

Title: North East Trade and Investment Strategy – Procurement
Portfolio: Economic Growth & Innovation
Responsible Director: Phil Witcherley, Director Economic Growth & Innovation
Report Author: Lizzie Lunn, Inward Investment Manager

Purpose of the report

This report seeks approval from the Director of Economic Growth & Innovation to use funding awarded through the Department for Business and Trade's (DBT's) Regional Investment Framework (RIF) to deliver activities agreed in the Memorandum of Understanding (MOU) between DBT and the North East Mayoral Strategic Authority (North East MSA). It also seeks approval to procure a supplier through Bloom Procurement Services to develop the North East Inward Investment and Trade Strategy and Delivery Framework, and to enter into a contract valued at up to £120,000. The RIF was accepted by the North East MSA through the Delegated Decision 'Regional Investment Framework (RIF)', approved in September 2026.

Recommendations

The Director of Economic Growth & Innovation is recommended to:

- i. approve the use of Regional Investment Framework funding to deliver the agreed activities set out in the MOU (See Appendix A).
- ii. approve the procurement of a supplier to develop the North East Inward Investment and Trade Strategy and Delivery Framework and enter into a contract valued at up to £120,000.

Executive Summary

A. Context

1. Background

The North East's inward investment ambitions are focused on driving sustainable economic growth, increasing productivity and securing transformational investment aligned with national Industrial Strategy priorities. Activity is centred on promoting the region's strengths in clean energy, wider growth infrastructure and major capital investment opportunities, while strengthening the region's profile, proposition and investor engagement.

The Department of Business and Trade (DBT) has awarded £210,000 to the North East MSA through the Regional Investment Framework (RIF) grant. The funding will be deployed across a series of connected activities designed to strengthen inward investment capability, support delivery of the regional growth priorities and build longer-term investment capability.

The RIF will fund the following activities:

- Develop an Inward Investment Strategy and Delivery Framework.
- Build marketing capacity and capability.
- Accelerate clean energy investment activity.
- Support investment promotion at key events.
- Continue engagement on capital investment opportunities.

The North East MSA Inward Investment team will deliver most of this activity, with external suppliers procured where specialist support is required. Members of the Investment Gateway Meeting have been consulted on

the proposed approach for delivering the MOU commitments and are supportive of the North East MSA's approach.

2. Procurement

Specialist support is required to develop the North East Inward Investment and Trade Strategy and Delivery Framework. The commission requires specialist expertise in inward investment and trade strategy development, analysis of data, stakeholder engagement and delivery framework design which is not available within existing North East MSA resources. Procuring external support will ensure the strategy is informed by best practice, robust evidence and stakeholder engagement, and is developed within the required timescales.

The MOU includes an indicative allocation of £84,000 to support the development of the North East Inward Investment and Trade Strategy Delivery Framework. Market testing and the development of the detailed specification indicate that a larger budget may be required to secure the specialist expertise necessary to deliver the commission. Approval is therefore sought to procure a supplier and enter into a contract valued at up to £120,000. The final contract value will be determined through the competitive procurement process and will not exceed £120,000. Any additional expenditure above the indicative £84,000 allocation will be managed within the overall £210,000 RIF grant and will not increase the total funding requirement.

A steering group has been established to provide strategic oversight and direction. The group comprises representatives from the North East MSA's Inward Investment and Business Growth teams, and the constituent Local Authorities.

A tender process is being conducted through Bloom Procurement Services between 3rd September 2026 and 17th September 2026. This procurement exercise does not commit the North East MSA to expenditure, and no contract will be awarded or entered into until the delegated decision has been approved. An evaluation panel of two officers from the North East MSA and inward investment officers from Newcastle City Council, Sunderland City Council and Durham County Council has been established. The Panellists will independently score all submissions. A moderation meeting will take place during the week commencing 21st September 2026 to agree final scores. The highest scoring supplier will be awarded the contract.

B. Impact on North East Mayoral Strategic Authority Objectives

The funding supports North East MSA's Corporate Plan and mission statement 'A welcoming Home to Global Trade'.

C. Timetable

Milestone	Forecast Date
MOU signed	2/9/2026
Work Order Agreed for Investment and Trade Strategy and Delivery Framework (ITSDF)	23/09/2026
Contract start date for ITSDF	23/09/2026
Contract completed for ITSDF	18/12/2026
RIF funding spent	31/03/2027

D. Key risks

The principal risk is the delivery of RIF-funded activity does not meet DBT expectations. This will be managed through regular engagement between DBT and North East MSA to ensure that the programme of activity is acceptable and is delivering the agreed outcomes.

The grant must be delivered and spent by 31 March 2027. The proposed programme comprises defined and scalable activities that build on existing inward investment work, with delivery through a combination of internal capacity and external support where required. The flexibility of the RIF allows activity and expenditure to be managed across the agreed funding pillars, while quarterly monitoring of delivery and actual spend will enable any emerging issues to be identified and addressed promptly.

For the procurement of the ITSDF, key risks are:

Risk	Mitigating Activity
Delays to delivery timelines	The procurement process will select a provider who has set out a clear structured timeline for delivery with accompanying risk register. Any risks to the timeline will be identified early and dealt with to avoid delays.
Difficulties in acquiring correct data for the project	Early engagement between MSA officers and key data holders prior to project inception.

If the final contract value exceeds the indicative £84,000 allocation, the additional expenditure of up to £36,000 will be accommodated by adjusting expenditure across the remaining RIF activity headings. This will be managed within the overall grant ceiling of £210,000 and in accordance with the terms of the MOU and any required DBT approval or variation process.

The North East MSA is required to submit a quarterly monitoring report alongside the financial claim. The report must summarise activities completed in the quarter and future activity planned and should reflect Annex A: The Funded Activities. The funded activities are wide-ranging in scope to allow a flexible approach to delivery, so this is a low-risk contract with no clawback conditions.

Funding will be made by DBT on a quarterly basis in arrears based on actual spend incurred in that period.

E. Corporate Implications

E1. Financial and other resources implications

As per the delegated decision report, published in September 2026, 'Department for Business and Trade: Regional Investment Framework (RIF)' the North East MSA accepted £210,000 from national government to strengthen regional investment capacity and capability, supporting the delivery of the UK Industrial Strategy and Infrastructure Strategy. Funding is targeted towards the region's investment priorities and will complement existing resources and services, enabling activities that enhance investment promotion, investor engagement and the attraction and landing of transformational investment opportunities.

The table below provides the cost headings where funds under the MOU can be spent by the North East Mayoral Strategic Authority. Please note that the costings and profile are indicative and subject to change. Whilst the MOU contains an indicative allocation of £84,000 for the Strategy and Delivery Framework, allocations across the funding pillars are indicative and may be varied provided expenditure remains within the overall £210,000 RIF allocation and contributes to the delivery of the agreed MOU commitments. Virements between activity headings do not need formal variation/DBT approval. The fund is flexible and is designed to work alongside OFI delivery but can flex to fit regional requirements during delivery.

Cost Heading	2026/27	Total
Inward Investment Strategy and Delivery Framework	£84,000	£84,000
Marketing Capacity and Capability	£46,000	£46,000
Clean Energy Investment Activity	£21,000	£21,000
Investment Promotion at Key Events	£38,000	£38,000
Capital Investment Opportunities	£21,000	£21,000
<i>Costings and profile are indicative and subject to change at later stage</i>		

Total	£210,000	£210,000
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All funds must be spent in the funding period. Any funding not spent in 2026/27 must not be rolled forward into 2027/28 unless a variation has been agreed and executed by DBT.

The expenditure will be fully funded through the DBT Regional Investment Framework grant and no North East MSA match funding is required. Financial risk is therefore limited to ensuring expenditure remains within the grant conditions and funding period.

Grant funding will be paid to the North East MSA quarterly in arrears.

E2. Legal implications

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

E3. Equalities implications

The North East MSA complies with the [Public Sector Equality duty](#) and this report has due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010.

E4. Consultation and engagement

Consultation and engagement has taken place throughout the process between DBT and North East MSA. The seven constituent local authorities have been consulted (via the Investment Gateway Meeting) on the programme of activity and are supportive of the approach.

F. Appendices

Appendix A

G. Background papers

Delegated Decision Report: Department for Business and Trade: Regional Investment Framework (RIF) (September 2026)

H. Contact officers

Name: Lizzie Lunn
Title: Inward Investment Manager
Email address: Elizabeth.lunn@northeast-ca.gov.uk

Name: Michelle Duggan
Title: Head of Inward Investment
Email address: michelle.duggan@northeast-ca.gov.uk

I. Glossary

North East MSA	North East Mayoral Strategic Authority
DBT	Department for Business and Trade
RIF	Regional Investment Framework
MOU	Memorandum of Understanding
ITSDF	Investment and Trade Strategy and Delivery Framework

Appendix A: The Funded Activities

The Office for Investment will support eligible MSAs to consider how they will deploy RIF funding. It is expected that MSAs will target funding based on their investment priorities, existing resourcing and service provision, and opportunities to improve delivery and impact.

Funding deployment should be aligned to one or more of the following core pillars, which reflect where MSAs have highlighted where they see the greatest challenges and opportunities from an investment delivery and resourcing perspective.

1. **Developing credible investor propositions** rooted in regional strengths and opportunities – identifying, shaping and accelerating credible FDI or capital propositions for the global investor audience, including developing expertise in private sector financing models.
2. **Effectively pitching regional propositions** to strategic investors - converting into proactive investor targeting, lead generation, bid development, and enquiry response across both FDI and capital investment opportunities.
3. **Servicing and landing transformational investments** - providing a seamless concierge service to give investors support and confidence to land.

Agreed MSA Proposal

North East Mayoral Strategic Authority Regional Investment Fund – Outline Proposal 2026/27

1. Investment Priorities and Current Service Model

The region's inward investment ambitions are centred on supporting sustainable economic growth, increasing productivity and securing transformational investment aligned with national Industrial Strategy priorities. Current activity is focused on building on regional strengths and opportunities, particularly within clean energy, wider growth infrastructure and strategically significant capital investment opportunities.

Alongside this, there is a strong emphasis on strengthening the region's profile within key markets, developing a clearer and more consistent investment proposition, and ensuring that opportunities are effectively promoted and supported through to delivery.

The current inward investment service model is delivered through partnership working across regional stakeholders and focuses on investment promotion, investor engagement, opportunity development and support for strategic projects. Existing activity has helped establish a growing pipeline of opportunities and increasing engagement with investors and institutional partners, including activity linked to recent leasing rounds, infrastructure opportunities and the launch of the regional investment prospectus at UKREIF.

RIF funding will provide an opportunity to strengthen this activity further during 2026/27 by enhancing strategic capacity, improving proposition development and supporting more proactive investment engagement activity across agreed priority areas.

2. Areas of Focus for RIF Funding

RIF funding will be deployed across a series of connected activities designed to strengthen inward investment capability, support delivery of regional growth priorities and build longer-term investment capacity. The North East MSA will co-invest in key activities, aligned to the Local Growth Plan.

Development of an Inward Investment Strategy and Delivery Framework (40%)

A key priority for 2026/27 will be the development of a comprehensive inward investment strategy and delivery framework covering short, medium and longer-term activity across 1-year, 3-year and 5-year horizons.

This work will establish a clearer strategic framework for inward investment activity and will:

- Develop detailed value propositions linked to the regional growth plan;
- Define sector and market opportunities;

- Identify target investor audiences and routes to market;
- Strengthen the articulation of regional strengths and opportunities; and
- Provide a coordinated framework for future delivery activity and investment promotion.

This will create a stronger platform for proactive investor engagement alongside OFI as a partner and support longer-term pipeline development.

Building Marketing Capacity and Capability (22%)

Funding will support enhanced inward investment marketing and communications activity to improve the visibility and positioning of the region within domestic and international investment markets.

This will include the development of marketing materials, proposition content, digital communications and sector-focused promotional activity to support investor engagement and opportunity promotion.

The intention is to strengthen the region's ability to present a clear, compelling and consistent investment offer across priority sectors and opportunities.

Accelerating Clean Energy Investment Activity (10%)

Building on existing work with institutional investors, recent leasing round opportunities and known market interest, funding will support targeted activity focused on clean energy investment opportunities and associated supply chain growth.

This activity will help accelerate engagement with investors and support the progression of emerging opportunities within a strategically important growth sector.

Supporting Investment Promotion at Key Events (18%)

Funding will support attendance and engagement at key investment and property events to promote regional opportunities and strengthen investor networks.

Activity will focus on presenting investment opportunities to market, supporting investor discussions, generating leads and maintaining engagement with strategic partners and investors.

This will complement wider proposition development and investor engagement activity throughout the year.

Continued Engagement on Capital Investment Opportunities (10%)

Following the launch of the regional investment prospectus at UKREIIF, funding will support continued engagement with investors, developers and funding partners to maintain momentum and progress identified opportunities.

This activity will focus on strengthening relationships, supporting opportunity development and maintaining a visible pipeline of investable propositions linked to regional growth priorities.

3. Expected Outputs and Outcomes

During 2026/27, RIF funding will support:

- Completion of a regional inward investment strategy and delivery plan;
- Development of enhanced sector and investment propositions;
- Increased inward investment marketing and promotional activity;
- Continued engagement with institutional investors and strategic partners;
- Promotion of investment opportunities at key national events;
- Further development of the regional capital investment pipeline; and
- Strengthened coordination and capacity across inward investment activity.

Collectively, these activities will enhance the region's inward investment capability, strengthen the visibility and credibility of regional opportunities, and support the delivery of investment activity aligned with both regional growth ambitions and national priorities.

4. Future Development

The proposed activity is intended to establish a stronger long-term framework for inward investment activity rather than a standalone programme of work during 2026/27.

In particular, the development of the inward investment strategy and delivery framework will provide the foundation for a coordinated and sustained approach to investor engagement, proposition development and opportunity promotion over the medium to longer term. The strategy will identify priority implementation

activities, resource requirements and delivery mechanisms needed to support ongoing investment promotion and pipeline development beyond the initial strategy phase.

As opportunities and capacity develop, there will be a continued focus on securing additional investment and partnership support to strengthen delivery and implementation activity. This includes exploring opportunities for future investment in enhanced digital tools and platforms to support market outreach, investor engagement and relationship management. Improved digital capability would strengthen the region's ability to present opportunities to global investors, support data-led targeting activity and provide more effective investor interaction and follow-up processes.

Future activity will explore how partnerships with universities and intermediary organisations can be used more systematically to support investor engagement, particularly within innovation-led and clean growth sectors. This includes using academic and R&D strengths to help demonstrate sector capability, support international relationship building, facilitate connections with global businesses and investors.