

North East Local Enterprise Partnership Board



Thursday 27 May 2021

17.00 – 19.00

AGENDA

Items 8 and 9 are confidential as they contain commercial information relating to the financial or business affairs of a particular person or organisation and are not for wider circulation.

1. **Welcome from the Chair and apologies** (5.00pm)
2. **Declarations of interest** (5.00pm)
3. **Minutes of the last Board meeting held on Thursday 18 March 2021** (5.00pm)
Board will be asked to agree the Minutes.

Annual Meeting items:

4. **Looking back and looking forward** - paper attached and 3 appendices: (5.05pm)
 - a. End of Year Review 2020/2021
 - b. Annual Review 2020/2021
 - c. Annual Delivery Plan 2021/2022Helen Golightly to present to the Board.
5. **Governance update** - paper attached (5.25pm)
Helen Golightly to present to the Board.
6. **Budget 2020/2021 outturn and 2021/2022 - 2024 Budget** - paper attached (5.35pm)
Paul Woods and Katy Laing to present to the Board.

LEP Business items:

7. **SEP update** - paper attached (5.50pm)
Helen Golightly to present to the Board.
8. **Investment decisions and update** - confidential paper attached (6.00pm)
Paul Woods to present to the Board.
9. **Enterprise Zones update** - confidential paper attached (6.20pm)
Paul Woods to present to the Board.
10. **Response to Climate Change** - paper attached (6.40pm)
Richard Baker to update the Board.

THIS IS NOT A PUBLIC MEETING

11. Chair and Chief Executive update (6.50pm)

Lucy Winskell and Helen Golightly to update the Board.

12. Any Other Business (6.55pm)

13. Date and time of next meeting – Thursday 22 July 2021 from 5 - 7pm

14. Additional paper for information

Covid 19 Intelligence update.

27 May 2021

Item 4: Looking back and looking forward

1.0 Background

- 1.1 This report sets out the progress we have achieved in the Annual Delivery Plan 2020/21 and looks ahead to what we intend to deliver between April 2021 to March 2022.
- 1.2 The Annual Delivery Plan and End of Year Review are produced on a yearly basis in accordance with requirements that were set out in the Government's 2018 policy paper 'Strengthening Local Enterprise Partnerships'. The deliverables that we set in these documents are aligned with the programmes of delivery in the North East Strategic Economic Plan (SEP).

2.0 Looking back at our progress

- 2.1 The End of Year Review (Appendix A) provides a summary of what we said we would deliver in the Annual Delivery Plan of 2020/21.
- 2.2 Our 2020/21 Annual Delivery Plan was subject to a significant amount of change as we responded to the impact of the COVID-19 pandemic, which required us to adopt our delivery to be agile and flexible. The approach is reflected in the progress in the End of Year Review and the Annual Review (Appendix B) which summarises the challenges we have faced and positive highlights. The Annual Review is the document we publish rather than the process driven End of year Report provided to Government. The highlights include:
 - Welcoming a new chair in Lucy Winskell OBE, who took over from Andrew Hodgson OBE last Autumn. Lucy has stepped comfortably into the large shoes that Andrew left to fill and has been instrumental in keeping a strong focus on rebuilding our economy and communities so that as we move on from COVID-19 with no one is left behind
 - Our partnership with Crowdfunder UK saw members of the public join with us to safeguard 120 businesses and protect over 350 jobs during the Coronavirus pandemic through a match funding scheme. We were able to award £400,000, with almost 10,000 people giving an additional £495,000, to keep our small businesses going
 - The North East Growth Hub has been incredibly successful in supporting businesses throughout these most challenging of times. The business growth programme generated 35,905 referrals to the Business Support Provider network and was in contact with 15,126 companies to discuss their preparations for the UK's European Union exit. The team doubled capacity and its work achieved a staggering customer satisfaction rate of 98%
 - Data and intelligence gathering saw the COVID-19 toolkit on the Growth Hub become a central source for regional businesses on COVID rules, restrictions and support and enabled the team to feedback to government on the various support

and interventions required

- Final independent evaluation of the Gatsby Benchmarks of Good Career Guidance Pilot was published, and the results were rightly described as transformational. We are incredibly proud of our involvement in the pilot which has led to the integration of the benchmarks into national policy and we continue to lead the way as we develop and expand the model through our North East Ambition programme
- The Innovation team have also been pioneering the way and have introduced a new model known as Innovation Development Partnerships. These are designed to identify global market opportunities through which North East market share can be increased

3.0 Looking forward

- 3.1 The Annual Delivery Plan 2021/22 (Appendix C) sets out what we intend to deliver this financial year from April 2021 to March 2022. We anticipate having to undertake a similar flexible approach to delivery that we had during 2020/21 as we continue to work our way through economic recovery in the North East. It is to be noted that the delivery actions detailed in the plan have been reviewed to ensure COVID-19 recovery is implicit throughout. Some quarter 4 data needs to be added once available in the next few days, which will be included along with a final proof ahead of the document being submitted to government and published on the LEP website.
- 3.2 It is proposed that from the July 2021 LEP Board that the SEP Delivery Report presented at each Board meeting will become the Annual Delivery Plan Progress Report. This will allow Board members to see the progress undertaken against the deliverables set out in the Annual Delivery Plan 2021/22 whilst retaining that read across and link back to the five SEP programmes.

4.0 Recommendations

- 4.1 The Board is recommended to:
- (i) Agree that the End of Year Review 2020/21 and Annual Delivery Plan 2021/22 be submitted to Government, and give delegated authority to Helen Golightly, Chief Executive Officer to sign off the minor changes noted in section 3.1 prior to them being submitted to Government.
 - (ii) Note that each document highlighted above along with the Annual Review will be published on the North East LEP website.
 - (iii) Note that the method for the update of the SEP Delivery Report will become the Annual Delivery Plan Update Report from the July LEP Board.

5.0 Appendices

- 5.1 Appendix A – End of Year Review 2020/21
Appendix B – Annual Review 2020/21
Appendix C – Annual Delivery Plan 2021/22

End of year review 2020/21

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End of year review 2020/21 – The five Strategic Economic Plan programmes

Business Growth

Activity	Key deliverables - What we will deliver between April 2020 and March 2021	Progress
<p>Continue to develop the Growth Hub's capacity to stimulate higher levels of demand for business startup, growth, scaleup and productivity support:</p>	<p>Generate 17,000+ referrals to the Business Support Provider Network.</p>	<p>We generated 35,905 referrals to the Business Support Provider network. We outreached to 15,126 businesses to discuss EU transition preparations</p>
	<p>Double the capacity of the Growth Hub to deliver one-to-one diagnosis and impartial brokerage to 1,000+ businesses.</p>	<p>We increased the team from four Connectors to 13.5 Connectors and seven Triage Officers to deliver one-to-one diagnosis and impartial brokerage to 1,437 businesses (1,282 of which were unique businesses). These interactions achieved a customer satisfaction rate of 98%.</p>
	<p>Provide account management to 440 businesses that demonstrate scaleup potential and increase GVA per Employee by an average of £2.9k.</p>	<p>We delivered high intensity assists to 871 businesses through:</p> <ul style="list-style-type: none"> • Peer Networks • High Potential Startups • Scaleup North East • Providing account management to businesses with Scaleup potential via Supply Chain North East – recognised as a national exemplar in the 2021 Scaleup Institute Review. <p>Forecast to generate:</p> <ul style="list-style-type: none"> • £4,080 GVA per employee increase • £72,166,669 additional GVA • 797 new jobs • 502 of which are better jobs.
	<p>Introduce five additional sector-based Growth Hub Connectors to expand reach and focus on the North East's areas of opportunity.</p>	<p>COVID-19 meant that the Business Growth programme had to adapt and introduce capacity to support businesses to deal with the effects of the pandemic. Supporting sectors remains a priority for 2021/22.</p>

Develop thematic toolkits available through northeastgrowthhub.co.uk that aggregate and simplify support in areas that support and encourage business engagement in startup, growth, scaleup and productivity improvement. Each toolkit should look to attract over 1,000 visitors, 250 engagements and referrals to the Business Support Provider Network.

There were four key toolkits developed during 2020/21. All of which surpassed the engagement aim.

COVID-19

- 11,285 visitors
- 389 engagements
- 976 referrals generated

Digital Adoption

- 1,082 visitors
- 4 engagements
- 87 referrals generated

Start-up

- 3,142 visitors
- 38 engagements
- 590 referrals generated

EU Transition

- 3,902 visitors
- 62 engagements
- 458 referrals generated

Create a simplified and impactful business support ecosystem that supports the recovery and levelling up of the North East economy

As part of the development of future regional economic strategy, work with government, NP11 and the North East Business Support Provider Network to develop a simplified future ecosystem model targeted at levelling up regional business birth rate, productivity, internationalisation and scaleup performance.

We worked with government to inform business support reform and published a paper detailing proposals on the development of a more transformative ecosystem.

We facilitated 10 interactive sessions with the Business Growth Board and Business Support Provider Network to inform future policy.

We led a bid that secured and funded the North East's position on the government sponsored MIT REAP programme.

We continued to deliver and extend the scope of High Potential Startups to support opportunity driven startups during the pandemic.

We kick started a project to support the uplift in business startups and to harness this as an opportunity to increase the region's business density.

The sector teams were integrated into the Business Growth programme to support the transition from strategy development to delivery.

We commissioned an Access to Finance Task and Finish Group chaired by Deloitte, with the recommendations endorsed by both the Business Growth and Innovation boards

We are working closely with the Department for International Trade and the North East England Chamber of Commerce to delivery a trade and export strategy for the region.

<p>Continue to develop the North East Business Support Provider Network as a mechanism of simplifying and aligning providers to business and economic priorities, sharing best practice, encourage collaboration and cross referrals.</p>	<p>We identified gaps in provision such as the need to support businesses to supply PPE and ventilators to the NHS and secured £800k additional investment into Supply Chain North East to enable businesses to do this.</p> <p>We worked with the Business Support Provider Network to introduce the COVID-19 business support framework which focused on:</p> <ul style="list-style-type: none"> • Starting a business in a crisis • Operating under COVID-19 restrictions • Spotting and acting on new opportunities.
<p>Introduce a business resilience health check through the North East Growth Hub to support 200+ businesses to prepare for COVID-19 recovery and UK transition.</p>	<ul style="list-style-type: none"> • We introduced the Resilience Health Check based on the Oxford Innovation Growth Mapper diagnostic platform. • Due to the importance of the regional economy and the combined impact of both COVID and the EU Exit, we commissioned the North East Automotive Alliance, via open procurement, to support businesses in the automotive industry to mitigate the risk posed to the sector. We secured secondees from RTC North and the SME Centre of Excellence to support this work.
<p>Deliver Kickstarting Tourism and COVID-19 recovery ERDF grant programme to 400+ businesses.</p>	<p>We secured £2.4 million of European Funding for Kick Starting Tourism and Restart and Recovery grants. Working in partnership with NBSL Ltd, we provided 100% grants to 600 businesses to support them to recover from COVID-19.</p>
<p>Work with government to mobilise 40 peer networks to support businesses to recover from COVID-19, engaging 320+ participants.</p>	<p>We secured investment for 25 peer networks engaging 212 businesses in more than 20hrs of support between November and March.</p> <p>Based on this strong performance, we secured ongoing investment in Peer Networks from government for 2021/22 to deliver or a further 26 cohorts – the highest allocation in the country.</p>
<p>Provide up to date information, guidance and insights to businesses through the North East Growth Hub COVID-19 and UK transition toolkits. Monitor impact of the information via measurement of engagements, time on page and referrals to the North East Growth Hub Provider Network.</p>	<ul style="list-style-type: none"> • We gathered intelligence through outbound calling to more than 15,000 businesses and received 870 responses to our online surveys. This data and intelligence from Growth Hub interventions was used to submit weekly intelligence reports to government which in turn informed its response to COVID-19 and the EU Transition. The reports also included wider intelligence such as from the EU Exit group and from our seven local authorities. • The intelligence gathered continues to inform the development of the COVID-19 and EU transition toolkits.



Innovation

Activity	Key deliverables - What we will deliver between April 2020 and March 2021	Progress
<p>Stimulate new business opportunities through the North East Open Innovation Challenge:</p>	<p>Deliver a North East Open Innovation Challenge framework to stimulate innovation activity in the region, including a pilot which will provide finance to 10 projects to support the regional COVID-19 recovery response by March 2021.</p> <hr/> <p>Continue to deliver an Open Innovation programme through the INVITE Project by August 2020, taking learning from European partners to shape our North East Challenge programme. This programme will be closed by October 2020, with learning used to inform the North East Open Innovation Challenge design.</p>	<p>We secured £371k from Local Growth Funding to deliver an Open Innovation Challenge pilot on COVID-19 recovery. The challenges were phased: initial development and detailed solution.</p> <p>A digital platform was developed to host the open innovation challenges competition and two challenges were delivered with strong interest from the region's business community. These were:</p> <ol style="list-style-type: none"> 1. Delivering safe and engaging in-person events, which received 41 expressions of interest. 2. Adapting the delivery of home-based services, which received 22 expressions of interest. <p>16 projects were awarded grants totalling £79,130 to develop solutions. Seven of the challenge participants secured a total of £121,000 follow on funding to develop their solutions.</p> <hr/> <p>The INVITE programme closed in August 2020 and its KPIs were delivered on time and on budget. The project enabled collaboration between businesses across Europe with financial support for 10 SMEs in the North East LEP area. Learning informed the development of the COVID-19 Challenge and is embedded in the wider North East Open Innovation framework.</p>
<p>Prioritise a regional pipeline of projects to form a Strategic Investment Programme:</p>	<p>Support the production of investment-ready business cases for regionally significant projects, engaging partners using the established quarterly reporting process throughout 2020/21.</p>	<p>The Innovation Board championed fourteen regionally significant innovation projects after engagement throughout theyear. The Board continues to act as a critical friend throughout the business case development.</p> <p>£65.2m pounds of public funding was secured by the region for these priority innovation projects.</p>

	Host at least two events in partnership with the Innovation Super Network to support businesses to prepare for emerging funding calls throughout 2020/21	<p>VentureFest was successfully delivered virtually on 17 March 2021. 452 people attended the event with 691 visits to exhibition stands, 96 live meetings with exhibitors and 258 people attending the workshops.</p> <p>We supported the Accelerating Innovation and Investment Summit in September 2020, with a keynote speech from Ammar Mirza CBE. Over 140 people attended the summit .</p>
<p>Support our businesses to capitalise on local research and innovation capability including through the COVID-19 recovery response:</p>	<p>Commission a research project that identifies emerging market opportunities for the North East by December 2020.</p> <p>Produce a plan for maximising the use of regional assets and capabilities to increase share of the identified emerging market opportunities and support the COVID-19 recovery by March 2021.</p>	<p>We were not able to appoint a supplier to deliver fully this project through open procurement despite market testing. We commissioned an in-depth data project to inform the foresight analysis and appointed the Government's Open Innovation Team to provide critical challenge to the project.</p> <p>Through the collaborative relationship between Durham University and the North East LEP we were able to resource and initiate a research project using Impact Accelerator Funding. The project examined the levels and types of innovation activity in different places in the North East. The project will conclude in 2021/22 and will inform our work to 'level up' through innovation. We expect to contract a consortium in early 2021/22 to start this research.</p> <p>While we did not appoint and progress the emerging markets study during 2020/21, we continued to support regional partners to maximise use of and engagement with innovation assets through progression of the Innovation Delivery Partnership pilot programme.</p>
<p>Increase private sector investment into growing innovation businesses:</p>	<p>Develop an action plan for engaging with the private sector and investors to increase private sector investment in the North East to be endorsed by the North East LEP Board and rolled out by January 2021.</p>	<p>We worked with the Business Growth Board to review the access to finance landscape and reported gaps in supply of and demand for finance. Actions identified in the roadmap produced will be taken forward during 2021/22.</p>
<p>Engage with partners to identify emerging opportunities and drive business growth through an Innovation Delivery Partnerships (IDP) approach:</p>	<p>Deliver an IDP pilot programme which will target five niche emerging market opportunities. This will test and refine the IDP concept and produce a model for successful partnerships by October 2020.</p>	<p>The Innovation Delivery Partnership (IDP) pilot was approved by LEP Board in January 2021. Partners have come forward through an expression of interest process to identify global market opportunities in which North East market share can be increased. Eleven IDPs were selected for the pilot of which seven are more developed (Pathfinder IDPs) and four are emerging (Development IDPs).</p>

Coordinate regional partners to provide enhanced innovation support activity:

Improve the North East business support landscape by forming a consortium of providers to help roll-out of the co-developed model for Business Growth and Innovation Support by December 2020 to grow innovative businesses and support the COVID-19 response.

We used the co-developed model for business growth and innovation support as the foundation for a financial input-output model to assess the potential impact of a range of possible interventions in advance of preparing business cases for future interventions.

Produce a comprehensive Innovation Framework which will be used as an engagement and coordination tool to realise North East innovation strengths, priorities and opportunities by October 2020.

Eight KPIs make up the framework to support the dual aims of increasing innovation activity and investment in R&D and innovation. The KPIs have been baselined and updated. You can see the KPIs and the progress being made towards them [here](#).

Skills, employment, inclusion and progression

Activity	Key deliverables - What we will deliver between April 2020 and March 2021	Progress
Deliver North East Ambition	<p>Three Regional Career Leader network meetings, that bring together over 100 of the region's Career Leaders, as well as other key stakeholders in order that they can network, share best practice and access resources and CPD</p>	<p>We hosted three virtual Regional Career Leader Network Meetings during the year. Sessions welcomed external speakers and focused on topics including LMI, further education and apprenticeship opportunities as well as examples of best practice from across the region. Over 100 Careers Leaders signed up to each of these meetings and feedback was positive.</p>
	<p>Ten Opportunities Bulletins, highlighting a variety of resources, events and activities that will enable the schools and colleges to further develop and enhance their career's programmes.</p>	<p>Over 60 opportunities bulletins issued to schools and colleges - we have refined our approach so there are individual bulletins for primary, secondary and colleges, as well as SEND schools. The average open rate is between 35.5% - 55.3%, which is above the national average of 23.4% for education and training newsletters.</p>
	<p>A minimum of three hub meetings per academic year, which offer targeted support to enable the schools and colleges to accelerate progress against the eight benchmarks</p> <p>A minimum of one 1:1 meeting with each school and college, including a followup report that provides details on progress, and plans for the forthcoming year.</p>	<p>We organised three virtual hub meetings for each of our CEC funded hubs this year, as well as for the schools involved in the Career Benchmarks: Primary Pilot. A total of 12 hub meetings took place.</p> <p>1:1 meetings took place with over 200 schools and colleges across our network of primary schools, secondary schools, SEND schools and colleges to discuss progress and support requirements. Follow up reports and action plans were completed where required and appropriate.</p>
	<p>Working with partners to provide teacher externships in businesses.</p>	<p>We delivered teacher externships and project based learning activities to 226 teachers, involving 40 SMEs and 28 educational establishments</p> <ul style="list-style-type: none"> • 80% of teachers surveyed agreed or strongly agreed that participating gave them an insight into the world of work; and • 75% of teachers surveyed were more confident about offering career advice after participating. They developed subject knowledge to support their CPD. • Schools strengthened links with employers to support careers education, information, advice, and guidance. <p>STEM Ambassadors from a diverse range of organisations across the North East provide an opportunity for youngsters to meet inspiring role models, understand real-world applications of STEM subjects and experience hands-on STEM activities that engage and inspire.</p>

A new opportunities bulletin specifically for business leaders, which will be distributed at least 10 times per year. Continue to deliver STEM Ambassador network across the region industry leaders.

Two new Opportunity Bulletins specifically for business leaders, were developed and distributed on a fortnightly basis. The Enterprise Adviser newsletter is distributed to 137 readers and has an average open rate of 27%. The Education Engagement Partners newsletter is circulated to 80 readers and is send via the Enterprise Coordinator team.

Maintain our influence through a number of national working groups, steering groups. Deliver presentations to various audiences at regional and national conferences and events Host learning visits to the region from delegates outside the North East of England.

We have delivered presentations at national and regional conferences and events. This includes a national AOC webinar, CEC FE & Skills webinar, Ogden Trust's School's Partnership Conference as well as each of the local authority area's CEIAG groups.

We have been part of national steering groups including the CEC's Primary Headteachers' Steering Group; the CEC's FE & Skills Group and the CEC's SEND Community of Practice Group.

We provided evidence-based analysis input into various workstreams of the Youth Employment UK's 'C-19 Youth Employment Group as well as a number of different national project-based activities with the Gatsby Foundation.

Deliver Education Challenge:

Deliver the first year of the Opportunities North East Pilot across 16 ONE Vision schools identified by the Department for Education.

We delivered Year 1 in line with the approved project proposal.

All 16 schools are engaged, project risk management has been implemented to minimise the impact of COVID-19 restrictions.

Data has been shared with stakeholders, enabling activity and interventions to be implemented with young people.

Support the Phase 2 expansion of the Ford Next Generation Learning (FNGL) partnership in each of the new schools and colleges and through the Industry Alignment team establish new relationships with local communities, including employers and industry sector organisations to support action planning and implementation of the action plans.

The partnership has expanded to a further two secondary schools and one FE College. COVID-19 has affected the progress against the Ford NGL Roadmap particularly in the secondary school settings.

In January 2021 the partnership was expanded into one more FE College and work will continue with them through 2021. Industry panels in FE settings have been formed through the partnership work to support curriculum work and meaningful experiences for young people.

Strengthen the LEP's role as a School Governance Champion organisation, work with recruiting organisations and further develop a regional communications strategy to actively promote the positive impact effective governance has an educational outcomes. Produce at least three case studies with a focus on the benefits of diverse governance.

Partnership with Inspiring Governance has continued to develop with successful recruitment of new governors to North East school governing bodies, a formal marketing and communication strategy is in the process of being develop and activity will be carried into 2021 – 2022.

	<p>Alongside partners develop an approach to, and offer of, continued professional development both school and business facing to increase the impact of business and education engagement.</p>	<p>We have continued to signpost CPD to schools and colleges and developed new partnerships with particular specialisms. Examples include Project Based Learning with Newcastle University and South Eastern Regional College who have supported North East schools and colleges. We have responded to specific requests for support and delivered bespoke CPD as required.</p>
	<p>Develop an investment priority strategy based on the asset map summary report of FE, HE and other provision in education and training.</p>	<p>The development of this strategy was postponed due to the impact of COVID-19 on education and training partners. The strategy will be progressed in 2021/22.</p>
	<p>Continue, alongside key partners to develop a fusion skills pilot to promote the concept of fusion skills regionally based on international research in support individuals to recognise and record their skills.</p>	<p>We developed positive working relationship with the Ellen McArthur Foundation which uses the circular economy as a framework to raise awareness and promote the range of fusion skills required for personal and professional development linked to entrepreneurial behaviours and business development and growth. The Foundation has now delivered circular economy sessions to primary and college hub members and the senior leadership team at the North East LEP.</p> <p>We have developed a proposition for a fusion skills pilot and are now considering ways in which we may fund this activity.</p>
<p>Improve skills progression:</p>	<p>Continue to promote apprenticeships across all levels and to achieve a growth in the number of high quality apprenticeships undertaken.</p> <p>Protect existing apprenticeships and incentivisation to increase the number of apprenticeships available</p>	<p>Business insights breakfast session on apprenticeships with education and business stakeholders took place during National Apprenticeship Week with 180 business in attendance and key-note speakers from CBI, TUC, DfE and North East LEP Business Growth Team and case studies from local employers</p> <p>The apprenticeship toolkit on the North East Growth Hub generated 1,875 pageviews from 1,666 unique users. The toolkit provides up to date information and guidance for businesses - including apprenticeship recruitment, employee support, financial advice and how the latest COVI-19 government guidance.</p> <p>Established a North East LEP Apprenticeship group, with government representation to identify barriers to achieving apprenticeship starts and completions, informing the comprehensive spending budget review leading to the introduction of additional flexibilities and incentives.</p> <p>Increasing the number of good quality apprenticeships in the region is a key priority for the SAP, as we continue to recover from the economic impact of COVID-19. Apprenticeships, alongside Traineeships and Kickstart offer good opportunities for younger people to gain entry to the workforce.</p>

<p>Enable adults of all ages to access careers advice, retraining and reskilling in order to transition in to stable or growing sectors (based on regional LMI).</p>	<p>We have published information on North East Opportunities that helps young people along with their parents/carers, to better understand each of their options and where they can find out additional information or seek guidance. This platform also provides adults with details of where they can seek guidance if they are looking to re-skill or re-train and provides details of real-time vacancy opportunities as well as courses.</p> <p>Secured funding from government to deliver a Mid Life MOT pilot programme where we engaged with SME's to support them to understand the importance and productivity benefits of a mixed age workforce as part of DWP's 50+ Choices programme.</p>
<p>To continue to support the role out of T-levels in the North East and to work with curriculum leads in specialist technical education from September 2020 through the North East Institute of Technology (IOT).</p>	<p>The North East LEP has created a three-tier approach to support the design and delivery of T-levels in the LEP area: establishing a Stakeholder group comprising of national representatives responsible for T-levels; a Provider group involving all of those early T-level adopters and Colleges interested in delivering T-levels in the future; and Route network groups focused upon collaboration to support meeting teaching workforce development needs and industrial placement targets. The North East LEP is also leading on a national dissemination project for T-levels, funded by the Gatsby Foundation, to better understand what works at a local project level for the effective planning and delivery of T-levels.</p> <p>We are further supporting the teaching workforce development needs and links with employers to strengthen skills progression through the development of a series of Industry Insight sessions to inform the teaching, and careers community and learners of specific sectors/industries where considerable change/growth is forecast, and provide an understanding of the skills required to engage in new job opportunities.</p> <p>The LEP has also invested in and is represented on the Operational Board of the North East Institute of Technology, as a sign of our commitment to the role out of specialist technical education in the North East. This is enabling us to support progression pathways from T-levels into higher level technical education routes.</p>
<p>Continue to look for opportunities to fund an HE careers pilot.</p>	<p>The LEP is working alongside the regions four universities in a newly created Careers Group. The aim is to support graduates to understand the labour market opportunities available within the North East and what additional skills employers and recruiters consider to be of value including how to articulate their range of fusion skills.</p>
<p>Deliver our annual 'Live Work and Stay' campaign highlighting the benefits for recent graduates and skilled workers to stay in the region.</p>	<p>COVID-19 meant that we had to adapt and introduce capacity to support partners to deal with the effects of the pandemic which took priority over the Live Work Stay campaign, so this element of our plan was not delivered.</p>

Increase youth employment:	Continue to work with partners to reduce unemployment for young people, to encourage training and through robust labour market intelligence provide opportunities for young people to enter key growth sectors. Continue to learn from best practice examples, including Generation NE and Durham Works and support the continued funding of these important schemes.	<p>The highly successful Generation North East programme ended in March 2021. Since 2014, the youth programme has provided tailored employment support to over 6,500 individuals (aged 18-29 years, with over 2,500 of those young people moving into employment or self-employment. The use of digital technology was a key success factor in the delivery of this programme and this methodology will be incorporated where possible in future commissioning of programmes.</p> <p>We continue to support Durham Works and work in collaboration with local partners, by providing LMI intelligence to inform strategies and practice.</p>
	Continue to encourage European Social Fund projects providing critical support to support young people enter the labour market.	<p>The North East LEP area has secured £29.1m ESF resources from the ESF Reserve Fund throughout 2020/21. A call for £20m to fund projects targeting young people who have been the section of the workforce most negatively impacted by COVID-19 was launched in March 2021 and closes in May/June 2021 for projected delivered to December 2023.</p> <p>Existing projects that have performed well have been invited to bid for further 'Reserve Fund' monies at up to 50% of their current contract value to allow service delivery through until December 2023. This mitigates the delays in delivery caused by the pandemic and enable support for more young people.</p> <p>The ability to secure the required match funding remains the key challenge.</p>
	Develop programmes of careers guidance, education and skills support for education leavers and young people aged 16-24 to prevent NEET figures increasing	Through SAP membership, worked with our education partners and local authorities, throughout the Covid-19 restrictions period, to support them with the transition of young people from schools into further education, apprenticeships and higher education including developing a highly effective and accessible portal North East Ambition – Work Experience.
	Continue to highlight the importance of digital skills across education, training and re-skilling	<p>We have worked in partnership with the third sector to ensure that digital inclusion is central to the North East Digital for Growth, workforce strategy.</p> <p>The SAP has commissioned work to look at the application of digital technology across all sectors to analyse future skills to enable us to prioritise activity to ensure the North East has an inclusive digitally enabled economy. This was commissioned in January 2021 as is expected to be delivered in June 2021.</p>
Improve labour market activation:	Continue to work with partners and potential funders to find a way to deliver targeted support for people facing health barriers to employment, building on and incorporating the lessons learned from projects such as the Mental Health trailblazer and Working Links.	We are working with Durham University to develop a series of case studies looking at Good Work and the benefits this has on workforce, including better retention, good mental health and a willingness to participate in CPD and training. The proposal has been approved for funding and the project will be delivered in 2021/22.

Short term, flexible and responsive support for those closest to the labour market

The SAP and the North East LEP skills team worked with our regional and local partners to ensure that businesses, communities and individuals were aware of and accessed support and interventions to mitigate the impact of COVID-19 on skills and employment. Our activities have included:

We are supporting partners (JCP and DWP's rapid response team, the National Careers Service) to raise awareness of employability support programmes including JRS, SEISS, JETS, Kickstart.

The Skills Toolkit and information of other support services are being promoted the North East Growth Hub and through a sustained and effective social media campaign.

The National Careers Service has been working with local authorities to roll out the Jobs Fuse programme. This is a new programme that supports workers impacted by the Covid-19 crisis, including furloughed workers, to return to work and help employers fill vacancies. It also provides information and support to employers to plan for their furloughed employees.

Grow the number of apprenticeships by promoting access courses and information regarding the benefits of an apprenticeship.

Leading the North East LEP Apprenticeships steering group, working in partnership with ESFA, Institute for Apprenticeships & Technical Education (IFATE) and the Apprenticeship Ambassador network to facilitate collaboration between education and learning providers to ensure the apprenticeship offer in the region meets current and future skills needs. Through North East Ambition we are working in partnership with Education Development Trust to develop a Skills Portal to encourage the take up of Apprenticeships.

Ensure connected communities:

Prioritise the delivery of the digital strategy, workforce theme focusing on accessible and inclusive digital skills provision including those skills that employers tell us are a priority as part of the recovery

We are working with partners and stakeholders to support activities and interventions that empower individuals to take action to future proof their career by having the opportunity to develop skills and access training in line with labour market demand. Activities have included supporting the formation of a collaboration of colleges and providers to submit an application for a Digital Skills Bootcamps pilot in the North East LEP area.



Transport Connectivity

Activity	Key deliverables - What we will deliver between April 2020 and March 2021	Progress
<p>Delivery of the Transforming Cities Fund Tranche 1 programme and part of Tranche 2 programme following funding award</p>	<p>All Tranche 1 schemes will be delivered in full by early 2020/21.</p>	<p>There are 19 schemes in Tranche 1 of TCF. Due to COVID-19 there were a number of delays, but as of the end of March 2021, 14 were completed. A further two are expected to be completed by the end of July 2021 and the remaining three are expected to be completed by the end of December 2021.</p>
	<p>The first Tranche 2 schemes by March 2021, as part of a three- year prioritised programme.</p>	<p>The North East region was allocated Tranche 2 funding in March 2020. A prioritised list of 26 schemes plus Metro Flow was produced, all of which are due to be complete by March 2023. There have been delays in the development of these schemes due to the impact of COVID-19. There is an element of over-programming and a strategy to deal with this is being developed.</p> <p>The majority of schemes are well underway with the production of business cases. The first scheme to pass through the full assurance process was Durham Bus Station, which was granted full funding by the Joint Transport Committee in January 2021.</p> <p>The Nexus Projects: Design and Development of Park and Ride and Digital / Smart Parking schemes are progressing. Completion is expected by March 2023.</p>
<p>Continue to progress and deliver the LGF Transport programme;</p>	<p>LGF transport schemes to be delivered by the of the financial year.</p>	<p>Work has progressed on six transport projects with two fully completed - a new rail station at Horden, County Durham and the Nexus Metro Learning Centre in South Shields. Work on Newcastle Central Station Gateway improvements commenced, and a study was funded into EV Charging point provision across the region with follow on investment to improve coverage planned in 2021/22.</p>

Completion of the Metro Asset Renewal programme	Track Renewals - Crossgates, South Shields completed May 2020. Rail Renewal in Central Area Tunnels.	The Crossgates renewals work was completed in Autumn 2020. The Central Area tunnel rail renewal was completed by internal teams during overnight access with no service disruption.
	QEII Bridge to Gateshead Stadium. Heworth to Pelaw by August 2020. Network wide track alignment for platform - track interface alignment by November 2020.	The track renewals from Heworth to Pelaw were completed in v Autumn 2020, with some follow-up work recently completed in March 2021. Track interface / alignment work will now continue into Autumn 2021 identification of additional scope and critical plant availability has disrupted the programme but work will be completed well in advance of arrival of the first new Metro Car.
	Network wide renewal of Overhead Line Equipment - paused from April - June due to COVID-19 working restrictions but planned to resume in late June.	Work resumed in June 2020 with weekend renewals every 3 weeks. The opportunity was taken to renew a critical 16,000m of contact wire in the 'Central Corridor' between Regent Centre and Heworth, in February 2021 (over 2 weeks) whilst patronage was greatly reduced due to COVID-19. This also enabled access for other extensive capital and maintenance works.
	Completion of Station refurbishment at Monkseaton, West Monkseaton, Cullercoats, Shiremoor, Palmersville, Benton and Longbenton.	All station refurbishments were completed by March 2021.
	Radio Rail Traffic Management System (RTMS) closed out and support contracts in place.	This is complete and fully operational with support contracts agreed and in place.
	Renewal of critical point motors - to complete in late 2020.	The full programme of 32 point motor replacement concluded in December 2020.
	Continued fleet investment – to improve reliability of current Metro Fleet.	The full programme of 32 point motor replacement concluded in December 2020. This has been completed to plan – an ongoing annual programme will continue until a replacement fleet is in operation.
	Occupation of Nexus Learning Centre expected end of July 2020.	The Learning Centre has been occupied from July 2020 and is operational for delivery of training.
Deliver the Go Ultra Low North East programme	Delivery of 11 rapid charging hubs.	Nine of the rapid charging hubs have now been installed. The remaining two hubs will be installed by the end of April 2021.
	Provide targeted support and advice to SMEs about the potential benefits of switching to a low emission vehicle.	56 SMEs have received 12 hours of targeted support to show the potential benefits of switching to a low emission vehicles.
	Deliver 10 Electric Vehicle rapid charging posts for use by the taxi industry, funded by the OLEV Taxi Fund by December 2020.	8 of the 10 chargers are now installed. We anticipate the remaining two chargers at Wallsend and Newcastle's Blandford Square will be completed by 31 December 2021

Deliver Emergency Active Travel Funding (Tranche 1) and bid into Tranche 2) and deliver active travel schemes	Deliver schemes by August 2020 (Tranche 1) and March 2021 (Tranche 2) subject to bids being successful.	All Tranche 1 schemes have been delivered. Funding for Tranche 2 schemes was allocated to the region in November 2020 with schemes to be delivered by March 2022.
Continue to develop the regional North East Strategy and align it with the Covid-19 economic recovery plan	Publication of a 15-year Transport strategy setting the direction for transport in the region. Production of an accompanying implementation plan by mid-2021.	In March 2021, the North East Joint Transport Committee approved the publication of the North East Transport Plan, alongside the associated Integrated Sustainability Appraisal and the consultation feedback report. The Joint Transport Committee worked with the North East LEP on 'Connected North East: Our Blueprint' which forms the basis of ongoing discussions with government about regional transport and digital connectivity post COVID-19. The document was published October 2020.
Use transport to drive innovation and business growth	Continue to use transport as an enabler, linking people to employment opportunities, generating economic growth and business investment. Produce a pipeline of schemes to support economic recovery.	A 15-year pipeline of investments is included within the North East Transport Plan, which includes projects that link people to employment and that will support the economy, health and social inequalities, environment, focus on people and geography.
	Continue to improve transport connections, making it quicker and easier to transport goods and freight, enabling the economy to grow. Produce a pipeline of schemes which will support economic recovery following the lockdown period.	The region has developed a pipeline of connectivity schemes which will support economic recovery from the COVID-19 pandemic and the onward success of the region. These schemes are included in our Connectivity Blueprint and North East Transport Plan.
	Seek investment for the East Coast Mainline to provide the capacity and line speeds to meet existing and future requirements.	There have been a number of opportunities through the year for the North East Joint Transport Committee to push the case for investment in the ECML. Most notable through government consultations on the Integrated Rail Plan for the North and Midlands, and the Union Connectivity review. Progress has also been made through the Invest East Coast (Campaign with ECMA) and through progressing a preferred option for the TfN NPR route including the reopening of the Leamside Line.



Investment and Infrastructure

Activity	Key deliverables - What we will deliver between April 2020 and March 2021	Progress
Manage the already secured North East LEP funding effectively:	Programme managers to attend each North East LEP Investment Board and submit quarterly progress monitoring dashboards.	Programme managers attended and presented performance reports and dashboards at the Investment Board meetings during 2020-2021. Additional Board meetings were added during the year to expedite the Getting Building Programme funds allocated in July 2020.
	Monitor programme level risks via the Technical Officer Group.	Programme level delivery risks are discussed at the Technical Officers Group and then addressed at Investment Board meetings throughout the year. Effective mitigating action was taken to avoid budget underspend on both the Getting Building Fund and Local Growth programmes.
	Submit quarterly performance monitoring returns to Ministry of Housing, Communities and Local Government (MHCLG) for Local Growth Fund (LGF) and Enterprise Zones. Key infrastructure outputs by March 2021: <ul style="list-style-type: none"> • Infrastructure works completed on Integra 61, Bowburn - over 1,000 jobs • Infrastructure works on Jade Business Park progressed - over 80 jobs • Infrastructure works on Northumberland Energy Park phase one complete- 15 ha. land reclaimed • Completion of phase one infrastructure works on IAMP - three new buildings operational with 200+ jobs. 	All quarterly performance monitoring returns were submitted to MHCLG on time and to the required standard. <ul style="list-style-type: none"> • Integra 61 – 1,360 jobs created, with two new businesses operational. • Jade Business Park – Phase 1 works completed, with 57 jobs created. • Northumberland Energy Park – ongoing. Additional infrastructure works were identified during the year. Consequently, full reclamation was delayed until Spring 2022. • IAMP – Phase 1 works completed with three new buildings operational (one re-purposed as a Nightingale Hospital). The number of jobs on site increased to 120, excluding NHS temporary jobs.
	Fully spend the 2020/21 annual LGF budget of £14.5m.	The budget of £14.5m was fully spent. In addition, the £23.5m Getting Building Fund budget secured during the year was also fully spent.
	Complete the next phase of LGF interim programme evaluation activities by March 2021.	The Interim Evaluation contract was issued 3 months later than planned following consultations on the final brief and inclusion of the EZ programme to achieve economies by undertaking a joint review. Awarded in January 2021 to Steer Ed, the final consultant's report is now planned for completion in July 21.

<p>Ensure that the Local Assurance Framework is adhered to when making funding decisions by maintaining the operational management structures and decision-making accountabilities within the North East LEP.</p>	<p>The Assurance Framework has guided operational programmes and was updated through the year to reflect the revised LEP constitution and change in accountable body in April 2020. The relevant documents and processes were updated to comply with the new UK Subsidy guidelines that came into effect in January 2021.</p>
<p>The Enterprise Zone sites below will welcome new businesses that will begin operating from:</p> <ul style="list-style-type: none"> • Jade Business Park (Durham). • IAMP (Sunderland and South Tyneside). • Newcastle International Airport (Newcastle) 	<p>Update on schemes:</p> <ul style="list-style-type: none"> • Jade Business Park is now home to Sumitomo and CoreHaus • IAMP welcomed a further 50 jobs, bringing the total to 120 jobs • Bellway Homes opened its new Headquarters at Newcastle Airport.
<p>Have significant infrastructure works underway or complete on four more Enterprise Zone sites, that will be ready to secure private sector investment at:</p> <ul style="list-style-type: none"> • Holborn 2 (South Tyneside). • Ashwood Business Park (Northumberland). • Port of Sunderland (Sunderland). • Northumberland Energy Park (Northumberland) 	<p>All projects are underway:</p> <ul style="list-style-type: none"> • Site works are underway at Holborn 2, with an announcement that a joint venture between SSE and Equinor will set up an offshore wind O&M base • Ashwood Business Park has started infrastructure work and is expecting occupiers to begin works during 2021/22 • Port of Sunderland has completed elements of the site infrastructure. • Progress has been made on Northumberland Energy Park, with infrastructure works planning to be completed during 2021/22.
<p>By March 2021, our Enterprise Zone sites will become home to more than 400 jobs with North East LEP investment having been more than £15m, unlocking 34.7ha of remediated land and more than £12m of private sector investment.</p>	<p>During the last 12 months our 21 Enterprise Zones became home to 5 more businesses, creating 201 jobs. This brings the total number of businesses located on the Enterprise Zone sites to 59, collectively employing more than 1,800 people.</p>

Coordinate partners to develop a regional project pipeline based on spatial economic priorities:	Develop a strategic project pipeline for the North East, building on the work carried out during the development of the Local Industrial Strategy, the COVID-19 Economic Recovery Plan and LGF pipeline.	<p>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 LGF pipeline. In partnership with the LA7, we have updated the regional strategic project pipeline and developed a proposal for an accelerated project development fund.</p> <p>The COVID-19 Economic Recovery Plan was supported through a £5m Rapid Response Fund made available from existing LEP resources. The fund helped 12 initiatives that included:</p> <ul style="list-style-type: none"> • A VCSE infrastructure programme that is supporting a 14 strong VCSE led capital project to enhance green community infrastructure and learning facilities for young people. • An extension of the Scaleup North East business support initiative for a further two years. • An innovation COVID challenge programme <p>The resources collectively supported more than 200 business and voluntary sector led projects.</p>
Secure additional investment in the North East including resources to support the Regional Recovery plan:	Work with our partners and coordinate regional bid activity to secure funding for the region including the Growth Funds to support the regional economic recovery. Manage the Getting Building Fund and grant award £47m to projects across the North East by October 2020 for delivery up to March 2022.	<p>We approved projects to the value of £47m from the Getting Building Fund during 2020/21 with 14 projects contracted and in progress. The remainder will be contracted early in 2021/22.</p> <p>We provided support to a regional Freeports bid to government in February 2021.</p>
	Make preparations to maximise draw upon ESIF national reserve fund from 2020 onwards across the North East LEP area.	We continue to provide the regional coordination to draw any remaining European Funds into the region. In 2020/21 we secured £29.1 million of European Structural Funds
	Secure a commercial property fund model, by using the North East Investment Fund (NEIF) funding and commence a procurement of a fund manager by the end of March 2021.	<p>We have completed an evaluation of the NEIF programme and obtained government approval to release the NEIF from all contractual obligations linked to £30m Rural Growth Fund grant and re-invest it into the Commercial Property Fund (CPIF).</p> <p>We are ready to issue the procurement for a fund manager and secured £2.2m GBF and NEIF resource to support three CPIF pilot projects. We have also developed a pipeline of CPIF projects.</p>
Increased access to finance for businesses to invest:	Work with the North East Fund Limited to maximise its investment potential for North East SMEs	We continue to work closely with and advise the North East Fund non-executive board and executives to ensure investment is optimised and receive regular reports on KPIs.
	Support North East Finance and North East Access to Finance to optimise use of legacy funding to support North East initiatives.	We continue to work closely with legacy fund organisations to scope out and mobilise the future investment funding landscape for the region.

Policy, strategy, evidence and analysis

Activity	Key deliverables - What we will deliver between April 2020 and March 2021	Progress
<p>We will continue to develop and integrate the suite of strategic documents in the region which take forward the ambitions of the Strategic Economic Plan</p>	<p>Develop and implement the COVID-19 Recovery plan, working with regional partners through the North East COVID-19 Economic Response Group.</p>	<p>The COVID-19 Economic Response Group was formed in March 2020 to co-ordinate the region's immediate and longer-term economic response. This focused on developing and maintaining strong intelligence base about the impact of Covid 19 throughout the pandemic to inform decision making, supporting businesses with advice and funding, developing action to support the labour market, driving innovation action to support national priorities and solve regional challenges, and communicating effectively with a single voice.</p> <p>The plan can be viewed here.</p>
	<p>Complete the discussions with government to publish the proposals set out in the North East Local Industrial Strategy</p>	<p>Work on the Local Industrial Strategy (LIS) was close to completion when COVID- 19 emerged, which led to publication being paused. Government archived the Industrial Strategy and its associated programmes at the March 2021 budget, signalling that this work is unlikely to be taken forward.</p> <p>Many of the programmes and projects set out in the draft North East LIS now feature in the COVID-19 Economic Recovery Plan and will remain priorities for inclusion in future strategy development.</p>
	<p>Work with the North East Transport Sub-Committee to develop the Regional Transport Plan to be launched in 2021</p>	<p>The North East LEP is a member of the Transport Strategy Board and the Transport Plan Steering Group, providing direction and alignment with the wider programmes within the Strategic Economic Plan. We contributed to the policy and evidence that informed the North East Transport Plan and facilitated workshops with the Transport Strategy Team to explore opportunities for alignment with sector growth and innovation through digitalisation and de-carbonisation of the transport system.</p>
	<p>Collaborate with the North of Tyne and North East Combined Authorities to align and support their strategies and delivery plans</p>	<p>We have worked with the combined authorities to ensure alignment of strategy, delivery and investment programmes and to work together on UK policy activities.</p> <p>We worked together, and with a wider range of partners from across the region, to monitor and respond to key public policy agendas, including EU Exit via the EU Exit Group which is co-funded by the two combined authorities and the North East LEP, and the development of proposal for a regional Tourism Action Zone. We supported the development of the North of Tyne Combined Authority investment programme on digital, tourism and culture and energy, and provided analytical support to the North East Combined Authority economic statement. During the year, both combined authorities agreed to contribute to the development of the Energy Accelerator programme to ensure that more projects could be moved to delivery through the Energy for Growth programme</p>

<p>We will continue to improve the relevance, quality and focus of analysis and research on the North East economy</p>	<p>Provide timely, accurate and appropriate analysis of economic data to LEP staff, boards and partners to help inform decision making</p>	<p>We actively promote the importance of evidence-led policy and strategy development and deliver a wide range of evidence projects to support the ongoing development of our programmes and inform the strategic direction of new activities.</p> <p>In the current year priorities have included:</p> <ul style="list-style-type: none"> • Regular updates on indicators showing the impact of COVID-19 from data sources including ONS faster data, Google mobility, surveys, social listening. and consultation with regional stakeholders • Using intelligence to inform reports to the North East LEP board, the Skills Advisory Panel and wider partners • Regular commentary and reporting on the key targets for the Strategic Economic Plan.
<p>Increase access to good quality, relevant economic analysis on the North East</p>	<p>The North East Data Hub has expanded the range of data available and this now includes a lot more data at a local authority and constituency level.</p> <p>Engagement with the North East Datahub has increased, with 7,500 unique page views in 2019/20 and 12,362 during 20/21.</p>	
<p>Publish the “Our Economy 2020” report by June 2020</p>	<p>The annual Our Economy report for 2020 was published on 10 June, together with a video presentation from the LEP’s Senior Economist, in the absence of a face-to-face event. You can read the latest Our Economy here. It was downloaded 308 times between 10 June and 31 March 2021.</p>	
<p>Assist LEP staff, boards and partners to undertake research and evaluation that will inform their decision making</p>	<p>We continue to support the commissioning and management of a range of research projects valuing £400,000, including:</p> <ul style="list-style-type: none"> • Current and future skills need in the North East LEP area to support the decision making of the Skills Advisory Panel • Energy specific projects such as the opportunities surrounding mine energy and decarbonisation of heat • Support for the innovation programme on both performance information and key research projects • Intelligence and data development to support the North East trade and export strategy • Commissioning of strategic intelligence projects to support the region’s Freeport bid. 	
<p>Strengthen the North East Economic Evidence Forum’s role in ensuring evidence is informing the delivery of economic priorities of the region</p>	<p>The North East Economic Evidence Forum continues to meet and contribute to our ongoing COVID-19 intelligence gathering and evidence base activities. However, there has been some disruption to the meeting programme due to COVID-19 and this will be regularised in 2021-22.</p> <p>The North East Data Hub now has a research repository and commentary where we are publishing and discussing regional research, including our COVID-19 intelligence reports.</p> <p>We have promoted evaluation across the LEP programmes and in new projects and continue to drive forward the interim evaluation of the Strategic Economic Plan (SEP) which will complete at the end of 2021-22 bringing forward an interim assessment of the impact of the SEP and proposals for a final summative evaluation</p>	

Increase access to good quality, relevant research on the North East economy, including evaluation of interventions

The EU Exit Implementation Group continued to meet monthly to discuss business preparations for EU Exit, the impact of new trading arrangements with the EU, and opportunities arising from new domestic policies on funding, regulation and trade.

Intelligence from the Group on EU transition and business feedback is shared with the Business Growth team for inclusion in the weekly reports to BEIS.

The Group commissioned the North East LEP to co-ordinate a regional response to the Government's Freeports consultation in July 2020.

- The LEP established a working group with teams from the Port of Tyne and economic consultants to develop a collaborative regional Freeport bid following the publication of the Freeports Bid Prospectus in November 2020
- The working group arranged a series of workshops with regional stakeholders to inform the development of the bid. Regular updates on progress were delivered to Local Authority Economic Directors, Finance Directors, Political leaders and the LEP Board
- The final bid was submitted to the Government on 5 February 2021. Unfortunately, it was not selected as one of the eight Freeports awarded in the Government's competition despite being rated very highly in the formal assessment process across all criteria.

During the year, on behalf of the EU Exit Group, the North East LEP has also co-ordinated regional responses to domestic policy initiatives including on immigration policy, the shortage occupations list and the new subsidy control policy.

Continue to work collaboratively across the Northern Powerhouse region as a leading participant in the NP11, and within wider structures of co-operation; Provide NP11 leadership on Innovation, and participate actively in Net Zero and Trade and Investment workstreams; Develop new work on evidence and strategy with NP11 Secretariat; Co-ordinate the regional engagement with the Northern Powerhouse working with LA Economic Directors, North East Transport and Inward Investments Teams

The Northern Powerhouse Co-ordination Group has continued to meet to facilitate information sharing on strategic priorities across the Northern Powerhouse area. Membership of the group includes the Combined Authorities, Invest North East England, Transport North East and LEP programme leads.

We lead on the NP11 Innovation programme, prepared the content on innovation for the Manifesto for the North working with the NP11 Innovation leads group, and have continued to support NP11 research activities – for example with the Transport for the North and Innovation projects.

We have also been invited to lead NP11's evidence and research programme working with TFN and other northern partners and on behalf of the NP11 we launched a procurement opportunity in March 2021 to support development of an NPH evidence programme.

We work on Net Zero/Energy with NP11, including through the North East, Yorkshire and Humber Local Energy Hub.

	<p>Develop a workstream in anticipation of Planning White Paper and response to National Infrastructure Commission</p> <p>Develop North East LEP policy positions with respect of devolution white paper and future regional governance and resourcing</p>	<p>The Devolution and Local Recovery White Paper, originally expected in Q4 2020, has been delayed and is now expected to be published in late 2021/2022. We continue to monitor devolution and regional policy, including reforms proposed in the Planning White Paper and the competitive infrastructure and regeneration funds announced at Budget 2020.</p>
<p>Continue to develop strategic initiatives in the region, including those which complement the areas of strategic importance (also see following section)</p>	<p>Work with partners in the Tourism and Culture sectors to support recovery of the sectors and promote long term growth</p>	<p>The North East LEP has continued to support partners to develop a regional plan to support growth and improvement in the tourism sector, building on work prepared for a Tourism Action Zone bid in response to the Tourism Sector Deal.</p> <p>A statement of intent for the future development of the sector in the region has been developed with the destination management organisations and North East Tourism Alliance and will be discussed by the LEP Board during 2021.</p>
	<p>Develop an integrated approach to internationalisation across trade, investment, tourism and education</p>	<p>We are working with the Department for International Trade and the North East England Chamber of Commerce to develop a trade and export strategy as part of a wider Northern Powerhouse programme across the 11 LEP areas. A first phase of work was completed in March 2021, published in May and identifies current and opportunity areas for building trade volumes and proposed approaches to systematising advice and support to businesses at different stages of the exporting process. Work will continue in 2021/22 to develop more detailed strategic approaches and align the work with the forthcoming UK strategy. It will also aim to strengthen links with other international facing activities in the region.</p>
	<p>Support work to develop the capacity of key Enabling Sectors identified in the Strategic Economic Plan</p>	<p>Through the COVID-19 evidence base programme, work has been undertaken to engage with our enabling sectors in professional services, education, transport and construction to understand the impact of COVID-19 across the economy with reports published for each Board meeting.</p>

Areas of strategic importance: Digital, Energy, Health and Life Sciences, and Manufacturing

Activity	Key deliverables - What we will deliver between April 2020 and March 2021	Progress
<p>Continue to develop and implement the North East's Digital for Growth strategy launched in October 2019</p>	<p>Support and develop the work of the Digital Steering Group as the collaborative leadership structure overseeing delivery of the work programme</p> <hr/> <p>Continue to build and promote the regional evidence base around the digital sector through specific research projects and the communication of findings from all sources.</p> <hr/> <p>Develop the implementation plan and active pipeline of projects under the four Digital for Growth themes (Data, Workforce, Digital Collaboration and Enterprise and Infrastructure and Connectivity) including those aligned with the Covid-19 recovery plan</p>	<p>The Digital Steering Group has continued to meet throughout the year to oversee the work of the Digital programme and progressed work around four priority areas:</p> <p>Data: A draft paper was developed in partnership with the National Innovation Centre on Data exploring opportunities to leverage its role for the region.</p> <p>Digital Collaboration and Enterprise: A working group drawn from industry has produced proposals about strengthened tech start-up and incubation.</p> <p>Connectivity: We have worked strategically with the local authorities and Transport North East to develop the North East Connectivity Plan. This is a key part of the COVID-19 Recovery Plan that includes range of proposals for improving digital connectivity.</p> <p>Digital skills: Through the Skills Advisory Panel, we are supporting the development of skills projects aiming to promote digital inclusion across the region.</p> <p>We have supported the North of Tyne Digital Investment programme, ensuring that there is strong alignment between the investments made by the Combined Authority and the wider regional strategy.</p> <hr/> <p>We have delivered a collaborative assessment of Tech Start-ups in our region to inform future proposals that will enhance services to support tech start up and incubation.</p> <p>Research was commissioned to assess the digital development opportunities of the health service in the region working with the Academic Health Science Network and a range of other partners. This has resulted in the development of a proposal for a digital skills hub in the NHS.</p> <hr/> <p>We worked with the National Innovation Centre for Data to host a series of seminars to support the development of a working paper on smart data opportunities in the North East.</p> <p>As part of the North East Connectivity Strategy, a pipeline of capital projects was included to enhance digital connectivity and to provide the basis for acceleration of 5G.</p> <p>Through a series of collaborative workshops, we gathered intelligence about the impact of COVID-19 on the digital sector to assess the levels and quality of digital adoption created by the response to the pandemic. The outcomes of these events featured in the COVID-19 Response intelligence reports.</p>

	<p>Develop an agreed communications plan to promote Digital development in the region focused on evidence, delivery plans and implementation actions</p>	<p>Progress has been made working with the Digital Steering Group to translate the Digital Strategy into delivery, with a number of communications opportunities identified.</p>
<p>Continue to drive growth in the North East's energy sector through the implementation of the Energy for Growth strategy launched in August 2019</p>	<p>Help ensure active governance and co-ordination for energy activity through the:</p> <ul style="list-style-type: none"> • Offshore energy and subsea technology hub, joint work with the Energi Coast cluster, and other sector initiatives • Energy Catalyst partnership • North East, Yorkshire and Humber Local Energy Hub 	<p>We have maintained a key role in the overall governance and co-ordination of energy sector partnerships and networks, including:</p> <ul style="list-style-type: none"> • We host the Offshore and Sub-Sea Hub which brings together senior leaders in the region to assess opportunities for the North East offshore and sub-sea sector. This group has influenced the development of the Energi Coast cluster management group and proposals to government, led by Subsea UK, for the initiation of a joint Global Underwater Hub with Aberdeen and the Solent LEP. We also coordinated regional submissions into national calls for evidence such as for Offshore Wind Manufacturing Hubs. • We are an active member of Energi Coast, the North East's offshore wind cluster. We act as a member of the cluster management group which provides strategic direction and governance for the cluster, also participate in the industry group and innovation sub-group which coordinate activities in supply chain development and promotion and innovation respectively, and we are leading a skills sub group for the cluster. • We are leading and co-ordinating the North East Energy Catalyst, a collaboration uniting the region's world class energy innovation and demonstration assets and capabilities to drive a series of joint delivery projects, innovation challenges and support partners to secure investment. Two projects identified through the Catalyst secured funding from the Getting Building Fund. • We are a member of the North East & Yorkshire BEIS Local Energy Hub coordinating collaboration across the local energy strategies in the six member LEP areas, and providing governance particularly for delivery of BEIS programmes which are deployed via the Hub. This has helped develop a substantial pipeline of energy projects across this wider geography. The North East LEP is also leading two projects on behalf of the Hub, one on Mine Energy in which we are co-ordinating a national Mine Energy Task Force, and a Local Energy Skills hub working in partnership with the Energy Systems Catapult. The LEP has facilitated the region's seven Local Authorities to secure over £17m to invest into energy efficiency in social housing through the Hub's LAD2 programme. • We host one of the two officers driving the government's Rural Community Energy programme via the North East & Yorkshire BEIS Local Energy Hub, which has distributed £518,305.75 to local energy projects in rural communities during the year.

Support growth of an active Offshore Energy & Subsea Technology Cluster. Promoting the findings of commissioned research, representing the region, and supporting inward investment and supply chain development activity working with TVCA & other partners

A strong track record of delivery has been built in supporting the Offshore Energy & Subsea Technology sectors in the region, during the year we have:

- Providing funding to the Energi Coast cluster, alongside TVCA and industry.
- Supported successful inward investments into the sector such as the SSE and Equinor Dogger Bank operations base on the Tyne.
- Co-ordinate regional submissions into national infrastructure investment opportunities, such as the Offshore Wind Manufacturing Hubs call for information.
- Funded the Offshore Renewable Energy Catapult's 'Technology, Innovation & Green Growth for Offshore Renewables' programme, alongside NTCA and the Offshore wind Growth partnership.
- Allocated funding via the Getting Building Fund to support creation of a new Robotics and Autonomous Systems centre at the offshore renewable energy catapult in Blyth.
- Coordinated various skills interventions between industry and skills and training providers to develop skills pathways for the sector.
- Actively supported the development and implementation of the Global Underwater Hub, ensuring its integration into wider North East cluster activity.

Drive forward the work of the North East Energy Catalyst partnership, facilitating delivery of ambitious projects and programmes which showcase solutions to global energy challenges in the North East, while stimulating growth and supporting the green recovery.

The North East Energy Catalyst has facilitated the d of the world's first £9m multi-site Smart Energy Lab and secured £5m funding from Getting Building Fund for the Offshore Energy catapult in Blyth and the InTEGReLL Customer Energy Village project in Gateshead.

The Energy Catalyst also led an Energy Innovation Challenge Programme supporting regional SMEs to bring forward solutions to global energy challenges. £200,000 has been awarded to 10 regional SMEs to develop new materials, digital solutions and prototypes to drive decarbonisation.

Accelerate delivery of local and regional energy schemes including those aligned with the COVID-19 recovery plan, taking opportunities resulting from North East engagement in the BEIS Local Energy Hub, and other national and regional programmes.

The LEP has proactively supported the regional energy project pipeline including:

- Facilitating rural community groups to access £518k of feasibility funding for energy projects
- Pooling £2.3m of funding with Local and Combined Authority partners to create a new regional resource to accelerate project development
- Supporting development of regional district energy (including mine energy schemes) which have resulted in significant funding awards for delivery.
- Developing a high potential opportunity proposition with the Department for International Trade, which supports inward investment to develop
- Commissioning a study to detail the future supply chain opportunities in heat decarbonisation for the region's supply chain.

Integrate Energy for Growth and its priorities with wider LEP strategies and delivery programmes, the work of our Combined and Local Authorities and wider business and academic communities.

The Energy for Growth programme has continued to be well integrated across wider LEP delivery programmes and partners, such as working with:

- The LEP investment team to deliver the LGF Energy for Growth funding programme with a value of c£6m, and two Getting Building Fund projects.
- The LEP skills team to develop sector specific interventions in the offshore wind, EV and battery, and retrofit sectors.
- The LEP business growth team to provide targeted support to energy sector SMEs via the Catalyst innovation challenge programme.
- The LEP Innovation team to support IDPs and priority projects in the energy sector, particularly via the Catalyst.
- TNTCA to support policy development and alignment of funding programmes with the Energy for Growth Strategy.
- Industry and cluster bodies such as NOF, the North East Automotive Alliance, Subsea UK, Subsea North East and the Association for Decentralised Energy to represent the region's economic priorities and support sector development.
- Partners within the Borderlands Growth Deal, particularly Northumberland County Council, as a member of the energy masterplanning board.
- A range of cross-sector partners through the Catalyst, specifically to coordinate energy innovation activity.

Develop and launch a strategy for the Health and Life Sciences sector in the region

Work with the Health and Life Sciences Steering Group (HLSSG) to bring forward an evidence-based framework for growth document based on the evidence and agreed vision, objectives and ambitions of the HLSSG, which will enable the LEP to refine the strategy development in the context of the emerging Covid Recovery Plan opportunities.

We have worked with the North East Health and Life Sciences Steering Group and wider partners to develop and publish the North East Health and Life Sciences strategy in February 2021. You can view the strategy [here](#).

Actions taken to develop and mobilise the strategy have included:

- A full review of data and evidence about North East health and life sciences capability and the assessment of opportunities and challenges in the UK policy framework
- Analytical work to model future growth opportunities and to set down key growth targets for the sector
- Consultation and engagement through the Health and Life Sciences Steering Group and through discussion at the 2020 Biofocus event
- Commissioning of seven pipeline development projects to support the strategy through the securing of £300,000 of LGF and allocation of these funds to develop business cases which will be submitted by June 2021.

We worked with partners to support businesses in the region to connect to national programmes to strengthen the supply of PPE and ventilators.

Additional deliverables from the Health and Life Sciences Strategy include:

- Analysis of the skills need of North East pharmaceuticals businesses. You can review the report [here](#). This has led to the introduction of a life sciences skills group to enable collaboration between employers and education to address skills shortages in the sector.
- Sponsorship of and active participation in the annual BioFocus conference, attended by 300 delegates.
- Working with partners to secure a High Potential Opportunity on ageing, which is now being progressed actively with the Department for International Trade.

Establish a 'Patent Protection Scheme' to support the Life Sciences businesses in the region to survive the impact of Covid 19, thereby stabilising the strategically important business base and assure ongoing and future growth (subject to funding).

- As part of the £5m COVID Response Fund, we launched the Patent Protection Scheme to support innovative businesses to protect their intellectual property during NHS disruption because of COVID- 19. A total of £213,279 was distributed in grants to 13 innovative businesses.
-

	Identify partners to position the North East to take advantage of the re-shoring opportunities for the pharma sector created by Covid 19 and develop the 'North Shoring' proposal and business case to position the North East as the lead location to catalyse this opportunity on behalf of the UK (which will strengthen the supply chain and provide opportunities for process industries and identify inward investment opportunities).	We provided support for the creation of North East Pharma as a sector leadership structure. We are working together on a north shoring proposition for generic medicine manufacture with the NHS.
	Through the Local Growth Fund, support the Steering group and regional partners to develop a future pipeline of activities which can support delivery of the strategy.	We secured an LGF allocation of £300K to enable the development of detailed business cases for key projects aligned with the health and life sciences strategy including: <ol style="list-style-type: none"> 1 Digital Skills Hub (phase 2) with AHSN NENC 2 NE Health Evaluation Eco System with AHSN NENC 3 Centre for Health Data with Durham University 4 Early Diagnostics Institute with Turbinia Ltd 5 Pharmaceutical Supply Chain Study with NEPIC 6 Securing the generics supply chain for the NHS with North East Pharma 7 Collaboration with Newcastle International Airport on a project to assess opportunities to enhance freight connectivity for the sector.
Advanced Manufacturing	Develop co-ordination structures and capacity within the North East LEP to support growth and diversification of North East Advanced Manufacturing	We have continued to invest in manufacturing through the North East Enterprise Zone and LGF. This has been into sites and infrastructure that can host and support supply chain growth in automotive, pharmaceuticals and offshore energy manufacturing. The North East Automotive Alliance remains a driver of key innovation projects including Driving the Industrial Revolution and, a programme to promote Driverless vehicles. We have supported the focus on opportunities to foster growth in pharmaceutical manufacturing within the health and life sciences strategy. Key activities include assessment of opportunities to homeshore generics manufacturing, through the project being led by North East Pharma and an associated project to assess the supply chain which would be required which is being led by NEPIC.
	Develop our infrastructure, innovation and trade facilitation initiatives to support growth and develop in North East Advanced Manufacturing	Resources have been secured to recruit a sector lead to take this work forward. This strategic work will commence in October 2021

Promote the Made Smarter programme, promoting industrial digitalisation, as part of a wider approach to Digital Adoption within the region

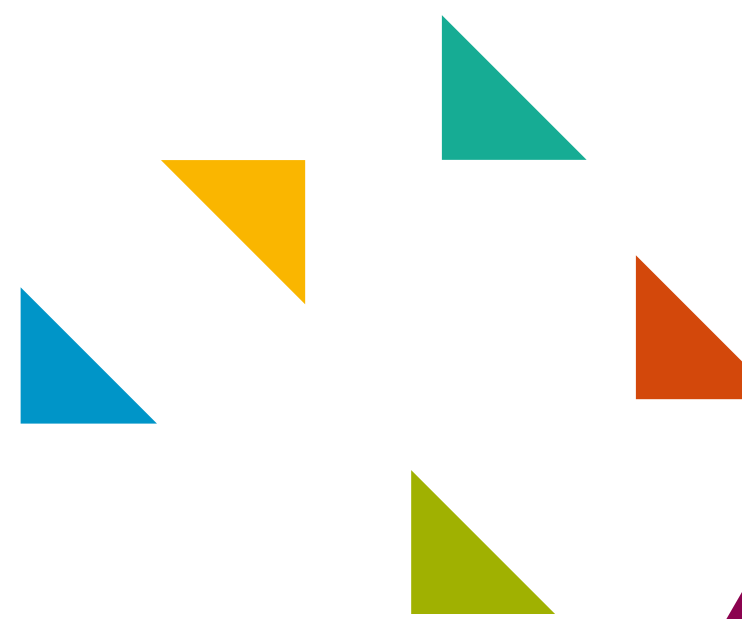
The North East LEP and Tees Valley Combined Authority secured £600K in Q4 from the Made Smarter programme to deliver a digital adoption programme in North East manufacturing sectors with the expectation of a further funding from the CSR. This will also provide capacity within the team to resource the development of our Advanced Manufacturing strategy

Governance


Activity	Key deliverables - What we will deliver between April 2020 and March 2021	Progress
Continue to implement the LEP Review recommendations:	Update the constitution to reflect the LEP Review changes by end of May 2020.	The revised constitution approved at the board meeting in May 2020 can be viewed here .
	Update the Assurance Framework to reflect our accountable body transfer by August 2020.	The Assurance Framework was updated and remains compliant with national assurance framework guidelines. You can review the Assurance Framework here .
	Utilise communications plans to encourage engagement with LEP corporate documents increase downloads of the North East Strategic Economic Plan, Annual Review and Our Economy by 10%.	<p>The Strategic Economic Plan was downloaded 911 times – a fall of 33.65% compared to 2019-20</p> <p>The Annual review was downloaded 149 times compared to 5 times for the previous year's document (A 2880% increase)</p> <p>Our Economy was downloaded 192 times following its publication.</p>
	The LEP's social media following on Twitter increased by 17.7% to 11,416 during 2019/20 and increased engagements by 40.8% to 26,086. We will increase both followers and engagements by a further 15%.	<p>Twitter followers increased by 8.4% to 12,376 followers, engagements increased by 10.4%.</p> <p>LinkedIn followers increased by 57.1% to 3,889 during 2020/21 and engagements increased by 61.8% to 5,604.</p>
	Recruit a new Chair for the North East LEP Board transparently and in a way that follows due process and diligence by July 2020.	We recruited Lucy Winskell OBE as Board Chair following an open and transparent recruitment process. Lucy was formally appointed to the North East LEP board in September 2020.
	Hold a public Annual General Meeting.	Our Annual General Meeting was held on 24 November 2020 as an online event due to COVID-19 and was attended by 292 guests. The presentation given at the AGM can be viewed here .
	Continue the evaluation of the Strategic Economic Plan delivery:	Deliver the final year of the interim external evaluation of the Strategic Economic Plan with Steer-ED consultants.

	Collate and review performance data about existing projects, highlight specific best practice case studies and make recommendations to support improvement in programme management and project delivery.	As part of the final evaluation, Steer-ED have reviewed our programme and project level data to understand performance and impact to date. They have identified some areas for improvement which will be picked up internally by a cross team working group, reviewing our data management processes.
	Set out an indicative framework and recommendations for data collation and measuring impact in light of future funding streams.	This will be picked up in the 2021/22 as Steer-ED will be hosting a workshop with our delivery teams and setting out a framework for further data collation and evaluation activities.
	Support embedding evaluative practice across the programmes and projects in preparation for the final evaluation of the Strategic Economic Plan to be commissioned at the end of the year for the period of 2021-24.	Many of our teams have built in evaluation activities into their programmes of work. For example, we are currently undertaking a mid-term evaluation of our LGF and EZ programmes and an evaluation of our how Growth Hub responded to the EU transition and COVID-19.
Implement North East LEP Accountable Body transfer from North East Combined Authority to North of Tyne Combined Authority:	Set up all practical arrangements under the new Service Level Agreements for 2020-21 by end of June 2020.	Service Level Agreements were put in place to ensure the different services provided were carried out. These include: <ul style="list-style-type: none"> • Employee Services • Insurance • Legal and Governance services • Human Resources • Treasury Management • Financial and Accounting Services • Internal Audit • Procurement • Funding Programmes and Projects • ICT Services • North East Investment Fund, Financial Management • Information Governance and Data Protection
	Review and agree update LEP Scheme of Delegation by end of May 2020.	The Scheme of Delegation was updated and will be taken to the LEP Board in May 2021. This can be viewed here .
	Put in place all LEP / NTCA policies and procedures by end of June 2020 and ensure all relevant documentation is on the North East LEP website by end of July 2020.	Policies and procedures were put in place and made available to the team.
	Agree SLA for 2021/22 by January 2021 to feed into 2022/23 budget preparation.	The SLA provision for 2021/22 are finalised and will be reviewed quarterly.

North East
Local Enterprise Partnership



North East Local Enterprise Partnership

1 St James Gate, Newcastle upon Tyne, NE1 4AD | **Tel** 0191 561 5420 | **Email** info@nelep.co.uk |  [@northeastlep](https://twitter.com/northeastlep)



northeastlep.co.uk



North East
Growth Hub

northeastgrowthhub.co.uk



North East
Data Hub

northeastdatahub.co.uk



North East
Ambition

northeastambition.co.uk

Annual Review

April 2020 – March 2021

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

2020
2021

North East
Local Enterprise Partnership



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Helen Golightly, Chief Executive Officer



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

Introduction from Helen Golightly

When the team and I talk about the North East, it is always with pride and optimism. Innate to our wonderful region is a sense that – whatever happens – we can and will go again and it is this drive and determinism that has overwhelmingly dominated our response to the COVID-19 pandemic.

With this in mind, I'm keen to open this introduction to our 2021 Annual Review with a thank you to the incredible team at the North East LEP, who have all gone above and beyond. From our leaders and volunteers on the board and sub-boards to every last employee, our immediate and longer-term economic response to the crisis has ensured the local business community has come first and I'm grateful to everyone and our many fantastic partners for that.

Through the overwhelming efforts of the North East COVID-19 Economic Response Group, comprising the North East LEP, North East Combined Authority, North of Tyne Combined Authority, CBI on behalf of business, Newcastle University of behalf of the region's universities and the voluntary sector and trade unions, we were able to quickly and effectively publish the Recovery and Renewal Deal for the North East in September 2020.

This sets out a roadmap for exiting the pandemic in a way that will allow our communities to prosper and which puts decarbonisation and sustainability at its core. If we can secure the investment to bring the Deal to life, the prize is a green, inclusive and resilient economy, innovative forms of local partnership, and new and growing businesses resulting in our big ambition which remains the creation of 100,000 more and better jobs. The hard work, will and commitment is here and every proposed step is evidence-based so we know each decision is right. We continue to lobby government for the support needed to make these goals a reality.

"Despite everything, the North East has shown that it can and will rally when the chips are down. Good communication – listening and learning – has helped us and our partners work collaboratively for the good of the region."
Helen Golightly, Chief Executive Officer

While the pandemic may have dominated the last 12-18 months, there have been many other developments over that time.

Here at the North East LEP, we welcomed a new chair in Lucy Winskell OBE, who took over from Andrew Hodgson OBE last Autumn. Lucy has stepped comfortably into the large shoes that Andrew left to fill and has been instrumental in keeping a strong focus on rebuilding our economy and communities so that as we move on from COVID-19, no one is left behind.

We have had some remarkable achievements. Our partnership with Crowdfunder UK saw members of the public join with us to safeguard 120 businesses and protect over 350 jobs during the Coronavirus pandemic through a match funding scheme. 10,000 raised over £495,000 and we were able to match fund with £400,000, to keep our small businesses going. It is these selfless acts of generosity that characterise the North East people.

The North East Growth Hub has been incredibly successful in supporting businesses throughout these most challenging of times. The business growth programme generated 35,905 referrals to the Business Support Provider network and was in contact with 15,126 companies to discuss their preparations for the UK's European Union exit. The team doubled capacity and its work achieved a staggering customer satisfaction rate of 98%.

Critically, our data and intelligence gathering saw the COVID-19 toolkit on the Growth Hub become a central source for regional businesses on COVID rules, restrictions and support and enabled the team to feedback to government on what businesses needed.

Whilst our work on the COVID-19 has been our focus, we were delighted to see the final independent evaluation of the Gatsby Benchmarks of Good Career Guidance Pilot published and the results were rightly described as transformational – we are incredibly proud of our involvement in the pilot which has led to the integration of the career guidance benchmarks into national policy, where we continue to lead the way as we develop and expand the model through our North East Ambition programme across the full region.

Our innovative team have also been pioneering the way and are introducing a new model known as Innovation Development Partnerships. These are designed to identify global market opportunities for our North East businesses to target, grow into and benefit from. You'll hear more about these over the coming months.

Despite everything, the North East has shown that it can and will rally when the chips are down. Good communication – listening and learning – has helped us and our partners work collaboratively for the good of the region. While there is still much to do, and our focus and resolve will continue, it is right to take stock of this, mark the moment and feel proud.

Helen Golightly
North East LEP, Chief Executive Officer

Impact of COVID-19

The North East COVID-19 Economic Response Group was formed promptly in response to the COVID-19, to develop a Recovery and Renewal Deal for the North East, which would outline how a thriving post-pandemic economy could potentially be created.

The group is made up of the North East Local Enterprise Partnership (LEP), CBI, North of Tyne and North East Combined Authorities with the support of industry, to ensure the North East has strong economic leadership that acts quickly and collaboratively to mitigate the impacts of COVID-19.

The proposal was published in September 2020 and reflects on COVID-19 as a catalyst for change and details how the North East is ready and prepared to harness this catalyst to reinvigorate the North East economy.

The document sets out how, with the necessary support from the government, the North East could maximise opportunities to reach a goal of rapidly creating 100,000 good quality and secure jobs.

We continue to work with government to support the North East through its recovery, with an ask of £2.8bn to directly unlock half of required 100,000 additional jobs quickly. We also asked for accelerated confirmation of existing business cases, including Transforming Cities funding; a commitment to joint working in areas where the North East can lead the national recovery, specifically low carbon energy; and flexibility within national programmes to allow for maximum leverage of local and national resources.

It is envisioned that this would keep people in jobs and training, support businesses and sectors to restart and recover, and support the transition of our communities and places as they adapt to living with COVID-19.

In the long-term, the deal sets out how our future economy can be built by maximising the potential of our existing assets and exploring new opportunities and by investing in digital and transport connectivity.

Opportunities identified in the document include a series of new projects to empower our rural and coastal areas and reinvigorate our town and city centres; achieving zero carbon emissions targets; utilising new digital construction and advanced manufacturing techniques and leading the national offshore wind revolution.

The proposals give particular focus to jobs in the key areas of data ageing, low carbon, life sciences and pharma. This will help the transition to a stronger, higher-productivity and higher-wage economy, with people primed to adapt to challenges and new opportunities.

We are continuing to work on a roadmap for recovery with regional partners as we begin to emerge from the pandemic.

"Now more than ever we need to be imaginative in our thinking, brave in our approach and robust in our delivery in order to recover and thrive.

In the Recovery and Renewal Deal for the North East, we have suggested the way to a new North East. Now is the time to come together to think bigger, greener, more inclusively and with innovation to reimagine our economy."

Sarah Glendinning,
Regional Director for the CBI North East
and member of the North East COVID-19
Economic Response Group

COVID-19 hit the North East economy and it hit it hard. An economic shock of this nature requires a response of the same scale. In September 2020, the North East Economic Response Group published its response plan to government. This page is a summary of that plan.

Our goal

To return to pre COVID-19 levels of growth and sustain 100,000 more and better jobs in a greener and more inclusive economy.

Our challenges

When we published this plan in September 2020 - the impacts of COVID-19 were at their most critical. The North East was facing:

97 % of businesses impacted

30% reduction in footfall in city/town centres

36,500 more people on unemployment benefits

32% of workforce furloughed at its peak

108,000 of workforce still furloughed in August 2020

Asks of government

- Significant devolution of resources and powers to reflect scale of COVID-19
- £2.8bn to directly unlock half of required 100,000 additional jobs quickly
- Accelerated confirmation of existing business cases, including Transforming Cities funding
- Commitment to joint working in areas where the North East can lead the national recovery, specifically low carbon energy
- Flexibility within national programmes to allow for maximum leverage local and national resources

Our values

-  To have a greener more sustainable economy
-  Level up the North East economy
-  To be innovative and think bigger
-  To do the right thing locally for our region
-  Be a trusted partner for government
-  For the impact of our recovery to reach all of our communities

Our plan

- To keep people in jobs and training
- To support businesses and sectors to restart and recover
- To support the transition of our communities and places as they adapt to living with COVID-19.
- To build the future economy by maximising the potential of our existing assets and exploring new opportunities
- To invest in digital and transport connectivity

Our achievements

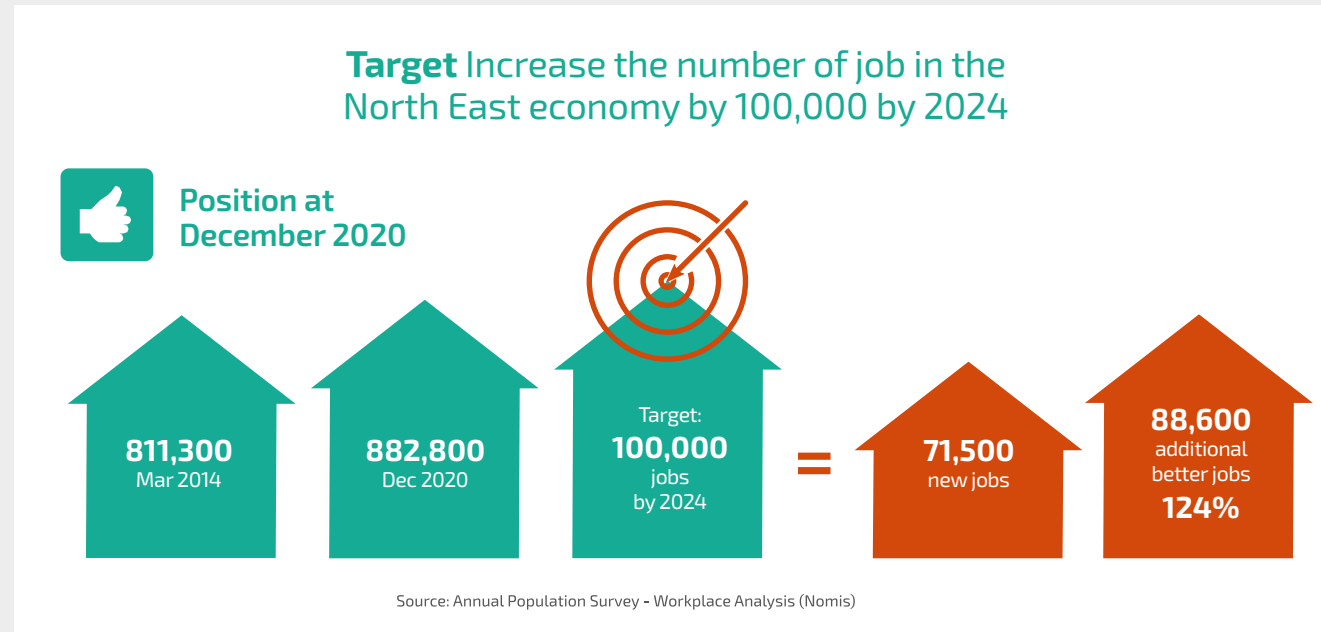
We responded quickly to the pandemic in March 2020 by committing £5m of our resources to support businesses. Throughout the year we established 12 schemes focussed on targeting business need which government funding did not reach. A highlight was the Crowdfunder scheme which supported 128 businesses that collectively received funding of more than £470k and estimated to have safeguarded 433 jobs.

Our targets

The Strategic Economic Plan includes six key targets for the North East. These set out the progress we want to make between 2014 and 2024 in relation to our productivity, the number, quality and type of employment opportunities available and the proportion of our workforce in employment and economically active.

At a local level, the full impact of coronavirus (COVID-19) on the economy and labour market is not yet reflected in official data. As a result of the pandemic, some data is still to be released, including our GVA per hour target data where the latest information is for 2018. Other annual releases have a time lag which means that 2020 data will not be available until the second half of 2021, including the data within our private sector employment density target. Although headline local employment statistics are more regular, they are based on a survey over a 12-month period. This means that the latest figures are based on data to the end of December 2020 and therefore include some responses from the pre-COVID period. The official definition of people in employment includes most furloughed workers, so the full impact of COVID-19 on the North East labour market will not be clear until the completion of this and other Government support schemes.

Our ambitions to increase employment opportunities, the proportion of people in work and to improve our productivity levels, continue to be the priorities that we will measure progress against. However, during the course of 2020/21 we have also monitored a wide range of national, administrative, and new data sources to give us indications of the economic effects of COVID-19 on the North East. These have been shared via regular reports to board and the North East Data Hub.



We will produce a full assessment of the impact of COVID-19 on the North East through our state of the region report: Our Economy 2021. This will enable us to bring together official data with a range of other data sources and intelligence to provide a rounded view across business, people and place metrics at a time when the controls will have been largely worked out of the system and the economic support winding down.

More and better jobs

The two headline targets are to increase the number of jobs by 100,000 between 2014 and 2024 and for 70% of the additional jobs to be 'better jobs'. Better jobs are defined as those in the occupational groups: managers, directors and senior officials; professional occupations; and associate professional and technical occupations. Examples of professional occupations are doctors and civil engineers and examples of associate professional and technical occupations are laboratory technicians and graphic designers.

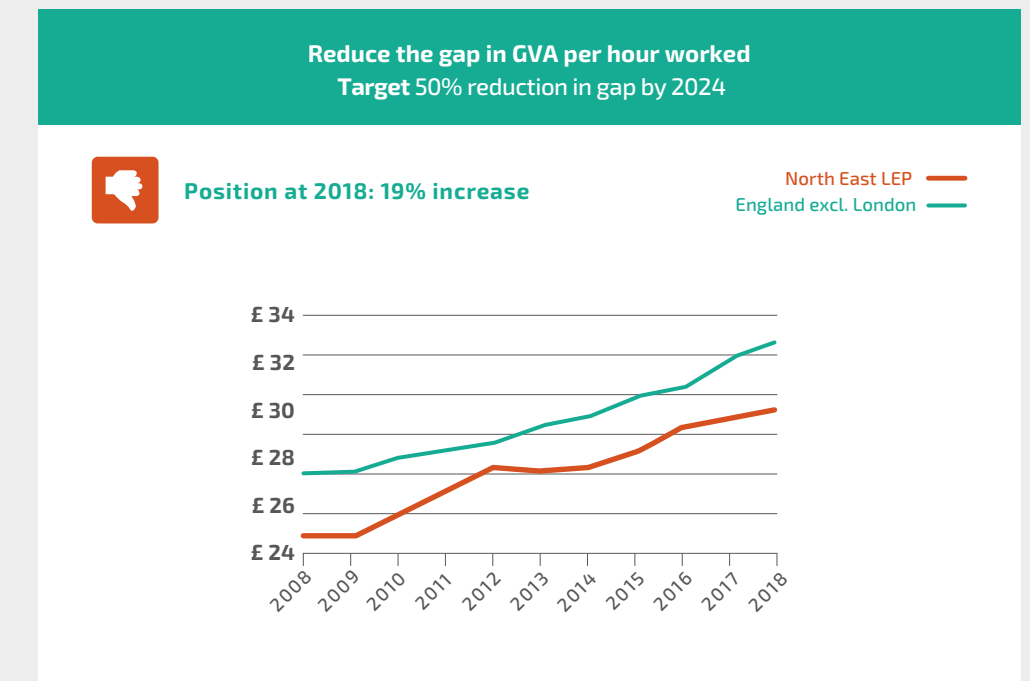
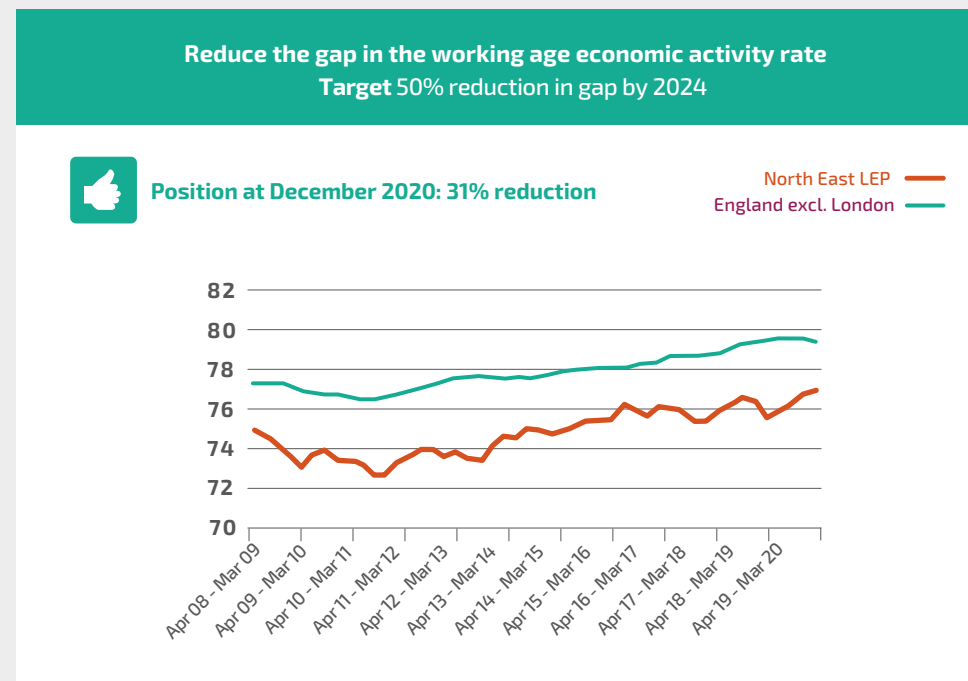
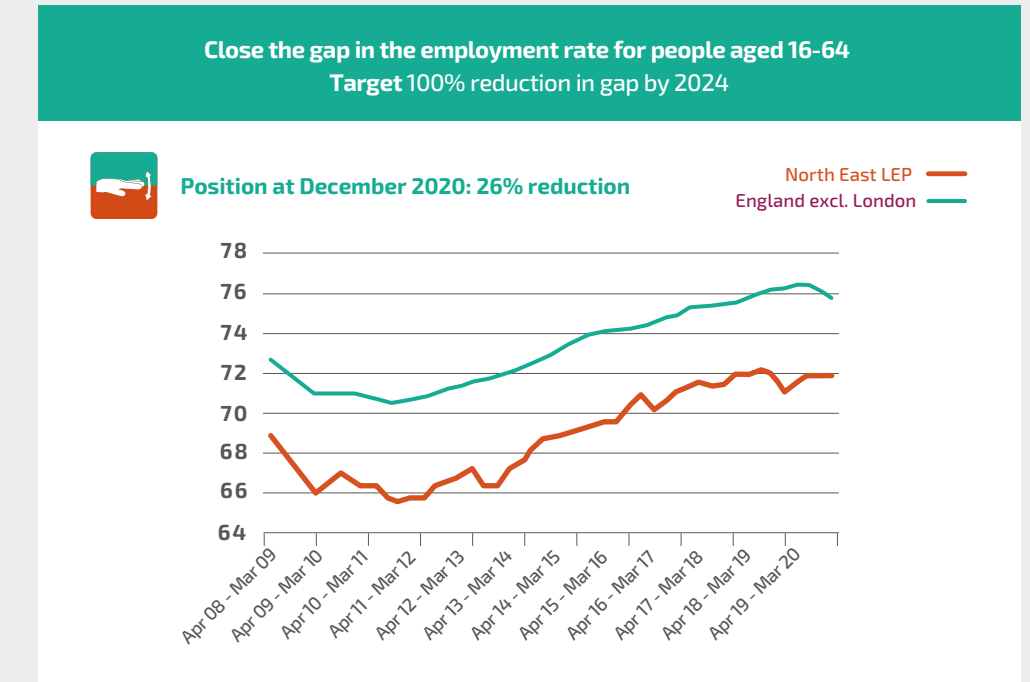
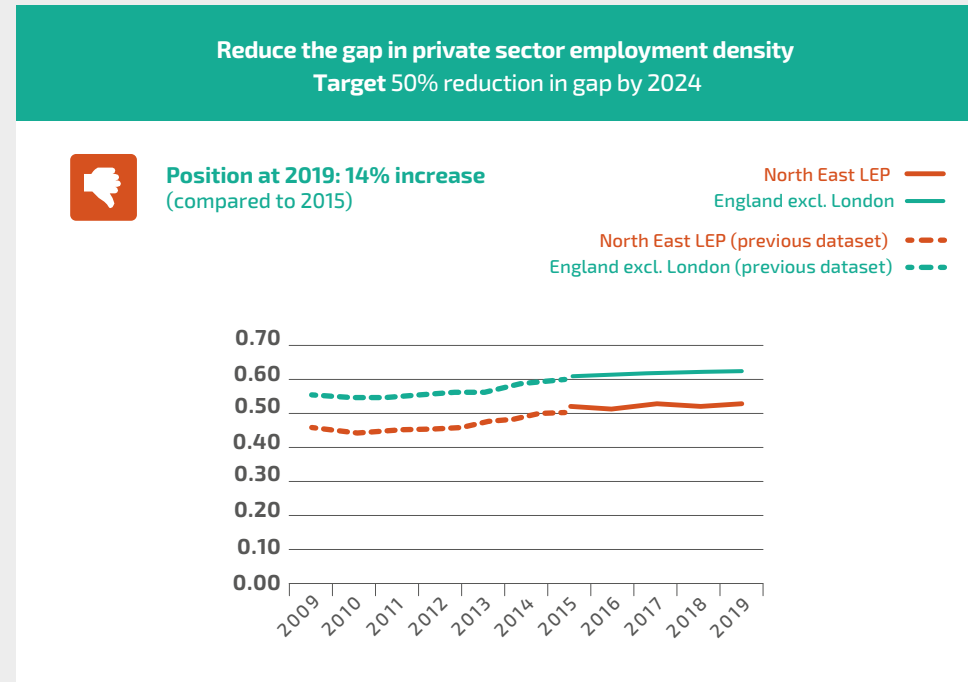
By December 2020, total employment had increased by 71,500. This had been driven by an

increase of 88,600 in employment in 'better jobs', equivalent to 124% of the total net increase.

Closing the gap with England excluding London

Our four other targets relate to the gaps in private sector employment density per head, the economic activity rate and productivity (GVA per hour worked) to be reduced by 50% by 2024 and for the gap in the employment rate to be completely closed. The rates and density all refer to the working age population (aged 16 to 64).

According to the latest data, the North East LEP area has improved its performance on each measure since 2014. The gap in the economic activity rate has been reduced by 31%, well on the way to the 50% target. The employment rate gap has decreased by 26% although this is only a quarter of the way to the target. For the other two targets, improvements in the performance across England excluding London have been greater than in the North East, increasing rather than reducing the gaps.



Business growth



Colin Bell, Business Growth Director

I will remember how everyone faced significant challenges yet were selfless and pulled together to put the safety and wellbeing of others first, even if it put them in a difficult situation personally and commercially. It was incredibly humbling - in the face of adversity we stood united!

Passionate, committed and resilient - supporting businesses through the COVID-19 storm



We have worked tirelessly to support thousands of people and businesses over the past 12 months, many of them need to figure out how they could ride the COVID-19 storm. Some went into forced hibernation, others rapidly changed the way they operated, and others developed new solutions to overcome the raft of new challenges. Our businesses also had the added complexity of preparing and transitioning as the UK left the European Union.

When lockdown first came into force there was widespread panic and confusion, with people contacting the North East Growth Hub fearing for their livelihoods. There was no COVID-19 specific support and people didn't know what to do.

The Business Growth Board, many of whom run their own businesses and were also dealing with the impact of COVID-19, provided a vital sounding board with insights and advice based on their direct experience of navigating through the pandemic. This helped us to put informed plans in place at pace.

What we delivered...

During 2020/21 the business growth programme:

- Generated 35,905 referrals to the Business Support Provider network
- Outreached to 15,126 businesses to discuss EU transition preparations
- More than doubled capacity to deliver one to one diagnosis and impartial brokerage to 1,437 businesses.
- Achieved a customer satisfaction rate of 98%

Worked with 897 businesses intensively through the following programmes:

- Peer Networks
- High Potential Start-ups
- Scaleup North East- delivered in partnership with RTC North and recognised as national exemplar in 2021 Scaleup Institute Review
- Supply Chain North East – delivered in partnership with RTC North, NEAA, NEPIC, Generator.

The support we have offered is anticipated to deliver the following for the businesses we supported:

- £4,080 GVA per employee increase
- £72,166,669 additional GVA
- 797 new jobs
- 502 of which are better jobs

35,905
referrals were generated to the Business Support Provider network



OATEIN conquers major British Supermarkets with support from Scaleup North East

Intelligence driven responses

Central to our role is providing intelligence to Government on the impact COVID is having on businesses and the support required. In the first few weeks of the initial lockdown our intelligence supported the introduction of vital interventions such as Furlough and the launch of the Coronavirus Business Interruption Loan Scheme. We continue to provide weekly intelligence briefings to Government to inform its ongoing response.

We used this intelligence to inform our COVID-19 toolkit that soon became the central source of information on COVID rules, restrictions and support.

Increasing the rate of entrepreneurship

Through a competitive process, together with our partners, we were selected to be part in MIT Regional Entrepreneurship Acceleration Programme, which saw the creation of a project aimed at increasing rates and retention of entrepreneurial talent within the North East. The project will continue during 2021/22.



North East Growth Hub COVID-19 Toolkit

Responding at pace

We worked with the Business Growth Board and the Business Support Provider Network to put in place a COVID-19 support framework that focused on:

- Starting a business in a crisis
- Operating under COVID-19 restrictions
- Spotting and acting on new opportunities.

Each business support provider, most of whom were adapting new virtual ways of delivering their services, identified how they could change and do things differently to align to the framework and to support businesses. The collective response was incredible!

Securing vital funding and resources

To support the delivery of the framework we also worked on securing investment and resources to plug gaps and enhance the support that was already available.

- Secured £800,000 to provide capital grants through Supply Chain North East to supply PPE and ventilators to the NHS.
- Secured £2.4million ERDF to deliver, in partnership with NBSL Ltd, 100% grants to 640 businesses to support them to kickstart their recovery.
- Secured £500K from government to deliver Peer Networks across the North East designed to bring businesses together to plan their recovery.

£3.7m
was secured by us to directly support businesses in the North East to deal with the impact of COVID-19

EU transition

On 31st December 2020 the UK left the European Union. With uncertainty around the deal and the threat of a no deal, our role was to help businesses mitigate their risk. For most this was a daunting prospect as they continued to deal with the effects of the second lockdown. To help businesses to prepare we introduced a range of measures:

- The introduction of an EU Transition toolkit to provide the most up to date information to businesses.
- Launched a Business Resilience Health Check service to help businesses review their risks and put in place contingency measures.
- Worked with partners such as the North East Automotive Alliance, RTC North and SME Centre of Excellence to support exporters
- Introduced an EU Transition outreach service to proactively approach 8,000 businesses to discuss their preparations.
- Delivered a range of workshops to support businesses to navigate and understand the new trading environment.



The team from Corbridge Larder

Innovation



Alan Welby, Innovation Director

Innovation has been at the centre of the COVID-19 response, from supporting our manufacturing business in the rapid development of PPE to establishing the North East COVID-19 Challenge programme to support local SMEs to help solve complex problems arising from the impact of the virus on our society.

The building earmarked for the Centre of Excellence in Sustainable Advanced Manufacturing was repurposed as a Nightingale Hospital.

"Growing the UK space ecosystem is a government priority. In the North East, we have a thriving network of entrepreneurs, service providers and manufacturers who are helping the UK to realise its ambition to capture ten percent of the estimated £400 billion global space industry by 2030."

John Bone, Chair of North East Satellite Applications Centre of Excellence and lead partners on the Space Hub IDP

Our Innovation Board

Gillian Hall was appointed as Chair of the Innovation Board in August 2020, taking over from Alan Lowden. Gillian is also a member of the North East LEP Board and LEP Investment Advisory Board, and is passionate about driving innovation in the North East to support the growth of the economy and support the recovery from COVID-19.



"By encouraging innovation – whether that's within small businesses or in large corporations – we can boost the region's productivity, create more jobs, and make a positive difference to the lives of people in the North East."

Gillian Hall, Chair, Innovation Board

A new approach to innovation

We also began the Innovation Delivery Partnerships pilot programme to co-create, develop and test a new framework for innovation activity to boost the North East's market share and competitiveness. Twelve partners came forward to lead an Innovation Delivery Partnerships which were endorsed by the North East LEP Board in January 2021.

Innovation Delivery Partnerships	
Pathfinder IDPs	Lead partner
Battery Materials	CPI
International Centre for Connected Construction (IC3)	Northumbria University
Immersive Technologies	Gateshead Council/Sunderland Software City/Digital Catapult NETV
North East Drives	Newcastle University/North East Automotive Alliance
Ageing Innovation	Newcastle University
Space Hub	Business Durham
Robotisation Alliance	Offshore Renewable Energy Catapult
Development IDPs	Lead Partner
Cybersecurity	Dynamo North East
FinTech	Dynamo North East
Surface and Interfaces	Durham University
Water Resource Management (The Water Hub)	The Environment Agency

Understanding and capitalising on emerging emergent markets

We initiated the Economic Markets Foresight Analysis, a forward-looking, action-oriented research project that will relate global drivers and trends to the North East's innovation capacities, capabilities and assets. The research will identify where there is genuine potential to enter and grow in global supply chains.



DABS received £12k from the North East Innovation Challenge to progress their innovative gloves that are treated with Polygiene ViralOff© technology, which is an antimicrobial and antibacterial treatment. This treatment provides a 99% reduction of known virus and bacteria including COVID-19 and the common influenza. ViralOff© doesn't interfere with the skin's natural bacterial flora and is made from recycled ocean plastic.

Challenge North East

We launched the COVID-19 Open Innovation Challenge pilot in November 2020 to support the recovery from the pandemic. We wanted businesses to work together to develop practical solutions to issues that had arisen from COVID-19.

Our first two challenges focused on delivering safe and engaging in-person events and adapting the delivery of home-based services. We made available £200,000k of funding to support our businesses to develop solutions to these challenges and we received 63 expressions of interest. From this 16 projects received funding to develop solutions and following a final competitive pitching process seven projects were awarded additional funding for further development and marketing of their solutions.

16 SMEs

participated in the COVID-19 Challenge

INVITE Project

The INVITE project which aimed to stimulate European cross-border open innovation ended in August 2020 with all objectives successfully achieved. Over 50 businesses from the North East participated in innovation challenges, with 10 North East businesses chosen to receive grants of up to €5,000 and partner with European SMEs to tackle to real-world problems posed by multinational manufacturers including Nissan, Caterpillar and Komatsu. The project launched the Open Innovation Lab (Oi2 Lab) which provides a range of innovation support including specially developed e-learning modules and insights from the INVITE project will be embedded into Challenge North East programme.

£65.2m

public funding achieved by Innovation Pipeline projects

Priority project investment

The Innovation Board championed fourteen regionally significant innovation projects after engaging throughout the year and continues to play the critical friend role as business cases develop.

£65.2m pounds of public funding was secured by the region for these priority innovation projects during 2020/21.

"A thriving rural economy is crucial to the prosperity, well-being and resilience of communities. We will work with businesses, rural communities and economic development agencies to share learning and test new approaches to innovation and enterprise.

Professor Jeremy Phillipson, Professor of Rural Development, Newcastle University and Director of the National Innovation Centre for Rural Enterprise

Skills, employment, inclusion and progression



Michelle Rainbow, Skills Director

"The efforts of our skills team, stakeholders, partners and wider network have been incredible. I would like to acknowledge their resilience, adaptability and positivity given the adversities we have faced throughout the COVID-19 global pandemic. I would also like to praise the response of the education and skills sector in widely embracing the use of digital technology."

"The effects of COVID-19 on the North East are significant. However, while our ambition remains purposefully bold and many opportunities lay ahead, there is more to do to better understand the medium to longer-term impacts of the pandemic on our region's productivity and development"

Ellen Thinnesen: Chair North East Skills Advisory Panel and Chief Executive, Education Partnerships North East



Skills Advisory Panel

The Skills Advisory Panel (SAP) continues to provide oversight of the delivery of regional skills, employment, inclusion and progression programmes and projects. Since March 2020, it has provided a single point of coordination between government, regional agencies, education organisations and local authorities for the North East COVID-19 skills response.

During the initial stages of the COVID-19 lockdown, the SAP met weekly and subsequently made a commitment to meet monthly throughout the pandemic period. Through its membership, which includes organisations such as the CBI, TUC, NEECC and representatives from schools, further and higher education providers, independent providers, small and larger employers, the NHS and government, it has continued to inform and be informed on local, regional and national policy, initiatives and programmes.

Focussing on six workstreams, the SAP have undertaken a number of actions throughout the year. Key highlights have been collating monthly data and intelligence including the impact of COVID-19 on workforce and employment patterns. We have also developed a series of evidence-based 'asks' to input into the North East Recovery Deal document.



Pupils from Norham High School visited the Go North East depot in Gateshead as part of the Education Challenge programme

The SAP and the North East LEP skills team are continuing to work with our regional and local partners to ensure that businesses, communities and individuals are aware of and can access support and interventions to mitigate the impact of COVID-19 on skills and employment.

The North East Local Skills Report

Through the SAP membership we undertook an interim analysis of our local labour market, identifying local strengths and skills needs, feeding in the national-level Skills and Productivity Board.

Careers Leaders report greater knowledge, skills and understanding of their role since becoming involved with North East Ambition. A majority of Careers Leaders at both primary and secondary school level say that their profile and influence within their school has increased since they became involved with North East Ambition Careers Hubs.

North East Ambition evaluation report 2021

Key Achievements

North East Ambition

Primary Pilot

Working with 70 primary schools to test the embedding of the good career guidance benchmark.

During Year 1, the Pilot has achieved its aims of translating and embedding the Benchmarks within primary school settings.

Evidence shows the Pilot is making good progress in building the capacity of schools to deliver a consistent, comprehensive, and high-quality career education for all pupils.

School cultures in relation to Career Related Learning (CRL) have been positively impacted by the Pilot with 82% of survey respondents indicating that CRL is now part of their school's general curriculum.

Evidence shows that the Pilot may positively impact pupil outcomes in the future with 89% of survey respondents indicating that pupils are able to talk more about their career plans.

Enterprise Advisor Network

We have continued to build on the Enterprise Advisor network and help employers and SMEs engage and partner effectively with educators, learners and wider communities.

Careers Hubs

We have built communities of best practice to support schools and colleges to embed the Good Careers Guidance benchmarks in secondary schools and colleges.

Currently engaging 80% of all schools in the region through our Career Leaders Network and our online resources and 94 schools and colleges intensively through the Careers Hubs.

A sustained improvement has been seen in the engagement with Career Leaders; over 92% of Career Leaders have been involved in at least one official meeting.

We supported the College Hub to implement good career benchmarks and we have been recognised as an exemplar of adopting a whole college approach to careers nationally by the Careers and Enterprise Company and the Association of Colleges. We established communities of practice to support career guidance practitioners during lockdown, transition arrangements between year 11 and 12 and introduced industry insight sessions in partnership with employer stakeholders to support teacher and career practitioners in understanding the changing nature of work across industries experiences growth or significant change.

"From a positive perspective, we have used Microsoft Teams to access events and virtual tours, we have probably increased the numbers of employers we have been able to speak to as it has been much easier to arrange and fit things in."

Careers Leader SEND Hub

75%

of teachers surveyed were more confident about offering careers advice after participating. They developed subject knowledge to support their CPD (North East Ambition evaluation report 2021)

We developed a strategic approach to support providers and employers in the design and delivery of technical education, engaging national stakeholders such as awarding bodies, government and employer representatives and to foster collaborative efforts across the existing and future T-level provider network.

Teacher externships

We have provided externships for educators to gain industry relevant experience which can be brought back into the classroom.

Education Challenge

Delivering Opportunity North East in 16 schools across the North East LEP area.

Despite significant challenges during the last academic term, 77% of students were able to access virtual advice and guidance and career related activities and interventions. The data evidences a positive direction of travel against a number of assessment criteria following interventions and interviews.

We have expanded delivery of the Next Generation Learning Pilot focussing on school leadership, high quality continuing professional development (CPD), rich employer engagement, early preparation for next stage, a focus on wider skills, a focus on student well-being and teaching and learning through applied learning, project-based learning and numeracy skills.



Title

Investment and infrastructure



Helen Golightly, Chief Executive Officer

Despite the challenges faced this year, the focus on investment and infrastructure has remained. Receiving new funding from government via the Getting Building Fund to help local infrastructure projects in the region recover from the pandemic and using existing funds has allowed us to strategically invest into projects, creating more and better jobs.

Local Growth Fund

The Local Growth Fund £14.5m budget for 2020-21 has been fully committed, helping to create more than **xxxx new jobs** and apprenticeship places, and leveraging over **EXXX** into the North East economy. Over the past year several major project investments have launched, including:



Bank House..

East Pilgrim Street

Ambitious transformation plans have begun on Newcastle's East Pilgrim Street where public realm and highways improvements are being introduced in a phased approach, helping to secure new investment in the former Fire Station and work on the **xx** storey new Bank House office development.

Jarrow Business Centre

During the year £0.5m was awarded to South Tyneside Council to develop the Manufacturing Zone at its Jarrow Business Centre to help meet demand from SMEs in the offshore industry.

As the six year LGF programme tapers to an end, we have recently appointed consultants to review progress achieved with an interim evaluation report expected in summer 2022.

£14.5m

has been fully committed to the Local Growth fund for 2020-21, creating **XXX** jobs



An aerial image of IAMP (International Advanced Manufacturing Park) in Sunderland/South Tyneside showing three of the site's completed buildings

Enterprise Zones

The Enterprise Zone programme continues to deliver improved, high-quality locations for businesses to occupy and grow.

During the last 12 months our 21 Enterprise Zones became home to 5 more businesses, creating 201 jobs. This brings the total number of businesses located on the Enterprise Zone sites to 59, collectively employing more than 1,800 people.



Jade Business Park (EZ)



Andrew Moffat CBE with NUFC players Matt and Sean Longstaff celebrate work happening at the NU Foundation building – the project received £900,000 from Getting Building Fund

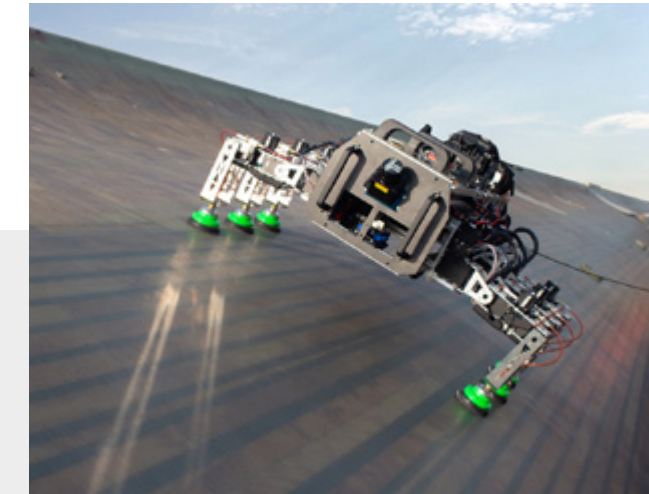
Getting Building Fund

The North East LEP was allocated £47m for investment in shovel-ready infrastructure projects to stimulate jobs and support economic recovery. We brought forward a wide-ranging package of projects during 2020 that are planned to be substantially completed by spring 2022. Projects will support a green economic recovery and contribute to the ambition to create more and better jobs. Example projects include:

- UK first robotic and autonomous systems test and validation centre (OREC) for offshore wind in Blyth
- South Tyneside Council 'Glassworks' new office development in South Shields
- NUCASTLE – the Newcastle United Foundation's state-of-the-art facility providing an accessible and inclusive centre for learning, recreation, exercise, personal development and community work.



The Glassworks in South Shields



Robotics and Autonomous Systems Test Site, Blyth

North East Investment Fund

During 2020-21 we invested in four projects:

- Boiler Shop (additional £500k)
- Solar Capture Technologies (£934,442)
- Commercial Property Investment Fund (additional £10m)
- Skills Academy for Sustainable Manufacturing and Innovation (£3.24m).

The contractual evaluation of the North East Investment Fund programme was completed in early 2021 and submitted to government. They were satisfied that we had delivered the funding effectively and confirmed the £30m initial investment could be retained in the region. This will allow us to proceed with the Commercial Property Investment Fund proposal that is currently being developed.

Developing a regional pipeline

Work continues with the seven local authorities

£73.2m

31 projects

The North East Investment Fund has contracted £73.2m in 31 projects.

to pull together a regional pipeline of investment projects.

The aim of this piece of work is to develop a co-owned regional resource that has visibility of priority projects and ensures the region is prepared for future government funding including national competitions.

We are also developing a proposal to set up an accelerated project development fund to improve the volume and quality of truly shovel-ready projects and support regional recovery and local growth.

COVID-19 related support

A variety of COVID-19 support funding packages have been in place and have provided grants and funding:

- Patent Protection Scheme has provided grants to 13 Health and Life Science focused businesses
- Health and Life Science Development Fund has led to seven projects being taken forward
- Cluster Development Fund has made 12 awards with a total of £238,218
- Voluntary, Community and Social Enterprise Capital Fund has made grant awards totalling £1.2m
- £200,000 award to Newcastle Airport – equipment for positioning the airport to adapt to COVID-19 requirements and become COVID compliant

Transport connectivity



Philip Meikle,
Transport Strategy Director, Transport North East

"We are proud to have delivered the first North East Transport Plan – a truly regional approach to strategic transport investment up to 2035, and Connected North East: Our Blueprint, which is informing discussions with government about regional transport and digital connectivity. This work brings major change for the people of the North East."

Moving to a green, healthy, dynamic and thriving North East

North East Transport Plan

The North East Joint Transport Committee published the region's first Transport Plan, setting out the vision of 'moving to a green, healthy, dynamic and thriving North East'. It is a region-wide action plan for strategic transport investment up to 2035 and includes 243 schemes and at least £6.8bn of investment and something we are immensely proud of.

The Transport Plan is closely aligned with the North East Strategic Economic Plan and Connected North East: Our Blueprint, which is a ground-breaking approach to describing how transport and digital connectivity together will aid our economic recovery from COVID-19.

Work on delivering the schemes is underway and funding is being called for to deliver the rest of the ambitious programme.

East Coast Main Line

The North East remains united in calling on government to publish credible, timely and properly funded plans to upgrade the East Coast Main Line, including the full reopening of the Leamside Line. The region's business and political leaders have made it clear that the North East's aspirations must be reflected in the government's forthcoming Integrated Rail Plan for the North and Midlands.

Metro Asset Renewal Programme

The original 11 Year Asset Renewal Programme as agreed with government in 2010 is now concluded. A total of £378m has been invested including local contributions, both increasing the reliability of the network and extended the life of the infrastructure.

243 schemes

Live programme of 243 schemes which amount to at least £6.8bn



Cllr Gannon and Leamside Line



Electric bus

Buses

The 162.4million passenger journeys in our region in 2018/19 make buses our most-used form of public transport. Bus use fell dramatically during the pandemic with public money being used to keep this crucial network operating for key workers and essential journeys. Bus operators have risen to the challenge of providing resilient and punctual services and a new electric bus fleet has been introduced. To assist recovery and deliver the North East Transport Plan's vision for buses, a new approach of partnership working with bus operators is proposed, under-pinned by the National Bus Strategy.

Transforming Cities Fund

The Transforming Cities Fund Tranche one and two programmes faced delays in 2020 due to COVID-19, however the majority of Tranche one schemes are now complete or close to completion and the Tranche two programme is well underway.

A programme board was established in December 2020 to oversee management of Tranche two and provide recommendations to the Joint Transport Committee. Durham Bus Station is the first scheme to pass through the process and was awarded full funding in January 2021.

£500,000

to deliver EV charging infrastructure across the North East



TCF Durham Bus Station View Up North Road

Go Ultra Low North East

The Go Ultra Low North East programme, funded by the Office for Zero Emission Vehicles and European Regional Development Fund, has made significant progress and the final two rapid charging hubs are due to be installed by the end of April 2021.

Excellent progress has been made with the EV taxi project which received £500,000 from the Office for Zero Emission Vehicles, with eight of the ten rapid chargers now complete.



Electric taxi charge point

Active Travel Fund

Following submission of a successful bid, the Joint Transport Committee received £2.2m to deliver measures to support the increase in cycling and walking, enabling people to partake in active travel and maintain social distancing. The region's bid for Tranche two of the fund secured an additional £9.049m to deliver schemes that reallocate road space to pedestrians and cyclists. A promotional campaign to encourage uptake in active travel will be delivered during 2021/22.

£11.249m

received from the Active Travel fund in 2020/21

North East Freight Partnership

The North East Freight Partnership continues to tackle key issues, including skill shortages and the need to reduce impacts from heavy goods vehicles on the environment.

Delivery of Transport Schemes funded through Local Growth Fund

The delivery of the Local Growth Fund (LGF) transport programme is progressing well, with most transport projects now complete.

£100,000 from the LGF programme has been used to fund an Electric Vehicle (EV) Enabling Study which sets out additional locations which are suitable for EV infrastructure. A further £500,000 is being used to deliver charging infrastructure.

Strategy, policy, evidence and analysis



Richard Baker, Strategy and Policy Director

"Strategy, policy, data and analysis is the golden thread that runs through all components of the Strategic Economic plan. Being evidence led and working with partners on the future policy agenda is what is important to us and I am thrilled to see the work of my team being so integral to both the work of the LEP and our partners.

Our team has driven forward the COVID-19 evidence base responsibly to inform the emerging plans, co-ordinated regional policy projects on EU Exit including our Freeport proposal, developed our trade and export strategy, published the Health and Life Sciences Strategy and ensured the policy and evidence in the regions Transport Plan were aligned with the Strategic Economic Plan."

Driving forward regional strategies

North East Strategic Economic Plan evaluation

This evaluation has been about understanding the impact of programmes of delivery and the regional response to COVID-19. The report will set out recommendations in relation to the future summative evaluation framework, including implications of revised Green Book requirements.

Building the economic evidence base

Innovative evidence to support the region

We published 'faster' datasets using innovative sources such as Google mobility. We have also commissioned research and evaluations, built strategic partnerships with universities and improved access to evidence across the region.

North East Economic Evidence Forum

The Evidence Forum continues to bring together partners from across the region, national research organisations and government to identify the evidence needs of the region, review emerging findings and disseminate research.

North East Data Hub

The Data Hub ensures that anyone can access our data on the North East economy. During 2020/21, we continued to develop and promote the site's functionalities, and broaden the range of data, research and commentary available.

175 datasets

on the North East Datahub

North East Data Hub

Our Economy 2020

Our Economy presents an overview of the North East LEP area economy and how it is changing over time. The 2020 edition was published in June and includes a specific focus on how the economy varies within the North East. Much of the data within the publication is regularly updated on the North East Data Hub.

Our Economy 2020

Research and evaluation projects

A range of research and evaluation projects have looked at future skills within the North East and explored the impact of COVID-19 on parts of our economy. Strategic relationships with universities in the region have led to new avenues of research. We hosted a PhD Student to support our intelligence work.

12 research projects

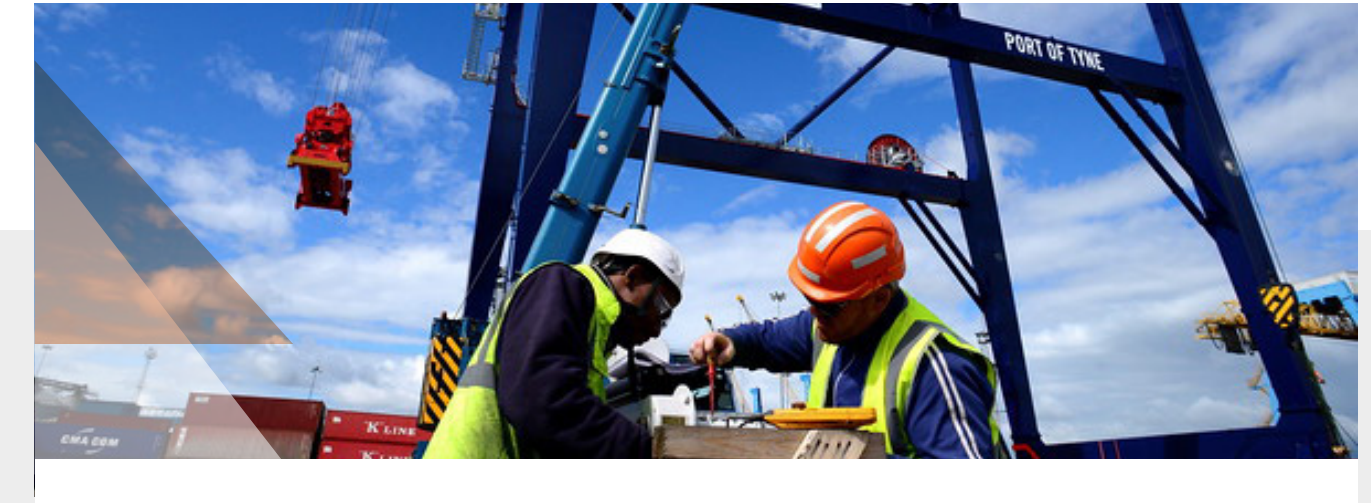
commissioned, valuing £400k

If successful the North East England Freeport would have delivered:

61,000 jobs and £2.06bn private sector investment

North East England Freeport bid

- 61,500 new jobs will be created with 18,000 of these better jobs
- £2.7 billion in new regional private sector investment
- Higher wages
- £2.7 billion in new regional private sector investment



Key strategy and policy projects

EU Transition

The North East EU Exit Implementation Group met monthly throughout 2020/21 to discuss and share knowledge on business preparations. On behalf of the Group, the North East LEP co-ordinated regional responses to domestic policy initiatives including Freeports policy, the shortage occupation list and the new subsidy control regime.

North East England Freeport bid

A joint working group with our Ports, Business, Innovation Partners and Local Authorities developed a collaborative regional bid in response to the Freeports Bid Prospectus published in November 2020. Our bid would have delivered 61,000 and £2.06 billion of investment into some of our most deprived communities. Despite being ranked as the third most compelling bid across the various criteria, it was not selected by Government.

Trade and Export Strategy

In December 2020, we began work with the Department for International Trade and the North East England Chamber of Commerce to develop a regional trade and export strategy. The strategy identifies prime and opportunity areas for building trade and makes recommendations for systematising advice and support to businesses across the exporting process. This will be published in May 2021.

Northern Powerhouse

The Northern Powerhouse Co-ordination Group continued to meet, facilitating information sharing on Northern Powerhouse strategic priorities. We worked with NP11, N8 and Transport for the North on a northern innovation study and have initiated a review of pan-northern data and intelligence on behalf of NP11 working with Transport for the North and other Northern LEPs.

Tourism and Culture

We supported partners in developing a regional plan to support growth and improvement in the tourism sector, building on work prepared for a Tourism Action Zone bid in response to the Tourism Sector Deal. A collaborative statement of intent for the future development of the sector in the region has been drafted.

Net Zero North East

In October 2020, the Board agreed that the LEP should work with the North East Climate Coalition and other bodies to develop an initiative to accelerate the transition to Net Zero in the region. A Board level Steering Group is in place and drawing together proposals for action in the run up to COP 26.

Economic Prospects Group

We convene the Economic Prospects Group in conjunction with the Bank of England to share economic intelligence and to review key UK level reports such as the BoE Inflation Report. This has moved from a quarterly to monthly cycle during the year to reflect COVID-19 and EU Exit implications.

Energy



Andrew Clark

"In what's been a difficult year for communities and the economy, impetus to ensure a green recovery which delivers net zero has only grown. How we create and use energy is critical in this, and the way forward presents transformational opportunities for sector growth and investment in the North East."

Energy for Growth programme

The Energy for Growth Programme has provided an ongoing point of coordination with partners and stakeholders in the region and beyond, to develop and present work across the energy agenda in the North East, and to build this into wider regional economic strategy. Our partners include business, innovation bodies, regional stakeholders such as local and combined authorities, and national stakeholders in Government and industry.

£5.8m

of projects are being supported by the The Energy for Growth LGF programme across the North East, from directly supporting business growth to innovative energy demonstrators.

Governance, leadership and collaboration

The LEP has maintained a key role in governance, leadership and coordination of energy sector partnerships and networks. This includes:

- Membership of the Energi Coast Offshore Wind cluster management group, and leadership of a skills subgroup for the cluster.
- Membership of the BEIS sponsored North East & Yorkshire Energy Hub, which links to the national policy framework supporting the Energy for Growth strategy, provides a framework for co-operation on energy projects in this wider region and supports delivery of UK Government investments into the North East LEP area
- Convening the North East Energy Catalyst, which unites the region's considerable energy innovation assets to work together on shared priorities



The world's largest wind farm

will have its operational base on the River Tyne

Supporting key growth sectors:

A priority for Energy for Growth is the support of key energy sectors to grow:

Offshore Wind

Building on our evidence base around opportunities to grow Offshore Wind, we have funded business support programmes; supported successful inward investments; and coordinated regional submissions into national infrastructure investment programmes.

Green energy sectors

We are actively supporting other green recovery sectors, including the electrification and battery storage sectors, via funding and active partnership in initiatives such as EV North. We have successfully applied to develop a high potential opportunity around Heat Networks with the Department for International Trade.

3,000 jobs

will be created in Blyth as British Volt builds its second Gigafactory

Innovation and demonstration:

The North East Energy Catalyst has built an ambitious programme prospectus, forward plan and communications profile for the national stage, with a number of significant delivery successes in the last year. These include: supporting regional SMEs with expert guidance and nearly £200k of funding as part of the innovation challenge programme; and securing funding allocations for two projects through the Getting Building Fund with a total value of £5 million.

£5m

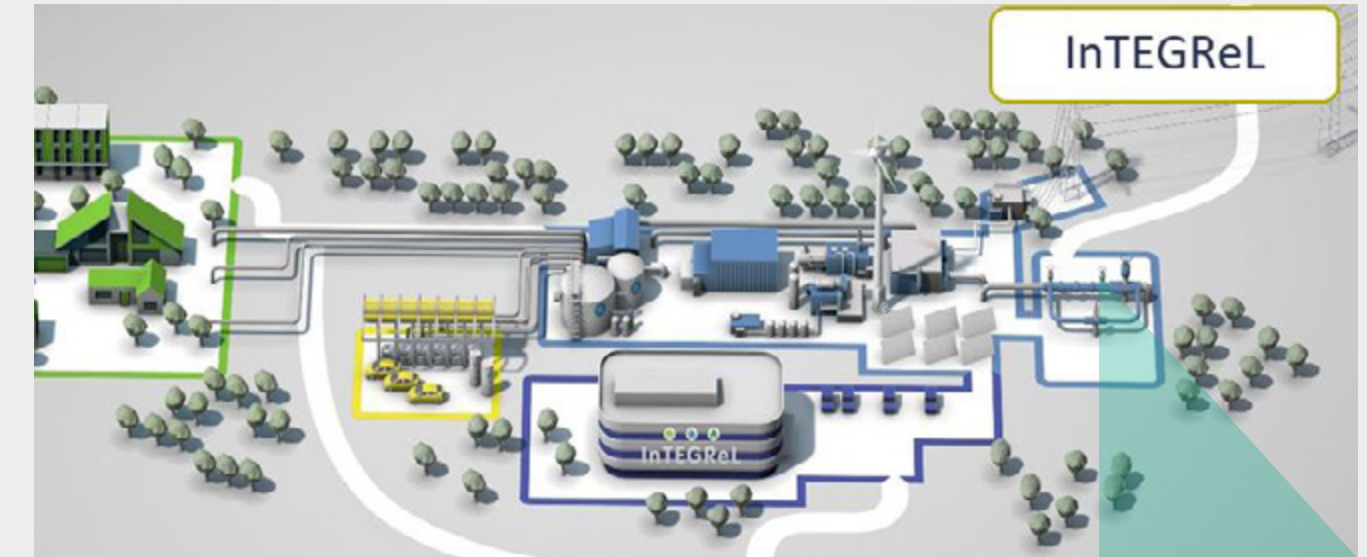
funding secured towards projects from the Getting Building Fun

£9m

Launched the world's first £9m multi-site smart energy lab

£200k

of funding granted and expert advice delivered to innovative SMEs developing solutions to energy challenges



InTEGReL: a fully integrated whole energy systems development and demonstration facility, providing a space for industry, academia, SMEs and government to explore and test new energy technologies, strategies and processes.

Regional Energy

The LEP has been active in supporting the development and mobilisation of a regional energy project pipeline. In the last year we have facilitated rural community groups to access circa £600,000 of feasibility funding for community energy projects through the Rural Community Energy Fund. Working with our local and combined authority partners we have pooled budgets to create a new regional resource to accelerate project development of regional district energy (including mine energy schemes) which have resulted in significant funding awards for delivery.

We have also demonstrated the capacity to lead at national level on behalf of the Local Energy Hub networks, convening the Maine Energy Task Force with 40 organisations from across the UK and producing a Mine Energy White Paper. We are working with the North East and Yorkshire Hub and the Energy Systems Catapult to develop an Energy skills project as part of a national network aiming to ensure that there is a supply of highly skilled home energy advisors in the future through curriculum development and promotion.

£600k

of funding from the North East and Yorkshire Hub delivered for feasibility work towards North East community led rural energy projects

£300m

The North East is nurturing a regional energy project pipeline of over £300m

Areas of strategic importance



Richard Baker, Strategy and Policy Director

"The North East Strategic Economic Plan highlights four key areas of strategic importance which can strengthen economic competitiveness and improve the quality of employment; energy; health and life sciences; advanced manufacturing and digital. We continue to give these areas particular strategic focus, working with partners to drive long term development of the regional economy."

Health, Life Sciences and Pharmaceuticals

With our Steering Group partners we developed the North East Health and Life Sciences strategy and supported the response to COVID-19.

Health and Life Sciences Steering Group

The Steering Group membership has continued to deliver a structured work programme. It has engaged directly with government departments, overseen the development of the strategy and prioritised new project proposals in the context of the strategy.

"The North East has a diverse and vibrant clustering of life sciences, manufacturing and health services. I believe that the work that is being done in the North East can support more growth in the region and make a strong contribution to our wider UK initiative to promote research collaboration, partnership and investment globally as part of government's strategic national approach to Life Sciences.

Sir John Bell, Regius Professor of Medicine, University of Oxford and champion and sponsor of the UK Life Sciences Industrial Strategy

Health and Life Sciences Strategy

The North East Health and Life Sciences strategy was approved by the North East LEP Board in January 2021.

As part of its development, we have delivered:

- A full review of data and evidence about North East health and life sciences capability and assessment of opportunities and challenges in the UK policy framework
- Secured £300K of Local Growth Funding for the development of detailed business cases for key projects
- Completed analytical work to model future growth opportunities and set down key growth targets for the sector



Health and Life Sciences Strategy

£300K

of Local Growth Funding for the development of detailed business cases for key projects

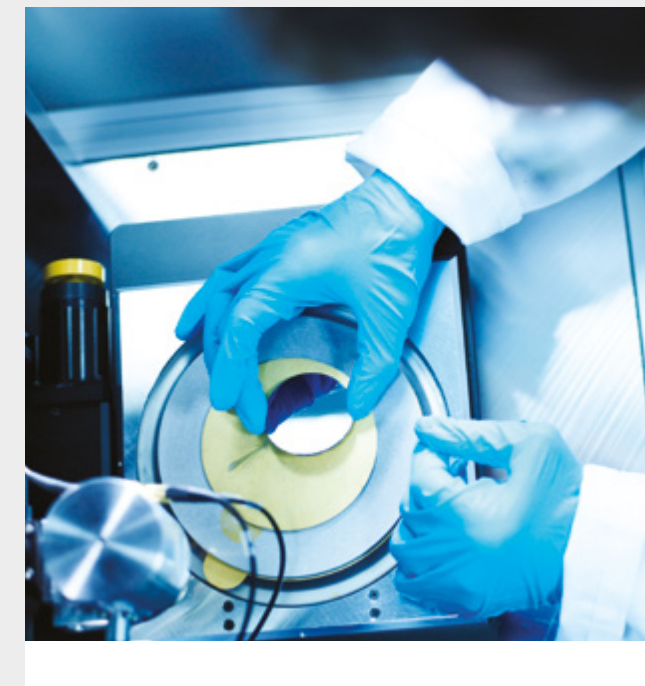
We've also delivered a range of activities to support the development and delivery of the strategy, including:

- Completion of an analysis of the skills needs of North East pharmaceuticals businesses and the initiation of a second study looking at the skills needs of life sciences businesses
- Sponsorship of the annual BioFocus 2020 conference, attended by 300 delegates, which provided a point of consultation on aspects of the strategy
- Work with partners to secure a High Potential Opportunity project on ageing, which is now being actively progressed with the Department for International Trade
- A range of actions to engage regional partners in the UK COVID-19 response including on PPE and vaccines
- Creation of a highly innovative £300K Patent Protection Fund to 'furlough' IP impacted by the focus of the NHS on the pandemic
- Support for the creation of North East Pharma as a sector leadership structure.

Local Growth Funded health and life sciences business cases

There has been investment into the following projects to bring forward outline business cases for future funding as part of the Health and Life Sciences strategy:

1. Digital Skills Hub (phase 2) with AHSN NENC
2. North East Health Evaluation Eco System with AHSN NENC
3. Centre for Health Data with Durham University
4. Early Diagnostics Institute with Turbinia Ltd
5. Pharmaceutical Supply Chain Study with NEPIC
6. Securing the generics supply chain for the NHS with North East Pharma
7. Collaboration with Newcastle International Airport on a project to assess opportunities to enhance freight connectivity for the sector.



Digital

Digital Steering Group

The Digital Steering Group has continued to oversee the Digital for Growth strategy. Key outputs of the work programme can be identified across the following four areas:

Data

A report was developed in partnership with the National Innovation Centre on Data exploring opportunities to leverage its role for the region. The North East and Tees Valley were successful in a bid to join the UK Made Smarter adoption programme with £660K for a year one project.

Digital collaboration and enterprise

A working group drawn from industry has helped produce proposals for an approach to strengthened support for startup and incubation of tech businesses.

Connectivity

We worked with our local authorities Digital Leaders group and Transport North East to develop the North East Connectivity Plan.

Digital skills

Working with our Skills team and through the Skills Advisory Panel, a number of projects have been developed aiming to promote digital inclusion across the region.

Support for Combined Authority programmes

There has been support provided to the North of Tyne Digital Investment programme, ensuring that there is strong alignment between the investments made by the combined authority and the wider regional strategy.

Advanced Manufacturing

There has been a range of activity undertaken to support advanced manufacturing sectors in the region including:

Enterprise Zone programme

Continuing investment through the Enterprise Zone programme and the LGF in sites and infrastructure to support supply chain growth in key manufacturing sectors including automotive, pharmaceuticals and offshore energy.

Innovation projects

Collaborative activity with the North East Automotive Alliance on key innovation projects and programmes including Driving The Industrial Revolution focused on electrification and on a programme to promote driverless vehicles.

Pharmaceutical manufacturing

Support for the creation of manufacturing within the Health and Life Sciences strategy through North East Pharma's homeshoring project and an associated supply chain project led by NEPIC.

Made Smarter programme

In collaboration with the Tees Valley Combined Authority, we were successful in a bid to be included in the second pilot phase of the Made Smarter adoption programme. A total of £660K will be available to promote digital adoption.

New staffing capacity

The securing of resources for the Made Smarter programme will provide resourced capacity to support the development of a regional Advanced Manufacturing strategy during 2021/22.

North East Local Enterprise Partnership

1 St James Gate, Newcastle upon Tyne, NE1 4AD | **Tel** 0191 561 5420 | **Email** info@nelep.co.uk |  @northeastlep



northeastlep.co.uk



northeastgrowthhub.co.uk



northeastdatahub.co.uk



northeastambition.co.uk

North East
Local Enterprise Partnership



Annual Delivery Plan 2021/22

DRAFT



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1. Introduction

This Annual Delivery Plan sets out what the North East Local Enterprise Partnership (LEP) intends to deliver in the financial year from April 2021 to March 2022. It will be shared with government and we will report progress in our End of Year Report 2021/22.

The document will be subject to change, as the North East LEP responds to economic challenges and opportunities as we move through the year. Our 2020/21 Annual Delivery Plan was subject to significant change as we responded to the impact of the COVID-19 pandemic, requiring our delivery to be agile and flexible. We anticipate having a similar approach to delivery during 2021/22 as we continue to recover. All of our delivery has been reviewed with COVID-19 recovery implicit in its actions.

Within this Delivery Plan you will find:

Our plan and objectives

We published our North East Strategic Economic Plan in 2014 and updated it in 2016 and 2019. We set a clear ambition to create 100,000 more and better jobs for our region by 2024 and report regularly on our progress towards achieving this. The current version of the Strategic Economic Plan sets out actions for delivery up to December 2021, which leaves us with another three years of delivery until 2024. We will update the evidence base during 2021 so we understand our post COVID-19 baseline with a view to setting the regional economic strategy in early 2022.

Governance and transparency

We ensure that a robust and transparent governance structure underpins our work and that it complies with all the recommendations within the national LEP review, published in 2018.

Our delivery programme

We have provided detailed insight into the work of our five delivery programmes, four areas of strategic importance and our strategy, policy and analysis agenda.

2021/22 action plan

Here you will find a list of everything we will strive to achieve in 2021/22. We will report our progress on this in May 2022.

2. Our plan and objectives

The North East Strategic Economic Plan

The North East Strategic Economic Plan sets out our ambition for the North East as a place of work and opportunity. This is shared by regional business leaders, local government and education and supported by a wider community of partners, whose contribution to its development and delivery is central to its success.

COVID-19 will continue to play a significant part in our thinking and activity during 2021/22 as we emerge from the pandemic. But our direction of travel remains the same - we want more and better jobs for our economy and we want to return to pre-COVID-19 levels of growth.



Creating more and better jobs

In 2014, when the North East Strategic Economic Plan was first agreed, we wanted to drive forward a modern, diverse and entrepreneurial economy, which is agile in the face of change, as well as competitive, resilient and inclusive.

We have one clear and simple ambition: **to deliver more and better jobs for the people who live and work here.**

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

We have made good progress against this ambition. As of December 2020, employment in the North East had increased by 71,500 since 2014. This was driven by increased employment in better jobs of 88,600 (equivalent to 124% of the total net change).

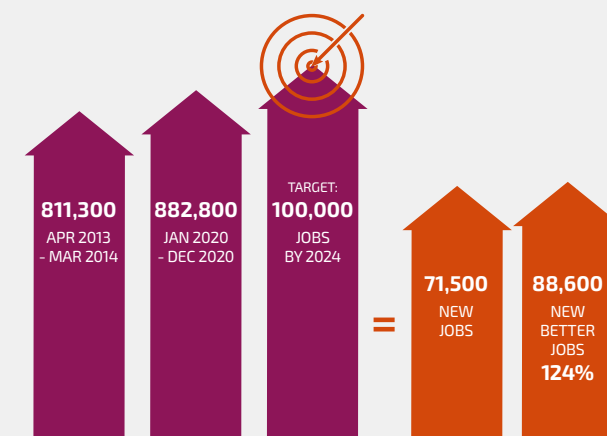
Most furloughed workers are officially classified as employed and, as a result, the impact of COVID-19 on the North East labour market is not yet clear. We will continue to monitor the region's progress to economic recovery using a range of datasets.

We have also identified four targets focused on other long-term objectives. To demonstrate our progress, we aim to reduce or close the gap in our performance compared to England (excluding London). By making this comparison in employment rate, economic inactivity rate, productivity and private sector employment rate, we aim to deliver both positive change in our region and help rebalance the national economy.

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

Progress:

By December 2020, employment had increased by 71,500. This had been driven by increased employment in better jobs of 88,600 (equivalent to 124% of the total net change)



Source: Annual Population Survey - Workplace Analysis (Nomis)

COVID-19 Economic Recovery Plan

North East Covid-19
Economic Response Group

North East
Local Enterprise Partnership

neca
north east combined authority

NORTH OF TYNE
COMBINED AUTHORITY

on behalf of business:
CIBI

on behalf of regional universities:
Newcastle University

COVID-19 hit the North East economy and it hit it hard. An economic shock of this nature required a response of the same scale. In September 2020, the North East Economic Response Group published its response plan to government. This page is a summary of that plan.

Our goal

To return to pre COVID-19 levels of growth and sustain 100,000 more and better jobs in a greener and more inclusive economy.

Asks of government

- Significant devolution of resources and powers to reflect scale of COVID-19
- £2.8bn to directly unlock half of required 100,000 additional jobs quickly
- Accelerated confirmation of existing business cases, including Transforming Cities funding
- Commitment to joint working in areas where the North East can lead the national recovery, specifically low carbon energy
- Flexibility within national programmes to allow for maximum leverage local and national resources




Our plan

- To keep people in jobs and training
- To support businesses and sectors to restart and recover
- To support the transition of our communities and places as they adapt to living with COVID-19
- To build the future economy by maximising the potential of our existing assets and exploring new opportunities
- To invest in digital and transport connectivity

Our challenges

97 %	of businesses impacted by COVID-19
30%	reduction in footfall in city/town centres
36,500	more people on unemployment benefits
32%	of workforce furloughed at its peak
108,000	of workforce still furloughed in August 2020

Our values

-  To have a greener more sustainable economy
-  Level up the North East economy
-  To be innovative and think bigger
-  To do the right thing locally for our region
-  Be a trusted partner for government
-  For the impact of our recovery to reach all of our communities

Our achievements

We responded quickly to the pandemic in March 2020 by committing £5m of our resources to support businesses. Throughout the year we established 12 schemes focused on targeting business need which government funding did not reach.

A highlight was the Crowdfunder scheme which supported 128 businesses that collectively received funding of more than £470k. This is estimated to have safeguarded 433 jobs.

3. Governance and transparency

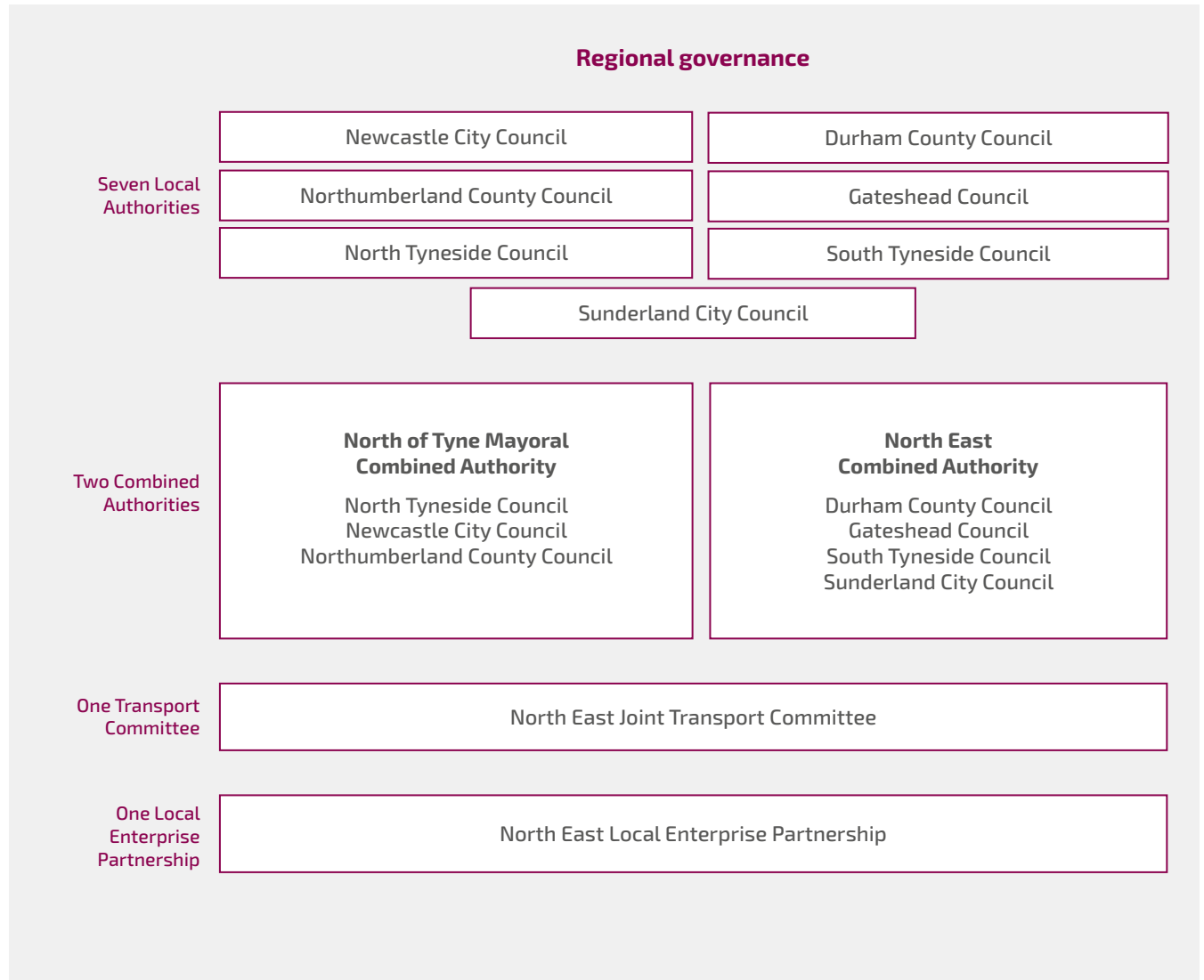
We are committed to robust, transparent and fair governance at every level of our operations.

The North East LEP's Assurance Framework sets out how funding decisions are made.

Regional governance model

We play a key role in regional governance and work with two combined authorities - the North East Combined Authority and the North of Tyne Combined Authority - and seven local authorities.

Our accountable body is in the North of Tyne Combined Authority.

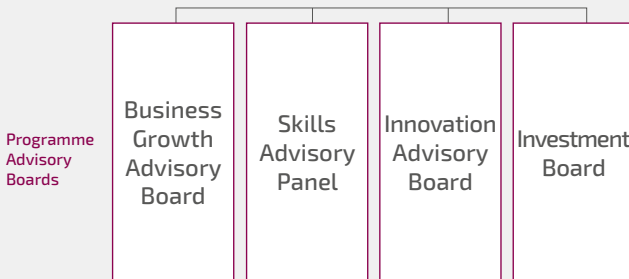


North East LEP governance

The North East LEP Board is a business led, private, public and education partnership. It is supported by four advisory boards. The four advisory boards provide strategic guidance for the programmes of work within the Strategic Economic Plan and provide oversight for the main Board.

The North East LEP Board is chaired by Lucy Winkell, OBE who replaced Andrew Hodgson OBE in September 2020.

North East LEP Board



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

Investment assurance and governance

The North East LEP follows a robust Assurance Framework.

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

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

The Local Assurance Framework was last refreshed in October 2020 and remains compliant with the MHCLG 'National Local Growth Assurance Framework' 2019.

The Assurance Framework is a live document and is updated annually. The updates are published on the North East LEP website.

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

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

The Investment Board is programmed to meet on six occasions in 2021/22. It receives programme monitoring reports on a regular basis and is presented with the programme dashboard. This is submitted quarterly to the government. The Investment Board determines new project funding allocations under its delegation or otherwise agrees to make recommendations to the main North East LEP Board.



Lucy Winkell, OBE, North East LEP Chair

4. Our funding programmes

Fund management

We manage four funding streams:

- The Local Growth Fund – a £270.1m programme targeted at job creation
- The North East Investment Fund – a £55m evergreen loan fund sourced from Regional Growth Fund 3 and Growing Places Fund
- The Enterprise Zone Fund – covering 21 sites across the region with £166m planned investment
- The Getting Building Fund – £47m of local infrastructure projects that will create jobs and help the region recover from COVID-19.

We also work closely with regional partners and government in the allocation of £500m of European Structural Investment Funding into the North East.

The North East LEP has the governance, accountability and programme management expertise to manage other funds in the North East region as they emerge and are allocated.

Local Growth Fund



HM Government

While the six year 2015-21 Local Growth Fund (LGF) programme budget of £270.1m was fully spent by 31 March 2021, we have used local funding flexibilities and freedoms over this period to resource other regional initiatives on a temporary basis. This has allowed funds to be returned to support core LGF projects when needed in future years. Some were unable to complete on time due to COVID-19 related disruptions. Consequently, we have programmed a tail of expenditure, using residual funds over the next 2-3 years, with £15m programmed in 2021/22 to ensure the smooth and full completion of the LGF programme.

This includes several bespoke capital and revenue projects introduced in support of the North East COVID-19 Recovery Plan, including:

- A Voluntary, Community and Social Enterprise (VCSE) infrastructure programme that is supporting 14 VCSE-led capital projects to enhance green community infrastructure and learning facilities for young people
- An extension of the Scaleup North East business support initiative for a further two years
- An innovation challenge programme.

Strategic infrastructure projects are ongoing including:

- The development of the 150ha International Advanced Manufacturing Park (IAMP)
- The £300m Gateshead Quays Arena, Exhibition and Conference Centre
- The reclamation and dock infrastructure works on the Northumberland Energy Park.

In total the LGF programme has **xx** live projects that are not financially complete, with many more completed that are reporting performance data annually, to help inform the final evaluation of the programme in 2024/25. In June 2021 an interim programme evaluation is planned to be completed.

LGF Budget

Residual LGF Programme Resources

Budget	2021/22	Future Years	Total
Capital	XX	XX	XX
Revenue	XX	XX	XX
Total	XX	XX	XX



An artist's impression of the NewcastleGateshead Quays arena-led regeneration scheme on the banks of the NewcastleGateshead quayside



An aerial image of IAMP (International Advanced Manufacturing Park) in Sunderland/South Tyneside showing three of the site's completed buildings

Getting Building Fund



HM Government

In July 2020, the North East LEP was allocated £47m from the Getting Building Fund over two years for investment in shovel-ready infrastructure projects to help stimulate jobs and support economic recovery. We brought forward a wide-ranging package of projects that were able to be substantially completed in Spring 2022. We selected projects that support a green economic recovery and/ or contribute to the ambition to create more and better jobs.

They include:

- Innovative energy projects including the UK's first robotics and autonomous systems test and validation centre for offshore wind in Blyth
- Development of the InTEGRel Customer Energy Village in Gateshead to demonstrate technologies to enable housing decarbonisation
- Public realm works to support town and city centre regeneration in North Shields, Bedlington, Newcastle and the construction of high-quality new office space in Durham and South Shields.
- Purpose built learning and recreation centre for young people at a project known as NU Futures.

In 2021/22 we plan to spend £23.5m of GBF grant plus temporary funding swaps returning to the programme amounting to £xx. In addition, matched funds from existing LEP resources of up to £xm are programmed.

Budget	2021/22	2022/23	Total
- annual allocation	XX	XX	XX
- returned temporary swapped funds)	XX	XX	XX
LEP budget	XX	XX	XX
Total	XX	XX	XX



An artist's impression of Bedlington Town Centre regeneration



An artist's impression of The Glassworks in South Shields



An artist's impression of Newcastle City Centre Transformation

Other funding programmes



North East Enterprise Zones

The North East Enterprise Zones were created to support economic growth by developing sites with key attributes to help businesses start up, grow and expand. Our Enterprise Zones have been developed across two rounds: round one beginning in 2013, and round two in 2017. Many of our round one sites now have businesses operating on them, with the majority of our round two sites in the process of investing in the infrastructure required to allow businesses to move onto these sites in the coming years.

To date, our investment of over £68m in the Enterprise Zone sites has achieved £194m of follow-on investment. As of the end of 2020/21, more than 1,850 people are employed across 59 businesses that are now operating on our Enterprise Zone sites. By the end of 2021/22 our Enterprise Zones will be home to more than 3,000 jobs and we will have invested around £100m in the sites, unlocking more than £210m of follow-on investment.

	Cumulative actuals 2020/21	Forecast for 2021/22
EZ Funding allocated	£129m	£10m
EZ Funding spent	£67m	£22m
Follow-on investment	£212m	£26m
Jobs on EZ sites	1,857	1,200



North East Investment Fund

In 2021/22, the North East Investment Fund will continue to be delivered with most activities related to the following projects:

- The Skills Academy for Sustainable Manufacturing and Innovation in Washington
- Repurposing works to enable the Driving the Electric Revolution Centre North East to be accommodated in suitable premises (this is a consortium project led by Newcastle University, with £3.24m investment from the North East Investment Fund).
- North East Property Development Fund - providing investment in small scale residential and commercial property development up to £2m. Having proven successful since 2017, the fund was extended in 2021 by £10m for a further three years.
- Solar Capture Technologies Ltd – a small business based in Blyth, specialising in photovoltaic technology. Support from the North East Investment Fund has been made to integrate a new production line to significantly increase output to sectors including automotive and offshore/subsea. Work will complete during 2021/22.

We expect a limited number of new investments to be made, subject to demand and availability of funds.

Transition to the Commercial Property Investment Fund

In 2021/22, our focus will be on delivering the procurement of a fund manager for the Commercial Property Investment Fund and launching the programme in March 2022. Three pilot projects will be contracted with funding from the Getting Building Fund, which is due to be spent by end of March 2022.

European Funding

The 2014-2020 European Structural Investment Fund (ESIF) was created to inject more than £500m into the North East. Although the funds are held by government, the North East LEP plays an important role to ensure these funds are used to deliver both the European goals of smart, sustainable and inclusive growth and support the delivery of the North East Strategic Economic Plan.

Agreement has been reached between the EU and UK Government to allow the delivery of projects to continue through until the end of 2023

We worked with a wide range of partners to produce our ESIF Strategy that can be found [here](#).

Type of Funds	Indicative North East allocation (£m)	Committed funds	Remaining funds
ERDF	£263.2m	£242.6m (92%)	£20.6m (8%)
ESF	£224.7m	£216.7m (96%)	£8m (94%)
EAFRD	£10.5m	£5.8m (55.6%)	-£4.7m
Total	£498.4m	£465.1m	£33.3m

Funding programmes – key milestones and target dates

Milestone	Funding source	Description	Target dates
Quarter one			
Gateshead Quays		On-site works commence on Arena, Exhibition and Conference centre.	April 2021
Investment Board programme updates		Quarterly programme updates and projects for decision including: <ul style="list-style-type: none"> • GBF programme reserve projects approved • Project pipeline Fund • Updated EZ financial modelling 	13 May 2021
LEP Board Funding Report		<ul style="list-style-type: none"> • Report on programme progress update including delegated decisions • Proposal of LEP resources to be used for Project Development Fund, CPIF programme and residual NEIF • Updated EZ financial modelling 	28 May 2021
Project Development Fund launched		Call for projects	June 2021
North East Inward Investment Fund		First investment project secured	June 2021
Commercial Property Investment Fund (CPIF) Programme		Launch the procurement of a fund manager	June 2021
Quarter two			
Jarrow Business Centre		Project completion	30 June 2021
Investment Board Programme Update		Quarterly programme updates and projects for decision	8 July 2021
LEP Board Investment Report		<ul style="list-style-type: none"> • Report Programme progress update including delegated decisions 	22 July 2021
Pattern shop		Main contractor on site	July 2021
CPIF Pilot projects		<ul style="list-style-type: none"> • Contract CPIF pilot projects 	August 2021
Quarter three			
Investment Board Programme Update		Quarterly programme updates and projects for decision	16 September 2021
Northumberland Energy Park		Main contractor infrastructure works completed	October 2021
Follingsby Enterprise Zone (EZ)		Occupier of Follingsby Max site becomes operational	October 2021
LEP Board Investment Report		<ul style="list-style-type: none"> • Report Programme progress update including delegated decisions • Decision on CPIF fund manager appointment 	3 December 2021
Supply Chain North East and Scaleup North East 1		Completion of both business support programmes	31 December 2021
Quarter four			
Investment Board Programme Update.		Quarterly programme updates and projects for decision	17 January 2022
LEP Board Funding Report		Report Programme progress update including delegated decisions	17 March 2022
CPIF		Soft launch	31 March 2022
Port of Sunderland		Infrastructure works completed	March 2022

North East LEP Funding programme risks 2021/2022

At the outset of the financial year 2021/22, the following programme level risks have been identified. These risks are monitored on a regular basis by the Technical Officer Group.

Risk description	Consequence	Estimated cost impact	Probability (%)	Risk impact level	Risk owner	Action(s) to avoid or reduce risk
Non compliance with National Assurance Framework	<ul style="list-style-type: none"> Possible withholding of future years spend by MHLCCG 	Severe	Low	High	Chief Executive	Annual review and action plan to adhere to new requirements
Annual Performance targets under perform	<ul style="list-style-type: none"> Reputational impact Financial impact on EZ pooling arrangement 	Moderate	Moderate	Moderate	Programme Managers	<p>Projects KPI/budget forecast reviewed to take account of likely COVID-19 impact.</p> <p>Review of EZ financial forecasts to account includes contingencies to account for delayed performance</p> <p>Projects challenged for 'otimism bias' and project level risks monitored</p>
Impact of COVID-19 and economic recession	<ul style="list-style-type: none"> Disruption to project plans and impact on projects/ or organisational sustainability 	Moderate	Moderate	Moderate	Programme Manager	COVID-19 impact monitored to ensure risks can be mitigated
Slippage with the launch of the Commercial Property Investment Fund	<ul style="list-style-type: none"> Reputational impact Projects identified in the pipeline could be affected and/or delayed 	Minor	Moderate	Moderate	Programme Managers	Weekly meetings set up with CPIF Delivery Team including external advisors (appointed in April 2021) - timeline in place
Outcome of Business Rate Review by Government leads to substantial loss of future Business Rate Income from Enterprise Zone sites	<ul style="list-style-type: none"> Financial risk that capital financing costs are not met No surplus generated for use in future for regional economic development activities 	Severe	Moderate	High	Chief Executive	<p>EZ pooling agreement provides some financial cover.</p> <p>Continue close engagement with Government"</p>

Funded projects: status and budget forecast

Apart from pipeline projects under mini programmes such as the CPIF pilot, all projects in current funding programmes have Board approval and their forecast funding take up is set out below. Projects that are live and have claimed all LEP funds in previous financial years and are now only reporting on matched funding in 2021/22 are shown separately.

Revenue figures to follow

Project Name	Strategic Economic Plan theme	Funding programme source	Forecast LEP fund expenditure £ (revenue in <i>italic</i>)
East Pilgrim Street	Investment and Infrastructure	LGF	
Scale Up North East (inc. Supply Chain North East)	Business Growth	LGF	
Innovation Project Development fund	Innovation	LGF	
Incubator Support programme	Innovation	LGF	
Skills R&D programme	Skills	LGF	
Patent Development Fund	Innovation	LGF	
Cluster Development Fund	Business Growth	EZ	
EZ Development Fund	Investment and Infrastructure	EZ	
Jade Business Park (inc A19/A189 Seaham Murton interchange)	Transport	LGF/EZ	
International Advanced Manufacturing Park (IAMP)	Investment and Infrastructure	LGF/EZ	
High Growth Potential Start Ups	Business Growth	LGF	
North East Rural Growth Network	Investment and Infrastructure	LGF	
Electric Vehicle Charging Hubs	Transport	LGF	
Energy for Growth Programme	Economic Assets	LGF	
North East Inward Investment Fund	Business Growth	LGF/NEIF	
North East Ambition - Project 2	Skills	LGF	
North East Ambition - Project 2	Skills	LGF	
Jarrow Business Centre	Investment and Infrastructure	LGF	
Newcastle Central Station Gateway - Stage 2	Investment and Infrastructure	LGF	
Northumberland Energy Park Ph.1	Investment and Infrastructure	LGF/EZ/GBF	
VCSE Infrastructure programme	Investment and Infrastructure	LGF	
River Tyne Economic Development	Investment and Infrastructure	LGF	
Green Energy accelerator	Investment and Infrastructure	LGF/NEIF	

Skills and Digital Development Fund	Skills	NEIF
Aykley Heads - Plot C office development	Investment and Infrastructure	GBF
Tyne Dock Enterprise Park (Holborn 2 EZ site)	Investment and Infrastructure	GBF/EZ
InTEGReL – Community Energy Village (CEV)	Innovation	GBF
North Shields Town Centre Public Realm	Investment and Infrastructure	GBF
Newcastle City Centre Transformation Phase 2	Investment and Infrastructure	GBF
Sunderland Smart City Infrastructure	Investment and Infrastructure	GBF
Robotics and Autonomous Systems Test etc, Blyth	Innovation	GBF
Gateshead Quays/Urban Core Infrastructure	Transport	GBF
Bedlington Town Centre Regeneration	Investment and Infrastructure	GBF
The Glassworks, South Shields	Investment and Infrastructure	GBF
NU Futures, Newcastle	Skills	GBF
Swans Energy Park, Wallsend	Investment and Infrastructure	GBF/EZ
Hillthorn EZ site Development	Investment and Infrastructure	GBF
CPIF Pilot programme	Investment and Infrastructure	GBF/NEIF
Ashwood Business Park	Investment and Infrastructure	EZ
Newcastle North Bank	Investment and Infrastructure	EZ
SASMI	Investment and Infrastructure	NEIF
North East Property Fund (FW Capital) extension	Investment and Infrastructure and housing	NEIF
Solar Capture Technologies	Innovation	NEIF
Project Accelerator Development Fund	Investment and Infrastructure	TBC
North Bank of Tyne (Neptune) EZ	Investment and Infrastructure	EZ
Ashwood Business Park	Investment and Infrastructure	EZ
Port of Sunderland	Investment and Infrastructure	EZ
		Total

Live projects reporting matched funding only in 2021/22

Gateshead Quays	Investment and Infrastructure	LGF/GBF
Transforming Cities	Investment and Infrastructure	LGF
Weetslade Roundabout	Investment and Infrastructure	LGF

NEIF projects which are repaying loans (and reporting outputs):

World Wheel Company (+outputs)	Investment and Infrastructure	NEIF
Tyne Pressure Testing	Investment and Infrastructure	NEIF
Durham University	Investment and Infrastructure	NEIF
Boiler Shop	Investment and Infrastructure	NEIF
NEIMME	Investment and Infrastructure	NEIF

NEIF Projects which are only reporting outputs:

Shepherds	Investment and Infrastructure	NEIF
Mining Institute	Investment and Infrastructure	NEIF
Crowdfunder (tbc)	Investment and Infrastructure	NEIF
Newcastle Airport EZ	Investment and Infrastructure	EZ
Bates EZ	Investment and Infrastructure	EZ
Follingsby EZ	Investment and Infrastructure	EZ
Holborn 1 EZ	Investment and Infrastructure	EZ
Blyth Estuary EZ	Investment and Infrastructure	EZ
Ramparts EZ	Investment and Infrastructure	EZ
Turbine Business Park EZ	Investment and Infrastructure	EZ

Communications

A communications plan is updated quarterly and sets out opportunities to report on progress and promote the achievements of funded projects.

Monitoring and evaluation

Project funding claims and monitoring returns for live projects are undertaken on a quarterly basis across all programmes. For financial projects, annual performance data is collected, for a relevant period, to allow the full impact and benefits to be monitored against the objectives of the project business case. A Programme Operations Group reviews project monitoring returns

and undertakes quality checks. Project verification visits are held following project financial completion and final audit.

Projects are reported in the first instance to the North East LEP Technical Officer Group. Where remedial action or significant variations to contracts are required these are escalated to the Board for approval.

Key programme and project milestones are monitored throughout the year and reported quarterly for each funding programme to the Investment Board.

In January 2020 Steer Ed consultants were appointed to undertake a joint interim evaluation of progress so far on the LGF and EZ programmes, a final report is scheduled to be received by the end of June 2021.

Funding Programmes – Key Performance Indicators

Each of our funding programmes monitors a different set of nationally prescribed performance indicators. We also capture and monitor data on a few other local indicators relevant to the North East Strategic Economic Plan.

Summary of programme KPIs for 2021/2022

Programme KPI's to follow

Programme Performance Indicators	LGF	GBF	EZ	NEIF
Gross jobs created				
Jobs safeguarded				
Number of apprenticeship/traineeship opportunities created				
Construction jobs				
Commercial floorspace constructed (m2)				
Commercial floorspace refurbished (m2)				
Site reclaimed, re-developed or assembled (ha)				
Follow on investment on site				
New build training/learning floorspace (m2)				
Number of learners				
Number of learners at NVQ Level 3				
Number of business receiving non-financial support				
Number of business receiving financial support				
Total length of newly built roads/cycleways (km)				
R&D floorspace				
Public realm/ green space created				
Houses unlocked				
Housing units delivered				
Superfast broadband connections				

6. Our 2021/22 Annual Delivery plan actions

This section of our report is focused on our delivery actions and priorities for 2021/22.

Our workplan is focused around five programmes of delivery that set out initiatives and projects that will deliver the ambitions of the North East Strategic Economic Plan. They are:



Business and
sector growth



Innovation



Skills,
employment,
inclusion and
progression



Transport
connectivity



Investment and
infrastructure

We are committed to Strategy, Policy and Analysis and have developed a programme of work to ensure our work is informed and evidence led.

Good governance is important to us to ensure transparency, so we have a set of actions we deliver to ensure this.

Communications is central to our delivery and is a golden thread across all programmes and actions.

Annual Delivery Plan – 2021/22

The five Strategic Economic Plan programmes

Business and sector growth

Activity	Key deliverables - between April 2021 and March 2022, we will:
Raise levels of business growth ambition	<p>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.</p>
Increase demand for external business support and finance	<p>Increase the capacity of the North East Growth Hub to deliver:</p> <ul style="list-style-type: none"> • 915 medium intensity interventions • 580 high intensity interventions to businesses with scaleup potential. <p>This support will deliver:</p> <ul style="list-style-type: none"> • 750 additional jobs, of which 490 will be better jobs • 21.9million additional GVA
	<p>Introduce a triage team to service inbound enquiries and carryout outbound lead generation an intelligence gathering activities.</p> <p>Integrate the sector teams and sector delivery plans with the North East Growth Hub.</p> <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>
Ensure the supply of external business support and finance matches the needs of businesses and the economy	<p>Work with government and regional partners to support the development of, and transition to, a new business support and sector development landscape.</p> <p>Continue to lead the North East Growth Hub Cluster and work closely with government to support the development of the national Growth Hub network.</p> <p>Deliver 26 government funded Peer Networks to support approximately 280 businesses to improve their productivity performance.</p> <p>Expand the Growth Hubs Mentoring for Growth programme with the aim of supporting 100 businesses to unlock their growth potential.</p> <p>Work with sector teams to ensure that the business support ecosystem meets sector specific firm level needs.</p> <p>Deliver 11 Local Growth Fund Cluster Development Fund projects.</p>
Improve the region's economic resilience	<p>Develop Peer Networks in the sectors most effected by COVID-19 (hospitality, retail, tourism) to support businesses to recover.</p> <p>Continue to gather and develop weekly intelligence reports to inform government and regional stakeholders on the state of business and to identify issues early.</p> <p>Run bespoke workshops and support services to educate businesses on specific issues/changes related to EU transition.</p> <p>Continue to work as part of the North East Economic Response Group to develop and inform regional response.</p>

Deliver annual key sector development plans



Energy

Activity	Key deliverables - between April 2021 and March 2022, we will:
Accelerate delivery of energy projects within the region, helping deliver growth and net zero.	Operationalise the Energy for Growth Accelerator.
	Convene stakeholders to agree the North East masterplan approach.
	Tactically promote heat networks High Potential Opportunity, heat study, mine energy white paper.
	Coordinate regional local authorities in delivery of local authority delivery 2 programme.
	Support capacity building in local authorities for retrofit delivery.
	Complete rural community energy fund delivery and evaluation.
Coordinate our energy innovation & demonstration assets to develop and showcase solutions to global challenges.	Complete feasibility for retrofit skills proposition and determine roles in delivery.
	Finalise bids for North East future energy system today £50m+.
	Establish the Energy Catalyst SME support model.
	Launch the Energy Catalyst SME network and partner network.
	Plan and schedule the Energy Catalyst summit.
Support growth, investment and cluster development in key energy sectors.	Forward comms plan for Catalyst, increase awareness and influence nationally and internationally.
	Devise targeted inward investment process, and initial targets
	Agree, together with Energi Coast, ownership and workplan for wider offshore wind cluster development priorities
	Agree with stakeholders and coordinate the LEP's role in supporting the electric vehicles and battery sectors
	Convene stakeholders to agree and promote a low carbon heat cluster approach
	Agree regional recommendations on UK content and channels to feed these into
	Support mobilisation of the Global Underwater Hub in the North East and effective connections into networks



Digital

Work with partners on the North East Digital Ambition, by developing and publishing goals, strategic priorities and a plan that supports them.	Finalise and publish the North East's digital ambition.
	Agree strategic priorities.
	Mapping how stakeholders can contribute to the achievement of the North East Digital Ambition.
	To carry out a research study exploring rates of digital Sector business start-up and scaleup and what's either enabling or inhibiting growth.
	The intelligence generated from these actions will be used to inform the development of a digital sector action plan.
	Review and implement new governance structure.



Health and life sciences

Modernise and grow pharmaceutical manufacturing in the region

- Finalise business case for funding pharma manufacturing and innovation facility and identify funding sources.
- Develop supply chain development programme to move forward recommendation of gaps analysis and support diversification. Generics manufacture - also look at wider supply chain and supply and demand dynamics.
- Develop a sector skills framework to support development of an appropriately skilled workforce to enable growth
- Support Industrial Digitisation through Made Smarter Hub
- Develop an inward investment proposition around our advanced manufacturing strengths.
- Refresh first for pharma study to understand trajectory of businesses in the sector and to understand needs, barriers, and opportunities for growth

Increase the number of innovative health and life sciences business that are born, grow and scale in the region

- Support the formation of university spinouts
- Support the formation of corporate and NHS spinouts
- Support existing businesses to diversify into Health and Life Science Sector
- Develop a skills framework to support the development of an appropriately skilled workforce to enable growth
- Promote the region via Ageing HPO and expand HPO approach via IDP's to promote regional strengths e.g., Diagnostics, Rare Disease, Advanced Delivery Systems.

Broker access to a range of expert support and services across the health and care sectors through the Innovation Pathways

- Develop Innovation Pathway brokerage system including the mapping and gapping of supply and informing Innovation funding pipeline.

Develop our ecosystem

- Progress priority LGF pipeline projects that demonstrate greatest contribution towards programme go
- Carry out study to assess if property and infrastructure can meet the needs of industry
- Carryout freight logistics study
- Develop base line data for sector and publish on data hub



Advanced Manufacturing

Develop the competitiveness of the North East's Advanced Manufacturing sector.

- Working with government and Tees Valley Combined Authority to lead the development of a North East Made Smarter adoption programme which will support 100 manufacturers to adopt industrial digitisation technologies.
- Following the mobilisation of Made Smarter we will establish an Advanced Manufacturing steering group
- The steering group will then work with the LEP to develop an Advanced Manufacturing Sector plan/strategy.



Innovation

Activity	Key deliverables - between April 2021 and March 2022, we will:
Stimulate new business opportunities through the North East Open Innovation Challenge	<p>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.</p> <hr/> <p>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.</p> <hr/> <p>Position innovation challenges as a route to new business opportunities and growth.</p>
Prioritise a regional pipeline of projects to form a Strategic Investment Programme	<p>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.</p>
Continue to support our businesses to capitalise on local research and innovation capability	<p>Identify opportunities for collaboration and facilitate relationships between businesses and innovation assets.</p> <hr/> <p>Facilitate access to research and capabilities that will help businesses increase innovation activity and facilitate knowledge transfer.</p> <hr/> <p>Inform and help shape emerging national innovation strategy.</p>
Increase private sector investment into growing innovation businesses	<p>Support mechanisms to increase investment in R&D and innovation through relationships and collaboration including:</p> <ul style="list-style-type: none"> • Support the promotion and launch of the City of London Corporation Interconnector • Facilitating the preparation of an investment plan for Venture North • Supporting the evolution of the Northern Accelerator programme. <hr/> <p>Contribute to the development of proposals for the successor to the North East Fund, ensuring the needs of the region's innovators are met.</p>
Engage with partners to identify emerging opportunities and drive business growth through an Innovation Delivery Partnerships (IDP) approach:	<p>Submit bids proposals to the UK Community Renewal Fund for a project to develop further and deliver at pace the IDP approach.</p> <hr/> <p>If successful deliver the proposals in line with funding award(s).</p> <hr/> <p>If unsuccessful, work with partners to explore the opportunities to continue to develop the IDP approach, including:</p> <ul style="list-style-type: none"> • To continue to support the current and future potential IDPs • Develop and test the approach which is anticipated to include an assessment tool and benchmarks framework. <hr/> <p>Undertake an economic markets foresight analysis project to identify emergent global market opportunities for the North East.</p>

Coordinate regional partners to provide enhanced innovation support activity:	Facilitate connections and collaboration between national and regional partners including Innovate UK, NP11 and the Innovation SuperNetwork to boost innovation activities.
	Work with government and regional partners to support the development of, and transition to, a new innovation business support and sector development landscape.
	Work with innovation business support providers to enhance content on and improve signposting to schemes on the North East Growth Hub.
	Publish an innovation toolkit on the North East Growth Hub. The toolkit will generate 300 referrals to the provider network.
	Evaluate the Local Growth Fund programme's Innovation Pipeline Development Fund.

Skills, employment, inclusion and progression

Activity	Key deliverables - between April 2021 and March 2022, we will:
Deliver North East Ambition:	Support and demonstrate progress and impact as we work with 145 schools and colleges to achieve the eight Good Career Guidance benchmarks.
	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.
	Continue to facilitate the partnerships between businesses and educators to reduce the gap between skill supply and skills demand, through the Enterprise Advisor Network, by engaging with 40 new employers.
	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.
	Participate in a number of key working groups and steering groups. 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.
Deliver Education Challenge:	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.
	Further develop processes and partnerships with a focus on the strategic use of data to improve progression and career pathways for young people.
	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 businesses, particularly from SMEs, to be school governors.
	Support national organisations, including Inspiring Governance, to achieve their KPIs specific to the region including diversity of governing bodies.
	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. 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.

Improve skills progression:	Promote the concept of fusion skills regionally .
	Deliver a pilot that demonstrates how fusion skills (STEM and arts and design skills) are critical for success in an A.I. workplace.
	Support eight early adopters to deliver good quality T-levels and specialist technical education.
	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. 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.
Increase youth employment:	Build on the success of Generation North East and Durham Works to develop future models to prevent youth unemployment, by developing programmes of career guidance, education and skills support for young people ages 16-24.
	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.
Improve labour market activation:	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.
	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.
	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. Inform the replacement investment post-European funding.
Ensure connected communities:	Commission a research project to understand the impact of digital exclusion in our communities and understand the changing nature of jobs due to automation and digitalisation. 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.



Transport Connectivity

Activity	Key deliverables - between April 2021 and March 2022, we will:
Continue to progress ongoing transport project delivery:	<p>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 2021.</p> <p>Deliver the Active Travel campaign funded through the Active Travel Fund by March 2022.</p>
Received a final funding award from the Transforming Cities bid:	<p>Seek approval from the Joint Transport Committee for the release of £65million funding to sustainable transport projects which are due to start construction by March 2022.</p> <p>Release £9.8million for the Metro Flow scheme.</p>
Continue to improve and deliver better connectivity through improved infrastructure:	<p>Deliver a funding strategy by the end of December 2021 for the Transport Plan pipeline. This will be maintained and regularly updated to secure forward capital and revenue funding for the pipeline.</p>
Use transport to drive, innovation and business growth:	<p>Work with Transport for the North, East Coast Mainline Authorities, MP's, Chamber of Commerce, etc to seek investment from government for interventions that will uplift in the East Coast Mainline's capacity and line speed, north of York.</p> <p>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. This umbrella SOBC will encompass the various projects looking to use the Leamside line to achieve an integrated solution which maximises North East benefits.</p> <p>Continue to support Northumberland 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.</p> <p>Ensure that pipeline identified in the North East Transport Plan of schemes to support economic recovery is managed as a live programme.</p>
Continue to develop regional Transport Strategies and policies that align with the North East Transport Plan	<p>Produce a North East Rail and Metro Strategy to complement the North East Transport Plan.</p> <p>Develop and publish a Zero Emission Policy during 2021/22 that sets out our regional commitment to the future of zero emission vehicles.</p> <p>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.</p> <p>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.</p>

Deliver the Electric Vehicle charging infrastructure funded through Local Growth Fund

Deliver EV charging infrastructure at the seven priority sites as identified in the enabling study undertaken by Urban Foresight to set out a five-year programme of works to ensure that region is in a strong position to support the transition to EVs.

Through LGF funding, priority locations will be delivered by 31 March 2022.

Continue with a system-wide overhead line renewal programme.

Continue to delivery platform compliance works by Autumn 2021.

Continue our cable testing and replacement and the location case re-wiring programmes across the network.

Deliver the track renewals at Tyne Dock in September 2021.

Deliver the switches and crossing renewals at Christon Road (South Gosforth) in February 2022.

Prioritise and deliver lift and escalator half-life refurbishments based on asset condition.

Continue to invest in the current Metro fleet to improve reliability.

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.

Complete Metro Asset Renewal Programme



Investment and Infrastructure

Activity	Key deliverables - between April 2021 and March 2022, we will:
<p>Continue to manage the already secured North East LEP funding effectively:</p>	<p>Report quarterly performance monitoring dashboards to the North East LEP Investment Board.</p>
	<p>Monitor programme level risks via the Technical Officer Group.</p>
	<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> <ul style="list-style-type: none"> • Jarrow Business Centre – Manufacturing workspace completion • Gateshead Quays – work to commence on £300m Arena, Conference and Exhibition Centre • East Pilgrim Street, Newcastle - ongoing public realm improvement and Bank House office construction • Pattern shop, Stephenson Quarter – 3,238m² of refurbished commercial floorspace completed • 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. • Northumberland Energy Park Phase 1 – site reclamation completed – 17 ha of development land and new dock facility.
	<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> <ul style="list-style-type: none"> • Public realm improvements in town and city centres totalling 26,229sqm • Construction of new commercial, industrial and retail space totalling 21,200 sqm by 31st March 2022. • Support over 1,471 construction jobs • New R&D facilities totalling 3,550sqm • New learning floorspace 1,137sqm • New superfast broadband connections – 1,350 • 175 new jobs created and 170 jobs safeguarded. • 4.4km of new or improved roads / cycleways.
	<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>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>Ensure that the Local Assurance Framework is adhered to when making funding decisions by maintaining the operational management structures and decision-making accountabilities within the North East LEP.</p>	

Continue to manage the already secured North East LEP funding effectively:	<p>New businesses will begin operating on the Enterprise Zones, including at Follingsby Max in Gateshead.</p> <p>By March 2022, our Enterprise Zone sites will become home to more than 3,000 jobs with North East LEP investment having been more than £100m, unlocking more than £210m of follow on investment.</p>
	<p>Have significant infrastructure works underway or complete on four more Enterprise Zone sites, that will be ready to secure private sector investment at:</p> <ul style="list-style-type: none"> • Northumberland Energy Park • Port of Sunderland • Ashwood Business Park in Northumberland • Holborn 2 in South Tyneside
Coordinate partners to develop a regional project pipeline based on spatial economic priorities:	<p>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.</p> <p>Facilitate prioritisation of shovel ready projects through regional collaboration and make preparations for Government's future funding announcement including the proposed Shared Prosperity Fund.</p>
	<p>Manage the second-year budget of £23.5m of Getting Building Funds across the North East.</p> <p>The North East LEP has allocated up to £8m of additional resources to this programme to add value and to help deliver greater impact.</p> <p>Develop a Project Development Fund to accelerate the volume and quality of shovel ready projects making use of LEP resources (subject to LEP Board approval).</p>
Secure additional investment in the North East including resources to support the Regional Recovery plan:	<p>Work with and support Local Authorities throughout the year to understand plans to bid for funding from the Levelling Up Fund.</p> <p>Deliver the final development phase of the Commercial Property Investment Fund (CPIF) and launch the fund. We will</p> <ul style="list-style-type: none"> • Procure a property fund manager between April 2021 to January 2022 • Launch the CPIF programme in March 2022 • 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 • Continue to develop the pipeline of projects throughout the year to maximize take up once the fund is live. <p>Continue to maximise national reserve funding from the European Structural Investment Funding and ensure the full reserve allocation is delivered within the region.</p>
Increased access to finance for businesses to invest:	<p>Work with the North East Fund Limited to maximise its investment potential for North East SMEs.</p> <p>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.</p> <p>Continue to support North East Finance and North East Access to Finance to optimise use of legacy funding to support North East initiatives.</p>

Policy, strategy, evidence and analysis

Activity

Key deliverables - between April 2021 and March 2022, we will:

Building and encouraging use of the evidence base

Strengthen our research, evidence and analysis programme by:

- Supporting the LEP's delivery programmes (SEP, COVID-19, sectors) and external stakeholders to improve the evidence and analysis underpinning their work.
- Co-ordinating a corporate approach to data licences, tools, procurement and visualisation .
- 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.

Strengthen communication and dissemination of key strategy, policy data and research findings by:

- 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.
- Enhancing the LEP's commentary on key economic issues and evidence in priority areas.
- Delivering the Our Economy Programme.
- 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.

Driving forward collaboration in research and data by:

- 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.
- 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.
- 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.

Horizon scanning and development of new sources of knowledge including:

- Working with national and international inter-governmental partnerships, think tanks and consultancies on strategic evidence and policy activities.
- 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

Coordinating and supporting on regional strategy and policy projects

Net Zero

- Develop an evidence base with government and partners to demonstrate plausible pathways towards Net Zero in the North East
- 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

Co-ordinate work within the North East LEP to accelerate the drive towards Net Zero

Internationalisation

- Publish the North East Trade and Export Strategy:
- Work with other northern LEPs and the Departments for Business and International Trade to ensure that future national and northern powerhouse strategies respond to the North East strategy
- Through a second phase of work, strengthen the evidence base and develop specific proposals identified in the strategy, including:
 - Target exporter development at firm level
 - Align and promote views of market opportunity for the North East with northern, UK and overseas services.
 - Define and agree approaches to develop and strengthen the export support ecosystem
 - Improve communication and promote collaboration to enhance trade and exporting.
- Strengthen the alignment between international facing activities in the region, between trade, inward investment, innovation and higher education.

Devolution

- Monitor and respond to developments in national government policy relating to devolution, including the LEP review and Levelling Up White Paper
- Support regional partners to secure and implement additional devolution to the region

EU Exit

- Through the EU Exit Implementation Group, we will:
- Continue to monitor the impact of new trade arrangements with the EU and report intelligence and insights to government and the LEP team
- Work with the group and sector representatives, produce a report on the impact of EU Exit on key North East sectors
- Provide a platform for joint consideration of future internationalisation approaches for the North East in the context of new trade deals and international policy
- Update the evidence base with latest data about the opportunities and challenges for businesses and sectors
- Identify opportunities and challenges arising from post-EU Exit domestic policy and co-ordinate regional response as required. Focus areas to include the labour market, funding and regulation

Northern Powerhouse

- 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.
- Co-ordinate North East LEP engagement with the NP11.
- 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.

New strategy projects

- Continue to scan the environment for the North East region and the LEP, and determine approaches to identified opportunities and challenges.
- Monitor development of planning policy and the work of the National Infrastructure Commission to identify issues and opportunities for the North East.
- Develop a proposal for a mapping tool utilising GIS systems across the region to strengthen tools supporting development.
- Develop and deliver an Advanced Manufacturing strategy.
- Continue to support tourism partners to develop a strategic approach to recovery and future growth and development of the sector, including:
 - The development of a statement of intent
 - Responding to the review of Destination Management Organisations
 - Prepare for a future sector vision and possible Action Zone.
- Develop a framework for North East LEP action to address inclusion and inequality in the region.
- 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.

LEP public policy actions

- Continue to brief the LEP Board on future policy priorities.
- Further develop the approach to public policy set down in March 2021 following the outcome of LEP review process.
- Complete stakeholder mapping exercise and identify priority audiences for public policy messaging.

Co-ordinating corporate and regional strategy development

Work with the Board to agree a strategic approach to future regional economic strategy development including:

- Baseline and update the economic evidence base in preparation for an update of the North East Strategic Economic Plan and/or other strategic processes.
- Evaluate and implement the approach required at regional level to respond to Government's Plan for Growth.
- Prepare to support an Economic Review project in advance of any future devolution process.

Support and co-ordinate activities which support the immediate and longer-term economic response to COVID-19 including:

- Continuing publication of the evidence base.
- Support for the actions derived from the COVID-19 Economic Response Group and the Economic Response Plan.
- Evaluate, and support discussion about, the impact of the COVID-19 Response Group to support future regional resilience.

Support the alignment and development of strategic processes led by partners including the North East Transport Plan.

Governance

Activity	Key deliverables - between April 2021 and March 2022, we will:
<p>Continue to embed the LEP Review recommendations and develop a system of good governance:</p>	Update and agree the North East LEP Constitution at the May 2021 North East LEP Board.
	Hold a public Annual General Meeting.
	Update the Assurance Framework in January 2022.
	Establish an informal Chair and Sub Board Chairs' group to improve cross programme work and meet on a two monthly basis.
	Complete a review of the LEP's decision making process, provide a detailed briefing to the team and ensure the information is accessible for reference.
	Complete an annual review of the sub board membership and update Terms of Reference.
	Encourage engagement with LEP corporate documents - increase downloads of the North East Strategic Economic Plan, Annual Review and Our Economy by 10%. Twitter followers are currently 12,376, LinkedIn followers stand at 3,889 and engagements over the year were 5,604. We will increase both followers and engagements by a further 15%.
<p>Continue the evaluation of the Strategic Economic Plan delivery:</p>	<p>Continue to work with Steer Economic Development consultants to deliver and finalise the interim external evaluation of the Strategic Economic Plan. During 2020/21 they will deliver the specific actions agreed as part of the programme for the year including:</p> <ul style="list-style-type: none"> • Delivering a strategic case study of the impact and strategic added value of the work of the COVID-19 Economic Response Group • Undertaking a targeted review of the Local Growth programme as it enters its closing phases • Carrying out the next phase of assessment and stakeholder consultations for the programmes of delivery and areas of strategic importance. • Examining the impact of cross-cutting activities of the North East LEP including communications and strategy and policy activities • Assessing the impact of new developments at national level, in particular the publication of the revised Green Book .
	Preparing and completing the final report of the three-year interim evaluation project. The final report will also make recommendations on the future evaluation framework in relation to the final evaluation of the SEP (2014 – 2024).
	Scoping out the framework and specification for the final evaluation of the Strategic Economic Plan to be contracted up to 2024.

North East

Local Enterprise Partnership



North East Local Enterprise Partnership

1 St James Gate, Newcastle upon Tyne, NE1 4AD | **Tel** 0191 561 5420 | **Email** info@nelep.co.uk |  [@northeastlep](https://twitter.com/northeastlep)



northeastlep.co.uk



North East
Growth Hub

northeastgrowthhub.co.uk



North East
Data Hub

northeastdatahub.co.uk



North East
Ambition

northeastambition.co.uk



27 May 2021

Item 5: Governance update

1.0 Background

1.1 This report provides an update to the Board on the governance matters noted below:

- North East LEP Constitution
- Scheme of Delegation
- Board and sub-board membership

2.0 North East LEP Constitution

2.1 The Constitution is available to read [here](#) and no changes are to be noted this year. The North East LEP Board agreed the previous changes to the Constitution at the Annual General Meeting (AGM) in May 2020.

2.2 The Constitution will remain available on the North East LEP website.

3.0 Scheme of Delegation

3.1 A draft Scheme of Delegation was approved at the AGM in May 2020, subject to any modifications required through ongoing consultation with the accountable body.

3.2 The Scheme of Delegation has now been updated and approved through discussions with the North of Tyne Combined Authority and is attached as Appendix A for information. There are no substantive changes to one approved by the Board last year.

4.0 Board and sub-board membership

4.1 In accordance with the Constitution we have requested the below LEP Board nominations from each of the North East Combined Authority (NECA) and the North of Tyne Combined Authority (NTCA):

- Three LEP Board members
- A Vice Chair from the three nominated members
- One Board observer

4.2 We have also asked for the following nominations for the sub-boards:

- One Investment Board member
- One Business Growth Board member
- One Innovation Board member
- One Skills Advisory Panel member

4.3 The nominations will be confirmed by the Combined Authorities ahead of the LEP Board in July 2021 and each Combined Authority will notify us after the NTCA Cabinet and NECA Leadership Board in June.

4.4 The current LEP Board membership is noted in the table below for reference:

Lucy Winskell	Chair
Heidi Mottram	Vice Chair
Cllr Tracy Dixon	Vice Chair, NTCA representative 1 of 3
Mayor Norma Redfearn	Vice Chair, NECA representative: 1 of 3
Carole Botten	One VCSE representative and also the Board's diversity champion
Ammar Mirza* Andrew Moffat Gillian Hall Erika Leadbeater John McCabe Mark Thompson Kate Whickham	Private sector representatives, including the Chair. *Note Ammar Mirza is the Board's SME Champion.
Ellen Thinnesen Professor Chris Day	One higher education representative and one representative of further education colleges (together the 'education members');
Cllr Henig Cllr Gannon Cllr Miller**	North East Combined Authority members and one observer**
Cllr Forbes Mayor Driscoll Cllr Sanderson**	North of Tyne Combined Authority members and one observer**

4.5 During the remainder of 2021 we will review the overall membership of the LEP Board, sub-boards and Steering Groups in accordance with the good governance principles outlined in the Constitution and following the 2021 LEP Review.

5.0 Recommendation

5.1 The Board is recommended to:

- (i) Note the Scheme of Delegation as detailed in Appendix A.
- (ii) Note that the public sector nominations for the LEP Board and sub-boards will be confirmed prior to the next LEP Board in July.
- (iii) Note the plan to review the membership of the LEP Board, sub-boards and Steering Groups in line with the Constitution and good governance during 2021/22.

6.0 Appendices

6.1 Appendix A – Scheme of Delegation

Item 5 appendix A - North East Local Enterprise Partnership

Scheme of delegation (Approved North East LEP Board 28 May 2020) – NTCA revision

March 2021

Type of Decision	LEP Decision-maker	Escalated authority if LEP Decision-maker is conflicted	Is a further decision on behalf of NTCA required?
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Part 1 - Operational decisions

A. General Management and Leadership

A1. Day to day and routine management, supervision and control of services including staff management	North East LEP Chief Executive	North East LEP Chair	No (providing that any action is within the scope of delegations to a Designated Officer under the NTCA scheme of delegations).
A2. Taking any operational action required as a matter of urgency in the interests of the North East LEP	North East LEP Chief Executive	North East LEP Chair	As above.
A3. To control and co-ordinate press and media relations on behalf of the North East LEP, organise press conferences, publicity and public relations including the approval and issue of all North East LEP publicity and official publications	North East LEP Chief Executive	North East LEP Chair	No
A4. Minor changes and corrections to the North East LEP Constitution and all associated documents	North East LEP Chief Executive in consultation with the NTCA Monitoring Officer	North East LEP Chair	No
A5. Substantive changes to the North East LEP Constitution and all associated documents	North East LEP Board	Not applicable	NTCA Head of Paid Service
A6. Letters of support /intent, not intended to create a legally binding obligation.	North East LEP Director	North East LEP Chief Executive	No



B. Staffing and payroll

B1. Authority to fill the North East LEP Chief Executive vacancy	North East LEP Board	Not applicable	NTCA Head of Paid Service
B2. Authority to fill an existing vacancy within the establishment	North East LEP Chief Executive	NTCA Head of Paid Service	No
B3. Adding or removing a post from the staffing establishment	North East LEP Chief Executive	NTCA Head of Paid Service	Not required provided that the creation of a position at (or regrading to) JNC level or above shall be subject to approval by the NTCA Head of Paid Service and Chief Finance Officer
B4. Approval of a job description	North East LEP Chief Executive	NTCA Head of Paid Service	As above
B5. Approval of grading (evaluation having been conducted by NTCA HR)	North East LEP Chief Executive	NTCA Head of Paid Service	As above
B6. Payroll instructions (adding, removing or altering)	North East LEP Chief Executive	NTCA Head of Paid Service	No
B7. Authorisation of expenses (mileage etc.)	North East LEP Director in accordance with Expenses Policy	North East LEP Chief Executive	No
B8. Authorisation of domestic travel within budget	North East LEP Director in accordance with Expenses Policy	North East LEP Chief Executive	No
B9. Authorisation of international travel within budget	North East LEP Chief Executive	NTCA Head of Paid Service	No
B10. Authorisations of travel and/or expenses otherwise than in accordance with the Travel and Expenses Policy	North East LEP Chief Executive	NTCA Head of Paid Service	No

C. Policies and procedures

C1. Policies and procedures having an impact on North East LEP operations	North East LEP Chief Executive	Chair of the North East LEP Board in consultation with the NTCA Head of Paid Service	No
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D. Transparency and release of information

D1. Designation of matters as "white" (open) or "pink" (closed/confidential) on any board or Committee agenda	North East LEP Chief Executive	NTCA Monitoring Officer	No
D2. Proactive publication of information on North East LEP controlled websites (including issuing press releases)	North East LEP Chief Executive	NTCA Head of Paid Service	No
D3. Circulation of public and closed/confidential papers following any North East LEP Board or sub -Board meeting	North East LEP Chief Executive	NTCA Monitoring Officer	No
D4. Provision of documents for the Press in addition to North East LEP Board, sub -Board or committee reports	North East LEP Chief Executive	NTCA Monitoring Officer	No

D5. Preparation of written summaries of North East LEP Board or sub -Board proceedings	North East LEP Chief Executive	NTCA Monitoring Officer	No
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Part 2: Procurements and Contracts

Procurement (general purchasing of goods, services or works)			
E1. Authority to commence procurement process - Below £10,000	Programme Manager provided the budget is available within the North East LEP Director's allocated budget	North East LEP Director or North East LEP Chief Executive	No
E2. Authority to commence procurement process – Between £10,000 and £50,000	North East LEP Director in consultation with the North East LEP Chief Executive	North East LEP Chief Executive	No
E3. Authority to commence procurement process – Between £50,000 and £189,330	North East LEP Chief Executive	NTCA Head of Paid Service	No
E4 Authority to commence procurement process – Between £189,330,000 and £500,000	North East LEP Chief Executive in consultation with NTCA Head of Paid Service - (LEP CX is acting as an authorised officer exercising NTCA HoPS delegated authority)	NTCA Head of Paid Service	No
E5 Authority to commence procurement process – above £500,000	North East LEP Board	Not applicable	NTCA Head of Paid Service
[Conduct and oversight of a procurement process Once the commencement of procurement has been authorised, a North East LEP Director or the North East LEP Chief Executive will oversee it in accordance with procurement rules of NTCA with the support of the Constituent Authority which has been designated as the Lead for these purposes under the relevant SLA]	Not applicable	Not applicable	No
E6 Award of contract (appointment of supplier) up to £10,000	North East LEP Director provided the budget is available within the Director's allocated budget	North East LEP Chief Executive	No
E7 Award of contract (appointment of supplier) between £10,000 and £50,000	North East LEP Director in consultation with the North East LEP Chief Executive	North East LEP Chief Executive	No
E8 Award of contract (appointment of supplier) between £50,000 and £189,330	North East LEP Chief Executive	NTCA Head of Paid Service	No



E9 Award of contract (appointment of supplier) between £189,330 and £500,000	North East LEP Chief Executive in consultation with NTCA Head of Paid Service	NTCA Head of Paid Service	No
E10 Award of contract (appointment of supplier) over £500,000	North East LEP Board	Not applicable	NTCA Head of Paid Service
E11 Authority to sign contracts up to £50,000	North East LEP Chief Executive	NTCA Head of Paid Service	No
E12 Authority to sign contracts above £50,000	Not applicable	Not applicable	NTCA Monitoring Officer
Contract management related to contracts of goods and services			
E13 Authorising contract extensions and variations to contracts up to: a) a value of £30,000 on contracts up to £500,000 in value; and b) a value of £75,000 on contracts above £500,000 in value	North East LEP Chief Executive	NTCA Head of Paid Service	No
E14 Authorising contract extensions and variations above the levels in E13	North East LEP Chief Executive in consultation with the NTCA Head of Paid Service, Monitoring Officer and Chief Finance Officer (LEP CX is acting as an authorised officer exercising NTCA HoPS delegated authority)	NTCA Head of Paid Service	No
Ancillary agreements			
F1 -Authority to enter into operational and ancillary agreements to support the delivery of organisational activities and approved projects, for example (including and not limited to): <ul style="list-style-type: none"> - Confidentiality agreements - Service Level Agreements with Public Sector Partners - Data-sharing arrangements - Agreements for lease - Asset transfer agreements - Transfer or sale agreements - Memoranda of Understanding - Collaboration agreements 	North East LEP Chief Executive in consultation with the NTCA Monitoring Officer responsible for sign off	NTCA Head of Paid Service	No

Part 3 – Finance and Investment

Sale of asset (other than land)			
G1 To authorise the disposal of surplus or obsolete equipment up to a limit of £25,000) in value (as certified by the NTCA CFO to the person submitting the highest quotation	North East LEP Chief Executive	NTCA Head of Paid Service	No
Applications for and receipt of funding from external bodies			
H1 Submission of an expression of interest to external body	North East LEP Chief Executive	NTCA Head of Paid Service	No
H2 Submission of bid or proposal to external body	North East LEP Chief Executive	NTCA Head of Paid Service	No
H3 Accepting offer of funding from external body	North East LEP Chief Executive in consultation with NTCA Chief Finance Officer	NTCA Head of Paid Service	No
H4 Approval and submission of grant claims to any funder (including UK Government or European Community)	NTCA Chief Finance Officer on the advice of the North East LEP Chief Executive	NTCA Head of Paid Service	Not applicable
Grants and loan bids – from the North East LEP			
I1 To agree process and priorities for future North East LEP funding e.g. LGF 'project calls', NEIF, EZ and UKSPF etc funding programmes	North East LEP Chief Executive	North East LEP Board	No
I2 To accept project funding proposals for development or appraisal	North East LEP Programme Manager	North East LEP Chief Executive	No
I3 To approve grant or loan funding where the value of the grant or loan is less than £100,000	North East LEP Chief Executive	NTCA Head of Paid Service	No
I4 To approve grant or loan funding With a value between £100,000 and £250,000 for revenue projects or between £100,000 to £1M for capital projects	North East LEP Chief Executive on the recommendation of the Investment board/ LEP Board	North East LEP Investment Board	No
I5 To approve grant or loan funding	North East LEP Investment Board	North East LEP Board	No



– with a value between £250,000 and £5M for revenue projects or between £1M and £5M for capital projects Please note this is a key decision so entry in NTCA forward plan required at appraisal stage			
I6 To approve grant or loan funding – with a value above £5M Please note this is a key decision so entry in NTCA forward plan required at appraisal stage	North East LEP Board	Not applicable	No
I7 Authority to enter into and sign (subject to NTCA Financial Regulations) a grant offer or funding agreement within an approved budget up to £100,000	North East LEP Chief Executive	NTCA Head of Paid Service	no
I8 Authority to enter into and sign (subject to NTCA Financial Regulations) a loan offer or agreement within an approved budget up to £100,000	North East LEP Chief Executive	NTCA Head of Paid Service	no
I9 Authority to enter into and sign (subject to NTCA Financial regulations) a grant offer or funding agreement within an approved budget above £100,000	Not applicable	Not applicable	NTCA Head of Paid Service and Monitoring Office for sign off
I10 Authority to enter into and sign (subject to NTCA Financial regulations) a loan offer or agreement within an approved budget above £100,000	Not applicable	Not applicable	NTCA Head of Paid Service and Monitoring Office for sign off
I11 To approve or reject claims for payments made under a grant (or loan) offer or agreement including any appeal against a refusal of payment	North East LEP Chief Executive (delegation to North East LEP Directors when appropriate)	no	no
I12 To approve a variation of conditions attached to grant or loan funding where there is no material impact on the approved project or its outcomes, including (but not limited to) variations to: <ul style="list-style-type: none"> - Outputs and/or milestones (including their phasing) - Funding draw-down dates or repayment profile - Key performance indicators (KPIs) - Reduce the amount of funding provided 	North East LEP Chief Executive upon advice from Programme Manager. Programme Managers to use their discretion on the timing of the escalation of variations that may be considered material over the lifespan of a project or are considered contentious, to the TOG. TOG, with representation from Chief Finance Officer, North East LEP Chief Executive and Monitoring Officer to determine whether variations are such that they need to proceed to LEP Board or agreed and minuted at TOG.	North East LEP Board where a major variation to contract is referred from the TOG	no unless a Deed of Variation is required
I13 To approve the use of contingency budgets in projects (where the contingency is identified in the relevant grant funding agreement and in accordance with any grant conditions relating to the use of those budgets)	North East LEP Chief Executive - Programme Manager where use of contingency does not materially change the project. Programme Managers to use their discretion on the escalation of contingency requests that may be	North East LEP Board where contingency requests are considered to be major, on the recommendation of Investment Board	no

	considered material or are considered contentious, to the TOG for recommendation. TOG, with representation from Section 73 Officer, Chief Executive and Monitoring Officer to determine whether variations are such that they need to proceed to LEP Board.		
114 To commence clawback proceedings or suspending payment of a grant or loan	North East LEP Chief Executive in consultation with the NTCA Monitoring Officer	no	no

North East LEP Officers with delegated authority:

Chief Executive

Directors:

- Business Growth Director
- Skills Director
- Innovation Director
- Head of Communications
- Director of Strategy and Policy



27th May 2021

ITEM 6: Financial Outturn 2020/21; Update on 2021/22 Budget; and Illustrations for 2022/23 and 2023/24

1. Introduction

- 1.1 The purpose of this report is to provide an update to the Board on the final outturn revenue budget position for 2020/21, including the performance of the Enterprise Zone account, Local Growth Fund, the new Getting Building Fund and the North-East Investment Fund. A small revenue surplus of £0.010m was generated on the LEP's core revenue budget, compared with a surplus of £0.011m projected in the revised estimate for the year reported to the Board in January 2021. The outline was in line with what was projected with the LEP's General Reserve remaining at £0.613m.
- 1.2 This report also provides the Board with an update on the current financial year budget (2021/22), taking into account the outturn position for 2020/21 and provides an illustration for the following two financial years 2022/23 and 2023/24. This is in line with previous requests from the Board for a medium-term view of the North East LEP's revenue budget. The illustration for 2022/23 and 2023/24 reflects significant uncertainty around Government funding streams and presents only a core level of activity for that year. The budgets for these financial years will be updated as further announcements of additional funding streams are received. The 2021 LEP Review report will also be taken into account and incorporated into future years.

2. LEP 2020/21 Revenue Budget Outturn

- 2.1 The LEP core budget covers LEP operational activity and also management of the Local Growth Fund (LGF), Getting Building Fund (GBF), North East Investment Fund (NEIF) and Enterprise Zone (EZ) programmes. Table 1 provides; the original approved budget, revised forecast reported to the Board in January 2021 and the actual spend for the year, with further details explaining significant variations provided below.
- 2.2 The original North East LEP Board approved budget for 2020/21 (approved May 2020) comprised gross expenditure of £5.368m and gross income of £5.211m, therefore projecting a drawdown requirement from the LEP general reserve of £0.103m. The update to the Board in January revised the 2020/21 forecast expenditure to £7.097m and income to £7.108m, providing a forecast increase to reserves of £0.011m.
- 2.3 Actual total revenue expenditure in 2020/21 amounted to £6.345m, which is £0.752m lower than the January forecast. The actual income also saw a reduction of £0.752m, from £7.107m to £6.355m. Overall the LEP recorded a £0.010m surplus for the financial year, the same level as reported in January.

Table 1: North East LEP 2020/21 Outturn

	2020/21 TOTALS				
	Revised Budget 2020/21 (May 20)	Revised Budget 2020/21 adjusted (Jan 2021)	2020/21 Outturn	Carry Forwards to 2021/22	Under/ (Over) Spend
	£'000	£'000	£'000	£'000	£'000
Employees	3,104,000	3,240,000	2,980,793	288,058	41,172
Premises	190,000	207,000	213,086	0	(6,086)
Communications	250,000	250,000	260,534	0	(10,534)
Transport LGF Monitoring	20,000	26,000	24,726	0	1,274
Growth Hub Operational Costs (L6019)	74,000	74,000	72,535	0	1,465
Invite (Horizon 2020) Operational Costs	60,000	72,000	72,042	0	(42)
Innovation Challenge - Covid	0	464,000	150,506	313,495	0
Other Operational Costs	600,000	636,000	365,133	70,023	200,844
North East Ambition Operational Costs (ESF)	165,000	144,000	132,022	0	11,978
North East Ambition Operational Costs (LGF)	0	0	302,077	0	(302,077)
Growth Hub Covid-19 & Cluster Management	290,000	309,000	280,798	0	28,202
Peer Networks	0	510,000	253,032	0	256,968
Covid Intelligence	0	40,000	44,975	0	(4,975)
LGF High Potential Operational	189,000	164,000	147,771	0	16,229
EU Transition Advisory Resource & Business Engagement	0	0	89,227	0	(89,227)
Brexit Policy Work Programme (Strategy & Policy)	109,000	73,000	41,265	31,735	0
Mine Energy White Paper	0	45,000	44,875	0	125
Energy LGF	23,000	23,000	23,000	0	0
Feasibility Study (AHSN + LGF)	0	33,000	33,090	0	(90)
Skills Other Operational Costs (EY)(L6040)	109,000	135,500	12,024	85,840	37,636
CEC operational (L6030)	0	65,255	65,255	255,979	(255,979)
CITE Primary (L6045)	0	69,745	49,551	20,193	1
DfE	0	52,000	13,806	38,194	0
DfE One Vision	0	41,500	57,067	144,549	(160,116)
Inward Investment Contribution	140,000	140,000	140,000	0	0
EZ NEIF Costs	0	0	125,636	0	(125,636)
LGF Project Management	45,000	78,000	173,335	0	(95,335)
Getting Building Fund Project Management	0	205,000	176,748	0	28,252
GROSS EXPENDITURE	5,368,000	7,097,000	6,344,910	1,248,065	(425,953)
LEP Core & Strategy Grant from DCLG	(500,000)	(500,000)	(500,000)	(70,023)	0
GBF Capacity Funding	(100,000)	(100,000)	(100,000)	0	0
Local Authority Match Contributions	(250,000)	(250,000)	(250,000)	0	0
CORE FUNDING	(750,000)	(850,000)	(850,000)	(70,023)	0
Local Growth Fund (programme mgmt costs)	(768,000)	(747,000)	(769,291)	0	22,291
Getting Building Fund	0	(357,000)	(296,201)	0	(60,799)
Interest Generated on Funds	(140,000)	(140,000)	(191,163)	0	51,163
Growth Hub	(410,000)	(410,000)	(410,000)	0	0
Growth Hub Covid-19	(290,000)	(370,000)	(248,211)	0	(41,789)
Growth Hub Cluster Management	(80,000)	0	(64,203)	0	(15,797)
Peer Networks	0	(510,000)	(273,032)	0	(236,968)
Enterprise Adviser grant - CEC	(239,000)	(279,000)	(302,277)	(34,354)	57,631
Enterprise Adviser grant - CEC (Non-salary)	0	(254,756)	(65,255)	(255,979)	66,478
CITE Primary	0	(69,744)	(49,551)	(20,193)	0
Invite (Horizon 20/20)	(74,000)	(74,000)	(85,547)	0	11,547
Innovation Challenge Covid	0	(464,000)	(150,506)	(313,495)	0
Innovation Development funding (LGF)	0	(79,000)	(79,000)	0	0
ERDF + Digital Catapult	(80,000)	(36,000)	(30,435)	(5,565)	0
Academic Health Science Network (AHSN)	0	(44,500)	(40,193)	(7,307)	3,000
NEIF Contribution to cover activity costs	(124,000)	(124,000)	(173,144)	0	49,144
EZ Contribution to cover activity costs	(139,000)	(139,000)	(168,619)	0	29,619
Education Challenge	(144,000)	(144,000)	(29,217)	(115,056)	273
European Social Fund North East Ambition	(618,000)	(547,000)	(725,778)	0	178,778
LGF match North East Ambition (ESF project)	(389,000)	(314,000)	(302,378)	0	(11,622)
EY Foundation	(139,000)	(165,500)	(12,024)	(85,840)	(67,636)
DfE	(12,000)	(87,000)	(25,412)	(61,588)	0
LA Contributions re ESIF Co-ordinator	(20,000)	(20,000)	(17,735)	0	(2,265)
LGF High Potential	(237,000)	(211,000)	(189,256)	0	(21,744)
EU Transition Advisory Resource	0	0	(25,304)	0	25,304
EU Transition Business Engagement	0	0	(83,704)	0	83,704
Brexit Policy Work Programme	(146,000)	(146,000)	(98,521)	(53,285)	5,806
Energy Strategy BEIS / TVCA, RCEF, OREC	(25,000)	(25,000)	(11,659)	(80,832)	67,491
DFE - One Vision	(11,000)	0	(129,696)	(144,549)	274,245
Contribution Pension - NTCA	(140,000)	(147,000)	(128,799)	0	(18,201)
Other Income	(10,000)	(23,000)	(43,643)	0	20,643
EXTERNAL FUNDING	(4,461,000)	(6,257,500)	(5,505,387)	(1,178,042)	425,930
GROSS INCOME	(5,211,000)	(7,107,500)	(6,355,387)	(1,248,065)	425,930
NET BUDGET	157,000	(10,500)	(10,477)	0	(23)
BROUGHT FORWARD BALANCE	(603,000)	(603,000)	(603,000)		
Use or (Contribution) LEP Reserves	103,000	(10,500)	(10,477)		
EZ Contribution	54,000				
CARRY FORWARD BALANCE	(500,000)	(613,500)	(613,477)		

2.4 Expenditure

Expenditure of £6.345m was £0.977m higher than the original budget for the year, this was mainly due to the additional activities that the LEP undertook during year such as the supplemental Growth Hub activity in relation to Covid-19, Cluster Management and Peer Network. Additional LGF activity on the Innovation Challenge Covid-19 and operational activity across Skills programmes. The main areas of expenditure variation since the last update to the Board are noted below.

2.5 Employee Costs

Employee expenditure totalled £2.981m, which is £0.259m lower than forecast. This underspend is due to savings arising from vacant posts held at various points throughout the year and a saving on allowances due to the impact of the pandemic ceasing any travel for work purposes.

2.6 Premises

This expenditure has increased slightly (£0.006m) above the budget due to additional cleaning requirements to ensure any staff requiring to enter the office during the lockdown period were able to do so in as safe an environment as possible.

2.7 Communications

The Communications expenditure for the year was £0.260m, offset by an income stream of £0.013m for work carried out on behalf of the Invest North East and the Growth Hub Team.

2.8 Transport LGF Monitoring and Evaluation

The recharge from the regional transport team for LGF transport project support was £0.025m. This reflects the majority of LGF transport schemes having progressed through appraisal and requiring less support.

2.9 Growth Hub Operational Costs

Non-salary costs in delivery of the Growth Hub initiatives increased during the year following an additional grant award from BEIS to provide EU exit readiness advice (£0.089m) and supplemental funding in relation to Covid-19 and Cluster Management (£0.280m). The increase in operational spend was matched by the increase in grant of (£0.109m) and (£0.312m) respectively which also funded a small proportion of salary expenditure.

2.10 Other Operating Costs

Expenditure on operational activity across the various funding streams totalled £2.890m, with additional commitments against the budget of £1.248m to carry forward into 2021/22 to continue delivery in relation to grant funded activity. Key areas of operational spend include expenditure in relation to the new GBF and costs associated with NEIF and EZ support/appraisal activity including work carried out on the Freeport bid. In addition to new funding streams associated with Covid-19 including the supplemental Growth Hub and Peer Networks funding. All of this activity was funded by external income sources or fund drawdowns.

2.11 Income

The 2020/21 outturn position reflected gross income of £6.355m with an additional £1.248m carried forward to 2021/22 to continue delivery. The high level of funding carried over to 2021/22 reflects the impact of Covid-19 on delivery, with the actual gross income outturn position reduced by £0.753m against the revised budget. Although actual income received including the carry forward commitments exceeded the revised budget by £0.495m. There is an increasing number of core and specific income streams (over 32) that fund the activity of the LEP these are summarised in Table 1 above. The main variations since the last update to the Board are detailed below.

2.12 Local Growth Fund (LGF) and Getting Building Fund (GBF) Programme Management Costs

The drawdown from LGF and GBF to support programme management activity was £0.769m and £0.296m respectively which collectively is slightly lower than forecast (£0.039m). The project management costs include a contribution towards a new project management system being implemented by North of Tyne Combined Authority which the North East LEP will benefit from in future years in relation to the streamlining of grant claim and monitoring processes.

2.13 Local Growth Fund and Getting Building Fund Interest

The annual LGF and GBF grant allocations paid by government in full at the beginning of the financial year attracts sizable interest sums which in 2020/21 was used to fund the Invest North East England (INEE) team. The £0.190m interest generated is a further increase of £0.051m on the Revised Estimate due to an improved cash flow position.

2.14 Growth Hub

As noted at section 2.9 the original annual £0.410m Growth Hub allocation was increased by £0.370m supplementary funding in relation to Covid-19 and cluster management and by £0.109m EU Transition Readiness grant. In addition to this £0.510m Peer Network grant funding was received later in the year, activity and income was in line with the revised estimate for the year.

2.15 North East Ambition – Europeans Social Fund (ESF) and LGF

Grant funding in respect of North East Ambition programme was £1.028m, £0.167m higher than the revised budget. The utilisation of the skills-based funding sources into this project have been drawn down in year to maximise external grant.

2.16 Careers Enterprise Company (CEC)

£0.367m of grant funding was applied in 2020/21, with £0.290m carried forward for delivery into 2021/22, this was £0.124m greater than the revised estimate.

2.18 North East Investment Fund (NEIF) & Enterprise Zone (EZ) Contribution

As previously agreed by the Board, activity relating to the delivery and management of the EZ and NEIF initiatives is funded via a drawdown from the respective Enterprise Zone Business Rates account and NEIF Repayments' reserve. The drawdown from the EZ reserve to fund costs in 2020/21 amounted

to £0.168m and NEIF repayments reserve charge for 2020/21 was £0.173m. The increase in the NEIF drawdown links to CPIF fund development and appraisal activity carried out in the final quarter and officer time involved in developing the Freeport bid within a tight timescale. The increase in the income to fund EZ activity reflected additional activity to update income projections for future years and legal and finance work needed to complete EZ funding agreements.

2.19 DfE One Vision Grant

DfE One Vision Grant of £0.274m was received in year, with £0.144m being carried into 2021/22 for continuation of delivery.

3. North East LEP Revenue Balances

3.1 Table 2 below shows the North East LEP revenue balance as at 31st March 2021. The reserve has increased by £0.010m over the year to £0.613m.

Table 2 – Revenue Balances

Budget Area	Opening Balance £000	Movement in 2020/21 £000	Closing Balance £000
LEP Reserve	603	10	613

4. North East Enterprise Zones

4.1 Round 1 Enterprise Zones are located across four local authority areas: Newcastle, North Tyneside, Northumberland and Sunderland. Business rates growth generated on these designated sites accrues to the benefit of the North East LEP for a 25-year period, 2020/21 was the eighth year of the Round 1 zones' life.

4.2 In April 2017 these were joined by a further ten sites across, Durham, Gateshead, Newcastle, Northumberland, South Tyneside and Sunderland with the International Advanced Manufacturing Park (IAMP) site launched on the 1st April 2018 to complete the coverage. With the exception of the IAMP, it is the fourth year of the round 2 sites life. Ramparts (Northumberland) and Follingsby North (Gateshead) have generated Business Rates Growth Income during 2020/21, as the result of occupation on parts of the sites requiring no capital investment to enable occupation to occur.

4.3 Table 3a below provides a summary of the Enterprise Zone account over the last three years and a summary of the position for 2020/21 compared with a budget reported in January 2021. Business Rate Income for 2020/21 and interest amounted to £2.614m and was higher than the budget of £2.4m reported in May 2020. Income was slightly lower than the revised estimate reported in January 2021 of £2.719m mainly because new buildings on the Airport site and the IAMP site had not been issued with rateable values during

the year. The income from these two buildings estimated for the time that they were open in 2020/21 is estimated at c £0.34m and should be received in 2021/22. The income figure for North Tyneside* is an estimate, which will be confirmed shortly. Expenditure was also below the budget, which resulted in an increased surplus for the year of £0.645m and a cumulative surplus of £3.692m.

Table 3a – Enterprise Zone Account

	Actual 2017/18 £000	Actual 2018/19 £000	Actual 2019/20 £000	Budget 2020/21 £000	Actual 2020/21 £000	Variance £000
Business Rates Income						
<u>Round 1</u>						
- Newcastle – North Bank	437	501	508	483	537	54
- North Tyneside – Swans	160	194	160	138	180*	42
- Northumberland- Blyth sites	321	334	308	309	334	25
- Sunderland – A19 Corridor	708	750	752	754	628	-126
<u>Round 2</u>						
- Durham - Jade				46	51	5
- Gateshead - Follingsby			242	217	255	38
- Northumberland- Ramparts		40	40	38	34	-4
- Sunderland & South Tyneside - IAMP				667	581	-86
Total Rates Income	1,626	1,819	2010	2,704	2,600	-104
Interest	11	25	20	15	14	-1
Grant income	30					
Total Income	1,667	1,844	2030	2,719	2,614	-105
Expenditure						
-NEIF/LGF Loan repayments	1,302	1,238	1,438	651	651	0
-Other Financing Costs (including interest)	0	235	258	1,450	1,154	-296
-Invest North East contribution	148	71	66	170	65	-105
-Operating Costs	112	100	128	150	99	-51
Total Costs	1,562	1,644	1,890	2,421	1,969	-452
Annual Surplus	105	200	140	298	645	347
Cumulative Surplus	2,707	2,907	3,047	3,345	3,692	347

4.4 Enterprise Zone Account 2021/22 – 2023/24 Estimates

A major refresh of the estimates of income, costs and surplus has just been concluded and is the subject of a separate report on the agenda. Headline figures for the next three years are shown below alongside the 2020/21 outturn. There is a notable increase in income from 2022/23 as a large building on the Follingsby EZ site become operational.

Enterprise Zone Account 2020/21 – 2022/23 Estimates

Information about estimated Business Rate Income is being collected from councils with a view to an update report being presented to the Investment Board and the LEP Board in July. The estimates for 2020/21 to 2022/23 that were provided in July 2019 are summarised below alongside the Actual for 2019/20. These estimates will be updated at a future meeting.

Table 3b Enterprise Zone Account 2020/21 – 2023/24

	Actual 2020/21 £m	Estimate 2021/22 £m	Estimate 2022/23 £m	Estimate 2023/24 £m
Business Rates Income	2.6	3.1	6.9	8.4
Expenditure				
-Capital Financing Costs	1.8	2.2	3.3	5.6
-Revenue Costs	0.2	0.2	0.2	0.2
Annual Surplus	0.6	0.6	3.4	2.6
Cumulative Surplus (before use)	3.7	4.3	7.7	10.3
-Provision to support LEP costs		-0.5	-0.5	-0.5
-New Project Development Funding		-1.3	-2.0	
- Performance Incentive Reward				-0.9
Residual Balance	3.7	2.5	3.4	3.6

- 4.5 There is uncertainty about future rates income which should be addressed once the Government Review of Business Rates is concluded in Autumn 2021. The table shows a provision to support annual LEP costs of £0.5m a year, although this report indicates that this may not be needed in full over the next two years but should be carried over to future years to manage budget risk. It also shows a new proposal to allocate funds to help develop new projects on the strategic project pipeline to help them be more 'shovel ready'. A Performance Incentive Reward payment is also shown from 2023/24 in recognition of the significant over achievement of income from the Follingsby EZ site.
- 4.6 Options for the use of this potential EZ surplus over the medium term will be explored in more detail over the next six months or so and will be reported back to the LEP Board alongside the outcome of the Government's Review of Business Rates.

5. Local Growth Fund and North-East Investment Fund

- 5.1 The LGF programme delivered over £19.0m of activity during 2020/21 across the SEP themes making full use of all LGF grant available for the year and cumulatively. This is very good performance and further details are explained in more detail in the separate report on the LGF Programme.
- 5.2 The NEIF initial £55m allocation was made up of £25m Growing Places and £30m Regional Growth Funding. The Regional Growth Funding project had originally tighter restrictions on the use of the funding, however, the North East LEP has worked with MHCLG on closing the original RGF programme and releasing this funding to be used to support the Commercial Property Development Fund (CPIF). The NEIF supports a number of projects through loans which are now making repayments, recycling the funding available for reinvestment in new projects and other opportunities.

- 5.3 An advance of £0.500m was allocated from the NEIF to the Crowdfunder Project to provide support to micro businesses who had been affected by the Pandemic. A further short-term loan advance from the NEIF of up to £0.500m to North East Businesses Services Ltd (NBSL) to assist in cashflow pending payment of European Grant funding on one of their key programmes
- 5.4 A commitment of up to £1.208m approved for the North-East Mining Institute in 2019/20 with £0.786m paid out in 2020/21. The funding for the Mining Institute is to support the restoration and refurbishment of the Mining Institute and the regeneration of its importance as a regional focus for the economic and social development of the North East Region as the Common Room of the Great North. The aim is to achieve this through engagement with the business community providing education and enrichment for young people, promoting skills and development for the region's workforce, and engaging the public with the rich heritage of the building.
- 5.4 Notable loan repayments during the year activity included full repayment of both loans to CUOS Ltd for Stellium Data Centre (Cobalt); In April we received a substantial repayment of £0.350m in respect of the Loan to the Durham Cricket Club, with the final outstanding balance of £0.095m being repaid later in the year. Durham University commenced the quarterly repayments of its loan in accordance with the repayment schedule following an approved 5-year repayment holiday.
- 5.5 The investment into the Integra 61 scheme will support with the site infrastructure costs to unlock a 204-acre strategic employment and housing site near Bowburn, County Durham, leading to the creation of over 3,600 jobs (and over 1000 construction jobs) and over £160m of follow-on investment on site.
- 5.6 At the year-end some £20.3m is available to support new projects. This is envisaged to be used to fund Inward Investment Activity and to support the proposals for a new Commercial Property Investment Fund, which has been developed during the year and is expected to be presented for approval later this year.
- 5.7 As part of the response to the COVID-19 outbreak, action has been taken to protect the NEIF as it currently stands, by temporarily suspending receipt of new individual project proposals for business growth based upon the existing investment criteria at this time. With markets particularly unpredictable, limits the ability to complete accurate due diligence on project proposals for business development loans. The availability of NEIF based upon existing investment criteria will cease until the review of NEIF operations is completed to determine more appropriate criteria for new economic conditions post COVID.
- 5.8 In addition, to support projects within the programme, opportunity is available to suspend loan repayment within an agreed time frame in line with Government loan deferral schemes. This is being made available upon request and may be extended for a further period on a case by case basis. This has been exercised in relation to the Boiler Shop who have now re-commenced their regular repayments and the World Wheel Company.

6 LEP Revenue Budget 2021/22 to 2023/24

- 6.1 The budget position for 2021/22 was reported to the North of Tyne Combined Authority (NTCA) as the accountable body for the North East LEP on 26 January 2021, and the North East LEP Board on 28 January 2021. The proposed budget was approved by both Boards with no issues identified. This report includes the latest information about the 2021/22 budget taking account of the outturn for 2020/21 and will be reported to the North of Tyne Combined Authority (NTCA) Cabinet on 8 June 2021, as accountable body for the North East LEP.
- 6.2 Table 4 provides a summary of the three-year revenue budget for the North East LEP showing financial years 2021/22, 2022/23 and 2023/24. The explanatory notes from sections 7 to 8 provide further information.
- 6.3 Over the three years, if no additional income is identified the costs are estimated to exceed the available grant and core contributions income by up to £0.142m in 2021/22; £0.523m in 2022/23 and £0.875m in 2023/24. This deficit is funded from the assumed surplus on the EZ account in 2021/22 (contribution of £0.142m), 2022/23 (contribution of £0.522m) and 2023/24 (contribution of £0.835m) using the balance of EZ funding not fully utilised in 2021/22 to support the 2023/24 budget, with an expectation of savings or additional income generation of £0.040m on the LEP Budget in 2023/24 to fund the balance. Funding support from the EZ account has previously been agreed by the Board. This enables the potential risk of not securing additional income to be managed.
- 6.4 In November 2014, the Board agreed that Enterprise Zone Business Rates Growth Income (EZ BRGI) surplus of up to £0.500m per annum could be utilised to support the revenue budget if required. To date there has not been a requirement to use this facility and therefore in effect saving £2.500m of potential spend from the EZ account. However, due to the anticipated drop in funding and core funding potentially remaining fixed at the same level, coupled with the increased salary costs due to pay increment commitments it is anticipated that £0.522m will be required from the EZ BRGI in 2022/23 and a further £0.835m (as explained in 6.3 above) in 2023/24 to maintain a LEP Reserve balance of £0.500m at 31st March 2024.
- 6.5 There are active funding bids which if successful will provide additional income and reduce the potential drawdown against the EZ account in both years, which has been the case in preceding years and has to date been a successful approach.
- 6.6 The LEP manages the uncertainty of funding by using fixed term staffing contracts and by being able to reduce other operating costs to reflect the available funding streams; and by the availability of reserves and other funds which it can draw on to support activity, such as the use of the agreed EZ contingency contribution, which is illustrated in table 3 above. The opportunity to draw on the EZ reserve, if necessary, helps compensate for the uncertainty of other income streams. In recent years, this contingency has not been called upon as other income streams have been confirmed or new income streams have been identified.

Table 4: North East LEP Revenue Budget and Three-Year Forecast

	2021/22	2021/22 Base	2022/23 Base	2023/24
	Indicative Budget (Jan 2021)	Budget	Budget	Base Budget
	£'000	£'000	£'000	£'000
Employees	3,533,000	3,740,626	3,556,692	2,698,234
Premises	207,000	225,180	207,000	207,000
Communications	250,000	250,000	250,000	200,000
Growth Hub Operational Costs	60,000	249,762	183,665	183,665
Innovation Challenge Covid	0	313,495	0	0
Other Operational Costs	600,000	670,023	600,000	500,000
North East Ambition Operational (ESF) 1	192,000	144,000	0	0
North East Ambition Operational (ESF) 2	0	192,463	175,285	81,836
Growth Hub Cluster Management	222,000	85,387	0	0
Peer Networks	0	160,000	160,000	160,000
Made Smarter	0	217,007	217,007	217,007
LGF High Potential Operational	99,000	0	0	0
Brexit Policy Work Programme	0	84,521	54,497	0
Trade and Export Strategy	0	46,000	0	0
Local Authority Delivery (LAD 2)	0	7,680	0	0
Energy Research Projects	0	37,500	0	0
Energy Academy	0	40,000	0	0
Skills Operational CEC, EY CITE	10,000	713,946	168,788	9,847
Inward Investment Contribution	140,000	140,000	0	0
EZ NEIF Costs	0	404,558	94,584	94,584
LGF Project Management	55,000	51,000	22,000	27,000
Getting Building Fund Project Management	94,000	132,962	61,382	25,382
GROSS EXPENDITURE	5,462,000	7,906,109	5,750,901	4,404,555
LEP Core & Strategy Grant from DCLG	(500,000)	(500,000)	(500,000)	(500,000)
LEP/GBF Capacity Funding	0	0	0	0
Local Authority Match Contributions	(250,000)	(250,000)	(250,000)	(250,000)
CORE FUNDING	(750,000)	(750,000)	(750,000)	(750,000)
Local Growth Fund (Programme Mgmt)	(447,000)	(453,500)	(240,000)	(157,800)
Getting Building Fund (Programme Mgmt)	(298,000)	(319,596)	(195,604)	(35,382)
Interest Generated on Funds	(140,000)	(140,000)	(110,000)	(70,000)
Growth Hub	(780,000)	(780,000)	(700,000)	(700,000)
Growth Hub Cluster Management		(85,387)	0	0
Peer Networks	(100,000)	(410,000)	(410,000)	(410,000)
Enterprise Adviser grant - CEC	(279,000)	(616,692)	(248,546)	0
Innovation Challenge Covid	0	(313,495)	0	0
ERDF + Digital Catapult		(41,565)	(36,000)	0
Academic Health Science Network (AHSN)	(76,000)	(47,307)	(40,000)	(40,000)
NEIF Contribution to cover activity costs	(110,000)	(418,000)	(110,000)	(110,000)
EZ Contribution to cover activity costs	(110,000)	(96,000)	(87,000)	(89,000)
Education Challenge	0	(115,056)	0	0
North East Ambition (ESF)	(1,310,000)	(1,377,739)	(1,144,517)	(505,123)
LGF match North East Ambition (ESF project)	(43,000)	0	0	0
EY Foundation		(85,840)	0	0
DfE	(121,000)	(136,588)	(75,000)	(75,000)
LA Contributions re ESIF Co-ordinator	(20,000)	(20,000)	0	0
LGF High Potential	(148,000)	(40,708)	0	0
Brexit Policy Work Programme	0	(144,185)	(90,900)	0
Trade and Export - World Wide Chamber	0	(46,000)	-	0
Made Smarter	0	(288,000)	(288,000)	(288,000)
Energy Accelerator	0	(142,500)	(142,500)	0
Energy Strategy BEIS/TVCA, RCEF, OREC Misc.	(189,000)	(191,832)	(169,708)	(77,368)
Energy Research Projects	0	(37,500)	0	0
Energy Academy	0	(40,000)	0	0
Local Authority Delivery (LAD 2)	0	(7,680)	0	0
DFE - One Vision	0	(350,549)	(130,500)	0
Contribution Pension - NTCA	(156,000)	(168,060)	(160,051)	(121,421)
Other Income	(100,000)	(100,000)	(100,000)	(100,000)
EXTERNAL FUNDING	(4,427,000)	(7,013,779)	(4,478,327)	(2,779,094)
GROSS INCOME	(5,177,000)	(7,763,779)	(5,228,327)	(3,529,094)
NET BUDGET	285,000	142,330	522,574	875,462
Increase in LEP Reserve/(Contribution from Reserve)	(113,000)			
EZ Reserve (Contribution)	(172,000)	(142,330)	(522,575)	(835,095)
LEP savings/LEP income				(40,367)
B/F LEP RESERVE	(613,000)	(613,477)	(613,477)	(613,477)
C/F LEP RESERVE	(500,000)	(613,477)	(613,477)	(613,477)

7. Adjustments to 2021/22 Original Budget

- 7.1 The overall budget for 2021/22 presented to the Board in January 2021, indicated a £5.462m gross expenditure budget, funded by a range of Government grant income sources; a £0.250m core contribution from the seven local authorities; other secured contributions and interest on revenue balances.
- 7.2 The latest 2021/22 Budget position is showing £7.906m of gross expenditure. The increase in gross expenditure is due to carry forward grant funding from 2020/21, approx. £1.248m; new funding streams for Made Smarter (£0.288m); North East Ambition second tranche (£1.378m) skills funding across varying funding streams (£0.817m) and Growth Hub supplemental funding all of which will require additional capacity to deliver.
- 7.3 The employee cost budget has risen from £3.533m to £3.741m. This includes a 5.2% superannuation cost, which is fully funded by an income contribution from NTCA, as part of the guaranteed funding for pension costs set out in the accountable body agreement. The key contributor to the increase in employee expenditure was the extension of key funding streams, such as Growth Hub Supplemental and ESF, providing additional capacity in the Skills Team and Business Growth Team.
- 7.4 There has been an increase in EZ and NEIF operational costs primarily in relation to set-up delivery costs associated with the launch of the new Commercial Property Investment Fund (CPIF).
- 7.5 Gross Income has increased to £7.763m from £5.177m (£2.608m), £1.200m of this is in relation to specific funding streams carried forward from 2020/21 due to the pandemic hampering activity during 2020/21. Additional funds have been secured in relation to Made Smarter (£0.288m) and the Energy Acceleration Programme (£0.142m). NEIF funding is £0.300m higher than in the January budget due to work on the CPIF.
- 7.6 The gross income figure includes the contribution from NTCA (£0.168m) to fully recover the cost of the superannuation in year.
- 7.7 The LGF and BGF programme management charge has increased slightly (£0.028m) from the revised budget position.
- 7.8 While the latest budget projection for 2021/22 is indicating a call on the Enterprise Zone surplus of £0.142m, this has reduced from £0.285m reflected in the January budget position and this position should reduce further as funding assumptions are firmed up. The intention will be to manage costs and income to try to avoid using reserves at the year end.

8. Budget illustrations in Future Years

- 8.1 Indicative budget figures are also shown in Table 4 for the financial years 2022/23 and 2023/24.

8.2 Employees

The employee expenditure budget shows a reduction in 2022/23 of £0.184m due to key funding streams only confirmed for part way through 2022/23 and some funding ceasing entirely. The new stream of ESF North East Ambition funding and additional Growth Hub funding has reduced the impact of this. If further additional funding is secured, there is the potential for continued activity and therefore higher employee costs are likely.

The NECA pension fund enabled the LEP to benefit from a 0% employer superannuation contribution rate which provided a significant budget saving. The change in accountable body status to NTCA, has meant an employer superannuation contribution rate of 5.2% is now applicable, however, in order to maintain the saving benefit to the LEP the NTCA are providing a contribution at the same level to achieve a net budget impact.

A staff turnover allowance of 3% has been factored into the employee budget for all three financial years, which is considered prudent given experience in recent years.

8.3 Premises

The LEP have negotiated a 5-year lease with a 3-year break clause within St James Gate. The accommodation costs are fixed until the break in 2022. Despite minimal use of the office accommodation during the pandemic the office charge still remains at the same level.

8.4 Communications

The proposed Communications budget for 2021/22 onwards represents a continuation of the budget agreed by the Board at its meeting in March 2017 in 2021/22, and 2022/23 with a slight reduction of (£0.050m) in 2023/24 in reflection of the lower staff and activity levels. Key aspects of the budget include development of the communications' activity related to delivering the SEP and Covid – 19 recovery plus the continuation of essential PR & Media support.

8.5 Growth Hub Operational Costs

The continuation of £0.780m Growth Hub funding in 2021/22 has been confirmed and there are informal indications that it will continue in future years.

8.6 Other Operating Costs

The operational budget for 2021/22 is consistent with previous years at £0.600m. There is an additional £0.070m in respect of unspent operational budget in 2020/21. This covers core activities plus an operational budget to deliver the SEP programmes. The budgets for 2022/23 and 2023/24 have been reduced slightly to reflect that some projects will have completed.

8.7 Inward Investment Contribution

The agreed allocation of £0.140m per annum is included in the budget for 2021/22. This is dependent on the continuation of match funding provided by the seven local authorities. This has previously been funded from interest on the capital funds' account. Options to continue this level of investment to INEE post 2021/22 will need to be considered in light of the overall LEP budget.

8.8 **Income**

8.9 **LEP Core Funding & Strategy Grant**

Funding of £0.500m is expected to continue over the medium term although it is only confirmed by Government in the Spring of the calendar year to which it relates. The Local Authority Match Contribution requirement of £0.250m will be provided in equal 1/7th shares by the 7 Local Authorities that are members of the North East LEP for 2021/22. It is considered on an annual basis and is expected to continue.

8.10 **Local Growth Fund (LGF)**

As previously agreed by the Board, a 2.5% top-slice of the Local Growth Fund allocation is available to support the delivery of the programme, primarily LEP team staffing costs. Although the LGF programme officially ends in March 2021, by using funding SWAPs, revenue funds will be available in 2021/22 and 2022/23 to support extended activity. As the programme reaches conclusion there has also been a reduction in qualifying expenditure which explains the decrease between years. The drawdown of the balance of the top-slice budget is profiled to be made as follows:

<u>Table 5</u>	2021/22	2022/23	2023/24
	£'000	£'000	£'000
LGF Programme Management	453	240	157

8.11 **Local Growth Fund Interest**

As the annual LGF grant allocation is normally paid by Government in full at the beginning of the financial year, the cash balances held are able to attract interest (£190k in 2020/21). An estimate for each financial year is included within the budget, based on an assumption of the timing of LGF expenditure. The level of interest generated naturally reduces in line with the reducing LGF and BGF grant receipts in future years and also depends on the rate of interest that can be earned on fund balances. We will continue to seek to maximise the level of interest earned on cash flow balances and will update the estimate when the budget is reviewed during the year. It is unlikely that the continuation of c £140k of interest can be earned revenue balances in 2022/23 onwards and therefore the income budget has been reduced to £0.110m and £0.070m in 2022/23 and 2023/24 respectively.

8.12 **Growth Hub Grant**

The continuation of the Growth Hub grant funding has been confirmed for 2021/22 at £0.700m. It is expected to continue at least at the same level for the ensuing two years although we await confirmation and exact details.

8.13 **Brexit Policy Work Programme**

An additional contribution of £0.090m from both the NTCA and NECA is anticipated to roll out further work in respect of the EU Exit activities and the associated work programme.

- 8.14 Careers Enterprise Company (CEC)
CEC funding of £0.248m has been secured until August 2022, by maximising ESF funding this will enable the careers work to continue to August 2022. The figures included in the budget represent the expected grant drawdown in each of the respective years.
- 8.15 Energy Strategy Grants
The Energy Strategy includes a number of funding streams in 2021/22 to cover salary costs of the Energy Team. These include Tees Valley Combined Authority (TVCA)/BEIS (£0.014m) and TVCA/RCEF (£0.013m), contributions from Northumberland County Council – Rural (£0.021m), North of Tyne Combined Authority – Offshore Wind study (£0.010m), LGF Energy contribution provides (£0.058m), BEIS Local Energy Fund of £0.034m and miscellaneous contributions totalling (£0.036m) including £0.010m OREC, ERDF £0.025m and energy funding of £0.001m from 2020/21.
- 8.16 ERDF, Digital Catapult and Academic Health Science Network (AHSN)
Approximately £0.042m of ERDF and Digital Capital funds remain at the beginning of 2021/22. AHSN have agreed to provide funding for a Health and Life Sciences lead officer going forward (£0.040m).
- 8.17 NEIF / EZ contributions
Relates to support in these areas to cover the cost of the two dedicated fund programme managers and specific project appraisal support.
- 8.18 European Social Fund and LGF North East Ambition match funding
The LEP was successful in securing the second tranche of North East Ambition funding (NEA 2) totalling £2.726m to the end of 2023/24, with approximately £0.300m of LGF North East Ambition 1 remaining at the beginning of 2021/22. The budgeted drawdown for 2021/22 to 2023/24 is reflected within the budget. DfE One Vision funding continues in 2021/22 totalling £0.481m stretching into September 2022.

9. Recommendations

- 9.1 The Board is requested to:
- i. Note the positive budget outturn position for 2020/21.
 - ii. Note the 2021/22 budget.
 - iii. Note the indicative 2022/23 and 2023/24 medium term budget illustrations for the North East LEP.
 - iv. Note the potential requirement to drawdown up to £0.500m from the Enterprise Zone account in financial year 2022/23 and the potential requirement to drawdown £0.821m in 2023/24 utilising unused Enterprise Zone reserve in 2021/22 in line with a previous LEP Board approval.

27 May 2021

Item 7: SEP Programme Delivery Update

1.0 Purpose of Report

- 1.1 This report provides a summary of the details given in the SEP Programme Delivery report, which is attached as *Appendix 1*.

2.0 Highlights and points to note since the last meeting

Business and Sector Growth

- During April and May we have recruited four new employees: three Growth Hub Connectors and one Business Support officer who joins our newly created triage team. We are also in the process of recruiting a further three Growth Hub Connectors.
- Provisional full-year Inward Investment success figures in the North East for 2020/21 are as follows: a total of 68 inward investment projects resulting in 2,935 jobs. Of these, 53 were FDI projects leading to 2,713 jobs, the rest were new UK companies locating in the North East
- Work commenced to deliver BEIS Made Smarter Adoption Programme, in partnership with Tees Valley Combined Authority, to support 100 businesses to adopt industrial digitisation technologies.

Innovation

- The Covid-19 Innovation Challenge pilot is in delivery phase, and engagement from the North East business community has been very good; of the 16 projects selected for initial funding, seven were awarded further funding to develop their solutions following a pitch session at the end of March 2021 which included panel members of the North East LEP Board.
- Bids for Community Renewal Fund to continue NE Open Innovation Challenge activity have been developed covering all areas of the North East LEP geography.
- An Expression of Interest call for priority projects to refresh the Innovation Pipeline was launched on 17 May 2021 and will close on 18 June 2021. The call is open to capital projects in excess of £5 million and revenue projects in excess of £250,000

Skills, employment, inclusion and progression

- The North East LEP is leading on a national dissemination project for T-levels, funded by the Gatsby Foundation, to better understand what works at a local project level for the effective planning and delivery of T-levels
- The Work Experience Framework has been tested with four schools, 750 students and 12 employers with very positive feedback. The feedback from the pilot has been used to make some modifications to resources and now all resources are freely accessible through the North East Ambition website.

Transport

- The North East Transport Plan was published March 2021. It includes a live programme of 243 schemes which equate to at least £6.8bn of regional transport investment - an amount which will grow over the Plan's lifetime.

- The 11-year Metro Asset Renewal investment milestone of £350m was achieved at 31st March 2021.

Investment and Infrastructure

- Both the LGF and GBF budget targets for 2020/21 financial year were met, with strong output performance reported by LGF and EZ with 2,800 and 200 jobs respectively reported for the year.
- The team hit the 100% spend target every year of the six year programme.
- An in-depth review with Local Authorities on the progress and financial forecasts for the Enterprise Zones has concluded with the outcome and recommendations discussed elsewhere on the Board agenda.

Strategy, Policy and Analysis

- Discussion has begun about the forward progress for the SEP update, planned for 2021 informed by the evaluation and taking into account wider policy changes.
- The development of UKSPF is likely to be affected by future developments of devolution policy and the economic response to Covid-19. A submission in response to consultation on Subsidy Control was submitted.

Communications

- A new look North East LEP website has been launched, with the number of visitors during the period up by 6.33%
- There continues to be growth in the number of followers across the LEP's social media (0.9% on Twitter and 5.4% on LinkedIn). The North East LEP remains the most followed LEP in the country on Twitter.
- The story with the most impressions on Twitter related to North East Ambition.

3.0 Recommendations

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

Appendix – North East Strategic Economic Plan Programme Delivery update, May 2021

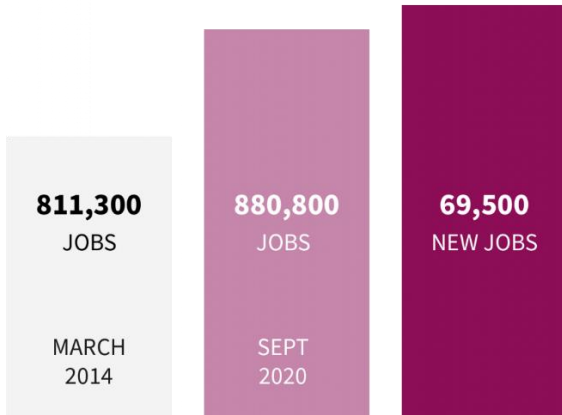
North East Strategic Economic Plan Programme Delivery update

May 2021



Target Increase jobs by **100,000** by 2024

Position at September 2020
69,500 increase



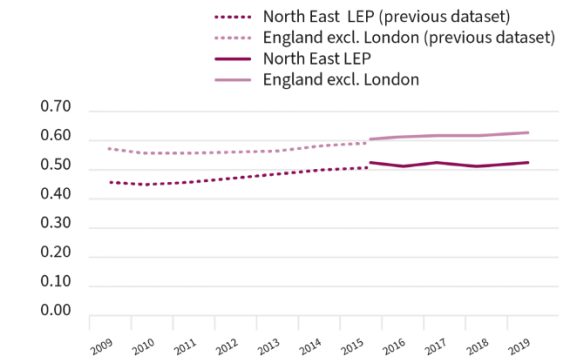
Target 70% of all jobs created from 2014 will be better jobs

Position at September 2020
113%



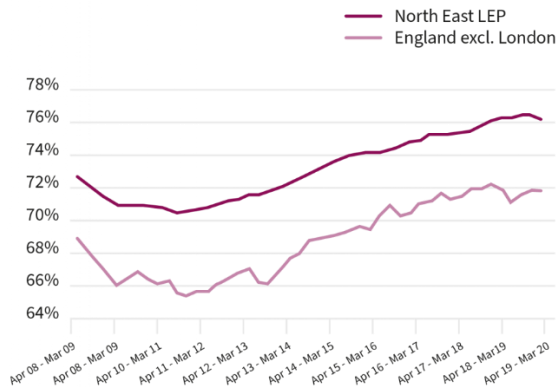
Target Reduce the gap in private sector employment density
Target 50% reduction in gap by 2024

Position at 2019: **14% increase** (compared to 2015)



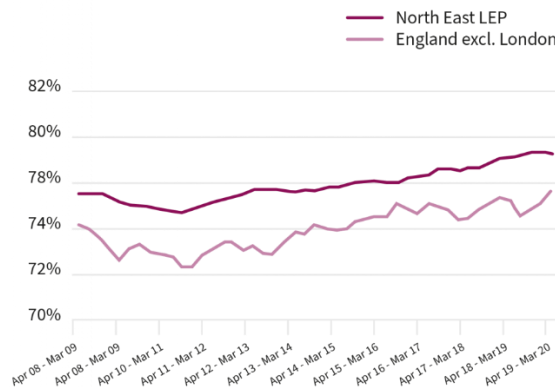
Target Close the gap in the employment rate for people aged 16-64
Target 100% reduction in gap by 2024

Position at September 2020:
21% reduction



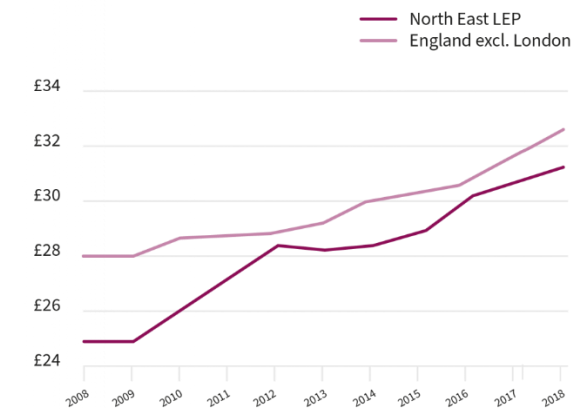
Target Reduce the gap in economic activity for people aged 16-64
Target 50% reduction in gap by 2024

Position at September 2020:
23% reduction



Target Reduce the gap in GVA per hour worked
Target 50% reduction in gap by 2024

Position at 2018: **19% increase**



Business and Sector Growth | Lead: Colin Bell

Ambition by 2024

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.

What we will deliver	Progress update and current position	Lead	Progress Status
Raise levels of business growth ambition			
<ul style="list-style-type: none"> · Research, develop and implement a strategy designed to increase businesses' ambition to start up, grow, scaleup and improve · Develop relationships with intermediaries to reach a larger proportion of the region's businesses, with a particular focus on improving awareness amongst under-represented groups, such as women, ethnic minorities, rural areas and social enterprises 	<ul style="list-style-type: none"> · Our awareness raising campaign has had a strong start to the year generating 1,660 light touch interventions. · In addition to our ongoing monthly digital marketing campaign, we have published a finance and funding toolkit and delivered additional marketing activity to encourage engagements with the toolkit. This has resulted in a rise in the average number of finance and funding referrals as well as engagement with the finance and funding content and downloads, which is encouraging. 	Colin Bell	G
Increase demand for external business support and finance			
<ul style="list-style-type: none"> · Provide access to business start-up support, finance and information through the North East Growth Hub online portal and the national Business Support Helpline · Provide one-to-one impartial brokerage to established businesses and high potential start-ups through our Growth Hub Connectors · Provide intensive account management and managed brokerage to businesses that are scaling up or have the potential to do so · Work with high quality private and public partners to ensure business support and finance are accessible to rural businesses, social enterprises and business leaders from different gender and ethnic groups 	<ul style="list-style-type: none"> · North East Growth Hub targets for 2021/22 are: medium intensity assists, 915 (8% achieved to date); high intensity assists, 540 (2% achieved to date); jobs created, 750 (4% achieved to date); better jobs created, 490 (2% achieved to date); client satisfaction, 95% (current rate is 100%) · A triage teams for the Growth Hub is now in place, with one further recruitment ongoing · During April and May we have recruited 4 new employees: 3 x Growth Hub Connectors and 1 x Business Support officer to join our triage team. We are in the process of recruiting a further 3x Growth Hub Connectors · Each Growth Hub Connector has been assigned sector responsibility, covering key and enabling sectors as well as those who were most greatly affected by Covid (Hospitality, Leisure and Retail). 	Colin Bell	G
Ensure the support of external business support and finance matches the needs of businesses and the economy			
<ul style="list-style-type: none"> · Review business support and finance provision to ensure that the region's ecosystem provides a ladder for business growth from start-up to scaleup and continuous improvement · Introduce a quality assurance system through the North East Growth Hub that assess the quality of support offered to businesses by external business support and finance providers · Work with private and public partners to design and develop a range of interventions to drive productivity improvement and the adoption of digital technology · Ensure peer mentoring and peer-to-peer leadership development is available to support businesses to scale and improve productivity · Work with partners to increase the density of high potential start-ups in the North East · Continue to develop the North East Growth Hub Business Support Provider Network to encourage collaboration and the sharing of good practice 	<ul style="list-style-type: none"> · Transition to a new business support landscape: a proposal on future landscape have been developed and shared with BEIS. Key staff involved in BEIS working groups to support the evolution of the business support landscape. Through role as Cluster Lead, Business Growth Director working strategically with BEIS to support development of new business support landscape. · Peer Networks: decision taken to deliver Peer Networks inhouse through Growth Hub Connectors. All Growth Hub Connectors have undertaken a 2 day Action Learning training programme, this will support the delivery of a more transformational approach to diagnosis and brokerage. Several supply chain (in Energy, Automotive and Pharma) Peer Networks will be delivered in partnership with TVCA. · Growth Hub Connector lead now in place with responsibility of developing the Growth Hub's mentoring programme (Mentoring for Growth). 	Colin Bell	G

What we will deliver	Progress update and current position	Lead	Progress Status
Improve the region's economic resilience			
<ul style="list-style-type: none"> Use the North East Growth Hub to distribute up-to-date information on business support and finance options available to support Brexit preparations Work with partners to develop programmes and solution designed to help businesses to diversify into new markets, supply chains and geographies, including through Supply Chain North East Work with partners to inform the business support and finance funding mechanisms that will replace the European Structural Investment Funds Work with partners to set up task forces, when appropriate, to prepare for, to mitigate the effects of and to deal with the fallout of economic shocks 	<ul style="list-style-type: none"> Peer Networks being established in partnership with key stakeholders (e.g. Business Improvement Districts) to support businesses in sectors most effected by Covid19. Intelligence gathering: triage team established to support targeted outbound surveying, lead generation and intelligence gathering activities. EU Exit: workshops planned in partnership with TVCA as part of North East Growth Hub Cluster. 	Colin Bell	G
Grow inward investment in the region			
<ul style="list-style-type: none"> Combined and local authorities, the LEP, the Department for International Trade and private sector will work together with a shared ambition of securing maximum inward investment into the North East Establish and follow a clear target driven, lead generation model that is focused on the SEPs areas of strategic importance and support service sectors Have a robust account management system, led by local authorities, to share knowledge and investment opportunities with key partners Develop and deliver an integrated marketing plan to raise the profile of the North East as a place to invest and locate 	<ul style="list-style-type: none"> Provisional full-year success figures in the North East for 2020/21 are as follows: a total of 68 inward investment projects resulting in 2,935 jobs. Of these, 53 were FDI projects leading to 2,713 jobs, the rest were new UK companies locating in the North East It has been a difficult year due to Covid-19, with a significant decrease in active inward investment project numbers and a very difficult environment in which to attract new investment. The new jobs figure was helped significantly by Amazon's investment in County Durham which led to 1,500 new jobs. INEE continues to deliver the DIT Key Account Management Programme (KAM) in partnership with local authorities. DIT has confirmed that it will provide funding for 21/22 at the same level. This will enable good quality account management of foreign owned firms for a further year. The Team continues to develop its pipeline through proactive lead generation and other activities including: servicing existing clients on the INEE project pipeline (one very significant investment expected shortly); reviewing and updating its marketing and communications strategy; developing its strategic approach to inward investment attraction in a post-COVID-19 world including developing a North East Northshoring Plan to attract new business service and digital projects; and working with partners on some very significant new projects in a variety of sectors which involve billions of pounds of investment and many thousands of new jobs 	Guy Currey	A
Sector Development			
<p>Energy for Growth</p> <ul style="list-style-type: none"> Maintain active regional governance and profile for energy Support the growth of an active Offshore Energy Cluster to promote growth working with TVCA & other partners Develop the NE Energy Catalyst partnership and its programme of work Accelerate delivery of regional energy initiatives, linked to the BEIS Local Energy programme Engage actively with wider governance and political structures to embed Energy for Growth strategy Integrate Energy for Growth and its priorities with wider LEP strategies and delivery programmes 	<ul style="list-style-type: none"> Energy for Growth accelerator is being operationalised, two programme managers appointed to accelerate regional energy projects working closely with Local Authorities. Paper setting out Energy masterplan & Local Area Energy Plan approach being taken to Economic Directors for comment and endorsement. North East schemes agreed within LAD2 domestic retrofit programme progressing to implementation, via the NEY Hub. Funding spotlight session held with partners to identify potential energy innovation project opportunities and consortia. Funding allocated to two SMEs within the final round of the Energy Innovation Challenge Programme, 10 total SMEs now funded. A follow-on programme is being designed. New web landing page developed, and other communications materials finalised. Participating in Energi Coast Offshore Wind Cluster future strategy task and finish group. LEP now participating in the NEAA EV North Group to coordinate support more closely into the sector. Study finalised setting out future low carbon heat sector opportunities for North East supply chain, to inform cluster and business support approach. 	Colin Bell	G
<p>Health and life science programme</p> <ul style="list-style-type: none"> Develop and update health and life sciences evidence base to inform the Economic growth strategy for Health and Life Sciences Develop and launch an Economic growth Strategy for the Health and Life Sciences sector in the North East Working with the Steering Group refresh and develop the project pipeline (based on evidence, and aims and objectives of the Strategic Economic Plan and Local Industrial Strategy Support the development of the North East Health and life sciences eco-system- and raise the profile With partners, develop and deliver a communications strategy to raise awareness, promote and develop the reputation of the NE Health and Life Sciences Sector Identify who we can work with/ other clusters with complementary assets and capabilities to the North East in order to maximise collaborative opportunities from which the region will benefit 	<ul style="list-style-type: none"> 'Made Smarter' adoption programme established to support Pharma Manufacturers to adopt Industrial Digitisation Technologies. Completed analysis of current and future skills needs of the medicines manufacturing sector and established a skills group to develop a response. Working with AHSN to develop a project to encourage and support spinouts from corporates and the NHS. Supply Chain North East supporting businesses to diversify into the H&LS sector Undertaking feasibility study exploring opportunities to develop air freight routes in partnership with Newcastle airport. Established health and life skills group to develop a skills framework to address current and future skills needs for the sector, through a collaboration between industry and education. Discussion between LEP and chair of health and life sciences steering group to discuss opportunities to establish innovation delivery partnerships, to attract inward investment to emerging markets in the sector. 7 business cases, funded through £300k LGF, for key projects continue to progress and are due to be published July. 	Colin Bell	G

What we will deliver	Progress update and current position	Lead	Progress Status
<p>Digital Programme</p> <ul style="list-style-type: none"> · Create a governance structure to oversee delivery of the work programme · Develop an agreed communications plan to promote NE Digital development · Develop and begin delivery of an active pipeline of projects under theme: data · Develop and begin delivery of an active pipeline of projects under theme: workforce · Develop and begin delivery of an active pipeline of projects under theme: digital collaboration and enterprise · Develop and begin delivery of an active pipeline of projects under theme: infrastructure and connectivity 	<ul style="list-style-type: none"> · Agreed, with the Digital Steering Group, to narrow strategic approach to focus on digital sector development (rather than wider digital agenda). · Worked with key sector organisations Sunderland Software City, Dynamo and Digital Union to develop North East Digital Ambition as the umbrella vision for the sectors development. · Established overarching strategic priorities to deliver NE Digital Ambition: <ul style="list-style-type: none"> oStrategic priority 1: Develop the skills system to support the digital talent pipeline oStrategic priority 2: Develop a more transformational business support landscape to better cater for the needs of digital businesses. oStrategic priority 3: Align the ecosystem to the achievement of the NE Digital Ambition oStrategic priority 4: Promote and grow the profile of the sector. · Working with the Digital Steering group and partners to review programme governance and to develop annual delivery plan outlining the actions required to deliver each strategic priority. 	Colin Bell	A
<p>Advanced Manufacturing</p> <ul style="list-style-type: none"> · Development of the Advanced Manufacturing sector strategy through: · Working with BEIS and TVCA to lead the development of a North East Made Smarter adoption programme which will support 100 manufacturers to adopt Industrial Digitisation technologies. · Following the successful mobilisation of Made Smarter we will establish an Advanced Manufacturing steering group · The steering group will then work with the LEP to create an Advanced Manufacturing Sector plan/strategy. 	<ul style="list-style-type: none"> · Made Smarter: Programme Manager, Advanced Manufacturing has been appointed. · Work commenced to deliver BEIS Made Smarter Adoption Programme, in partnership with TVCA, to support 100 businesses to adopt industrial digitisation technologies. · Made Smarter will work with key cluster organisations in Energy (NOF), Automotive (NEAA) and Process Industries/Pharma (NEPIC), to target businesses in these priority sectors. · Scoping work started for the development of a North East Advanced Manufacturing Strategy (strategy development scheduled to start September/October 2021). 	Colin Bell	G

Innovation | Lead: Alan Welby

Ambition by 2024

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.

What we will deliver	Progress update and current position	Lead	Progress Status
Stimulate new business opportunities through the North East Open Innovation Challenge			
<ul style="list-style-type: none"> Stimulate new business opportunities through the North East Open Innovation Challenge Support the alignment and communication of open innovation and challenge events and programmes to create critical mass and deepen engagement with regional businesses in events Support best practice for open innovation events 	<ul style="list-style-type: none"> The Covid-19 Innovation Challenge pilot has now ended and evaluation is underway to assess the impact of the pilot, and learning will be taken forward into future NE Open Innovation Challenge activity. Bids have been submitted to North of Tyne CA, Durham, Gateshead and Sunderland Councils to secure Community Renewal Fund (CRF) funding to enable further NE Open Innovation Challenges. Work continues to develop materials to support region-wide engagement in future OI challenge activities. Success in CRF funding bids will enable further development of the OI challenge presence and brand to engage regional business. https://challenge.northeastgrowthhub.co.uk 	Alan Welby	G
Prioritise a regional pipeline of projects to form a Strategic Investment Programme			
<ul style="list-style-type: none"> Develop a prioritised list of regional, large scale pipeline projects Align with activities undertaken by our Combined Authorities Focus on large-scale collaborative projects that have the capacity to have significant impact for the regional economy and create jobs The North East LEP's Innovation Board will play a challenge and support role, holding regional partners to account for progress in developing the evidence base and business plans, securing funding and delivering pipeline projects Develop a programme to address identified place-based gaps to supporting business growth Coordinate an approach to securing funds for pipeline projects, including from the National Productivity Investment Fund (NPIF) and Grand Challenges 	<ul style="list-style-type: none"> A new Eol call for priority projects to refresh the Innovation Pipeline was launched on 17 May 2021 and will close on 18 June. The call is open to capital projects in excess of £5 million and revenue projects in excess of £250,000. We are preparing a review of Innovation Board membership and terms of reference which will ensure continuing alignment of innovation activity through appropriate representation from both combined authorities. Alignment will be maintained between the Innovation Pipeline through the new call and the Regional Strategic Pipeline to ensure focus remains on innovation projects of scale and strategic importance. Innovation Board will support the selection of new Innovation Pipeline projects identified through the Eol process, and formally endorse the refreshed pipeline at the September Innovation Board. On behalf of the North East LEP, Durham University has progressed the Place-based research and will report back before next Board meeting. We are developing a methodology to work with partners to create a coordinated pathway document which responds to the developing Innovation Strategy and will enable the positioning of the North East in readiness for future funding announcements. 	Alan Welby	G
Support our businesses to capitalise on local research and innovation capability			
<ul style="list-style-type: none"> Strengthen collaboration between businesses and innovation assets such as universities, catapults and national centres of excellence Enhance the co-ordination between businesses, sectors and innovation assets Support our innovation assets to successfully secure national funding to run regional programmes Work with service delivery partners such as the NHS and local authorities to take-up and roll-out new delivery approaches 	<ul style="list-style-type: none"> Ongoing activity continues with focus on the NE Covid 19 Challenge programme. Two business are now engaged in the intrapreneurship activity as part of the High Potential Start-ups programme. We continue to coordinate sector activity through the priority projects, the Innovation Delivery Partnerships (detailed elsewhere) and the Economic Markets Foresight Analysis project. IC3 (the International Centre for Connected Construction) is still awaiting the outcome of a Strength in Places Fund bid. Supporting Thomas Swan innovation centre Consett. Applications to the new UK Community Renewal Fund for a £1.5m LEP-wide Challenge North East programme have been submitted to lead authorities. We anticipate a decision on whether the bids pass the stage 1 assessment for submission to MHCLG on or around 18 June. 	Alan Welby	G
Increase private sector investment into growing innovation businesses			
<ul style="list-style-type: none"> Support VentureFest and FinanceCamp Develop new approaches to lever private funding from outside the region Develop an open innovation challenge to drive increased collaborative investment Work with universities to continue to grow spin-out success, including through Northern Accelerator 	<ul style="list-style-type: none"> The innovation team supported VentureFest on 17 March 2021. Finance Task and Finish Group Action plan complete and work now being taken forward by the North East LEP Investment Team. Alan Welby continues to lobby government for an extension to the Northern Accelerator programme and the team continues to support the development of Venture North. REAP activity has been integrated within applications to the UK Community Renewal Fund. These are a joint Newcastle/Northumbria University bid and a Durham University bid. 	Alan Welby	A

What we will deliver	Progress update and current position	Lead	Progress Status
Engage partners to identify and drive business growth through an Innovation Sectors and Competencies Programme			
<ul style="list-style-type: none"> Identify and prioritise regional innovation sectors and competencies, including assessing where these align with the Industrial Strategy and North East Local Industrial Strategy Put robust governance in place to identify priority areas Ensure buy-in and engagement with private sector Develop a portfolio of projects and programmes Identify leads and capacity to drive activity Improve alignment of innovation activities to skills and business growth programmes 	<ul style="list-style-type: none"> Good progress is being made to co-create the IDP approach with the 11 pilot IDPs. This includes developing and undertaking an innovation ecosystem 'state of play' assessment process. A series of 6 workshops has been arranged with IDP participants between June and August for the next phase of the pilot programme, the co-development of a benchmark framework with defined benchmarks for each of the six innovation ecosystem components. In the meantime, facilitation expertise is being provided to four IDPs to develop governance and operational structures. The IDP framework is the core of applications to the UK Community Renewal Fund for a 'Future Markets Acceleration Programme'. Working collaboratively, three consultancies have been contracted to undertake the Emerging Markets work. The kick-off meeting took place on 17 May. As reported previously, the Government's Open Innovation Team will increase capacity to the project, peer reviewing interim findings with international and national market and sector experts. Collaboration with IDP core partners has continued and IDPs are testing the innovation ecosystem 'State of Play' self-assessment tool. The focus for activity since last board meeting has been to work intensively with seven of the IDPs and the proposed Design Support Alliance on the submission of applications to the UK Community Renewal Fund for a £1.4m value 'Future Markets Acceleration Programme' that will take forward the IDP concept and deliver bespoke interventions to business beneficiaries to increase innovation activity and investment in R&D in relation to specific niche markets. As reported elsewhere, we are refreshing the priority projects process and launched a call for expressions of interest for new innovation projects in mid May, deadline mid-June. Projects will inform the regional strategic project pipeline. 	Alan Welby	G
Coordinate regional partners to provide enhanced innovation support activity			
<ul style="list-style-type: none"> Supporting the delivery of a programme of innovation support for regional businesses Ensure activity is aligned through successful partnership brokered by the Innovation SuperNetwork Support businesses to increase their investment in RDI Strengthen our links with national and international hubs and networks to generate commercial returns for local businesses 	<ul style="list-style-type: none"> As reported elsewhere, the Expression of Interest for innovation projects went live 14 May. This includes the call for revenue projects that could initiate proposals for innovation business support to be developed for future UK Shared Prosperity Fund. Partners are encouraged to collaborate on project development. As reported elsewhere, applications for a regional open innovation challenge programme have been submitted to the UK Community Renewal Fund. The innovation team continues to work closely with the SuperNetwork to deliver the Open Innovation Challenge and participates in the SuperNetwork Partner Group. The recent focus of activity has been on UK Community Renewal Fund bid preparation for the 'Challenge North East' programme. We hosted a roundtable discussion of senior leaders in the finance space with BEIS to inform the emerging national Innovation Strategy. Money (securing investment) is one of the focus areas in the ecosystem approach being developed through the pilot IDP process. The Investment Team is taking forward responsibility for delivering the finance action plan prepared by the finance task and finish group. Alan Welby continues to chair the Northern Powerhouse innovation leads meetings. Weekly meetings take place with the Northern Powerhouse lead chair on northern approaches to innovation. The innovation action plan for NP11 has been refreshed. 	Alan Welby	G

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

Ambition by 2024

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.

What we will deliver	Progress update and current position	Lead	Progress Status
1. Deliver North East Ambition			
<ul style="list-style-type: none"> - Develop a primary school benchmark pilot that could influence the national careers strategy - Adoption of the Gatsby Good Careers Benchmarks by all secondary schools and colleges - Secure and deliver a £3.4million North East Ambition programme that ensures our education system provides young people with the skills to meet the long-term needs of the North East economy 	<ul style="list-style-type: none"> - The evaluation report of the North East Ambition ESF pilot has now been finalised. The report, completed by Little Lion Research, assessed the project against the ESF targets, outlines the impact on our education partners and businesses and highlights how the Skills Team adapted to the restrictions of Covid to ensure schools and colleges were continued to be supported. The evaluation has identified 10 recommendations that are now being taken forward through the extended North East Ambition ESF programme. The evaluation report will be presented at the next North East Ambition Advisory Group meeting. - We have delivered presentations to four of the different local authority Headteacher groups, with invitations out to the remaining groups. The presentations have provided an overview of the broader LEP work; an LMI update; a reminder regarding the statutory elements of the DfE's careers strategy and the support North East Ambition can offer individual schools and career leaders. - The North East Ambition website has recently had some development work in order to create specific sections for each of the different groups and education establishments we work with. This includes primary, secondary, SEND and FE. This allows us to more effectively target content at specific audiences, and track engagement. We have also developed a section for businesses interested in engaging with education. - We have created a three-tier approach to support the design and delivery of T-levels in the LEP area: establishing a Stakeholder group comprising of national representatives responsible for T-levels; a Provider group involving all early T-level adopters as well as colleges interested in delivering T-levels in the future; and Route network groups focused upon collaboration to support meeting teaching workforce development needs and industrial placement targets. There are now 3 route networks in train with meetings taken place to progress Health & Life Sciences, Construction and Digital. The North East LEP is also leading on a national dissemination project for T-levels, funded by the Gatsby Foundation, to better understand what works at a local project level for the effective planning and delivery of T-levels. In addition, a further three Industry Insight sessions have been delivered, focussing on Life Sciences, Health (non-medical roles) and Digital. These were delivered in partnership with EV North, NHS and Dynamo; were very well attended and received very positive feedback. 	Michelle Rainbow	G
2. Deliver Education Challenge			
<ul style="list-style-type: none"> - Partner with the Department for Education and others to consider the allocation of the £24 million Opportunity North East funding to improve prospects for young people in the North East. Boost social mobility and raise aspirations for children - Expand delivery of the Next Generation learning pilot focussing on school leadership, high quality CPD, rich employer engagement, early preparation for next stage, a focus on wider skills, a focus on student well-being and teaching and learning through applied learning, project based learning and oracy skills 	<ul style="list-style-type: none"> -Opportunity North East continues delivery in line with the project delivery plan. All 16 schools are currently engaged in Cycle 3 of careers interviews which are followed by 1:1 meetings with each school to discuss progress and forward plan. Young people have engaged in a range of activity in response to Cycle 2 data including employer sessions, business breakfasts and pathways information sessions. Cycle 3 has a focus on students who have not yet formed a post-16 plan and do not have an identified career aspiration as this cohort are potentially higher risk of NEET. The data from the project has been of interest to a range of organisation and we are currently in discussion with Inspiring the Future and National Citizen Service to work in partnership through Year 2 SEND. - Partnership work with Ford Next Generation Learning continues and the recently joined FE college has hosted a second Visioning session with the majority of stakeholders continuing to support the process. Delegates who attended the Virtual Academies of Nashville Study visit shared their experiences with the wider stakeholder group and reflections were extremely positive from both college staff and external partners. The next session will identify and prioritise the focus of working groups. - The Work Experience Framework has been tested with four schools, 750 students and 12 employers with very positive feedback. The feedback from the pilot has been used to make some modifications to resources and now all resources are freely accessible through the North East Ambition website. The 360 Workplace Tours have been well received and further tours are in development to cover Engineering and Health and Social Care workplaces. 	Michelle Rainbow	G

What we will deliver	Progress update and current position	Lead	Progress Status
3. Improve skills progression			
<ul style="list-style-type: none"> Develop a list of the region's assets within FE, HE and other providers to inform future investment provision Promote the North East as a potential location to pilot a system to help individuals recognise and record their transferable skills Work with the Apprenticeship Growth Partnership and other partners to increase the number of apprenticeships available at all levels within growth and labour-intensive sectors Support partners to implement good quality T-levels and specialist technical education to widen choices for young people Secure funding to deliver a university pilot project focussing on careers and opportunities 	<ul style="list-style-type: none"> No significant updates since the last board meeting. The LEP and other partners are scoping the pilot programme for transferable or fusion skills. The pilot will be influenced by the findings in the Taylor Review. A proposition for a pilot was included in the draft local industrial strategy. The Skills Advisory Panel has identified the impact on Covid-19 on apprenticeship delivery as a priority. This is now part of an overall ask around Jobs Recovery in the regional Economic Response to C-19 A LEP proposal to hold a series of targeted events to promote T-levels placements was approved by ESFA, and a series of events is underway with employers and with educational organisations to promote 	Michelle Rainbow	G
4. Increase youth employment			
<ul style="list-style-type: none"> Continue to deliver Generation North East and the model to prevent youth unemployment Provide specialist intensive support for those most distant from the labour market because of disadvantage, poverty, poor physical and mental health Grow the number of apprenticeships by developing access courses Ensure young people are able to develop their digital skills. This required digital skills to be built into school, FE and HE courses, exploring new models of delivery including working to secure an Institute of Technology in the region and ensuring that support for young people not in education, employment or training includes digital skills training 	<ul style="list-style-type: none"> Generation North East ESF ended in March 2021 and the following update was circulated to partners: 'Thank You' for your support over this last 7 years. Since 2014, the youth programme has provided tailored employment support to over 6,500 individuals aged 18 to 29 years, with over 2,500 of those young people moving into employment or self-employment. To do this we have worked with numerous employers, partners, and agencies to deliver a truly collaborative approach. You may remember Mark Stamper; Newcastle City Council led the implementation and the development of this innovative programme with funding from the Cabinet Office. The initiative was an early example of devolution and aimed to reduce youth unemployment and work in collaboration with local partners, to make a key impact for our young people. At the time, our delivery partners: Durham County Council, Newcastle Futures, Gateshead Council, North Tyneside Council, Northumberland County Council, South Tyneside Council and Together for Children (Sunderland) worked to develop an inclusive and innovative offer. Part of that innovation led to the introduction of new digital services which at the time (pre-COVID-19) was yet to be tested at scale. The success of the programme led the partners to extend using ESF and we were happy to introduce the Princes Trust as a new partner over this last 3 years. While Generation NE programme may be ending the task of combatting youth unemployment has not, it is still as important as ever and partners are making sure that other provision is available. 	Michelle Rainbow	G
5. Improve labour market activation			
<ul style="list-style-type: none"> Continue to develop holistic package of support for people facing health barriers to employment, building on successful projects such as Mental Health Trailblazer and Working Links, showcasing the benefits of collaboration Ensure support is in place for those that have moved from unemployment or inactivity into work to help them progress and acquire further skills Increase take up of Better Health at Work Awards and similar schemes to employers, to share employment and human resource best practice 	<ul style="list-style-type: none"> No significant updates since the last board meeting. Across the North East LEP area 16,756 customers have been supported with 6,532 customers securing employment or successfully completed accredited learning – conversion rates at 39.4% (learning outcomes 4,356; employment outcomes 2,151, job progression outcomes 25) The North East LEP is developing a partnership project with Durham University to develop a series of case studies looking at good work. The proposal has been approved for funding and first inception meeting are underway. 	Michelle Rainbow	A
6. Ensure connected communities			
<ul style="list-style-type: none"> Provide targeted support for communities and individuals, focusing on those with multiple barriers or protected characteristics, and ensure this is a strategic funding priority Work to secure funding and other resources to ensure that all North East residents are able to develop their digital skills regardless of their age, location or economic status Consideration of digital skills provision and local digital infrastructure must be prioritised 	<ul style="list-style-type: none"> No significant updates since the last board meeting. Over £70m of ESF projects are currently live, with 21 projects currently in the appraisal process. The ESF regional coordinator has collected information on the impact of covid-19 on delivery across the North East programming and is in touch with the managing authority to mitigate the impact. Digital Skills is part of the overall ESIF strategy and will be a priority in the development of future provision. The SAP will provide the start of the detailed analysis of the requirement. 	Michelle Rainbow	G
7. Help deliver Fuller Working Lives			
<ul style="list-style-type: none"> Continue to develop and implement the North East's Fuller Working Lives strategy with a supporting communications plan that targets employers and addresses the challenges and opportunities around this agenda 	<ul style="list-style-type: none"> No significant updates since the last board meeting. Work has commenced the development of a series of activities focussed on the 3 R, re-train, retrain and regain. Development of the FWL strategy is being developed as a key part of local industrial strategy. The LEP is working with regional universities to explore innovation in healthy aging, aligned with the Aging Society set out in industrial strategy. 	Michelle Rainbow	G

Transport connectivity | Lead: Philip Meikle

Vision Statement

Our ambition is once 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.

What we will deliver	Progress update and current position	Lead	Progress Status
Ongoing transport project delivery			
<ul style="list-style-type: none"> Continued infrastructure renewals on the Metro system to promote system reliability Further roll out of electric vehicle charging points through the Go Ultra Low North East programme to encourage the uptake of Ultra Low Emission Vehicles in the region Delivery of the Local Growth Fund transport programme and the Local Sustainable Transport Fund capital programme 	<ul style="list-style-type: none"> The 11 year Metro Asset Renewal investment milestone of £350m was achieved at 31st March 2021. A further £20m 'Essential Renewals Funding' is delivering to programme for 2021/22. Covid working restrictions are now having no material impact on programme delivery. Transport North East Strategy Unit has procured Swarco UK Ltd. To progress the development of the EV chargers for the Taxi trade. Orders have been placed and the chargers are being installed with the intention of the chargers going live in Spring 2021. 	Philip Meikle	A
Secure funding from Transforming Cities Bid and commence delivery			
<ul style="list-style-type: none"> A high-quality bid, that secures significant funding for the sustainable transport network Begin a programme of sustainable infrastructure interventions in public transport, walking and cycling Develop the foundations of an innovative new mobility ecosystem with digitally based ticketing 	<ul style="list-style-type: none"> An excellent funding settlement has been achieved, with both rail schemes funded and a £104m Devolved Pot established for local schemes. The programme has begun, with the first scheme (Durham Bus Station) being approved for funding by the JTC in January 2021. Demolition is underway of the existing station, with construction of the new station due to start in July. Delivery of schemes funded through Tranche 1 of Transforming Cities is progressing on budget, though subject to delays due to COVID19 restrictions. At present, 14 of the 19 schemes are complete, with the remaining five schemes expected to complete by the end of 2021. All Network One (a Tyne and Wear local multi-operator ticketing scheme) all-zone season tickets will be moving from paper to smartcard imminently and work is underway to extend Network One products to cover travel in Durham and Northumberland in the near future. In the longer-term, a way will need to be found of simplifying the current multiplicity of ticketing offers and extending them to cover the whole of the emerging new mobility ecosystem. As part of TCF investment, infrastructure is being secured to deliver updates to RTP1 on the bus and Metro network. In addition, Citymapper has gone live across Tyne and Wear. 	Philip Meikle	G
Deliver better connectivity through improved infrastructure			
<ul style="list-style-type: none"> Interventions on the local Strategic Highways Network, including major junction projects and commencement of A1 improvements Roll out of the first trains in the Metro fleet replacement programmes Commissioning of electric vehicle filling stations and charging clusters 	<ul style="list-style-type: none"> Highways England (HE) current work programmes for strategic highways improvements is on schedule: A19: Construction on Testos/ Downhill Lane continues through the period A69: Work has continued on the two junction schemes in the Hexham area to improve flow - Bridge End Roundabout is due for completion in July 2021. A66: Planning for the dualling scheme is progressing. An formal consultation is due in Spring. A1: Western Bypass improvements at Scotswood-North Brunton commenced in March 2020, Birtley to Coalhouse: has commenced with worksites established ahead of major works starting in the Summer. A1 in Northumberland, schemes at Morpeth to Felton and Alnwick to Ellingham merged to now be called Morpeth to Ellingham. DCO consultation has closed and the application is being considered by the Planning Inspectorate with a decision expected in July 2021. Nexus continues to progress the detailed design reviews for the trains and depot with Stadler. Progress is being made on a plethora of operational readiness workstreams such as changes to rules and procedures in preparation for the new fleet. The adverse impact of COVID 19 on the programme has been minimised to date and there continues to be no delay to programme in the last 12 months. Gosforth Depot reconstruction is well underway and the demolition of the south east corner of the building was successfully completed in March 2021. Stadler have advised that the full extent of any impact due to COVID 19 may not become apparent until summer 2021 but remain confident that thus far it has not impacted on the new trains entering service in 2023. Public consultation on the new train designs including specialist user group trials has been concluded and the final train design has been shaped by the feedback received. The driver consultation using the cab mock up has also concluded with 164 drivers (around 90%) visiting and providing largely positive feedback. It is intended to utilise the cab mock-up in a series of roadshow events across the summer (Covid-19 restrictions permitting) to promote Metro and the fleet replacement programme. The Go Ultra Low NE project has now closed. All infrastructure has been delivered and all SME engagement has been undertaken and outputs 	Philip Meikle	G

What we will deliver	Progress update and current position	Lead	Progress Status
Develop a future transport investment pipeline			
<ul style="list-style-type: none"> Development of the North East Transport Plan including supplementary thematic strategies designed to support our economy Continued participation in Transport for the North and Rail North to identify pan-Northern connectivity priorities A pipeline of schemes matched to targeted funding solutions 	<ul style="list-style-type: none"> The North East Transport Plan was published March 2021. It includes a live programme of 243 schemes which equate to at least £6.8bn of regional transport investment - an amount which will grow over the Plan's lifetime. The Transport North East Strategy Unit and Nexus are engaged with TfN on current projects covering the Major Roads Network, Strategic Development Corridors (road and rail) and the Long Term Rail Strategy line of route audits. TfN are engaging with DfT over the review of HS2/NPR to develop an Integrated Rail Plan by the end of 2020. TNE/Nexus are inputting the NE asks into the process. NPR Strategic Outline case is also progressing with a view to submission by early 2021. TfN preparing a Covid response plan (TfN Economic Recovery Plan) and preparing for a potential stimulus budget. The IRP has been delayed and is now expected early March. The NPR SOC has also been delayed and now will be submitted after the publication of the IRP. The IRP has been further delayed and now is expected May/June. The project pipeline was included in the consultation draft of the Plan which was developed in conjunction with the local authorities and other key stakeholders. The Transport Plan was published March 2021. The programme of schemes will be managed as a live programme. 	Philip Meikle	G
Improve national and international connectivity			
<ul style="list-style-type: none"> Delivery of the programme of interventions outlined in the Newcastle Airport Masterplan to grow routes and foster wider business growth in associated sectors Agreement with Northern Powerhouse Rail and others on approach to East Coast Mainline improvements Ongoing augmentation or port capability to support trade and investment and to foster growth in key regional areas of opportunity including energy and advanced manufacturing 	<ul style="list-style-type: none"> Nexus are currently engaged in development work with Network Rail and TfN in projects including Northern Powerhouse Rail (1st Strategic Outline Business Case (SOBC) completed, refreshed SOC under development,) making the ECML HS2 and NPR ready (Initial future capacity analysis complete by Network Rail). Network Rail have produced the outputs from a study of the future needs of the ECML between Northallerton and Newcastle, findings show the need for 9 trains per hour (tph) (an uplift from the 6tph a day currently) to include both HS2 and NPR services. TfN Board approved on 18th November the initial preferred network and phasing strategy following the intermediate sifting of options. For Leeds to Newcastle corridor the preferred option includes Full reopening of the Leamside Line for Freight traffic, enabling an uplift of passenger services on the ECML. The preferred network was ratified at the 14th January TfN Board however this may be subject to change dependant on the outcomes of the IRP. Awaiting IRP before any further work undertaken. 	Philip Meikle	A
Use transport to drive innovation and business growth			
<ul style="list-style-type: none"> Joint work across all transport modes to identify opportunities for innovation areas including energy, fuels, digital mobility and the development of the Centre for Connected Autonomous Vehicles Collaborative work with tourism agencies to strengthen the offer for business and visitor tourism Collaborative work to develop supply chain and skills development programmes linked to transport and logistics 	<ul style="list-style-type: none"> The Airport is working with other members of the Northern Tourism Alliance, including DMO's and LA's on the Visit North East England project. NTA members are providing content for the new website and the Airport is driving traffic to the site via overseas digital campaigns The North East Freight Partnership's Skills Working Group engages with the logistics sector, training providers and other agencies to examine ways of addressing skills and labour shortages. An online NEFP meeting took place in March 2020 and the next meeting is planned for June 2021. We will look to re-establish links with colleges and training providers, following staff changes and the disruption to courses and programmes caused by the pandemic. 	Philip Meikle	G

Investment and infrastructure | Lead: Helen Golightly

Ambition by 2024

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.

What we will deliver	Progress update and current position	Lead	Progress Status
Manage the already secured North East LEP funding effectively			
<ul style="list-style-type: none"> Invest the £270m of Local Growth Fund (LGF) grant into transport, infrastructure for strategic science parks and employment sites, plus skills and business growth activities Maximise the loan investment opportunity for the £55m North East Investment Fund (NEIF) Progress delivery of the 21 Enterprise Zone sites' infrastructure programme 	<ul style="list-style-type: none"> LGF £270m programme budget fully spent at end of 2020/21. Management of legacy funding ongoing, alongside monitoring of outcomes. Initial LGF output figures for 2020/21 show more than 2,800 jobs were created by LGF projects in year, which is around double the forecasts Ongoing dialogue with several NEIF projects to ensure repayment profiles remain on target Significant work completed to update the financial model for the EZ programme and reported to LEP Board May 2021. EZ outputs for 2020/21 show 200 new jobs created on the EZ sites. 	Helen Golightly	G
Coordinate partners to develop a regional project pipeline based on spatial economic priorities			
<ul style="list-style-type: none"> Produce a regional project pipeline based on agreed spatial economic priorities through effective partnership working with the two combined and seven local authorities, business and education partners and government 	<ul style="list-style-type: none"> Work with Local Authorities to pull together a comprehensive pipeline list has concluded, and will see further quarterly updates of the strategic project pipeline. Pipeline development process discussed at the May meeting of the North East LEP Investment Board Funding sources for potential development/feasibility funding for pipeline projects being discussed elsewhere on the Board agenda for May meeting. This fund will aim to ensure the region is in the best position for any funding opportunities. 	Helen Golightly	G
Secure additional investment into the North East			
<ul style="list-style-type: none"> Secure UK government funding linked to delivering the Industrial Strategy into the region Secure the notional allocation of European Structural Investment Funds into the region with partners Work with public and private sector partners to develop and secure funding for strategic projects 	<ul style="list-style-type: none"> £47m allocated to region through the Getting Building Fund (GBF) with full budget for 2020/21 (£23.5m) spent. Options to reallocate some of the GBF budget discussed elsewhere on the Board agenda Details awaited from Government on the UK Shared Prosperity Fund (UKSPF) LEP team is working with Local Authorities to understand plans to bid for funding from the Levelling Up Fund 	Helen Golightly	G
Increase access to finance for business to invest			
<ul style="list-style-type: none"> Effectively deliver the North East Fund Identify gaps and market demand for new business finance models Develop business finance mechanisms to meet the need of North East businesses 	<ul style="list-style-type: none"> North East Fund: while demand for investment over the early part of the pandemic was negatively impacted by COVID-19, there was a noticeable upturn in activity over the second half of the financial year with investments totalling £11.0m (compared to £6.6m over the previous six months). With further investments of £5m since the year end, this upward trend appears to be continuing. £58m has been invested to date, with the fund managers reporting advanced work in progress of just under £6m. Review of the NEIF has resulted in development of Commercial Property Investment Fund, with market engagement activities having been completed, procurement of potential fund managers expected to be started later in 2021. 	Helen Golightly	G

Strategy, Policy and Analysis | Lead: Richard Baker

Vision Statement

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

What we will deliver	Progress update and current position	Lead	Progress Status
Strategic Economic Plan (SEP) development and delivery			
<ul style="list-style-type: none"> Delivery of external interim evaluation over period 2018-2021 Establish processes for embedding lessons from monitoring and evaluation into LEP decision making Development and delivery of comprehensive SEP communications plan Prepare for next scheduled review in 2021 Secure alignment with other regional plans 	<ul style="list-style-type: none"> The final evaluation report content of 2019-20 review period is completed and was summarised to Board meeting on 18.3.21. Implementation of 2020-21 project is underway and includes LGF content aligned with requirements of Investment Team and a Covid 19 case study. A NE Ambition evaluation was recently commissioned to align with the SEP evaluation. Internal sharing processes have been agreed and the NE Data Hub Research and Evidence Page will provide a repository of learning. Promotion of best practice is ongoing, with the LGF being the latest example of evaluation practice being integrated into the final evaluation. Discussion has begun about the forward progress for the SEP update, planned for 2021 informed by the evaluation and taking into account wider policy changes such as the Plan for Growth and archiving of Industrial Strategy . The Board has agreed a Recovery Plan in response to the impact of Covid 19 at the Board meeting in May and as part of this it has been agreed that the next update of the SEP will be undertaken at a point when a post Covid 'new normal' is achieved. Each Board meeting receiving Covid 19 evidence update and plans are being developed for 2021 'Our Economy' report as post-Covid baselined Analysis team 	Richard Baker	G
Local Industrial Strategy (LIS) development			
<ul style="list-style-type: none"> Agree and develop a vision and objectives for LIS Develop a robust and open evidence base Identify and develop core propositions Pursue dialogue with Government regarding the LIS propositions Delivery of the engagement plan. Ensuring that it is co-produced with government and partners, and according to the government time table Approval of the LIS, taking through the required governance mechanisms Manage the various governance mechanisms including LIS Steering Group, Working Group and papers that are required 	<ul style="list-style-type: none"> The LIS process is now archived and the status of LIS is therefore unknown, but assumed to be suspended indefinitely. LIS content is being included in the Covid 19 Recovery Plan Outline KPI's have been produced, but were to be confirmed as part of the completion of the LIS. A factor to consider is the framework developed by the Industrial Strategy Council, however the ISC was abolished by the Government in March 2021. A range of evidence projects continue. The 2020 version of Our Economy was produced, and a Covid 19 Evidence project is in place and reporting each month to ensure that the impact of Covid 19 is clear. This will be consolidated in Our Economy 2021. 	Richard Baker	R
Economic analysis and commentary			
<ul style="list-style-type: none"> Provide timely, accurate and appropriate analysis of data Effectively communicate key messages from data using the most suitable mode of dissemination Develop new methods of accessing, collating, analysing and presenting data Identify opportunities to work with or provide guidance and training of other people 	<ul style="list-style-type: none"> Produced a comprehensive summary of the latest economic and labour market datasets relating to the impact of COVID-19, including identifying the most up to date information and potential new sources Provide monthly report of COVID-19 related data to feed into SAP meeting. Final report from consultants on new methods for understanding future employment and skills needs for specific sectors is currently being drafted. Plans for Our Economy 2021 are well developed and will create a baseline report for the North East economy post Covid 19 COVID-19 indicators have been added to the Data Hub, with more to follow. These have different timescales to other hub content, focussing on 2020 and 2021, and include administrative data. 	Richard Baker	G
Delivery of research and evidence programme			
<ul style="list-style-type: none"> Develop a centrally co-ordinated research programme Establish a collaborative research programme with NE universities Maintain the North East Economic Evidence Forum and continue to strengthen its role and remit Increase visibility of our analysis, research, and evaluation activities 	<ul style="list-style-type: none"> The team continue to support programmes with research activities including writing and reviewing tender specifications, supporting on procurement processes and providing critical friend support. The team is working across all delivery teams in developing a number of research projects including: emerging global market opportunities with Innovation; Heat decarbonisation and NE Air Freight Connectivity. We have also successfully commissioned a pilot study with the Skills Team to determine future skills needs within specific North East sectors. A new project on post Covid data and intelligence use of LEPs has been commissioned with NP11 and TFN The Good Work project and one looking at spatial trade and investment are both progressing, with initial phases complete. A forward programme of Evidence Forum meetings and content is finalised for 2021. The North East Evidence forum are engaged regularly regarding research and opportunities for collaboration. This will be built upon in the coming year. We have recently published a series of research papers and commentary pages and are working closely with the Communications Team to develop a forward plan of content. 	Emma Ward	G
Informing and influencing public policy in priority areas			
<ul style="list-style-type: none"> Confirmation of scope and activity of LEP public policy action Implementation of EU Exit work programme Strengthen and co-ordinate engagement with the northern powerhouse and its constituent activities Support and promote approaches which can deliver enhanced devolution to the region to support the economy Move forward a co-ordinated approach to public policy development related to infrastructure Develop and deliver a public affairs strategy focus on parliament and the senior civil service Co-ordinate and support the public policy response to Covid-19 through LEP teams and the Economic Response Group 	<ul style="list-style-type: none"> A Board policy framework was discussed as part of the March 2021 Board report with detail to follow in future meetings, including clarification of the Plan for Growth forward programme The EU Exit Work Programme was updated in February 2020 following discussion with the Implementation Group after completion of EU Exit. A further update was undertaken in January 2021 and it has been agreed to continue to monitor implementation and impact of the Exit Deal. The bid for a North East England Freeport was approved by the LEP Board in January 2021 and submitted on February 5th. 45 organisations supported a letter to the Chancellor and over 250 individuals contributed to the bid processes. The Chancellor announced his decision on 8 Freeports on March 3 2021 and the NEEF bid was not successful. A Steering group review meeting was held in March 2021 and further action is being taken on a number of aspects of the bid Continuing to monitor policy developments on regional finance. The development of UKSPF is likely to be affected by future developments of devolution policy and the economic response to Covid-19. A submission in response to consultation on Subsidy control was submitted in consultation with LA7 Economic Directors and the EU Exit Group 	Richard Baker	G

Highlights from the past two months

Below is a summary of the content we have issued to support projects and initiatives as well as more strategic announcements and activity since March 2021

Strategic announcements and update

We launched our new look North East LEP website. Visit the site [here](#).

Adopting a unified, data driven approach across the North of England

The North East LEP, on behalf of the NP11, was asked to help shape a new data and evidence programme focused on the use of economic evidence, research and data across the North.

Emma Ward, Research and Evaluation Manager at the North East LEP, wrote a blog discussing why access to data is so important for the LEP's work, and its role in responding to the coronavirus pandemic. Read the blog [here](#).

Investment in sites unlocks up to 4,000 new jobs in the North East

Since 2013, more than 1,600 jobs have been created in the North East, and it's estimated that 2,400 more will be added over the next two years, thanks to investment by the North East LEP and partners in the region's network of Enterprise Zone sites.

Ben McLaughlin, Programme Manager at the North East LEP, wrote a blog explaining why Enterprise Zones are helping to create more and better jobs in the North East, and play a critical role in supporting the North East's economic growth. Read the blog [here](#).

Business and sector growth

Remedying skills shortages in the health and life sciences sector

Research carried out by the North East LEP has found that whilst most businesses operating in health and life sciences sector have plans to expand their workforce, many experience difficulties in recruiting and retaining staff with the skills they need.

Karen Burgess, Interim Programme Manager for Health and Life Sciences at the North East LEP, introduces the new Health and Life Sciences Skills Group, where industry, educators and skills awarding bodies are working together to build a skills framework to enable the sector to grow and thrive in our region. Read the blog [here](#).

Energy: a bespoke website was launched for the North East Energy Catalyst.

The site is an information site, giving details of the Catalyst, its mission and objectives along with detailing the partners and highlighting the test and demonstration energy assets the region boasts. The site has its own web address (www.northeastenergycatalyst.co.uk) but is housed as a subsite within the North East LEP website as the convening partner of the Catalyst. Should the Catalyst become a stand alone body, the website can be detached from the North East LEP site.

Innovation

Challenge North East announces £125k funding for top innovation ideas

Challenge North East reached a key moment in its programme, seven SMEs were awarded second and final stage funding to bring forward their ideas to solve problems brought about by the COVID-19 pandemic. You can read the full press release [here](#).

Challenge North East leads on innovative COVID-19 solutions

In December 2020 the North East LEP launched its Challenge North East programme, which called on North East businesses to generate innovative solutions to the COVID-19 crisis.

The cohort of 16 SMEs that received up to £5,000 of full funding and support to develop their solutions were invited to pitch their ideas to an independent panel at the end of March 2021 to win up to £40,000 in further funding. Read more [here](#).

Challenge North East: the story so far

Sarah Cox, Programme Director of Challenge North East, wrote a blog looking at the response from businesses in the region to the programme, and how Challenge North East aims to fast-track products that can help the North East recover from the coronavirus pandemic. Read the blog [here](#).

Funding

We have been in the pre-election period so funding announcements have been reduced.

NewcastleGateshead Quays regeneration scheme awarded £7m from government's Getting Building Fund

As part of the North East LEP's campaign to promote the impact and success of the Getting Building Fund in the region, a news release was issued to media about the £7m awarded to Gateshead Council's landmark regeneration scheme – NewcastleGateshead Quays.

It included a quote from Andrew Moffat CBE, Chair of the Investment Board at the North East LEP. Read the article [here](#).

Skills

Skills Director, Michelle Rainbow, wrote a blog following the announcement from The Department for Work and Pensions of a £40,000 funding boost in the North East to help people take stock of their health, skills and wealth as part of later life planning. The blog can be viewed [here](#). The Midlife MOT has been promoted to business in the region through the North East Growth Hub [here](#), and featured on the Skills, Productivity and the Ageing Workforce Toolkit [here](#). The scheme has generated 114 pageviews and 24 referrals since publications. The toolkit has generated a further 125 pageviews.

An independent evaluation of the Gatsby Benchmarks of Good Career Guidance Pilot was released in March. Skills Director Michelle Rainbow reflects on The North East Local Enterprise Partnership (LEP) central role in the Pilot and how even after the Pilot was completed, the Benchmarks have remained at the heart of the North East Ambition programme. You can read the blog [here](#), and the evaluation report [here](#).

A year on from the start of a new project to improve careers guidance for primary pupils, Matt Joyce, Regional Lead – North East Ambition, takes a look at what's been achieved so far. You can read the blog [here](#) and the Primary evaluation report [here](#).

The Primary Pilot has recently developed resources involving primary-aged children. The videos feature employers and employees within some of the North East LEP area's key sectors including [Agriculture](#), [Energy](#), [Health and Life Sciences](#) and [Transport](#). These subject areas have been identified by the [North East Ambition](#) team as complementing the primary curriculum across both Key Stage 1 and Key Stage 2.

The Work Experience Framework has been developed to support employers to offer structured and meaningful encounters for young people, whilst enabling careers leaders to enhance their wider careers programmes. You can read more about this initiative [here](#).

North East LEP website performance summary:

Audience		
Visitors	11,162	(+6.33%)
Total page views	26,218	(+12.8%)
Average session duration	2m 15s	(+53.52%)

Traffic source	views
Organic	4,426
Direct	3,700
Email	248
Social	1,058
Referral	716
Other	0

Top five news pages	views
NewcastleGateshead Quays regeneration scheme awarded £7m from government's Getting Building Fund	637
No limits: helping primary pupils fulfil their potential	365
Ground-breaking Careers Pilot hailed a success	333
Adopting a unified, data-driven approach across the North of England	318
Remedying skills shortages in the health and life sciences sector	207

Top five pages	views
Home	5,031
About/executive-team	877
The-Plan	663
Projects	375
About	504

Social media

	Total followers	Impressions	Top performing LEPs on Twitter:			
Twitter	12,418 (+0.9%)	194,319	1. North East LEP	2. Leeds LEP	3. Liverpool LEP	4. Black Country LEP
LinkedIn	8,538 (+5.4%)	50,033	12,418	11,505	10,201	9,356

Best performing organic posts: Twitter and LinkedIn

1

North East LEP @northeastlep

#NorthEastAmbition has developed a Work Experience Framework to enable careers leaders to enhance their careers programmes, and support #NorthEast #employers to offer structured and meaningful encounters for young people. northeastambition.co.uk/work-experience #CECMakeItWork #MoreandBetterJobs

Impressions	Engagement	Clicks	Retweets
15,416	217	47	12

2

North East LEP @northeastlep

A year on from the start of a new project to improve careers guidance for primary pupils, our new report reveals what's been achieved so far: northeastlep.co.uk/news/no-limits...@GatsbyEd

Impressions	Engagement	Clicks	Retweets
8,947	198	32	16

3

North East LEP @northeastlep

A new report - based on a pilot project in North East schools - shows improving career guidance in schools and colleges leads to better student outcomes and attitudes, and raises aspirations: northeastlep.co.uk/news/new-repor...

Impressions	Engagement	Clicks	Retweets
6,873	168	36	24

4

North East LEP @northeastlep

Landmark regeneration scheme - #NewcastleGateshead Quays - has been awarded £7m from government's #GettingBuildingFund to support the creation of the new events destination and a new link road connecting Baltic Quarter with the A184 and Felling Bypass northeastlep.co.uk/news/newcastle...

Impressions	Engagement	Clicks	Retweets
5,768	231	23	19

5

North East LEP @northeastlep

The ambitious and transformational plans put forward by @NewcastleCC for the city centre are one of the 17 projects in the North East LEP area supported through @GOVUK's #GettingBuildingFund - which is managed in the region by the LEP

Impressions	Engagement	Clicks	Retweets
5,289	126	28	8

in₁

North East Local Enterprise Partnership
8,539 followers

Great to see so many businesses from our region recognised in this year's The Queen's Awards for Enterprise. Congratulations to Ryder Architecture, Hyperdrive Innovation, Info, The Skill Mill, and all the other winners.

Impressions	Engagement	Clicks
1,877	98	66

in₂

North East Local Enterprise Partnership
8,539 followers

Andrew Moffat CBE, Chair of the LEP's Investment Board, joined Sean Longstaff and Matty Longstaff at a celebratory 'steel signing' event for Newcastle United Foundation's new state-of-the-art community hub, NUCASTLE, which received £900k from government's #GettingBuildingFund <https://lnkd.in/gvRUKGUH>

Impressions	Engagement	Clicks
1,835	83	41

in₃

North East Local Enterprise Partnership
8,539 followers

A year on from the start of a new project to improve careers guidance for primary pupils, our new report reveals what's been achieved so far: <https://lnkd.in/gYsAAH>

Impressions	Engagement	Clicks
1,699	90	43

Priorities for the next two months

1. Publish our annual corporate documents: the annual delivery plan, annual review and end of year review.
2. Publish the Mine Energy White Paper following government engagement and endorsement
3. Refresh our airport advertising
4. Following significant web development work, refresh and review our corporate digital strategy.

Forward plan of content

Topic	Programme	Description	Type	Estimated date of issue
Mine Energy White Paper	Energy	Publication of Mine Energy White Paper, endorsed by Lord Callanan	<ul style="list-style-type: none"> • News release • Social media content 	WC 24 May 2021
Careers in electrification	Skills	Video project aimed at inspiring secondary pupils to pursue a career in the electrification industry in the North East	<ul style="list-style-type: none"> • Video • Social media content 	May 2021
Publish corporate documents	Corporate	Publish to North East LEP's annual review, annual delivery plan and end of year review.	<ul style="list-style-type: none"> • Press release and social media 	May 2021
North East Ambition 2	Skills	Promotion of North East Ambition 2 skills support for SMEs	<ul style="list-style-type: none"> • Film • Social media content • Q&A with Skills Facilitator • Case study with Hedgehog Lab 	May 2021
Peer Networks	Business Growth	Recruitment of first cohort in 2021/22	<ul style="list-style-type: none"> • Organic and paid social media • Bdaily partnership – bulletin ads, sponsored content and modal takeover 	First cohort to be recruited by 28 May
North East LEP funding review	Funding / Corporate	Review of the impact funding delivered by the North East LEP has had in the region - link to annual review and LEP review	<ul style="list-style-type: none"> • News release • Organic and paid social media content • Paid media activity 	June 2021
Innovation Toolkit	Innovation	Launch the innovation toolkit and analyse the data to inform future content	<ul style="list-style-type: none"> • Insight articles • Resources 	June 2021
Made Smarter	Business Growth	Launch of new business support programme for manufacturing SMEs in North East LEP and Tees Valley LEP areas	<ul style="list-style-type: none"> • News release • Social media content • Event • Partner toolkit • Paid media campaign 	15 June 2021
Challenge North East	Innovation	Pipeline of content on the shortlisted businesses	<ul style="list-style-type: none"> • Videos • Case studies • Blogs • Social media content 	30 June 2021
Kickstart	Skills	Working with DWP develop a campaign to increase the take up of Kickstart placements in the North East. The campaign will have a two-pronged approach – one focused on businesses and one on young people	<ul style="list-style-type: none"> • Develop a landing platform to publish kick start schemes (NP11 Opportunities North East) • Case studies • Paid and organic social 	June – August 2021
North East Data Hub	Policy & Strategy	Produce a specification that addresses the brand positioning of the Datahub to bring it more aligned to the North Eas LEP website and brand positioning	<ul style="list-style-type: none"> • Web development 	July 2021

North East Ambition web and content development plan	Skills	Carry out a planning session with the North East Ambition team to look at a forward web and content plan following recent developments	<ul style="list-style-type: none"> • Planning document 	July 2021
LMI project	Skills/ SPA	Develop a space on the North East Ambition and Data Hub websites to house upto date and self-serve information about LMI, to help career leaders better understand the economic landscape and inform their career-guidance planning.	<ul style="list-style-type: none"> • Website and downloadable content 	July 2021
North East Energy Catalyst	Energy	<ul style="list-style-type: none"> • Completion of two films • Energy Innovation Challenge doc • Asset map • E-newsletter 	<ul style="list-style-type: none"> • Films • Document • Map • E-comms 	July 2021
Local Growth Fund	Funding	Continued promotion of Local Growth Fund projects in the North East LEP region	<ul style="list-style-type: none"> • News releases • Blogs • Social media content 	Ongoing
Getting Building Fund	Funding	Continued promotion of Getting Building Fund projects in the North East LEP region	<ul style="list-style-type: none"> • News releases • Blogs • Social media content 	Ongoing
LGF campaign	Energy	Plan a campaign around the LGF programme now that all funds have been allocated	<ul style="list-style-type: none"> • Social media content 	Ongoing
Growth Hub toolkits	Business Growth	<ul style="list-style-type: none"> • Update of content in existing toolkits - looking at a more streamlined way of sharing and planning content • Creation of new toolkits • Evaluation and insights 	<ul style="list-style-type: none"> • Insight articles • Resources • Paid promotion (Google Ads and social) 	Ongoing

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

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



North East

Local Enterprise Partnership



Info@nelep.co.uk



uk.linkedin.com/company/north-east-lep



0191 338 7420



www.northeastlep.co.uk



[@northeastlep](https://twitter.com/northeastlep)



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



27 May 2021

Item 10: Response to Climate Change

1.0 Background

1.1 The Board discussed the regional response to climate change at its meeting in October 2020 noting:

- The work of the national Climate Change Committee (CCC) which provides Government with independent advice about the pathways and actions required across nine areas of the economy in response to climate change, with a focus on reducing climate emissions towards the legal target of net zero emissions by 2050
- The forthcoming United Nations Climate Change Conference of the Parties (COP26) in Glasgow in November, which provides the platform for global debate and agreement to accelerate work on the climate
- The wide range of activities underway across the region on climate change in all sectors, including place-based approaches led by Local Authorities
- The development of the North East England Climate Commission (NEECCo), coordinated by VONNE, which has been working to develop co-ordinated North East action across the North East region (North East and Tees Valley).

1.2 This Board established a Climate Change Steering Group to strengthen work at the North East LEP / LA7 geography between the region's institutional bodies, relevant agencies and NEECCo.

1.3 This paper aims to provide an update on a number of relevant activities and plans being overseen and taken forward by the Steering Group. It recommends that the Board:

- Note the update on the current work programme and proposals developed by the Steering Group
- Comment on the updates on key projects and proposals for future approaches
- Consider how this work programme can best be resourced and supported to maintain and sustain the momentum.

2.0 Pathways to Net Zero

2.1 Pricewaterhouse Coopers (PwC) Global Fiscal Policy team were commissioned by Government in late 2020 to pilot a methodology that assesses the impact of different 'net zero' transition scenarios on regions of the UK.

- 2.2 The decision was taken by Government to work with partners in the North East and Tees Valley areas as a case study to develop and test an approach for assessing the impact of transition in a way that can be replicated and compared across regions, with a view to applying a successful methodology in other regions. A number of partners in the region have worked with PWC on the study which was also discussed with the Steering Group at its meeting in March.
- 2.3 We understand that the report has been submitted to BEIS with likely publication due later in the year, between September and November, aligned with the publication of the Government's Net Zero Strategy.

3.0 North East presence at 26th United Nations Climate Change Conference (COP 26)

- 3.1 The COP 26 conference will take place in Glasgow between 1 and 12 of November in Glasgow, chaired by the UK Government. The aims of the COP are to bring partners together to accelerate action towards the goals of both the 2015 Paris Agreement to limit global warming to below 2 degrees, with an aim to achieve 1.5 degrees, and the United Nations Framework Convention on Climate Change. The responsible UK Minister is Alok Sharma MP.
- 3.2 At COP26, 190 participating Governments are expected to bring forward their National Determined Contributions (NDCs) towards this aim. As with other global summits, around the edges of the event there is planned to be an extensive programme of fringe activity, although the balance between physical and virtual activities is yet to be finalised.
- 3.3 The structure of the COP will therefore include a blue zone, for the official national delegations, and a green zone for approved fringe activities organised by other interested organisations. This provides an opportunity for North East engagement in the summit.
- 3.4 Involvement in the Green Zone is competitive and through application with the application process closing on 5 March 2021. The original plan envisaged about 15,000 individual participants. Partners in the North East have made a number of proposals for inclusion, with known ones including the following:
- A joint presentation between NEECCo with the equivalent bodies in Yorkshire and the North West on the context, history and objectives of climate action in the North, setting out examples of good practice
 - A CBI presentation about the role of business
 - A presentation by the Northern Housing Consortium on the subject of housing and climate change
 - A presentation by Newcastle Hospitals Trust which is also likely to feature within a national NHS presentation proposal.

4.0 Road to Glasgow

- 4.1 As part of the domestic programme in the run up to COP26, Government has asked the Local Energy Hub network to work together across the UK to co-ordinate a 'Road to

Glasgow' series starting in the South West and working northwards throughout the year.

- 4.2 Although the organisational approach has yet to be determined by Government, the North East and Yorkshire Hub, which includes Humber, Leeds, North East, Sheffield, Tees Valley and York and North Yorkshire LEP's, have agreed to propose an active response with events across the Hub areas. The North East LEP has indicated its willingness to host an event as part of this series.
- 4.3 The roadshow is likely to be 20-30 events across UK, showcasing best of local energy and Net Zero activity aligned to the [Zero Carbon Tour – Planet Mark](#) between 13 June – 1st November.
- 4.4 There is also a proposal to establish a regional 'green zone' in the Hub region during COP26, with BEIS providing digital content to stream COP to regions. This will be discussed at a forthcoming Local Energy Hub Board.

5.0 Net Zero North East

- 5.1 The Climate Change Steering Group has been working to design and prepare a joint regional programme since it was formed and agreement has been reached on the framework for a North East LEP geography programme entitled Net Zero North East (NZNE).
- 5.2 NZNE will aim to deliver a strategic initiative focused on co-ordination, communication and behaviour change in organisations and more generally in communities building on the wide range of current action across the region and leveraging the leadership roles of regional institutions, Government agencies, NEECCo and the Environmental Leaders network. The proposal is for it to be:
 - A collaboration between business, education, public sector and civil society to drive comprehensive North East approach to climate emergency
 - Position the North East as a leading region in the context of global and national climate objectives
 - Promote accelerated transition to greener economy and society, protecting and enhancing environment and quality of life of citizens
 - Adopt and articulate a philosophy that addressing climate emergency is a personal and organisational responsibility for both individual and corporate citizens as well as a governance challenge; supported by regional vision; active support, advice and communications; collaborative networking to identify ways to be more than sum of parts.
- 5.3 Proposed objectives and approach are a:
 - A greener, cleaner, fairer region driving:
 - Decarbonisation and the achievement of an agreed Net Zero target
 - Clean growth and employment, underpinned by innovation

- Environmental protection, restoration and improvement
- ‘Just transition’ with climate induced change embedding higher quality of life and inclusive growth

5.4 Enabled by:

- Coordination between strategic partners
- Strong and collaborative communications driving and supporting behaviour change
- Identifying optimum pathways to net zero for the region with targets, in the context of national and global action, with the aim of encouraging and supporting action
- Individual and collective action appropriate to roles and responsibilities
- Active prospecting for new public and private investment to accelerate identified projects and strategies
- Ongoing development of programme and pipeline of action through partners to deliver pathway, including the development of test beds for new approach.

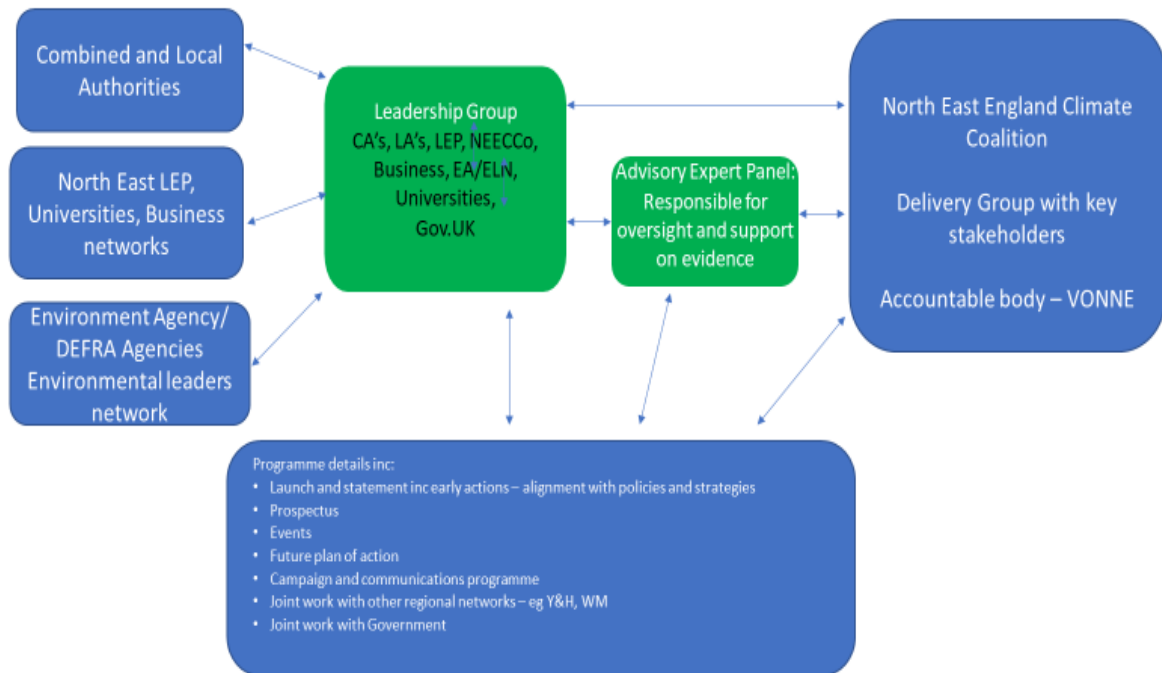
5.5 A first-year programme of action is being designed which could include the following:

Launch and statement of intent including early actions	Alignment with policies and strategies – <u>To be published when regional capacity is confirmed to take it forward</u>
<p><u>Leading to</u></p> <ul style="list-style-type: none"> • Evidence base, pathways, targets developed – supported and peer reviewed by Expert Panel • NE Prospectus – reporting logic model development across 9 CCC areas, plus targeted action on finance and engagement setting out current actions in the region, opportunities and challenges and gaps, leading to additional collaborative actions and ideas for adding to investment pipelines in each CCC area. <u>Triggered by the Statement of Intent</u> 	
<p><u>Then</u></p> <ul style="list-style-type: none"> • Key event to discuss prospectus, build collaboration and to secure/confirm commitments to act <u>late summer/early autumn – linked to COP 26 build</u> • Linked Campaign, narrative and communications programme to stimulate sectoral, community and individual actions via Partners and Climate Coalition • Joint work with other emerging regional networks – eg Y&H, WM • Collaboration with Government pathway research pilot and other activities. 	
<p><u>Next</u></p> <ul style="list-style-type: none"> • Publish regional programme of future action post COP26 <u>Winter2021</u> • Includes potential to shape regional project pipeline and identification of a group of significant investment propositions. 	

5.6 Subject to confirmation of regional capacity and resourcing to take the work forward, the intention is to launch the programme with a Statement of Intent and the promotion of a group

of case studies of action across the various areas of the Climate Change Committee agenda. This would be followed by publication of a prospectus and hosting of an engagement event, with a regional action plan to follow on from the discussions at COP 26. A draft statement of intent is included as Appendix 1 for comment.

The chart below illustrates the emerging leadership arrangements for Net Zero North East:



5.7 Discussion about resourcing for co-ordination of the work has yet to be completed successfully however a virtual Officers Group has been established including the following which brings together some resource to support the development of the work programme and support the Steering Group on a part-time basis:

- North East LEP: Helen Golightly, Richard Baker, Jen Robson
- North of Tyne Combined Authority: Leanne Wilson
- Northumbria Water: Ross Smith, Anthony Browne
- NEECCo: Sir Paul Ennals.

5.8 Capacity of other officers from the North East LEP, the Environment Agency and an appointed Communications post in NEECCO is being discussed to aid the development of the programme. Also, an initial meeting was held with the 7 Local Authority Climate leads, hosted by Leanne Wilson, on 14 May at which briefing and routes to support the programme were discussed from local authority officers.

5.9 The priority has been to establish this work successfully in the region before turning to other actions. It is also proposed that an Expert Panel be created, working with our Universities to

provide an independent assessment of the regions plausible pathways to Net Zero and to monitor and report on progress across the CCC priority themes.

5.10 Through the engagement process built into Net Zero North East to identify a group of regional scale projects which could be presented for funding support.

6.0 Recommendation

6.1 Board members are requested to:

- Note the update on the current work programme and proposals developed by the Steering Group
- Comment on the updates on key projects and proposals for future approaches
- Consider how this work programme can best be resourced and sustained into effective delivery.

7.0 Appendices

7.1 Appendix 1: Draft Statement of Intent

Item 10 - Appendix 1

DRAFT - Net Zero North East – Statement of Intent

Our commitment

Net Zero North East is a new collaboration between local government, business, education, the public sector and civil society to drive a comprehensive regional approach to tackling the climate emergency.

We recognise that significantly increased effort is needed nationally and globally to reach net zero targets. Our intention is to be at the forefront of this, with the North East's assets and expertise recognised as making a major contribution.

Through coming together in this way, we will accelerate our region's transition to a greener economy and society, protecting and enhancing our natural environment and quality of life for all who live, work, learn and visit here.

Addressing the climate emergency is more than just a challenge for governments and public policy initiatives. It requires individuals and organisations to each take responsibility for the action needed. Our aim is to support this with a regional vision; advice and communications; and promote collaborative approaches. In doing so, we believe we can achieve more by working together than we could do acting individually.

A greener, cleaner, fairer, and more resilient region would mean:

- Decarbonisation and the delivery of the North East's contribution to national and global net zero targets
- Clean growth and opportunities for more and better jobs, underpinned by innovation
- Environmental protection, restoration and improvement
- A just and inclusive transition, leading to improvements in quality of life and growth for all in our region.

We believe this is a future we can build in the North East, and we aim to make it happen by:

- Promoting information and advice so people and organisations can make choices that will support these aims
- Understanding the contribution this region can make to achieving net zero and how it can get there
- Ensuring strategies and actions are delivered in a way that prioritises clean growth
- Attracting new public and private investment to accelerate progress.

Our progress

[Infographic with key (positive) stats]

Within the North East, we have already signalled our commitment to achieving net zero.

The area's Strategic Economic Plan prioritises clean growth and reducing emissions through renewable energy, decarbonisation of heat, transport and the energy system, and identifying a series of opportunities.

The North of Tyne Combined Authority Devolution Deal and programme of investment similarly emphasises sustainability through the Energy, Green Growth and Climate Change Blueprint, Energy for Growth Strategy and Energy Catalyst.

All seven local authorities in the area have declared a climate emergency and are working together with environmental organisations to identify how their actions can bring about major change, including through the North East community forest, and the energy accelerator.

The North East and Cumbria Integrated Care System has developed a strong Sustainability Strategy and is providing national leadership in reducing emissions within the NHS.

VONNE have spearheaded the North East England Climate Coalition, bringing together a range of partners behind the vision of becoming England's greenest region.

An Environmental Leaders Network has been established to bring together a group of regional leaders with the aim of protecting and enhancing the natural environment while driving wider economic and climate objectives.

Meanwhile, great work is taking place in industry, the transport system and universities to drive forward new products, services and technologies which can reduce carbon emissions and create new low carbon jobs.

This region has led in energy innovation for centuries, and we are committed to continuing to be at the forefront as we respond to the urgent challenges of climate change. We are now tapping into our industrial history to develop new, leading work on sustainable energy – such as through the Mine Energy Taskforce, working on extraction of natural geothermal-heated water from former deep coal mines to provide a source of low carbon heat.

[Case studies based on Climate Change Committee themes]

Theme	Suggested case study options
Regional transport and connectivity	Zero carbon vehicles and investment in EV infrastructure
External transport and connectivity	Newcastle Airport / Port of Tyne net zero plans
Energy generation and supply	Blyth offshore renewable energy catapult / Integral
Business and industrial processes	CPI at NetPark, Driving Electrical revolution, Businesses adopting circular economy initiatives – eg Sterling
Housing and building stock	BIM Academy / Retrofit planning group / LAD schemes / Electrification of Heat demonstrator / HyDeploy
Agriculture, food and land use	Peat restoration initiatives with farmers (Natural England/National Trust) Great Northumberland Forest / North East Community Forest
Water, waste and pollution	NWG net zero commitment; Marine developments led by South Tyneside Council
Reducing and removing carbon emissions	BEST / BEEP / ICS work on reducing use of anaesthetic gases in operating theatres / VONNE toolkits
Mitigation of risks	Killingworth sustainable drainage scheme / EA adaptation pilot at Blyth

Our ambition

In the months ahead, Net Zero North East will be working towards a detailed shared vision of our region's future.

This will include:

- Establishing and adopting clear and ambitious targets for the region that can be monitored and evaluated
- Aligning key regional strategies and programmes, including the Strategic Economic Plan, in support of our vision
- Developing and scaling up a programme of activity that can generate resources and achieve national and international profile
- Offer the region as a 'test-bed' for pioneering new approaches, attracting funding and placing the region at the forefront of the green economy.

Later this summer we will publish a detailed prospectus, setting out the challenge and opportunity, including expert contributions from partners around the North East, and inviting views on how our region's plans should develop.

This will be shared at a major event, to be launched ahead of the COP26 event taking place in the UK in November.

We expect this to be a significant milestone for our region, demonstrating our commitment and capability to lead in this crucial agenda, and our determination to do so in a way that delivers benefits for all in the North East.

By coming together as Net Zero North East we signal our intent to make that happen and urge others to join us in doing so.

27 May 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 March.

2.0 Chair key meetings and discussions

2.1 Since the last Board meeting in March, 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;
- Being interviewed by North East Times regarding the Freeport proposal;
- Speaking at VentureFest;
- Attending NTCA Cabinet meeting;
- Attending Transport for the North Board, including an additional Board;
- Chairing the LEP Cross Chairs meeting, attending the Investment Board and the LEP Board briefing session;
- Meeting with representatives from BEIS;
- Engaging with DCMS / NGI Policy School regarding Tourism;
- Attending the NP11 Working Group;
- Meeting with Lord Callanan regarding Mine Energy;
- Speaking at the North East LEP Sponsored North East England Chamber of Commerce State of the Region event;
- Participating in the BEIS consultation meeting regarding the future of LEP's.

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:

- The Regional Universities Business and Engagement Group;
- NP11 Chief Executive meetings;
- COVID-19 Regional Coordination Group and Economic Recovery Group meetings;
- The LEP Cross Chairs Meeting;
- Meetings with Government departments;
- North East EU Exit Implementation Group;
- North of Tyne Combined Authority (NTCA) Investment Panel;
- The Climate Emergency Officers Group;
- The Transport for the North Board;
- Opportunity North East Strategic Board;
- IAMP Project Board;
- Meeting between the LEP and New College Durham Principals;
- Working group meetings as part of the LEP Review;
- Town Deal Boards.

4.0 Recommendation

4.1 The Board is recommended to note the report.

North East Covid-19

Economic Response Group

COVID-19 Intelligence

May 2021 update



on behalf of business:



on behalf of regional universities:



Up to date indicators showing the impact of Covid on the North East economy are available on the North East Data Hub [here](https://www.northeastdatahub.co.uk/report/covid-19-intelligence-january-2021-update).

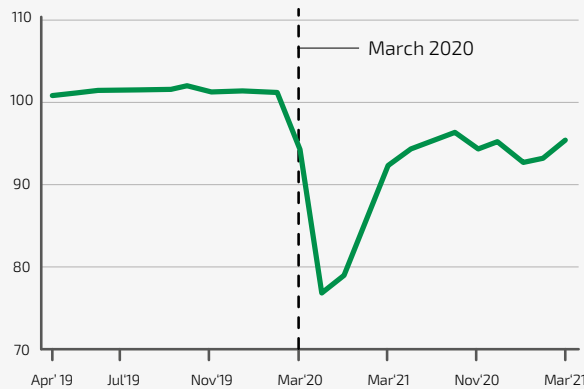
This is the fifth in a series of summary updates on the ongoing economic impacts of the Covid-19 pandemic, and the path towards recovery. This report focuses on updating the published quantitative evidence only. No further consultations or research have been undertaken exploring the impacts on sectors and places. Readers who are interested in the most recent qualitative evidence on the impacts of the pandemic on sectors and places in the North East can find it in the January report, at:

<https://www.northeastdatahub.co.uk/report/covid-19-intelligence-january-2021-update>

Summary of key findings

Economic activity

UK Gross Domestic Product (GDP), April 2019 to March 2021

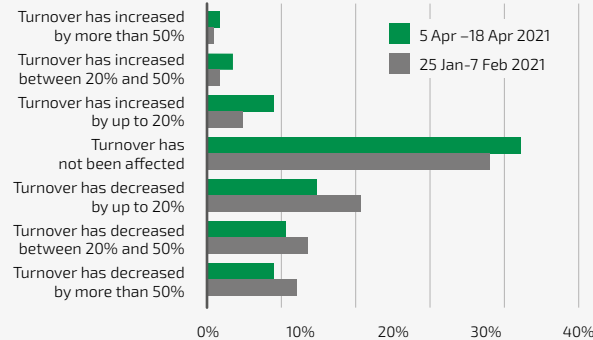


UK GDP grew by 2.1% in March 2021, the fastest monthly growth since August 2020. GDP is now 5.9% below the levels seen in February 2020, the last month before the main impact of the COVID-19 pandemic.

Source: ONS GDP monthly estimate, UK: March 2021

Business activity

Impact of COVID-19 on turnover, UK, 25 January to 7 February and 5 to 18 April 2021



Between 5 and 18 April, turnover was lower than normally expected for 34% of UK businesses, and higher than expected for 14% of businesses. Fewer businesses were suffering negative effects on turnover, and more were experiencing increased turnover, than in late January and early February.

Source: Business insights and impact on the UK economy: 6 May 2021

Footfall and visits to recreational services

Visits to retail and recreation locations (seven-day rolling average, indexed), North East LEP, 21 February 2020 to 26 February 2021

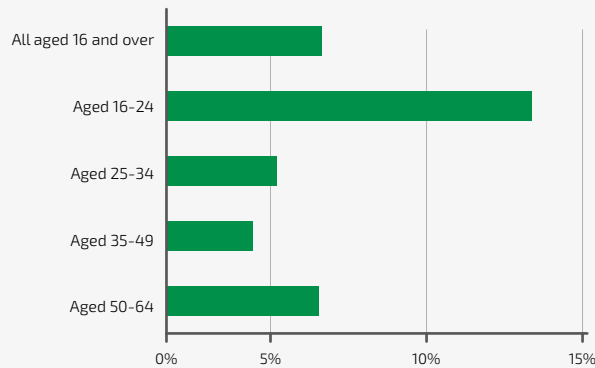


Google's community mobility data suggests that weekday visits to retail and recreation sites in the week ending 7 May were 15 to 20 percentage points higher than in the week prior to lockdown restrictions easing on 12 April. Weekend visit levels were about 25 percentage points higher. Retail and recreation visits were still at only 72 per cent of early 2020 levels, however.

Source: Google Community Mobility Reports

Unemployment

Unemployment rate by age, North East region, Q4 2020

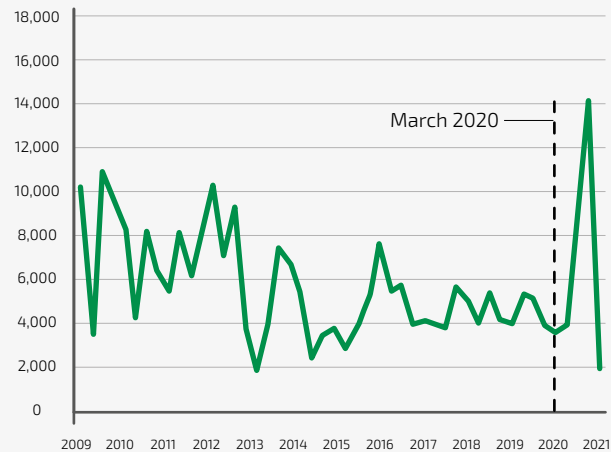


At 5.7%, the North East region had the second highest unemployment rate among the English regions in Q4 2020. The unemployment rate is notably higher among young people than in other age groups.

Source: ONS Labour market in the regions of the UK: April 2021

Redundancies

Quarterly redundancy estimates, North East region, 2009 to 2020

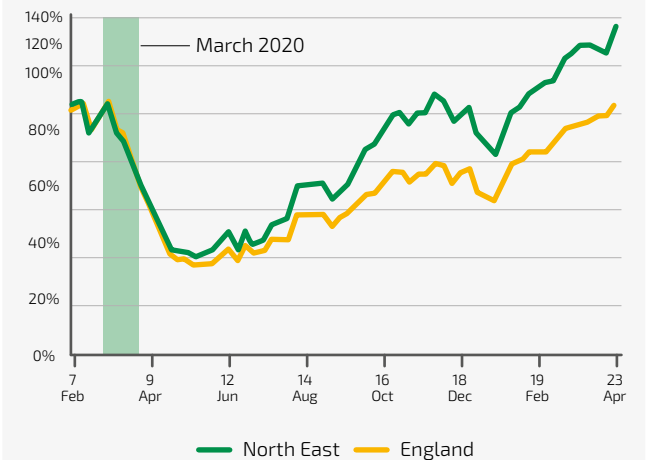


According to the Labour Force Survey, 1,900 people in the North East region (including the North East and Tees Valley LEP areas) were made redundant in the period December 2020 to February 2021. This was a much lower total than in the previous quarter (14,200) and the lowest three-month total since 2013.

Source: ONS Labour Market Release Table RED02: Redundancy Levels by Region

Recruitment demand

Weekly vacancy index (February 2020 = 100), North East region and England, to week ending 23 April 2021



In the week ending 23 April, vacancy levels in the North East region were at 137% of their level in February 2020. This was above the equivalent figure for England, and the highest of the nine English regions.

Source: ONS analysis of Adzuna website data

Key data

Economic output



UK GDP grew by 2.1% in March 2021.

This was the fastest monthly growth since August 2020. The service sector has been the main contributor to GDP's recovery in February and March 2021 following large falls in January, with production and construction also contributing positively.

UK GDP is now 5.9% below the levels seen in February 2020, the last month before the main impact of the COVID-19 pandemic, and 1.1% below the initial peak in recovery in October 2020.

Reflecting this, in the latest NatWest UK Regional PMI report private sector firms in the North East region (including the North East and Tees Valley LEP areas) reported a sharp recovery in business activity in March.

Firms reported that demand had improved as businesses prepared for the scheduled easing of COVID-19 restrictions.

According to firms responding to NatWest's survey, there was a renewed increase in the amount of new business received in March, ending a sequence of four consecutive monthly declines.

There was a sharp improvement in export demand, reflecting marked output expansion in Germany, the Netherlands and US, the three largest export markets for North East firms.

North East firms remain optimistic about the 12-month outlook

With NatWest reporting that sentiment in March was at its highest level since July 2020

61% of firms in the region expect growth.

Forecasters including the Bank of England have upgraded their expectations of the UK's economic recovery in 2021 and beyond, as the number of new COVID-19 cases continues to fall and the vaccination programme proceeds.

In its May 2021 Monetary Policy Report, the Bank of England expects UK GDP to recover strongly to pre-COVID-19 levels over the remainder of 2021, earlier than previously forecast

Nevertheless, forecasters continue to indicate that the economic outlook remains uncertain. According to the Bank of England, the outlook continues to depend on the evolution of the COVID-19 pandemic, measures taken to protect public health, and how households, businesses and financial markets respond to these developments. Its report notes the surge in COVID-19 cases in India caused by the emergence of a new variant.



Growth is expected to be boosted by a continuing decline in health risks and a fall in levels of uncertainty, as well as fiscal policy.

Consumer spending is also expected to be supported by households running down additional savings accumulated during the pandemic. Some forecasters, such as the EY Item Club, expect increases in business investment over the next two years.

After 2021, the pace of GDP growth is generally expected to slow as the boost from some of those factors wanes.



Business activity

ONS reports that between 19 April and 2 May, 93% of UK businesses said they were currently trading

And a further 2% said they had paused trading but were planning to restart within the next two weeks

However, 25% of UK businesses said they had temporarily closed or paused trading in at least one of their sites.

Between 5 and 18 April, turnover was lower than normally expected for 34% of UK businesses. Turnover was higher than expected for 14% of businesses.

A comparison with results from late January and early February shows that fewer businesses were suffering negative effects on turnover, and more were experiencing increased turnover.

49% of UK exporters had exported as normal in the period 5 to 18 April, and 3% exported more than normal for the time of year. 21% exported less than normal, while 9% were unable to export at all. 46% of UK importers had imported as normal in this period, and 4% imported more than normal for the time of year. 28% imported less than normal, while 6% were unable to import at all.



Exporters and importers reported challenges relating to additional paperwork, customs duties or levies, and changes in transportation costs, identifying EU transition as a major cause.

4% of businesses in the North East region had no cash reserves.

40% had cash reserves to last six months or less.

9% had no or low confidence in their business surviving for three months.

15% reported that they faced a moderate or severe risk of insolvency.

These proportions are lower than in late January and early February.

2% of UK businesses said they expected to make redundancies in the next three months.

With redundancies appearing most likely in accommodation and food services. In late October 2020, by comparison, 9% of UK businesses expected to make redundancies in the next three months; at that time, firms in transportation and storage and the administrative and support services sector were most likely to say they expected to make staff redundant.

International trade

International trade continues to recover from the low point in Q2 2020.

The value of exports from the North East region (including North East and Tees Valley LEP areas) in Q4 2020 was 79% higher than in Q2, while the value of imports to the region in Q4 2020 was 45% higher than in Q2.

Businesses in the North East LEP area report inconsistencies around the process of exporting to and importing from different EU countries.

Businesses which export direct to consumers report increased costs relating to the use of couriers and fulfilment centres.



Footfall and visits to recreational services



Google's community mobility data suggests that weekday visits to retail and recreation sites in the week ending 7 May were 15 to 20 percentage points higher than in the week prior to lockdown restrictions easing on 12 April. Weekend visit levels were about 25 percentage points higher than on the weekend before restrictions eased.

Retail and recreation visits were still at only 72% of early 2020 levels, and 13 percentage points below the mid-2020 peak in August.

The latest levels of visits to supermarkets, pharmacies and public transport hubs were all at the highest since March 2020. Visits to workplaces were slightly down on recent weeks, and hours spent at home were slightly higher, due to the bank holiday.



ONS data suggests that in the week ending 2 May, there were more cars on the road in Tyne & Wear than at any time since September, and more trucks and vans since late October.

The number of cars was at 92% of pre-COVID-19 levels, and the number of trucks and vans at 90%.

ONS estimates that the number of pedestrians and cyclists using Tyne & Wear roads in the week ending 2 May was at 77% of pre-COVID-19 levels, higher than at any time since September.

Unemployment and economic inactivity

According to the latest ONS data, in the period December 2020 to February 2021 the North East region (including the North East and Tees Valley LEP areas) had the second highest unemployment rate among the English regions (5.7%, compared with 5.0% in England).

The North East's unemployment rate has fallen in each three-month period since its peak of 6.6% in June to August 2020.

The unemployment rate is highest among young people.

13.1% of 16 to 24 year olds in the North East region were unemployed in the period December 2020 to February 2021.

In the period November 2020 to January 2021, the North East region had the highest working-age economic inactivity rate among the English regions (23.7%, compared with 20.5% in England).

Economic inactivity counts people who are not in employment but who are also not actively seeking a job. It includes working age people who are sick, have caring responsibilities, are students or retired early, as well as those who don't want a job for other reasons.

Economic inactivity is highest among the youngest and oldest age groups.

The unemployment rate in the region is higher among men (6.9%) than women (4.2%). The economic inactivity rate is higher among women (26.4%) than men (20.2%).

In the year to the period December 2020 to February 2021:



The number of women in employment in the North East region fell by 4,400 while economic inactivity rose by 3,500 and unemployment rose by 1,000.



The number of men in employment fell by 6,900 and unemployment fell by 2,200, while inactivity rose by 4,500.

Claimant count

According to ONS data, around 86,500 people were claiming unemployment-related benefits in the North East LEP area in March 2021. This was 32,000 more than in March 2020.

Most of this increase happened between March and April 2020, when restrictions introduced as a result of COVID-19 led to a sharp rise in the number of claims for Universal Credit.

6.9% of 16 to 64 year olds in the North East were claiming unemployment-related benefits in March 2021, compared with 6.2% in England excluding London.

Employment and earnings

Analysis of HMRC's Pay As You Earn (PAYE) data shows that there were around 19,600 fewer payrolled employees in the North East region (including the North East and Tees Valley LEP areas) in March 2021 than in March 2020, a fall of 1.8%.

Most of this fall happened between March and April 2020.

Nationally, the largest decreases in employee numbers in the year to March 2021 were in accommodation and food services, wholesale and retail including the motor trade, manufacturing, and arts, entertainment and recreation.



Coronavirus Job Retention Scheme

Provisional HMRC data shows that at the end of March, almost 106,000 employments in the North East LEP area were furloughed.

This was lower than in January or February, but was 50,000 higher than at the end of October when the CJRS extension began.

In total, around 312,000 employments in the North East LEP area have been furloughed at some point since March 2020.

13.2% of eligible employments in the North East LEP area were furloughed at the end of March, compared with 14.0% in England.

52% of furloughed workers in the North East LEP area at the end of March were female.

71% of furloughed employments in the North East LEP area at the end of March were fully furloughed, a slightly higher proportion than nationally (70%). The number of fully furloughed employments had risen by 155% since the end of October, while the number of partially furloughed employments had risen by 26%.

More than a quarter of furloughed employments in the North East region (including the North East and Tees Valley LEP areas) at the end of January were in accommodation and food services.

Around one in five were in retail and wholesale, and one in ten were in manufacturing. Slightly smaller proportions were in arts and recreation or business administration support services.

An April 2021 survey of Newcastle businesses found that 69% of firms expect all staff currently on furlough to eventually return to work, particularly from Autumn 2021.

Most businesses said this would be a phased return.

One in five businesses expect to adopt a hybrid model of working, with staff splitting their time between the office and home (with a preference towards two-thirds of their time to be spent in the office).

Anecdotal feedback from firms in the professional services and digital sectors suggests a mix between allowing staff to continue to work from home, and planning for a phased return to work (with plans to reconfigure office space).

Businesses reported a sense of mistrust of public transport and identified this as a challenge to the return to workplaces.

Self-Employment Income Support Scheme (SEISS)

According to HMRC, at the end of January (when claims closed) 46,000 self-employed workers in the North East LEP area had made SEISS claims in the third tranche of the scheme.

This was 3,000 fewer than the number of claimants in the second tranche of the scheme, and 5,500 fewer than in the first tranche.

65% of the eligible population in the North East made a claim in the third tranche of the scheme by 31 October, while the take-up rate was 70% in the second tranche and 77% in the first tranche. These were similar proportions to those seen nationally. The same eligibility criteria applied in each tranche.

Almost 30% of SEISS claimants in the North East region (including the North East and Tees Valley LEP areas) in the third tranche of the scheme were in the construction sector. A further 21% were in either transport and storage (including postal) or personal and membership services.

Around 33% of self-employed workers in the North East region – about 46,000 people – were ineligible to claim SEISS.

People who had become self-employed after April 2019, for example, were previously ineligible for SEISS support. The March 2021 Budget announcement extended the fourth round of SEISS support to self-employed people who first submitted a self-assessment tax return for the 2019-20 financial year.

Impacts on individuals



ONS data shows that across Great Britain, 37% of people who were working in the period 28 April to 3 May had worked from home because of the COVID-19 outbreak.

60% of those who were working had travelled to work in the past seven days, either exclusively or in combination with working from home. 22% were not able to work from home.

The proportion of people working from home has fallen from 45% in mid-February, reflecting the relaxation of lockdown restrictions.

Redundancies

According to the Labour Force Survey:

1,900

people in the North East region (including the North East and Tees Valley LEP areas) were made redundant in the period December 2020 to February 2021

This was a much lower total than in the previous quarter (14,200) and the lowest three-month total since 2013.

This was equivalent to a rate of 1.8 redundancies per 1,000 employees, lower than the rate in England (7.8 per 1,000 employees) and the lowest rate among the nine English regions.

Nationally, redundancies in the period December 2020 to February 2021 were highest in business administration support, accommodation and food services, and manufacturing.

Vacancies

ONS data shows that in the week ending 23 April, vacancy levels in the North East region (including the North East and Tees Valley LEP areas) were at 137% of their level in February 2020.

This was above the equivalent figure for England (105%) and the highest of the nine English regions.

Nationally, vacancy levels were most notably above February 2020 levels in transport and logistics and warehousing, manufacturing, construction, and domestic help.

UK vacancy levels remained low in graduate jobs, administrative, clerical and secretarial jobs, energy, oil and gas, and catering and hospitality.



Apprenticeship starts

Data from the Department for Education shows that in the first six months of the 2020/21 academic year, there were 6,285 apprenticeship starts in the North East LEP area, 24% below the number in the same period in 2019/20.

Intermediate apprenticeship starts were at 41% of the level in 2019/20 while advanced apprenticeship starts had fallen by 25%. The number of higher apprenticeship starts had risen slightly.

Apprenticeship starts among young people aged under 19 were at 60% of the level in the same period in 2019/20. Among those aged 19 to 24, apprenticeship starts were down by 25% while starts among those aged 25 plus were 9% lower than in 2019/20.

Apprenticeship starts in engineering and manufacturing technologies in the first six months of the 2020/21 academic year were 38% below the level in the same period in 2019/20. Starts in information and communication technology, in business, administration and law, in retail and commercial enterprise, and in construction, planning and the built environment were down by 20% to 25%. In contrast, apprenticeship starts in health, public services and care had only decreased by 7%.

Future employment scenarios

While they note that the outlook remains uncertain, most forecasters including the Bank of England expect the UK's economic recovery to pick up pace from Q2 2021, as vaccines become more widely available and social distancing restrictions are eased.

Forecasters are less pessimistic about the extent of long-term economic scarring and its impact on the labour market than reported previously.

In particular, the further extension of the Coronavirus Job Retention Scheme and additional Self-Employment Income Support Scheme grants announced in the March Budget are expected to continue to mitigate against job losses caused by the pandemic.

As the EY Item Club notes, continuing CJRS and SEISS support will help businesses retain skills and capability in significant numbers, giving the UK economy more scope to bounce back quickly.

Nevertheless, the unemployment rate is expected to rise slightly in the short term, as not all employees will return from furlough.



The Bank of England expects the unemployment rate to peak at 5.2% in late 2021, but notes this is much lower than the 7.7% previously forecast. Similarly, the EY Item Club expects unemployment to peak at 5.8% in 2021, while noting that the consensus among forecasters was previously a peak of 8% to 9%.

As the Bank of England notes, however, the outlook for the labour market remains uncertain, and sensitive to the evolution of the pandemic, and measures taken to protect public health including the vaccination programme. Government policy is expected to be a key driver of economic growth for some time.

Understanding how 'levelling up', the move to net zero, and the drive to build Global Britain might impact the economy and what opportunities might arise remains important.

