THIS IS NOT A PUBLIC MEETING

North East Local Enterprise Partnership Board

Thursday 25 July 2019

17.00 – 19.00

Venue: Beacon of Light, Stadium Park,
Keir Hardie Way, Sunderland SR5 1SN

AGENDA

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 23 May** (5.00pm)
   The Board will be asked to agree the Minutes.

Items 5, 6 and 8 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.

4. **SEP Delivery Plan** – paper attached (5.05pm)
   Helen Golightly to present to the Board.

5. **LEP Accountable Body** – paper attached (5.15pm)
   Helen Golightly to present to the Board.

6. **Funding update and decisions** – paper attached (5.30pm)
   Paul Woods to present to the Board.

7. **Strategic Economic Plan Evaluation** – paper attached (5.45pm)
   Steer Consultants to present to the Board

8. **Local Industrial Strategy Update** – paper attached (6.10pm)
   Richard Baker to present to the Board.

9. **Emerging Digital Strategy** – paper attached (6.20pm)
   Laura Partridge to present to the Board.

10. **Tourism Sector Deal** – paper attached (6.45pm)
    Richard Baker to present to the Board.

11. **Any Other Business** (6.55pm)

12. **Next meeting** Thursday 19 September 2019 from 5-7pm

North East Local Enterprise Partnership Board

25 July 2019

ITEM 4: SEP Programme Delivery Update

1.0 Purpose of Report

1.1 This report aims to provide 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 Growth

- The Growth Hub High Potential was soft launched 17th July, several professional service firms have agreed to offer advice and mentoring to participants.
- ERDF bid in development to increase capacity of the Growth Hub.
- Successful BEIS Business Basics 2 programme bid announced to pilot an innovative approach to encouraging digital adoption. Partnership with Winning Moves, Sheffield, Greater Birmingham and Solihull LEPs and the Enterprise Research Centre.
- Supply Chain North East now contracted with 138 businesses to develop resilience through diversify in to new markets, supply chains and geographies.
- A new team member to focus on lead generation is being recruited into the Invest North East England team.

Innovation

- A model for an Innovation Business support programme has been drafted. A workshop on 18 July will introduce the proposed model and focus on identifying priorities for strengthening the innovation business support ecosystem.
- Project pipeline prioritisation applications have been evaluated by a panel of board members and will go to the Innovation Board for endorsement on 19 July.
- Consultant appointed to support development of an Innovation Delivery Partnership model including structure, evaluation and legal and financial aspects. A number of potential partnerships have been identified to test the approach.

Skills, employment, inclusion and progression

- 128 of our 159 Enterprise Advisers (EAs) have been recruited from a broad range of both large employers and SMEs. 111 are matched with schools and colleges.
- A celebration event held in June showcased the work of Enterprise Advisors, employers who had worked with teachers and those volunteering as governors: leading to a number of new enquiries about the programmes.
- We continue to further develop teacher CPD and have been successful in securing funding in partnership with NuSTEM to develop and deliver a proof of concept project with Initial Teacher Trainees in the primary phase.

Transport

- Outline Business Case for Tranche 2 of Transforming Cities was submitted to Government on time. Ongoing discussions with DfT. Full Business Case for Tranche 2 funding due to be submitted by end of November 2019.
- An expression of interest to become a Future Mobility Zone was not shortlisted by DfT

Investment and Infrastructure

- LGF Budget for 2019/20 £28m, current forecast outturn £31.4m
- Review of the NEIF ongoing, including an ex ante and development of appropriate pipeline
- Progress being made in bringing forward Business Cases for three EZ sites: Royal Quays, Holborn 2 and North Bank of Tyne

Communications

- There continues to be strong growth in the number of followers across LEP's social media: with the North East LEP remaining as the most followed LEP in the country.

3.0 Recommendations

3.1 The Board is recommended to note the contents of the report and the appendix.

Appendix – North East Strategic Economic Plan Programme Delivery update, July 2019

Item 4 – appendix 1

North East
Local Enterprise Partnership

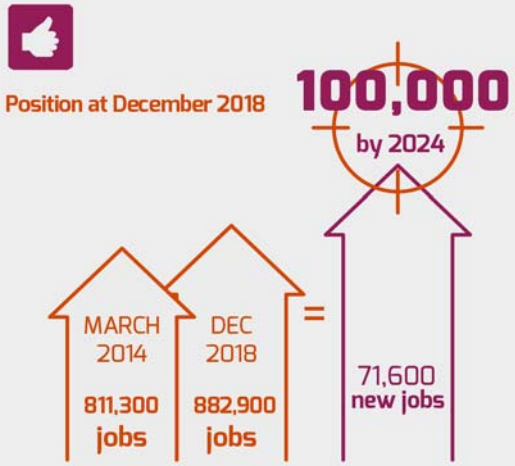
North East Strategic Economic Plan

Programme Delivery update

25 July 2019

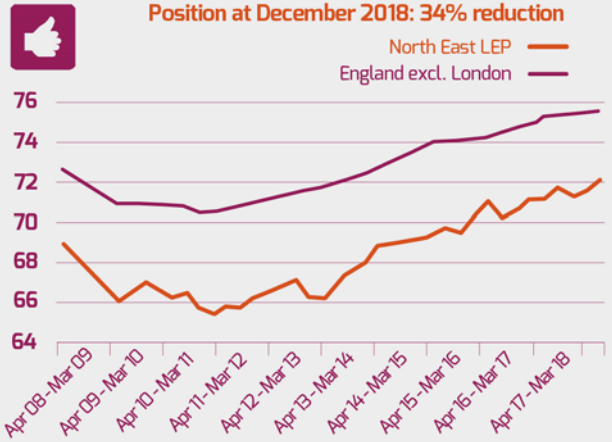
Performance against Strategic Economic Plan targets since 2014 (Last updated Apr 2019)

Target Increase the number of jobs in the North East economy by 100,000 by 2024

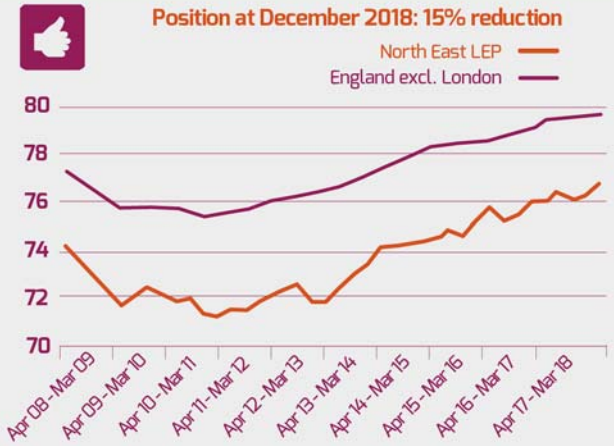


Target 70% of all jobs created from 2018 will be will be better jobs

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

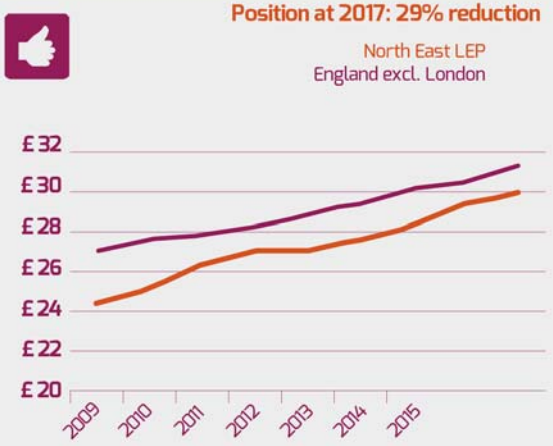


Reduce the gap in economic activity for people aged 16-64
Target 50% reduction in gap by 2024



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

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



Business Growth Programme | Lead: Colin Bell

Ambition for 2024

Our ambition for the North East is 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 jobs 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 strengthen the visibility of opportunities for investment in our economy.

SEP Action	Progress/ current position	High level risks	Lead	Status
Raise levels of business growth ambition				
Key deliverables: • 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	• Accessed regional data from the BEIS Longitudinal Small Business Survey that unfortunately shows that the North East has the lowest proportion of businesses demonstrating an ambition to grow in the UK. • Growth Hub High Potential was soft launched 17th July, several professional service firms have agreed to offer advice and mentoring to participants on a pro bono basis • The first large employer is considering the application of Entrepreneurial Leave at their board level.	Attracting resource to support research requirements. Driving awareness Maintaining relationships	Colin Bell	G
Increase demand for external business support and finance				
Key deliverables: • 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 ethnics groups	• Referrals to providers continue to accelerate with 3,269 referrals up to the end of June. With our other direct engagement activities, this brings us to 46% of the year's target of 15,000 light touch interventions. • Procurement and Export Toolkits have been updated. • Recruited a fourth Growth Hub Connector to lead business engagement for the High Potential Start-up programme. • Growth Hub Connectors are ahead of target, 105 businesses supported so far this FY. Service receives excellent client feedback. • High Intensity support impact projections are strong. From Q1 data collected at time of reporting: 1,253 jobs are forecast to be created of which 63% are better jobs; GVA uplift of £66.3m; and Growth ambition of companies on programme is changing and an uplift of £12,885 average GVA per job is now forecast. This is an increase in GVA uplift of £5k since last reported. • ERDF bid in development to increase capacity of the Growth Hub. • RDPE Growth Programme: 45 projects contracted, under-programming has increased to £2.1m as result of 55% drop out rate. We support proposals for National Reserve Fund national call, September 2019 and have a strong pipeline evidenced in North East LEP area. • RGN programme contracted to deliver 100%+ of jobs target. 42 projects complete/underway. 100% grant committed; 76% programme spend; 59% programme jobs created/safeguarded (190 against lifetime target 321 jobs). Business case prepared for further £1m LGF to support rural businesses.	Maintaining quality performance with new supplier Fulfilling demand. Maintaining high quality of delivery. Failure to attract high quality projects Demand exceeds resources.	Helen Lee	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Ensure the supply of external business support and finance matches the needs of business and the economy				
Key deliverables: • 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 assesses 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 • Work with partners to enhance access to high quality solutions designed to tackle barriers to scaling up • Work with the Department for International Trade (DIT) and local partners to develop an internationalisation strategy that supports the national Export Strategy in achieving its goal of moving exports from 30% to 35% of GDP • Continue to develop the North East Growth Hub Business Support Provider Network to encourage collaboration and the sharing of good practice	• Consultants continue to support the development of the business growth and innovation ecosystem model, working with business growth and innovation providers, to inform the development of LIS Growth Hub 2.0 proposition. • North East Mentoring Masterclass: featuring the acclaimed Prof David Clutterbuck, 50 delegates gave 100% positive feedback. • Successful BEIS Business Basics 2 programme bid announced to pilot an innovative approach to encouraging digital adoption. Partnership with Winning Moves, Sheffield, Greater Birmingham and Solihull LEPs and the Enterprise Research Centre. • High Potential Start-Up Programme launched 17th July, procurement of supplier now live. • The North-East internationalisation strategy in development in partnership with DIT as part of the LIS process. • Secured regional resource to scaleup the Be the Business mentoring programme in the North East.	Lack of control over current funding landscape results in programmes that do not match the needs of businesses. National programmes are introduced in such a way that they do not effectively integrate locally. Slow progress on SPF means that future ecosystem development is delayed.	Dinah Jackson	G
Improve the region's economic resilience				
Key deliverables: • 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 solutions 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	• Reduced investment in preparation Brexit communications – will ramp up once the time table of likely events becomes clearer. • Reports of Brexit related issues, slowing investment and reduced confidence are increasing. • Monitoring British Steel situation and signposting effected businesses to liquidators. • We continue to refresh Brexit Toolkit in light of changing circumstances of the EU Exit timetable. • Working with BEIS to deliver EU Exit roundtable in County Durham end July. • Supply Chain North East now contracted with 138 businesses to develop resilience through diversify in to new markets, supply chains and geographies. Strong pipeline. • Rapid response taskforce and plan in place.	Brexit outcome/process causes a significant shock. National resources cannot be secured/directed to deal with significant shocks. Brexit causes unforeseen challenges.	Colin Bell	A

SEP Action	Progress/ current position	High level risks	Lead	Status
Grow inward investment in the region				
Key deliverables: • Combined and local authorities, the North East LEP, DIT and the 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 SEP's areas of strategic importance and support services • 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	• Hub and spoke delivery model continues with Invest North East England (INEE) providing the strategic inward investment service for the LEP area working with the seven local authorities, the two combined authorities, and other partners. INEE is first point of contact with DIT Investment Services and the DIT Northern Powerhouse teams • Successes for 2018/19 - 84 inward investments into the region creating 2,796 new jobs. Of these, 58 were from foreign-owned companies (both new or re-investment projects) creating 1,841 jobs. 26 were new UK projects creating 955 new jobs. NELEP area performed better than any UK region except London and West Midlands (when measured as new jobs created through FDI per 100,000 working age population). • Initial lead generation contract ended at end May 2019. Evaluation to date of the current contract shows 2 project wins (another due imminently), 10 regional visits, and 1,150 jobs connected with active projects on the pipeline sourced through the contract. Tender process for a new contract underway with slightly amended target criteria. Contract to be awarded w/c 7 July. • A new member of staff to focus on lead generation is being recruited. This graduate intern will be based with INEE and concentrate on new business development lead generation. Due to be in place August 2019. • INEE (through NECA) continues to deliver the DIT Key Account Management Programme through circa £153k of DIT Northern Powerhouse funding. NECA sub contracted with six local authorities to deliver this, with excellent results. DIT now signed contract for 2019/20. INEE working with local authorities to access key information gleaned from account management activity • INEE communications and marketing plan developed with input from the NELEP and the seven local authorities. This is reviewed and updated regularly.	Impact of Brexit on ability to attract new FDI. Absence of access to financial incentives impacts interest. The creation of the North of Tyne Combined Authority may confuse the inward investment landscape for investors or dilute the current regional model. Lack of certainty of medium-term funding availability makes strategic planning of contracts difficult. Availability of DIT resource post 2019/20 is unknown.	Guy Currey	A

Innovation Programme | Lead: Alan Welby

Ambition for 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.

SEP Action	Progress/ current position	High level risks	Lead	Status
Stimulate new business opportunities through the North East Open Innovation Challenge				
Key deliverables: • Support growing activity to foster open innovation between large corporates, public sector and innovation-led SMEs in the region with a clear brand • 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	• Work is continuing on the INVITE project with partner SMEs from Europe. Pilot 1 submissions were evaluated and 4 SME's were chosen to receive vouchers to work with a European partner on a collaborative proposal. Proposals will be pitched in mid-September. • Planning is underway for a pilot Wave 2 to take place in September, and a total of 36 innovation vouchers of €5,000 will be available for award. • A Task group is being formed to design a sprint to be held in December 2019 which will explore the opportunity to create a regional Open Innovation movement. This is being developed in partnership with the Innovation SuperNetwork.	• The Challenge programme fails to gain traction among North East businesses • Administering the "brand" becomes too time-consuming and challenging.	Alan Welby	G
Prioritise a regional pipeline of projects to form a Strategic Investment Programme				
Key Deliverables: • 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	• Project Pipeline Prioritisation EOI call resulted in 24 applications. • Submissions have been evaluated by a panel and will be ratified at July Innovation Board then brought to Main LEP board for endorsement. • Ongoing work with 2 North East Strength in Places proposals that were selected to proceed to next round of funding. The PRISMs Northern Powerhouse bid led by CPI was asked by UKRI to merge with another bid led by University of York. The two proposals were unable to be merged so this project will not proceed in this call. CPI anticipate submitted a revised bid for the recently launched Strength in Places Wave 2 call. • The wave 2 Strength in Places round 2 partner workshop with Innovation Super Network took place on 18 July.	• Process becomes too bureaucratic and does not add value • Updating the Innovation Board becomes a paper exercise rather than a genuine challenge and support process.	Alan Welby	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Support our businesses to capitalise on local research and innovation capability				
Key deliverables; • 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	• Ongoing work to engage with catapults and universities through the Local Industrial Strategy including 3 proposition workshops – the North East Demonstrator offer / Role of HEIs in LIS and joint Catapult working. • Catapults are jointly scoping an Innovation Delivery Partnership in Digital Twin capability that has been submitted. • Emerging proposals for CESAM, IC3 and Rural Innovation programme in train. • One project from the Innovation Project Development Fund approved: Centre for Chinese/UK Digital Business Development	• Key partners focus on their national/ international priorities rather than local role • Businesses fail to benefit from engagement due to lack of alignment and focus by providers.	Alan Welby	G
Increase private sector investment into growing innovation businesses				
Key deliverables: • 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	• Ongoing development of VentureFest 2019 which is planned for 28 November.	• Investment sources are not found to increase private sector investment • Current provision fails to adapt to changes in need and demand.	Alan Welby	G
Engage partners to identify and drive business growth through an Innovation Sectors and Competencies Programme				
Key deliverables • 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	• Technopolis research programme on Sectors, Assets and Competencies final draft recieved. Taken forward with Policy and Strategy Team to support the development of the Innovation Framework and LIS • Technopolis have been appointed to deliver this and are currently engaging with partners including the Innovation Board, local authorities, universities, assets and private sector actors – draft report in progress. This will feed into the LIS. • The Innovation team continues to develop the concept of Innovation Delivery Partnerships (IDPs) – in particular developing legal and financial models, and working with early stage energy sector partnerships to trial development processes. Several emerging IDP propositions emerged from the Project pipeline process.	• Research findings provide a significant challenge to the current SEP approach • Approach fails to build in suitable buy-in from partners. • Research fails to result in action and practical delivery.	Alan Welby	G
Coordinate regional partners to provide enhanced innovation support activity				
Key deliverables • 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	• The potential Innovation Business Support programme for the region is currently in development. The emerging programme will be fully integrated into the Growth hub. • Identification of most the most needed business support products will be done through a workshop with delivery partners on July 18 and will be developed and delivered with Innovation Super Network. • The emerging business support model will be taken to a joint Innovation and Business Growth Board in late September. • A workshop with delivery partners is planned for early September to present the worked-up model.	• Complexity of business support model remains • Concern over long-term funding holds back engagements from delivery bodies.	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 high productivity. To deliver 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 partners understand the importance of skills in improving productivity and living standards, with commitment to delivering good working environments for residents

This is an ambitious 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.

SEP Action	Progress/ current position	High level risks	Lead	Status
Deliver North East Ambition				
Key deliverables: • Develop a primary school benchmark pilot that could influence the national careers strategy • Adoption of the Gatsby Good Career Benchmarks by all secondary schools and colleges • Secure and deliver a £3.4m North East Ambition programme that ensures our education system provides young people with the skills to meet long-term needs of the North East economy	• The LEP is co-funding a pilot to deliver the Primary Pilot with the EY foundation consisting of 70 schools: 62 having completed their initial audit • Successful in a bid to the Careers and Enterprise company to secure funding to provide a programme of CPD to trainee teachers in the pilot schools. This programme will commence in September for academic year 19/20 • From September 19/20 the North East LEP will supporting an additional 45 schools through our Wave2 careers hubs, as and will provide specialise through a SEND focused hub to provide A launch event was held on the 5th July for the new Hub schools. Hub leads have been appointed for the wave 2 hubs and activities will commence in September • A series of summer term benchmark workshops and area meetings have been circulated and all Hub schools have been encouraged to attend. • 128 of our 159 Enterprise Advisers (EAs) have been recruited from a broad range of both large employers and SMEs. 111 are matched with schools and colleges.	• DfE does not implement the 'primary settings' phase of the Careers Strategy or choose an alternative framework. • A lack of intensive support outside the hubs could mean that schools do not commit to implementing the benchmarks • ESF programme risks will be managed by an experienced claims and compliance officer.	Michelle Rainbow	G
Deliver Education Challenge				
Key deliverables: • Partner with the Department for Education and others to consider the allocation of the £24m 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 schools leadership, high quality CPD, rich employer engagement, early preparation for the next stage, a focus on wider skills, student well-being and teaching and learning through applied learning, project based learning and oracy skills.	• 9 Secondary schools have been identified in Wave 1 and are currently undergoing a diagnostic process. A further 8 schools have been identified in Wave 2: their process will start in the autumn term. • Close work with the Edge Foundation to promote the offer of paid teacher externships as part of curriculum project development. • We continue to further develop teacher CPD and have been successful in securing funding in partnership with NuSTEM to develop and deliver a proof of concept project with Initial Teacher Trainees in the primary phase. • A celebration event held in June showcased the work of Enterprise Advisors, employers who had worked with teachers and those volunteering as governors: leading to a number of new enquiries about the programmes. • Three more institutions have been shortlisted: Education Partnership North East (Sunderland College), Castle View Academy and James Calvert Spence College. They will be supported through the Ford process including the access to an Industry Alignment Support Officer.	• Insufficient funding to make sustainable long-term impact • Insufficient funding to be able to implement at the scale required. • Evidence through the pilot is insufficient to convince DfE to make statutory recommendations • Funding has been sourced for the	Michelle Rainbow	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Improve skills progression				
Key deliverables: • Develop a list of the region's assets within FE, HE and other providers to inform future investment and provision • Promote the North East as a potential location to pilot a system to help individual recognise and record their transferrable skills • Work with the Apprenticeship Growth Partnership and other partners to increase the number of apprenticeships available at all level 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 focusing on careers and opportunities • Promote the North East as a location to 'Live Work and Stay' for recent graduates and skilled workers	• The Skills Advisory Panel met in June and was presented with proposed studies to look at skills supply and demand in key sectors a decision was reached to fund an initial study in the offshore wind sector • The LEP and other partners are currently scoping the pilot programme for transferable skills. The pilot will be influenced by the findings in the Taylor Review • The Apprenticeship Growth Partnership meetings continue and the LEP is supporting national campaigns to raise awareness and promote apprenticeships to employers, young people, schools. • Work is underway on proposals to build on the data work of the SAP and capitalise on policy reforms such as T-Levels, and Institutes of Technology to inform investment in FE based on the asset map emerging from the SAP • We continue to work with the four universities in the region and Universities UK to shape a pilot programme. A call for proposals from the Office for Students was issued in late 2018, the LEP provided support to bidders • Phase 2 of the media campaign for Live Work Stay is underway with strong social media engagement. Details of the campaign and the figures will be used to inform a planned phase three.	• SAP analysis baseline is funded for one year. • A source of funding for the pilot is not found. • Emerging government policy on T-Levels placements may result in reluctance from employers to provide apprenticeships.	Michelle Rainbow	G
Increase youth employment				
Key deliverables: • 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 and 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 model of delivery including working to secure and Institute of Technology in the region and ensuring that support for young people not in education, employment or training includes digital skills training	• Generation NE continues to develop its fully digital support offer for young people. A full Randomised Control Trial evaluation of this service has begun and new services, are due to be launched later in 2019. • Links to Work is the DWP 'Opt-In' programme for the NE. As previously reported, the DWP did not grant the requested extension and the programme is scheduled to end by December 2019 • Data indicates that the patterns of apprenticeship uptake are changing with the number of people taking an apprenticeship at a higher level increasing but Level 2's are decreasing. • It is envisaged that digital skills shortages will feature strongly, as research carried out by IPPR, the evidence base for the renewed SEP and others including digital sector member organisations have highlighted. • A North East bid for an Institute of Technology has been successful and has been invited to start to develop the first IoT in the region. New College Durham led the bid, in collaboration with a number of FE providers, Newcastle University and several employers. • The development of T Levels is underway with several North East pilots and more broadly there is a renewed focus on digital skills training in most provision for learners across all age groups.	• The majority of activity within this region is funded through European Funds. Details of funds to replace them have not yet been provided • The potential inability to identify ways in which to fund either through existing routes or pilot projects • The digital sector is fast moving, and skills programming can lag behind the sector, reducing effectiveness.	Michelle Rainbow	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Improve labour market activation				
Key deliverables: • Continue to develop holistic packages 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 of 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 resources best practice	• Mental Health Trailblazer is delivering integrated employment support and psychological therapy to jobseekers with mental health conditions. An evaluation will be published by Behavioural Insights Team in July 2019. • As the project is due to complete in December 2019, sustainment of the model or similar activity are a priority, to avoid a significant gap in provision across the LEP area. • This is part of an ongoing wider piece of work focusing on 'Good Work'. Further detail will be provided the work develops. • There has been an upturn in the numbers of seminars and events in 2018/19 promoting the benefits of BHAWA and sharing HR best practice. The LEP are promoting the Award and having achieved the Bronze Award are now working towards the Silver Award.	• The majority of this type of activity within this region is funded through European Funds. Details of funds to replace them have not yet been provided • Emerging strategy and will require robust evidence from partner organisations • Slow uptake of Better Health at Work Scheme.	Michelle Rainbow	G
Ensure connected communities				
Key deliverables: • 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 develop their digital skills regardless of their age, location or economic status • Consideration of digital skills provision and local digital infrastructure must be prioritised	• Over £70m of ESF projects are currently live, with many more coming on stream later this year. ESF projects have a strong focus on supporting disadvantaged groups and we expect to see some important results from these projects to help address long term imbalances in future. • There is still a substantial amount of the allocation of European Social Fund not under contract, with a relatively small time to deliver compliant and impactful interventions. The ESIF committee, the ESF working group and the LEP are working together with the Managing Authority, DWP, to look at ways delivery of programmes can be maximised • This 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.	• The majority of activity within this region is funded through European Funds. Details of funds to replace them have not yet been provided • The short time available to programming with ESF funds	Michelle Rainbow	G
Help deliver Fuller Working Lives				
Key deliverable: • 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	• 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.	• Strategy does not maximise opportunities for the North East.	Michelle Rainbow	G

Transport connectivity | Lead: Philip Meikle

Ambition by 2024

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.

SEP Action	Progress/ current position	High level risks	Lead	Status
Ongoing transport project delivery				
Key deliverables: • 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	• Project and Programme Management of circa 270 individual projects within the Metro Asset Renewal Programme: funding of £352m confirmed with investment to date of £312m. Funding / Programme completion 31 March 2021. • Renewal of 1st phase was completed over Easter 2019 and weekend track possessions. Scope and delivery option confirmed for 2nd phase. Detailed design and procurement to follow for siteworks in summer 2020/21. • Continuing a 3-weekly cycle of weekend wire renewal with mast component renewal during non-operational time overnight. Programme extends beyond current ARP programme and completion is dependent on confirmation of DfT funding beyond 31st March 2021. • Renewal of system wide Rail Traffic Management system is live and operational - some remedial work outstanding only (largely software updates) and recovery of redundant legacy equipment. • Delivery of the LGF transport programme is progressing well with a number of schemes now complete. Project progress and expenditure continues to be monitored closely. A number of promoters have submitted 12-month completion evaluation reports.	• Beyond 2020/21 funding for Metro Infrastructure renewals is unconfirmed • Delay to the installation of rapid charging clusters due to external factors • Projects slip outside LGF funding period. Projects do not deliver specified outputs and outcomes.	Philip Meikle	G
Secure funding from Transforming Cities Bid and commence delivery				
Key deliverables: • 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	• Outline Business Case for Tranche 2 of Transforming Cities was submitted to Government on time. Ongoing discussions with DfT. Full Business Case for Tranche 2 funding due to be submitted by end of November 2019. • An expression of interest to become a Future Mobility Zone was not shortlisted by DfT	• Lack of agreement regionally about the schemes that comprise the funding programme.	Philip Meikle	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Deliver better connectivity through improved infrastructure				
Key deliverables: • 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	• Construction on Testos/ Downhill Lane has commenced, which will create a free flowing A19 between North Yorkshire and Northumberland. The region has highlighted Moor Farm and Seaton Burn for inclusion in Roads Investment Strategy (RIS2). • A69: two junction schemes in the Hexham are due to commence to improve flow. • A66: Planning for the dualling scheme is progressing with route announcements due in 2020. • A1: Western Bypass improvements at Coalhouse-Birtley and at Scotswood-North Brunton due to commence in 2020/21. A1 in Northumberland, Consultation started on the Alnwick – Ellingham dualling. Due to start alongside Morpeth-Felton dualling and north of Ellingham junction improvement schemes in 2020. • The region is highlighting two strategic studies to be completed in RIS2: - complete the dualling on the A1, - improve access to Newcastle International Airport. • Three tenderers will now compete to become Nexus' preferred tenderer. Contracts are expected to be awarded in January 2020 following DfT approval of Nexus' Final Business Case and this will lead to the first new train being delivered in late 2021. • The Sunderland filling station has now opened and has been well received. Work on the Newcastle station is due to commence imminently. The first phase of charging clusters has started to be installed and should be finalised by this Autumn. The second phase of the clusters are currently going through Planning and installation should commence early Autumn.	• Spending review impacting on funding allocations for highways, • Confirmation of the Roads Investment Strategy 2 (RIS2). Being delayed. • North East schemes not featuring within RIS2. • Possibility of costs escalating, the potential for delays, could adversely impact on affordability and deliverability of the project. • Delay to the installation of rapid charging clusters due to external factors e.g. Distribution Network Operator (DNO) connection	Philip Meikle	G
Develop a future transport investment pipeline				
Key deliverables: • 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	• The development of the North East Transport Plan continues: vision statement and objective are being drafts, alongside stakeholder engagement plan. • The NE Regional Transport Team 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. • The pipeline of schemes is in the early stages of development.	• Funding to deliver the investment plan is not obtained. • Targeted funding solutions are not identified. Prioritised pipeline is not agreed.	Philip Meikle	A

SEP Action	Progress/ current position	High level risks	Lead	Status
Improve national and international connectivity				
Key deliverables: • 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	• Masterplan 2035 adopted by Newcastle International Airport's Board and is now published. Major car park redevelopment will be completed by summer and planning for new wayfinding has commenced. Other route development work ongoing, but commercially confidential. • Nexus are currently engaged in development work with Network Rail and TfN in projects including Northern Powerhouse Rail (1st SOBC completed, refreshed SOBC under development,) making the ECML HS2 and NPR ready (Initial future capacity analysis complete). • Work is ongoing, and we continue to liaise regularly with local ports	• Additional routes for NIAL are not agreed • Central government support for increased investment in the north is not obtained	Philip Meikle	G
Use transport to drive innovation and business growth				
Key deliverables: • Joint work across all transport modes to identify opportunities for innovation areas including energy, fuels, digital mobility and the development or 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	• We are continuing to work jointly across all modes to identify opportunities for innovation areas. • New regional inbound tourism website www.visitnortheastengland.com is now live and campaigns are underway. Newcastle 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 will hold further meetings in 2019-20, in conjunction with industry and training providers, to discuss skills needs and how to address recruitment challenges facing the industry. Work is ongoing with the next meeting of the Skills Working Group scheduled for the autumn	• Opportunities for innovation areas are not identified • Low uptake of the Skills Working Group meetings.	Philip Meikle Graeme Mason 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.

SEP Action	Progress/ current position	High level risks	Lead	Status
Manage the already secured North East LEP funding effectively				
Key deliverables: • Invest the £270m 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	• £256.7m LGF contracted and £9.7m allocated to pipeline projects, including Newcastle Central Gateway which will be considered by the Board at the July 2019 meeting. Unallocated budget is currently £3.6m • LGF Budget for 2019/20 £28m, current forecast outturn £31.4m • 48 major LGF projects alongside 4 mini programmes approved to date. • Over £67.5m NEIF invested through programme to date with approximately £16m available to invest. • 28 NEIF Projects supported over lifetime of the fund • £130m of EZ mechanism funding approved to date. Three sites planning to come forward with Business Cases during 2019 • 45 businesses occupying EZ sites, employing more than 1,400 people.	• Timely re-allocation of uncommitted LGF budget is required • Job outputs behind forecasts and options considered for sustained job creation • Lack of speculative development may limit the attraction of businesses	Helen Golightly	A
Coordinate partners to develop a regional project pipeline based on spatial economic priorities				
Key deliverable: • 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	• Process and timetable for preparing updated project list to be set out in line with the LIS development through 2019. • The Spatial narrative will be informed by the propositions developed through the LIS evidence base.	• Buy in from the region to the process and outputs	Helen Golightly	G
Secure additional investment into the North East				
Key deliverables: • 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	• Pipelining work for LIS underway, leading to a series of propositions that will be included in the LIS submission to Government. • Details awaited from Government on 'Strengthening Towns' new funding allocation • Details awaited from Government on the UK Shared Prosperity Fund (UKSPF) is expect pre-Summer Recess • Approximately 63.7% of regional ERDF funds are formally contracted to June 2019, and 58% of ESF funds and 27.5% of the EAFRD. • Business case for regional 5G project in development	• Limited availability of development fund. Strong national competition • Need to retain strong project pipeline	Helen Golightly	A

SEP Action	Progress/ current position	High level risks	Lead	Status
Increase access to finance for business to invest				
Key deliverables: • 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	• £21.6m capital has been released to the funds for 132 investments. The number of different SMEs supported is good; with the Small Loan Fund getting back on track after a slow start, and the Innovation Fund supporting businesses through incubator programmes. Fund managers must ensure representation throughout the region, and marketing efforts centre on communicating in all local authority areas. Over £30m private sector investment against a total investment exceeding £40m. • Review of the NEIF has involved North East Commercial/Industrial Property Market Assessment ongoing including an ex ante and development of appropriate pipeline.	• Failure to attract high quality investment bids	Helen Golightly	G

Communications update
July 2019

North East Local Enterprise Partnership

Total followers		Followers increased by
Twitter	10,327	(+0.9%)
LinkedIn	4,655	(+4.3%)
		since May

Total reach	(Impressions in June)
Twitter	102,183
LinkedIn	19,407

Top performing LEPs on Twitter:

North East LEP	Leeds LEP	Black Country LEP	Worchestershire LEP
10,327	10,224	8177	7726

Top posts:

Paid Organic

Twitter	Impressions	Engagement	Clicks	Retweets
We've joined @NorthEastCA, @NorthTyneCA and @NGinitiative in welcoming Government's new tourism sector deal #IndustrialStrategy...	6,982	64	7	9
@NCLairport's new inbound tourism strategy aims to bring more tourists and increased spend into our region...	6,261	98	5	6
"There's no doubt that an increase in tourists and the accompanying tourism spend will help us to create more jobs in the North East."...	5,078	41	11	2
LinkedIn	**Reach**	**Engagement**	**Clicks**	**Likes**
How can the North East digital sector play a role in bringing #moreandbetter-jobs to our region? Our Digital Programme Lead, Laura Partridge, explains...	727	5.6%	23	16
Yesterday's report by the Education and Employers charity correlates with what we've seen here in the North East...	995	5.4%	41	11
We've joined @NorthEastCA, @NorthTyneCA and @NGinitiative in welcoming Government's new tourism sector deal #IndustrialStrategy #TourismIsGREAT	932	4.6%	24	17

Mentions:

1,150

Mentions in June
(Articles, blogs, social media posts)

Sentiment:

Positive	157
Neutral	988
Negative	5

The negatives were due to June's ONS report refering to an employment dip in the North East.

Highlights:

The North East LEP received an award this month to recognise that our region is the first Ford Next Generation Learning community outside of the United States. Our social media video received over **1,400** times and **6** retweets.

Communications update
July 2019

North East Local Enterprise Partnership

Upcoming events:

28 July: The National Retaining Scheme: Employer Roundtable

30 July: BEIS Business Growth and Support Roundtable Discussion

26 September: North East LEP AGM

Priority actions for the next two months:

Action 1:

Continue to lead on the communications and engagement work streams for the development of the North East Industrial Strategy.

Action 2:

Continue to develop the innovation narrative and support the team on the development of the Innovation Framework.

Action 3:

To develop and implement an internal communications strategy for the growing North East LEP team and boards.

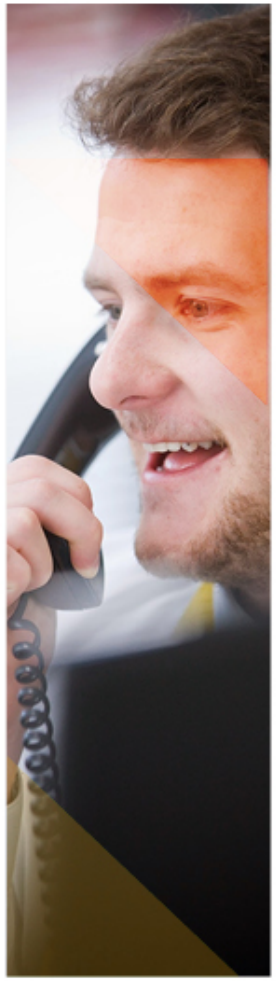
Website performance summary:

Audience	
Visitors	4,495
Total page views	28,585
Average session duration	2m42

Traffic source	views
Organic	2,410
Direct	1,726
Social	290
Referral	151
Email	31
Other	1

Top five news pages	views
/news/north-east-lep-annual-review-2018-19	403
/news/north-east-lep-ons-labour-market-statistics-reaction-june-2019	248
news/digitalisation-and-the-north-east-an-opportunity-for-growth	167
/news/north-east-ambition-lep-leads-way-with-two-new-ca-	161
news/new-report-demonstrates-impact-of-employer-engage-	154

Top five pages	views
Home	5,087
The-plan	1,605
About/-executive-team	1,368
Projects	1,348
About	1,164



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North East Local Enterprise Partnership Board

25 July 2019

ITEM 7: Interim Strategic Economic Plan Evaluation Progress Update

1.0 Background

1.1 In the 2017 version of the Strategic Economic Plan (SEP), a commitment to establish a comprehensive monitoring and evaluation plan to evaluate performance, effectiveness and impact of SEP programme delivery was articulated.

1.2 Following the development of a specification for this project, a competitive procurement process sought an appropriate contractor to deliver a 'real-time' interim evaluation of the Strategic Economic Plan, its programmes of delivery and the role of the Local Enterprise Partnership in championing and co-ordinating the SEP up to 2021.

1.3 Steer-ED were appointed in June 2018 to deliver this three-year piece of work and also to provide support on other SEP related evaluation and monitoring activities, seeking to ensure that a consistent approach to evaluation and an evaluation culture was promoted across SEP delivery processes.

2.0 Purpose of the Evaluation

2.1 To support the delivery of the SEP objectives and targets, the interim evaluation will assess the effectiveness, strategic added value and impact of the delivery of the SEP from its publication in 2014, including its programmes and funds. It will also evaluate the work of the North East LEP itself in the number of roles it plays in supporting the economy through the SEP.

2.2 The evaluation will provide processes, evidence and insights that will help to inform decision making within the North East LEP. Working with teams across the LEP, and with regional partners, the project includes:

- developing logic chains (and understanding the theory of change) for each programme of delivery;
- an assessment on the effectiveness of programmes and funds;
- an assessment of impact (both direct short and medium term outcomes, and also to assess progress towards delivery of longer term aims through progression of logic chains) and
- an evaluation of LEP processes with respect of project development, appropriateness of the intervention and partner engagement, given the economic conditions of the region.

2.3 Through the assessment of 'Strategic Added Value' (SAV) the evaluation will also assess the effectiveness of the LEP in its varied strategic roles including: a champion the North East economy and providing economic strategic

direction; an awarding body of investment and as a thought leader, co-ordinator and advocate for regional action.

3.0 Year 1 Findings and Recommendations

3.1 In the first year of the evaluation (2018/19), Steer-ED completed a number of baselining and research tasks, including:

- Development of seven logic chains which map out the context, rationale, inputs, activities, outputs and outcomes and impacts to develop a 'theory of change' for the SEP and its programmes of delivery. In addition to this evaluation, these helped to inform the 2019 SEP refresh process;
- A data mapping exercise to collate quantitative output data for each of the SEP's programmes of delivery to create the basis for making an assessment of impact through the project. This will be progressed further in year 2;
- An economic baseline report that compares the North East LEP area with other comparator LEP areas across a series of programme level indicators to understand effectiveness of delivery;
- 29 one-to-one interviews with key stakeholders involved in the SEP's development and the implementation of its programmes linked to a reflective ex post evaluation of early years of the SEP;
- Qualitative analysis of the North East LEP Board reports;
- Progressing a process of recording and analysis of activity by the North East LEP that can be classified as providing Strategic Added Value. This analysis has been exercised across its strategic economic leadership, its co-ordination, communication and convening activities and the leverage achieve through its investment role.

3.2 A report has been produced for the first year of this activity which sets out the findings from the above research activities and provides quantitative and initial qualitative analysis of progress against programme indicators. This has provided a set of conclusions, in particular around the strategic added value of the work to date and provides overarching and programme specific recommendations with respect on assessing economic impact.

3.3 These recommendations have been shared with the programme teams and work is now being done to address any issues emerging from the first year of activity ahead of commencing the second year of evaluation activity.

4.0 Year 2 Plan

4.1 Work is now being planned for the following key activities in Year 2:

- Quantitative review of progress against targets and contracted outputs
- Undertaking 25 stakeholder interviews on programme specific evaluation questions and the overall effectiveness of SEP delivery
- Conduct mini evaluations of key projects for each of the programmes of delivery to create a suite of detailed case studies

- Undertake further SAV assessment that will review performance of the North East LEP across the five criteria for the current year

- Undertake an economic impact assessment to quantify the economic value of the outputs that have been achieved so far, where current data allows given the stage we are at in project delivery

- Produce a 2019/20 annual report, capturing the learning and lessons from this year's evaluation activity.

4.2 In addition to addressing recommendations from year 1, further preparatory activity has already commenced for example identifying SAV case studies and stakeholders to be consulted with; mapping ERDF and ESF projects and data collation through programmes of delivery.

4.3 Year 2 activity will add to year 1 work and will also contribute to the final interim report by 2021.

5.0 Discussion at the Board

5.1 Scott Dickinson of Steer-ED, who is directing the evaluation project, will attend the Board to provide a summary of Year 1 findings/outcomes and set out in more detail the activities to be conducted in the next year. Evaluation activity will commence by Steer-ED in September.

5.2 The first annual report of the SEP interim evaluation can be sent to Board members upon request. An executive summary of the report will be made available online when completed.

North East Local Enterprise Partnership Board

25 July 2019

ITEM 9: Emerging Digital Strategy

1.0 Purpose of the paper

1.1 This paper is intended to update the Board on progress made in developing a North East Digital Strategy. Appendix one sets out the emerging proposed content and in particular proposes four themes to be developed

2.0 Background

2.1 A Digital Programme Lead was appointed to the North East LEP in December 2018 with the initial priority to develop a digital strategy for the region which:

- drives forward priorities set out in the North East Strategic Economic Plan (SEP);
- shapes LEP responses within the developing Local Industrial Strategy;
- unites the broad and diverse regional digital economy around clearly defined priorities, shared activities and joint messaging.

2.2 A draft digital strategy is being developed which seeks to define the sub-sectors of the regional digital economy and develop greater consensus on capabilities and areas of specialism. It aims to position the region as a demonstrator in the broader digitalisation of industry and society; focusing on cross-cutting digital adoption, transformation and skills development.

3.0 Development of the strategy

3.1 Development of the draft digital strategy has involved assessment of the North East's digital and tech sectors and business communities. It has been informed by engagement with regional stakeholders across private, public and education and third sectors. This was carried out on a one to one basis, via existing LEP working groups and other regional and national networks, alongside desk research.

3.2 A digital task and finish group was convened by the North East LEP to assist in the early development of the strategy. Members of the group include leaders of key regional digital networks and digital business leaders, including representatives of: Sunderland Software City; Thinking Digital; Dynamo; Generator; local digital businesses.

4.0 Digital strategy

4.1 Through input from stakeholders and analysis of regional opportunities and challenges, four priority themes have been identified. These are areas where collaborative activity could drive regional growth and productivity, while contributing to national policy goals. Each theme is explained in appendix one under the following sub-headers - national agenda; evidence base; exemplar regional assets; local digital networks and hubs; key LEP programmes. The themes should evolve over time to respond to need and context, acknowledging the ubiquity and pace of

digital.

4.2 The priority themes identified in the draft Digital strategy are:

- Data
- Infrastructure and connectivity
- Creative production and application
- Workforce

4.3 The emerging strategy sets out how the North East LEP has an opportunity to work with cross-sector partners to develop these strategic themes into a regional project pipeline. The digital strategy will facilitate and promote activity where greater coordination, or support of strategic projects, could drive additional economic growth and resilience, productivity, job creation and competitiveness.

5.0 Governance structure

5.0 Appendix one also sets out the proposed governance structure which will oversee the final development of the strategy, which consists of an overarching steering group to support strategic development, champion the digital programme and provide expert commentary with membership will consist of established digital business leaders and influencers. Alongside the steering group theme delivery groups will be established against each of the four themes with members drawn from existing LEP partnerships and from regional digital networks. They will also be closely engaged in developing a proposed project pipeline from the strategic themes identified.

6.0 Next steps

6.1 Opportunities relevant to the four themes will be defined and prioritised with partners, to develop into a proposed project pipeline to seek external funding opportunities.

6.2 The draft digital strategy is informing the North East Local Industrial Strategy and assist in shaping the approach to this area of opportunity for the regional economy by seeding long term impact through digital adoption, digital transformation and digital skills development across sectors.

6.3 Project opportunities are simultaneously being explored with partners against each of the four themes listed above. These include:

Data:

- Produce an evidence base and roadmap for regional businesses which explains and defines the opportunities of data and artificial intelligence for business growth and digital transformation.
- Work with key regional partners such as NICD to develop a regional data-focused business engagement strategy
- Identify specific data initiatives with the LEP Innovation team that can be explored further through, for example, Innovation Delivery Partnerships

Infrastructure and Connectivity:

- Continue ongoing work with key groups (such as 5GNE and the LA7 Digital

Leads) and industry partners to progress the 5G agenda

- Monitor and promote regional developments across national priorities including local full fibre networks and rural connectivity
- Share progress on developments of the North Atlantic Loop and data centres with partners

Creative production and application:

- Continue mapping and relationship building across relevant networks and informal groupings across the region
- Work with partners to address issues unique to tech businesses; challenge assumptions and identify solutions
- Design and promote innovation and business support programmes aimed at tech start-ups
- Identify and promote long term opportunities for new business development

Workforce:

- Develop communications strategies and case studies with partners that articulate the region's potential to address digital skills challenges through the three strands of education, business and society
- Shape digital adoption programmes that enable employees and managers across all sectors with digital skills
- Continue ongoing work with partners to leverage investment that aligns digital skills with productivity
- Identify specific businesses to be added to the Growth Hub's Apprenticeship Toolkit
- Continue to work with the North East LEP Skills and Employability team to identify opportunities to broaden definitions of careers in digital

7.0 Recommendations

7.1 The Board is recommended to endorse the direction of travel of the emerging digital strategy and its four themes.

Item 9, appendix 1 – The emerging Digital Strategy

Background

The aim of the North East LEP digital strategy is to identify and promote a clear agenda and workplan, to be delivered in collaboration with multiple partners, which incorporates the following top-level criteria:

- Alignment with national agenda so that the region is leading on strength and opportunity areas and well positioned to leverage investment, particularly as we move towards a post-Brexit economy and the shaping of a UK shared prosperity fund
- Collaboration with government departments and agencies; national; regional and local partners to deliver UK Industrial Strategy, respond to grand challenges and formulate Local Industrial Strategy
- Building on the evidence base and assets set out in the SEP as a foundation of digital priorities for the region
- Clarification of the sub-sectors of the regional digital economy; developing greater definition and consensus on vertical capabilities and areas of specialism
- Positioning the region as a demonstrator in the broader digitalisation of industry and society; focusing on cross-cutting digital adoption, transformation and skills development
- Acknowledgement of the ubiquity of digital and the challenges of defining it as a single sector

The North East digital landscape

There is no “one size fits all” when defining the types of businesses that inhabit the North East digital ecosystem, this strategy acknowledges that:

- The region hosts renowned large companies that are major employers and have considerable supply chains. There are also a high number of SMEs and micro businesses – plans need to speak to both ends of this spectrum
- Some of the region’s digital businesses have a focus on products, others on services
- Some businesses identify as “digital”, others as “tech” – the former largely made up of established agencies and service providers, the latter predominantly consisting of high growth, innovation-led start-ups
- The North East is home to several established digital hubs and networks. These each have their own identity, funding sources and membership bases contributing greatly to the region’s business support offer, annual events cycle and messaging. This asset is a compelling regional offer when coordinated and presented as being greater than the sum of its parts, and focus is not overly diffused or replicated.

Rationale

For all of the reasons above, this digital strategy is based on the identification of a small number of over-arching priority themes where LEP action can add value. Building on the SEP, these themes are determined by the region's asset base and evidenced strengths and opportunities. This challenge-led approach allows all the factors and drivers outlined to coalesce around defined areas of purpose and action that seeds long term impact. Success will be defined as continuing progression against a clearly benchmarked position, delivered through a combination of communication, co-ordination and targeted delivery.

The themes envisage a dynamic pipeline of activity, rather than a fixed strategy, and they should evolve over time to respond to need and context. Given this approach the strategy will be realised via shared coordination and leadership. Objectives can therefore be drawn from and complement existing LEP activity and programmes, alongside the identification of additional KPIs with a digital focus.

Communicating Digital

Given the breadth and scope of digital in the SEP and the UK's industrial strategy - alongside the volume of networks, programmes and activity across the region - communication and PR will contribute hugely to delivering this strategy and will be embedded across all themes to deliver the following overarching aims and aspirations:

- The region's digital economy is shared, understood, cohesive and navigable
- The number of local digital networks is an asset
- Activity is focused around actions and outcomes
- Careers in tech and digital are attractive and possible for all
- Digital adoption and digital transformation must work for all

To date, during the development of this approach, we have achieved this via the completion of the following actions:

- Developed digital strategy with internal teams to ensure alignment with all LEP programmes
- Mapped the region's digital networks, key voices, leads, events, places and spaces
- Built an informal network of communications and public engagement leads across key networks and organisations to align agenda, identify collaborative opportunities and forward plan
- Shared the emerging digital strategy through selected channels to engage partners and position the LEP's role in the digital community (eg: North East LEP blog post; North East Digital Festival launch event; North East Times interview; Dynamo conference panels; DCMS ministerial visit)

Communication digital - Immediate actions and next steps include:

- Produce marketing collateral that articulates the digital strategy to partners and external stakeholders
- Plan and deliver a launch campaign/event for the digital strategy in the Autumn of 2019
- Identify opportunities to articulate theme-specific activities over the coming months, aligned with partner activity and milestones

The proposed Four Digital Themes to be developed into the strategy are:

THEME 1: Data

The region hosts a rich R&D base in data science and data analytics, potentially giving the North East distinct global advantage. But are we sure that there is broad uptake and application of data for growth by regional businesses? Do businesses across all sectors and geographies have access to these assets and fully understand the potential, and the risks, of data? What specific business support is needed and how can regional assets better align to meet this demand?

In 2016 the Data for Growth report, commissioned by the North East LEP and partners, painted a vibrant snapshot of the sector. In it and other sources though “digital” and “data” are used interchangeably – greater specificity is needed in order to develop clear calls to action and recommendations for intervention.

National agenda
Industrial Strategy foundations of productivity: ideas / business environment
Grand Challenge: Growing the Artificial Intelligence and Data Economy
Artificial Intelligence sector deal

Evidence base
Made Smarter Review (2017)
Data For Growth report (2016)
Office for AI (BEIS and DCMS)
PWC’s The economic impact of artificial intelligence on the UK economy (2017)
Applied Digital Technologies in Advanced Manufacturing: Science and Innovation Audit (2019)
Connected Growth (2019)
Open Data Institute’s Data Trusts report (2019)

Exemplar regional assets
National Innovation Centre for Data; Durham University; Newcastle University Business School; Digital Catapult North East & Tees Valley (NETV); Satellite Applications Centre of Excellence; local data-centric businesses

Local digital networks and hubs operating in this theme: Digital Catapult NETV; Dynamo; Innovation SuperNetwork; Sunderland Software City

Key LEP programmes: innovation; business growth; inward investment

Aims and aspirations

- Define and refine the region's competitive advantage and global profile in data analytics
- Design and support data-led routes to growth
- Identify and promote market opportunities for the region, eg: trade and inward investment
- Develop local demonstrators, showcase best practice in data-led business growth and data security
- Scale up existing opportunities, initiate new collaborations, strengthen links between key networks across the region
- Support the realisation of major data delivery propositions in the region, eg: Great North Care Record; Smart Ports; SPAARTA offshore wind and data project
- Building on the success of recent initiatives such as the 2018 Data Jam, create a collaborative platform with partners for identifying and addressing business and social challenges with data

Immediate actions and next steps

- Produce an evidence base which: describes the region's data economy in detail; benchmarks against national and global exemplars; presents potential routes to data-led growth; identifies current and potential market opportunities for eg: trade and inward investment; highlights best practice; catalogues recommendations and calls to action
- Work with key partners (eg: NICD) to develop and promote a regional data-focused business engagement strategy
- With the LEP Innovation team, identify specific data initiatives to be explored further through, for example: Innovation Delivery Partnerships; testbeds and collaborations with regional partners

THEME 2: Infrastructure and Connectivity

The North East has a burgeoning track record in securing and developing ambitious infrastructure and connectivity projects. Other advances in the digital economy, particularly in emerging technologies, depend on advanced infrastructure, and we have opportunities in the region to demonstrate significant capacity and competitive advantage by enabling our businesses to lead the way in technologies such as Artificial Intelligence (AI), robotics and

Internet of Things (IoT). Long term digital transformation can only be realised alongside world-class expertise and facilities.

The seven local authorities cover diverse geographies with differing levels of current provision. We need to fully unlock the innovation potential of the whole region to ensure inclusive growth, maximise competitive advantage and position the region to lead on responses to major national programmes (eg: Made Smarter Review; 5G rollout; local fixed fibre networks).

National agenda
Industrial Strategy foundations of productivity: infrastructure / places / business environment
DIT's focus on digital assets for investment attraction
DCMS (LFFN, 5G, "Working Outside In" programme)
Collaborations beyond LEP region (with eg: Borderlands, Northern Powerhouse, neighbouring LEPs)

Evidence base
LA7 Digital Leads' mapping
5G national and regional evidence
Made Smarter Review (2017)
CBI's Ready, Set, Connect (2018)
Digital Catapult's Made in 5G (2019)

Exemplar regional assets
Tyne and Wear Metro fibre loop; BT and Virgin local connectivity; Stellium data centres; Nexus assets; live smart city projects and datasets

Local digital networks and hubs operating in this theme: LA7 Digital Leads group; local authorities; 5G North East team

Key LEP programmes: inward investment; innovation; infrastructure; transport

Aims and aspirations

- Communicate scale of current and ongoing work (eg: existing hotspots, high speed broadband, local fixed fibre network bids, data centres)
- Develop and promote regional testbeds, including 5G rollout
- Strengthen and promote inward investment opportunities
- Increase digital enablement for regional businesses
- Identify, create and share new opportunities/developments for regional businesses
- Support the realisation of major propositions in the region, eg: North Atlantic Loop
- Make the region fully digitally enabled
- Position the region to play a wider role in the national economy
- Achieve set targets for connectivity across the region

Immediate actions and next steps

- Continue ongoing work with key groups (eg: LA7 Digital Leads; 5G North East) and industry partners to progress 5G agenda
- Monitor regional developments across national priorities including local full fibre networks and rural connectivity
- Share progress on developments of the North Atlantic loop and data centres with partners
- Explore opportunities for greater integration of satellite capabilities
- Produce thought leadership pieces, with partners, on how developments in digital infrastructure and connectivity are enablers for regional economic growth

THEME 3: Creative Production and Application

The North East has a strong and demonstrable track record in design, innovation and creativity – and their successful translation into businesses. This has fuelled the creation of a number of start-ups in sub-sectors including gaming; immersive technology; connected construction; software design and build. The transferability of creative skills and their application across disciplines enables cross-sectoral collaboration and learning, opening up vast opportunities and untapped potential.

In turn this creative heritage and mindset shared across the region has created a strong tech community which is driven, passionate and entrepreneurial. We have produced a number of notable founders, including SoPost - named last year by Deloitte as the thirteenth fastest growing technology company in the UK.

But the North East tech community is also one that perceives several barriers to its own growth – rightly or wrongly it recognises a “perfect storm” of factors that have developed over recent years to contribute to this position:

- The region prioritises services (digital agencies, shared service centres) over products (digital innovations with high growth potential that create technology to solve problems)
- There is lack of profile given to start-up success stories and poor promotion of North East founders
- The vitality of the tech ecosystem in the region is hindered by the lack of incubators and suitable shared work spaces, particularly following the closure of Campus North
- The specific needs of tech start-up businesses are not met by the majority of business support programmes available and there are reported issues about routes to finance
- The North East has a low profile with investors and loses out to other regions in national competitions (eg: Tech Nation’s Future Fifty)
- The growth and potential of multiple tech businesses is not recognised or adequately measured due to a lack of suitable metrics - for example, SIC codes do not represent new technologies so create datasets that are open to misunderstanding and mask issues
- Tech Nation and others generally present the region as two separate spatial city clusters (Newcastle and Sunderland) resulting in a lack of pan-region representation and analysis

- The closure of Tech North has considerably reduced the focus on regional tech in favour of a national agenda which is London-centric

Questions to be explored as this strategy develops include: Are the above charges fair? How do we ensure that we are not missing resilient, high growth business opportunities? Are we making the best of our tech community, retaining talent, investment and IP?

National agenda
Industrial Strategy foundations of productivity: ideas / business environment
Creative Industries sector deal
National bodies, eg: Creative England; Creative Industries Council; Design Council; Innovate UK; Tech Nation

Evidence base
Independent Review of the Creative Industries (2017)
Tech Nation report (2018)
Tech Nation report (2019)
Creative Fuse final report (2019)
Connected Growth (2019)

Exemplar regional assets
Strong research and skills provision in creative and design disciplines across FE and HE; Ignite Accelerator; Northern Design Centre; Northstar Ventures; Proto; TusPark

Local digital networks and hubs operating in this theme: Digital Union; Plan Digital; Sunderland Software City; Thinking Digital
Plus a number of informal networks, eg: North East Tech Stories; Tech Diary NE; Tech North East

Key LEP programmes: business growth; innovation; skills and employability

Aims and aspirations

- Build and develop strong relationships with key voices and networks
- Broaden skills and knowledge base across sectors, facilitate successful collaboration, eg: immersive technologies in the gaming industry informing uptake and adoption in manufacturing
- Work with partners to assess issues unique to tech businesses, challenge assumptions and identify solutions. Ensure activities and developments are tracked and measured.
- Design and promote innovation and business support programmes aimed at tech start-ups, such as the high potential programme
- Identify and share long term opportunities for new business development
- Influence agenda to drive activity and investment

Immediate actions and next steps

- Map relevant networks and informal groupings across the region and links beyond
- Ensure the region's digital networks are represented on the NE Growth Hub and successfully accessing Growth Hub and related services; work with digital networks to promote what they do and their specific areas of focus
- Develop coherent internal and outbound communications strategies to:
  - engage the region's start-up, scale-up and SME base
  - strengthen network coordination
  - promote internationally renowned capabilities in eg: immersive technologies; gaming; software development
  - showcase tech start-ups to encourage talent attraction and retention
- Produce an evidence base to include, for example: national and global case studies that benchmark tech business and ecosystem support; assess the region's national position; understand key challenges for growth in detail
- Work with Business Growth and Innovation Supernetwork teams to monitor take up of relevant support programmes (eg: high growth potential) new tech businesses
- Work with partners to develop pipeline of key activities and interventions in digital sub-sectors

THEME 4: Workforce

This theme recognises the breadth and complexity of the digital skills gap – for the region's learners, its workers and its citizens – each of which need to be addressed if the region is to achieve digital transformation. There is no single solution to addressing challenges; genuine progress will require collaboration between multiple agencies to embed long term policy and culture change.

In terms of education, digital skills shortages need to be addressed at all levels – from primary and secondary schools, through to colleges, FE, HE and beyond. Whilst the region boasts a number of forward-thinking education providers with exemplary facilities, staff and courses there are clear challenges for those institutions to keep abreast of the pace of digital skills development and demand. Moreover, formal education can provide qualifications, less so specialist skills unique to specific industries. There are also challenges in redefining and reframing what careers in "digital" mean for students, with a number of assumptions and stereotypes hindering uptake in some areas.

Digital skills shortages are also far from the sole responsibility of education providers - employers of all shapes and sizes across the region are equally accountable for finding solutions, partly by building on the successful partnerships between education and industry already having positive impact. A wide reaching and ambitious approach from businesses is needed to raise aspirations and seed long term impact on job creation and retention at scale.

However, this should not be restricted to developing the skillsets of those still in education. The solutions to building a stronger, more resilient and flexible workforce - and supporting

good work and quality jobs - go beyond qualifications and skills into areas such as equality and diversity, flexible working, future of work, lifelong learning, mid-career retraining, longer working lives and non-linear career paths. Viewing digital skills through a wider lens encourages regional businesses to develop long term solutions to employability and productivity challenges by making work work for all.

The potential of industry to respond to digital skills shortages is not restricted to digital businesses per se, or to companies already advanced along a digital transformation agenda. Key to inclusive growth, improving productivity and to realising the opportunities presented by digital technologies is the need to support and empower business leaders to adopt technology regardless of business sector, size or age - and in turn for those leaders to enable their teams so that digital adoption is embedded across businesses.

In order to build an inclusive and adaptable labour market, which is resilient to changes in the economy, we also need to address digital skills deficits for those not in employment, education or training, regardless of age. There is significant scope to explore issues such as digital disenfranchisement, digital literacy and negative PR around digital careers – with the potential of this to have far-reaching societal benefits and shape future markets.

A broader view of workforce in the context of digital therefore enables greater knowledge sharing between sectors. It seeks to deliver aspects of the place-making ambitions in the SEP by encouraging social mobility, improving quality of life and building prosperous communities. The North East economy can be future-proofed by the three strands of education, business and society addressing the digital skills gap collectively.

National agenda

Industrial Strategy foundations of productivity: people / places
UK productivity review
Digital skills strategies
Grand Challenge programmes

Evidence base

Government Digital Inclusion Strategy (2014)
Good Work: The Taylor Review of Modern Working Practices (2017)
JRF Briefing: How Local Industrial Strategies can deliver inclusive growth (2019)
CBI reports (various)
Made Smarter Review (2017)
Innovate UK Digital Economy Strategy (2015-2018)
Connected Growth (2019)
No Longer Optional (DCMS, due mid 2019)
Digital Agenda Network

Exemplar regional assets

LEP-led nationally renowned pilot programmes with education and business; innovative FE and HE education providers; local third sector organisations and CICs; national innovation centres; Digital Civics CDT at Open Lab, Newcastle University; Skills Exchange, North Shields; proactive local authorities and anchor institutions driven to adopt digital solutions to

citizen engagement, local governance and services (eg: Northumbrian Water)

Local networks and hubs (digital and non-digital) operating in this theme: AHSN; Altitude Foundation; Dynamo; RTC North; Satellite Applications Centre of Excellence; Sunderland Software City; Tech for Life; 50:50

Key LEP programmes: skills and employability; business growth

Aims and aspirations

- Broaden understanding and ownership of the "digital skills gap", prioritise areas of impact
- Challenge brand issues and stereotypes, bust myths such as "digital is not for me", broaden definitions of careers in tech
- Improve gender diversity – in terms of qualifications profile, workforce demographics and gender-based attitudes towards careers in tech
- Strengthen links between businesses and education/training providers
- Strengthen the quality and relevance of provision, consider that curriculum could be delivered through the lens of employers (digital and non-digital businesses)
- Promote digital degree apprenticeships, eg: regional trailblazers such as Sunderland University's degree apprenticeship which was a UK first with Accenture and Northumbria Water as partners
- Create effective public/private/third sector collaborations for addressing employability and retention issues
- Identify and research successful programmes led in other regions that benchmark best practice, eg: 100% Digital Leeds
- Explore opportunities for piloting adult digital skills programmes through eg: North of Tyne skills programmes and existing LEP programmes such as Fuller Working Lives: retrain, regain, retain
- Champion best practice, enable delivery of effective interventions at scale
- Position the region to lead on responses to major national programmes, eg: Made Smarter
- Evaluate, scale and support existing and suggested digitalisation propositions in the region, eg: Sunderland Software City's work with Durham Prison on offender rehabilitation and career development; RTC North's early stage bid development on a business skills programme for non-digital businesses

Immediate actions and next steps

- Develop communications strategies (eg: thought leadership) that articulate the region's potential to address digital skills challenges through the three strands of education, business and society
- Shape digital adoption programmes that enable employees and managers across all sectors with digital skills, secure appropriate investment (eg: LGF; NPIF; UKSPF)

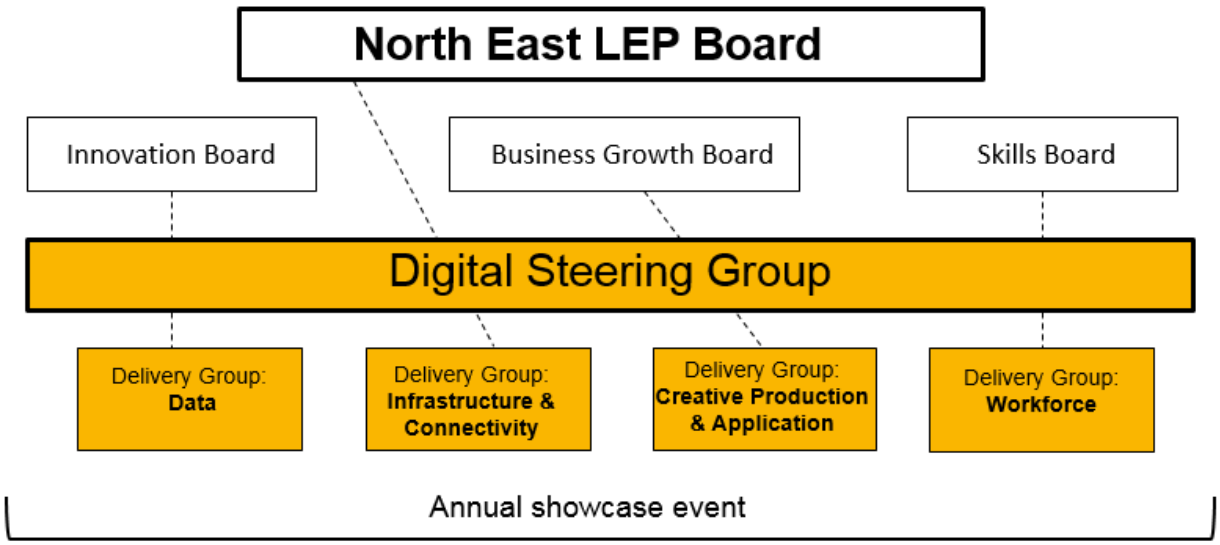
- Continue ongoing work with partners to leverage investment that aligns digital skills with productivity (eg: Made Smarter; Business Basics)
- Identify tech businesses to be added to the Growth Hub's Apprenticeship Toolkit
- Work with delivery partners to scope potential pan-region interventions that address digital skills outside of formal education and employment; assess against exemplars (eg: Digital Leeds; TechUP)

The proposed governance

Given the diversity of 'digital' and the need for shared leadership and a coordinated strategy, a digital task and finish group was convened by the North East LEP to shape the workplan. It is proposed that this group continues in its task and finish form to oversee the following:

- To shape and champion the development of the North East LEP digital strategy; act as spokespeople; advise on strategy and decision making; engage high profile stakeholders and then monitor delivery. Membership consists of established digital business leaders and influencers. The steering group will meet every 2 – 3 months, alongside one-one discussions with individual members on specific items.
- To develop the four proposed themes in the digital strategy through delivery sub-groups to lead on the delivery of aims and objectives via their respective networks and partnerships and report into the LEP Board and governance structure.
- To explore the opportunity of delivering a Digital Showcase event (through e.g: the North East Digital Festival), which will enable engagement with the much wider digital community across the region and share progress against plans.

Digital Programme: proposed governance structure



North East Local Enterprise Partnership Board

25 July 2019

ITEM 10: Tourism Sector Deal

1.0 Background

1.1 The Board has previously discussed how the Local Enterprise Partnership could best support the Tourism and Culture sectors in the region given the objectives of the strategic economic plan and the nature of the interventions and investment required.

1.2 An ongoing dialogue with the North East Tourism Alliance, the North East Culture Partnership and other bodies such as the Arts Council have identified that proposals anticipated to be included in the Tourism Sector Deal offers a potential framework for a strong regionwide intervention to support these sectors, and the recent updated of the Strategic Economic Plan included a commitment to seek to secure Government support for the North East Tourism Action Zone (TAZ) once details of this were known.

1.3 The Tourism Sector Deal was published on June 28th and the North East Local Enterprise Partnership (LEP), North of Tyne Combined Authority (NTCA), North East Combined Authority (NECA) and Newcastle Gateshead Initiative (NGI) announced their intention to work together to co-ordinate a wider regional partnership to seek to be develop a competitive proposal to secure designation as one of the 5 pilot TZ pilot areas, and in so doing developing a proposition which could deliver a sustainable investment mechanism into the regions key tourism assets and to improve the range, productivity and performance of the sector.

1.4 There are also other potential components of the Sector Deal which could be beneficial to the sector in the region, and these will be examined alongside the work to develop a TAZ proposal.

1.5 This paper:

- Provides a briefing to the Board about the Tourism Sector Deal
- Seeks LEP Board support for the proposal to build a powerful regional proposal for a Tourism Action Zone over the summer and Autumn of 2019
- Annex 1 sets out actions to be delivered via the Tourism Sector Deal and annex 2 provides further information on the Tourism Zones

2.0 The Tourism Sector Deal

2.1 The Tourism Sector Deal is the tenth such Deal to be agreed between Government and the specific sector as part of the Industrial Strategy. As with others it aims to set out a long term plan to boost the productivity of the UK economy, delivering enhanced earning power of people throughout the UK.

The Deal proposes that the tourism sector has the scale and geographical reach to help deliver on this ambition. It has a number of elements. Annex provides a summary of the Deal.

2.2 *Increasing visitors*

In 2018 the UK attracted 38 million international visitors, who added £23bn to the economy, making tourism one of the country's most important industries and the third largest service export. Current forecasts predict the sector will deliver a 23 per cent increase in inbound visitors by 2025. Domestic tourism is also set to increase by an
estimated 3 per cent per annum until 2025. In 2018, British residents took 119 million overnight trips in the UK, totalling 372 million nights away and spending £24bn.

2.3 The Deal seeks to develop the infrastructure necessary for this influx of visitors. It also creates a framework to position industry to take advantage of new markets as well as leveraging initiatives designed to deliver the Industrial Strategy Grand Challenges relating to the data-driven economy, clean growth and an ageing society.

2.4 With this predicted increase in visitors, there needs to be investment in the infrastructure to accommodate and entertain them. The Deal proposes that 130,000 hotel rooms will be built over the next five years, representing the largest hotel investment anywhere in Europe. 75 percent of these new rooms will be outside the capital, supporting
The government's intention that the benefits of tourism should be felt across the whole of the UK. Significant investment will also be made in attractions by the private and public sectors - including investment in natural and built heritage, museums and arts.

2.5 Investment will also be made in the people who work in the sector, so that the growth in visitor numbers can, in turn, create equivalent growth in well-paid employment opportunities. Through the Deal, the industry commits to create 30,000 apprenticeship starts each year and a new mentoring scheme will help 10,000 employees develop their careers in the sector. This will complement a commitment by the government to ensure that our education system supports the industry's needs, including the rollout of two new T level courses.

2.6 This will ensure that visitors to the UK are served by a highly knowledgeable and skilled workforce.

2.7 *Productivity*

Resources will also be better used as a result of this deal, as productivity in the sector is currently hampered by the overreliance on the traditional July-September peak season. 38 percent of holidays by inbound visitors take place in these three months. This deal sets out
how the UK will increase the number of off-season visitors via two major interventions.

2.8 Firstly, the government will create up to five new Tourism Zones to support areas wishing to improve their tourism offer, particularly focusing on those areas looking to boost off-season visits.

2.9 Secondly, business events often drive inbound visits outside of peak leisure season, and the UK government is launching an International Business Events Action Plan in conjunction with the Sector Deal. This plan sets out how the UK will maintain its position as a leading nation for hosting business events in Europe and sets out clear steps to bring more major conferences and exhibitions to the UK.

2.10 *Visitors of the Future*

In recent years, competition around the world has seen a race to build the best understanding of customers, both in how they travel, but also how they search, feel inspired and spend their money. It is no longer simply a case of looking backwards at trends to understand the future. To be globally competitive, we need real-time data and so we will develop a new Tourism Data Hub, which will help Britain make the most of its tourism offer by understanding the motivation and movement of its visitors.

2.11 The Tourism Data Hub will be a ground-breaking new way of helping the sector to gain a better understanding of its potential market. The UK also has the ambition to become the most accessible tourism destination in Europe by 2025, increasing the number of international visitors with disabilities by 33 per cent.

3.0 Industrial Strategy Foundations

3.1 A key ambition for the Industrial Strategy is to establish long-term partnerships between industry and the government that aim to transform productivity and boost earning power in sectors across the UK.

3.2 The Sector Deal brings together a coalition of government, businesses and trade associations who have a shared ambition to improve the industry's performance and help to fulfil its potential and deliver wide-reaching benefits. It reinforces the five foundations of the Industrial Strategy: Ideas, People, Infrastructure, Business Environment and Places, as well as maximising the opportunities from the Grand Challenges.

3.3 The actions to support tourism that both the Government and Tourism Sector commit to deliver for each of these Foundations is summarised at Appendix 1.

4.0 Tourism Zones

4.1 For regions, one of the most compelling actions included in the Sector Deal is the Government's commitment to pilot up to five Tourism Zones that are focused on addressing local market failures in the visitor economy.

4.2 Each Zone will focus on delivering increased productivity at a local level by initiatives such as enhancing tourism products, extending the tourism season and investing in skills. The Deal recognises that tourism is often place specific and it is the uniqueness of a place that makes it attractive to visitors. This means that, although areas may have similar issues around seasonality, solutions may be unique to an area. To this end, the UK government hopes that bids will reflect the rich diversity of the country including rural and coastal areas, as well as urban destinations.

4.3 Areas will become Tourism Zones via a bidding process; receiving targeted support from government if successful. Further details on the proposed approach are reproduced at Annex 2. A consultation to establish a more detailed framework for the proposed Zones will be conducted over the summer.

5.0 Response from the North East

5.1 Pending the publication of the Sector Deal, a small Officer group from the North East LEP, NTCA, NECA and NGI has been monitoring the discussions and preparing to respond once the details have become clear, in particular around the Tourism Zone proposal.

5.2 In anticipation of an announcement this group has preliminary worked to:

- Collate the existing evidence as a basis for providing the case for where tourism productivity can be improved in the North East
- Begin to engage with relevant stakeholders and interested parties to ensure that there is shared ownership to a single unified bid from the LEP area
- Gather ideas and innovative ways of working that would help improve that productivity and form the basis of an outline proposition

5.3 Following publication of the Deal and confirmation of the process and timetable, Local Authority Economic Directors agreed on 12 July that a full working group should be drawn together to lead the bid including the partners named out above, Newcastle International Airport, NEXUS, the Culture Partnership and Visit County Durham. The Group will report progress through the Board and the NE LA7 governance processes (Economic/Finance Directors, Chief Executives, and Leaders.

5.4 Five key workstreams have been identified which will be taken forward as follows:

Work Stream	
Governance & Delivery	• Confirm Governance structure (NELEP Board/LA7 ChExs) • Establish Tourism Zone working group. • Consider options for appropriate delivery vehicle.
Rationale & Evidence Base	• Confirm rationale/attractiveness of bidding for Tourism Zone. • Establish importance and opportunity of tourism to NE economy – and alignment to delivery of SEP/LIS. • Identify potential to deliver substantial growth.

Tourism Zone Proposition	• Establish geography, key assets, target audiences. • Future product development and other sector initiatives. • Productivity, connectivity, accessibility, sustainability, skills.
Economic/Financial Modelling	• Assess nature and level of government support of offer. • Build business case for long term investment. • Identify complementary funding streams/investment opportunities.
Communication & Engagement	• Widespread engagement across the sector. • Build private & public sector support for a single bid. • Liaison with BTA and other government departments.

Annex 1: Actions to be delivered via the Tourism Sector Deal

PEOPLE	
The Industrial Strategy seeks to generate good jobs and greater earning power for all. The Sector Deal aims to ensure high quality tourism training is available, so that people can attract, retain and develop a workforce with the skills it needs both now and in the future.	
Government action	*Tourism Sector action*
The government will work closely with industry on the rollout of two new T Level courses to help deliver the hospitality and tourism workers of the future. The government will continue working with industry, through 'Fire It Up' and other campaigns, to promote apprenticeship and the opportunities for careers in the hospitality and tourism sector. The government will engage fully with industry during its Post-16 Qualifications review to ensure the sector has an opportunity to feed into future policy development. The Department for Work and Pensions will continue its partnership agreement with the hospitality industry to help provide its customers with a structured route into work in the Sector.	The sector will create 30,000 apprenticeship starts each year by 2025, covering all grades, from entry-level roles up to degree-level apprenticeship, and across a range of disciplines. Employers will commit over £1m of funding to an ambitious retention and recruitment programme to revolutionise the pipeline of talent that joins the sector. A new industry mentoring programme will be developed to support 10,000 employees each year. This will aim to enhance careers as well as helping to ensure talented people remain within the sector. The sector will increase the percentage of the workforce receiving in-work training to 80 per cent.

PLACE	
The Industrial Strategy seeks to develop prosperous communities throughout the United KIngdom. The Sector Deal aims to develop the visitor economy and places that people want to visit.	
Government action	*Tourism Sector action*
The government will pilot up to five new Tourism Zones to increase visitor numbers across the country. More information about the bidding process will be released later in the year, with a view to commencing projects in 2020. Tourism Zones will also receive a range of support co-ordinated by central government.	Tourism Zones will be developed and delivered by businesses,local authorities and Local Enterprise Partnerships (in England) who will determine the specific priorities of an area. A range of larger businesses have offered training and support for small and medium enterprises within Tourism Zones.

BUSINESS ENVIRONMENT	
The Industrial Strategy seeks to make the United Kingdom the best place to start and grow a business. The Sector Deal aims to improve the productivity of the tourist industry and establish the UK as a global leader by increasing visitor numbers throughout the year.	
Government action	*Tourism Sector action*
Alongside the Sector Deal the UK government's International Business Events Action Plan 2019-2025 has been published and sets out the steps the UK government will take to support the UK to maintain its position as a leading destination for hosting international business events in Europe. The UK government will achieve this by providing support in relation to the six key drivers that event decision makers consider when determining where to host an event, from providing government advocacy to financial support.	The Events Industry Board, set up to advise government, has identified two priority areas which they can help and support - skills and infrastructure. These priorities are being considered by working groups set up by the Board and will report later in the year.

INFRASTRUCTURE	
The Industrial Strategy seeks to deliver a major upgrade to the UK's infrastructure. The Sector Deal aims to ensure that the tourism sector can support the government's ambition to deliver a major upgrade to the UK's infrastructure.	
Government action	*Tourism Sector action*
The UK government will make travel to the UK and around the UK easier for tourists through the development of its Maritime and Aviation strategies, as well as a number of rail policy developments. The UK government is investing in a number of projects across the Museums, Heritage and Arts sectors that will enhance visitor's experience. These include supporting the conservation work at Wentworth Woodhouse, the development of a new interpretation centre at Jodrell Bank and the development of England's Coast Path, the world's longest coastal path.	Industry will create an extra 130,000 bedrooms across the UK by 2025 - a significant increase of 21 per cent in accommodation stock. Industry will continue to invest in tourism attractions and innovative products, to remain a global leader in the experiences the UK offers visitors. The sector will support the UK government's ambition to be most accessible destination in Europe. They will take forward a number of measures, including better coordination of accessible itineraries online, and increasing the visibility of people with

The UK government will launch a new £250k competition to improve broadband connectivity in conference centres. This will be a UK wide competition. The UK will build on its excellent existing offer, to become the most accessible destination in Europe. The British Tourist Authority will increase their publicity about accessible travel and provide inbound visitors with increased information about the accessibility offer in the UK through a brand new website.	accessibility issues in promotion and marketing campaigns.

IDEAS	
The Industrial Strategy seeks to be the world's most innovative economy. The Sector Deal aims to increase the capacity of the sector to innovate by accelerating the development of digital technology and reducing barriers in the sector.	
Government action	*Tourism Sector action*
The government has supported the British Tourist Authority development of Tourism Exchange Great Britain. Launching in June 2019, this is an online business-to-business platform, which will connect tourism suppliers to global distributors. The UK government has provided £40k to the Tourism Alliance in England to carry out further research on how, where and why businesses within the sector obtain advice on compliance, which will inform the shape of further advisory services including Primary Authority.	The industry and British Tourist Authority will work together to create a new, independent Tourism Data Hub, which can help the sector across the UK to better understand visitors' preferences for location, activities and products in real time. It will also enable the sector for the first time to gather better data about the people choosing not to holiday in the UK.

Annex 2:
Further Information on Tourism Zones

Approach

The Government expects Tourism Zones to develop from stakeholder collaboration, therefore in order to become a Zone, businesses, Local Enterprise Partnerships in England, Destination Management Organisations and Local Authorities will need to join together to develop a strategy for how they plan to grow their local visitor economy.

The strategy would need to set out plans for addressing local market failures which are holding back productivity in the area. Winning strategies are likely to be those with plans that address market failures and barriers to productivity, including:

- Options for extending the tourism season outside of the summer months;
- Proposals for investing in the skills of the local workforce;
- Options for making the visitor economy more accessible;
- Investment opportunities to enhance and innovate the visitor experience, for example by promoting a destination's heritage attractions or by creating an attraction around intangible assets;
- Options for 'small-scale' infrastructure developments;
- A commitment to measuring job quality within the Zone, with a clear plan for reporting on the metrics chosen and how this information will be used to increase the provision of good work; and
- In support of our Clean Growth Grand Challenge, a commitment to develop and adopt a sustainable development plan to reduce environmental impacts within the Zone and to report on progress in order to drive change.

Government Support

Some examples of support on offer to successful bids are likely to include:

- Potential access to Be the Business' benchmarking tool to assess the current productivity and competitiveness of SMEs in the sector.
- Access to Be the Business' insights on building collaborative peer networks focused on business improvement and developing leadership and management skills in SMEs, based on learning from a pilot with hospitality businesses in Cornwall.
- In addition, potentially working with Be the Business during the development of Tourism Zones to provide expert mentoring to small businesses leaders in the sector, including by potentially contributing experienced business mentors from leading large businesses within each zone where relevant.
- Working with large tech companies to deliver targeted digital skills training to small and medium enterprises who lack a digital presence.
- Working with Building Digital UK to provide extra support to Zones to receive full fibre access, if they fall into the 'final 10 per cent'.

- Working with the British Tourist Authority to help ensure product and promotion development is supported by the latest market research, including data from the Tourism Data Hub and customer insight data.

Bidding Process

Tourism Zones will be chosen through a bidding process - run by the British Tourist Authority. Bids should align with Local Industrial Strategies and other key documents, cover a geographical area that can be marketed effectively to the consumer, and not require substantial transport infrastructure investment to facilitate. Government will not stipulate Tourism Zone size - as this should be determined by bidders.

All bids will need to have a Chair and a decision-making board for accountability purposes. Boards must contain representatives from local authorities; Destination Management Organisations and Local Enterprise Partnerships (in England). It should also include members from key tourism businesses (attractions, accommodation etc.) that will play a major role in delivering the strategy.

Successful bids should be able to demonstrate, in a compelling way, how they are able to overcome the local market failures preventing productivity growth.

Tourism Zones will be expected to share their progress and lessons learnt with other destinations.