

Title: North East Offshore Wind Innovation and Demonstration (NEOWIND) Programme
Report of: Phil Witcherley, Director of Economic Growth and Innovation
Portfolio: Home of the Green Energy Revolution

Report Summary

Offshore wind is a key growth priority outlined in the North East CA Local Growth Plan, with an ambition to double the amount of renewable jobs by 25,000 and unlock £3bn of private investment by 2035. Offshore wind underpins the North East CA’s ambition to be the Home of the Green Energy Revolution as set out in the Mayoral Manifesto, Corporate Plan and as a North East CA Portfolio.

The Offshore Renewable Energy Catapult (“OREC”) will deliver a new region-wide North-East Offshore Wind Innovation and Demonstration (NEOWIND) programme supporting businesses to develop new technologies, products and services for offshore wind sector with key industry partners. This report proposes an allocation of £4,536,162.50 of revenue funding from the Integrated Settlement for the NEOWIND Programme, aligning to the full business case developed by Offshore Renewable Energy Catapult, who will deliver the programme between April 2026 and March 2029.

Recommendation

The Chief Executive is recommended to approve the award of £4,536,162.50 from the Integrated Settlement (Economic Development and Regeneration Pillar) to OREC and the completion of the necessary grant funding agreement.

1. Background

The NEOWIND programme presented in this report is aligned with offshore wind sector priorities reflected in the North East CA’s Local Growth Plan, including increasing innovation and R&D opportunities in the offshore wind sector and at the OREC in Blyth. The programme builds upon the strong foundation and delivery model of the Technology Innovation in Green Growth and Offshore Renewables (TIGGOR) programme delivered in Northumberland, Newcastle and North Tyneside since 2021.

| Project Outline | |
|---|--|
| Funding Source | Integrated Settlement (Economic Development and Regeneration Pillar) |
| Proposal Name | North East Offshore Wind and Demonstration Programme (NEOWIND) |
| Lead Organisation | Offshore Renewable Energy Catapult (OREC) |
| Delivery Areas | Blyth, Northumberland, NE24 |
| Start Date | April 2026 |
| Financial End Date | March 2029 |
| Practical completion (date by which all outputs will be achieved) | April 2029 |
| Total Project Value | £7,764,750.38 |
| Grant Amount Requested | £4,536,162.50 |
| Intervention Rate | 58.42% |

2. Investment Proposal

The North East Offshore Wind Innovation and Demonstration Programme (NEOWIND) is a technology innovation, demonstration and knowledge transfer programme designed to grow and transform the offshore wind innovation landscape across the North East, in line with ambitions in the North East Local Growth Plan and complementing the North East Investment Zone. NEOWIND will be delivered by the OREC and supported by industry partners through the following areas of activity:

Innovation Development Programme (IDP)

- Provision of R&D grant funding to a number of organisations of any size within the North East CA area, the funding will be provided to organisations to engage in R&D activity developing novel offshore renewable energy innovations.

Innovation Demonstration Days (IDD)

- Provision of grant funding to organisations to demonstrate innovations in either relevant or full-scale environments to potential end users and supply chain.
- The OREC will assist organisations in the arranging of these demonstrations to ensure maximum commercial success. This funding will focus on demonstration and exploitation opportunities to commercialise technologies.

Innovation Knowledge Transfer (IKT)

- Delivery of one-to-many style engagements with organisations through a series of targeted offshore wind webinars and online material development.
- Delivery of one to one bespoke offshore wind innovation knowledge transfer activity, focusing upon the provision of non-financial in-kind support to a number of SMEs based in the North East. This support will be one-to-one and will focus on providing either engineering or analysis support to accelerate the development of early stage innovations. This support is not available elsewhere in the North East.
- This activity will complement the broader and general business support delivered by the North East CA for businesses in the region, acting as a route for businesses in the programme to connect with the Business Support Framework and for wider businesses to connect with the NEOWIND programme.

Academic and Skills Engagement Programme (AEP)

- The OREC will deliver activity to share industry knowledge and supporting and promoting the industry to the next generation of workforce participants, including guest lectures with regional universities, undergraduate and postgraduate dissertation support, and promoting industry to the next generation at employment events and support STEM engagements with early level students with schools and colleges.

The OREC will deliver the programme and will be the grant funding recipient. It will be responsible for delivery the programme, financial management, monitoring and reporting in accordance with the GFA. This will include providing evidence of outputs, outcomes and expenditure.

3. Outputs and Outcomes

| Outputs and Outcomes | 2026/27 | 2027/28 | 2028/29 | Total |
|--|----------------|----------------|----------------|--------------|
| Outputs | | | | |
| The number of enterprises provided with financial support in the form of a non-repayable grant | 8 | 9 | 1 | 18 |
| Number of enterprises receiving non-financial support | 1 | 9 | 10 | 20 |
| Number of knowledge exchange interactions | 22 | 24 | 29 | 75 |
| Outcomes | | | | |
| Direct jobs created | 2 | 10 | 11 | 23 |
| Direct jobs safeguarded | 8 | 9 | 0 | 17 |

| | | | | |
|---|---|---|----|----|
| Number of enterprises supported to introduce new-to-market products | 0 | 3 | 11 | 14 |
| Number of enterprises supported to introduce new to the firm products | 0 | 3 | 11 | 14 |
| Indirect jobs created | 1 | 7 | 5 | 13 |

4. Timetable for implementation

| Milestone | Date |
|---|------------------------------|
| Programme Start Date | April 2026 |
| Innovation Development Programme (Call 1) | July 2026 – June 2028 |
| Innovation Development Programme (Call 2) | July 2027 – March 2029 |
| Innovation Development Day | October 2026 – December 2028 |
| Innovation Knowledge Transfer | May 2026 – March 2029 |
| Academic and Skills Engagement Programme | October 2026 – March 2029 |
| Financial Completion Date | March 2029 |
| Anticipated Proposal Completion Date (date by which all outputs/outcomes will have been achieved) | April 2029 |

5. Evaluation

The NEOWIND Project Management Team will establish a formal evaluation cycle across the project delivery timescale. This will include:

- Quarterly monitoring reports covering operational and output, and financial requirements
- OREC internal evaluation covering in-delivery performance, post project evaluation and lessons learnt.
- OREC will commission an external impact review at NEOWIND completion.

5.1 Appraisal

Overall RAG Rating

| Overall RAG assessment | | |
|------------------------|-----------------------|--------------|
| Risk Rating | Strategic case | Green |
| | Commercial case | Green |
| | Economic case | Green |
| | Financial case | Green |
| | Management case | Green |
| | Overall rating | Green |

5.2 Appraisal Summary Statement

Proposal Description:

The North East Offshore Wind Innovation and Demonstration (NEOWIND) programme will be delivered by the OREC between April 2026 and March 2029, delivering innovation support to businesses in the offshore wind sector to develop new products and services, with activity across four areas as described in section 2.

- Innovation Development Programme (IDP)
- Innovation Demonstration Days (IDD)
- Innovation Knowledge Transfer (IKT)

- Academic and Skills Engagement Programme (AEP)

The Strategic, Economic & Commercial Case

NEOWIND has a clear strategic rationale to help businesses in the North East benefit from a multi-billion pound clean energy and offshore wind opportunity and is strongly aligned to national priorities, including UK government strategy “Clean Power 2030”. The NEOWIND proposal includes strong options analysis and sets out what would occur without support and represents reasonably good value for money. There is a strong demand for the proposed activities, sufficient capacity in the supply chain to deliver the programme and the approach to procurement is well planned.

The Financial & Management Case

The NEOWIND programme budget is built upon a strong foundation, based upon the TIGGOR programme. Match-funding will be secured from businesses that are awarded grant funding. Financial and non-financial risks are well understood and mitigated, and monitoring and evaluation plans are clear and appropriate.

The programme will be managed and led by OREC with the involvement of some significant industry partners. The OREC programme team is well-resourced and has a clear structure with set roles and responsibilities, and there are strong governance processes in place. Effective processes and procedures to manage grant funding are in place, and these systems have been tested by the North East CA in the TIGGOR programme.

5.3 Key Risks

| Risk | Rating |
|--|--|
| Delay to contracting and approval to enable April 2026 programme launch would provide a shorter project window for issuing the first call for projects within the Innovation Development Programme. | Green - This risk is currently being mitigated by close cooperation between North East CA and the Offshore Renewable Energy Catapult Project Management teams to enable funding to be secured for programme launch in April 2026. |
| Lack of sponsorship from industry would provide fewer market opportunities for grant recipients to engage and secure post programme completion. | Green - The Offshore Renewable Energy Catapult has completed early and wider engagement with potential industrial sponsors, enabling Equinor to confirm sponsorship. The Offshore Renewable Energy Catapult is engaging with other parties with a major presence in the North East and is confident of securing additional industry sponsorship. |

6. Financial Implications

The financial profile for the North East Offshore Wind Innovation and Demonstration Programme is included below.

| Funding source | 2026/27 | 2027/28 | 2028/29 | Total |
|---|-------------------|-------------------|-------------------|----------------------|
| North East CA Integrated Settlement (Economic Development and Regeneration Pillar) | £769,192 | £2,140,111 | £1,626,859 | £4,536,162.50 |
| Private Sector Match | £414,815 | £1,329,630 | £955,556 | £2,700,000 |
| Offshore Renewable Energy Catapult Match (Offshore Renewable Energy Catapult IUK Core Grant from Non-Recoverable Overheads) | £137,163 | £204,593 | £186,831 | £528,587.88 |
| Total Match | £551,978 | £1,534,223 | £1,142,387 | £3,228,587.88 |
| Total (£) | £1,321,170 | £3,674,335 | £2,769,246 | £7,764,750.38 |

6.1 Status of match funding

The issuance of grants is contingent on the due diligence process which includes the confirmation of match funding availability from grant recipients. This is established during the delivery of the programme, specifically when the application response evaluation is complete. For IDDP call 1, this is 31 August 2026, for IDDP call 2 this is 31 May 2027.

The match funded contribution from Offshore Renewable Energy Catapult Innovate UK core grant is in line with the labour spent on the programme and has been approved by the Offshore Renewable Energy Catapult Investment Committee.

6.2 Funding availability

Funding secured following Finance and Investment Board meeting on 2 March 2026 from the Integrated Settlement (Economic Development and Regeneration Pillar).

7. Legal implications

The comments of the Monitoring Officer have been included in this report.

8. Equalities implications:

The North East CA follows the Public Sector Equality duty and this report has due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010.

9. Consultation and engagement:

The design of the programme has been shared with the Home of the Green Energy Revolution Portfolio Advisory Board, the North East CA Offshore Wind Working Group, members of Technical Officers Group and Finance and Investment Board.

10. Appendices

None

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