low carbon heat sectors.	Andrew Clark	A	In Progress
Agree, together with Energi Coast, ownership and workplan for wider offshore wind cluster development priorities	LEP oversight of skills workstream agreed, LEP export strategy being aligned to Energi Coast strategy.	Andrew Clark	G	In Progress
Agree with stakeholders and coordinate the LEP's role in supporting the electric vehicles and battery sectors	Energy team attending EV North working group, regular support to Newcastle University to establish North East Battery Alliance aligned to the Catalyst. Key stakeholders to help shape regional investment narrative.	Andrew Clark	G	In Progress
Convene stakeholders to agree and promote a low carbon heat cluster approach	Ministerial round table held in the North East with key sector stakeholders. This has stimulated ongoing discussions with industry and public sector to explore LEP role.	Andrew Clark	G	Complete
Agree regional recommendations on UK content and channels to feed these into	Pending Energi Coast strategy development work	Andrew Clark	G	Not Started
Support mobilisation of the Global Underwater Hub in the North East and effective connections into networks	Ongoing participation in GUH implementation group, Subsea UK updating at next LEP offshore & subsea steering group. Joint presentation to Offshore Wind North East due in December.	Andrew Clark	G	In Progress
<b>Work with partners on the North East Digital Ambition, by developing and publishing goals, strategic priorities and a plan that supports them</b>				
Finalise and publish the North East's digital ambition	Craig Harrison (GH Connector) appointed interim Digital Sector Lead.	Colin Bell	G	Not Started
Agree strategic priorities	Work has begun on reviewing the evidence base and establishing strategic focus and priorities.	Colin Bell	A	Not Started
Mapping how stakeholders can contribute to the achievement of the North East Digital Ambition	Not started	Colin Bell	A	Not Started

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
To carry out research study exploring rates of digital Sector business start-up and scaleup and what's either enabling or inhibiting growth	Research study started including action research through the delivery of a High Potential Start up and Peer Network Cohorts targeted at product based digital businesses.	Colin Bell	G	In Progress
The intelligence generated from these action's will be used to inform the development of a digital sector action plan	Work started	Colin Bell	A	Not Started
Review and implement new governance structure	Original Steering Group stooddown. Steve Underwood, CEO, Bonded and Business Growth Board member will become Chair of a new private sector Digital strategy group.	Colin Bell	G	In Progress
<b>Modernise and grow pharmaceutical manufacturing in the region</b>				
Finalise business case for funding pharma manufacturing and innovation facility and identify funding sources	Outline business case for generics manufacturing facility received. Supporting project leads to explore possible funding sources and develop proposition further.	Karen Burgess	G	In Progress
Develop supply chain development programme to move forward recommendations of gap analysis and support diversification. Generics manufacture - also look at wider supply chain and supply and demand dynamics	Feasibility study received which outlines regional assets and opportunities connected to supply chain for generics manufacture. Further understanding of policy environment and impact on market opportunities required.	Karen Burgess	G	In Progress
Develop a sector skills framework to support development of an appropriately skilled workforce to enable growth	Skills group established, group chair elected and objectives and action plan agreed with stakeholders.	Karen Burgess	G	In Progress
Support Industrial Digitisation through Made Smarter Hub	Working with NEPIC to recruit a pharma manufacturing cohort	Karl McCracken	G	In Progress
Develop an inward investment proposition around out advanced manufacturing strengths	Bid submitted to the LGF Project Acceleration Fund to carryout proof of concept study for the creation of a Life Science Manufacturing and Innovation Zone. Awaiting outcome	Colin Bell	G	In Progress
Refresh first for pharma study to understand trajectory of businesses in the sector and to understand needs, barriers and opportunities for growth	Planned activity October 2021 to inform 2022/23 plan.	Colin Bell	G	Not Started
<b>Increase the number of innovative health and life science businesses that are born, grow and scale in the region</b>				
Support the formation of university spinouts	Working with AHSN to build upon outline business case for health evaluation ecosystem. Consulting with key stakeholders to understand opportunities and challenges around academic spinouts in the region.	Karen Burgess	G	In Progress
Support the formation of corporate and NHS spinouts	Collating data and intel from partners of successes to date, to understand drivers and identify potential barriers and challenges. Outline business cases received for potential incubator/ accelerator spaces for health tech start-ups and SME's.	Karen Burgess	G	In Progress
Support existing businesses to diversify into Health and Life Science Sector	Collating data and intel from partners of successes to date, to understand drivers and identify potential barriers and challenges.	Karen Burgess	G	In Progress
Develop a sector skills framework to support development of an appropriately skilled workforce to enable growth	Skills group established, group chair elected and objectives and action plan agreed with stakeholders.	Karen Burgess	G	In Progress
Promote the region via Ageing HPO and expand HPO approach via IDPs to promote regional strengths e.g. Diagnostics, Rare Disease, Advanced Delivery Systems	NE diagnostics task and finish group established to enable collaboration across regional stakeholders to coordinate activities and communications to promote regional strengths in in-vitro diagnostics. Innovation team working with NIC-A to identify opportunities to attract investment via Ageing HPO.	Karen Burgess	G	In Progress
<b>Broker access to a range of expert support and services across the health and care sectors through the Innovation Pathways</b>				

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status																																				
Develop Innovation Pathway brokerage system including the mapping and gapping of supply and informing Innovation funding pipeline	A series of cocreation sessions have taken place between AHSN and NE LEP to support the development and integration of the Innovation Pathway and the Business Support ecosystem	Colin Bell	G	In Progress																																				
<b>Develop our ecosystem</b>																																								
Progress priority LGF pipeline projects that demonstrate greatest contribution towards programme goals	Majority of business cases received, evaluating project proposals and exploring potential funding sources with partners. Awaiting re-drafted business cases for two projects.	Karen Burgess	A	In Progress																																				
Carry out study to assess if property and infrastructure can meet the needs of industry	Proposal submitted to project accelerator fund.	Karen Burgess	G	In Progress																																				
Carry out freight logistics study	Feasibility study completed in partnership with airport. Positive opportunities identified, working with partners to take a proposition to market.	Richard Baker	G	In Progress																																				
Develop baseline data for sector and publish on Data Hub	<p>Currently analysing data received through pilot process from partners. 6 month data review highlighted the following progress against KPI's:</p> <table border="1"> <thead> <tr> <th></th> <th>21/22 KPI's</th> <th>Performance to date</th> </tr> </thead> <tbody> <tr> <td>G1: Jobs: Create 1,000 new jobs</td> <td>1000</td> <td>1116</td> </tr> <tr> <td>G2: Business creation: Create or attract 20 new businesses to sector</td> <td>20</td> <td>4</td> </tr> <tr> <td>G3: Enter discussions with inward investment targets</td> <td>2</td> <td>1</td> </tr> <tr> <td>G4: Support businesses to diversify into the sector</td> <td>10</td> <td>0</td> </tr> <tr> <td>G5: Support the formation of university spinouts</td> <td>5</td> <td>9</td> </tr> <tr> <td>G6: Support the formation of corporate and NHS spinouts</td> <td>5</td> <td>4</td> </tr> <tr> <td>G7: Support existing businesses to grow by 20%+</td> <td>20</td> <td>44</td> </tr> <tr> <td>G8: Secure funding for priority pipeline projects</td> <td>3</td> <td>0</td> </tr> <tr> <td>G9: Support businesses to supply to NHS</td> <td>10</td> <td>165</td> </tr> <tr> <td>G10: Support businesses to develop new products and services</td> <td>10</td> <td>21</td> </tr> <tr> <td>Investment £</td> <td>n/a</td> <td>£83,637,888</td> </tr> </tbody> </table>		21/22 KPI's	Performance to date	G1: Jobs: Create 1,000 new jobs	1000	1116	G2: Business creation: Create or attract 20 new businesses to sector	20	4	G3: Enter discussions with inward investment targets	2	1	G4: Support businesses to diversify into the sector	10	0	G5: Support the formation of university spinouts	5	9	G6: Support the formation of corporate and NHS spinouts	5	4	G7: Support existing businesses to grow by 20%+	20	44	G8: Secure funding for priority pipeline projects	3	0	G9: Support businesses to supply to NHS	10	165	G10: Support businesses to develop new products and services	10	21	Investment £	n/a	£83,637,888	Karen Burgess	G	In Progress
	21/22 KPI's	Performance to date																																						
G1: Jobs: Create 1,000 new jobs	1000	1116																																						
G2: Business creation: Create or attract 20 new businesses to sector	20	4																																						
G3: Enter discussions with inward investment targets	2	1																																						
G4: Support businesses to diversify into the sector	10	0																																						
G5: Support the formation of university spinouts	5	9																																						
G6: Support the formation of corporate and NHS spinouts	5	4																																						
G7: Support existing businesses to grow by 20%+	20	44																																						
G8: Secure funding for priority pipeline projects	3	0																																						
G9: Support businesses to supply to NHS	10	165																																						
G10: Support businesses to develop new products and services	10	21																																						
Investment £	n/a	£83,637,888																																						
<b>Develop the competitiveness of the North East's Advanced Manufacturing sector</b>																																								

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Working with government and Tees Valley Combines Authority to lead the development of a North East Made Smarter adoption programme which will support 100 manufacturers to adopt industrial digitisation technologies	Mobilisation is nearly complete, with procurement of sector organisation (NEAA, NEPIC, and NOF) to work on SME recruitment to the programme. Northumbria and Teesside universities have been procured to deliver the substantive workshop phase of the programme and we have a custom diagnostic tool now in beta testing with selected SMEs. Some technical and contractual issues with BEIS' preferred route to take expressions of interest via the national madesmarter.uk web site, so as an interim measure to protect the project schedule, local systems have been set up to take and respond to SMEs expressions of interest. Strong support from Marketing and Comms with everything from preparation of collateral packs for delivery partners to liaising with BEIS for launch comms. TVCA have recruited a Growth Consultant (equivalent role to Growth Hub Connector) to work full time on the project, and we are now lining up to support the project in the LEP area with existing staff. Overall, the project is around 4 weeks off schedule, but at this stage, this is viewed as recoverable.	Karl McCracken	A	In Progress
Following the mobilisation of Made Smarter we will establish an Advanced Manufacturing steering group	Not yet started	Karl McCracken	N/A	Not Started
The steering group will then work with the LEP to develop an Advanced Manufacturing Sector plan/strategy	Not yet started	Karl McCracken	N/A	Not Started



## Innovation | Lead: Alan Welby

### Vision (in SEP)

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

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

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

### Highlights in current period:

This period's headlines:

- UK Innovation Strategy published, and response outlined by our Innovation Director.
- Development of an Innovation Strategy for the North underway via NP11.
- Responses returned to the IDP innovation ecosystem assessment tool and facilitation underway to help build IDP governance structures and operational priorities.
- Business case submitted to the NTCA Investment Fund for open innovation challenge activity.
- Challenge North East website scope confirmed.

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<b>Stimulate new business opportunities through the North East Open Innovation Challenge</b>				
Bid for, and aim to deliver three innovation challenges with proposed themes of decarbonising the circular economy, crime reduction in rural areas and health innovation.	We still await the outcome of the UK CRF funding decisions for innovation challenge delivery across Durham, Sunderland and Gateshead. We submitted a business case for 'Challenge North Tyne' on Monday 13 September and anticipate that, subject to the appraisal outcome, this will be considered by the NTCA's Investment Panel meeting on 21 October. The bid is for a £1.3m project running from 1 November 2021 to 30 June 2024.	Alan Welby	A	In Progress
Develop the Challenge North East website so that it can evolve into a site that not only educates and informs about the benefits of the challenge process but becomes a platform to host and facilitate challenges in different sectors.	Scoping of the website is complete and development is progressing but advancement is subject to the outcomes of recent funding applications.	Nicola McIntosh	A	In Progress
Position innovation challenges as a route to new business opportunities and growth.	The applications to UK CRF and the proposition for NTCA investment are examples of our route towards a successful regional approach to innovation. We continue to work with regional partners in building these activities. At the same time, we are building open innovation content for the Growth Hub that clearly articulates the benefits of innovation as a route to new business opportunities and growth.	Alan Welby	G	In Progress
<b>Prioritise a regional pipeline of projects to form a Strategic Investment Programme</b>				
Work with at least ten regional partners identified and assessed via an expression of interest process, to champion and develop investment-ready business cases for innovation projects and support them to secure funding and private sector investment.	The 51 Eols are being reviewed by the innovation team working with colleagues from across the executive team. The emerging outline of the projects demonstrates that there is a strong pipeline of innovation projects across areas of strategic importance, valuing a total project cost of £1.17bn with a public investment ask of £854m. All seven local authority areas are represented across the varied capital, revenue and cap/rev projects.	Rebecca Furness	G	In Progress
<b>Continue to support our businesses to capitalise on local research and innovation capability</b>				



Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Identify opportunities for collaboration and facilitate relationships between businesses and innovation assets	<p>Our relationship with the Knowledge Transfer Network is progressing specifically around KTN innovation tools. We are working with the North East Space Hub to gain traction with Government. Work continues to link the IDP SME business partners with Rise and Design.</p> <p>The Innovation Toolkit on the North East Growth Hub is profiling collaborative activities.</p> <p>The business case submitted to NTCA for Investment Fund is focused on collaborative opportunities through open innovation. Collaborative opportunities are also part of our outstanding UK CRF submissions.</p> <p>Further collaborative opportunities exist through innovation team representation on various boards and projects.</p>	Alan Welby	G	In Progress
Facilitate access to research and capabilities that will help businesses increase innovation activity and facilitate knowledge transfer.	As reported in July, access to research and capabilities is one of the priorities for the IDPs, as reflected in the innovation ecosystem online assessment tool. We are also promoting and will facilitate knowledge transfer through the new Innovation Toolkit on the North East Growth Hub.	Alan Welby	A	In Progress
Inform and help shape emerging national innovation strategy.	Building on from the successful roundtable meetings to feed into the UK Innovation Strategy launch in July, we are exploring the options for a North East Innovation Deal and are in discussion with key stakeholders regarding how we inform and shape our approach.	Alan Welby	G	In Progress
<b>Increase private sector investment into growing innovation businesses</b>				
Support mechanisms to increase investment in R&D and innovation through relationships and collaboration including: 1. Support the promotion and launch of the City of London Corporation Interconnector 2. Facilitating the preparation of an investment plan for Venture North 3. Supporting the evolution of the Northern Accelerator programme.	<ol style="list-style-type: none"> <li>1. The team continues to support the Interconnector as a mechanism to boost innovation activity and investment through relationships.</li> <li>2. Alan Welby continues to support the Venture North team as further details are worked up.</li> <li>3. Alan Welby supports the Northern Accelerator through the NA Board. Potential new funding opportunities will materialise through the recently published Innovation Strategy's proposal for a further £25 million investment through the Connecting Capability Fund to help drive further economic growth through university-business innovation.</li> </ol>	Alan Welby	A	In Progress
Contribute to the development of proposals for the successor to the North East Fund, ensuring the needs of the region's innovators are met.	We continue to inform Investment Team, lead delivery team for successor funding, of emerging national innovation policy that may impact succession planning.	Alan Welby	A	In Progress
<b>Engage with partners to identify emerging opportunities and drive business growth through an Innovation Delivery Partnerships (IDP) approach:</b>				
Submit bids proposals to the UK Community Renewal Fund for a project to develop further and deliver at pace the IDP approach. If successful deliver the proposals in line with funding award(s).	We await the outcomes of these two submissions to MHCLG (Gateshead and Sunderland). Innovation Board on 13 September approved a number of IDP support activities that can be mobilised using existing resources.	Dinah Jackson	A	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
If unsuccessful, work with partners to explore the opportunities to continue to develop the IDP approach, including: 1. To continue to support the current and future potential IDPs 2. Develop and test the approach which is anticipated to include an assessment tool and benchmarks framework.	<ol style="list-style-type: none"> <li>Mobilisation planning continues whilst we explore alternative means of securing resources and build partner buy-in.</li> <li>The North East LEP's online innovation ecosystem assessment tool has been utilised by the IDPs and results are due to be analysed before the end of the month. Delivery planning will start on review of these results; IDP lead partners were briefed on our expectations in July.</li> </ol>	Dinah Jackson	G	In Progress
Undertake an economic markets foresight analysis project to identify emergent global market opportunities for the North East.	The project is underway and work package 1 has reported on global trends and markets. The project end date has been extended by one month to ensure a robust peer review process. An extraordinary meeting of the innovation, business growth and skills advisory boards was agreed at the 13 September Innovation Board meeting, planned to take place prior to report launch, January 2022.	Dinah Jackson	G	In Progress
<b>Coordinate regional partners to provide enhanced innovation support activity:</b>				
Facilitate connections and collaboration between national and regional partners including Innovate UK, NP11 and the Innovation SuperNetwork to boost innovation activities.	Building on from the successful roundtable meetings to feed into the UK Innovation Strategy launch in July, we are exploring the options for a North East Innovation Deal and are in discussion with key stakeholders regarding how we inform and shape our approach.	Alan Welby	G	In Progress
Work with government and regional partners to support the development of, and transition to, a new innovation business support and sector development landscape.	We continue to liaise with the No. 10 Levelling Up Unit, BEIS and IUK colleagues to keep pace with Government intentions for innovation support and have initiated conversations with The Productivity Institute. Whilst the BEIS Innovation Strategy sets an emphasis on science and R&D, we are exploring innovation and levelling up, including adoption/diffusion of innovation and investment in innovation as mechanisms to deliver improved economic growth and living standards.. Proposals for new innovation support are reflected in part in the project pipeline through the nine innovation support proposals. These total a project value of £36.5m.	Alan Welby	A	In Progress
Work with innovation business support providers to enhance content on, and improve signposting to, schemes on the North East Growth Hub.	A content calendar has been developed and innovation support providers identified to enhance content in addition to working with the ISN's innovation partners. Signposting to schemes is improving through the North East Growth Hub Innovation Toolkit.	Nicola McIntosh	G	In Progress
Publish an innovation toolkit on the North East Growth Hub. The toolkit will generate 300 referrals to the provider network	The new Innovation Toolkit is performing well (1 July to 24 August). Active promotion of the toolkit will commence soon and will bring increased traffic and referrals to innovation support providers. Without paid advertising, 97% traffic is driven by three channels (direct, social and organic search). LinkedIn is working as the most effective social media channel.	Nicola McIntosh	G	Complete
Evaluate the Local Growth Fund programme's Innovation Pipeline Development Fund.	Evaluation is ongoing and will be complete by the end of the month.	Alan Welby	A	In Progress

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

**Vision (in SEP)**

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

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

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

**Highlights in current period:**

The North East LEP has been working closely with partners on the national and regional priority to increase take up of technical education. The skills programme has increased the number of industrial T-level placements through facilitation of education and enterprise networks resulting in over 50 learners now having secured placements as a direct result of LEP intervention during 2020/21 and 2021/22 academic year.

The primary pilot concluded with a celebration attended by Lord Shipley OBE, who had become aware of the pilot through the North East LEP’s contribution to the House of Lord’s Youth Unemployment Committee. Initial findings from the pilot evaluation show significant improvement in achievement against the benchmarks across the pilot schools.

The North East LEP published the final report on digital exclusion in the North East LEP area. This new report highlights impact of digital exclusion on access to education and employment in the North East.

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
---	--------------------------------------	------	------------	-----------------

**Deliver North East Ambition**

<p>Support and demonstrate progress and impact as we work with 145 schools and colleges to achieve the eight Good Career Guidance benchmarks.</p>	<p>During the past quarter, we have continued to work on a 1:1 basis with primary schools, secondary schools, SEND schools and colleges within the region to support them with their Benchmark achievement including:</p> <ul style="list-style-type: none"> <li>• The College Hub engaged with the National Careers Service to agree a strategic approach to support practitioners in learning from the adult careers pilot supporting a 18+ cohort. The hub has also developed careers excellence charter</li> <li>• Completed the incubation period for a CEC funded project supporting a cohort of 100 SEND young people (in receipt of Free School Meals) to access to additional personal guidance and careers related learning, including work experience.</li> <li>• Established a new local Middle School Forum, to support the middle schools in the region as they continue to make progress against the benchmarks. These schools have particular challenges because of the age range of their students and the statutory guidance.</li> <li>• Developed two additional modules for our work experience framework, and created two additional 360 tours</li> </ul>	<p>Matt Joyce</p>	<p>G</p>	<p>In Progress</p>
---	--	-------------------	----------	--------------------

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<p>Use the experiences and results of an independent evaluation of the two-year Career Benchmarks: Primary Pilot to expand the number of schools using the adapted set of benchmarks as a framework for delivering effective careers-related learning in primary settings to over 100.</p>	<p>The pilot stage of the primary pilot has ended and plans are underway for a strategic expansion.</p> <p>The end of pilot evaluation report is being finalised, however key finding so far include:</p> <ul style="list-style-type: none"> <li>• 59% of schools now achieve at least one benchmark (0% baseline and 28% at the end of year 1)</li> <li>• 25% of schools now achieve 4 or more benchmarks</li> <li>• 4 schools now achieve all 8 benchmarks</li> <li>• The average number of benchmarks per school is now 2.3 (0 – baseline and 0.5 – end of year 1)</li> <li>• The progress made against fully achieved benchmarks ranges from +32% - +61% across the 8 benchmarks</li> </ul> <p>Five pilot schools have been awarded the primary Qualification in Career Standard, (QiCS) an external validation of their careers programme. The assessor's comments highlighted the quality of these school's programmes compared to other assessed schools.</p>	Matt Joyce	G	In Progress
<p>Continue to facilitate the partnerships between businesses and educators to reduce the gap between skills supply and skills demand, through the Enterprise Advisor Network, by engaging with 40 new employers.</p>	<p>The pilot stage of the primary pilot has ended and plans are underway for a strategic expansion.</p> <p>The end of pilot evaluation report is being finalised, however key finding so far include:</p> <ul style="list-style-type: none"> <li>• 59% of schools now achieve at least one benchmark (0% baseline and 28% at the end of year 1)</li> <li>• 25% of schools now achieve 4 or more benchmarks</li> <li>• 4 schools now achieve all 8 benchmarks</li> <li>• The average number of benchmarks per school is now 2.3 (0 – baseline and 0.5 – end of year 1)</li> <li>• The progress made against fully achieved benchmarks ranges from +32% - +61% across the 8 benchmarks</li> </ul>	Matt Joyce	G	In Progress
<p>Continue to act as an advocate of the eight Good Career Guidance benchmarks and offer strategic leadership regionally and nationally by delivering 15 regional events to educators and businesses.</p>	<p>Five pilot schools have been awarded the primary Qualification in Career Standard, (QiCS) an external validation of their careers programme. The assessor's comments highlighted the quality of these school's programmes compared to other assessed schools.</p> <ul style="list-style-type: none"> <li>• The LEP has been invited to deliver a presentation on the primary pilot at the QD's annual career leader conference</li> <li>• The North East LEP hosted the third Regional Careers Leader Network Meeting of the year with just under 100 Career Leaders and key stakeholders registering to attend. The event provided a platform for best practice in strategic leadership from within the network and experiences of the new Ofsted framework.</li> </ul>	Matt Joyce	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Participate in a number of key working groups and steering groups.	<p>The North East LEP skills team:</p> <ul style="list-style-type: none"> <li>• Attended and participated in Regional Institute of Technology group resulting in facilitating connections between LEP networks (internal and external) and the Director of IoT.</li> <li>• Participated in the NHS Live Panel Discussion conference on T-levels.</li> <li>• Facilitated the North East LEP T-level Provider group with keynote speakers from DfE's Institute for Apprenticeships and Tech Ed</li> <li>• Facilitated the North East LEP Apprenticeship Focus Group with ESFA – feeding back challenges from providers</li> <li>• Completed our participation of the Gatsby Foundation's working group, exploring how IFATE's occupational maps can be used/expanded to inform visualisation of progression pathways (locally and/or nationally). The report is expected to be completed in the Autumn.</li> </ul>	Matt Joyce	G	In Progress
Work with 156 businesses and employers to enable them to make effective investments in their workforce. We will support them to navigate the skills ecosystem to access apprenticeships, traineeships, Kickstart, technical education pathways, in-work training, provision of placement and work experience opportunities.	<p>DWP have approved an extension of the ESF North East Ambition (the pilot) to August 2022 to enable defrayment of £1.6 million of ESF funding. A further PCR request to extend to December 2023 was submitted is currently in the final stage of appraisal.</p> <p>The ESF North East Ambition (expanded programme) commenced in April in partnership with Education Development Trust (EDT) with £1.9m allocated to North East LEP. 53 businesses have been supported by the programme.</p> <p>This quarter the North East LEP convened a Business Benefits of T-levels for Construction Businesses with over 25 employers in attendance. This resulted in Construction Excellence NE exploring the option of part funding a dedicated post to act as a conduit between Colleges and industry.</p> <p>The team facilitated digital T-level route network with over 50 participants, of which 20 were employers and others education stakeholders securing additional industrial placements for 3 T-level Providers</p>	Matt Joyce	G	In Progress
<b>Deliver Education Challenge</b>				
Continue the support offered to One Vision schools, aiming to improve the destination outcomes of a selected cohort through targeted and personalised careers advice and interventions.	On completion of Cycle 4 of 7 data shows only 4% of students have no career vision a reduction from 13%. STEM based careers are preferred by 8% of students compared to 26% in cultural and creative sector careers. A further increase in the proportion of students who have a post-16 plan to 96%. Annual planning meetings with all school leads and advisers will take place early September 2021. Initial results from an independent survey carried out by Oxford University show significant difference between the ONE cohort and their peers in relation to their knowledge to make informed decisions and being focused on their future options and career opportunities. A detailed report will be provided in September.	Neil Willis	G	In Progress
Further develop processes and partnerships with a focus on the strategic use of data to improve progression and career pathways for young people.	Working with a senior lecturer in human-computer interaction at Open Lab, Newcastle University, to consider how we can increase young people's engagement in their own careers related data. Research proposal is currently waiting for Ethics approval, schools have expressed an interest to be involved.	Neil Willis	G	In Progress



Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Develop a strategy for the North East LEP to capitalise on our position as the only LEP to be a School Governor Champion. The strategy will encourage other LEPs to recruit business people, particularly from SMEs, to be school governors.	<p>have expressed an interest to be involved.</p> <p>A new link has been added to the North East Ambition website for registering interest in volunteering as a governor the redirection to the North East LEP partner page will allow tracking of sign-ups.</p> <p>A joint meeting with Inspiring Governance and the National Governance Association is scheduled to discuss the proposal to access a North East LEP region data report that can be presented through the Data Hub.</p>	Neil Willis	G	In Progress
Support national organisations, including Inspiring Governance, to achieve their KPIs specific to the region including diversity of governing bodies.	All case studies have been produced and a plan for a comms campaign is being developed for the academic year 2021-2022.	Neil Willis	G	In Progress
Support the expansion of the Ford Next Generation Learning pilot, to work with Further Education colleges to embed employer-led learning partnerships to provide high quality learning opportunities.	A group of south Northumberland SME Social Care providers will be convened on 16 <sup>th</sup> September 2021. The Health and Social Care curriculum lead will lead a discussion to increase understanding of the challenges SME's in the sector face in regards to engaging with students. The information will inform future planning sessions and curriculum development.	Neil Willis	G	In Progress
Develop a partnership approach to continued professional development for both schools and businesses that encourages and highlights the benefits of closer engagement between business and education. The offer will include curriculum engagement, support to develop meaningful work experience and support for Initial Teacher Trainees to develop understanding of careers learning in subject areas	Initial Teacher Training workshop in development. Agreement with Newcastle University to deliver to full secondary cohort during academic Year 2021-2022.	Neil Willis	G	In Progress
<b>Improve skills progression</b>				
Promote the concept of fusion skills regionally	Initial desk research and scoping of the fusion concept completed	Kim Smith	N/A	Not Started
Deliver a pilot that demonstrates how fusion skills (STEM and arts and design skills) are critical for success in an A.I. workplace.	Project activity not planned until Q4	Kim Smith	N/A	Not Started
Work with partners to analyse data relating to FE to HE transitions, graduate retention trends, post-graduate employment opportunities and degree apprenticeship provision. Use this intelligence to prepare a plan to promote the North East as a location for graduates and skilled workers to stay and thrive.	WeData analysis is underway and will form the evidence base to form a strategy to promote graduate retention.	Anthea Pratt	G	Not Started
Develop an approach to support the Careers Education, Information, Advice and Guidance community to embed broader technical education in their practise to support progression pathways.	Initial 1-1 meetings have taken place with key national stakeholders and providers have nominated representatives for task and finish group to meet in Sept.	Kim Smith	G	In Progress



Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Support eight early adopters to deliver good quality T-levels and specialist technical education	<ul style="list-style-type: none"> <li>Facilitated multi-agency and co-chaired with health Education England T-level route network meeting for all NHS Trusts securing buy in from all 11 Trusts to support 4 providers with Nursing pathway</li> <li>Facilitated meetings between Northumbria and Sunderland University and T-level Providers and 2 NHS Trusts to develop models for the T-level in Health acting as a vehicle for the Nursing Cadet scheme. This will support the NHS Nursing target of 50K by 2025.</li> <li>Secured buy in from Sunderland University to recognise and publicly recognise T-levels as part of their undergraduate admissions -the only University to do so currently on their website</li> <li>Engagement with national stakeholders to support teachers understanding of Science T-level pathway given lack of learner enrolments. A project plan has been developed with a multi-agency task and finish group meeting in September to trial the development of resources between Sept and Dec.</li> <li>Convened a Business Benefits of T-levels session for Construction Businesses with over 25 employers in attendance resulting in follow up meetings with Construction Excellence NE who are now exploring the option of part funding a dedicated post to act as a conduit between Colleges and industry.</li> <li>The first steering group of the Domestic Retrofit Skills Assessment project will meet this week to review the first iteration of the research project to assess the skills needs and training infrastructure required to meet the government's ambition for domestic retrofit.</li> </ul>	Kim Smith	G	In Progress
<b>Increase youth employment</b>				
Build on the success of Generation North East and Durham Works to develop future models to prevent youth unemployment, by developing programmes of career guidance, education and skills support for young people ages 16-24.	<p>Durham Works was successful in its application to continue support to unemployed young people until December 2023. DurhamWorks has now supported 8,612 young people since its commencement in January 2016. 5,485 have completed the programme and of those 4725 (86%) have progressed into employment, education or training or gained a qualification.</p> <p>Generation NE programme has now come to an end with no current replacement project that provides the level of support to prevent youth employment in the ESF More Developed area. We are closing monitoring the impact of the close of the programme on youth unemployment figures.</p>	Michelle Rainbow	A	Not Started
Analyse data to establish if there are barriers to entry to apprenticeships and develop a strategy to address any gap in provision in response to this research to share with partners and providers.	<p>North East LEP Apprenticeship Group engaged in ESFA Consultation exercise to feedback on challenges faced.</p> <p>Desk based research highlighted decline in 16-18 apprenticeships.</p> <p>Task and finish group with Apprenticeship Ambassador Network, NECC and FSB in September highlighted employer experiences and barriers</p> <p>Draft strategy developed with priority actions for 2021-22.</p>	Kim Smith	N/A	Not Started
<b>Improve labour market activation</b>				

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Building on the Mid-life MOT pilot, we will continue to work with DWP 50+ Choices delivery partners to inform development of their activities to help businesses to understand the importance and productivity benefits of a mixed age workforce and access various targeted schemes that can help the upskilling and retention of the key 50+ workforce.	Monthly partnership meeting continue with National Careers Service regional manager to identify opportunities to collaborate on activities to support the upskilling and retention of the 50+ workforce. This has led to a joint presentation to the Health and Social Care employers network on developing a strategy to attract 50+ into the sector.	Anthea Pratt	G	In Progress
Focus support for those most negatively impacted by COVID-19 by promoting and maximising the impact of government initiatives such as Kickstart, skills bootcamps, employer grants for apprenticeships and traineeships.	DfE have awarded the contract for skills Bootcamps to a North East collaborative partnership of Colleges and a Training providers. The partnership is also supported through a collaboration with New College Durham who are providing follow on support for jobseekers, and Sunderland Software City, with SSC coordinating employer engagement to ensure Bootcamp Participants can access a guaranteed interview, and employers are able to steer the programme to ensure that Bootcamps provide suitably skilled candidates. The contract will provide 485 Bootcamps places for North East residents. The partnership commenced delivery on 23 August 2021 and Bootcamp starts will be offered through to January 2022, with Bootcamps completing by March 2022. Interviews are being offered by a range of digital employers including Virgin Money, Mitsubishi Chemicals, Opencast Software, Accenture and Hedgehog Lab. Further information is available <a href="#">here</a>	Michelle Rainbow	G	In Progress
Provide specialist intensive support for those most distant from the labour market because of disadvantage, poverty and poor physical and mental health, by supporting calls published by the European Social Fund.	We are closely monitoring the roll out of the Restart programme in the region. We have follow up meetings to explore how the delivery model will support those in the community with mental issues and those living in rural communities.  The DurhamEnable Supported Employment Service is now established across the county, helping residents with disabilities to move into or closer to work. The longevity of support provided through the 5-stage approach and the personalised approach taken by the Job coaches, is already translating to positive outcomes for our participants and employers in the region. The programme has a range of employers and job types on board including apprenticeships and Kickstart opportunities.	Michelle Rainbow	A	In Progress
Inform the replacement investment post-European funding.	We continue to respond to opportunities to inform and influence national discussions and policies regarding investment in skills in the region:  The Skills Team coordinated a detailed response to the comprehensive spending review consultation.	Michelle Rainbow	G	In Progress
<b>Ensure connected communities</b>				
Commission a research project to understand the impact of digital exclusion in our communities and understand the changing nature of jobs due to automation and digitalisation.	The commissioned report has now been finalised and presented to the September meeting of the Skills Advisory Panel. The SAP accepted the recommendations.	Anthea Pratt	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<p>Work with government, local and combined authorities, the voluntary sector, and businesses to secure funding and resources to ensure that all North- East residents can develop their digital skills regardless of their age, location, or economic status.</p>	<p>Following the recommendations of the commissioned research project the following have been implemented:</p> <ol style="list-style-type: none"> <li>1. An application to the Accelerator Fund has been submitted to fund the development of Centres of Digital Expertise in the North East LEP area to provide coherent programmes of digital skills.</li> <li>2. The North East LEP will lead regional stakeholders to agree a North East Digital Inclusion strategy.</li> </ol> <p>These project also consider the complementary report on digital exclusion in the North East conducted by IPPR North.</p>	Michelle Rainbow	G	Not Started

## Transport connectivity | Lead: Philip Meikle

### Vision (in SEP)

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

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

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

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<b>Continue to progress ongoing transport project delivery</b>				
Deliver seven of the eight Active Travel Fund Tranche 2 schemes by March 2022, with the Newcastle Grey Street scheme to be complete by July 2022.	Seven of the eight schemes are still due to complete in March 2022. The first scheme is anticipated to be on site by the end of September 2021. Grant Funding Agreements are still to be agreed with scheme promoters; however this is not a major risk, and the first agreements are expected to be in place shortly.	Jonathan Bailes / Izzie Broadbent	G	In Progress
Deliver the Active Travel marketing campaign funded through the Active Travel Fund by March 2022	<p>The regional 'Go Smarter, Go Active' marketing campaign which aims to promote our cycling and walking infrastructure to explore our region, improving health and boosting the local economy is being project managed by Transport North East on behalf of the North East Joint Transport Committee. The campaign consists of three projects;</p> <ul style="list-style-type: none"> <li>- Series of 7 week long cycling roadshows,</li> <li>- New cycling and walking maps,</li> <li>- Series of itineraries for days out guides by active travel.</li> </ul> <p>The three project were delivered summer 2021. The cycling roadshows have now concluded and were met with a fantastic response by attendees. Numerous sessions (all of which were free to attend) sold out almost instantly; in order to meet this demand, additional sessions were added and these also sold out. The itineraries and interactive maps have also successfully launched and are being promoted through marketing and communication activities including bloggers and a focused social and media campaign. Comms activity will continue to promote the maps and itineraries for the rest of the financial year.</p>	Kim Farrage/ Rachele Forsyth-Ward	G	In Progress
<b>Receive a final funding award from the Transforming Cities bid</b>				
Seek approval from the Joint Transport Committee for the release of £65million funding to sustainable transport projects which are due to start construction by March 2022.	In the July JTC meeting, a delegated decision was approved to release £16.3m of TCF funding for the Sunderland Central Station and MSCP scheme. Remaining schemes are forecast to deliver business cases in time to start on site by March 2022, however there is still some potential risk attributable to capacity constraints. This is being actively managed and mitigated against through regular meetings with scheme promoters and appropriately programming the resource of independent review consultants to expediate the appraisal process.	Jonathan Bailes / Izzie Broadbent	A	In Progress
Release £9.8million for the Metro Flow scheme.	£1.7m was released to Nexus in July following sealing of a Grant Funding Agreement between Nexus and NECA. Following discussions between TNE, the DfT and Nexus, given Metro Flow's status as the only Department for Transport retained scheme within the TCF programme, it was agreed that all remaining grant funding for the scheme will be paid directly to Nexus by the Department for Transport.	Jonathan Bailes / Izzie Broadbent	G	In Progress
<b>Continue to improve and deliver better connectivity through improved infrastructure</b>				

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Deliver a funding strategy by the end of December 2021 for the Transport Plan pipeline. This will be maintained and regularly updated to secure forward capital and revenue funding for the pipeline	A funding strategy will be linked closely to the Programme management framework that TNE is preparing. It is intended this will be reported to the Joint Transport Committee in September. Thereafter this document will be managed as a live document staying abreast of major funding announcements from the Government.	Jonathan Bailes / Andrew Dorrian	G	In Progress
<b>Use transport to drive innovation and business growth</b>				
Work with Transport for the North, East Coast Mainline Authorities, MPs, Chamber of Commerce, etc to seek investment from government for interventions that will uplift in the East Coast Mainline's capacity and line speed, north of York	Work continues to lobby for improvements in the ECML. The rail industry consultation proposals for a major timetable change on ECML from May 2022 has again highlighted the need for line capacity increases between Northallerton and Newcastle. The two track section is restricting future growth and thus any new train service proposed can only be introduced by removing an existing one. Partly as a result of the North East and TfN expressing our concerns over the service choices proposed, the introduction of a new timebale for May 22 has been delayed.	Derek Gittins / Harry Nicol	G	In Progress
Dependant on the outcome of the Government's Integrated Rail Plan for the North and Midlands and the Restoring your Railways bid for the reopening of the Leamside Line, we will prepare strategic outline business cases for local rail services and an umbrella Strategic Outline Business Case (SOBC). This umbrella SOBC will encompass the various projects looking to use the Leamside line to achieve an integrated solution which maximises North East benefits.	Transport Consultancy support has been procured to assist with the preparation of the SOBC. Initial work is underway, however the IRP outcomes are required to direct the document details.	Derek Gittins	G	In Progress
Continue to support Northumberland County Council to prepare the full business case, or the reintroduction of passenger services onto the Northumberland Line, which is scheduled to be submitted in Autumn 2021.	Work is still on programme to deliver the Full Busines case in the autumn. In tandem progress is being made with both the planning applications for the new stations and the legal orders required to secure permission to allow the infrastructure works to proceed.	Derek Gittins	G	In Progress
Ensure that pipeline identified in the North East Transport Plan of schemes to support economic recovery is managed as a live programme	A Capital Pipeline of schemes was agreed in the Transport Plan. New funding opportunities such as Active Travel Fund Tranche 3 and ZEBRA funding will be integrated into our Capital Programme following potential successful regional bids to DfT. A prospectus and pipeline of schemes which could be delivered through a City Region Sustainable Transport Settlement for the region has been developed and will also be integrated into our Capital Programme subject to confirmation of the North East's eligibility to bid for funds. Transport North East is preparing a Programme Management Framework which will detail how the Transport Plan Programme will be managed and updated including reporting to Joint Transport Committee on progress towards delivery. This framework has been shared with officers in August and will be presented to the Joint Transport Committee in September.	Jonathan Bailes / Andrew Dorrian	G	In Progress
<b>Continue to develop regional Transport Strategies and policies that align with the North East Transport Plan</b>				
Produce a North East Rail and Metro Strategy to complement the North East Transport Plan	Work has commenced on the initial drafting of the Strategy. The outline approach has been discussed at the North East Joint Transport Committee following an informal Steering Group session. Due to member of the team leaving TNE, the timetable has been pushed back with the consultation draft now aiming for approval by JTC in January 22. Consultation then to follow through January /February and once any revisions made seek JTC sign off of the Strategy in June/July 2022.	Derek Gittins	A	In Progress



Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Develop and publish a Zero Emission Policy during 2021/22 that sets out our regional commitment to the future of zero emission vehicles	A Zero Emission Policy is currently being developed for publication during the current financial year.	Kim Farrage / John Bourn	G	In Progress
Deliver a strategy by March 2022 that sets out how we will communicate with individuals, businesses and communities across our region to encourage people to make more sustainable transport choices	A Transport North East Engagement Strategy will be developed for publication during the current financial year. A 'Making the Right Travel Choice sub group' is being set up to inform the development of the strategy.	Rachelle Forsyth-Ward / Simon Jobe	G	In Progress
In collaboration with bus operators, we will produce a Bus Service Improvement Plan, to take advantage of funding available through government's National Bus Strategy	In collaboration with bus operators, the seven local highway authorities and Nexus, we will develop a Bus Service Improvement Plan and Enhanced Partnership, to improve bus services dramatically, growing bus demand to support a green recovery, with the support of funding available through government's National Bus Strategy. Progress is being made in delivering the Bus Service Improvement Plan by the end October 2021, to lead to an Enhanced Bus Partnership in 2022.	Elizabeth Gilliard / Harry Nicol	G	In Progress
<b>Deliver the Electric Vehicle charging infrastructure funded through Local Growth Fund</b>				
Deliver EV charging infrastructure at the seven priority sites as identified in the enabling study undertaken by Urban Foresight to set out a five-year programme of works to ensure that region is in a strong position to support the transition to EVs	Following a tender exercise to procure a contractor to install, operate and maintain the EV chargers at the 7 identified locations, Swarco has been appointed. The exercise was undertaken through a specialised EV framework. It is anticipated that the delivery of the chargers will commence in the autumn with completion by the end of March 2022.	John Bourn	G	In Progress
Through LGF funding, priority locations will be delivered by 31 March 2022.	Following a tender exercise to procure a contractor to install, operate and maintain the EV chargers at the 7 identified locations, Swarco has been appointed. The exercise was undertaken through a specialised EV framework. It is anticipated that the delivery of the chargers will commence in the autumn with completion by the end of March 2022.	Kim Farrage / John Bourn	G	In Progress
<b>Complete Metro Asset Renewal Programme</b>				
Continue with a system-wide overhead line renewal programme.	Overhead line contact and catenary wire replacement continuing to programme with 54 hour weekend possessions at around 3 weekly intervals – revised delivery strategy proposed with longer more productive possessions.	David Shields	G	In Progress
Continue to delivery platform compliance works by Autumn 2021.	All site contract works completed – close out to follow..	David Shields	G	In Progress
Continue our cable testing and replacement and the location case re-wiring programmes across the network.	Cable testing and replacement scope defined and agreed – work being progressed on site being progressed with location case rewires by the internal Capital Delivery team.	David Shields	G	In Progress
Deliver the track renewals at Tyne Dock in September 2021.	Enabling works in progress compounds established in readiness for September start.	David Shields	G	In Progress
Deliver the switches and crossing renewals at Christon Road (South Gosforth) in February 2022.	Supply contract for component parts awarded – ITT issues for main contract – planned February 2022 works.	David Shields	G	In Progress



Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Prioritise and deliver lift and escalator half-life refurbishments based on asset condition	ITT for Consultancy contracts awarded and survey to commence on 20 September.	David Shields	G	In Progress
Continue to invest in the current Metro fleet to improve reliability.	Ongoing continuous programme of works – progressing to plan	David Shields	G	In Progress
Continuation of project development work to progress scoping, surveying and designs to enable future delivery – subject to funding availability, e.g. Pelaw/Prudhoe/Monkseaton switches and crossings, multi-story car parks, Whitley Bay Station canopy and Scada/power mimic replacement.	Contract awarded in May for package of switches and crossing designs, Whitley Bay station canopy surveys and structural assessments underway, Northumberland Park Car Park surveys and scoping underway, Scada – initial Consultant report and estimates received and under evaluation. Note: progression beyond design is dependent on funding availability.	David Shields	G	In Progress

## Investment and infrastructure | Lead: Helen Golightly

### Vision (in SEP)

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

### Highlights in current period:

- Project Accelerator Fund first call closed, with strong interest shown. Ten applications considered at the September meeting of the Investment Board, with nine projects proceeding.
- Final GBF projects now approved at Investment Board, which will provide further confidence 2021/22 allocation will be spent
- Positive coverage of news story that Just Eat will create 1,500 jobs in Sunderland as a result of LGF support.

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<b>Continue to manage the already secured North East LEP funding effectively:</b>				
Report quarterly performance monitoring dashboards to the North East LEP Investment Board.	Investment Board received reports on progress of LGF, GBF, NEIF and EZ Programmes at the 16 September 2021 meeting, in which templates for standardised reporting across the funding programmes were utilised for the first time. Investment Board also received an updated on the interim evaluation on the LGF and EZ programmes	Helen Golightly	G	In Progress
Monitor programme level risks via the Technical Officer Group.	Programme risks continue to be reported as required to Technical Officer Group (most recent meeting 2 September 2021. This included a summary of the interim evaluation of the LGF and EZ programmes.	Helen Golightly	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<p>Deliver the Local Growth Fund (LGF) programme including reporting, as required, performance to the Ministry of Housing, Communities and Local Government.</p> <p>Key project infrastructure outputs by 31 March 2022 include:</p> <ol style="list-style-type: none"> <li>1. Jarrow Business Centre – Manufacturing workspace completion</li> <li>2. Gateshead Quays – work to commence on £300m Arena, Conference and Exhibition Centre</li> <li>3. East Pilgrim Street, Newcastle - ongoing public realm improvement and Bank House office construction</li> <li>4. Pattern shop, Stephenson Quarter – 3,238m2 of refurbished commercial floorspace completed</li> <li>5. VCSE infrastructure programme – 14 projects completed delivering 10,800sqm of new/refurbished learning space, 262,000sqm of improved green space and 10 community buildings refurbished.</li> <li>6. Northumberland Energy Park Phase 1 – site reclamation completed – 17 ha of development land and new dock facility.</li> </ol>	<p>Update on key infrastructure projects (numbers below refer to key on left):</p> <ol style="list-style-type: none"> <li>1. Construction largely completed, press release issued in Sept.</li> <li>2. Preliminary works underway, including multi-storey car park. Main contractor to start on site has been re-programmed to Q3/Q4 2021/22.</li> <li>3. Progress on Bank House continues as per new programme, public realm works continued to be detailed with phase 1 due to start this year.</li> <li>4. Enabling works have started with view to main refurbishment contract to be let in the Autumn 2021.</li> <li>5. Projects are largely delivering to programme, some minor delays.</li> <li>6. Main contractor works anticipated to be completed by end of 2021, Heads of Terms being agreed with potential end user.</li> </ol>	Ray Browning	G	In Progress
<p>Deliver the Getting Building Fund (GBF) programme including quarterly performance monitoring returns to Ministry of Housing, Communities and Local Government.</p> <p>Key infrastructure outputs by 31 March 2022</p> <ol style="list-style-type: none"> <li>1. Public realm improvements in town and city centres totalling 26,229sqm</li> <li>2. Construction of new commercial, industrial and retail space totalling 21,200 sqm by 31st March 2022</li> <li>3. Support over 1,471 construction jobs</li> <li>4. New R&amp;D facilities totalling 3,550sqm</li> <li>5. New learning floorspace 1,137sqm</li> <li>6. New superfast broadband connections – 1,350</li> <li>7. 175 new jobs created and 170 jobs safeguarded</li> <li>8. 4.4km of new or improved roads / cycleways</li> </ol>	<p>Limited outputs, as forecast, reported in Qtr 1. 143 Construction jobs. Many projects have reported some slippage in delivery programmes, mainly associated with pressures in the construction market i.e. price increases and delays in supply of materials and equipment</p>	Ray Browning	G	In Progress
<p>Manage the legacy budget from the LGF programme 2015-21 including £15m (tbc) programmed to support a mix of revenue and capital projects.</p>	<p>In qtr. 1 expenditure totalled £2,094,024. 153 new jobs and 17 apprentices were reported in Qtr 1. Progress update report considered by Investment Board mtg 16 September.</p>	Ray Browning	G	In Progress
<p>Complete the LGF/EZ programme independent interim evaluation by 30 June 2021.</p> <p>Complete at least 10 project evaluations, which will be delivered by partners by March 2022.</p>	<p>Interim draft evaluation of the LGF and EZ programme reported to Investment Board and will be included as part of a wider SEP evaluation update to the North East LEP Board on 30 September 2021.</p>	Ray Browning	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Ensure that the Local Assurance Framework is adhered to when making funding decisions by maintaining the operational management structures and decision-making accountabilities within the North East LEP.	All investment decisions made during the period were in accordance with the Assurance Framework.	Helen Golightly	G	In Progress
New businesses will begin operating on the Enterprise Zones, including at Follingsby Max in Gateshead. By March 2022, our Enterprise Zone sites will become home to more than 3,000 jobs with North East LEP investment having been more than £100m, unlocking more than £210m of follow on investment	Expected that Follingsby Max site will be operational by end of 2021  The following KPIs were reported in monitoring returns for Q1 2021/22: <ul style="list-style-type: none"> <li>78 new jobs created on EZ sites (excluding construction jobs)</li> <li>£6.2m of private sector investment on EZ sites</li> </ul> Likely that 2021/22 forecast for jobs created (circa 1,400) will be met, largely due to the Follingsby Max site.	Ben McLaughlin	G	In Progress
Have significant infrastructure works underway or complete on four more Enterprise Zone sites, that will be ready to secure private sector investment at: <ol style="list-style-type: none"> <li>Northumberland Energy Park</li> <li>Port of Sunderland</li> <li>Ashwood Business Park in Northumberland</li> <li>Holborn 2 in South Tyneside</li> </ol>	<ol style="list-style-type: none"> <li>Main contractor works at NEP 1 site are anticipated to be completed before end of 2021/22. Heads of Terms being agreed with potential end user.</li> <li>Progress of work at Port of Sunderland is on track for completion by end of financial year</li> <li>Plot specific works underway to support two new occupants, who are anticipated to be operational next financial year</li> <li>Infrastructure works relating to the site are progressing, with O&amp;M facility for JV related to Offshore Wind expected to be operational in 2022.</li> </ol>	Ben McLaughlin	G	In Progress
<b>Coordinate partners to develop a regional project pipeline based on spatial economic priorities</b>				
Develop a strategic project pipeline for the North East, building on the work carried out during the development of the Local Industrial Strategy, the COVID-19 Economic Recovery Plan and previous regional pipeline work.	Strategic pipeline developed with local authority and transport partners. Will continue to be developed and updated, through activity such as the Project Accelerator Fund and the Innovation Pipeline work being undertaken.	Claire Prospert	G	In Progress
Facilitate prioritisation of shovel ready projects through regional collaboration and make preparations for Government's future funding announcement including the proposed Shared Prosperity Fund	First call for projects is now open for the Project Accelerator Fund, with applications invited from Local Authorities, Transport North East, Nexus and North East LEP delivery programmes. Call closed 24 August 2021, with a further ten applications considered at the September cycle of the North East LEP Investment Board. The Investment Board approved grant support for up to nine of the submissions received in addition to four applications approved in July. Planning for second call underway. The second call is now likely to be issued closer to the end of 2021, following Government CSR announcements.	Claire Prospert	G	In Progress
<b>Secure additional investment in the North East including resources to support the Regional Recovery plan:</b>				
Manage the second-year budget of £23.5m of Getting Building Funds across the North East. The North East LEP has allocated up to £8m of additional resources to this programme to add value and to help deliver greater impact.	£23.5m GBF budget remains on course to be fully spent during the financial year. In quarter 1 £2,611,448 in grant was paid. Two final project business cases were approved by Investment Board in September – lifetime GBF budget of £47m now fully approved.	Ray Browning	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
Develop a Project Development Fund to accelerate the volume and quality of shovel ready projects making use of LEP resources	First call of the Accelerator Fund closed 23 August 2021, with ten applications considered at the September cycle of the North East LEP Investment Board. The Investment Board approved grant support for up to nine of the submission received. These are in addition to the four projects previously awarded funding in July 2021 (during the first review point).	Claire Prospert	G	In Progress
Work with and support Local Authorities throughout the year to understand plans to bid for funding from the Levelling Up Fund.	Outcome of applications into first round of Levelling Up Fund by Local Authorities is expected during Autumn 2021. LEP teams are continuing to work with partners on potential asks for future rounds.	Helen Golightly	G	In Progress
Deliver the final development phase of the Commercial Property Investment Fund (CPIF) and launch the fund. We will: 1. Procure a property fund manager between April 2021 to January 2022 2. Launch the CPIF programme in March 2022 3. Contract with several new CPIF pilot programme projects between April and August 2021, with resources from the Getting Building Fund to be delivered by March 2022 4. Continue to develop the pipeline of projects throughout the year to maximize take up once the fund is live.	<ol style="list-style-type: none"> <li>1. Preparations for procurement exercise are ongoing. Following Preliminary Market Engagement and the Selection Questionnaire being issued in June, six responses were received in July and three bidders shortlisted for the next stage of the Competitive Dialogue.</li> <li>2. Launch of CPIF programme is on track for March 2022</li> <li>3. Five new CPIF pilot applications were considered at North East LEP Investment Board, and approved by LEP Board in July 2021</li> <li>4. Pipeline of CPIF projects remains strong</li> </ol>	Matthew Ebbatson	G	In Progress
Continue to maximise national reserve funding from the European Structural Investment Funding and ensure the full reserve allocation is delivered within the region.	Government have focused allocation of reserve funds for activity relating to Covid recovery, and the North East has received additional funds for Growth Hub activity and high street investment via the Local Authorities	Helen Golightly	A	In Progress
<b>Increased access to finance for businesses to invest</b>				
Work with the North East Fund Limited to maximise its investment potential for North East SMEs.	After a drop off in demand for funding over the early stages of the pandemic, there has been a sustained period of strong investment activity.	Helen Golightly	G	In Progress
Develop and deliver a regional access to finance programme, which will look at supply and demand within the region and consider the development of the successor to the North East Fund Ltd. Continue to support North East Finance and North East Access to Finance to optimise use of legacy funding to support North East initiatives.	<p>A Strategy for maintaining a regional investment fund is being developed to ensure that there is no period between the current programme and any future provision.</p> <p>Broader work on the Access to Finance programme (to include supply and demand potential support requirements) continues.</p>	Ben McLaughlin	A	In Progress



## Strategy, policy and analysis | Lead: Richard Baker

### Vision

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

### Highlights in current period:

- The North East Data Hub has been repositioned as the North East Evidence Hub.
- Our Economy will be published on October 7<sup>th</sup>, a series of reports and think pieces have been produced to go alongside the publication
- Following on from the publication of the Trade report, Global North East, in July, a Parliamentary briefing has been held with North East MP's and the Department for International Trade
- The North East has featured strongly in the report of the review of Destination Management organisations produced by Nick de Bois
- A number of products have been produced to support Net Zero North East, working with partners form across the region
- A report coordinated by SPA on behalf of NP11 and TfN has led to plans for the creation of a Northern Evidence Network

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<b>Building and encouraging use of the evidence base:</b>				
<p>Strengthen our research, evidence and analysis programme by:</p> <ol style="list-style-type: none"> <li>1. Supporting the LEP's delivery programmes (Strategic Economic Plan, COVID-19, sectors) and external stakeholders to improve the evidence and analysis underpinning their work</li> <li>2. Co-ordinating a corporate approach to data licences, tools, procurement and visualisation</li> <li>3. Developing tools, advice and support to ensure North East LEP teams and stakeholders can operate to best practice standards in research, analysis and evaluation. Examples include standardisation of quality questions, support with writing research specifications and developing 'how to' guides for using the North East Data Hub.</li> </ol>	<p>We continue to support our programmes with regards to data and research activities including analysis of recent trade and export data; COVID-19 intelligence and specific research projects such as investigating digital exclusion and good work agenda in the North East.</p> <p>We are in the process of procuring a supplier to develop a data strategy, exploring our platforms and data processes. We continue to review our data licenses and tools.</p>	Emma Ward	G	In Progress
<p>Strengthen communication and dissemination of key strategy, policy data and research findings by:</p> <ol style="list-style-type: none"> <li>1. Reviewing and developing the North East Datahub as a key platform for regional evidence and analysis and implementing a marketing plan to increase engagements and usage of the site by 100% from 2,500 yearly visitors to 5,000</li> <li>2. Enhancing the LEP's commentary on key economic issues and evidence in priority areas</li> <li>3. Delivering the Our Economy Programme</li> <li>4. Producing commentary pieces on key pieces of data and analysis, including the main and programme targets identified in the North East Strategic Economic Plan and priority strategy and policy themes.</li> </ol>	<p>We have repositioned the North East Data Hub as the North East Evidence Hub, creating a wider platform for publishing data and research reports. We have recently published a report on the digital exclusion in the North East LEP area.</p> <p>Our Economy 2021 will be published on October 7<sup>th</sup>. We have been developing and writing the programme of work that sits behind Our Economy, which includes a Summary Report, a series of thought leadership pieces and a summative assessment of the impact of COVID-19 and EU Exit on our economy.</p>	Emma Ward	G	In Progress



Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<p>Driving forward collaboration in research and data by:</p> <ol style="list-style-type: none"> <li>1. Coordinating the North East Economic Evidence Forum and strengthening the group as a recognised platform for the discussion, collaboration and development of the regional evidence base</li> <li>2. Working with North East universities to build the quality and quantity of research projects to support regional economic development and to help secure new sources of investment</li> <li>3. Working with the NP11, Transport for the North and other northern and national partners to define a collaborative approach which can enhance the North East's access to evidence and data.</li> </ol>	<p>The North East Economic Evidence Forum continues to meet. We invited Tony Chapman, St Chads College, Durham University to present his insights on innovation in communities.</p> <p>We are now a partner in the regional Insights North East bid to Research England, led by Newcastle University. We continue to strengthen our collaborative research relationship with Durham University, and are exploring opportunities for future funding and collaborations.</p> <p>We are represented on the North East and Yorkshire regional Productivity Forum, established as part of the ESRC funded Productivity Institute led by a consortium of UK universities.</p> <p>We are working closely with NP11 and TfN in setting up a Northern Evidence Network, based on the recommendations set out in the strategy report.</p>	Emma Ward	G	In Progress
<p>Horizon scanning and development of new sources of knowledge including:</p> <ol style="list-style-type: none"> <li>1. Working with national and international inter-governmental partnerships, think tanks and consultancies on strategic evidence and policy activities</li> <li>2. Exploring, accessing, and developing new methods, tools and approaches to data analysis, research and evaluation such as tools like Power BI and new databases available through platform such as Red Flag Alert and Glass.AI.</li> </ol>	<p>We continue to work with Red Flag Alert to understand how we can strategically use this information. They have developed a 'living lab' group with other northern LEPs to share and learn from each other in relation to the data. We are also exploring how we can use Power BI corporately in relation to producing accessible data visualisations.</p>	Emma Ward	G	In Progress
<b>Coordinating and supporting on regional strategy and policy projects</b>				
<p>Net Zero</p> <ol style="list-style-type: none"> <li>1. Develop an evidence base with government and partners to demonstrate plausible pathways towards Net Zero in the North East</li> <li>2. Work with partners across the region to build activities to accelerate regional action towards Net Zero, developing a more sustainable and resilient economy and natural environment</li> </ol> <p>Co-ordinate work within the North East LEP to accelerate the drive towards Net Zero.</p>	<p>We have undertaken significant work to develop Net Zero North East as a collaborative programme to drive decarbonisation in the region. The following products have been produced:</p> <ul style="list-style-type: none"> <li>• A Statement of Commitment</li> <li>• A draft Prospectus outlining evidence of key data, North East progress towards Net Zero and future opportunities and challenges in the context of global targets and UK policy. This identifies the current trajectory for the region to achieve net zero based on analysis of key data</li> <li>• The drawing together of an Academic Expert group, bringing together leading knowledge from our universities</li> <li>• Branded material and website</li> </ul> <p>The Board will receive an update on this work from the Steering Group at its meeting on 30 September</p> <p>The North East LEP is working actively with other LEPs and Local Authorities throughout the North East and Yorkshire and Humber Local Energy Hub to support the Government's engagement activity around COP 26. This activity includes the Planet Mark bus tour, and mobilisation of the Green Homes Grant Local Authority Delivery programme, with significant resources secured in rounds 1 and 2.</p>	Richard Baker	A	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<p>Internationalisation</p> <ol style="list-style-type: none"> <li>1. Publish the North East Trade and Export Strategy</li> <li>2. Work with other northern LEPs and the Department for Business and International Trade to ensure that future national and northern powerhouse strategies respond to the North East strategy</li> <li>3. Through a second phase of work, strengthen the evidence base and develop specific proposals identified in the strategy, including:               <ol style="list-style-type: none"> <li>a) Target exporter development at firm level</li> <li>b) Align and promote views of market opportunity for the North East with northern, UK and overseas services</li> <li>c) Define and agree approaches to develop and strengthen the export support ecosystem</li> <li>d) Improve communication and promote collaboration to enhance trade and exporting.</li> </ol> </li> <li>4. Strengthen the alignment between international facing activities in the region, between trade, inward investment, innovation and higher education.</li> </ol>	<p>Following the publication of the Global North East report in June, the Advisory group and the Teams at the North East LEP, DIT and North East Chamber of Commerce continue to work to:</p> <ul style="list-style-type: none"> <li>• Influence the shape of the future UK export strategy to ensure NE priorities and service proposals are reflected. A briefing to North East MP's took place on 16 September and we are actively engaged in Northern Powerhouse Fora. The DIT's UK strategy team were represented at the MP's briefing</li> <li>• Brief DIT sector specialists and foreign postings about our trade proposition in opportunity industries and markets and changing data</li> <li>• Further develop the evidence base including triangulation of data from a number of sources to create a database about exporting business in the region to enable targeting of support and preparation of sectoral export pipelines. We are grateful for support from both the Chamber of Commerce and Durham University, working with the LEP team on this work</li> <li>• Work with sector bodies to develop sector export growth pipelines</li> <li>• Contribute to the Northern Powerhouse CSR submission</li> <li>• Commence work looking at future trade focused networking in the region</li> </ul>	Richard Baker	G	In Progress
<p>Devolution</p> <ol style="list-style-type: none"> <li>1. Monitor and respond to developments in national government policy relating to devolution, including the LEP review and Levelling Up White Paper</li> <li>2. Support regional partners to secure and implement additional devolution to the region.</li> </ol>	<p>The LEP team has continued to contribute to the LEP review.</p> <p>The SPA team are co-ordinating a submission to the Autumn Budget and Spending Review on behalf of the LEP which will include asks on future funding and partnerships with Government.</p>	Paul Carbert	G	In Progress
<p>EU Exit Through the EU Exit Implementation Group, we will:</p> <ol style="list-style-type: none"> <li>1. Continue to monitor the impact of new trade arrangements with the EU and report intelligence and insights to government and the LEP team</li> <li>2. Work with the group and sector representatives, produce a report on the impact of EU Exit on key North East sectors</li> <li>3. Provide a platform for joint consideration of future internationalisation approaches for the North East in the context of new trade deals and international policy</li> <li>4. Update the evidence base with latest data about the opportunities and challenges for businesses and sectors</li> <li>5. Identify opportunities and challenges arising from post-EU Exit domestic policy and co-ordinate regional response as required.</li> </ol> <p>Focus areas to include the labour market, funding and regulation.</p>	<p>The EU Exit Group continues to meet monthly.</p> <p>We have updated the Group on our work to review emerging evidence on the impact of EU Exit on the North East's economy and our key sectors. Speakers representing advanced manufacturing and the food and drink sector will be invited to future meetings to contribute to the discussion.</p> <p>We arranged a meeting between the Group and the Head of the North East Region at the Department for International Trade (DIT), to discuss the upcoming refreshed national trade strategy and negotiations on free trade deals.</p> <p>The Group has discussed co-ordinating a joint regional submission to the Migration Advisory Committee's call for evidence on the impact of the end of free movement on the social care workforce.</p>	Paul Carbert	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<p>Northern Powerhouse</p> <ol style="list-style-type: none"> <li>Through the Northern Powerhouse Co-ordination Group ensure that there is a regional response to the development of the Northern Powerhouse agenda across transport, economic development, energy and intelligence workstreams</li> <li>Co-ordinate North East LEP engagement with the NP11</li> <li>Working with NP11, Transport for the North and other partners lead the development of a project to assess the opportunities to strengthen the evidence base about the northern economy.</li> </ol>	<p>The Northern Powerhouse Co-ordination Group will meet next month to discuss submissions to the Autumn Budget and Spending Review from across the North.</p> <p>We have co-ordinated contributions and comments through different processes into the NP11 proposals for the CSR, including on innovation, trade and investment and net zero north.</p> <p>The North East LEP has led the development of a piece of work on behalf of NP11 and Transport for the North considering how economic evidence and data development can be better co-ordinated and shared at the Northern Powerhouse Level, and how this can inform key policy processes.</p> <p>A wide range of partners from across the north have been involved in engagement in this work, as have Government statistical and economic services. The report has proposed the creation of a Northern Evidence Network to co-ordinate on this agenda and to provide a platform for supporting the refresh of the Northern Powerhouse Independent Economic Review which is scheduled for 2022. This work has been well received and steps are being taken to convene a meeting to formally receive the report and move towards implementation</p>	Paul Carbert	G	In Progress
<p>New strategy projects</p> <ol style="list-style-type: none"> <li>Continue to scan the environment for the North East region and the LEP, and determine approaches to identified opportunities and challenges</li> <li>Monitor development of planning policy and the work of the National Infrastructure Commission to identify issues and opportunities for the North East</li> <li>Develop a proposal for a mapping tool utilising GIS systems across the region to strengthen tools supporting development</li> <li>Develop and deliver an Advanced Manufacturing strategy</li> <li>Continue to support tourism partners to develop a strategic approach to recovery and future growth and development of the sector, including: <ol style="list-style-type: none"> <li>The development of a statement of intent</li> <li>Responding to the review of Destination Management Organisations</li> <li>Prepare for a future sector vision and possible Action Zone</li> </ol> </li> <li>Develop a framework for North East LEP action to address inclusion and inequality in the region</li> <li>Ensure collaborative structures and work programmes are in place for agreed policy activity and to share intelligence between partners including ongoing support for the Economic Prospects Group working with the Bank of England.</li> </ol>	<p><b>Tourism</b> The review of Destination Management Organisations commissioned by the DCMS Secretary of State was published on 13 September by Nick de Boise, Chair of Visit England. We worked closely with NGI, Visit County Durham, Visit Northumberland and other partners on a joint submission and co-ordinated presence at a workshop organised by the review team. We are recognised in the review as a strong and collaborative region. This provides a context for moving forward with the draft statement of intent and a future development plan to position the region strongly as an early pilot or take opportunities as Government responds to the review.</p> <p><b>Advanced Manufacturing</b> We have commenced work on planning to develop an Advanced Manufacturing strategy. Karl McCracken from the Business Growth team has been identified to co-ordinate the work programme which will take place over the autumn and winter period, supported by a Steering Group and internal teams</p> <p><b>Economic Prospects Group</b> The Economic prospects group convened by the North East LEP and chaired by the Bank of England continues to meet and shares information and data. The latest meeting on 15 September looked at latest macro-economic data, business intelligence and the most recent labour market data. Key issues highlighted include risks around inflation, a range of new investments and strong future pipeline into the region, and challenges around skills mismatches in multiple sectors.</p> <p><b>Cabinet Office Geo-spatial strategy</b> Work on the National Underground Asset Assessment is moving forward in the region, as part of the UK Geo-spatial strategy led by the Cabinet Office. The project will deliver a full understanding of the regions underground infrastructure, helping to strengthen co-ordination of development and manage disruption. A specification for consultants has been developed by a Steering Group including local government, utilities and environmental bodies. Once in place the data could potentially provide a context for a range of data and resilience-based interventions</p>	Richard Baker	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
<p>LEP public policy actions</p> <ol style="list-style-type: none"> <li>1. Continue to brief the LEP Board on future policy priorities</li> <li>2. Further develop the approach to public policy set down in March 2021 following the outcome of LEP review process</li> <li>3. Complete stakeholder mapping exercise and identify priority audiences for public policy messaging.</li> </ol>	<p>We have produced a discussion paper for the LEP's senior management team on the inclusive economy agenda.</p> <p>A significant piece of work has been commenced to support stakeholder management with national departments and Ministers for policy messaging on key Government and LEP strategies.</p>	Paul Carbert	G	In Progress
<b>Co-ordinating corporate and regional strategy development</b>				
<p>Work with the Board to agree a strategic approach to future regional economic strategy development including:</p> <ol style="list-style-type: none"> <li>1. Baseline and updating the economic evidence base in preparation for an update of the North East Strategic Economic Plan and/or other strategic processes</li> <li>2. Evaluate and implement the approach required at regional level to respond to Government's Plan for Growth</li> <li>3. Prepare to support an Economic Review project in advance of any future devolution process</li> </ol>	<p>We have a number of pieces of work underway to update our economic evidence base in preparation for a future strategy process as we emerge from Covid 19 and look forward. Alongside Our Economy 2021, these will provide a broad evidence base including on trade and internationalisation, future markets and net zero.</p> <p>A paper on the next stages of the Strategic Economic Plan process will be presented to the Board for discussion.</p>	Richard Baker	G	In Progress
<p>Support and co-ordinate activities which support the immediate and longer-term economic response to COVID-19 including:</p> <ol style="list-style-type: none"> <li>1. Continuing publication of the evidence base</li> <li>2. Support for the actions derived from the COVID-19 Economic Response Group and the Economic Response Plan</li> <li>3. Evaluate, and support discussion about, the impact of the COVID-19 Response Group to support future regional resilience.</li> </ol>	<p>The Covid 19 Economic Response Group has now been re-positioned as a Regional Economy Group, providing a point of discussion and co-ordination around economic development issues in the region.</p> <p>Recent meetings have discussed the emerging economic evidence base and the regions input to the Comprehensive Spending Review.</p> <p>A North East LEP submission commented on a number of specific proposals, including supporting the submissions of other regional partners</p>	Richard Baker	G	In Progress
<p>Support the alignment and development of strategic processes led by partners including the North East Transport Plan.</p>	<p>The Transport Plan has now been published and work continues to continue to publish transport and economic evidence base on the Evidence Hub. A number of implementation meetings around the plan have taken place.</p>	Richard Baker	G	In Progress

Key deliverables: April 2021-March 2022	Progress update and current position	Lead	RAG Status	Progress Status
---	--------------------------------------	------	------------	-----------------



## 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 July and August 2021.

### Corporate

#### Nissan announces £1bn investment in Sunderland

To mark Nissan's announcement in July that it plans to open a new flagship electric vehicle hub and a world-first EV manufacturing ecosystem in Sunderland, the North East LEP issued a statement from Helen Golightly OBE welcoming the news. The statement can be found [here](#).

#### North East Local LEP reaction to ONS regional labour market statistics

Richard Baker, Strategy and Policy Director at the LEP, provided his regular monthly response to the Office for National Statistics' regional labour market statistics. A comment piece was supplied to media, published on the LEP website, and shared via the LEP's social media platforms.

### Business and sector growth

#### High Potential Startups digital cohort

A campaign targeted entrepreneurs with an idea for a digital or tech business, encouraging them to apply for the next round of the High Potential Startups accelerator programme. Find out more [here](#).

#### In conversation with Toby Bridges about the importance of digital adoption in driving operational efficiency

Business Growth Board member, Tony Bridges, kindly spoke to us for an 'in conversation' piece about why investing in new digital tools and technology is so important for the North East's manufacturing sector. In it, he highlighted the need for the region to focus on retraining and reskilling, and to position the North East as the most efficient location in the country to do business. Read the full 'in conversation' piece [here](#).

#### The launch of Made Smarter Adoption North East

July saw the launch of a new government-backed business support programme aimed at helping manufacturing SMEs in the North East increase digital technology adoption, innovation and skills has launched in the region. Made Smarter Adoption North East is open to all manufacturing SMEs in the North East LEP and Tees Valley Combined Authority areas. Partner organisations across both areas have been supporting the recruitment programme. Made Smarter Adoption North East aims to drive growth in UK manufacturing by improving the development and adoption of emerging technologies across the sector. Find out more on the [North East Growth Hub](#).

#### UK Life Sciences Vision

Colin Bell, Business and Sector Growth Director, welcomed the publication of Government's UK Life Sciences Vision in July, highlighting how the region plans to support its delivery by achieving the targets set out in the region's Health, Life Sciences and Medicines Manufacturing Strategy. Colin said: "In alignment with the UK Life Sciences Vision, we want to channel the achievements of North East health and life sciences businesses to grow the sector, create more and better jobs in the North East, and help position the UK a global leader in health and life sciences." His full statement can be read [here](#).

#### North East LEP response to the publication of the Green Jobs Taskforce report

Andrew Clark, Energy Programme Lead at the North East Local Enterprise Partnership, published a blog in response to the findings from the government's first Green Jobs Taskforce report. In it, he highlighted the huge opportunity for the North East to become a major destination for skills and talent in green jobs, thanks to the region's existing strengths in emerging energy markets like offshore wind, electric vehicles and battery production, low carbon heat, and heat networks. An amended version of Andrew's blog was selected by North East Times to be included in its September issue. The blog is available to read [here](#).

#### Energy Minister visits projects putting North East at the forefront of Net Zero drive

Government's Minister for Business, Energy and Corporate Responsibility, Lord Callanan, visited the North East in July to see some of the projects poised to make the North East the UK's first low carbon heat cluster. During his one-day visit he went to Dawdon mine water treatment scheme in County Durham, which will supply low-carbon geothermal heat to new development Seaham Garden Village; and Gateshead Council's District Energy Centre (DEC), which will use geothermal energy to heat homes and businesses in Gateshead. Read more about Lord Callanan's visit [here](#).

## Energy Innovation Challenge

Jumping Rivers, a Newcastle-based data science consultancy, shared their experience of taking part in the Energy Innovation Challenge, and how it has benefited the business, through this [short film](#).

## Innovation toolkit

A [new toolkit](#) was published on the North East Growth Hub with advice and resources to help businesses embed innovation. Social media content was used to drive traffic to the toolkit and an initial evaluation is underway to inform future content.

## Innovation

### National Innovation Strategy

The North East LEP welcomed the National Innovation Strategy, published in July. Alan Welby, North East LEP Innovation Director, said: "The vision to make the UK a global hub for innovation by 2035 is ambitious and timely. I am immensely confident that the North East can play a key role in making that vision a reality. We've always known that innovative economies are more productive and therefore make a stronger contribution to GVA. That's why in the North East, innovation has always been central to our Strategic Economic Plan that aims to create 100,000 more and better jobs in the North East economy by 2024." [Read more](#).

## Skills, employment, inclusion and progression

### North East Ambition

Case studies, interviews and a short film were produced to raise awareness of North East Ambition, which has expanded to support businesses and ensure a skills pipeline for the future. North East Ambition was launched in 2017 to ensure all North East schools and colleges achieve the Gatsby Good Career Guidance benchmarks by 2024. Now North East Ambition will work with businesses to assess their future skills requirements and open up opportunities to develop and upskill their workforce, partnering with the Education Development Trust to deliver the programme.

### Kickstart programme

The Kickstart programme and the North East businesses which are offering traineeships continued to be profiled through a feature in Northern Insight magazine, a news release and case studies.

### Digital Exclusion in the North East LEP Area report published

A report commissioned by the North East LEP's Skills Advisory Panel (SAP) looking at the economic and skills-related impacts of digital exclusion in the North East LEP area was published in September. '[Digital Exclusion in the North East LEP Area](#)' was published alongside IPPR North's '[Addressing digital exclusion in North East England](#)' research paper. The report was published on the Evidence Hub, a news release was issued to local and national media, and additional content was shared across social media. Read more [here](#).

## Funding

### Just Eat announces 1,500 new jobs in North East

Leading global online food delivery company, Just Eat, has announced it will create more than 1,500 customer service jobs in North East England in the next 12 months - part of a £100m investment in the region by the firm over the next five years. Andrew Moffat CBE, Chair of the North East LEP Investment Board, was quoted in the news release, which secured widespread national and regional media coverage. Andrew said: "Just Eat's commitment to create more than 1,000 jobs in the North East and continue its investment in apprenticeships and long-term career development is great news for Sunderland, and our region." You can read the news release in full [here](#).

### Local Growth Fund supports next phase of Newcastle Central Station transformation

The next phase of Newcastle Central Station's multi million pound transformation project - funded through the Local Growth Fund - is expected to begin in September. In total £4m from the Local Growth Fund has been awarded to Newcastle City Council to deliver the works. To announce the funding and the start of works, a news release was issued to local and trade media detailing the plans, which include the creation of two new pedestrian/cycle entrances at Neville Street and Central Parkway, a new concourse within the station, and the pedestrianisation of Orchard Street. Partners including LNER and Network Rail supported the LEP's announcement. The full news release is available to read [here](#).

## Strategy Policy and Analysis

### Funding and investment accelerates new drug development

Iksuda Therapeutics develops a new generation of drugs which target difficult-to-treat cancers. In 2020, the business received £24,524 from the North East LEP's COVID-19 Patent Protection Scheme to fund patent filing and renewal costs in multiple countries. Dave Simpson, Chief Executive Officer, shared the business's story in a case study published on the [North East LEP website](#).

### Getting Building Fund support for Bedlington Town Centre regeneration

The North East LEP worked with Advance Northumberland on a news release detailing the next stage in the regeneration of Bedlington Town Centre. A quote was included in the release from Andrew Moffat CBE, Chair of the North East LEP Investment Board. Coverage was secured in News Post Leader and is available to view [here](#).

### North East Data Hub repositioned

The North East Data Hub was previously a stand alone website. Following recent discussions it was decided that data should be more aligned to the core delivery of the North East LEP and therefore should be part of the LEP's website. It was also felt that the hub had evolved into more than just data content, and was more of an evidence hub for the region that included data, research and commentary. The repositioning and name change have been completed and can be seen [here](#).

## North East LEP website performance summary 1 July - 31 August 2021

Audience		
Visitors	8,825	(-15.93%)
Total page views	52,013	(-9.93%)
Average session duration	1m 42s	(+11.1%)

A dip in engagements during August is expected

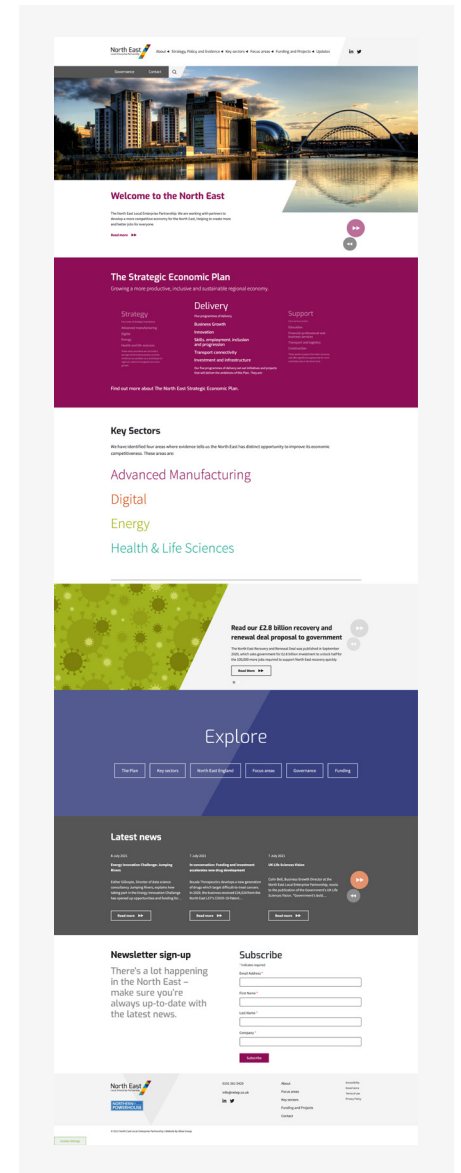
Traffic source	views
Organic	3,944
Direct	3,560
Referral	432
Social	833
Other	1
Email	240

### Top five news pages

	views
<a href="#">Energy Minister visits projects putting North East at the forefront of Net Zero drive</a>	513
<a href="#">New report highlights potential of mine energy in achieving UK net zero target</a>	325
<a href="#">Hundreds of job placements on offer for young people in the North East</a>	324
<a href="#">The importance of good school governance</a>	305
<a href="#">NewcastleGateshead Quays regeneration scheme awarded £7m from government's Getting Building Fund</a>	226

### Top five pages

	views
Home	7,021
Kickstart Opportunities	5,330
Kickstart Scheme	2,965
About Us	1,200
Funding	1,165



## Social media

	Total followers	Impressions	Top performing LEPs on Twitter:			
<b>Twitter</b>	12,612 (+1%)	122,820	1. North East LEP	2. Leeds LEP	3. Liverpool LEP	4. Black Country LEP
<b>LinkedIn</b>	8,987 (+2.6%)	44,040	12,612	11,553	10,233	9,365

### Best performing organic posts: Twitter



@northeastlep  
Thu 7/15/2021 6:07 pm BST

Read more about Lord Callanan's visit to the North East to see some of the [#lowcarbon](#) [#energy](#) projects in our...

Impressions	Potentail reach
5,505	66,502
Engagements	Engagement rate
100	1.8%



@northeastlep  
Thu 7/22/2021 8:45 am BST

Projects supported by government's [#GettingBuildingFund](#) are continuing across the LEP area. A new link road...

Impressions	Potentail reach
5,184	12,542
Engagements	Engagement rate
298	5.7%



@northeastlep  
Thu 7/15/2021 3:09 pm BST

.@AnAndrewClark, [#Energy](#) Lead at the LEP, said of today's visit by Lord Callanan: "The North East has an existing skills ba..."

Impressions	Potentail reach
3,537	12,528
Engagements	Engagement rate
24	0.7%



@northeastlep  
Thu 8/12/2021 8:00 am BST


Good luck to everyone waiting for GCSE results today! [#moreandbetterjobs](#) [#resultsday2021](#)

Impressions	Potentail reach
3,365	20,697
Engagements	Engagement rate
46	1.4%




Best performing organic posts: **Twitter** and **LinkedIn**




 **@northeastlep**  
Thu 7/15/2021 1:25 pm BST

...and **#heatnetworks** are proving an effective solution as well as opening up huge potential for investors at home an...




Impressions	Potentail reach
<b>3,202</b>	<b>48,783</b>
Engagements	Engagement rate
<b>76</b>	<b>2.4%</b>




 **North East Local Enterpris...**  
Thu 7/15/2021 3:13 pm BST

Andrew Clark, Energy Lead at the North East LEP, said of today's visit by Lord Callanan: "The North East has an existin..."




Impressions	Engagement
<b>2,091</b>	<b>77</b>
Clicks	
<b>30</b>	




 **North East Local Enterpris...**  
Mon 8/16/2021 9:05 am BST

The next phase of **#Newcastle Central Station's** multimillion pound transformation project, Central Gateway...




Impressions	Engagement
<b>2,205</b>	<b>254</b>
Clicks	
<b>217</b>	



 **North East Local Enterpris...**  
Wed 8/25/2021 6:13 am BST

Just Eat Takeaway.com's decision to continue its growth journey in **#Sunderland** and the North East reinforc...

**Just Eat announces 1,500 new jo...**



Impressions	Engagement
<b>1,928</b>	<b>87</b>
Clicks	
<b>47</b>	

## Priorities for the next two months

1. Update and publish the new Primary Benchmark characteristics on the North East Ambition Audit Tool
2. Mobilise the Options for Young People campaign and track engagements
3. Create, develop and publish toolkits and content for the Sector and LMI projects
4. Update the Work Experience Framework pages with refreshed resources to promote to schools over the coming months
5. Update and develop the North East Ambition education and business pages

## Forward plan of content

Topic	Description	Type	Estimated date of issue	
<b>Corporate</b>				
Our Economy	Promotion of 2021 Our Economy event and publication	<ul style="list-style-type: none"> <li>• News release</li> <li>• E-comms</li> </ul>	<ul style="list-style-type: none"> <li>• Social media content</li> <li>• Media partnership</li> </ul>	September 2021
Podcast	Introduction of a LEP podcast discussing issues relevant to our strategic economic plan	<ul style="list-style-type: none"> <li>• Podcast and supporting social media</li> </ul>		October 2021
<b>Business and sector growth</b>				
Growth Hub positioning	Positioning campaign to demonstrate that the Growth Hub is more than just a website.	<ul style="list-style-type: none"> <li>• New photography and film</li> <li>• Organic and paid social media</li> <li>• Paid media partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Newsletters</li> </ul>	September 2021
Energy innovation film	Completion of editing	<ul style="list-style-type: none"> <li>• Owned film content</li> </ul>		September-October 2021
Peer Networks	Continuation of a campaign to recruit local businesses to join a Peer Network programme	<ul style="list-style-type: none"> <li>• LinkedIn advertising</li> </ul>		September 2021
United Nations Climate Change Conference (COP26)	Support arrival of Planet Mark (BEIS) Battle Bus to the North East, communicate the LEP's position on net zero, and encourage businesses to sign the net zero pledge.	<ul style="list-style-type: none"> <li>• Media</li> <li>• Event</li> </ul>	<ul style="list-style-type: none"> <li>• Social Media</li> <li>• Digital</li> </ul>	October 2021
Help to Grow: Management	Support for government's new business support initiative, delivered in the region by Northumbria University	<ul style="list-style-type: none"> <li>• Media</li> <li>• Newsletter</li> </ul>	<ul style="list-style-type: none"> <li>• Social Media</li> <li>• Stakeholders</li> </ul>	Ongoing

## Innovation

Community Renewal Fund	Announcement of potential funding	• News release	September 2021
Innovation toolkit		• Organic social content • Introduction of paid social content	September 2021
Challenge North East	Completion of short film featuring two businesses and two supporters	• Owned film content • Social media	September-October 2021
Innovation overview	Introduction of a podcast with Innovation Director chatting to trailblazers/thought leaders about their journeys and vision for future of innovation in the region	• Podcast • Supporting social media	September - October 2021

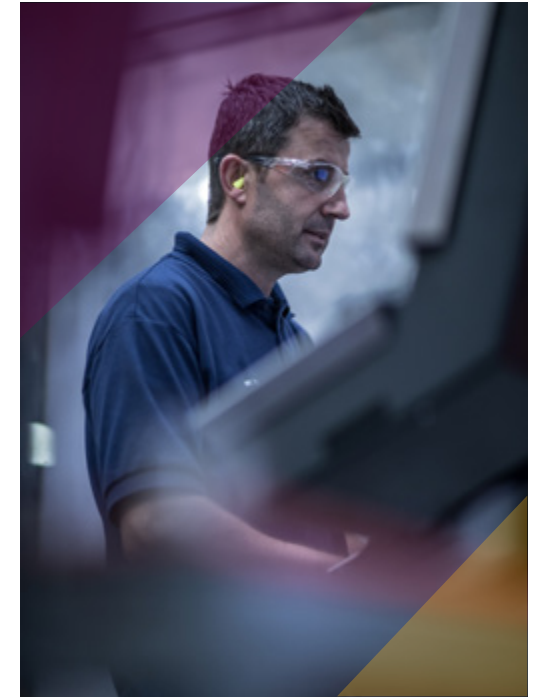
## Skills, employment, inclusion and progression

Northern Insight magazine	Use of monthly page to highlight skills, employment, inclusion and progression programmes	• Advertorial	Monthly
Kickstart programme	Ongoing content highlighting opportunities for businesses and for young people	• Social content • Case studies and testimonials	Ongoing
Options for young people	Campaign directing parents and young people to options website	• Animation • Testimonials • Refresh of web content • Social campaign • Case study	September onwards
Career Mark Primary accreditation	Focus on primary schools which have achieved accreditation	• News release • Case studies • Photography • Social content • Evaluation • E-comms	September onwards
Enterprise Advisers	Campaign to recruit 15 new Enterprise Advisers	• LinkedIn advertising • Google ads • Web content	September-October 2021
Technical education	Campaign to showcase the benefits and opportunities that studying a higher technical qualification can open up	• New toolkit content • Campaign to be developed	September 2021 - February 2022
Good Work Pledge	Promote Durham University's Good Work Pledge report region-wide	• News release and social campaign plan	September 2021

Skills data commentary plan	Promote the skills data content on the DataHub	<ul style="list-style-type: none"> <li>• Social media</li> <li>• Stakeholder content</li> </ul>	<ul style="list-style-type: none"> <li>• Newsletter</li> </ul>	September - December 2021
Inspiring Governance school/college governor recruitment campaign	Digital-led campaign to support the recruitment of 5k school/college governors, including many here in the North East.	<ul style="list-style-type: none"> <li>• Website</li> <li>• Newsletter</li> </ul>	<ul style="list-style-type: none"> <li>• Social Media</li> </ul>	September - October 2021
<b>Investment</b>				
Iksuda Therapeutics film	Publication of short film highlighting investment from COVID-19 Patent Protection Fund.	<ul style="list-style-type: none"> <li>• Owned film content</li> <li>• Social content</li> </ul>		September 2021
Local Growth Fund	Continued promotion of Local Growth Fund projects in the North East LEP region.	<ul style="list-style-type: none"> <li>• Social media</li> <li>• Blogs</li> </ul>	<ul style="list-style-type: none"> <li>• News releases</li> <li>• Social media content</li> </ul>	Ongoing
Getting Building Fund	Continued promotion of Getting Building Fund projects in the North East LEP region.	<ul style="list-style-type: none"> <li>• News releases</li> <li>• Social media content</li> </ul>	<ul style="list-style-type: none"> <li>• Blogs</li> </ul>	Ongoing

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

Any feedback on input into our content plan, please email [jen.robson@nelep.co.uk](mailto:jen.robson@nelep.co.uk)



## North East LEP

 [info@nelep.co.uk](mailto:info@nelep.co.uk)  0191 561 5420  [nelep.co.uk](http://nelep.co.uk)

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

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





**30 September 2021**

**Item 7: Strategic Economic Plan Evaluation Update**

**1.0 Background**

- 1.1 In 2014, a commitment to establish a comprehensive monitoring and evaluation plan to evaluate performance, effectiveness and impact of our programmes was articulated in the Strategic Economic Plan (SEP). This was further articulated and strengthened in the 2017 refreshed SEP.
- 1.2 In June 2018, the executive team appointed Steer-ED to deliver an interim evaluation of the SEP and its programmes of delivery up to 2021, focused on both the economic impact and wider strategic added value generated. In 2021, Steer-ED were also appointed to undertake a complementary Interim Impact Evaluation covering both the Enterprise Zone and Local Growth Fund programmes.
- 1.3 The Board will receive a short presentation from Steer-ED at the Board meeting covering both of these projects, summaries of which are appended. This paper sets the context, approach and recommendations for consideration by the Board.

**2.0 Interim Strategic Economic Plan Evaluation**

- 2.1 To support the delivery of the SEP objectives and targets, the interim evaluation sought to assess the effectiveness and impact of the delivery of the SEP from its publication in 2014 to 2021, including its programmes and funds and, also to assess the LEP itself in the number of roles it plays in supporting the economy. The aim of evaluation is to both provide evidence of impacts and added value, and insights that will help to inform ongoing decision making within the LEP and its partners. Further, through the process of developing and delivering the evaluation, the projects has established and embedded evaluation processes and procedures within the LEP.
- 2.2 Over the last three years, key evaluation activities have included:
  - i. Development of logic chains which map out the context, rationale, inputs, activities, outputs and comes and impacts to develop a ‘theory of change’ for the SEP and its programmes of delivery. This helped to inform the 2019 SEP refresh.
  - ii. An assessment of the effectiveness and impact (where possible) of programme and funds, using quantitative output data and qualitative evidence gathered through consultations with stakeholders, analysis of North East LEP Board reports and other evaluation activity such as the LGF/EZ interim impact evaluation mentioned below.
  - iii. Development of deep dive case studies and mini evaluations on specific projects or programmes to assess effectiveness and impact of the

intervention and partner engagement, given the economic conditions of the region. These have been particularly helpful in illustrating approaches, and in evaluating projects where data sources are not available.

- iv. Assessment of the effectiveness of the North East LEP in its varied roles including: a champion of the North East economy and providing economic strategic direction; an awarding body of investment and as a thought leader, co-ordinator and advocate for regional action. A series of case studies have been developed, for example, looking at our regional response and the North East Growth Hub's response to COVID-19.
- 2.3 Annual reports have been produced which set out the findings from the above research tasks, quantitative and qualitative analysis of progress against programme indicators and provided a set of conclusions and overarching and programme specific recommendations. Recommendations have been presented to the Board and in workshops with the executive team to ensure learning informs decision making.

### **3.0 LGF and EZ Programme Evaluation**

- 3.1 The LGF and EZ programmes are the two major investment funds under the LEPs' direct control that are delivering against the SEP objectives.
- 3.2 The EZ programme evolved under two Rounds in 2013 and 2017 and £66m has been spent to date in bringing forward many of the 21 sites with EZ status. Up to a further c£88m is planned to be spent over the next few years
- 3.3 The LGF programme expanded through three rounds of funding allocations made in 2014, 2015 and 2016, providing a total of £270.1m. This six-year programme technically finished on 31 March 2021, though £21m in legacy funds (returning from temporary funding swaps made during its lifespan) are being spent against ongoing project commitments and pipeline development
- 3.4 The interim impact evaluation covering both programmes reflects the co-investment on several strategic employment sites and the complementary funding made to nearby projects in support of local growth areas. Whilst the LGF programme has been much more diverse in its investments, it has, similar to the EZ programme, significantly focused resources on a relatively small number of strategic employment sites / areas.
- 3.5 The evaluation included an overall review of progress, value for money, impact and lessons learned and six deep dive case studies where investment has been geographically concentrated. The selected six localities, where investment in employment sites, commercial infrastructure, transport, business growth and innovation infrastructure has been concentrated are:
- i. Blyth Estuary – including the BEECH skills project, EZ sites at Bates, Commissioner's Quay and NEP1, also Cowpen Rd, Solar Capture expansion);
  - ii. Helix Newcastle (Biosphere, Energy Centre and UTMC projects);
  - iii. NETPark (Explorer labs, Ph. 3 site highway infrastructure, two CPI led National Centres in Photonics and Formulations and a business incubator development);
  - iv. Sunderland City Centre (Vaux site infrastructure, Hope St Exchange business incubator, LSTF cycle infrastructure and pedestrian

- improvements);
- v. A19 Corridor (south of Tyne) - (IAMP, Hilthorn, Turbinia, CESAM, Sunderland Low Carbon transport corridor schemes);
  - vi. Gateshead Quays and Baltic Quays (including Proto (Immersive Technology Centre) , NGP and Arena/ Conference Centre projects).
- 3.6 Other, LGF complementary evaluation work is ongoing this year at a project or mini programme level e.g., the Local Strategic Transport Fund evaluation report was received in January 2021 and the North East Rural Growth Network programme report is expected in early October. These reports and others will feed into a final overall evaluation planned in 2025.
- 3.7 There is no Government requirement for the EZ programme to undertake an evaluation report at any stage. By contrast, the LGF programme has a requirement to produce and implement an Evaluation Plan. Both programmes have submitted regular performance monitoring data nationally to Government.
- 3.8 The LGF programme evaluation plan has three elements, and these are co-ordinated with the wider SEP evaluation mentioned above. These are: process evaluation (2018); interim impact evaluation (2021) and final impact evaluation (2025).
- 3.9 The consultants have been reporting over the past 9 months to a Steering Group with representation from Local Authorities and the Strategic Regional Transport Team. For headline analysis and interim findings of these two programmes, please refer to Appendix 2.

#### 4.0 Evaluative Assessment of Performance

- 4.1 With regards to the wider SEP evaluation, the evaluators have made significant judgements (based on quantitative and qualitative assessments and SAV) about the impact and added value of the work taken through the SEP. Table 1 provides a high-level overview of this conclusions, for further detail please refer to Appendix 1.

**Table 1**

Action area	Overall reflections
<b>Business growth</b>	<ul style="list-style-type: none"> <li>• The Business Programme has delivered a high level of impact to date with strong project delivery and evidence of good VfM at a project-level.</li> <li>• There is strong evidence of impact through additional case study work including supporting resilience and recovery from the impact of COVID-19 and partnership working between RTC North and ScaleUp North East.</li> <li>• Performance against objectives is mixed with mostly moderate improvements or poor performance against targets.</li> </ul>
<b>Innovation</b>	<ul style="list-style-type: none"> <li>• The Innovation programme has delivered a medium level of impact to date with strong alignment to SEP objectives. However, delivery mostly has a long-term focus, and it is difficult to assess impact to date.</li> <li>• Aligned to this, there is a mixed story for performance against PoD objectives, with most objectives performing poorly against targets.</li> </ul>

<b>Investment &amp; Infrastructure</b>	<ul style="list-style-type: none"> <li>• The Investment &amp; Infrastructure PoD has delivered a high level of impact to date with the delivery of significant investment funds (LGF, EZ and NEIF) directly translating to achieving objectives.</li> <li>• All PoD objectives are tracking positively against targets with the exception of funding leveraged - this is moving in the right direction although not yet at the expected pace.</li> </ul>
<b>Skills, Employment, Inclusion &amp; Progression</b>	<ul style="list-style-type: none"> <li>• The Skills PoD has delivered a high level of impact to date with strong levels of SAV and performance against qualitative deliverables including securing the North East as ‘the place to go’ as an education testbed.</li> <li>• All PoD objectives are tracking positively against targets</li> </ul>
<b>Transport Connectivity</b>	<ul style="list-style-type: none"> <li>• The Transport PoD has delivered a high level of impact and is performing well against all qualitative deliverables including securing significant funding locally (most notably through the Transforming Cities Fund) and aligning work to strategic priorities.</li> <li>• The 2019 SEP showed an increased focus to clean growth and sustainability, this activity is also being demonstrated at a project level, with a review of the Go Ultra Low North East showing positive performance that reflects the ambitions of the SEP.</li> <li>• The North East Transport Plan has been developed in close alignment to the SEP despite being the only PoD where delivery sits outside the LEP</li> <li>• The PoD has performed well against objectives, with the exception of one which has moderately deteriorated in performance.</li> </ul>
<b>Strategy, Policy &amp; Analysis (SPA)</b>	<ul style="list-style-type: none"> <li>• The SPA has delivered a moderate to high level of impact to date, demonstrating significant strengths in developing and maintaining strategic relationships and has been characterised as a ‘stand-out’ by stakeholders with regional/national oversight.</li> <li>• Significant strategic added value (SAV) has also been exemplified across a number of case studies taken over a two-year period.</li> <li>• There has been considerable headway in embedding evaluation principles across the North East LEP since 2014, and that there are notable positives to acknowledge before heading into the Final Evaluation. These include the development of logic models and a continued increase in evaluation activity at a project and programme-level. This early work in aligning to evaluation good practice has put the North East LEP in a good position moving forward and embedded best practice internally throughout the organisation. This activity should continue.</li> </ul>
<b>Communications</b>	<ul style="list-style-type: none"> <li>• The communications have delivered a high level of impact to date supporting the execution of individual PoDs as well as the promotion of the SEP as a leading document.</li> <li>• The North East LEP’s investment in building its communications is completely embedded in all North East LEP activity and critical to its delivery, and communications capability has had a direct impact on the North East LEP’s impact as a leader, coordinator, and advocate.</li> </ul>

## **5.0 Next Steps and Future Evaluation Framework**

- 5.1 Final reports will be prepared in early October for both the interim evaluation of the SEP and LGF/EZ programme evaluation, which will be shared with DLUHC and regional stakeholders. An executive summary will be published on the North East LEP website and a press release issued.
- 5.2 Building on the recommendations in each report, the North East LEP will develop a future evaluation framework in order to complete the final evaluation of the SEP and the LGF/EZ programme by 2025.

## **6.0 Recommendations**

- 6.1 Board members are requested to:
  - i. Receive the presentation from consultants Steer ED and comment on the findings outlined in the Executive Summaries.
  - ii. Approve the development of a future final evaluation framework for the North East SEP and LGF/EZ programme

## **7.0 Appendices**

- 7.1 Appendix 1: Interim SEP Evaluation – Executive Summary  
Appendix 2: Interim LGF and EZ Programmes Evaluation – Executive Summary



# Interim Evaluation of the North East SEP: Executive Summary

## Purpose

An independent Interim Evaluation was commissioned by the North East Local Enterprise Partnership (North East LEP) to assess the effectiveness and impact of the North East Strategic Economic Plan (SEP) and its implementation on the region's economy, and to assess the impact of the role of the North East LEP in co-ordinating and delivering the SEP.

The work was undertaken by Steer Economic Development (Steer-ED) between June 2018 and October 2021 over three annual stages, involving a mix of evaluation methods, including logic model development, qualitative and quantitative analysis, and case study development. A summary of the evaluation tools and processes used is included in Table 1 overleaf.

The findings of this study are being used to establish and embed evaluation processes and procedures, ensuring a strong and structured approach to evaluation across the North East LEP, and will enable a Final Evaluation, timetabled to complete in 2025, which will assess the impact of the SEP's delivery over the full 10 year first phase period between 2014 and 2024.

## The Strategic Economic Plan

Spanning the period 2014-2024, the North East SEP has the following objectives:

- Increase the number of jobs in the North East economy by 100,000 by 2024;
- Ensure that 70 per cent of the jobs' growth is in better jobs<sup>1</sup>;
- Reduce the gap in private sector employment density by 50 per cent by 2024;
- Close the gap in the employment rate for people aged 16-64 by 100 per cent by 2024;
- Reduce the gap in economic activity for people aged 16-64 by 50 per cent by 2024; and
- Reduce the gap in GVA per hour worked by 50 per cent by 2024.

The SEP was refreshed in 2017 and 2019, reflecting contextual changes and lessons learned from delivery at that point.

The SEP is underpinned by the North East LEP's structures of governance, leadership and coordination, five Programmes of Delivery (PoDs, Business Growth, Innovation, Investment & Infrastructure, Skills Employability Inclusion & Progression and Transport Connectivity), the Areas of Strategic Importance (ASIs, Advanced Manufacturing, Digital, Energy, and Health & Life Sciences), the Strategy, Policy and Analysis activities, and Communications.

Delivery of activity across the North East LEP is extremely varied, with the North East LEP pulling different levers at different points in programmes and projects, subject to the nature of the intervention and available resource. For instance, this includes the direct delivery or funding of certain activity or more strategic inputs such as coordinating partners, leveraging additional resources, and providing a cohesive strategic narrative across the region.

Activities are organised by the five PoDs and are therefore the primary means by which the SEP's strategic objectives are to be realised.

---

<sup>1</sup> This target was revised upwards from 60 per cent at the point of the 2017 refresh.

**Table 1: Summary of Evaluation Activities**

	Baseline Report (2014)	Year 1 Evaluation Report (2018-19)	Year 2 Evaluation Report (2019-20)	Year 3 Evaluation Report (2020-21)
<b>Logic Model Development</b>	<ul style="list-style-type: none"> <li>• Generation of SEP-level and PoD-level logic models considering interventions in the context of the SEP's inception in 2014.</li> </ul>	<ul style="list-style-type: none"> <li>• Update of SEP- and PoD-level logic models</li> </ul>	<ul style="list-style-type: none"> <li>• Update of SEP- and PoD-level logic models</li> </ul>	<ul style="list-style-type: none"> <li>• Update of SEP- and PoD-level logic models</li> </ul>
<b>Qualitative Assessment</b>	<ul style="list-style-type: none"> <li>• Qualitative assessment as part of the evaluation of Strategic Added Value.</li> <li>• Qualitative analysis of POD reporting to the North East LEP</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Qualitative analysis of PoD reporting to the North East LEP Board (29 November 2018);</li> <li>• Interviews with key stakeholders involved in the SEP's development, and the implementation of its PoD</li> <li>• Interim Process Evaluation of the Local Growth Fund (LGF) Programme</li> </ul>	<ul style="list-style-type: none"> <li>• Assessment of qualitative deliverables set out in the SEP through a review of board reporting and supplemented through PoD level consultations</li> <li>• Consultations with strategic partners</li> <li>• Consultations with the communications team</li> </ul>	<ul style="list-style-type: none"> <li>• Assessment of qualitative deliverables set out in the SEP through a review of board reporting and supplemented through PoD level consultations</li> <li>• Consultations with the communications and Strategic Policy and Analysis team</li> </ul>
<b>Quantitative Assessment</b>	<ul style="list-style-type: none"> <li>• A set of quantitative indicators were identified and agreed based on the outputs and outcomes identified in the 2014 SEP, its subsequent 2017 refresh and each PoD's logic model.</li> <li>• Baseline Dashboards were produced to report on performance in the wider PoD ecosystem for the North East and comparative LEPs.</li> </ul>	<ul style="list-style-type: none"> <li>• Assessment on performance against PoD Indicators.</li> <li>• Assessment on performance against Baseline Indicators for each PoD.</li> </ul>	<ul style="list-style-type: none"> <li>• Update of PoD dashboards to include outcome indicators identified in the 2019 SEP refresh.</li> <li>• Assessment on performance against PoD Indicators.</li> <li>• Assessment on performance against Baseline Indicators for each PoD.</li> <li>• An assessment of all PoD evaluations to see assess the viability of an aggregated EIA for each PoD</li> <li>• An aggregated EIA assessment for Business Growth (insufficient project evaluation material available for other PoDs)</li> </ul>	<ul style="list-style-type: none"> <li>• Assessment on performance against PoD Indicators.</li> <li>• Assessment on performance against Baseline Indicators for each PoD.</li> <li>• An interim evaluation of the two largest investment programmes for delivering the SEP (the LGF and Enterprise Zone (EZ) programmes) including a VfM assessment</li> </ul>
<b>Case Study Development</b>	N/A	N/A	<ul style="list-style-type: none"> <li>• SAV case studies of (i) preparations for leaving the EU; (ii) the role of communications in SEP delivery; (iii) the evolution of the Gatsby pilot; and the development of the energy for growth strategy</li> <li>• Mini evaluations of (i) Go Ultra Low North East; (ii) the North East Growth Hub and RTC North and ScaleUp North East; (iii) the Incubator Support Fund; (iv) the Hope Street Xchange; (v) the Innovation SuperNetwork; and (vi) the North East Satellite Applications Centre of Excellence and Space and Satellite Applications Hub</li> </ul>	<ul style="list-style-type: none"> <li>• A SAV case study on COVID-19 response including the delivery and integration of a survey on the effectiveness of Growth Hub's work in COVID-19 response has been for businesses and the provider network.</li> </ul>

Source: Steer-ED, 2021

## Performance against Objectives

### The level of the SEP

A summary of how the North East LEP is performing against its objectives (as set out above) is included in Table 2. In assessing performance against objectives, it is important to remember that this is an Interim Evaluation and there are three further years for the SEP to deliver against its objectives. Data availability also means that the assessment to date is often only reflective of the mid-way point for SEP-delivery in 2019.

Performance against each objective is prescribed a 'Red/Amber/Green' (RAG) rating as below:

- **Red:** Objective unlikely to be achieved;
- **Amber:** Objective could still be achieved, but there are concerns around timelines; and
- **Green:** Objective has been achieved or is on course to be achieved in the expected timeframe.

The SEP is progressing to target in two of the six headline objectives, these are relating to job creation (increase of 69,500) and the proportion of these jobs being better jobs (increase in better jobs of 78,800). The SEP is moving in the right direction for two further objectives. These objectives are reducing the employment and economic activity gap with the level of England excluding London. Despite employment increasing by 28,000 and the economically active increasing by 32,000, they are not currently at the expected pace to reach targets by 2024. The two final objectives are currently underperforming; similarly, whilst productivity per hour has increased by £3 and private sector employment has increased by 10,000, the productivity gap and the gap in private sector employment density with England excluding London has increased since 2014.

These data were last updated in March 2020, so the impact of COVID-19 has not yet been captured within the numbers below.

**Table 2: SEP objectives**

Objectives	Actual	Target	Progress	RAG
Increase in the number of more and better jobs	69,500	100,000	69.5%	Green
Number of all jobs to be better jobs	78,800	70,000	113%	Green
Reduce the 2014 gap in the private sector employment density between the North East LEP and England excl. London	Increase of 14%	Reduction of 50%	As per actual	Red
Reduce the 2014 aged 16-64 employment gap between the North East LEP and England excl. London	Reduction of 21%	Reduction of 100%	As per actual	Amber
Reduce the 2014 aged 16-64 economic activity gap between the North East LEP and England excl. London	Reduction of 23%	Reduction of 50%	As per actual	Amber
Reduce the 2014 gap in GVA per hour worked between the North East LEP and England excl. London	Increase of 19%	Reduction of 50%	As per actual	Red

Source: <https://www.northeastlep.co.uk/the-plan/our-targets> [Last updated March 2020]

The assessment in Table 2 has been calculated using national-level data sources rather than an aggregation across project-level data of SEP activities. These data, therefore, have considerable limitations for the purpose of evaluation as it both cannot be attributed to North East SEP activity or be interrogated to understand what activities are driving or undermining performance. The work that is being undertaken to create a centralised dataset of all project-level monitoring data

for the North East LEP should continue to be assembled so that these outputs can be aggregated for the Final Evaluation of the SEP.

### The PoDs

Each of the five PoDs have stated objectives. A summary assessment of activity against these is set out below. Objectives are monitored by the same RAG ratings as with the SEP-level objectives. An overview of how the PoDs are performing against their objectives is included in Table 3. In summary:

- **Business Growth:** All Business Growth PoD objectives are largely performing well against the objectives having improved against the baseline. The notable exception is the density of scaleup businesses which has not grown near to the level expected at this stage, however, there is a considerable time lag on the availability of these data so there may have been positive changes that are not captured in this table;
- **Innovation:** All Innovation PoD objectives with the exception of increasing the share of per-capita government innovation expenditure have missed targets or are tracking behind expectations. Two additional SEP objectives are not included in the table due to datasets being discontinued and no alternative established methods for collecting data. These are increasing the proportion of businesses engaged both in process innovation and/or 'wider innovation' and increasing the gross number of innovation active businesses by 550 (this is only currently available as a proportion of total);
- **Investment and Infrastructure:** The Investment & Infrastructure PoD continues to move in the right direction against all of their stated objectives although there is still a good proportion to be delivered in leveraging additional public and private investment;
- **Skills, Employment, Inclusion and Progression:** There is a mixed picture for performance with the Skills, Employment, Inclusion and Progression PoDs, with progress reported in reducing skill gaps and shortages, but the gaps against national averages in employment and economic activity rates are increasing. Additionally, there are also objectives that are not captured as there are no established metrics. Specifically, these are, improving the proportion of individuals with digital skills<sup>2</sup>, the perceptions of the North East as a place to build a career for individuals and employers<sup>3</sup> and establishing the North East as a key location for piloting new approaches to skills, employment, progression and inclusion<sup>4</sup>; and
- **Transport Connectivity:** The Transport PoD is performing well against all KPIs with the exception of road journey time reliability which has worsened since the baseline.

There are ongoing challenges in the collection of some data where the LEP is not directly delivering a project or programme, and therefore has little access to the data and cannot capture progress. The extent of this varies considerably across PoDs depending on how directly they are delivering activities.

---

<sup>2</sup> IPPR North recently published a report looking at the digital divide across the North East which complements and aligns to a recent report published by the North East LEP on behalf of the Skills Advisory Panel, looking at digital exclusion in the North East LEP area, focussed on education and skills. The intention is that strategic partners (including North of Tyne Combined Authority (NTCA), VONNE, Milfield House Partnership, etc) will develop a regional strategy on digital exclusion, based on the recommendations from both reports. A key action area from this work is around embedding digital skills across all subject areas within formal education. As this strategy moves into delivery, the development of a suitable indicator should be considered and ideally developed for the Final Evaluation.

<sup>3</sup> There is no established indicator for this objective. The development of a suitable indicator should be considered and ideally developed for the Final Evaluation.

<sup>4</sup> Qualitative evidence of the North East being used as a location for piloting new approaches is evidenced within the Gatsby primary and secondary pilots as included in the SAV assessment.

Table 3: PoD KPIs

PoD	Objectives	Target	Baseline	Actual	Source	RAG
Business Growth	Increase the density of scaleup businesses	50% increase from baseline	35.8 (per 100k people) (2014)	36.8 (per 100k people), 3% increase (2018)	ERC	Amber
	Create additional jobs through inward investment	4,000 per year	-	2,991 (2015) 4,609 (2016) 2,379 (2017) 2,188 (2018) 2,979 (2019) 1,373 (2020)	DIT	Amber
	Increase the numbers of scale-up businesses	Higher than baseline	700 (2014)	730 (2018)	ERC	Green
	Increase GVA per hour worked	Higher than baseline	27.6 (2014)	30.8 (2019)	ONS	Green
	Increase the number of businesses trading outside the North East	Higher than baseline	5,000 (2016)	5,000 (2019)	ONS	Amber
Innovation	Increase the proportion of 'innovation active' businesses	Higher than baseline <sup>5</sup>	56% (2014)	41% (2019)	UKIS	Red
	Reduce the gap in average business expenditure on R&D between the North East <sup>6</sup> and the UK	Reduction of 50%	£3.98m (2014)	22% increase (2019)	ONS	Red
	Increase investment in business R&D as a proportion of GVA	50% increase from baseline	0.6% (2014)	0.8%, 33% increase (2019)	ONS	Amber
	Increase the share of per-capita government expenditure on R&D secured by the North East <sup>6</sup>	Higher than baseline	£0.11m (2014)	£0.27m (2019)	ONS	Green
	Increase total R&D investment as a proportion of GVA	2.4% (by 2027)	1.1% (2014)	1.4% (2019)	ONS	Amber
Investment & Infrastructure	Create additional gross jobs on direct employment sites (by 2025)	10,000	-	8,118	LGF & EZ	Green
	Secure additional public sector funding	£260m	-	£67m	LGF & EZ	Amber
	Secure additional private sector investment	£830m	-	£369m	LGF & EZ	Amber
	Deliver new or refurbished commercial floor space	430,000m <sup>2</sup>	-	348,425	LGF & EZ	Green
	Unlock additional brownfield land	50ha	-	>200ha	LGF & EZ	Green
Skills, Employment,	Increase the number of employers signed up to the 'good work' pledge	Higher than baseline	-	[TBC]		Green
	Reduce the employment gap for the population aged 16-64 between the North East LEP and England excl. London	Reduction from baseline	35.2% (2014)	4.1%, 21% reduction (2019)	APS	Green

<sup>5</sup> This indicator has decreased within all comparator areas: Tees Valley from 52% to 31%, Liverpool City Region from 57% to 24%, Sheffield City region from 57% to 52%, D2N2 from 57% to 41%, Eng Excl. London from 54% to 38%

<sup>6</sup> NB. Data is available at the North East NUTS3 regional level only



PoD	Objectives	Target	Baseline	Actual	Source	RAG
<b>Inclusion &amp; Progression</b>	Reduce the gap in economic activity rates for the population aged 16-64 between the North East LEP and England excl. London	Reduction from baseline	2.6% (2014)	2.0%, 23% reduction (2019)	APS	Green
	Reduce skills gaps (measured by proportion of employers reporting skill gaps)	Lower than baseline	13% (2015)	12% (2019)	UKCES	Green
	Reduce skills shortages (measured by proportion of employers reporting skill shortages)	Lower than baseline	6% (2015)	4% (2019)	UKCES	Green
<b>Transport Connectivity</b>	Secure funding through Transforming Cities Fund	£130m	-	£146m <sup>7</sup> (2020)	LGF	Green
	Improve the reliability of road journey time (measured through average delay time in minutes)	Lower than baseline	30.1 (2015)	31 (2019)	ONS	Red
	Increase satisfaction with the transport network (measured through survey satisfaction rates with Metro)	Higher than baseline	7.8 (2018)	7.9 (2020)	NEXUS <sup>8</sup>	Green
	Increase public investment in transport	Higher than baseline	624 (2014)	1,310 (2018)	ONS <sup>9</sup>	Green

Source: Steer-ED, 2021

<sup>7</sup> Total funding

<sup>8</sup> Metro Satisfaction

<sup>9</sup> Public expenditure on transport

## Strategic Added Value (SAV) and Wider Benefits

The SAV concept was originally developed for the evaluation of Regional Development Agencies. Its purpose is to capture how stakeholders have been engaged and influenced, how funding has been secured, information shared, decisions made, and outcomes achieved (Table 4).

**Table 4: Strategic Added Value**

SAV	Description	SEP activity
<b>Leadership</b>	Articulating and communicating the strengths, weaknesses, opportunities and threats, including the identification of shared strategic objectives with partners and stakeholders.	Championed the North East economy's development/ opportunities/needs to internal and external audiences.
<b>Influence</b>	Carrying-out or stimulating activity that gets partners and stakeholders to commit to respond to shared strategic objectives, for example, by changing behaviour, and allocating resources based on shared strategic objectives.	Stimulated partners to work together on the delivery of the North East SEP.
<b>Leverage</b>	Providing and/or securing financial other incentives to mobilise partner and stakeholder resources; equipment and people, as well as funding.	Secured funding and/or financial incentives to deliver/enable partners to implement the North East SEP.
<b>Synergy</b>	Using organisational capacity, knowledge and expertise to improve: (1) information exchange and knowledge transfer between partners and stakeholders; (2) coordination of partners and stakeholder activity; and (3) integration of the design and delivery of interventions/activity between partners and stakeholders. Potentially achieving a 'catalytic effect'.	Shared information and/or coordinated activity amongst partners to provide greater impact in delivery of the North East SEP.
<b>Engagement</b>	Setting-up and maintaining mechanisms and/or incentives for more effective and deliberative engagement of stakeholders in the design and delivery of policies, guidance, research, programmes, and projects.	Engaged partners in the co— design/co-production of effective programmes/projects to implement the North East SEP.

Source: Steer-ED

The North East LEP has clear strengths in developing and maintaining strategic relationships for which it has been characterised as a 'stand-out' across multiple consultations and case studies. This directly translates into greater partner buy-in into the SEP and associated activity. The development of the Energy for Growth strategy and COVID-19 Response and Recovery strategy are strong examples of leadership, engagement and synergy, developing a unifying vision for the North East that closely aligns to SEP objectives. Consultation with stakeholders suggest that these examples illustrate wider practice.

A review of the North East LEP's preparations for exiting the European Union and the response to the COVID-19 pandemic demonstrates quick and effective response to change and evidence of the North East LEP being able to take a more active/leading policy role. These activities also provide an example of pivoting the SEP to appropriately respond to emerging challenges/economic shocks; using the SEP's overarching framework to organise response activity and get 'back on track' to SEP targets for growth. The process undertaken has also worked as an opportunity to improve partnership working and buy-in to the SEP.

There are also examples of the North East LEP informing and influencing national policy through its programmes. This includes the Gatsby benchmark pilots<sup>10</sup> and current work with Tees Valley LEP piloting a new approach to recommending business support that considers a business's future growth potential or their 'anticipated future state'<sup>11</sup>. These are strong examples of SAV in strategic influence.

The North East LEP's evidence-based approach continues to stand out to consultees when compared with LEP comparators. Investment decisions are clearly grounded in the North East LEP area's economic strengths and weaknesses, with a particular emphasis on maximising the ASIs. This is well evidenced in the LGF and EZ programmes where the North East LEP has concentrated resource in unlocking key investment sites such as for the Automotive/Advanced Manufacturing sectors in the A19 Corridor, and for the Energy/Low Carbon sectors in the Blyth Estuary.

All of the component parts of the SEP are well understood internally and externally alike as has been evident in consultations undertaken throughout this study where even external partners have known and could articulate the ambitions of the SEP and any underpinning strategy work, e.g., North East's Trade Strategy 'Global North East: Driving growth in North East trade and exports'<sup>12</sup> published in June 2021 and the bid for the North East England Freeport<sup>13</sup>. Communications operates in a very unique way compared to other LEPs as it is completely embedded in all North East LEP activity and critical to its delivery. The step change and impact that the refresh in 2017 and iteration of the SEP in 2019 has had compared to before these processes were properly implemented in 2014 are clear and this has had a direct impact on the North East LEP's impact as a leader, coordinator, and advocate.

The greatest challenge consistently across North East LEP strategic and PoD activity is a lack of decentralised resource to enable decision-making, funding and delivery activity to happen more efficiently; at scale and at pace to external challenges. To help mitigate for this and ensure delivery of the SEP, the North East LEP has successfully leveraged additional sources of UK funding. This has included utilising existing funding streams and 'bending' these to align to the objectives of the SEP, as well as securing investment into specific projects or programmes such as in the Innovation Supernetwork. The North East LEP has also undertaken wider strategic work to strengthen pipelines in preparation for new funding streams. This has successfully been undertaken in developing a pipeline of projects for the Energy for Growth strategy. This work positioned the North East LEP well in securing funding from the Getting Building Fund (GBF), meaning a higher proportion of successful funding than elsewhere. Similarly, the North East LEP is continuing to develop a pipeline of projects for applying into the UK Shared Prosperity Fund (UKSPF).

Conversely, the North East LEP has used considerable time and resource on unsuccessful opportunities, for instance, the bid to establish one of the eight national free trade zones in the North East in March 2021. This was unsuccessful despite having one of the highest scoring bids due to national political decision making.

---

<sup>10</sup> The landmark education programme to drive careers aspirations through close working with local employers in schools from primary and secondary schools that was piloted in the North East and now a part of national policy.

<sup>11</sup> The Business Growth PoD team is currently liaising closely with BEIS on the results of this pilot as it seeks to define the future of the business support landscape nationally.

<sup>12</sup> [https://www.northeastlep.co.uk/wp-content/uploads/2021/06/North-East-trade-and-export-report\\_FINAL.pdf](https://www.northeastlep.co.uk/wp-content/uploads/2021/06/North-East-trade-and-export-report_FINAL.pdf)

<sup>13</sup> <https://northeastenglandfreeport.co.uk/our-bid/>

## Indicative Value for Money Assessment

A full SEP-wide assessment of Value for Money (VfM) is not yet available at this stage due to a combination of the stage in project delivery and data quality. A roadmap to ensure that this is available for the Final Evaluation of the SEP is included as part of this programme of work.

However, an indicative VfM assessment has been undertaken on the two largest investment programmes for the North East LEP<sup>14</sup>, namely the Local Growth Fund (LGF) and the Enterprise Zone (EZ) programmes. To date, the LGF and EZ programmes have invested £270m and £69m respectively since 2013, with further investment expected on EZ sites of £97m (62% of overall programme spend) up to 2028.

Both of these programmes are still in delivery which limits the scope and robustness of this assessment. A more comprehensive assessment of programme VfM will be undertaken in 2025 as part of the final evaluation of LGF and EZ programmes. The prospective VfM analysis has been undertaken at a programme level, using anticipated job creation targets and applying ‘ready reckoner’ additionality assumptions to move from ‘gross’ to ‘net additional outputs’<sup>15</sup>. Table 5 presents the potential combined VfM position of the programmes.

**Table 5: Value for Money Analysis**

VfM Measure	Anticipated Public Cost per Net Job	Anticipated LGF (and EZ for last row) cost per Net Job
LGF Total jobs and total costs	£37,659	£15,863
LGF Economic Infrastructure jobs & costs only <sup>16</sup>	£27,695	£8,872
Total jobs & costs (LGF & EZ)	£30,901	£16,694

Source: Steer-ED, 2021

Overall, the public cost per net job is broadly in line with established benchmarks for Regional Growth Fund projects<sup>17</sup>. If the programmes meet their forecast outcomes, these SEP programmes will represent **good value for money**<sup>18</sup>.

## Overarching assessment across areas of delivery

A summary assessment of programme delivery and outcomes, for the different North East LEP areas of delivery (i.e., the PoDs, the ASIs, and SPA and Communications team) is included in Table 6. This table includes a Red, Amber and Green RAG assessment reflecting limited, moderate and high impact, measured through performance through SAV and qualitative and quantitative analysis (including progress against objectives).

<sup>14</sup> A full mapping of investment activity is needed to be undertaken before the Final Evaluation to understand the exact proportion of SEP activity spend these programmes equate to.

<sup>15</sup> For both programmes, deadweight, leakage, displacement (including substitution) and multiplier assumptions have been drawn from the HCA Additionality Guide and are assumed to be 20%, 10%, 25% and 1.44 respectively for LGF and 20%, 10%, 50%, and 1.44 for EZ. The EZ displacement figure is higher, based on evidence from wider literature around historic EZ programmes highlighting high levels of displacement.

<sup>16</sup> Not including projects that are primarily targeting skills and transport benefits rather than job creation.

<sup>17</sup> <https://www.nao.org.uk/report/the-regional-growth-fund/>: To note this report stipulates £33k but applying the inflation rate from 2013 this is calculated as £37k.

<sup>18</sup> The LGF total jobs and costs does sit at the upper end of benchmark levels and therefore any substantive reduction in jobs created and/or any increase in public sector costs could result in poor value for money outcomes. There is some headroom for further project slippage/disruption when considering the LGF economic infrastructure specific projects and the total projects across LGF and EZ programmes.

Table 6: Performance RAG Action Area

Action area	Programme Delivery	Programme Outcomes	Overall comments
<b>Business growth</b>	<p><b>RAG Rating: Green</b> Evidenced by:</p> <ul style="list-style-type: none"> <li>The collaborative approach employed by the Growth Hub, RTC North and ScaleUp North East has resulted in increased engagement with solution providers with proven scaleup services, which in turn has eased the route by which businesses navigate the region’s business ecosystem as evidenced in the mini evaluation</li> <li>Aggregated EIA looking at forecasted targets estimated good to very good VfM.</li> <li>The Growth Hub team has had to be extremely responsive to a changing context due to Brexit and COVID-19, a survey of businesses supported has demonstrated that this has provided a positive impact.</li> </ul>	<p><b>RAG Rating: Amber</b> Evidenced by:</p> <ul style="list-style-type: none"> <li>12% increase in GVA per hour worked (of £3.2)</li> <li>Moderate increase in the density of scaleup businesses</li> <li>Annual average of 2,750 jobs created through FDI (2015-2020) against an annual target of 4,000</li> <li>Moderate 4% increase in scale-up businesses (of 30)</li> <li>A lack of movement in the number of businesses trading with the North East LEP (since 2016)</li> </ul>	<ul style="list-style-type: none"> <li>The Business Programme has delivered a high level of impact to date with strong project delivery and evidence of good VfM at a project-level.</li> <li>There is strong evidence of impact through additional case study work including supporting resilience and recovery from the impact of COVID-19 and partnership working between RTC North and ScaleUp North East.</li> <li>Performance against objectives is mixed with mostly moderate improvements or poor performance against targets.</li> </ul>
<b>Innovation</b>	<p><b>RAG Rating: Green</b> Evidenced by:</p> <ul style="list-style-type: none"> <li>Consultations have evidenced good examples of partnership working e.g., with National Centre of Rural Enterprise and Innovation Super Network although further work to be done to build collaborative relationships nationally.</li> <li>Mini evaluations have shown strong evidence of working towards expected outcomes and direct delivery against the SEP objectives (inc. Satellite Applications Hub, Innovation Supernetwork and Hope St Exchange).</li> </ul>	<p><b>RAG Rating: Amber</b> Evidenced by:</p> <ul style="list-style-type: none"> <li>33% increase in Business R&amp;D investment as a proportion of GVA</li> <li>Moderate £0.16m increase in the share of per-capita gov. expenditure on R&amp;D</li> <li>Moderate 0.3pp increase in total R&amp;D investments as a proportion of GVA</li> <li>Fall in % of ‘innovation active’ businesses by 15pp</li> <li>Increase in the gap in average business expenditure on R&amp;D between the North East and the UK by 22%</li> </ul>	<ul style="list-style-type: none"> <li>The Innovation programme has delivered a medium level of impact to date with strong alignment to SEP objectives. However, delivery mostly has a long-term focus, and it is difficult to assess impact to date.</li> <li>Aligned to this, there is a mixed story for performance against PoD objectives, with most objectives performing poorly against targets.</li> </ul>
<b>Investment &amp; Infrastructure</b>	<p><b>RAG Rating: Green</b> Evidenced by:</p> <ul style="list-style-type: none"> <li>Consultations evidence the management of multiple funds effectively, maximising their investment opportunity and aligning to the SEP’s strategic priorities.</li> <li>Interim LGF/EZ VfM assessment forecasting good VfM</li> <li>Significant SAV of targeted investment in key strategic sites through strategic deep dives undertaken as part of the interim LGF/EZ evaluation</li> <li>Examples of using funding to develop local project pipelines in incubator support fund mini evaluation.</li> </ul>	<p><b>RAG Rating: Green</b> Evidenced by:</p> <ul style="list-style-type: none"> <li>An additional 8,113 gross jobs on direct employment sites against a total target of 10,000</li> <li>Leveraging an additional £67m of public sector funding and £369m of private sector investment</li> <li>348,000m<sup>2</sup> of new or refurbished commercial floor space delivered, tracking positively against targets</li> <li>Significant brownfield land unlocked</li> </ul>	<ul style="list-style-type: none"> <li>The Investment &amp; Infrastructure PoD has delivered a high level of impact to date with the delivery of significant investment funds (LGF, EZ and NEIF) directly translating to achieving objectives.</li> <li>All PoD objectives are tracking positively against targets with the exception of funding leveraged - this is moving in the right direction although not yet at the expected pace.</li> </ul>



Action area	Programme Delivery	Programme Outcomes	Overall comments
Skills, Employment, Inclusion & Progression	<p><b>RAG Rating: Green</b></p> <p>Evidenced by:</p> <ul style="list-style-type: none"> <li>Stakeholder consultations have praised the PoD's strategic vision and relationship development and partnership working. Consultees also commented that the North East LEP stands out when compared to other LEPs for its focus on education and skills, which deliver outcomes over the long rather than the short term.</li> <li>This PoD demonstrates exceptional SAV, influencing national strategy on careers provision, based on the initial Gatsby pilot. This project is also directly addressing the PoD's specified outcomes, specifically around raising young people's aspirations due to good careers guidance and exposure to industry.</li> </ul>	<p><b>RAG Rating: Green</b></p> <p>Evidenced by:</p> <ul style="list-style-type: none"> <li>Increase in the number of employers signed up to the 'good work' pledge</li> <li>Reduction of the employment gap for the population aged 16-64 by 21%</li> <li>Reduction of the gap in economic activity rates for the population aged 16-64 by 23%</li> <li>Reduction in the skills gap of 1pp</li> <li>Reduction of reported skills shortages by 4pp</li> </ul>	<ul style="list-style-type: none"> <li>The Skills PoD has delivered a high level of impact to date with strong levels of SAV and performance against qualitative deliverables including securing North East as a 'the place to go' as an education testbed.</li> <li>All PoD objectives are tracking positively against targets</li> </ul>
Transport Connectivity	<p><b>RAG Rating: Green</b></p> <p>Evidenced by:</p> <ul style="list-style-type: none"> <li>Consultations as part of the LGF Interim Evaluation evidenced a strong pipeline of transport projects that supported PoD strategic priorities and worked to unlock strategic investment sites that supported other SEP priorities e.g., supporting the A19 corridor.</li> <li>Case study of Go Ultra Low North East showing significant progress in improving Electric Vehicle infrastructure in line with PoD ambitions.</li> <li>This PoD has made considerable progress with project delivery with the majority of LGF transport projects well underway or completed and consistently meeting delivery targets.</li> </ul>	<p><b>RAG Rating: Green</b></p> <p>Evidenced by:</p> <ul style="list-style-type: none"> <li>£146m of Transforming Cities Funding secured (112% of target)</li> <li>Increase in satisfaction rates with the transport network</li> <li>Doubling of public investments into transport (from £624m to £1.3bn)</li> <li>Moderate increase in average delay times on A roads of 54 seconds</li> </ul>	<ul style="list-style-type: none"> <li>The Transport PoD has delivered a high level of impact and is performing well against all qualitative deliverables including securing significant funding locally (most notably through the Transforming Cities Fund) and aligning work to strategic priorities.</li> <li>The 2019 SEP showed an increased focus to clean growth and sustainability, this activity is also being demonstrated at a project level, with a review of the Go Ultra Low North East showing positive performance that reflects the ambitions of the SEP.</li> <li>The North East Transport Plan has been developed in close alignment to the SEP despite being the only PoD where delivery sits outside the LEP</li> <li>The PoD has performed well against objectives, with the exception of one which has moderately deteriorated in performance.</li> </ul>
Strategy, Policy & Analysis	<p><b>RAG Rating: Green</b></p> <p>Evidenced by:</p> <ul style="list-style-type: none"> <li>Consistent messaging from stakeholder consultations that the North East LEP has played a critical role in SEP delivery, including through an partnership working, policy development, developing a unifying narrative and</li> </ul>	<p><b>RAG Rating: N/A</b></p> <p>No objectives assessment</p>	<ul style="list-style-type: none"> <li>The SPA has delivered a moderate to high level of impact to date, demonstrating significant strengths in developing and maintaining strategic relationships and has been characterised as a 'stand-out' by stakeholders with regional/national oversight.</li> <li>Significant SAV has also been exemplified across a number of case studies taken over a two year period.</li> </ul>

Action area	Programme Delivery	Programme Outcomes	Overall comments
	<p>communicating the needs of the North East LEP area (inc. through a consistently evidence-based approach).</p> <ul style="list-style-type: none"> <li>SPA activity demonstrated excellent examples of all elements of SAV (Leadership, Influence, Leverage, Synergy and Engagement) across case studies on across preparations for EU exit, the development of the energy for growth strategy and COVID-19 response and recovery.</li> <li>Significant work to date has been undertaken to bolster the evidence base for the SEP and for evaluative assessment (these include the development of logic models and a continued increase in evaluation activity at a project and programme-level) but there are still key areas to build upon to ready the SEP for the Final Evaluation. The SPA team must continue to play a key role in supporting the organisation to embed evaluation best practice.</li> </ul>		<ul style="list-style-type: none"> <li>There has been considerable headway in embedding evaluation principles across the North East LEP since 2014, and that there are notable positives to acknowledge before heading into the Final Evaluation. These include the development of logic models and a continued increase in evaluation activity at a project and programme-level. This early work in aligning to evaluation good practice has put the North East LEP in a good position moving forward and embedded best practice internally throughout the organisation. This activity should continue.</li> <li>SPA does not have explicit objectives in the SEP to assess outcomes against and outcomes are primarily assessed through the SAV workstream.</li> </ul>
<b>Communications</b>	<p><b><u>RAG Rating: Green</u></b> Evidenced by:</p> <ul style="list-style-type: none"> <li>Consultations with internal and external partners have shown a strong awareness of the SEP and it's ambitions internally and externally.</li> <li>SAV Deep Dive into the role of Communications in the delivery of the SEP has shown that it has played a critical role in the development and delivery of the SEP including significant SAV, specifically in strategic influence, leadership and engagement. The team has also provided effective data and analysis in relation to communications activity to promote and engage businesses and education and training providers to help maximise the impact of specific programmes and projects delivered as part of the PoD.</li> </ul>	<p><b><u>RAG Rating: N/A</u></b> No objectives assessment</p>	<ul style="list-style-type: none"> <li>The communications have delivered a high level of impact to date supporting the execution of individual PoDs as well as the promotion of the SEP as a leading document.</li> <li>The North East LEP's investment in building its Communications is completely embedded in all North East LEP activity and critical to its delivery, and communications capability has had a direct impact on the North East LEP's impact as a leader, coordinator, and advocate.</li> <li>Communications does not have explicit objectives in the SEP to assess outcomes against.</li> </ul>

Source: Steer-ED, 2021

## Next Steps and a Framework for Future Evaluation

Whilst the core principles of evaluation remain consistent, the methodological landscape for evaluation studies itself continues to develop and become more sophisticated. This includes revisions to HMT guidance on how to appraise and evaluate policies, projects and programmes<sup>19</sup> as well as more emphasis on the Maryland Scientific Methods Scale (SMS). SMS defines minimum quality thresholds for evaluations, with expectations from government for a minimum Level 3 scale for evaluation studies becoming the norm.

Due to the varied nature of the SEP and the activities delivered by the PoDs, there is a need for logic models at the level of each PoD. As articulated in Table 1, logic models were developed as part of the Baseline Report and have been updated annually as part of the evaluation process. Going forward, these logic models (for the SEP overall and for the PoDs individually), should not be static, but rather continue to be deployed and refreshed as ‘living and breathing’ documents that respond to the wider context. These can be both ‘fundamental’ (e.g., macroeconomic shocks such as the COVID-19 pandemic), and ‘incidental’ (e.g., readjusting activities to changing requirements from funders)<sup>20</sup>. Together both SEP- and PoD-level logic models inform the LEP’s overarching Monitoring and Evaluation (M&E) Framework.

There has been considerable headway in embedding evaluation principles across the North East LEP since 2014, and that there are notable positives to acknowledge before heading into the Final Evaluation. These include the development of logic models and a continued increase in evaluation activity at a project and programme-level. This early work in aligning to evaluation good practice has put the North East LEP in a good position moving forward and embedded best practice internally throughout the organisation. This activity should continue. Specifically, continuing to update logic models to contextual change and continuing to undertake and learn from project and programme-level evaluative assessment where possible (including further case studies to evidence Strategic Added Value). Evaluation activity should continue to be published and communicated to partners and government for full transparency on progress and to promote evaluation best practice.

Additionally, however, there are a number of challenges where further targeted work is needed to assure a more robust, representative, and evidence-based Final Evaluation that builds on good work to date. These challenges are:

- **Difficulties in establishing a centralised database for monitoring data because of the availability of data from delivery projects** and therefore the ability to establish a bottom-up assessment of SEP activity using project-level data: An ongoing challenge for evaluative assessment of the SEP is that there is not a centralised source of data and a cohesive framework which monitors data from a PoD level to the SEP-level, although significant work has been undertaken to assemble this and innovative methods used to compensate. Due to the varied nature of delivery, there are some challenges in accessing, collating, and aggregating certain data, but this should be addressed for all available data. This will allow the Final Evaluation to provide an assessment of overall SEP-objectives as an aggregation across project-level data rather than using national-level data sources;

---

<sup>19</sup> <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government/the-green-book-2020>

<sup>20</sup> To note, it is the evaluators view that the North East SEP should not be re-baselined due to COVID-19 and the impact of COVID-19, as with other shocks, should be told through the narrative.

- **Clarity around how PoD objectives directly align to the delivery of the SEP-level objectives:** Critically, PoD logic models should feed directly into the objectives of the SEP with a clear line of sight in how each PoD is delivering on SEP-level objectives. A comprehensive mapping exercise of PoD-level objectives against SEP-level objectives is needed to better understand how progress against each PoD objective is contributing to those at a SEP-level. This mapping should be undertaken before the Final Evaluation and should build upon the early work as part of the Baseline Report to look at the links between inputs and outcomes at a PoD-level;
- **PoD-level objectives are not all consistent or SMART** (Specific, Measurable, Achievable, Realistic and Timebound) with particular gaps in objectives being Measurable and Timebound: Across the PoD there are challenges around objectives not being consistently SMART. Ideally, all PoD objectives would be revised to be SMART before the upcoming SEP refresh. This will allow for a better assessment of activity within the Final Evaluation of the SEP. The Innovation PoD has recently gone through this process of updating its objectives which will be implemented in the next iteration of the SEP. It should be noted that the annual delivery plan is SMART and that this needs to be reflected back into the SEP; and
- **Current lack of project-level evaluations for Economic Impact Assessment (EIA), due to position in SEP delivery timeframe:** There have been ongoing challenges in conducting an EIA due to a lack of evaluation evidence. will need to be addressed through both continuing to increase the number of project level evaluations internally, but also through working with relevant government departments to get further evaluation and data for evaluation activity that is being progressed through delivery partners. To note, there will likely continue to be some continued challenges in delivering an EIA for some delivery areas due to the nature of outcome indicators for some PoDs, most notably for skills and innovation.

## Conclusions

The North East LEP has a wealth of evidence showing SAV across its areas of delivery. The role it plays working with partners, providing a cohesive strategic narrative and communicating the needs and strengths of the locality to central government have continually been highlighted as core strengths for the North East LEP internally and externally alike.

There is a mixed picture in terms of performance against SEP- and PoD-level objectives. Whilst every PoD can evidence successes, there are also key challenges for which to focus North East LEP attention and resource for the final years of delivery. Detailed recommendations are set out for each PoD in the main report and a summary assessment of performance is included in Table 4. This includes a Red, Amber and Green RAG assessment reflecting limited, moderate and high levels of supporting evidence.

The North East SEP has undoubtedly played a key role in the economic development of the North East LEP, particularly in the development of a cohesive and unifying voice and set of objectives across a historically fragmented political area.

The challenges in establishing a centralised source of data and a cohesive framework which monitors data from a PoD level to the SEP-level continues to be a key challenge for evaluation, and whilst more could be done by the LEP internally, this highlights an issue for national policy makers with respect of the structure of funding programmes. Evaluation sampling through mini evaluations and the Interim VfM assessment of the LGF and EZ programmes have indicatively shown good to very good VfM in line with national benchmarks. However, as we approach the final evaluation, we recommend a further comprehensive review of data

availability to confirm activity across the SEP at the Final Evaluation. In order for this to be achieved, we recommend the following is undertaken by the North East LEP:

- Undertake a mapping exercise prior to undertaking the Final Evaluation which reviews how all component PoD activities are delivering to the SEP objectives;
- All PoD objectives should be reviewed according (likely as part of the SEP 2021 refresh) and revised to ensure they are SMART;
- All project- or programme-level evaluation activity delivered across the SEP, including by each PoD to be collated centrally for use in the Final Evaluation; and
- Ongoing activities to improve the quality of consistency of data to continue including the centralisation of all monitoring data.

Undertaking these tasks will continue to embed evaluation good practice within the North East LEP and build on positive work to date.

The importance of the role of the North East LEP and the SEP is brought into even sharper focus going forward due to the COVID-19 pandemic. How the North East LEP continues to deal with COVID-19 Response and Recovery is mission critical for the SEP, with downturns expected across all SEP targets as a result of the Pandemic. To curb this expected and apparent decline in jobs, economic activity, innovation and entrepreneurship, following the impacts of the pandemic, the bringing together of partners in this way; around a strategic framework and shared vision for recovery, actively linking businesses to suitable support, ensuring a robust evidence-based approach and securing a recovery and renewal deal with central government.

Critically, the key SAV pillars of Leadership, Influence, Leverage, Synergy and Engagement will be key, and the North East LEP will need to continue to exercise these to ensure a proactive Recovery Response.

Whilst the North East LEP has evidence of effectively driving economic growth in the North East, the scope of its role is still limited by restricted allocation and responsibility to LEPs from central government, in order to decision-make, fund and deliver response efforts at scale and at pace. The North East LEP should continue to advocate more decentralised resource locally to drive forward SEP activity and work towards the SEP's stated objectives.

# LGF and EZ Programmes Interim Evaluation: Executive Summary

## Purpose

In early 2021, Steer Economic Development (Steer-ED) were commissioned to conduct an Interim Evaluation of the North East's Local Growth Fund (LGF) and Enterprise Zone (EZ) programmes. The objectives of the interim evaluation were to assess the programmes' impact and performance to date, including through targeted deep-dive cases studies of some of the most strategically important projects and investments.

This interim assessment will; provide evidence of progress to Government, help inform any related future funding rounds and provide a reference point and framework for the Final Evaluation of the programmes, scheduled to be undertaken in 2025. Analysis, findings and recommendations are structured around a logic model approach, with a clear emphasis on impacts over process.

## Context, Rationale and Objectives

### Context

The Heseltine Review (Autumn 2012) advocated for the decentralisation of resources and decision-making powers away from Whitehall and towards local areas, namely through LEPs<sup>1</sup>. The Government Response (Spring 2013) sought to establish a renewed vision for local growth<sup>2</sup> to be underpinned by the Single Local Growth Fund. Bespoke Growth Deals were negotiated between individual LEPs and Whitehall. The North East was well placed to enter these negotiations, having published the North East Independent Economic Review in Spring 2013. The development of the SEP followed on from this and it was published in April 2014.

The LGF programme budget has expanded and developed from July 2014 to 2016 under successive Growth Deals and are managed as a single integrated programme with a total budget of £270m.

First introduced in the UK in 1980s, EZs were established to catalyse the regeneration of underutilised, often brownfield, land in order to stimulate economic growth. EZ designation allows for tax and planning incentives to be offered to businesses locating on the sites and also provides a focus for public sector investment. The context for introducing EZs has not changed considerably with a continued emphasis on unlocking strategically located employment sites to encourage business investment, cluster development and job creation.

A new generation of EZs were promoted by UK Government as part of its response to the Heseltine Review. The North East has a high prevalence of strategically located brownfield sites with considerable viability constraints and infrastructure requirements which need to be addressed in order to unlock redevelopment. A distinctive dimension of this generation of EZ's was that any increases in business rates generated from occupying businesses are then retained locally for a period of 25 years. This model was borne out of a growing interest in, and use of, Tax Increment Financing mechanisms, both nationally and internationally (particularly in the US).

---

<sup>1</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/34648/12-1213-no-stone-untuned-in-pursuit-of-growth.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/34648/12-1213-no-stone-untuned-in-pursuit-of-growth.pdf)

<sup>2</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/221902/PU1465 Govt response to Heseltine review.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/221902/PU1465_Govt_response_to_Heseltine_review.pdf)



The EZ programme does not have an explicit funding envelope, and the cost of bringing forward key employment sites is funded via the future retained Business Rate Growth Income (BRGI), which involves the temporary use of capital grants, cash flow and borrowing against BRGI. Additionally, after covering the costs of investment on EZ sites any surplus can be retained and invested into further economic regeneration projects and programmes across the local area. Within the broader contexts of devolution and austerity, this represented a potentially important revenue stream for local areas in driving forwards their growth ambitions.

Over the duration of the LGF and EZ programme, in particular over the last few years, there have been significant shifts in economic and policy context, with notable change including the COVID-19 Pandemic, the UK's exit from the European Union, the Rebalancing Agenda and Net Zero. These macro shifts in context, to both LGF and EZ programmes, serve to bring into sharper focus the need for building greater resilience and driving increased and more sustainable growth across the North East economy.

Drawing on findings from case studies and wider consultations, it is important to highlight that partners across the North East chose to prioritise highly constrained, challenging sites across the first round of EZ allocations. In doing this, the rationale for intervention was driven by long-term, strategic regeneration ambitions. An alternative approach of prioritising 'easier-win' sites with greater potential for short-term business rate revenue generation was considered but discounted in favour of the long-term regeneration strategy. Nevertheless, the business rates mechanism remained a critical driver and dimension of the programme.

### ***Rationale***

The rationale for both programmes is still appropriate as market failures persist, particularly around bringing strategic brownfield employment sites back into use. The shifts in the macro context (e.g. COVID-19, Brexit and Net Zero), have brought the need for these types of intervention into sharper focus. The programmes have been flexible and proactive in responding to changes in operating context, including through deployment of a £4.4m Covid-19 recovery fund. Decisions to capitalise on low carbon opportunities have aligned well to local and national priorities and there is evidence of pivoting well to a changing wider context including opportunities in offshore wind and electrification.

### ***Objectives***

The LGF programme is broad and varied in nature and has a wide range of outcomes and consequently KPIs. The objectives are SMART but supplementary data is required to assess performance in deliver 'better jobs' objectives which has been hindered by the reduced capacity for businesses respond to additional data requests over the past two years due to the COVID-19 pandemic.

The EZ programme is currently lacking a single set of SMART objectives and accompanying KPIS across Round 1 & 2 explicitly aligned to SEP objectives.

Overall, the programmes' Context, Rationale and Objectives are well-aligned to the SEP and priority sectors (Health & Life Sciences, Digital, Advanced Manufacturing and Energy & Low Carbon) which has provided an effective roadmap for regional growth, that is conscious to the wider contextual picture, and has a coherent ambition to create more and better jobs in the North East LEP area by 2024. Both programmes have effectively positioned themselves within this framework and the SEP and investment programmes can be considered mutually reinforcing.

## Recommendations for Context, Rationale & Objectives

### Ongoing Delivery

- Work with local delivery partners across EZ and LGF sites to continue to embed the principles and importance of generating 'better' jobs as part of job creation including in targeting private investment opportunities.
- Continue to prioritise investment opportunities that align to opportunities in the North East LEP's priority sectors and communicate successes actively to attract further inward investment.
- Continue to capitalise on investment opportunities in emerging technology areas, building on existing strengths, including within electrification and renewable technologies.
- Continue to promote the net zero agenda through sustainable infrastructure and supporting the clean growth sector.

### Future funding opportunities

- Continue to lobby central government for the further decentralisation of funding and decision-making powers locally for infrastructure investment.
- Closely align any future Shared Prosperity Funding – or related sources – to priority EZ locations

### The Final Evaluation

- Ensure that the additional data that is used to understand 'better' jobs for the LGF programme is collected in the upcoming years to provide a more robust data sample for an assessment of better jobs in the Final Evaluation.
- Where possible, collate additional data on the number of businesses attracted into the area through the LGF programme and the number created through LGF funding.
- Work with EZ sites to develop annual job targets to 2028 that align to their lifetime site targets (allowing for these to be aggregated and monitored at a site and fund level in the Final Evaluation).
- Develop a series of SMART objectives for the EZ programme that sit across both rounds of site allocations to be used for evaluative assessment as part of the Final Evaluation.
- Continue to review and update both programme-level logic models as relevant overtime using this as a framework for evaluative assessment (overtime and for the Final Evaluation) and ensuring programme activities are suitable to the changing context, and that outcomes and impacts are consistently delivering to programme objectives.

## Inputs & Activities

### Inputs

LGF funding originated from the North East LEP's Growth Deal allocation from central government with a total amount of £270.1m of capital grant funding. This was allocated in three rounds:

- **LGF Round 1:** In July 2014, £179.8m of LGF budget was agreed;
- **LGF Round 2:** A further £40.6m was agreed in January 2015;
- **LGF Round 3:** A further £49.7m was agreed in Autumn 2016 with the majority of the funds being allocated to the nationally significant IAMP site in Sunderland/South Tyneside.

All of the £270m funding has been allocated and drawn down across a total of c. 100 projects. It is important to recognise that whilst the North East LEP is responsible for spend, it is not in control of project delivery, with projects generally being owned and delivered by local authority partners. The North East's progress in taking forwards projects has been recognised in annual performance reviews by Government which have consistently assessed the North East's delivery as 'good' or 'excellent'.

Resources have been effectively managed across programmes using the flexibility and freedoms allowed by MHCLG. This has included spending LGF monies on EZ projects in the form of Swaps (amounting to £12m to date). This has ensured the full draw down of budget allocation, in line with Government timelines, in spite of any LGF project slippage. As a result, when the EZ business rate incomes begin to pay back this borrowing, this Swap mechanism has generated a 'tail' of funding

beyond the official programme end. The money returned to the LGF pot has greater flexibility and can be spent on revenue as well as capital initiatives, including pipeline development studies.

Overall, 21 EZ sites have been allocated within the North East LEP area, with ten sites being allocated in 2013, and a further ten sites allocated in 2017 and an additional site, IAMP, being allocated in 2018. There are clusters of co-located sites in single locations, for example, there are three EZ sites allocated within the A19 Corridor.

A number of consultees highlighted the political challenges, across a diverse political area spanning seven local authorities, around securing consensus to the Round 1 allocations. However, partnership arrangements have matured significantly in the interim with the IAMP project (the most significant in terms of funding across both programmes), providing a good example of more joined-up partnership thinking and working. The site has strong support from all seven local authorities, who recognise its potential in generating employment, supply chain, innovation and inward investment opportunities across the region.

In line with the national EZ programme, the primary financial incentives to businesses on offer at EZ sites comprise:

Business rate discounts for occupants (active for businesses for c. 5 years after allocations); or  
100% enhanced capital allowances (active for businesses for c. 7 years after allocations);

It has not been possible to comprehensively assess the impact that these incentives have had on businesses' decisions to invest and locate on EZ sites. The North East LEP does not monitor the take-up of incentives across sites and no data has been made available around the extent to which businesses have taken advantage of incentives on offer. This gap in the evidence base should be addressed, potentially through a survey which includes exploration of business motivations for investing, as part of the final evaluation.

A total of c. £66m has been borrowed against anticipated future business rate incomes to be invested upon the EZ sites to date.

### **Activities**

At the outset of the Programme, a number of consultees have highlighted that, with the exception of transport projects, there was a limited project pipeline. This created a process of accelerated and pressurised project development and prioritisation across the sub-region, which was sub-optimal. The LEP and local partners have since recognised the importance of developing and maintaining a strong economic development project pipeline, as evidenced by the North East's responses to recent Government calls for funding.

LGF investment is diverse in scope primarily spanning Skills, Economic Infrastructure, Transport Infrastructure, Innovation projects and latterly business support initiatives including a green energy focus. There is a predominance of Transport and Economic Infrastructure projects as would be expected of a capital investment programme of this nature. LGF investments in projects range between £13.9k and £41m, with an average cost of £2.6m. Generally, the more costly projects being within Economic Infrastructure and least costly being within Skills.

The EZ programme has experienced significant delays for a range of reasons including the challenging nature of the sites, shifts in macro context and uncertainty around investment decisions by public and private partners. The role of EZ designation in providing a focal point for public sector investment, political engagement, marketing/branding and sector orientated cluster development, is of greater importance and influence in attracting businesses than the incentives on offer. However,

the take-up and impact of incentives has not been assessed through the interim evaluation process and this should be explored as part of the Final Evaluation.

The business rate borrowing mechanism has been critical to unlocking investment on these sites and the LEP's pooling mechanism has enabled local authorities to invest in projects that otherwise could not have come forwards. Local authorities' capacity and willingness to borrow, coupled with the blending of multiple funding streams and the creative use of funding swaps, has enabled the EZ programme to invest significantly on sites. A core added value of the programme has been its ability to co-ordinate this package of funding streams and ensure targeted and joined up investment into priority sites and locations. The borrowing mechanism also provides future scope for any surplus revenues to support wider economic development objectives across the sub-region.

### **Strategic Investment Deep Dives**

Detailed Deep Dives into examples of large scale, strategic investments which demonstrate the breadth and progress of the two programmes were undertaken as a part of this study (fully set out in Appendix B). These were designed to go beyond the 'hard' quantitative monitoring data to provide a richer understanding of the qualitative impacts and Strategic Added Value (SAV) of the programmes and how they have interacted. A number of the case studies are also examples of co-investment through LGF and EZ in single locations, which are helpful in assessing the interaction and complementarity of the programmes.

A headline summary of the case studies and their investments are included below.

Case Study	Overview	Investment
The Blyth Estuary	The Blyth Estuary is a manufacturing cluster across both banks of the river Blyth, Northumberland that comprises businesses which operate in the offshore and subsea renewable energy and engineering sectors and Port based training facilities.	LGF: £20.0m EZ: £5.4m
Helix Newcastle	Helix Newcastle is an innovation and technology cluster in Newcastle city centre. The site houses international science and tech businesses, University campus facilities as well as residential and green spaces.	LGF: £14.1m
NETPark	NETPark is a strategic Technology Park with CPI managed national research centres and innovation facilities based in Sedgefield, County Durham that comprises engineering and technology businesses as well as academia across nanotechnology, X-Ray technology, forensics and semiconductor technology.	LGF: £25.2m
Sunderland City Centre & Riverside	Sunderland City Centre and Riverside development is an urban renewal site designed to deliver green public spaces, and office and residential buildings. The area includes at its heart the former Vaux Brewery site that is being re-developed for mixed uses. .	LGF: £16.6m
A19 Corridor & IAMP	The A19 corridor is a group of advanced manufacturing parks running along the A19 in-between Sunderland and South Tyneside. The focus of these sites is the low carbon emissions automotive sector, supplying into Nissan.	LGF: £47.2m EZ: £49.9m
Baltic & Gateshead Quays	The Gateshead and Baltic Quays site will house incubation and innovation Centres, as well as providing 10-acres of Town Centre space for restaurants, hotels, and new regional arena, conference and exhibition venue on the waterfront.	LGF: £7.7m

The case studies are illustrative of the complex and challenging nature of driving forwards economic development across the sub-region. They clearly illustrate the high level of ambition and the assets,

opportunities and capabilities for driving growth locally and also the complementary and reinforcing nature of the programmes where co-investment has occurred in targeted locations.

#### Recommendations for Inputs and Activities

##### Ongoing Delivery

- Focus on supporting project delivery, ensuring appropriate levels of capacity and expertise are available across project partners to bring forward the existing portfolio of sites in line with agreed timelines.
- Prioritise project delivery resource within the EZ programme on sites with the greatest ability to drive project outcomes to meet programme-level lifetime targets.
- Continue to exercise good financial management working across available funding mechanisms to fund EZ investments through funding swaps from other sources (e.g., NEIF programmes) to be paid back by future business rate receipts.
- Ensure future spend from EZ rates income is targeted at economic development opportunities that align to the SEP and EZ and LGF programmes, with a strong evidence of need.

##### Future funding opportunities

- Continue to build upon strengths in partnership arrangements locally in remaining project delivery and in the pursuit of other funding opportunities.
- Continue to develop and maintain a live pipeline of economic development projects that can be pivoted to respond to any future funding opportunities. This should be formally reviewed and updated on a regular, rolling basis.

##### The Final Evaluation

- Undertake a survey of businesses to better understand the draws for locating at an EZ site, the take-up of incentives and the additional impact the EZ programme has generated to businesses as part of the Final Evaluation.
- Undertake a mapping exercise across all public sector funding sources, including borrowing and revenue costs associated with EZs, to get a more detailed understanding of the nature of other public funds at an aggregate level as part of the Final Evaluation,
- Undertake additional case study work with further deep dives into strategic investment sites and more extensive engagement with delivery partners as part of the Final Evaluation.
- Ensure that the reinvestment of any business rates surplus is closely monitored and captured with the Final Evaluation.
- Undertake a more detailed process evaluation as part of the Final Evaluation that assesses the economy and effectiveness of programme management arrangements to draw learning to inform future programme delivery.

## Measuring Impact

The LGF programme is performing well against the three indicators with established targets, in spite of the significant disruption caused by COVID-19 lockdowns. Strong performance at the programme levels is in part being driven by over-delivery across a small number of projects. Whilst overall skills attainment targets have already been exceeded, two thirds of projects are currently underdelivering against job targets.

Business rate incomes generated under the EZ programme are 77% of target (which was reprofiled in 2020) and only 7% of overall jobs targets have been delivered. As there are no annual job creation targets, it is not possible to assess whether performance to date is on track, although the outputs to date are proportionally low considering the point in delivery.

There is a subset of major employment sites where over 3k jobs are being targeted (A19 Corridor, North Bank of Tyne, Newcastle International Airport and IAMP) and where relatively modest proportion of total jobs have been delivered to date. The success of the overall programme hinges on the targeted quantum of jobs being created across these major employment sites. Whilst time-lags of this nature are not uncommon in challenging land and property regeneration schemes, the

risks to delivery should not be overlooked or underestimated. Generally speaking, the longer the timeline, the greater the level of risk associated with delivery.

Combined the LGF and EZ programmes have so far levered over £470m private sector investment. This level of leverage is anticipated to accelerate across both programmes as sites, now readied for development, are built out by private developers/investors.

Indicative VfM calculations indicate that based on current output projections, both programmes could deliver strong VfM outcomes. The actual VfM outcomes from the programmes will need to be interrogated more thoroughly as part of the final evaluation.

The SAV and wider impacts of the programmes are essential to understanding the full impacts of the programmes and include:

- **Catalysing and accelerating investment and regeneration:** Including strong evidence of generating private sector investment for placemaking e.g., the relocation of Ocado's northern offer in Sunderland and accelerated capital delivery in the Port of Blyth by Advance Northumberland, Helix position supporting the securing of NICD, and further building investments in Hillthorn Park aligned to IAMP;
- **Enabling cluster growth and supporting priority sectors:** Investments shown to support cluster formation and branding improvements e.g., Baltic Quarter for Gateshead, NETPark, and the Biosphere on the Helix. All sectoral activity is well aligned to SEP priorities/ASIs;
- **Unlocking partnership and collaboration across public and private sectors:** Partnership working is evident throughout and has been a catalysis for knowledge transfer, innovation and sector growth e.g., through the provision of a structure for stakeholders to pool expertise and come up with a clear and combined vision, for example, in the Energy Central partnership in Blyth and IAMP;
- **Raising the image and profile of sub-regional 'offer':** Ambitious visions and leading investments have supported improving the region's reputation, changing perceptions and rebranding as a place to do innovation e.g., with Newcastle Helix, NETPark as an internationally competitive location for R&I and through the flagship status of IAMP nationally;
- **Driving the low carbon agenda:** Embedded through supporting sustainable modal shifts, promoting best practice in environmental design and through driving the low carbon sector itself for instance with Energy for Growth programme, Northumberland Energy Park and low Carbon Energy Centre on the Helix; and
- **Supporting community impact:** Evidenced through a combination of driving social value and local jobs across all projects, working to upskill the local workforce e.g., BEACH in Blyth and the Nexus Training Centre in South Shields and additional more targeted interventions on enable larger scale community investments to be realised including the Beacon of Light, Sunderland and Scotswood Community Arena, Newcastle; and flexible responses to the pandemic e.g., the CESAM building on IAMP turning into a Nightingale Hospital and a package of COVID-19 rapid response measures funded by LGF.

Overall, the Interim Evaluation has highlighted the complex and challenging nature of driving forwards economic development across the sub-region and the high level of ambition across local partners and the assets, opportunities and capabilities for driving growth, locally. A huge amount of progress has been made in bringing forward projects and sites that have the potential to deliver a truly transformative impact across the sub-regional economy. However, there is still a long way to go with significant risks around achieving programme targets. Whilst LGF monies have been spent and EZ sites are progressing, the North East LEP and its partners must retain a clear focus on delivery to ensure the success of both programmes.



## Recommendations for Interim Outputs, Outcomes and Impacts

### Ongoing Delivery

- Focus on supporting project delivery, ensuring appropriate levels of capacity and expertise are available across project partners to bring forward the existing portfolio of sites in line with agreed timeline, with a focus on the package of major employment sites.
- Continue to prioritise resource in driving better jobs that align to the priority sectors (Digital, Advanced Manufacturing, Health and Life Sciences, and Energy).

### Future funding opportunities

- Anticipate and be proactive to changes in policy and economic environment including future funding opportunities to continue to advance related infrastructure activity (including the upcoming Shared Prosperity Fund).
- Communicate LGF and EZ investment successes and opportunities externally targeting inward investment.

### The Final evaluation

- Continue to review, update and revise the business rates forecasts as needed, particularly considering the medium-to long-term impact of the COVID-19 pandemic.
- Undertake a comparative dimension to the Final Evaluation that enables the benchmarking of LGF and EZ investment programme performance and lessons from elsewhere if evidence is available.
- Undertake a more bespoke and comprehensive additionality assessment regarding job impacts that draws on a business survey and local intelligence as part of the Final Evaluation.
- Broaden out the cost benefit analysis to include a wider package of benefits include an aggregate assessment of transport impact e.g., time savings.
- Ensure that the outputs, outcomes and impacts arising from any reinvestment of surplus business rates beyond the EZ sites themselves.

**30 September 2021**

**Item 8: The North East Strategic Economic Plan: update and next steps**

**1.0 Background**

- 1.1 The North East Strategic Economic Plan (SEP) was originally published in April 2014 as a 10-year plan covering the period 2014-2024.
- 1.2 The original SEP drew strongly from the findings of the North East Independent Economic Review (NEIER) published in 2013, in turn providing the policy framework for a number of regional actions and investment programmes including the Local Growth Fund and European Strategic Investment Fund programmes.
- 1.3 The SEP was refreshed in 2017, providing a forward facing strategic economic framework for the region, including preparation for the expected UK Industrial Strategy. In this version the region called out its areas of strategic importance and key enablers. It was updated further in 2019, taking into account the changing policy framework and in preparation for the Local Industrial Strategy requested by Government.
- 1.4 Fundamental to each process has been an update of the economic evidence base to reflect current and forward economic conditions and updates of the delivery frameworks and action plans for Programmes of Delivery (innovation, skills, business growth, connectivity, investment) for the next 2-3 years. From 2017, SEP's included priorities for our Areas of Strategic Importance (energy, advanced manufacturing, health and life sciences, digital).
- 1.5 Current programmes in the 2019 version of the SEP are timed to the end of 2021. Detailed operational programmes are adopted in the Annual Delivery Plan (ADP) which is agreed with Government. The current ADP runs to March 2022.
- 1.6 On the current cycle the SEP is due for update at end of 2021, when the operational programmes' delivery plans expire, in order to update our programmes for the final three-year phase of the 2014-2024 period. In previous conversations at the Board, the expectation has been that the update at this stage would begin the thinking and rolling forward of our strategic approach into a further planning horizon, to 2030 or 2034.
- 1.7 At its meeting in May 2020, during discussion of the emerging Covid Recovery Plan, the Board agreed that a future update timeline should take account of the Covid 19 emergency, and there was an expectation that there would be a need to respond to substantive changes in the policy and investment framework.

## **2.0 Updating the Strategic Economic Plan: timing**

2.1 There is now a genuine sense of an emerging return to a more stable environment for economic planning and a 'new normality' in the economy as Covid 19 controls are released. Evidence of this context includes:

- i. The business and investment environment is now focused on future economic conditions and priorities and is seeing growth in many sectors. For example, there have been significant private sector announcements in key industries in the region, and in key city and town centre projects;
- ii. The economic debate is now focusing on a range of opportunities and pressures, rather than a single driving focus on Covid 19 with long term EU Exit impacts, global trade and wider internationalisation patterns, the challenge of decarbonising the economy, energy costs and future UK finances now increasingly significant context;
- iii. The shape of longer-term changes to places, business models, connectivity patterns and labour market changes are beginning to be understood as Covid legacy.

2.2 This context is illustrated in Government policy, including the decision to deliver a multi-year spending review on 27 October and the recent Cabinet reshuffle, interpreted as seeking to exert stronger focus on key policy priorities including internationalisation, Net Zero and Levelling Up.

2.3 Notwithstanding these changes, there remain key points of uncertainty which will impact on a further update of the SEP including:

- i. Risks of future possible Covid spikes or new variants, with the potential for full or partial lockdown in response and continuing disruption in the global economy;
- ii. Changes which might emerge from the Government's Levelling Up agenda with respect of the role of Local Enterprise Partnerships, future devolution plans and investment funding. This might include an ask from Government to prepare a future focused regional plan.

## **3.0 Updating the Strategic Economic Plan**

3.1 In this context, the Senior Management Team and the Regional Economy Group (the previous Covid 19 Response Group) have discussed the practical actions and issues in updating the current SEP to address the need to update the SEP delivery programmes as they expire at the end of the year, whilst considering the wider policy context that is emerging from Government and potentially as a consequence of the Cabinet reshuffle. It is therefore proposed to take a pragmatic and practical approach, which is set out in more detail in paragraph 5, but in essence utilises the current Annual Delivery Plan (ADP) process mandated by Government to inform our operational SEP delivery programmes. The current ADP expires March 2022 and a further one will be developed for the period April 2022 to March 2023. The next quarter will therefore be utilised to finalise and interpret the evidence base to inform the next annual ADP. Running in parallel, the longer-term process, timescale and output of the next iteration of a regional economic strategy will be considered.

## 4.0 Components of an update process

4.1 In the process of updating the SEP in the past, the LEP has usually undertaken the following actions as set out in sections 4.2 – 4.5 below.

4.2 **Preparing the evidence base** – As discussed at a previous Board meeting, work is already underway to prepare significant parts of the economic evidence base which will be required for both an immediate term update and longer term strategic economic planning process. Key evidence projects include:

- i. Core evidence base: two core products have been commissioned which will underpin an update process:
  - **Our Economy 2021:** To be launched on the 7 October 2021, Our Economy will provide a comprehensive overview of the latest data about the North East economy benchmarked to 2014, and reflecting the changes in the data through the Covid 19 period. Themed additional sections have been included this year looking at key policy agendas and sub-regional data;
  - **Covid 19 and EU Exit impact report:** To be launched alongside Our Economy 2021, New Skills Research and Ortus have recently completed a full review of data about the impact of Covid 19 and the EU Exit, including standard and non-traditional data sets, survey evidence and a round of intelligence sessions with key sectors and local representatives. This provides an assessment of opportunities, challenges and changes which these shocks represent for the North East.
- ii. Wider evidence base: a wider range of new pieces of work provide updated evidence in key areas which can be brought to bear on an update process and future delivery programmes, as follows:
  - A number of recently completed, updated or newly commissioned sector evidence projects which could support the Energy strategy, Life Sciences strategy, Advanced Manufacturing strategy, Digital strategy and Tourism evidence base;
  - Key research reports examining emerging themes from the post-Covid environment including the digital exclusion report, Net Zero prospectus, Global Britain report and others;
  - A number of pieces of data and intelligence looking at key issues within the framework of our programmes of delivery and Areas of Strategic Importance – for example on innovation in places, mine water energy and industrial digitalisation;
  - Interim evaluation of the SEP;
  - In addition, a group of 'Turning Points' think pieces have been commissioned which will aim to summarise data and evidence about the North East with respect of; productivity; the shape of the business base; internationalisation trends. Two further papers are due to be commissioned on the investment environment and standards of living;
  - Longer term market analysis is being undertaken in the Future Economic Markets study.

- iii. The North East Data Hub has recently been revised to provide a new platform to enable the 'live' presentation of this evidence base.
- iv. Consideration will be given to other evidence which would inform our longer term thinking, for example:
  - Evaluation of the new census data with initial findings expected from ONS in March 2022, and the full results available by March 2023;
  - A report examining the level of economic resilience of the region during the response to EU Exit and Covid 19, compared to the response to the financial crash in 2008 to assess longer term resilience issues which should be built into the longer-term process.

4.3 **Engagement:** It is established practice that updates and refreshes of the Strategic Economic Plan are the subject of engagement with our Boards, Teams and external partners – and this feature of the process is acknowledged as key in our external evaluation to embedding support and ownership of the SEP in the region. Previous engagement processes have included:

- i. Appointment of a Steering Group;
- ii. Advice from the Economic Evidence Forum on the development of the evidence base;
- iii. Discussion at existing Boards and Steering Groups on the implications of data and policy environment;
- iv. Wider organised engagement reaching out to wider groups of partners in the regional economy, for example in events.

It is not proposed that wide external engagement is undertaken at this point, but we utilise the regional groups that exist to inform our thinking, in particular the Regional Economy Group (formerly the Covid 19 Recovery Group), Economic Directors and LEP Sub-Boards.

4.4 **Policy framing:** As engagement processes are conducted, a key question is the alignment with UK policy priorities and narratives. To a significant extent, current Government narratives speak to existing regional priority themes and would include:

- i. Levelling Up: describing the concern to address inter and intra-regional economic inequalities and performance imbalances;
- ii. Net Zero: decarbonisation and greening of the economy (Net Zero);
- iii. Global Britain: a narrative focused on economic issues related to trade, investment and innovation, but also extending to wider international themes.

4.5 Priorities also take into account the specific funding programmes which will be influenced by the SEP (for example the UKSPF), although the current approach is to identify interventions and pipelines which respond to the opportunities and challenges faced in the region with funding to be sought from a range of sources, which was the approach from the 2017 SEP onwards.

## 5.0 Proposed Approach

5.1 In this context the following approach is proposed:

- i. To continue to build the economic evidence base with the intention of supporting the development of plans for the 2022-2024 SEP programme, and to enable regional partners to reflect on an ongoing basis on the longer-

term economic development issues for the region post Covid 19 and in the context of changing economic policy;

- ii. To ask each of the LEP Sub Boards and other working groups within the North East LEP, the Regional Economy Group and Economic Directors to consider the core evidence base and policy framework in the context of developing 2022-2023 annual delivery plans, in order to identify operational priorities and new issues for inclusion in a future version of the SEP, including the final period to 2024;
- iii. To draw together the above into an updated SEP report and ADP for 2022/23 in the first quarter of 2022;
- iv. To mandate the Regional Economy Group to consider the longer-term framework for building on the current SEP in the future.

## **6.0 Recommendation**

6.1 The Board is recommended to:

- i. Discuss the issues in this paper and comment on the proposed approach to updating the SEP given the point in the SEP 10-year cycle and wider changes to the operating environment;
- ii. Identify any further issues which the Board would like to see considered within the preparation of the evidence base;
- iii. Seek a further report from the Regional Economy Group to the longer-term process as the policy environment develops.



**30 September 2021**

**Item 10: Supporting and developing North East Tourism: next steps**

**1.0 Background**

- 1.1 At its meeting on September 2019, the North East LEP Board approved a recommendation to form a Steering Group<sup>1</sup> to bring forward a compelling proposal to create a Tourism Action Zone (TAZ) across the LEP area, taking advantage of an opportunity foreshadowed in the Tourism Sector Deal.
- 1.2 This provided the framework for significant analysis of the region's strengths, weaknesses, opportunities and threats and work to build a TAZ proposal focused on growth, productivity and resilience of the sector with a focus on higher value visitor and business markets. This would take advantage of the region's assets in market segments acknowledged by Visit England as strong opportunities for the UK. This was underpinned by a collaborative Statement of Intent (SOI).
- 1.3 The resources which would have been realised from the TAZ programme would have enabled the region to invest in new products, support new capital investment and address performance issues in the sector in areas like skills, quality of employment, accessibility and digital infrastructure.
- 1.4 As a result of COVID-19, the Tourism Sector Deal was superseded by the Tourism Recovery Plan published in June 2019. This Recovery Plan no longer committed to Action Zones but referenced a government commission to Nick de Bois to lead an Independent Review of Destination Management Organisations (DMOs) with the aim of strengthening the tourism delivery infrastructure in England, leading to strengthened collaboration and investment.
- 1.5 This review was published on 14 September<sup>2</sup>, and the North East Tourism Partnership Working Group of DMOs believe that if implemented by Government, a strong proposal from the region has the potential to secure new investment into the region behind the Statement of Intent, prepared by the TAZ Steering Group, and position it as one of a group of 20-25 leading areas working in partnership with Government to drive the sector nationally.

---

<sup>1</sup> Members of the Steering Group have included Graeme Mason (NIAL Ltd); Ian Thomas (NGI); Janice Rose ( Northumberland Council); Jon Ritchie (Sunderland Council); Maria Antoniou (North of Tyne Combined Authority) Matthew Jarratt (Culture Partnership);Maureen McAllister (Visit Northumberland);Michelle Gorman (Visit County Durham); Paul Woods (North East LEP) Philip Meikle (Transport North East) ;Ray Brewis (Durham County Council); Richard Baker (North East LEP); Sarah Green (NGI) Tom Mordue (Northumbria University) Tony Kirkham (Newcastle Council)

<sup>2</sup> <https://www.gov.uk/government/publications/independent-review-of-destination-management-organisations-dmos>

- 1.6 The North East LEP Board are invited to:
- i. Note the progress to date on the Statement of Intent, building on the work of the Tourism Action Zone Steering Group, and the joint work to influence the De Bois Review of DMO's;
  - ii. Support the Working Group and Steering Group to draw together a proposal which can be positioned as a leading bid or pilot for implementation should that opportunity arise and report back to the North East LEP Board in due course.

## **2.0 North East Tourism vision and Statement of Intent**

- 2.1 Underpinning the work on the TAZ bid, the North East LEP worked with the DMOs and the Steering Group to create a Statement of Intent for the sector recognising that whilst the region has seen the value of the tourism sector grow by 87% in the past 10 years, it is still the region that receives the lowest number of inbound international tourists and faces a number of performance challenges which need to be addressed. The TAZ strategy would have enabled the region to focus on addressing these. The ambition of the region and the potential demonstrated resulted in the region being referenced as a case-study in the Tourism Sector Recovery Plan – see Annex 1.
- 2.2 This Statement of Intent highlights the combined ambition for the sector and states our target to grow total visitor spend to £7bn by 2030 – an increase of 75% over the decade. This can only be achieved if the sector acts strategically and the key players collaborate to create economies of scale and to act collectively on the range of opportunities and challenges established in the analysis. The Statement of Intent highlights this ambition as the rationale for continued collaboration.
- 2.3 The regional tourism sector is committed to establishing the North East as a leading tourism destination and are exploring how they collaborate to maximise future opportunity arising from the Recovery Plan and DMO Review. It is our view that the approach set out in the DMO review has the potential to provide an opportunity to work together and with Government to secure new investment into the region and position the region as one of a group of 20-25 leading areas working in partnership with Government to drive the sector nationally.
- 2.4 In the immediate term, the DMO's are preparing an application for accelerator funding to plan the next steps in delivering this ambitious regional sector approach.

## **3.0 The De Bois Review of DMO's**

- 3.1 The terms of reference for the review were:
- i. Build up a picture of the current landscape and set that in an historical and international context;
  - ii. Appraise the landscape, in particular work out the extent to which it is economically efficient, effective and sustainable, assess whether or not it is maximising its potential to support delivery of the Government's tourism policy agenda with respect to England and assess if it is sufficiently integrated with the wider local and regional economic landscape (i.e. Local Authorities, Local Enterprise Partnerships and so forth).
  - iii. Make recommendations to fix any deficiencies if found.

- 3.2 This responded to concerns expressed for many years from almost every player in the Tourism sector about its financial stability and strategic co-ordination, with a shared view that there was a need for a strategic overview and rationalisation of the landscape.
- 3.3 The COVID-19 pandemic made the case for a review more urgent, with the knock-on impact of pandemic restrictions causing massive reductions to DMO commercial revenue streams at the very time tourism businesses needed their support most.
- 3.4 The review featured a range of engagement opportunities and DMOs provided in depth written evidence as did other tourism and regional organisations and individual businesses. Specific financial and operational questions were asked directly of DMOs.
- 3.5 A review panel supported the Chair in reviewing this evidence and the historical policy context for DMOs.
- 3.6 The call for evidence was followed by a set of roundtables focused on a number of key issues raised in the submission including a roundtable in the North East attending by key tourism businesses, the three regional DMOs, regional policy makers (North of Tyne Combined Authority, North East LEP), the Universities and cultural venues.

#### **4.0 Key findings of Review**

- 4.1 The Review has made recommendations to Government, DMO's, Business and Regional and Local public sector organisations:

- i. **Recommendations to Government**

- Government should bring coherence to England's DMO landscape with a tiered approach, using an accreditation process to create a national portfolio of high performing Destination Management Organisations. These will be renamed as accredited Tourist Boards;
- coherence to England's DMO landscape with a tiered approach, using an accreditation process to create a national portfolio of high performing Destination Management Organisations. These will be renamed as accredited Tourist Boards;
- Government to provide core funding to each Partnership to focus on activities around sustainability, skills, inclusive tourism and levelling up. Degree of funding to be passed down to accredited Tourist Boards amongst its coalition;
- Visit England to be funded and resourced to support the new tiered structure;
- Government to show its support for sector by making Tourism Minister a Minister of State;
- Bring in a tourism data hub as a matter of urgency.

## **ii. Recommendations to DMOs**

- Accept DMOs have a role to play in change, be less territorial, have a greater focus on collaboration and recognise fragmentation is holding back effective advocacy for the visitor economy;
- Seek to diversify income streams and learn from best practice. A commitment to diversification may be an accreditation criterion;
- Commit to upskilling own staff particularly digital skills so the destination offer remains sustainable and competitive;
- Have diverse boards that represent their communities as well as businesses and visitors;

## **iii. Recommendations to Local Enterprise Partnerships and Local Authorities**

- LEPs must recognise value of tourism and ensure the visitor economy is fully integrated into their economic strategies and play a full role as partners in the activities of their accredited Tourist Boards and DDPs;
- LEPs should recognise DMOs are best placed to drive growth in regional tourism and support them;
- Local Government in all forms, District Council, County Council, Combined Authority or any other formulation must realise value of tourism and play an active role in supporting their accredited Tourist Board and DDP. They should accept to be at their best DMOs need to be public/private/community partnerships not based in a local authority but working with them. The DMO should also be involved in any policy decision making affecting the visitor economy.

## **5.0 Does the report specifically reference the North East?**

5.1 As with the Tourism Sector Recovery Plan, the review focused on the North East specifically including:

- i. Recognition that the NE has the least DMO coverage of any region with three local authority areas that would not currently form part of any accredited Tourist Board
- ii. That amongst the DMO's, NGI is recognised for its support for business events which is recognised as a critical but underplayed role of DMOs
- iii. The North East LEP is recognised as being a supportive and engaged LEP to the tourism sector, which is not the same for all LEPs

- 5.2 The Review Panel also used the North East as a worked example of how their recommendations might work which is helpful in illustrating the approach:

*“I’ll use the example of the North East, following feedback from participants at the North East Roundtable about the willingness of DMOs in that area to collaborate. Under my recommendation Newcastle Gateshead Initiative, were it to fulfil all the relevant accreditation criteria, could end up badging itself as an accredited Tourist Board, and leader of the North East Destination Development Partnership.*

*Visit County Durham might also badge itself as an accredited Tourist Board and also describe itself as a member of the North East Destination Development Partnership. The Alnwick Tourism Association (Visit Alnwick), which concerns itself for the most part with tourism promotion, would continue to do so, but without being accredited.”*

## **6.0 Practical implications for the North East**

- 6.1 The recommendations made in the Review have validated the collaborative approach adopted by the region’s established DMO and partner network in response to the initial opportunity presented by the development of the TAZ in promoting a unified, evidence-based vision for the North East. If the Review recommendations were accepted NGI, Visit County Durham and Visit Northumberland are likely to have the opportunity to become accredited Tourist Boards. Having established a lead organisation, they could then apply collectively with a wider network of partners as a Destination Development Partnership (DDP) to access funding.
- 6.2 The DDP would be expected to deliver:
- i. A Destination Development Plan including aiming to promote regional growth and levelling up with proposals for:
    - Data & intelligence;
    - Business support;
    - Destination sustainability;
    - Product development including proposals to enable accessibility and inclusion;
    - Plans to target key international markets;
    - Encouraging inward investment;
    - Supporting the back office of accredited tourist boards.
- 6.3 The DDP will not deliver marketing activity which will continue to be the focus of the Accredited Tourist Boards and local tourism organisations and which will need to continue to be funding locally.
- 6.4 Based on the recommendations there is an expectation of:
- i. 20 – 25 Partnerships

- ii. 40 accredited tourist boards
- iii. A budget of £15m to £20m which includes further funding to support the creation and management of this tourism infrastructure.
- iv. Work on the biggest logical geography

6.5 Whilst all DDPs will not receive the same funding under the recommendations, it would be prudent to work on an expectation that if the recommendations were accepted and funded via the CSR, this would result in a further £500 - £700k base funding for the DDP. This would need to be used as leverage for additional funding to deliver for the sector. It is also possible that Government may choose to pilot approaches to the creation of DPP's to reflect different existing capacity patterns.

## **7.0 What next?**

7.1 This work should be seen in the context of the joint work which has been undertaken to identify the opportunities and challenges for the region and an extension of the previous regional Statement of Intent for the tourism sector.

7.2 We propose that the next steps should see the DMOs, working with other regional tourism colleagues who engaged in the TAZ group, to prepare for implementation of the Review by Government, including creating a bid for accelerator funding to update and develop a practical delivery plan for the SOI which if the government were to proceed with the review recommendations could form the basis for a bid for funding for a Destination Development Plan.

## **8.0 Recommendations**

8.1 The Board is invited to:

- i. Note the progress to date on the Statement of Intent, building on the work of Tourism Action Zone Steering Group, and the joint work to influence the De Bois Review of DMO's;
- ii. Support the working group and steering group to draw together a proposal which can be positioned as a leading bid or pilot for implementation should that opportunity arise and report back to the North East LEP Board in due course.

## **9.0 Appendices**

9.1 Annex 1: Case Study – England's North East: a vision for the future

9.2 Annex 2: A Statement of Intent for Tourism



## Annex 1

### Case Study

#### England's North East: a vision for the future

England's North East offers visitors a wealth of unspoilt natural landscapes such as Northumberland National Park, a stunning coastline, historic heritage including two UNESCO World Heritage Sites<sup>3</sup> and a cutting-edge cultural sector – all of which should make it a hugely appealing destination for domestic and international tourists.

However, in 2019 the region saw the lowest overnight visits and spend figures for both inbound and domestic markets across England due to challenges including low international awareness and domestic perceptions of remoteness<sup>4</sup> – despite recent investment such as the Discover England Fund project the 'North of England Cities Experience', a rail pass allowing visitors to travel easily between Newcastle and four other Northern cities.

The variety of destinations, attractions and experiences available makes it an ideal domestic choice for families – who can discover and ancient Roman remains<sup>5</sup>; and 18-34 year olds - who can pack exciting outdoor experiences and shopping in historic market towns into one trip; on the international side, the North East's heritage offer includes castles, abbeys, and stately homes. But this variety can also make it hard for the region to market itself cohesively, and target its offer to match consumer interests and attract key markets.

COVID-19 impacts on the region's coastal communities, rural tourism businesses, and events-reliant places like Gateshead have been significant and prolonged challenges<sup>6</sup>. Just 4% of domestic consumers planning to take a summer trip intend to visit the North East, compared to 11% for the North West.<sup>7</sup> The region's 'undiscovered' nature means it has significant capacity to accommodate growth<sup>8</sup>. Over the long term, and in line with the Tourism Recovery Plan's priorities, the North East's uniquely diverse visitor offer means that there is significant potential for it to target and meet consumer demand strategically to develop a thriving and sustainable tourism industry.

**Culture:** The North East's cultural offer ranges from Beamish, the Living Museum of the North – a pioneer in accessible tourism via its 'Dementia Friends' programme – to Sage Gateshead, a music centre for the North, which received a £3 million loan from the Culture Recovery Fund. And new cultural developments – like the £1.8 million restoration of Hartlepool's historic Borough Hall announced at Budget 2021 – mean that the North East's world-class arts and cultural offer is continuing to develop and could be promoted to wider culturally-inclined domestic audiences.

**Heritage:** The region's heritage sites are a strong source of civic pride. The Borderlands Growth Deal will support the development of Hadrian's Wall to appeal to wider markets and will also strengthen Alnwick Castle's year-round offer by providing up to £5 million for the Lilidorei Play

---

<sup>3</sup> Durham Castle and Cathedral, and Hadrian's Wall

<sup>4</sup> 4.3m domestic trips, worth £800m – 4% of total domestic spend in England; 538k inbound trips, worth £369m. This compares to 3.45m visits to the North West, worth £1.62 billion. (Great British Tourism Survey 2019; VisitBritain inbound regional data 2019).

<sup>5</sup> 47% of inbound visitors to the UK visit famous monuments and buildings, 28% castles and/or historic houses. (VisitBritain activities undertaken in Britain research).

<sup>6</sup> Estimates suggest the region lost £3 billion in 2020. Unemployment benefit claims rose by 35k between March-August 2020; footfall in the North East's cities fell by 30%. (North East Covid-19 Economic Response Group).

<sup>7</sup> 47% of G20 residents are aware of Newcastle, compared to 73% for Manchester; just 2% have visited it. (British Council Global Soft Power survey 2020)

<sup>8</sup> [https://www.visitbritain.org/sites/default/files/vb-corporate/covid-19\\_consumer\\_tracker\\_wave\\_28\\_final.pdf](https://www.visitbritain.org/sites/default/files/vb-corporate/covid-19_consumer_tracker_wave_28_final.pdf)

Village. The Discover England Fund project 'England's Originals' provides itineraries between Durham and other historic cities, helping visitors explore England's regional heritage.

**Natural landscapes:** The North East is rich in outdoor landscapes. The region is able to meet demand for coastal destinations: the Durham Heritage Coast leads from Sunderland to Hartlepool, recently receiving Coastal Communities Fund investment for a new community hub at Crimdon. Northumberland National Park is one of the least visited National Parks in England, yet only an hour from Newcastle Airport and the International Passenger Ferry Terminal at the Port of Tyne. With sustainable tourism becoming increasingly important, the Glover Review has recommended that England's National Parks – and Areas of Outstanding Natural Beauty (AONB), like the North Pennines AONB, also a UNESCO Global Geopark – be supported to become leaders in sustainable tourism by working with Destination Management Organisations and Local Authorities.

**Transport:** The East Coast Main Line connects Newcastle to London in under three hours. However, access to more remote rural and coastal destinations can be challenging. Recognising the importance of strong rail links for tourists and residents, the reversal of the Beeching cuts, and the new £34 million Northumberland line will create new station facilities in historic destinations like Ashington, strengthening connections for local communities. The Explorer's Road Discover England Fund project – a 500km route leading from London to the Scottish Borders – showcases lesser-known destinations. Visitors can drive, cycle, or – thanks to partner LNER – travel by train. On the international side, Newcastle International Airport has strengthened inbound connectivity, with flights to and from more than 70 destinations, while the International Passenger Ferry Terminal provides links with key European markets. Raising awareness of the ease of inbound travel would help grow the North East's international visitor base.

**Events:** In 2023 the £260 million Gateshead Quays development will open with a new hotel, arena and conference centre. This development strengthens Newcastle and Gateshead's international events capacity, recognising the role the business events sector can play in extending the season, creating jobs, driving long-term regional growth, and promoting the UK's domestic industries globally. The region also plays host to a range of wider events, including Bishop Auckland's live action show Kynren, and the Hartlepool Tall Ships Races, which return to the town in 2023. In autumn 2021, the Rugby League World Cup takes place, with matches held at a number of North East venues. Fans will be able to build and book 'Squad Trips': all-inclusive, packaged weekend breaks – using VisitBritain's Tourism Exchange Great Britain platform (TXGB).

**Regional tourism structures:** The region's Destination Management Organisations – include Newcastle Gateshead Initiative, Visit County Durham, Northumberland Tourism, and Enjoy Tees Valley, as well as the Local Authority-led tourism offices in South Tyneside, North Tyneside, and Sunderland – play key roles in inspiring people to visit, live, learn, work and invest in the region, often working in collaboration. The de Bois review will recognise examples of best practice among Destination Management Organisations and make recommendations for how to support the recovery and growth of local tourism.

BLUE SAIL ▶

VISITORS PLACES DESTINATIONS

‘TOURISM TOGETHER’  
A STATEMENT OF INTENT FOR TOURISM IN NORTH EAST ENGLAND

FEBRUARY 2021

## CONTENTS

1	AT A GLANCE.....	3
2	A STATEMENT OF INTENT .....	4
3	WHY TOURISM IS IMPORTANT.....	6
4	THE IMPACT OF COVID-19.....	8
5	LOOKING TO THE FUTURE .....	10
6	PRIORITY AREAS .....	15
7	MOVING FORWARD TOGETHER .....	16

*This is the Statement of Intent for Tourism in North East England, produced by Blue Sail for the region's Destination Management Organisations (DMOs) who are working on behalf of North East England's tourism sector. The audience for the Statement is businesses and organisations delivering tourism services, and public sector organisations supporting the tourism sector.*

# 1 AT A GLANCE

**The Statement of Intent** sets out how, by working together, the North East’s tourism sector will respond to the impact of Covid-19, take advantage of market opportunities and contribute to the region’s economic recovery, growth and international competitiveness.

## Vision

We want the North East to be seen as one of Britain’s top visitor destinations, and tourism acknowledged as vital to the economic, social and cultural well-being of our region by those who live, work and invest here.

## 5 areas of ambition

- Greater awareness, profile and reputation for our region as a tourism destination
- Innovative, high-quality and distinctive tourism experiences, products and services
- Market-focused, profitable and resilient businesses and operators
- More, high-quality and secure jobs and career opportunities.
- Total visitor spend of £7bn by 2030 – an increase of 75% over the decade.

## Tourism is important

It’s a growing \$1,482bn global industry which contributes £1.2bn GVA to the North East’s economy, supporting 6,500 tourism-related businesses and 93,000 jobs, and many more in a complex local supply chain. Tourism’s strength lies in the many small businesses which create a flexible eco-system that touches every part of the region and every other sector. Its benefits extend beyond economics to supporting local facilities and services, strengthening sense of place and civic pride, making places sustainable, vibrant and lively, and boosting the profile and image of the region as somewhere to live, invest and study as well as visit.

## North East Tourism Assets are many and include

- Strong, positive regional identity based on its people
- Internationally designated sties and landscapes
- Outstanding heritage assets, attractions, cultural venues and events
- 3 transformational projects - International Conference & Exhibition Centre, Borderlands Initiative & Hadrian’s Wall, The Auckland Project

## 5 priority areas for action

- Marketing & Promotion.
- New Tourism Products & Experiences.
- Business Innovation.
- Attracting Investment .
- People, Skills & Jobs.

## Taken forward by

- New strategy delivery group – North East Tourism Partnership.
- Detailed 10-year strategy and 3-year rolling programme for priority areas.
- A pan-regional approach to leveraging our assets.

## 2 A STATEMENT OF INTENT

Tourism is and will continue to be vital to the North East. We need to plan for the future and help reshape our visitor economy so it is ready to thrive in the new normal and help in the region's economic recovery, growth and international competitiveness.

This Statement of Intent is in part a response to the serious challenges facing the tourism sector resulting from the Covid-19 pandemic, which has made clear the value of working together across the region from Northumberland to County Durham. Ambitious recovery plans, regeneration schemes and investment programmes are being taken forward across the region's seven local authority areas, aided by new leadership structures and mechanisms at mayoral and North East LEP level.

The Statement of Intent seeks to guide the activity and investment of the public and private sectors, setting the direction of travel for our industry. Led by the three Destination Management Organisations - Visit County Durham, NewcastleGateshead Initiative and Northumberland Tourism - which represent and support the tourism sector within each of their areas, it focuses on those things which make sense to address jointly at a regional level and sets out priorities which will bring benefits to every part of the region.

This Statement is only the start; the first chapter in our story. It sets our ambition, articulates why the visitor economy is so important for the North East, identifies the opportunities and challenges facing tourism as we move beyond the current pandemic and its impact, and describes how we will work together to achieve great things.

This statement is the first step towards a ten-year strategy for tourism in the North East with an ambitious programme of interventions and actions. It will take time to achieve everything we want, but we are all in this for the long run. Our ambition is five-fold:

- ▶ Greater awareness, profile and reputation for our region as a tourism destination
- ▶ Innovative, high-quality and distinctive tourism experiences, products and services
- ▶ Market-focused, profitable and resilient businesses and operators
- ▶ More, high-quality and secure jobs and career opportunities
- ▶ Total visitor spend of £7bn by 2030 – an increase of 75% over the decade.



Our vision is that **The North East is seen as one of Britain’s top visitor destinations, and that tourism is acknowledged as vital to the economic, social and cultural well-being of our region by those who live, work and invest here.**

It is likely to take until 2022 to return to the pre-Covid levels of spend, so using 2019 as the baseline we will aim for total visitor spend target of £7bn by 2030. This is based on a 6% annual growth for the first few years from 2023 ramping up to 8% towards the end of the decade as the impact of the programme of intervention initiated by this Statement of Intent takes effect.

Progress milestones for each year are shown in the table here.

Total Visitor Spend Target £bn (2020-2030) for NE area											
baseline			6% annual growth rate				8% annual growth rate				
2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
3,985	-	-	3,985	4,224	4,478	4,747	5,126	5,536	5,979	6,458	6,974

### 3 WHY TOURISM IS IMPORTANT

Tourism is a \$1,482bn global industry - and that's just expenditure by tourists travelling internationally, and does not include domestic travel. It's a successful industry; arrivals have been growing on average by 5% over the last 10 years. Europe is the world's most successful region receiving 51% of all global arrivals.<sup>1</sup>

Often under-valued, tourism is also a success story for England – the number of international visitors has increased by over 26% in the last decade. Overnight stays by UK and international visitors are worth around £45bn, rising to over £100bn when we include day visits.<sup>2</sup>

Tourism has far-reaching benefits for North East England too. It creates and sustains the visitor economy bringing money into the region - money that circulates and benefits the whole area, not just the primary destinations. It enables front-line businesses to become more profitable and to invest, and it encourages start-ups. To give a sense of scale, in 2019 (the last 'normal' year) staying and day visitors to the North East spent £4.5bn<sup>3</sup>.

Tourism adds £1.2bn GVA per annum to the regional economy, and contributes a similar number of jobs as other leading sectors including construction; information & communication; professional, scientific & technical services; and transport & warehousing.

In the North East LEP area tourism supports 6,500 businesses<sup>4</sup>, 35,000<sup>5</sup> direct jobs and a further 58,000<sup>6</sup> jobs in tourism-related sectors – most obviously in hospitality, culture, heritage, leisure, entertainment, meetings venues, events, retail and transport. It also indirectly supports businesses and jobs in the industries that service those sectors, from laundries, food producers and florists to AV companies, accountants, plumbers, marketing and IT specialists.

---

<sup>1</sup> United Nations World Tourism Organisation 2019

<sup>2</sup> VisitBritain, 2019 National Surveys

<sup>3</sup> 2019, National Surveys, includes Tees Valley

<sup>4</sup> UK Business Counts (ONS), 2020

<sup>5</sup> Business Register and Employment Survey (BRES) 2019, Tourism Satellite Account (TSA)

<sup>6</sup> Ibid

A successful tourism industry means businesses can spend on training and wages. Which improves terms and conditions for workers – moving from casual seasonal work to year-round permanent employment. It provides opportunities for people across all parts of the North East, both first-time jobs and for professional and personal development. Many front-line tourism jobs have low barriers to entry open to those without qualifications or experience, but offer the potential to progress and enjoy exciting careers: routes which are just not available in other sectors.

Tourism has other benefits too. It has to be delivered in the place; the experience can't be moved off-shore or to other locations. And as its made up of many small and medium sized businesses one closure is not going to finish an industry, making the visitor economy more resilient than most sectors. The diversity of the sector, which includes global brands, such as Hilton and Marriott, through to micro-businesses, creates a complex, flexible ecosystem of interdependence that touches every part of the region and every other sector.

Taking digital as an example; the global tourism sector has been at the forefront of digitalisation in recent years from booking platforms to the visitor experience on the ground. Investment in the North East's digital infrastructure provides huge opportunities for tourism, boosting productivity and competitiveness at a business and destination level.

Of course tourism is more than just economics. It supports facilities and services that locals use – including transport, leisure, pubs and shops – and so helps city and town centres and rural communities survive and prosper. It makes places more vibrant, interesting and lively and altogether better places to live in a way no other sector does.

Tourism boosts the profile and image of a place, increasing understanding of what it has to offer so people can experience directly that it's an attractive place to live, to study and to invest in, as well as to visit

And – last but by no means least – by strengthening this distinctive sense of place, it fosters local pride and increases self-esteem.

## 4 THE IMPACT OF COVID-19

The visitor economy has been hit very hard by the pandemic. From mid-March to mid-July 2020, Covid-19 restrictions resulted in a near-total shutdown of international tourism into and out of the UK and severe restrictions on travel within the UK. The situation remains highly uncertain, with ongoing local and national lockdowns and continued restrictions on travel into and out of the country. VisitBritain predicts a potential loss for the UK of around 50% in domestic visitor numbers and spend, while losses from international tourism could be up to 80% (for both 2020 and looking ahead to 2021).

For the North East, cancelled leisure and business trips, weddings and events have all had a devastating impact on the tourism sector and in turn those businesses which depend on it. The lifting of restrictions in the summer provided some relief, particularly for rural businesses but less so for cities and towns. For example, NewcastleGateshead has lost over 1 million bed nights in the year to October; and lost conference business between May and October cost NewcastleGateshead's economy £6m

Feedback from our hospitality, retail and cultural businesses suggests many may not survive despite the various support programmes provided by central and local government. As many as 30,000 jobs could be lost.

Nevertheless, pre-Covid data from 2019 shows an increase in both domestic overnight and international tourism in the North East, with the region outperforming growth at the national level. This suggests a growing interest in the North East as a visitor destination, which the region can capitalise on as the tourism sector begins to recover.

There has also been a significant growth in domestic tourism over the summer of 2020, with many visitors rediscovering what the North East, and the UK more widely, has to offer, and some people choosing to holiday in the North East for the first time. Our areas of natural beauty have been particularly appealing with social distancing easier to achieve. Another good sign is Newcastle welcoming more visitors from London than in previous years, as people look to get away from the larger cities.

Amidst the general gloom the North East has seen shining lights: businesses which have risen to the challenge, adapting to the restrictions and responding to new market opportunities. We have seen businesses getting online providing takeaways for home deliveries for meals, opening as local shops to provide routes to market for their suppliers, creative online content produced by visitor attractions, heritage sites and cultural organisations, small hotels and guest houses offering exclusive-use accommodation to tackle the challenge of social distancing – and so on. Encouragingly we are seeing new

investment in hospitality, for example there are 800 new bedspaces planned for Newcastle alone and new people coming into tourism through purchase of B&Bs and guest houses.

There is no doubt that tourism sector will look different in future, but if nothing else the impact of Covid-19 has clearly shown the economic and social importance of tourism and confirmed that the appetite for travel is enduring.

It will take time to reorientate to new market conditions of Covid-19 – and of course the additional challenges of Brexit. However, the tourism sector has shown itself time and again to be resilient and innovative; the complex network of types and sizes of businesses mean that the visitor economy can adapt and respond in ways which ‘big industry’ finds harder. We can have confidence in the future.

---

## 5 LOOKING TO THE FUTURE

Over the next 10 years we want to make a step change that will release and realise the potential for tourism. In the North East, we're up for doing things differently and we're known for innovation. So, our aim is to be ambitious, imaginative and transformative, responding to – and embracing – changes in the marketplace to create a successful, profitable and resilient visitor economy.

We've got high expectations of businesses and organisations which deliver products, services and experiences to visitors. We'll be helping them to innovate, diversify and seize new opportunities – we all need to be thinking about how to do things differently and better. And that includes how we address the challenge of the climate crisis.

We'll look to develop new tourism products and secure new investment. We will foster the relationships between culture, creativity and tourism to develop innovative, new experiences. And we need broader collaborations with less obvious sectors, such as health care and digital. There will be best-in-class standards and accessibility we can all be proud of. Businesses and their people will benefit from new programmes, specialist support and skills development that will release their true potential.

We will exploit the national and international routes to market more effectively to get our message across using the reach of the likes of VisitBritain, booking platforms and international trade shows.

We will use tourism's ability to create a positive image and perception of the North East, highlighting the warmth of its people and giving those who visit a direct experience of what a fantastic place it is. Through this, we can help attract talent and investment which will benefit all sectors.

Perhaps most important of all, tourism must work for local people, places and communities. The experiences we offer to visitors have to be rooted in our culture, our way of life and our sense of place, and tourism must support that, contributing to the vibrancy and liveability of our villages, towns and cities. And the sector needs to be providing high-quality jobs and careers, particularly for our school leavers and graduates.

Of course, none of this will be easy, but we believe that by working together with a single-minded focus and building on what we are good at, we can achieve great things.



## OUR ASSETS

The North East has excellent tourism assets. We should be better known and more visited than we are. Taking a wider North East approach, means we have a critical mass of attractive assets to lever their value more effectively and build new products and propositions around.

We have three internationally significant projects underway which will be a catalyst for tourism growth across the North East. The first is the new International Conference and Exhibition Centre opening in 2023 on Gateshead Quays. The other two are the ground-breaking Borderlands Initiative including Hadrian's Wall, and The Auckland Project which will see investment programmes worth upwards of £81M and £230M respectively.

Core to our strategy will be leveraging the opportunities arising from these transformational cross-cutting, projects, connecting our assets up better, making them easier to access and taking them to market much more effectively.

This pan-regional approach is already being used for new products such as the Northern Saints Trail and the Explorer's Road (which extends beyond the region). And there are strong stories which have plenty of scope for extending, enhancing, telling and reinterpreting more widely, including Roman history, social history, and the Borderlands. We'll be developing digital technology to make planning and booking easier, and to tell our brilliant stories better – both on site and online.

It will be part of our work to develop our assets into marketable products – for example planned and curated tours/experiences, premium individual tailored experiences, travel with purpose/spirit-lifting experiences eg volunteering, rewilding, restoration, micro-adventures, 'off-grid experiences', carbon-neutral trips– including a focus on the 'final mile' of journeys to seamlessly connect visitor destinations. We will produce and maintain a live list of investment projects to make sure we track what's happening, identify opportunities and monitor gaps, including ensuring that we have sufficient accommodation of the right type in the right place for our future visitors.

### North East Tourism Strengths:

- ▶ Distinctive and positive regional identity based on warmth of the people
- ▶ Well-known 'names' - Newcastle, Durham and Hadrian's Wall
- ▶ Two World Heritage Sites – Durham Cathedral & Castle and Hadrian's Wall
- ▶ Internationally designated rural & coastal landscapes – North Pennines Area of Outstanding Natural Beauty with UNESCO Global Geopark and 16 Dark Skies Discovery Sites; Northumberland National Park, Gold Tier International Dark Sky Park and Northumberland Coast Area of Outstanding Natural Beauty
- ▶ Heritage assets and attractions - designated collections of international significance at Bowes Museum, Beamish, Durham University, The Auckland Project and Tyne and Wear Archives and Museums
- ▶ Cultural venues & unique events – Great North Run, Lumiere, Kynren and the Lindisfarne Gospels
- ▶ Award winning Convention Bureau
- ▶ Premium operators – 5\* hotel Seaham Hall and Michelin starred restaurants House of Tides and The Raby Hunt

Underpinning perceptions of the region, at least in the UK market, is the warmth and character of the people. It may seem like a cliché, but our people really are our greatest asset. We can build on this not only in our marketing messages but to create routes into work, high-quality jobs, training and skills development, career progression and opportunities for our industry leaders to play a greater role in the success of our visitor economy.

**DRIVERS OF CHANGE**

DRIVER	RESPONSE
High-value, older visitor market	Often over-looked by marketers in favour of Millennials, older people is where the growth opportunity is. There are more of them, they have more disposable income, and more leisure time and desire to travel. Between 2015 and 2050 the proportion of the world’s population aged over 60, living longer more active lives, is expected to double to 22% <sup>7</sup> . In the US the average baby boomer has about 12 times the wealth of the average millennial <sup>8</sup> . Those aged 55+ visiting Britain from all our main markets spend more - £664 on average compared with £604 for all visitors. Our cultural infrastructure, history & heritage, special landscapes and small-scale, characterful accommodation sector are a good product fit with this growing market. The National Innovation Centre for Ageing provides us with an expert partner. The opportunity is for the North East to become an exemplar destination providing tailored, personalised, safe experiences, targeting high-value older international visitors, but which will have relevance beyond this to other markets.
Demand for distinctive, authentic experiences	The North East has never been about mass tourism which means we have retained our unique character and gives us an advantage in responding to this increasingly significant driver of travel behaviour. We have three internationally-known destination ‘names’ – Hadrian’s Wall, Newcastle and Durham – which can form the backbone of a distinctive offer on which further layers can build. The diverse yet compact geography of the North East makes it possible to offer accessible short and longer breaks, tours and experiences. Its outstanding natural landscape makes it ideal for a growing interest in outdoor activities from cycling to surfing. The range and quality of the North East’s event programme, and the commitment to support, extend and invest, provides another significant market opportunity.

<sup>7</sup> VisitEngland, The Future Travel Journey, 2017

<sup>8</sup> <https://www.visualcapitalist.com/charting-the-growing-generational-wealth-gap/>

<p>Application of digital technologies</p>	<p>All sectors have seen a digital-driven transformation over the last 20 years and tourism is no exception with some of the biggest disruptors (Airbnb, Booking.com) emerging from the visitor economy. Local initiatives in Augmented/Virtual Reality have been piloted, but we need to grab the opportunity for digital transformation right across the visitor journey from dreaming through booking to experiences on the ground and spreading the word after visits.</p>
<p>The drive to carbon reduction</p>	<p>The climate crisis is not going away and the pressure to reduce carbon emissions will only increase over the next decade. Tourism, and travel in particular, is clearly a contributor so we need to face up to the challenge and look at ways to support our businesses and operators reduce their direct impact and facilitate the driving down of carbon usage linking into regional green growth programmes. This will include radical transport solutions: for example there must surely be an opportunity to exploit Nissan Sunderland’s investment in electric vehicles through innovative demonstration projects.</p>
<p>Transport and connectivity</p>	<p>Tourism necessitates travel and successful destinations have to be accessible. The North East has excellent transport gateways – Newcastle International Airport, the development of Tees Valley Airport, the Port of Tyne, and the East Coast train line with its new operator LNER. Maximising the potential of these gateways, expanding routes, and improving inter-connections and ‘last-mile’ access challenges, creatively and imaginatively will strengthen the North East’s tourism offer as well as bringing wider economic benefits to locals and investors. Transport North East’s new 15-year plan includes an initial £6.1bn investment and a programme of 300 schemes aimed at transforming travel to be greener, more connected, accessible and sustainable within and beyond the region; and tourism input is actively invited.</p>
<p>Achieving market profile and appeal</p>	<p>Tourism is a highly competitive marketplace, with mature destinations and those spending huge amounts on marketing having a considerable advantage. We have neither advantage. Although we have excellent tourism assets which suggest we should be better known and more visited, the North East has the lowest regional share of all GB visitor markets (international, domestic staying, domestic day, business). A pan-North East focus will give us a more powerful message based on a wider offer and critical mass of assets to package, present and target, particularly for international audiences.</p>
<p>Supporting the visitor economy ecosystem</p>	<p>The visitor economy, almost by definition, tends to have local supply chains – from laundries, to florists, to food producers, to tradespeople. Tourism’s impact in an area is often underappreciated and undervalued because it is made up of a myriad of small businesses, but this is also its strength making it more resilient, flexible and benefiting all parts of our region. We have to unpick this supply chain and look at ways to encourage local networks, local buying and local contracting to keep</p>

---

	money circulating within the region. We also need to recognise and nurture the interdependence with other sectors such as retailing and culture.
Economic downturn	The impact of the pandemic and Brexit are predicted to hit the global and UK economy hard in the next few years. Attitudes and desire to travel remain strong however and we need to be ready to capitalise on that demand, and support our businesses to innovate and respond to changes in the visitor and labour marketplace
Changing nature of cities, towns and villages	The pandemic has accelerated trends which have been changing the character of our places over the last decade or so. The decline in retail in particular is creating challenges for high streets and town centres. Tourism has a role to play in redefining place – supporting new types of service-related businesses, independent retail, events and animation.

## 6 PRIORITY AREAS

We have identified five priority areas to focus our investment and effort on to achieve our vision for tourism and the wider visitor economy in the North East:

1. **Marketing and Promotion** which is targeted and creative, assessing new and existing channels (such as the Visit North East England website) to drive visits, particularly from high-value older segments from international markets, addressing the lack of awareness of the North East as a tourism destination and enhancing the profile and long-term reputation of the North East.
2. **New Tourism Products and Experiences** which are authentic, innovative and appealing to our target markets focusing particularly on leveraging opportunities around our three transformational projects (the International Conference and Exhibition Centre, Borderlands and The Auckland Project)
3. **Business Innovation** which will ensure our businesses and supply chains meet the changing market requirements in creative, entrepreneurial and profitable ways, focusing particularly on carbon reduction measures, digital applications and creating a resilient regional business eco-system
4. **Attracting Investment** in both tourism and enabling infrastructure through promoting sites for accommodation development of the right scale and quality, particularly in NewcastleGateshead and Durham city; working with new and existing heritage and cultural attraction operators to improve and refresh the offer; working with Transport North East on schemes arising from their new 15-year plan
5. **People, Skills and Jobs** to create high quality opportunities for work and career progression particularly for young people across all parts of the North East who have been badly hit by the Covid-19 pandemic

The next steps will be to develop a detailed strategy and a 3-year rolling programme of interventions for each of these priority areas. On-going, high quality data gathering and research will be essential both for the development of the strategy and interventions and to help the business sector in taking investment decisions. This will be supported by careful monitoring and evaluation to measure progress and refocus activity as necessary.

Naturally the strategy and interventions should align with the approach being taken by the LEP and the likely Government priorities which underpin the industrial strategy, place initiative and the tourism sector deal. The focus will be on what must happen at the North East level, acknowledging that there will continue to be activities at DMO and local authority level, supporting their particular areas and particular requirements.

These priority interventions will concentrate on added-value activity designed to sustain the visitor economy over the longer term. The aim is for comparatively few, high-level, big-impact initiatives – none of them necessarily easy or cheap to deliver, but essential for the future success of the North East's visitor economy.

## 7 MOVING FORWARD TOGETHER

To oversee and deliver an ambitious strategic programme of support for the visitor economy in the North East will need different approaches and new ways of working at the regional level. The key facilitators will be the three DMOs – Northumberland Tourism, NewcastleGateshead Initiative and Visit County Durham – which together bring experience, knowledge and connection to tourism businesses and providers. In addition a new, suitably empowered group will be set up bringing together senior people representing organisations with a major role in the visitor economy.

This group – **North East Tourism Partnership** – will include the three DMOs, the LEP, the Combined Authorities and senior representation from tourism businesses/organisations and associated sectors such as culture. It needs to be slim enough to make clear, fast decisions. A membership of 12 people will mean it can be flexible and responsive as well as making sure there is broad representation.

The group will be the nucleus of a network: connecting and mobilising partners, opening doors, supporting activity, and securing resources. The first task of the North East Tourism Partnership will be to convene a **North East Tourism Summit** with key strategic players in the tourism sector - from culture and heritage as well as hospitality and leisure - to share thinking, generate ideas for the sector and engage a NE wide industry group in the strategy development process.

Wider engagement and consultation will involve:

- ▶ A representative cross-section of business and service providers by size, type of business and location
- ▶ Transport operators – Transport North East, Newcastle Airport, Port of Tyne and Nexus
- ▶ North East Tourism Alliance
- ▶ North East Cultural Partnership and local cultural organisations
- ▶ Education – universities, colleges, schools and careers service
- ▶ Educational ‘think tanks’ and policy units – National Innovation Centre for Ageing, Northumbria University’s Tourism Hub
- ▶ Tourism organisations – VisitEngland, VisitBritain and other DMOs
- ▶ LEP and local authority services – inward investment, planning, leisure & culture.



**NEXT STEPS**

Here is how we will be taking forward the Statement of Intent.

What	When
Share and Sign-Off the Statement of Intent with key partner organisations (inc. DMOs, LAs, LEP, Cultural Partnership)	By March 2021
Set up North East Tourism Partnership	By April 2021
Convene North East Tourism Summit and launch Statement of Intent	May 2021
Consultation on Statement of Intent seeking views, priorities and ideas for the detailed Strategy	May-July 2021
Set up NETP working groups for each of the 5 priority areas charged with developing interventions, including consultation with business and relevant partners	June-October 2021
NETP launches detailed Strategy and Programme at second North East Tourism Summit	December 2021

**30 September 2021**

**Item 11: Chair and Chief Executive Update**

**1.0 Background**

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

**2.0 Chair key meetings and discussions**

2.1 Since the last Board meeting in July, the LEP Chair has been involved in a variety of events, meetings and discussions that continue to champion our work.

These include:

- Regular meetings between the LEP Chair and CEO;
- Introductory meeting with Councillor Amanda Hopgood;
- Meeting with Shepherd Offshore, Baker Hughes and Technip FMC;
- Attending Transport for the North Board;
- Attending the Ministerial visit of Lord Grimstone;
- Working dinner for a potential inward investment opportunity for the North East;
- Meeting with Mayor Jamie Driscoll and Sir Roger Marsh, Chair of NP11;
- MP briefing for the International Trade Strategy;
- Meeting with the NTCA mayor and LA7 Leaders/Mayor.

**3.0 Chief Executives key meetings and discussions**

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

- Stronger Towns workshop (Bishop Auckland Town Deal);
- LEP Review meetings;
- Regional Economy group;
- Borderlands Economic Forum;
- Attending the Ministerial visit of Lord Grimstone;
- Working dinner with the Chair for a potential inward investment opportunity for the North East;

- Net Zero North East steering group;
- Meetings with the LEP Network;
- Launch event with the Director General of the BBC;
- Blyth Town Deal Board;
- Meeting with Mark Hambly, British Business Bank;
- Various meetings with Government officials.

#### **4.0 Recommendation**

- 4.1 The Board is recommended to note the report.