

North East Local Enterprise Partnership Board



Thursday 7 June 2018

17.00 – 19.00

Venue: Ward Hadaway, 102 Quayside, Newcastle upon
Tyne, NE1 3DX

AGENDA

1. **Welcome from the Chair and apologies** (5.00pm)
2. **Minutes of the last Board Meeting held on Thursday 22 March 2018** (5.05pm)
The Board will be asked to agree the Minutes.
3. **Employment and Skills Update** (5.10pm)
Michelle Rainbow to present to the Board.
4. **Borderlands** (5.40pm)
Janice Rose to present to the Board.
5. **Delivery Plan – Paper attached** (6.00pm)
Helen Golightly to present to the Board.
6. **Budget – 2017/18 Outturn – Paper attached** (6.10pm)
Helen Golightly to present to the Board.

Item 7 is confidential as it contains commercial information relating to the financial or business affairs of a particular person or organisation and is not for wider circulation.

7. **Funding Update – confidential paper attached** (6.20pm)
Helen Golightly to present to the Board.
8. **Updating the Strategic Economic Plan – Paper attached** (6.40pm)
Richard Baker to present to the Board.
9. **North of Tyne Devolution Update** (6.50pm)
Helen Golightly to give verbal update to the Board.
10. **Any Other Business** (6:55pm)
11. **Date and Time of next meeting – Thursday 26 July 2018 from 5 - 7pm**

THIS IS NOT A PUBLIC MEETING

FOR INFORMATION -

1. The North East LEP's Annual Review 2017/18

<https://www.nelep.co.uk/wp-content/uploads/2018/05/north-east-lep-annual-review-2017-18-final.pdf>

2. The North East LEP's Business Plan 2018/19

<https://www.nelep.co.uk/wp-content/uploads/2018/05/north-east-lep-buisiness-plan-18-19-final.pdf>

3. The NECA Leadership Board and Committee Papers can be found at:

<https://northeastca.gov.uk/>

North East Strategic Economic Plan Programme Delivery update

June 2018



Performance against Strategic Economic Plan targets since 2014 (Last updated Apr 2018)

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



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



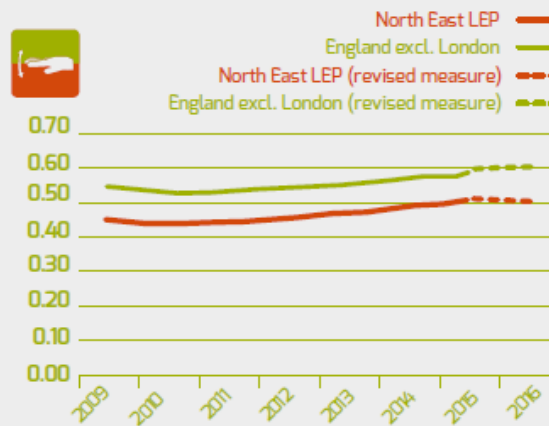
Close the gap in the employment rate for people aged 16-64
Target 100% reduction in gap by 2024



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 by 2024



Gross Value Added per full-time equivalent (FTE) job

The SEP aims to reduce the gap between the North East and England excluding London on GVA per FTE by 50% by 2024. Between 2014 and 2015, the gap between the North East LEP area and England excluding London had increased by 9%.

However, there has been a discontinuity in the data that underpins this measure. Changes have also been made to regional GVA data (with a new balanced GVA figure published for the first time in December 2017).

Whilst it would be possible to use 2015 as a revised baseline, we are taking this change as an opportunity to review the target with its partners and will report on next steps in due course.

Innovation Programme | Lead: Alan Welby

Goals

Our vision is for the North East to take its place as an innovation hot spot in Europe – an exemplar in ‘smart specialisation’ and open innovation systems and practice. Our aim will be to encourage business growth and social development by creating an environment in which new products and processes can improve performance or solve challenges, embed new technologies and promote cross-sector learning and development for the economy.

SEP Action	Progress/ current position	High level risks	Lead	Status
Ecosystem development – provide business support, expertise, share knowledge and increase partnership learning				
Set up and deliver the Innovation Observatory project	<p>A draft Innovation Observatory report has been received to be presented to the next Innovation Programme Delivery Board for consideration and discussion.</p> <p>This will be used to inform the next steps of development in considering routes to link research excellence and fore-sighting to business need.</p>	<p>Long-term funding is still to be confirmed although university lead is progressing.</p> <p>Information developed is not shared or not shared in a way which meets business need.</p>	Alan Welby with Durham Uni	A
<p>Set up a programme to support the development of a stronger innovation network environment in the region</p> <p>Develop programme to support growth in number of incubators and innovation hubs</p>	<p>The Super-Network programme provides a cross-network platform for NE Innovation. The project is ERDF funded and aims to bring together different networks. An application to extend this has been submitted and has been successful at first stage. A strengthened governance is now in place and will be accompanied by refreshed communications.</p> <p>The Incubator demand report which the LEP supported has reported highlighting areas of incubation demand. The LGF funded projects have been approved with the first Project Development call in place.</p> <p>The North East LEP is part of a successful H2020 project bid which will aim to develop and then pilot a new EU wide innovation eco-system network. The NE will be one of 2 pilot regions from December 2018</p>	<p>SuperNetwork is not adequately embedded in other activities.</p>	Alan Welby	G
Communicate the proof of concept funding landscape to business	<p>Planning is underway for the 2018 VentureFest (14th November) with the next Finance Camp event due on the 5th July.</p> <p>The North East Fund (JEREMIE2) has now been launched including Proof of Concept and innovation focused investment routes.</p>	<p>The funds fail to deliver against a shared understanding of innovation projects.</p> <p>Project pipeline is not strong enough to support the level of investment available.</p>	Alan Welby	G
Established North East Innovation Leadership	<p>The refresh to the LEP Innovation Board, establishing the Programme Delivery Board and Strategic Steering Group has been implemented. New members for the Digital and Health and Life Science Sectors have been appointed.</p> <p>Strategic approach to responding to the Industrial Strategy Challenge Funding and Strength in Places (SiP) fund being taken forward; however the LEP/CA/MCA role in SiP fund is limited by Government guidance.</p>	<p>Innovation Leadership is not recognised or understood by partners.</p> <p>Role not recognised in Government funding approaches</p>	Alan Welby	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Secure support for relevant national Science and Innovation Audits	The North East LEP has supporting the successful submission of Science and Innovation audits for the Bio-economy in the North and Subsea and Offshore. The Round 3 application has been revised in light of Government feedback and resubmitted to a short deadline. This was approved alongside the two other audits involving the North East – chemical processes and health innovation are in delivery with a steering group established. A first draft/interim report was submitted in April 2018 with a final draft due by the end of July 2018.	Delivery of audits is incomplete or is not embedded in national policy.	Alan Welby	G
Build a strong collaborative relationship with InnovateUK, UK Research and Innovation and across the Catapult Network	The relationship with Innovate UK continued to be strong. The national cross-catapult initiative has not been successful but the local cross-catapult work continues and LEP relations with Innovate UK remain strong. A new regional contact from IUK, has attended the last Board meeting and is engaging with the team.	Relationship is not maintained with key investment opportunities missed or focused on other areas of the country.	Alan Welby	G
Innovation Infrastructure – Projects and Programmes for Innovation				
Support the delivery of key innovation projects as set out in the SEP	LGF innovation projects are progressing and reported separately to the Board. A number of ERDF Innovation Projects have formally launched or moved to the next stage of the application process. The LGF funded mini-programmes for Project Development and Incubator Support have been through a first call cycle with a number of projects in appraisal and one fully approved. A second call is proposed for May 2018 to November 2018 with review points.	Projects are delivered without meeting the Innovation Programme strategic objectives.	Alan Welby	G
Establish at least one test bed facility	The LEP has supported the 5G test bed development project using LGF. This has been used to establish a project team with a lead and support appointed and in post. They are currently working towards an project submission.	Government does not back this.	Alan Welby	G
Set out long term North East Innovation Infrastructure needs	A new narrative and programme to improve assets will be undertaken during 2018	The programme is incomplete or not based on evidence.	Alan Welby	G
Smart Specialisation – Focus on four key sectors				
Produce four Smart Specialisation strategies	This work strand has been revised to fit with the wider approach across the LEP team. Four strategies are being developed in line with the industrial strategy. Specific approaches covering automotive manufacture, health and life science, subsea/offshore energy and digital are being progressed through the relevant groups.	All strategies are not completed or do not bring together the right sector lead partners.	Alan Welby	A
Establish the Data for Growth project	The Data for Growth report was agreed at the December Innovation Board meeting. Delivery is embedded in the 2017/18 work programme and this is being taken forward within the Science and Innovation Audit activity to ensure alignment.	Lack of clear lead partnership to deliver against Data for Growth delays progress.	Alan Welby	G
Establish a challenge approach for the Health Quest North East project	The Health Quest North East Project is being developed as a proposal but due to the lack of funding other delivery models are being explored. E.g. It has been included within a wider ERDF application.	Funding for project is not secured.	Alan Welby	R

Business Growth Programme | Lead: Colin Bell

Goals

By 2024, our business growth programme will have made a significant impact on our employment and business density targets. We will do this by:

- Increasing the number of scaleup businesses in the North East LEP area by 50%, creating an 6,000 additional jobs
- Securing growth in inward investment averaging 4,000 new jobs each year

SEP Action	Progress/ current position	High level risks	Lead	Status
Scaleup North East: More high growth businesses will help us to secure economic resilience and increase private sector employment				
Scaleup North East Programme: Supporting more businesses to achieve and sustain high growth				
Scaleup North East Programme	<ul style="list-style-type: none"> • 128 expressions of interest received from SME businesses. • 69 businesses accepted on to the programme, an increase from 30 since the last report. Of the 69 participants, 17 action plans are complete. • Four Scaleup Partners now in post and recruitment continues due to high level of demand for the programme. 	<p>Fulfilling demand.</p> <p>Delivering desired high quality of experience.</p>	Colin Bell	G
Inspiring leaders: Encouraging and facilitating peer mentoring and introduction				
Growth through Mentoring	<ul style="list-style-type: none"> • Growth through Mentoring has made 37 matches and two re-matches. • Our pool of mentors has grown to 37 with a further 6 mentors in the pipeline. 	Attracting high quality mentors	Helen Lee	A
Productivity Leadership Group Mentoring Pilot	<ul style="list-style-type: none"> • We are involved in the early roll-out of the Productivity Leadership Group (PLG) mentoring programme. The programme aims to tackle the long-tail of productivity and provides exclusive access to senior leadership team mentors from global blue-chip companies, four of which have bases in the LEP area. • The PLG programme will integrate with and complement the Growth through Mentoring Programme. 	Attracting high quality mentees	Dinah Jackson	G
Access to finance: Ensure access to the finance required to grow and scale by developing new and existing partnerships that provide objective and impartial access and attracting investment funds from outside of the region				
The North East Fund	<ul style="list-style-type: none"> • North East Fund is now live and engagement events are underway, hosted by North East Finance. 	<p>Failure to attract high quality investment bids.</p> <p>Brexit could present unforeseen risks.</p>	Michelle Rainbow	A
Rural Growth Network (LGF)	<ul style="list-style-type: none"> • 29 projects approved or committed (9 projects in current FY). • Spend remains behind target at 59% but programme is on plan with respect to lifetime outputs. • Deadline extended to 31st May 2018 and may be further extended in order to secure good projects in the current pipeline and defray all expenditure. 	<p>Low levels of demand.</p> <p>Low levels of private sector match.</p>	Dinah Jackson	A

SEP Action	Progress/ current position	High level risks	Lead	Status
RDPE (Rural Development Programme for England) (EAFRD)	<ul style="list-style-type: none"> North East LEP area has received the largest number of Expressions of Interest (Eoi) of any Northern LEP. Current pipeline value is 87% of total allocation. As at 24th May, 107 Eois have been received of which 84 have been endorsed for full application (up from 57 at last report). 21 projects are contracted (up from 12). 	Low levels of demand. Process timescales.	Dinah Jackson	G
Support business growth focused on areas of opportunity				
Work with sector groups	<ul style="list-style-type: none"> Through Scaleup North East, our Scaleup Partners provide coverage across areas of opportunity. We are working in partnership with regional cluster organisations to develop a £6 million Supply Chain North East Programme. 	Securing funding for Supply Chain Programme.	Colin Bell	G
North East Growth Hub: A single access point for business information, advice and financial support				
An effective platform and events programme	<ul style="list-style-type: none"> Performance is on target with 978 referrals to partners being made during April. The introduction of 3 x Growth Hub Connectors will further simplify the landscape for businesses and delivery greater value to businesses. To raise awareness of the support available 6 toolkits will be developed in-year. Apprenticeship and Scaleup toolkits went live in April. The Mentoring toolkit went live in late May. See https://www.northeastgrowthhub.co.uk/toolkits/ 	<p>Growth Hub doesn't generate leads effectively.</p> <p>Low levels of demand for Growth Hub events</p>	Jen Robson	G
Building our trade flows: Increase export activity				
Building trade flows	<ul style="list-style-type: none"> Subject to securing a nationally matched ERDF programme DIT intend to change their delivery model. We are working with the DIT to help ensure that the new delivery arrangements will attract greater benefit for the North East and cater for the region's needs. 	Future DIT model does not meet the needs of the North East.	Colin Bell	A
Strengthening flows of inward investment: Driving growth and employment				
Build the strength, profile and coherence of the North East's inward investment offer	<ul style="list-style-type: none"> Full year success figures for 2017/18 show 85 successful projects leading to 1,669 jobs. 68 of these investments (and re-investments) were from foreign-owned companies leading to new 1,378 jobs and 1479 safeguarded. There were 17 new UK inward investments leading to 291 new jobs. New marketing collateral is being developed to promote the North East as an investment location to companies in the five key target sectors and a number of significant sub sectors. An INEE events programme for 2018/19 is currently being worked up with partners. This will include as a minimum events in the Energy, Digital & Tech, FPBS and general property investment sectors. DIT Key Account Management Programme which provides support for certain existing foreign-owned companies located in the NE performed well in 2017/18 with its targets overachieved. NECA is contracted by DIT to deliver the service which is sub contracted to the local authorities. A similar level of service is to be delivered in 2018/19 through circa £145k of DIT Northern Powerhouse funding. On-going concern that key competitors have access to financial incentives (Sheffield £27m pot for inward investors + same for indigenous. Leeds £13m, Tees Valley £10m, Liverpool £30m). Northern Ireland, Wales and Scotland also provide significant levels of grant assistance that North East England cannot compete with due to the lack of a grant incentive scheme. 	<p>Impact of Brexit on ability to attract new FDI.</p> <p>Absence of access to financial incentives impacts interest.</p> <p>The creation of the North of Tyne Combined Authority may confuse the inward investment landscape for investors or dilute the current regional model.</p>	Guy Currey	A

SEP Action	Progress/ current position	High level risks	Lead	Status
Develop strategic approaches to opportunities, working with key areas of specialism to strengthen supply chains	<ul style="list-style-type: none"> Proactive lead generation work continues, primarily focused on companies based in London and SE England (but with an additional focus on opportunities in Ireland) in the digital sector as well as financial, professional and business services sector. Due to good results, the contract has been extended for a further six months to the end of May 2018. The INEE Team is working with local authorities and the three main ports to develop marketing materials (web-based) to help promote and provide opportunities for the region's offshore energy sector and supply chain. 		Guy Currey	G

Early response and managing change: Ensure a rapid response to economic shocks and other impacts

Develop a collaborative approach to responding to negative economic and other impacts	<ul style="list-style-type: none"> Recruitment of Growth Hub Connectors provides direct recourse to deploy in response any economic shocks or changes. The emerging Supply Chain North East programme will address potential impacts of Brexit to SME businesses. The Business Growth Team continues to contribute to regional and national Brexit discussions, with particular emphasis on the impact to the business support ecosystem and impacts to the rural economy. 	<p>New ERDF projects fail to address potential post-Brexit impacts with effective business support.</p> <p>Poor coordination between partners.</p>	Colin Bell	A
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Skills Programme | Lead: Michelle Rainbow

Goals

Our vision for 2024:

- Providers and education establishments provide a mix of world class academic, technical and professional education, apprenticeships and higher level apprenticeships in all of the growing areas of our economy, ensuring that those entering the labour market have the right skills to thrive
- That skills supply underpins business growth and talent is retained in the region
- Every young person can identify routes into work, supported through experience and exposure to the world of work and inspiration. We want them to understand that life and work experiences, alongside career and formal qualifications, are incredibly valuable
- A reduction in inactivity levels in our 50+ workforce, as skills investment enables older workers to remain in work.

SEP Action	Progress/ current position	High level risks	Lead	Status
North East Ambition - A programme of activity centred around the Good Career Guidance benchmarks.				
<p>Support secondary schools and colleges who wish to adopt the benchmarks</p>	<p>Nationally our work is widely acknowledged as transformational and the North East LEP's work heavily influenced the implementation plan for the DfE national careers strategy (released in Dec 2017) and the statutory guidance (Jan 2018). All schools and colleges across the country are now expected to use the career benchmarks and the Careers and Enterprise Company have the remit to lead the national roll-out.</p> <p>The Social Mobility Commission 'State of the Nation Report 2017' recognised the impact of North East Ambition "the North East Local Enterprise Partnership has transformed careers support at local schools/colleges from the worst provision in the country to some of the best... Today, it is leading the way on good-quality careers advice – a consequence of collaborative efforts to improve performance". The report recommends that "Local Enterprise Partnerships should follow the approach of the North East Local Enterprise Partnership".</p> <p>From the starting point of the pilot in 2015, the regional scale up of North East Ambition continues; over 140 secondary schools are engaged and all 9 colleges have adopted and are working towards the benchmarks.</p> <p>A handbook of good practice, developed by the Gatsby Foundation, showcasing the excellent work of the North East pilot schools and colleges was sent to every school in the country in April 2018. This has been very positively received. Our Advocates (those in the original pilot schools and colleges) continue to be deployed to support schools and colleges both across the region and across the country. To date, the LEP has presented to five National Careers Strategy Briefings, one National Careers Education and Guidance Show(UK), two Westminster conferences, one Public Policy Exchange Briefing, one Future Ready Conferences, three City & Guilds Franklin Debates, Workshops for Senior Leaders, LEPs and Careers Leaders in the North East, Cornwall, Birmingham, Nottingham, Lincolnshire, London, Greater Manchester/North West and Yorkshire. We will also support the Cornwall and IoS LEP and the Coast to Capital LEP before the end of the academic year.</p> <p>The progress made by our SEND Working Group has also been recognised by DfE as leading the way and we continue to work with the Gatsby Foundation to ensure that SEND schools and colleges are supported to achieve the benchmarks and are very clear about how their provision can be mapped against the benchmarks. An event was</p>	<p>The Careers and Enterprise Company (CEC) have the remit for the national roll out and implementation of the careers strategy. This includes the development of 'career hubs' and associated funding and structures. We are working closely with the CEC.</p>	<p>Michelle Rainbow</p>	<p>G</p>

SEP Action	Progress/ current position	High level risks	Lead	Status
<p>Support secondary schools and colleges who wish to adopt the benchmarks cont.</p>	<p>held in May, attended by over 50 SEND schools and a range of employers and businesses where good practice was showcased. This was delivered in partnership with National Grid and the CEC.</p> <p>Good Career guidance is central to Technical Education reforms. Our college working group has been working directly with the CEC and Gatsby Foundation to shape the development of supporting resources for colleges seeking to achieve the benchmarks. We hosted a workshop to shape the production of a 'guide for career leaders in colleges' and have participated in research. Four North East colleges are helping to shape the development of a national audit tool 'Compass for Colleges' and the chair of the group will join the LEP on the National Steering Group for Compass.</p> <p>We continue to support the roll out of the Careers Strategy nationally, for example, a group of North East Careers Leaders are supporting the development of a 'Quick Guide for Career Leaders' in relation to their new statutory duties and we are also looking to create video resources that can be used to support careers leaders to adopt, implement and achieve the career benchmarks. These resources should be completed for the beginning of the new academic year</p> <p>The CEC, in their Career Hub Prospectus, recognised the leading role of the North East LEP in shaping the National Careers Strategy. The North East LEP has expressed an interest to host one of 20 new Careers Hubs and over 60 schools and colleges have indicated they wish to be part of this Hub. Final decisions will be made by mid-June by the CEC.</p>	<p>The Careers and Enterprise Company (CEC) have the remit for the national roll out and implementation of the careers strategy. This includes the development of 'career hubs' and associated funding and structures. We are working closely with the CEC.</p>	<p>Michelle Rainbow</p>	<p>G</p>
<p>Ensure all secondary schools have access to Enterprise Advisers</p>	<p>Over 120 Enterprise Advisers have now been recruited at Tier 1 and Tier 2 from a broad range of both large employers and SMEs. The ongoing business development and recruitment campaign continues to target under-represented sectors so there is a varied range of businesses with the Enterprise Advisor network</p> <p>100 schools and colleges have now completed and returned their audit documentation and now have access to Enterprise Advisors. 88 of these are now matched and there is a focus on matching the remaining organisations.</p> <p>If approved by ESF Managing Authority, the North East Ambition project will have an impact on the scale up activities of the EA network and increase the number of the Enterprise Coordinators within the team. Increased engagement will include working with those schools currently outside the network, extending the offer of an Enterprise Advisor into primary schools and universities. Additionally Colleges are now requesting new and innovative ways to work with Enterprise Advisors, preferring a number of EAs working strategically and operationally within and across the college and the departments within it.</p>	<p>Changes in government and policy may mean a change to the funded element of the programme</p>	<p>Michelle Rainbow</p>	<p>G</p>
<p>Develop and deliver the Pupil Mentoring programme</p>	<p>Mentoring is particularly effective where students need extra support and evidence demonstrates that where mentors have been able to work with young people GCSE results improve, NEET figures improve and student behaviour and attendance improves. For schools to achieve a benchmark each and every student has to be engaged. Mentoring programmes are available to support schools with this. RTC North and Young Enterprise are co-ordinating their delivery activities across the region with input from local authorities, EAs and other support organisations. Delivery is</p>	<p>Full delivery has taken place from the start of the Autumn term. 2017. These mentoring programmes are funded by the CEC. Initial projects are funded to Sept 18, but successful projects will be funded to 2020.</p>	<p>Michelle Rainbow</p>	<p>G</p>

SEP Action	Progress/ current position	High level risks	Lead	Status
<p>Develop and deliver the Pupil Mentoring programme cont.</p>	<p>going well and feedback from schools is good.</p> <p>The North East LEP is currently participating in an interim review of the mentoring programmes in order to support the CEC in determining those projects likely to be extended.</p> <p>One programme to note is the The ChangeNow programme working specifically with SEND students and partnering with Leonard Cheshire Disability organisation to ensure that 'each and every' student has the opportunity for meaningful encounters of employment and work experience. This organisation support the SEND event held in May and engaged fully with all of the SEND schools who were present at the event.</p> <p>Take up from both businesses and schools has been good, exceeding expectations and quarterly targets set by the funders, CEC. The LEP continues to work with Leonard Cheshire to try to expand the pilot by sourcing match and / or additional funding .The North East LEP is delighted to be able to provide a placement opportunity for a student and Leonard Cheshire staff are providing guidance as to how to best support this student. This organisation support the SEND event held in May and engaged fully with all of the SEND schools who were present at the event.</p>			
<p>Develop and roll out a pilot Primary Schools Benchmark programme</p>	<p>A drive to introduce careers provision in primary education is described within the new Careers Strategy and this is echoed in that primary schools in the region have expressed a wish to be proactive in this regard. Following a number of conversations and proposals, we are delighted that we have secured a commitment for funding from EY Foundation to deliver a primary benchmark pilot. This funding will be matched with funds from the North East Ambition ESF pilot to ensure that we can work with 10% of the North East LEP area's primary schools (70 in total). 10% is sufficient to provide valuable evaluation and research data. The LEP will work with pilot schools to re-flavour and adapt the key characteristics of the secondary benchmark to ensure applicability for the primary setting. The Department for Education are supportive and are interested in the outcomes of the pilot, as are the CEC who will in due course start to consider how career guidance is delivered nationally in a primary setting.</p>		Michelle Rainbow	G
<p>Excelling in technical and professional education - Working with providers, education establishments and businesses to develop the capacity and facilities to provide world-class academic, technical and professional education.</p>				
<p>Promote higher skills</p>	<p>Sector strategies being developed with key sector groups, including smart specialisation and enabling sectors. Working in partnership with sector groups including health and life sciences, digital, advanced manufacturing and construction to date. This work is on-going and first stage publications will be launched in Spring 2018.</p> <p>Technical Qualifications (T-Levels). The proposed implementation of the recommendations from the Sainsbury Review will bring a step change to the provision and quality of technical education. The plan is that 15 new T-level course will replace the 13,000 qualifications currently offered. The design of the routes will be closely aligned with apprenticeships so students can progress on to higher or degree apprenticeships. Consultation with various stakeholders is underway and there are currently opportunities for technical education providers to bid to host pilot schemes.</p>		Michelle Rainbow	G

SEP Action	Progress/ current position	High level risks	Lead	Status
<p>Promote higher skills cont.</p>	<p>Gatsby Foundation will be working with the LEP regarding a routes-ready pilot We are proposing, in collaboration with Gatsby, to commission a deep dive review into the technical education sector, defined as levels 3-5 that provides education and training for technician occupations” in the North East LEP region; specifically focussing on the capacity of the sector to deliver relevant vocational and technical skills for the future employment base in the area. The scope of this is being developed in line with the publication of further information available from DfE and will start once further clarification of progress is obtained. Colleges in the North East are closely involved in consultation and piloting T-level routes. Sunderland part of a pilot programme with DfE and the Principal of Gateshead College is part of a national group working with the FE Commissioner.</p> <p>T-levels, if implemented well, with strong employer support would be beneficial. The North East LEP region has growing demand for technician skills; both in terms of replacement and newly created jobs, and occupations in this sector also aligns with some of the areas of opportunities that have identified as priority growth areas for the region.</p> <p>While there is some excellent quality provision of technical education in the region, there is work to be done to ensure that:</p> <ul style="list-style-type: none"> (i) appropriate technical education pathways are available reflecting the evolving labour market for technician level skills, and: (ii) The review will provide intelligence to help the sector make investment decisions regarding infrastructure to deliver this provision (i.e. facilities and teaching staff). <p>The LEP, Skills Director was invited to join a fully funded study visit to Finland in November, run by the Erasmus+ project. It was an opportunity to see first- hand the Finnish VET (Vocational Education Training) System and to understand how some of the potential challenges to the T-level introduction may be overcome. The Finnish education system is widely regarded as the best in the world and there are synergies to the proposed model of reform to the technical education and T-levels.</p> <p>A report on the visit is being produced and the LEP is considering further engagement with the Erasmus programme for regional learning visits.</p> <p>Institutes of Technology. The intention is to create high-quality institutions specialising in the higher level technical skills that employers need. The aim is to engage employers, further education (FE) providers and higher education (HE) providers to collaborate in developing institutes of technology (IoTs), to create a new and distinctive learning offer. Applicants will be able to bid for funding from a £170 million capital fund to establish IoTs across England. Bids were submitted on 1st March 2018. The outcome of the bids is awaited.</p>			
<p>Encourage more and higher level apprenticeships with a key sector focus</p>	<p>The Apprenticeship Growth Partnership meetings continue and the focus of the AGP is :-</p> <ul style="list-style-type: none"> • To assess the impact of changes to the delivery of apprenticeships on employers • To promote Higher and Degree level apprenticeships with employers • To promote the benefits of apprenticeships to employers <p>The LEP is supporting the national campaign to raise awareness and promote apprenticeships to employers, young people, schools and parents and was extremely</p>	<p>Apprenticeship reforms are creating some uncertainty and therefore nationally apprenticeships starts appear to be lower than the previous year. Regional data is not available to so providing accurate performance data is problematic.</p>	<p>Michelle Rainbow</p>	<p>G</p>

SEP Action	Progress/ current position	High level risks	Lead	Status
<p>Encourage more and higher level apprenticeships with a key sector focus cont.</p>	<p>active during National Apprenticeship week, encouraging all of our partners to participate and promote the benefits of good quality apprenticeships.</p> <p>A priority for the LEP is to monitor the KPIs regarding uptake of apprenticeships, particularly in key sectors against national performance. There continues to a delay in obtaining the latest apprenticeship start data, however national figures demonstrate a decrease in the number of apprenticeship starts compared to the previous year.</p> <p>The above notwithstanding, we continue to promote the benefits of apprenticeship to employers. The Skills programme is working with the NorthEast Growth Hub to raise awareness to businesses about the benefits of hiring apprenticeships. You can find the apprenticeship content on the GH here . We secured £5K ESFA funding to promote apprenticeship, so ran a 6 weeks campaign to drive traffic to the dedicated landing page on the Growth Hub, showcasing relevant case studies, guides and the broad range of apprenticeships available. The campaign was:-</p> <ul style="list-style-type: none"> • Targeted paid activity on LinkedIn to promote case studies and related content alongside text ads. • Pay per Click (PPC) activity to drive traffic from those already researching or investigating the recruitment of apprentices. • This was supplemented with social activity across the Growth Hub social platforms including the production of two video blogs from organisations regarding the benefits of taking an apprentice. The links to these are https://youtu.be/EebFJBLixk https://www.northeastgrowthhub.co.uk/insights/case-study-sterling-pharma-solutions-limited/ 			
<p>Higher Education - Working in partnership with our four universities, colleges and employers to support economic growth and to ensure we have job ready graduates with the skills needed and high quality opportunities for them.</p>				
<p>Support universities spin-outs and start ups</p>	<p>The North East universities have developed two ERDF funding projects to drive increased spin-out activity. The Northern Accelerator project has now launched with Durham and Newcastle universities aiming to create 15 dynamic, high tech spin-out companies in the next three years. The Arrow project is being led by Newcastle University and has applied for ERDF funding to translate research into commercial focused projects through the Innovation Catalyst alongside the Accelerator project.</p>		Michelle Rainbow	G
<p>Support universities to retain graduate talent in the North East</p>	<p>We are working with sector organisations to articulate demand for graduate level skills and with universities to consider future provision and opportunities.</p> <p>The 'Live, Work and Stay' campaign was launched in November 2017 supporting universities and to position the North East as a place with a wide range of career opportunities beyond graduation. Targeting students, graduates, universities and the North East business community, the campaign was based on case study content from graduates who have remained in the region and uses organic and paid-for social media, e-communications, advertorial and close liaison with the region's universities to drive traffic to the written and film-based case studies on the campaign page, which demonstrate graduate careers in a range of sectors: https://www.nelep.co.uk/live-work-and-stay/</p>		Michelle Rainbow	G

SEP Action	Progress/ current position	High level risks	Lead	Status
<p>Support universities to retain graduate talent in the North East cont.</p>	<p>Since its launch, the campaign page is the third most visited page on the North East LEP website. The #LiveWorkandStay hashtag is well known and three North East companies have already shown interest in being a part of the next phase of the campaign. Further content is being developed with contributors who have shared their own reasons for staying in the North East. The plan is to embed these on the campaign web page, adding credibility and endorsements, and share them as graphics across a range of social media channels, increasing their reach. This campaign will start in the next academic year.</p> <p>We continue to work with the four universities in the region and Universities UK to shape a pilot programme. A meeting with the Office for Students identified the work of the LEP and NECOP as best practice nationally in relation to the NECOP programme. We will host a visit from the OfS in June to support them with their review and development of the NECOP programme. The OfS Equality and Diversity target groups (SEND students, mature students, students from economically deprived backgrounds and students from ethnic minority backgrounds) are the target groups that we have identified with UUK and our 4 universities. UUK have met with ADCAS to ensure that is synergy between their work and our proposed pilot work in the universities.</p>			
<p>Support universities to develop knowledge transfer partnerships</p>	<p>Working with the Business Growth and Innovation Programmes to understand how the universities and their R & D can support economic growth and benefit businesses and wider communities in the North East.</p>		Michelle Rainbow	G
<p>Education Challenge - To reduce the gap between our best and lowest performing schools and to target that all schools in the North East achieve 'good' or 'outstanding' OFSTED rating.</p>				
<p>Develop and deliver an Education Challenge programme</p>	<p>Governance We continue with our communications campaign to raise the profile and showcase case studies of good practice in school governance through the Academy Ambassadors programme which aims to recruit business leaders to join the boards of Academies. Establishing a strong board of directors for every academy trust is central to ensuring the North East has strong trusts able to deliver good quality education for our young people. We've had the opportunity to communicate these messages at a number of well-attended events to encourage businesses and employers to view this an opportunity for leadership CPD, this has been understood and well-received.</p> <p>The LEP continues to engage DfE with regard to the announcement of the 75million Teaching and Leadership Innovation Fund, part of which includes National Professional Qualifications for school leaders.</p> <p>Teacher retention continues to be a key focus. As part of our graduate retention campaign we have produced and continue to promote teacher specific case studies via the Schools North East's Recruitment Portal</p> <p>Placement opportunities for teachers and lecturers - Over 2016/17 a number of pilot placements for teachers (STEM) were sourced in businesses throughout the region. Learning / best practice from this pilot is being shared and further funding is being considered. An NEA ESF business case has been submitted to ESF Managing Authority and if approved, there is scope in this project to start to develop this at scale. We are working with partners, RTC North, STEMnet, the Edge Foundation. If all approvals go smoothly, we anticipate the project launch in September 2018.</p>	<p>Through the LEP Network we are part of a national working party with DfE</p> <p>We are looking to expand the opportunities to a wider cohort and are currently considering funding methods to do this.</p>	Michelle Rainbow	G

SEP Action	Progress/ current position	High level risks	Lead	Status
<p>Develop and deliver an Education Challenge programme cont.</p>	<p>Next Generation Learning UK The Steering Group, facilitated by the North East LEP and chaired by Edge Foundation continues to work strategically to shape the implementation of elements of the Ford Next Generation Learning model. In March 2018, an agreed list of key elements was determined by the Steering Group and formed the 'next steps' workshops delivered by the Ford NGL team in April. Ford NGL will facilitate Phase 3, a more detailed planning session of implementation in June at Excelsior Academy and then replicate in the other pilot schools in July.</p> <p>A smaller working group, chaired by the LEP has been established to drive school delivery, and the group will meeting more frequently aiming to ensure effective communication into and within schools.</p> <p>The regional lead and industry alignment managers have started the process of shaping the key elements into each of three pilot school settings. All schools have identified trailblazer teachers who have attended a training day related to project-based learning and employer engagement, this was delivered in partnership with Newcastle University, the Edge Foundation and Ford NGL team.</p> <p>The Industry alignment managers continue to work alongside the teachers to identify curriculum need and identify best match employers so that project work can be delivered to students from September 2018. A trial model for delivery has been delivered over 6 weeks in one pilot school which is now informing planning for Key Stage 3 delivery from September. One pilot school has restructured curriculum and timetable to allow extended time periods to work with employers through the curriculum from September.</p> <p>Industry alignment managers continue to engage with new employers through a range of activities such as 'parent Safari' involving industry tours for interested students and their parents to raise awareness of the employment opportunities in the region.</p> <p>Additionally in April, working with one of the pilot partners, CBI, the team began engaging with regional employers and businesses to articulate the pilot and the 'ask' of employers / businesses. Port of Tyne and Accenture were just two of the businesses involved .</p> <p>The Regional lead is a member of the newly established, Project Based Learning International Champions group representing the UK and the North East, in a global community sharing best practice and learning.</p> <p>Industry alignment managers have reviewed and evaluated tracking of employer engagement in order to identify areas for development, in turn leading to new tracking systems allowing reporting of headline statistics and sub-group analysis, including details of NECOP register, SEND and pupil premiums</p> <p>The Regional lead is also in discussion with NECOP to identify focused strategies to ensure that students from disadvantaged backgrounds have increased opportunity to experience HE progression pathways. As a translation of the US model of a Capstone Project (a two-term process in which students pursue independent research on a question or problem of their choice, engage with the scholarly debates in the relevant disciplines and, with the guidance of a faculty mentor, produce a substantial paper that reflects a deep understanding of the topic. We are considering enhancing the delivery of the UK Extended Project Qualification (EPQ) at Yr 12&13 which many universities recognize not only in terms of UCAS points but the skill development that students are able to demonstrate.</p> <p>This project is beginning to gain significant national attention and the Skills Director has</p>	<p>The project has a number of key stakeholders and a revised leadership structure is being developed to ensure that the project is coherent and is built on clearly established processes.</p> <p>We are exploring a variety of funding opportunities to enable the scope of the pilot to widen.</p>		

SEP Action	Progress/ current position	High level risks	Lead	Status
Develop and deliver an Education Challenge programme cont.	<p>shared details with the Head of Education CBI, the policy team at the Department for Education and the Chair of the Education Select Committee, Robert Halfon MP.</p> <p>A wave one expansion will include further schools and colleges from across the region from the start of 2019.</p>			
50+ Workforce – retrain, regain, retain: To reduce inactivity levels in our older population by helping to develop their skills and make in-work transitions as the labour market changes.				
Develop a Fuller Working Lives (FWL) strategy	We have considered the FWL report from DWP, the Industrial Strategy and IPPR's FWL recommendations for the North East and have commenced the development of a local Industrial Strategy for the North East LEP area which will incorporate the Fuller Working Lives Strategy.		Michelle Rainbow	G
Understand and provide focus on work force skills for the older workforce to maintain their position within the labour market as skills' needs change.	<p>We wish to understand better the barriers, opportunities, unconscious bias and other factors with employers. We conducted a survey of our network early in the summer to canvas the opinions of a wider employer audience and used the findings of that survey to inform the discussion and debate during an event last year. CIPD, Sage and Newcastle University hosted the event on behalf of the LEP</p> <p>Good progress is being made , EDT, working with the LEP, secured £50K to deliver 7 sector specific events based on this model; with the LEP presenting regional data / scene setting; a sector leader to endorse with a case study and a call to action. Events are underway and will run until September 2018. Virgin Money, focusing on financial and professional services was the first event and attracted 10 employers and 70+ job seekers aged 50+, largely due to support from DWP / JCP plus local teams.</p> <p>A similar Digital / Tech sector event ran in mid-May.</p> <p>Feedback to date has been extremely positive, particularly on social media.</p> <p>The LEP also plans to highlight the FWL strategy at existing sector events being organized by BIONow, NOF and People Power.</p> <p>In parallel to the above EDT are offering consultant led workshops to businesses to help them audit their skills and training needs as well as mid-life careers reviews for individual employee</p>		Michelle Rainbow	G
Develop and implement a 50+ workforce strategy in partnership with key stakeholders	Funding has been secured to develop an Employer Toolkit via the North East Growth Hub, part of a multi -faceted approach to reach local employers. The toolkit will feature local employers demonstrating best practice; calls to action and employer support services. The tool will be developed fully by Autumn 2018.			

Employability and Inclusion Programme| Lead: Michelle Rainbow

Goals

Strengthening our employment rate is key to our economic resilience. Ensuring local people are prepared and fit for work and have access to good quality employment opportunities will improve their lives and ensure that businesses can recruit and retain the people they need in a changing labour market

SEP Action	Progress/ current position	High level risks	Lead	Status
Fit and well for work - support people with health conditions to find and maintain employment				
<p>Support primary care professionals in helping people access support to get them back into work</p>	<p>Health and Wealth – Closing the Gap in the North East. The report has been produced and shared with partners with 10 recommendations clearly articulated to bring about transformational change.</p> <p>The DWP 'Opt-In' programme for the North East is utilising £6m European Social Fund (ESF) to test a local approach to support 2500 long term unemployed residents with health conditions to find work over 2017-19. The programme is delivered by Working Links. Performance data to date shows 1235 people have been supported on the programme. This breaks down to 866 in the more developed area and 369 in the transitional area. 289 first job starts in total and demonstrates a 23% first job entry rate.</p> <p>Assessment of the participants shows: Around one third of participants are aged 50 and over and over two thirds unemployed for five years or more. The majority are from households where non-one is in employment. The majority have a disability or long term health condition, including some undiagnosed prior to attachment to the programme. Health condition management of those who move into work is a significant area of demand Poor mental wellbeing remains the prime health condition acting as a barriers to work. This is consistent with other programmes and demonstrates the high demand for mental health support services across the area and a need for integration with employment support programmes</p> <p>Though performance is improving it remains below the DWP contract profile and a performance improvement plans is in place to achieve an increase in both starts and job outcomes to meet profile by August 2018. DWP has invoked a clause to widen eligibility, however this is being monitored as there are concerns that this may redirect the provider from the original contract intent, but recognising the need for successful delivery of the contract.</p> <p>DWP in the process of writing to LEP and ESIF committee chairs outline the process of offering contract extensions. The local ESF thematic group will offer advice to ESIF sub-committee and the process will determine potential for extension of the contract beyond 2019.</p>	<p>Partners do not embrace and take forward</p> <p>A contract variation widening the eligibility criteria changes the strategic focus of the programme.</p> <p>Uncertainty around contract extension.</p>	<p>7 LA Chief Executives</p> <p>Michelle Rainbow</p>	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Use initiatives to provide more joined up support for individuals with moderate mental health issues return to work.	<p>The Mental Health Trailblazer is piloting integration of employment and mental health services through intensive support to help unemployed residents to find work and sustain recovery.</p> <p>It operates as a Random Control Trial evaluated by the Behavioural Insights Team. By the end of April , the trial had a total of 486 participants in the treatment group and 163 in the control group. The job conversion rate for the treatment group is at 20% against a projection of 15%. Durham continues to be the best performing area in terms of number of participants but performance has evened out across all areas. Gateshead is a high performer for job outcomes.</p> <p>A Project Change Request (PCR) will be submitted to DWP to extend the trial to December 2019 to achieve ESF performance and a suitable trial sample size. DWP has indicated that a PCR decision will be made by mid-May.</p>	Delay from DWP in trial launch, below profile referrals from Jobcentres and ESF eligibility requirements continue to impact performance. However, referral volumes have improved in Jan/Feb and approval of PCR should recover performance.	Northumberland County Council	G
Monitor and evaluate the impact of the Work and Health Programme in the North East	Reed in Partnership has been awarded the contract for the Work and Health Programme across the North East. The contract area covers 31 Local Authorities and 8 LEP areas; from Northumberland to Derbyshire. The aim of the Programme is to help people with a disability or health condition (80% of starts), the long term unemployed (11% of starts) and early disadvantaged groups (9% of starts) find and sustain work. Referrals will come through JCP and participants can access WHP support for up to 15 months, with an additional 6 months of support once participants are in work. A total of 55,542 people will be supported across the North East contract area but the actual target for the North East LEP area is still to be established. The contract went live on 15 th January 2018 and will run until November 2022. There are	Alignment with ESF existing and new provision; such as the DWP opt-in and Mental health Trailblazer (see above)	Michelle Rainbow	G
Monitor and evaluate the impact of the Work and Health Programme in the North East (continued)	<p>a number of delivery organisations across the North East LEP area: Northumberland (Northumberland County Council), Newcastle Gateshead, Sunderland and North Tyneside (Ingeus), South Tyneside (Northern Rights), Durham (Durham Council).</p> <p>Reed presented to the Employment and Skills Board in early 2018 and will be invited to update the board at regular intervals.</p>			
Work with employers to improve take up of the Better Health at Work Award Scheme.	<p>The Programme Leader for BHAWA, based at the TUC is part of the Fuller Working Lives Task & Finish Group and delivered a seminar about BHAWA and how provided information as to how employers can access it. Referral to the award will be on-going as a suggested means that employers can hope to 'retain' holder workers.</p> <p>The LEP are promoting the Award and have undertaken an assessment of their own BHAW led by two members of the LEP team. An implementation plan is now in place with 3 themes chosen following the consultation with staff.</p>		Michelle Rainbow	G
Continue to address the importance of in work progression and job equality	<p>A number of ESF calls, which focus on up-skilling and re-skilling those in work to aid job progression, closed late last year. The call of relevance were :</p> <ul style="list-style-type: none"> Digital Skills – £20m ESF call Health & Social Care Skills - £5m ESF call North East Ambition - £3m framework call + £3m skills development ESF call <p>A number of projects have been invited to submit full businesses cases and will be assessed by DWP Managing Authority before being considered by ESIF committees throughout the summer and autumn of 2018.</p>	Projects meeting ESF rules and regulations	Michelle Rainbow	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Youth Employment - develop pathways for the most vulnerable and disadvantaged young people to help them move into education, training and employment				
<p>Create and scale up initiatives that adopt innovative and agile approaches to meeting local needs</p>	<p>Generation North East covers the whole of the North East LEP geography and has been operational since July 2014. The programme has supported 4800 young people, delivering 2200 job outcomes to date; over 1000 of those gaining employment have now sustained employment for 6 months or more</p> <p>Generation NE funds have also provided match funding for Durham Works (YEI) enabling support for a significant number of young people in Durham. The project has exceeded all original targets and continues to perform well.</p> <p>An ESF call for projects to support young people into employment and training was closed in autumn last year. A full application was submitted to the ESF managing authority by Newcastle City Council on 9th March 2018 which included a proposal to extend the Generation NE project. Due to the number of projects proceeding to full application, a condition was given to all applicants that are seeking to securing ESF funding, requesting that they consider how they can best align or consolidate projects before submitting their full application to ensure best value, synergy and alignment of services. We await the outcomes of the project alignment work to measure the likely impact on geographical scope and impact. The Generation NE ESF project has chosen to begin delivering support 'at risk' from April 1st 2018, pending the outcome of the application for ESF funds and to date has 90 young people registered on the new programme.</p>	<p>Projects do not adequately align services to ensure there is adequate coverage across the whole of the North East LEP area geography</p> <p>ESF funding not secured. Delivery currently at risk.</p>	Michelle Rainbow	G
<p>Deliver the Durham Works project</p>	<p>Generation NE funds have also provided match funding for Durham Works (YEI) enabling support for a significant number of young people in Durham. The project has exceeded all original targets and continues to perform well.</p>		Durham County Council	G
<p>Ensure young people have the access to support and skills required to progress employment.</p>	<p>Newcastle College Group secured funding from ESFA / ESF for this project. The project commenced delivery in late 2016 and runs to July 2018 with the aim of supporting 1300 young people who are NEET or at risk of becoming NEET. To date 1011 young people have been supported through this contract against a profile of 1182 and the contract is looking to extend delivery up to March 2019.</p> <p>The LEP held a Provider Network meeting on 27th Nov 17 to evaluate 'What is working well' and 'What isn't' across the 11 ESFA/ESF funded contracts. Concerns were raised around the restrictions placed on activity which has made it difficult to offer the bespoke service needed by individuals and businesses. These concerns have been raised appropriately through the ESIF Committee and local groups. ESFA have asked local areas for recommendations to extend/extend and grow ESF/ESFA contract to March 2019 and support has been given in principle to these requests. It is important that these extensions are approved as soon as possible by the ESFA/ESF teams to prevent the loss of existing infrastructure on these contracts.</p>	<p>Collaboration across service providers is voluntary. The service contracts awarded by ESFA and others have targets which must be achieved to draw down funding; making it challenging to collaborate and cross-refer clients to more appropriate services.</p> <p>Uncertainty about future funding leads to loss of project infrastructure & expertise as the project starts to wind up ready to close in July 2018</p>	Michelle Rainbow	A

SEP Action	Progress/ current position	High level risks	Lead	Status
50+ workforce retrain, regain, retain - Reduce inactivity levels in our 50+ workforce, by reconnecting older people to work				
Develop and implement a 50+ workforce strategy in partnership with key stakeholders.	<p>Development of project in initial stages. As described in the Skills section of this report, the challenge is Retain, Regain and Retrain. The first stage, Retain, will involve working with employers to 'retain' their existing older workforce. Regain – a pilot will commence with the National Careers Services and DWP in Autumn 2017 Retrain and a number of the ESF projects have older clients as a focus in their provision.</p> <p>LEP and partners are also looking at promoting case studies of 50+ apprenticeships to promote this as an alternative way to 'retrain' and 'regain' core skills needed by businesses today. A case study has been produced by a Karen Redhead of Derwentside College, focussing on adult apprenticeships.</p>		Michelle Rainbow	G
Active inclusion – increasing levels of economic activity in our economy for those individuals with multiple barriers to employment, which are furthest from the labour market.				
Build capacity in the voluntary and social enterprise sectors to support people who are excluded from work.	<p>Gateshead Council has been awarded ESF / ESFA funding £2million to support third sector organisations who will work with 1894 unemployed learners. This project is performing extremely well and has been well received by the voluntary and community sector, with 1199 unemployed learners supported to date. The Council have asked ESFA to extend their project to March 2019 and this is in the process of being approved. The project has a reserve list of applicants waiting for more funds to be released through the contract extension.</p> <p>A further £19 million worth of contracts have been issued by Big Lottery's Building Better Opportunities (BBO) programme to support those furthest away from the labour market. This will support 4500 individuals on pathways to employment. At the Provider Network meeting hosted by the LEP on 27th Nov 17, feedback from the BBO contract holders was positive; although there are eligibility challenges associated with the funding, contractors are working together to share good practice and to align/offer synergy in provision across the North East LEP area. No contract performance information is available at present but is expected soon.</p>	Securing additional ESF/Big Lottery funding currently being considered at a national level. No date has been given for a decision as yet.	Michelle Rainbow	A
Provide targeted support to those with protected characteristics.	An ESF call was launched in September 2017, with a focus on supporting those with protected characteristics who are furthest away from the labour market. Projects are currently being assessed by the ESF Managing Authority.		Michelle Rainbow	G
Seek to address long term imbalance within the work place and key sectors that relate to gender, discrimination and disadvantage.	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. These projects in themselves will not solve the problem; however good practice can be captured and lessons can be learned to ensure future provision via the UK Prosperity Fund is structured appropriately.		Michelle Rainbow	G
Adopt a community-led local development approach within our communities suffering from significant deprivation.	All CLLD projects have been approved and are now 'live'. We expect to report on progress in future updates. A number of projects will be invited to present at future Employment and Skills Board meetings.	Projects are progressing as planned.	7 Local Authorities Chief Executives	G

Economic Assets and Infrastructure Programme | Lead: Helen Golightly

Goal

We must supply the right land and develop our critical infrastructure and sites to support the growth of our industrial strengths and clusters, accommodate the changing structure of the economy, foster innovation and deliver the housing required for our changing population.

SEP Action	Progress/ current position	High level risks	Lead	Status
Develop Local Plans which support North East economic ambitions				
Develop 7 local authority statutory Local Plans	<p>Local Authorities are progressing through the stages of Local Plan preparation. Local authorities have a duty to cooperate and the seven local authorities have all signed an MOU to cooperate.</p> <p>Local Plans adopted to date:</p> <ul style="list-style-type: none"> Newcastle and Gateshead joint core strategy adopted North Tyneside local plan adopted July 2017 <p>Local Plans in development are:</p> <ul style="list-style-type: none"> Durham Sunderland South Tyneside Northumberland County Council 	Local Plans are not adopted in the short term resulting may impact on investment decisions	7 LA Chief Executives	A
Securing investment – to deliver strategic employment and housing sites				
Develop a robust pipeline of sites for business development and housing investment	The LEP hold a list of projects and are reviewing the strategic contribution of each to inform the development of a Regional Investment Pipeline.	Insufficient capacity to progress	Helen Golightly with LA7 Economic Directors	A
Secure businesses on the phase one and phase two Enterprise Zone (EZ) sites	<ul style="list-style-type: none"> EZ Financial model has been updated (March 2018) EZ overarching legal agreement signed (May 2018) Investment business cases being developed and appraised (on-going) 	Income is not received at the expected level.	Helen Golightly	A
Collaborative development of spatial planning framework for the North East, supporting the SEP				
Publish a North East Development Framework	Further work should continue through the LA7 Housing and Planning group to update the relevant Duty to Cooperate documents.	The LA7 group is ineffective and progress is not made	7 LA Chief Executives	A
Explore a collaborative approach to strategic mitigation to deliver the mitigation hierarchy set out the National Planning Policy Framework	The LA7 Housing and Planning group are assessing a collaborative approach.	The LA7 group is ineffective and progress is not made	7 LA Chief Executives	A

Transport and Connectivity Programme | Lead: Helen Mathews

SEP Action	Progress/ current position	High level risks	Lead	Status
North East Transport Delivery				
Deliver transport LGF schemes	On-going monitoring of the transport programme, reported and assured through Heads of Transport meetings and Economic Directors. Schemes at various stages of delivery, risks being actively managed and progress being monitored. Concerns about slippage on some schemes, delivery being actively managed with promoters.	Projects slip outside LGF funding window.	Helen Mathews	A
Continue to roll out flexible public transport ticketing	Working with Transport for the North (TfN) and partner authorities a specification for an Account Based Ticketing (ABT) Back Office is being developed. This will allow customers to use bus, Metro and ferries across the North of England to use their bank cards and mobile devices to pay for their journey. Each 'tap' in and out will be registered in the TfN back office and the customer charged the appropriate fare for their daily trip. 'Heads of Terms' have now been signed and TfN have been given approval to proceed to Full Business Case. Trials should begin in 2019/20. Nexus is a lead partner with ITSO (the National Standards body for Smart Ticketing) in developing Host Card Emulation (HCE). This is a trial that replicates an ITSO Smart (Pop) card onto a mobile phone meaning customers on Metro can 'touch in' and 'touch out' using their mobile device without the need for a card. Following a successful "Proof of Concept" test on Nexus' system, an App is now being developed by local App developers identified through Digital Catapult North East & Tees Valley. Nexus intends to build the functionality in an all-encompassing transport app. Beta test will happen over the summer with a full launch expected soon after with a roadmap of products to be rolled out over the remaining financial year.		Tobyn Hughes	G
Continue joint management working of our transport system	Public consultation on Rail North's and Transport for the North's (TfN's) draft Strategic Transport Plan: closed on the 17 th April. We now are awaiting the consultation report. A view to adopting the plan in December. As TfN's became a sub-national transport body from 1 April, a governance review has taken place of its committees. NECA is briefing members on the changes and the function of each board and committee.		Helen Mathews	G
SEP Action	Progress/ current position	High level risks	Lead	Status

Continue joint management working of our transport system (continued)	<p>Work continues on the TfN Strategic Development Corridors as part of the STP, three corridors cover the NELEP area. These are forming evidence of the proposed Investment plan to sit alongside the STP.</p> <p>Work continues regarding the proposed TransPennine Route upgrade, working with TfN to provide economic evidence to support the business case for the £3bn earmarked investment.</p> <p>NECA is leading the production of a 'Shared Narrative' with Network Rail and Tees Valley Combined Authority to agree a joint vision for the North-East Rail geography and agree joint work programmes and governance to help to meet that vision.</p> <p>A round table discussion on the future capacity, resilience and performance needs of the East Coast Mainline, including around HS2, with Network Rail, DfT and TfN agreed on the need for investment and identification of funding sources.</p>		Helen Mathews	G
Develop and expand the Urban Traffic Management and Control Centre (UTMC)	<p>UTMC NPIF bid received funding. The first phase of the technical refresh was undertaken. It is now totally cloud-based. Phase 2 refresh is scheduled for the weekend of the late-May Bank holiday 2018, There will be better security and increased functionality.</p> <p>The third phase of the refresh of the function which is centred around Strategy design and usability will be delivered in September 2018.</p> <p>This follows the centres move to the Urban Sciences Building.</p>		UTMC team	G
Identify and begin to deliver strategic schemes to enhance connectivity	<p>Heads of Transport developed a strategic project pipeline and project sponsors developing projects as appropriate. Work has commenced on scoping proposals for the Transforming Cities bid – aimed at public and sustainable transport with an Expressions of Interest submission due to DfT. This has been developed with officers.</p>		Helen Mathews with local authority Heads of Transport	G
Identify and begin to deliver pinch point solutions	<p>Work continues on delivering schemes funded via the Highways Maintenance Challenge Fund and National Productivity Investment Fund. A fund has been announced by DfT for potholes, which will be provided direct to local authorities. Details are awaited on the next round of Highway Maintenance Challenge fund.</p>		Helen Mathews with local authority Heads of Transport	G
Identify and begin to deliver a long term project pipeline	<p>Developing a pipeline of projects. Approach to be discussed with Heads of Transport, Economic Directors and the LEP. Meetings held with all LAs and comprehensive Transport Pipeline to be reported to LEP</p>		Helen Mathews	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Transport Innovation				
Commission the Go Ultra Low Cities Programme	<p>Award for contract issued to FastNed in April 2018. Delivery of both sites anticipated to be complete by September 2018.</p> <p>Contract awarded to the Phoenix Works for the rapid charging clusters.</p> <p>Audit of existing infrastructure highlighted significant issues with faults and connectivity, preparations underway to go out to tender for a contractor to manage and maintain the network, subject to NELB agreement.</p> <p>Work has started on preparing the research proposals</p>		Helen Mathews	G
Regional Transport Planning				
Develop and agree a Regional Transport Plan	<p>Following earlier briefing sessions, the work on draft Cycle and Walking and Bus strategies have been developed. These would be daughter document to the emerging Transport Plan.</p> <p>The draft plan is being updated with a view to present to Heads of Transport this summer so that a draft plan is ready for the establishment of the new transport committee structures.</p>	North of Tyne devolution and impact on structure of the plan	Helen Mathews	A
Strengthen the alignment between the transport plan and the planning process	Budget and resource allocated to commence work on this action in 2018/19.		Helen Mathews	G
Explore opportunities presented to us in new legislation	<p>Work continues with local partners on the development of a Bus Strategy for the North-East area. A draft strategy has been produced and discussed with local authorities and delivery partners. A final draft will be prepared for elected members' consideration, prior to public consultation.</p> <p>A preliminary review has taken place to understand the potential impacts, positive and negative, of 'New Mobility Services' such as on-demand transport links (which in time could be delivered by autonomous vehicles), travel and ticketing aggregator apps and zero emission vehicles. A market engagement exercise is being launched to seek interest from a wide range of potential suppliers and innovators, with a view to developing a plan of action later in 2018.</p> <p>The Bus Services Act 2017 made provision for open data in relation to bus services, covering timetables, fares and real-time information on a single platform that web developers can use. Nexus and Urban Transport Group are represented on a DfT programme board that is steering the practical ways in which open data can be created, shared and warranted for accuracy.</p>		Tobyn Hughes	G
Develop transport investment programme	<p>Guidance issued on Transforming Cities Bid. Expression of Interest being worked up and finalised across the NECA. Chief Executives and Economic Directors provided feedback. Deadline for submission is June 8th 2018.</p> <p>Awaiting guidance on Highway Maintenance Challenge fund. Bid under development for a transport package for ERDF. Expression of Interest submitted end Jan 2018, detailed feedback to be received, but development work continues.</p>	No identified programme of funding, beyond current LGF	Helen Mathews	A

SEP Action	Progress/ current position	High level risks	Lead	Status
Identify opportunities for improved freight infrastructure	<p>Freight partnership continues, work programme for the next year to be agreed by the partnership.</p> <ul style="list-style-type: none"> • Input into TfN work stream continues; • The Fleet Operator Recognition Scheme (FORS), has nearly 200 members and over 6,000 vehicles in the region are now associated with FORS; • Training offered on terrorism risk and incident prevention well received; • Next Freight Partnership on the 6th June; • Work underway around skills development in the industry. A skills working group has been established; • Work underway to examine the impact of Brexit on the freight sector through engagement with selected operators. 		Helen Mathews	G
Improve transport proposals to employment sites (by 2020)	Work continues with South Tyneside, Sunderland and Gateshead to scope transport links to IAMP. Options being considered for Transforming Cities which will consider connectivity into city centre employment sites		Helen Mathews with Heads of Transport	G
Implement an enhanced public transport offer (by 2020)	<p>Intrusive surveys have been completed on Sunderland station and options appraisal conclude. Initial design options presented and further work ongoing. The preferred design will now be developed, taking into account the outcomes of the intrusive survey, with a view to achieving GRIP 3 by September. Sources of funding are continuing to be investigated.</p> <p>A programme for delivery of the Metro and Local Rail Strategy has been presented to the NECA Heads of Transport Group for information. All elements of the programme are being progressed</p> <p>Scoping has commenced for the Extensions' Strategic Outline Business Case. A economic study into the value of Metro has been commissioned to support this work and is well underway.</p>		Tobyn Hughes	G
National and international connectivity				
Enhance east-west road and rail connectivity	TfN's East-West Corridor Study, Connecting the Energy Coasts is at option selection stage, with interventions to boost movement being appraised against TfN's suite of models and a combined Strategic Outline Programme and Case being developed (SPOC). This will inform TfN's investment plan.	Ensure that the needs of the North East are adequately considered as part of the study	Helen Mathews	G
Develop an initiative to support air, sea and rail transport hubs	<p>Consultation responses by the RTT continue to be issued on time. Work is now underway around RIS2 highways proposals with DfT and the detail of the Major Road Network. We are working closely with bodies such as Transport for the North and the Urban Transport Group on collective common issues.</p> <p>The North East has offered to become the secretariat to the East Coast Mainline Authorities (ECMA) Consortium and also to the All Party Parliamentary Group (APPG) on the East Coast Mainline, chaired by Catherine McKinnell, MP for Newcastle upon Tyne North.</p>	Ensuring a coordinated strategy for unlocking growth opportunities for high speed rail in the North East.	Helen Mathews	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Make our region HS2 ready	<p>It was agreed previously at TNEC that continued support be given to the aims of the High Speed 2 project and maximum benefit be sought for all areas of the North East from this significant national investment.</p> <p>Work to be taken forward through TfN work on Northern Powerhouse Rail and Network Rail's East Coast investment plans.</p>		Helen Mathews	A
Digital connectivity				
Map and influence superfast broad band coverage	<p>The North East Digital Leaders Group which brings together the 7 LA Digital Leads and the LEP have developed a comprehensive mapping of superfast broadband coverage</p> <p>Through the Group, mapping of regional cyber-security capacity has also been completed and a plan is being scoped to develop a pilot scheme to promote regional cyber resilience including a regional cyber resilience and innovation centre to complement the work of the National Cyber Security Centre (NCSC) and the Computer Emergency Response Team (CERT) UK, and a regional response to both the Digital Strategy (2017) and the National Cyber Security Strategy (2016).</p>		Steve Smith, Northumberland Council Ben Kaner, North Tyneside Council	G
Develop and begin delivery of 5G test-bed	<p>Outline concept for the Test Bed articulated and socialised with regional and national partners in the context of UK 5G strategy.</p> <p>NE activity on 5G in the National Infrastructure Commission</p> <p>5G bid being developed for North East</p>	<ul style="list-style-type: none"> • Change of UK level policy direction • Failure to prepare sufficiently compelling business case in context of UK competition • Regional stakeholder management issues • Capacity constraints 	Alan Welby and 5G team	G
Develop and begin delivery of 5G test-bed cont.	<p>(5GIC) at Surrey University – the National Centre for Excellence on 5G. MoU facilitates ongoing dialogue between regional organisations, the 5GIC and the Digital Catapult</p> <p>Business case to be developed by Autumn 2017 collaboratively with national partners to position the NE for a national competition including infrastructure plan and first phase 'use' cases</p> <p>Plan to deliver a 5G component of the Great Exhibition of the North to be in place by January 2018</p>			G
Explore the potential to develop fibre-optic connectivity to Europe	<p>Private sector led consortium of Aqua Comms and Stellium Datacenters plan to build North Sea Connect - a high capacity system connecting the North East to Denmark, with branching potential to Germany and the Netherlands.</p> <p>It will provide the first modern high capacity system crossing the North Sea from the region to mainland Europe, providing unique routing and UK diversity. It will provide with a unique link between the US, Ireland and northern Europe avoiding London.</p> <p>The plan awaits investment and customer demand, but permissions are in place.</p>	<ul style="list-style-type: none"> • Market demand 	TBC	G

Strategy, Policy and Analysis | Lead: Richard Baker

Goals

To ensure that the SEP remain updated and drives priorities for the North East economy, that the LEP places up to date economic analysis, evaluation and evidence development at the heart of its work, and is looked to as a focus for innovative, collaborative and policy oriented evidence development

SEP Action	Progress/ current position	High level risks	Lead	Status
Strategy and development				
Update of the North East Strategic Economic Plan	<p>The aim is to deliver an update of the SEP early in 2019. The project will:</p> <ul style="list-style-type: none"> report on SEP progress in the current programme at the end of 2018 outline an updated delivery programme through to 2020 taking into account changing economic data and the UK policy framework provide the basis for an active response to the Industrial Strategy White Paper, Brexit and the expectation that there will be a North East Local Industrial Strategy. <p>A Steering Group for this piece of work is being formed and preparatory work is underway. Initial conversations with LEP Sub-Boards are starting in June 2018.</p>	<ul style="list-style-type: none"> Data availability Changing UK policy framework towards SEPs Co-ordination as regional structures change 	Richard Baker	G
Development and delivery of strategies for SEP areas of opportunity	<p>Strategies for each of the 4 areas of opportunity set out in the SEP - Digital; Advanced Manufacturing; Life Sciences Innovation; Energy - will be developed with partners to deliver strengthened evidence and clarity about assets and opportunities, stronger profile and a prioritised pipeline of activity aligned with the SEP update process.</p> <p>They will help identify the North East contribution to the Industrial Strategy through Sector Deals and the 4 Grand Challenges. A paper on the NE construction sector will be developed.</p>	<ul style="list-style-type: none"> Internal capacity – need to identify resources for lead officers Data availability Management of relationships 	Richard Baker	A
Delivery of comprehensive SEP communications programme	<p>This ongoing priority aims to continue to build awareness of the SEP and alignment from all partners. Priorities for 2018/2019 include:</p> <ul style="list-style-type: none"> Publication of a progress update by the end of 2018 Publication of the updated SEP in early 2019 with associated collateral Publication of a brochure for each of the 4 areas of opportunity aligned to the strategies 	<ul style="list-style-type: none"> Dependency on progress with the Review process 	Richard Baker	G
Delivery of year 1 of interim SEP evaluation	<p>The interim SEP evaluation project has been scoped and tendering process implemented. A provider will be appointed by the end of May 2018, with project initiation in June 2018. A first interim report will be available in January 2019</p>	<ul style="list-style-type: none"> Project complexity given project nature and multiple monitoring/funding arrangements Timetabling 	Richard Baker	G
Economic Evidence and Analysis				
Produce and promote annual 'Our Economy' report	<p>Our second 'Our Economy' report will be published in March 2019 providing the core economic analysis of the region combined with a theme section which explores a key aspect of the regional economy providing the basis for debate and discussion.</p>	<ul style="list-style-type: none"> Internal capacity Data availability 	Richard Baker	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Expand the content, functionality and promotion of the Data Hub	The next phase of the Data Hub will be delivered to include both continuing updating of the data, broadening of available themes, development of functionality and exploration of connection to other hubs owned by partner organisations. A plan will be produced to strengthen awareness and identify the forward plan by July 2018	<ul style="list-style-type: none"> Data availability Resources Management of relationships with partners 	Richard Baker	G
Support the role of the LEP as a regional economic commentator	The LEP will continue to comment on key economic data linked to the delivery of the Strategic Economic Plan. Over the year, a wider range of data will be looked at for regular comment beyond employment data	<ul style="list-style-type: none"> Internal capacity 	Richard Baker	G
Agree research and evidence development plan to improve the evidence available to core SEP programmes and to strengthen the shared use of economic evidence in the region	<p>The LEP is working on a number of actions to improve the regional evidence base. These include internal projects, commissioned reports and creation of the North East Evidence Forum.</p> <p>The Forum has agreed a Terms of Reference and the outline of a forward work programme including Advice to the LEP on evidence issues; Development of a programme of collaborative research; communications</p> <p>Outcomes for the year will include:</p> <ul style="list-style-type: none"> Updated data reports for all 6 SEP programmes At least one new data development project A research plan and a number of research reports (including new policy actions note below) 	<ul style="list-style-type: none"> Management of partner relationships Developing resources to support projects 	Richard Baker	G
Informing economic policy nationally and regionally				
Manage key LEP policy contacts in Government and strengthen influencing position	Current relationships with Government will be mapped and actively managed		Richard Baker	G
Co-ordination of the regional response to Brexit	The North East Brexit Group has been created as a joint regional platform to monitor and respond to Brexit. Over the year it will publish reports on sector and economic issues, EU funding and EU institutional relationships and will monitor and comment on emerging proposals on immigration policy following its submission last year. It will provide a point of co-ordination for influencing national debate in other areas. It will support the development of advice and support for businesses	<ul style="list-style-type: none"> Management of partner relationships Political sensitivity 	Richard Baker	G
Devolution to the North East	<p>Work will continue to support the implementation of the North of Tyne devolution deal, ensuring strong alignment between North of Tyne and South of Tyne activity with SEP programmes.</p> <p>The LEP will consider opportunities for further devolution to the North East</p>	<ul style="list-style-type: none"> Internal capacity Management of partner relationships 	Richard Baker	G
Development of new policy proposals	Drawing from the research programme and wider networking, opportunities for new policy related proposals will be explored in areas including employability and future investment.	<ul style="list-style-type: none"> Internal capacity Developing resources to support projects 	Richard Baker	G

Investment Programme | Lead: Helen Golightly

Local Growth Fund		North East Investment Fund		Enterprise Zone development	
Total funding available	Capital grant funding £270.1m 2015-21	Total funding available	Capital loan funding £54m evergreen fund	Total funding available	£108m since launch. Including £5.65m of private investment since April 2016
Amount allocated	£246m contracted and £15.8m allocated to projects in pipeline development. 2017/18 budget of £61m fully spent. Budget allocation for 2018/19 is £51.7m, with an additional £11.6m coming back from previous years 'funding swaps' with NECA. Total forecast spend currently is £78.2m (£14.9m over-programme).	Amount allocated	Over £65m invested through the programme to date with repayments underway. Approximately £11m available to invest at present.	Amount allocated	1,338 new jobs created with 41 businesses located on the EZ sites.
Projects supported	53 major projects approved and a further circa 26 under the Rural Growth Network and Local Sustainable Transport Fund mini programmes. Innovation 'mini-funds' for Incubators and Project Development have both undertaken their first project calls – each receiving five proposals, with one project fully approved to date. Investment Board has approved £750K to the North East Ambition project at its meeting in May.	Projects supported	26 projects supported over last four years, developing strategic infrastructure in support of economic growth in North East LEP area, including investment in Enterprise Zones and employment sites. New round of promotion was undertaken through a Project Call. This continues to create early stage interest in the Fund on several fronts. Two project applications are in the pipeline.	Projects supported	The Enterprise Zone sites have attracted significant investment to date Applications are being progressed for five EZ sites. Feasibility Study approvals are being progressed for four sites to accelerate the development. A legal agreement is being developed which is required for further project approvals and a full implementation plan has been finalised.
Issues	374 jobs reported in 2017/18, taking cumulative gross jobs created by the programme to 473 against contracted forecast of 524.. 22ha of land reclaimed /improved and 4km of new / improved highways constructed last year. Net budget over programme of £14.9m to be monitored during course of the year.	Issues	To date NEIF projects have reported a cumulative jobs total of 290. These figures reflect an upward trend in output as projects move from build out to occupation and delivery. In addition funds are now being repaid, providing more finance available for re-investment / job creation.	Issues	In 2017/8 Enterprise Zone sites attracted 56 new jobs and 4 new businesses started operating on the site although 4 businesses stopped operating on the site to enable further development work on Swans and reflecting the focus on growth and move-on at the Blyth workspace. Overall performance continues to show slower development, build out and occupation of sites that originally envisaged but a positive financial model and significant pipeline of interest in the sites.

Communications Update – May 2018

Social Media



Followers: 8,549 (+12.17% since 10 Mar)
Reach: 136.5k (Impressions during April)



Followers: 2,756 (5.95+ % on last month)
Reach: 13.949 (Impressions during April)

Benchmarking against top three LEPs on twitter
(as of 9 March 2018)

The top three posts for engagement
(i.e. someone clicked or expanded the link) during
this period were:

8,549

7,358

7,047

8,852



Top Tweets

Apr 2018 - 30 days

TWEET HIGHLIGHTS

Top Tweet earned 6,005 impressions

Do you have a rural business in the food processing, tourism or business development sectors? Do you know about the £10m funding that's available from [@Ruralpay](#) to create jobs and growth? Find out more at our free info event on 11/4: bit.ly/2DKwXIK

1 26 18

Top mention earned 536 engagements

Gatsby Education
@GatsbyEd · Apr 16

Gatsby has produced Good Career Guidance: Reaching the Gatsby Benchmarks – a handbook to help secondary schools implement the Benchmarks, with learnings from our pilot with the [@northeastlep](#). Download the handbook here gatsby.org.uk/education/late... pic.twitter.com/15gDLmG5GE



2 70 77

Update Title	Date	Impressions	Clicks	CTR	Engage't Rate
We've organised seven industry-specific events to help businesses realise the potential of the 50+ workforce. All the events are free to attend and take place across the North East https://lnkd.in/eddEuwP #moreandbetterjobs	04/03/2018	3559	57	1.602%	33
We're looking for a contractor with an understanding of the North East economy & expertise in evaluation to work with us to evaluate the North East Strategic Economic Plan. Find out more and register your interest here: https://lnkd.in/eeJpE5M	04/27/2018	2547	71	2.788%	12
Welcome news as team appointed to manage £120m North East Fund. https://lnkd.in/eqKifJG	04/18/2018	2099	179	8.528%	33

Press Coverage
Mar & Apr 2018

No. mentions

254

(in articles, blogs, social media posts)

Sentiment:

Positive: 13.4%

Neutral: 86.2%

Negative: 0.4%
(No comment on Swans crane story)

Highlights:

The Journal: North East Fund now live

The Chronicle: Employment rate in North East reaches record high

BQ: North East LEP names new Innovation Director

Upcoming events

12 June - Growth Hub provider network

21 June – Brexit panel discussion event

22 June – North East Ambition Regional Careers Network meeting

26 July – ScaleUp North East BBQ

Priority actions for the next two months

Action 1 – Launch and report on the findings in the North East impact of Brexit report

Action 2 – Produce and publish four promotional brochures for the areas of opportunity

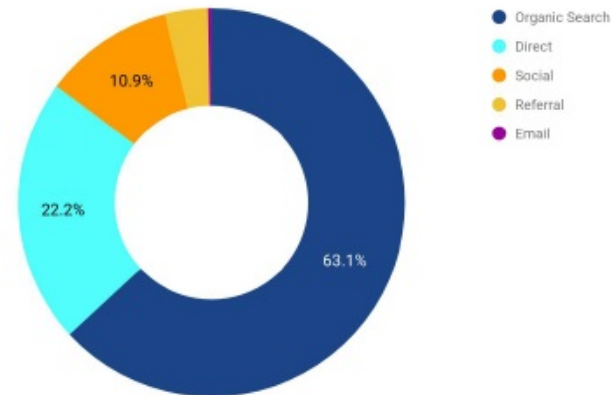
Action 3 – Undertake a Perceptions of the North East LEP study

Website Performance Summary

APRIL 2018

Performance summary

- Website traffic is up +22% YOY with an +18% increase in new users
- Users are spending 25% more time on site compared to last April (02:31 vs 02:01)
- The bounce rate on site has decreased -10% after increasing in March.
- 50% more people are using the site search, with search terms mainly around vacancies and jobs (3% vs 2%)
- Traffic has decreased 27% compared to March, this is due to reduced search activity during the Easter holiday period
- Clicks to contact the team on project pages is down 57%
- MMA downloads are down 22% mom



Site sessions: **4,796 -27%**

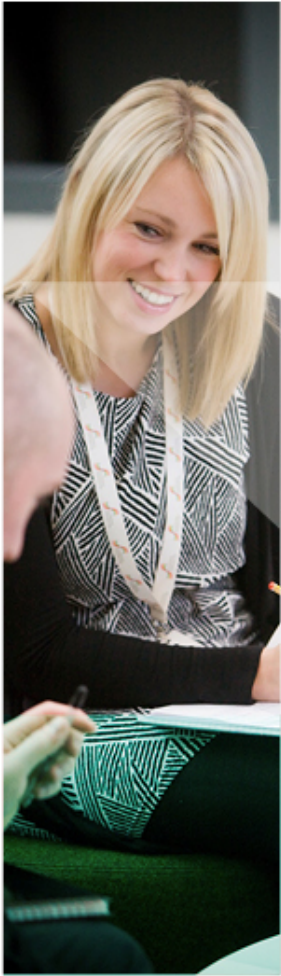
Bounce rate: **52% -10%**

General click to call: **8**

General click to email: **19**

Contact form submissions: **24**

North East
Local Enterprise Partnership



North East

Local Enterprise Partnership



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

7th June 2018

ITEM 6: North East LEP Financial Outturn 2017/2018

1. Introduction

1.1 The 2017/2018 financial year continued the significant activity levels relating to delivery of the Strategic Economic Plan and the third year of the Growth Deal. A review of delivery is summarised in the 2017/18 North East LEP Annual Review, which can be found at:
<https://www.nelep.co.uk/wp-content/uploads/2018/05/north-east-lep-annual-review-2017-18-final.pdf>

1.2 The year's financial position is outlined in more detail below with explanatory information on any variances noted. Overall, spending was within the budget approved for the 2017/18 financial year.

2. Recommendation

2.1 The North East LEP Board is recommended to note the outturn position for 2017/18.

3. LEP Revenue Budget

3.1 The LEP core budget covers LEP operational activity and also management of the Local Growth Fund and Enterprise Zone programmes. Table 1 provides a summary of actual spend against the revised budget for the year with supporting notes provided below. The budget for 2017/18 was approved in March 2017 by the Board with the expected use of general LEP reserves at that time at £0.151m. The revised budget reported to the Board in January 2018 envisaged the expected use of the general LEP reserves to fall to £0.037m. The positive position can now be reported that general LEP reserves were not required during the year.

3.2 Total revenue expenditure in 2017/2018 amounted to £3.050m, which was £0.92m higher than the budget, however, additional income was secured to meet this increase. This mainly relates to increased operating costs, which were funded from increased grant income and additional interest on balances. Income, including the use of £0.044m LGF reserves, was £3.062m, resulting in a net surplus of £0.026m. The explanatory notes from section 3.3 to 3.10 provide further information about the financial activity for the year.

Table 1 – LEP Revenue Budget Outturn 2017/18

	Original Budget Agreed March 2017	Revised Estimate At January 2018	Actual Spend At April 2018	Variance between revised and actual budget
	£000	£000	£000	£000
Expenditure				
Employees	1,429	1,256	1,309	53
Premises	95	93	95	2
Communications	247	247	248	1
Transport LGF Monitoring and Evaluation	200	300	205	(95)
Gatsby and Growth Hub Operational Costs	249	249	355	106
Other Operational Costs	623	623	646	23
NECA LGF/NEIF costs	0	50	52	2
Inward Investment Contribution	140	140	140	0
Gross Expenditure	2,983	2,958	3,050	92
Income				
LEP Core Grant	(500)	(500)	(500)	0
Local Authority Match Contributions	(250)	(250)	(250)	0
Local Growth Fund (2.5% Top-Slice)	(1,200)	(1,200)	(1,135)	65
NEIF / EZ Business Rate Receipts	(100)	(100)	(107)	(7)
Gatsby and Growth Hub Grants	(504)	(504)	(591)	(87)
Other Grants / Enterprise Advisor	(78)	(78)	(137)	(59)
NECA contribution to Head of Paid Service	(60)	(75)	(63)	12
Interest on Balances	(140)	(140)	(200)	(60)
Other Income	0	(74)	(49)	25
LGF reserve	0	0	(44)	(44)
Gross Income	(2,832)	(2,921)	(3,076)	(155)
Net Budget (Surplus) / Deficit	151	37	(26)	(63)

3.3 Employee Costs

3.3.1 The employee expenditure was lower than the original estimate anticipated due to vacant posts being held for varying periods throughout the year and recruitment into posts at the year end. An employer's superannuation charge for staff employed through Sunderland has also been built into the final figure.

3.4 Premises

3.4.1 This expenditure is primarily in relation to the current team base at St James Gate in Newcastle for which the LEP entered into a 5 year lease in September 2015. Expenditure was in line with the original budget.

3.5 Communications

3.5.1 The Communications expenditure for the year of £0.249m was slightly above the budget at £0.248m for the financial year.

3.6 Transport LGF Monitoring and Evaluation

3.6.1 The recharge from the regional transport team for LGF transport project support was £0.205m, which was slightly above the £0.200m budget set at the beginning of the year. This cost is fully funded from LGF grant top-slice. A balance has been carried forward to meet costs now expected to fall into 2018/19. Staff costs and external appraisals are managed by Newcastle City Council and recharged based upon evidenced expenditure.

3.7 Gatsby and Growth Hub Operational Costs

3.7.1 Non-salary costs in delivery of the Gatsby Foundation and Growth Hub initiatives are higher than budget; this additional activity is fully funded through additional grant provided. Employee related expenditure is included within the employee's budget heading.

3.8 Other Operating Costs

3.8.1 Expenditure on this budget area totals £0.646m for 2017/18, which is £0.023m above the budget for the year. Expenditure covered by this budget includes; corporate costs for general LEP running costs (i.e. IT equipment, travel expenses and support services) and an allocation for each of the North East LEP led SEP strands of Innovation, Business Support/Access to Finance and Skills. Enterprise Advisor delivery is also included within this area of expenditure.

3.9 The agreed contribution of £0.140m to the Invest North East England team was made during the year.

3.10 Income

3.10.1 Funding to support the above activities was provided from a number of sources as shown in table 1.

- 3.10.2 The income received was in line with the budget for the LEP Core grant received from Government and also the LA7 contributions. The drawdown from Local Growth Fund to support programme management activity was lower than forecast, this was mainly due to lower staff recharges to the programme from LEP staff activity. The £0.065m reduced use of the LGF top-slice in 2017/18 will be available in future years.
- 3.10.3 As agreed by the Board, activity relating to the delivery and management of the Enterprise Zone and North East Investment Fund (NEIF) initiatives is funded via a drawdown from the respective Enterprise Zone Business Rates and NEIF Repayments' reserve. The drawdown from the EZ reserve to fund LEP team costs amounted to £0.050m and NEIF repayments reserve £0.057m. Other Enterprise Zone costs are charged directly to the Enterprise Zone account as shown in section 5 below.
- 3.10.4 Grant funding from the multi-year Gatsby programme was drawn down at a higher level during 2017/18 to match expenditure. The Growth Hub grant income received totalled £410,000 as anticipated.
- 3.10.5 Other grant income was higher than at the start of the year, which included additional Enterprise Advisor Grant. The £30,000 received from MHCLG for commercial support for Round 2 Enterprise Zone appraisal work was credited directly to the Enterprise Zone account along with associated costs.
- 3.10.6 Local Growth Fund interest relates to the income generated from the holding of LGF grant which was received in full in April 2017. As the programmes profile of spend was prominently drawn down in Quarters 3 and 4, the amount of interest of £0.20m was £0.06m higher than was originally anticipated.
- 3.10.7 Additional miscellaneous income of £0.079m was received from various sources including; NE Access to Finance to recover costs associated with the establishment of the SPV, to manage the North East Fund and also contributions to LEP Automotive Market Research.

4. North East LEP Revenue Balances

- 4.1 Table 2 below shows the North East LEP revenue balances as at 31st March 2018. The LGF Reserve has been used in the year and the general reserve has increased by £0.026m over the year to £0.574m.

Table 2 – Revenue Balances

Budget Area	Opening Balance £000	Movement in 2017/18 £000	Closing Balance £000
General Reserve	548	26	574
LGF Reserve	44	-44	0
TOTAL	592	-18	574

5. North East Enterprise Zones

- 5.1 The Round 1 Enterprise Zones are located across four local authority areas; Newcastle, North Tyneside, Northumberland and Sunderland. Business rates growth generated on these designated sites accrues to the benefit of the North East LEP for a 25 year period, 2017/2018 was the fifth year of the zones' life.
- 5.2 Table 3 below provides a summary of the Enterprise Zone account over the last five years. Business Rate Income for 2017/18 amounted to £1.626m. Expenditure, including accelerated repayments back to the NEIF, amounted to £1.561m. The surplus for the year was £0.106m, resulting in a cumulative surplus of £2.708m being held.
- 5.3 Business Rate Growth income was slightly lower than expected and included some backdated adjustments for previous years. Financing costs were lower than expected due to slippage of some capital payments into 2018/19.

Table 3 – Enterprise Zone Account

	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Forecast 2017/18
<u>Business Rate Income</u>	£000	£000	£000	£000	£000	£000
Newcastle	312	330	262	614	437	472
North Tyneside	14	55	100	165	160	164
Northumberland	12	28	96	173	321	300
Sunderland	696	653	745	743	708	731
Total Rates Income	1,034	1,066	1,203	1,695	1,626	1,667
Interest		3	7	5	11	6
Grant					30	0
<u>Total Income</u>	1,034	1,069	1,210	1,700	1,667	1673

Costs						
NEIF Repayments	0	0	542	1,306	1,302	1,500
Financing Costs	0	0	424	0	0	277
Inward Investment Contribution	0	0	0	6	148	148
EZ Costs	0	9	9	115	112	100
Total Costs	0	9	975	1,427	1,561	2,025
Annual Surplus	1,034	1,060	235	273	106	(352)
Cumulative Surplus	1,034	2,094	2,329	2,602	2,708	2,250

6. Capital Programme

Local Growth Fund and North East Investment Fund

6.1 The Local Growth Fund programme has delivered over £61.12m of activity across the SEP themes making full use of all of the LGF grant available for the year and cumulatively. This is explained in more detail in the separate report on the LGF Programme.

6.2 The NEIF initial £55m NEIF, made up of £25m Growing Places and £30m Regional Growth Funding, was fully allocated to support projects. A number of projects supported through loans are now making repayments. As repayments are returned this funding is available for reinvestment in new projects. Repayments (including interest) received in the year including the Enterprise Zone transfer totalled £2.24m.

6.3 There were no new NEIF advances during the year and at the year end some £11.75m was available to support new projects.

7.0 Recommendation

7.1 The Board is asked to note the contents of this report and the positive budget outturn position for 2017/18.

7 June 2018

ITEM 8: Updating the Strategic Economic Plan

1.0 Background

1.1 The refreshed Strategic Economic Plan (SEP) was published in March 2017 setting out plans to achieve our ambition to deliver 100,000 *More and Better Jobs* for the area by 2024. It provides a growth focused economic narrative and forward strategy, a set of key targets, and agreed work programmes for the six SEP programmes for the two year period covering the calendar years of 2017 and 2018.

The North East LEP team updates on the progress towards the key targets on a regular basis when data is released. The area continues to deliver growth in employment opportunities and continues to outperform on the key 'Better Jobs' target. The Board receives regular progress reports against the SEP work programmes, however, at the end of 2018, the current programmes will need updating within the document to provide focus for the next delivery period.

1.2 At the last meeting the Board discussed the Government's proposal to initiate Local Industrial Strategies, to align local economic interventions with the aims and programmes set out in the Industrial Strategy White Paper. The Board agreed that we should make a request to Government to be in the first wave of developing Local Industrial Strategies (LISs). We subsequently formally made this request to the Secretary of State, and it has been acknowledged but not actioned. In the absence of clear information about the framework for Local Industrial Strategies, the ongoing focus remains on Strategic Economic Plans.

There are three pieces of pilot activity nationally being taken forward to inform Government's thinking on LISs. These are in Greater Manchester, the West Midlands and the Oxford-Cambridge corridor, which are looking at local activity around different parts of the Industrial Strategy.

1.3 Looking forward, there are new economic opportunities, as well as challenges, ahead in the North East, which are derived from:

- Continuing change in economic data as employment grows, but with other economic evidence suggesting future challenges in terms of growth rates, investment and productivity.
- Likely changes in the economic policy and investment environment as the UK leaves the European Union and components of the Industrial Strategy are implemented.
- Opportunities linked to local changes across our geography stemming from the changes brought about by devolution.

2.0 Updating the Strategic Economic Plan

2.1 In this context and in consultation with local authority Chief Executives and the local BEIS team, the LEP Senior Management Team considers that the Strategic Economic Plan, which covers the period 2014-2024, should be updated to ensure that the six programmes continue to set out a forward focused work programme aligned to this environment. This piece of work should be more targeted than an economic review or the previous refresh and be conducted through the second half of the year. It is proposed that it should:

- Be delivered as a update to the current SEP framework, building on the work done during the refresh, the evidence in the *Our Economy* report and the existing work programmes.
- Update the narrative, performance information and the delivery pipeline with a focus on the emerging policy and investment framework.
- Deliver two products; an updated SEP (see below and Annex 1) and a progress review reporting on SEP performance to the end of 2018.

To be clear, this is not a rewrite or refresh of the SEP. It is an exercise to update the six programmes beyond their current narrative and update the data, two years on from the current version, and update in the context of emerging Government policy.

2.2 It is proposed that the process will be delivered using current structures including LEP Advisory Boards, Local Authority structures and other reference groups and be co-ordinated by a Steering Group operating under the mandate of the LEP Board and including senior representation from the LEP, two Combined Authorities, Transport and BEIS/MHCLG.

One priority will be to strengthen delivery proposals focused on the current funding landscape:

- National funds, for example, Industrial Strategy Challenge Fund, National Productivity Investment Fund, Strength in Places fund and Grand Challenges;
- Regional funds, for example, existing and proposed local funding sources and the proposed UK Shared Prosperity Fund, as well as identifying significant proposals for Government or private support.

As the Industrial Strategy process develops, there is the possibility that the process will also absorb the preparation of the North East's Local Industrial Strategy.

2.3 Annex 1 identifies the envisaged updates requires and the associated development timeline. It is important the updated SEP for 2019 and beyond retains the current policy focus and 'look and feel' of the document.

3.0 Recommendation

3.1 The Board is asked to note and endorse the proposal to update the Strategic Economic Plan.

Annex 1:

The table below outlines the anticipated updating requirements to the current SEP:

Section	Comments regarding updating	Phasing
Opening section		
- Introduction and narrative	<ul style="list-style-type: none"> - Summary of key economic data - References and alignment to policy framework – IS, LIS, Environment Plan etc - Comment on response to and implications of devolution and forward objectives for devolution - Comments on Brexit context and practical preparations - Reference to activity at wider geographies – Northern Powerhouse, Borderlands, SIA delivery 	Brought together in Autumn
- Performance	- Updated report on targets including explanation of any change of targets	Brought together in Autumn
- Progress update summary	- Draw in summary from the Progress Review report	Progress Review to be drafted by June 2018 and consulted on over summer. Finalised for publication alongside updated SEP
Section 2: Areas of strength		
- Areas of opportunity	<ul style="list-style-type: none"> - Each specialism to be updated with new data, strengthened vision and outline updated pipeline of priority projects - Key reference points linked to intelligence about Sector Deals and linked to the Grand Challenges and Strength in Places proposal 	A key piece of work to be done over the summer 2018 and fed into Sub-Boards in the Autumn
- Enabling services	- These to be strengthened to include vision and focus	Consultation with relevant Board members over summer
- Place narrative	- To be updated with stronger housing, construction and culture references. Links to larger geographies and structures NPH, TFN etc	Consultation with relevant Board members over summer
Section 3: Programmes		
Innovation	<ul style="list-style-type: none"> - Review of current progress to be reported to Boards in spring 2018 for discussion - Updated programme to be discussed in Autumn 2018 setting out any changes to vision plus rolled forward key actions and consolidated in refreshed SEP 	Reflective phase in summer Forward plan in Autumn Brought together towards end of process

Business Growth	<ul style="list-style-type: none"> - Review of current progress to be reported to Boards in spring 2018 for discussion - Updated programme to be discussed in Autumn 2018 setting out any changes to vision plus rolled forward key actions and consolidated in refreshed SEP 	<p>Reflective phase in s summer Forward plan in Autumn Brought together towards end of process</p>
Skills	<ul style="list-style-type: none"> - Review of current progress to be reported to Boards in spring 2018 for discussion - Updated programme to be discussed in Autumn 2018 setting out any changes to vision plus rolled forward key actions and consolidated in refreshed SEP 	<p>Reflective phase in s summer Forward plan in Autumn Brought together towards end of process</p>
Economic Inclusion	<ul style="list-style-type: none"> - Review of current progress to be reported to Boards in spring 2018 for discussion - Updated programme to be discussed in Autumn 2018 setting out any changes to vision plus rolled forward key actions and consolidated in refreshed SEP 	<p>Reflective phase in s summer Forward plan in Autumn Brought together towards end of process Need to align this in particular with CA's</p>
Economic Assets and Infrastructure	<ul style="list-style-type: none"> - Review of current progress to be reported to Boards in spring 2018 for discussion - Updated programme to be discussed in Autumn 2018 setting out any changes to vision plus rolled forward key actions and consolidated in refreshed SEP 	<p>Reflective phase in summer Forward plan in Autumn Brought together towards end of process</p>
Transport and Digital connectivity	<ul style="list-style-type: none"> - Review of current progress to be reported to Transport Officers Group and 2020 targets reviewed - Also to interact with TFN agenda - Updated programme to be discussed in Autumn 2018 setting out any changes to vision plus rolled forward key actions and consolidated in refreshed SEP 	<p>Reflective phase in s summer Forward plan in Autumn Brought together towards end of process</p>
Section 4: Governance and communications		
	<ul style="list-style-type: none"> - Internal update required. - Likely to focus on communications and evaluation plus changes in structure. - Information about LEP Review and industrial strategy/UKSPF - 	<p>Brought together towards end of process</p>