

North East Local Enterprise Partnership Board



Thursday 26 July 2018

17.00 – 19.00

Venue: Presentation Suite, Watson Burton, 7th Floor, 1
St James' Gate, Newcastle upon Tyne, NE1 4AD

AGENDA

1. **Welcome from the Chair and apologies** (5.00pm)
2. **Declarations of interest** (5.05pm)
3. **Minutes of the last Board Meeting held on Thursday 7 June 2018** (5.10pm)
The Board will be asked to agree the Minutes.
4. **SEP Delivery Plan progress update** – paper attached (5.15pm)
Helen Golightly to present to the Board.

Item 5 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.

5. **Funding update and decisions** – confidential paper attached (5.25pm)
Paul Woods (Section 73 Officer) to present to the Board.
6. **Business Growth** - presentation attached (5.45pm)
Colin Bell to present to the Board.
7. **NP11 update** – paper attached (6.15pm)
Helen Golightly to present to the Board.
8. **SEP update and progress and discussion** – Paper attached (6.20pm)
Richard Baker to present to the Board.
9. **UK Shared Prosperity Fund** – paper attached (6.40pm)
Richard Baker to present to the Board.
10. **Devolution and combined authorities transition** – Paper attached (6.50pm)
Helen Golightly to present to the Board.
11. **Any Other Business** (6:55pm)

THIS IS NOT A PUBLIC MEETING

- 12. Date and Time of next meeting** – Thursday 27 September 2018 from 5 - 7pm at The Quadrus Centre, Boldon Business Park, Woodstock Way, Boldon Colliery, NE35 9PF

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**

July 2018

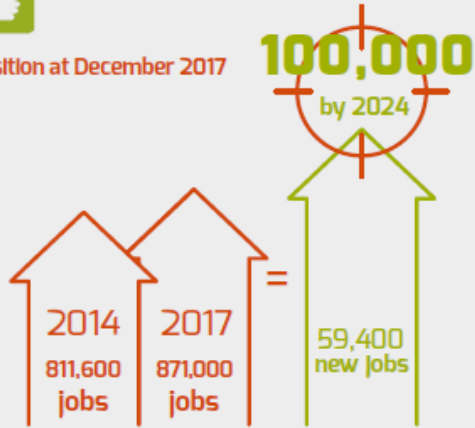


Performance against Strategic Economic Plan targets since 2014 (Last updated Apr 2018)

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



Position at December 2017



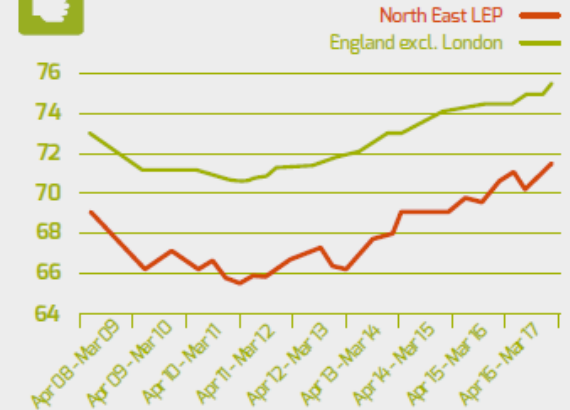
Target 70% of all jobs created from 2014 will be better jobs



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



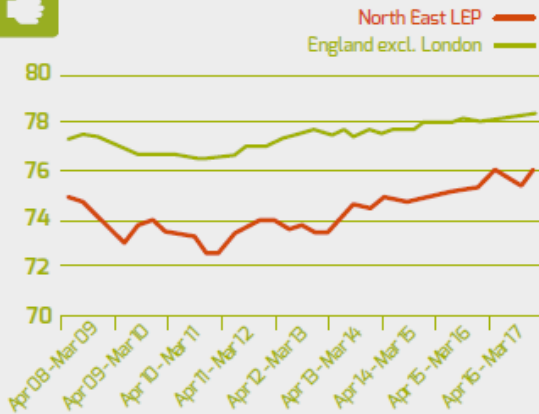
Position at December 2017: 23% reduction



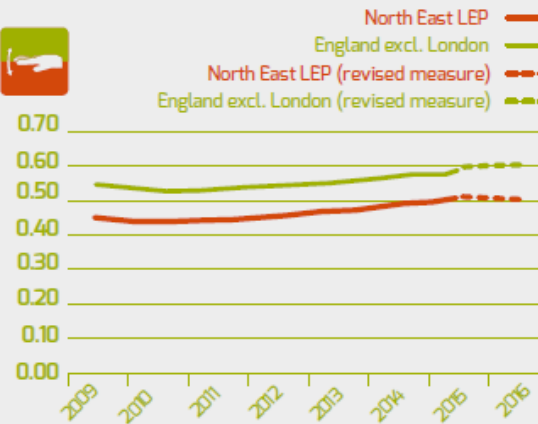
Reduce the gap in economic activity for people aged 16-64
Target 50% reduction in gap by 2024



Position at December 2017: 21% reduction



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 is running providing 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 refreshed governance structure and focus has been agreed to reduce risk of poor embeddedness which will be accompanied by new communications.</p> <p>The Incubator demand report which the LEP supported has reported highlighting areas of incubation demand. The second round of the Incubator call has been launched with 4 applications from the first round invited to progress to full application stage.</p> <p>The North East hosted the INVITE workshop alongside the opening of the Great North Exhibition on the 5th/6th July.</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). The Finance Camp event was held on the 5th July.</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 new governance structures are now in place and operating. The LEP has worked closely with the Innovation SuperNetwork to host two workshops with partners to develop and promote the Industrial Strategy Challenge Fund and Strength in Place funding, leading to three projects being developed for these competitions.</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 draft Science and Innovation Audit has been provided to government with a revised version due by the end of July. This revised version will incorporate the output of the second of three workshops and a business survey. Initial feedback has been positive on the draft.	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 with the new InnovateUK colleague attending the recent Strength in Places and Industrial Strategy Challenge Fund events.	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	The second Innovation Project development call has gone live with significant interest. This is open until the end of November with review points at the end of July and end of September. This call includes a greater focus on the Industrial Strategy Challenge Fund and Strength in Places funding following greater information on the content and focus of these.	Projects are delivered without meeting the Innovation Programme strategic objectives.	Alan Welby	G
Establish at least one test bed facility	The 5G team has developed a 5G proposed programme to deliver 5G in the North East.	Insufficient resources and private sector appetite to deliver.	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. Plan to take to Innovation Board in January 2019.	The programme is incomplete or not based on evidence.	Alan Welby	G
Smart Specialisation – Focus on four key sectors				
Produce four Smart Specialisation strategies	New Energy Programme Lead started in post in July 2018. Awaiting the appointment of Digital and Health and Life Science Programme leads to take forward the strategy development in those areas. A Health and Life science refresh has been completed and brochure produced, and the Energy Strategy work is underway.	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 project has been completed with the finding incorporated into the Science and Innovation Audit process which will produce a shared action plan.	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 requires an alternative approach due to an absence of appropriate funding routes to take the current approach forward. This is supported by the outcomes of the County Durham pilot project which was supported through this project which has highlighted the need to consider alternative approaches to achieve the aspiration.	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	125 businesses now accepted onto the programme. Two new Scale-up Partners have joined the team.	Fulfilling demand. Maintaining high quality.	Colin Bell	G
Inspiring leaders: Encouraging and facilitating peer mentoring and introduction				
Growth through Mentoring	Growth through Mentoring has made 39 matches. Our pool of mentors has grown to 40. We are now working with 'Be the Business' to integrate their Mentoring programme, focused on productivity improvements, launching late October.	Attracting high quality mentors Attracting suitable mentees	Helen Lee	A
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	North East Fund has now made 12 investments, total value £2,557,300. 40% (value) and 33% (number) are Newcastle-based companies. Seven area-based awareness events held. Engagement activity on-going with partners.	Failure to attract high quality investment bids.	Michelle Rainbow	A
Rural Growth Network (LGF)	Spend behind target at 59%. Pipeline building with additional 14 Expressions of Interest received.	Existing pipeline not achieving required outputs.	Dinah Jackson	A
RDPE (Rural Development Programme for England) (EAFRD)	Current pipeline value is 87% of total allocation. As at 18 th June, 159 Eols have been received, up from 107 at last reporting.	Low levels of demand. Process timescales.	Dinah Jackson	G
Support business growth focused on areas of opportunity				
Work with sector groups	Scaleup North East, launching October 2018 and integrating with sector deals and NP11 supply chain work stream.	Securing match funding for Supply Chain Programme. Driving awareness and demand.	Colin Bell	G
North East Growth Hub: A single access point for business information, advice and financial support				
An effective platform and events programme	We have submitted our annual report 2017/18 to BEIS. All delivery targets were exceeded. 2 Growth Hub Connectors recruited to provide 1-2-1 support to businesses.	Growth Hub doesn't generate leads effectively.	Jen Robson	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Building our trade flows: Increase export activity				
Building trade flows	Work continued to inform/influence new DIT trade services. North East Export Strategy to be reflected in Local Industrial Strategy.	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	85 investment projects landed in the last financial year which will lead to 1,669 jobs. 80% of these investments were by foreign-owned companies leading to 1,378 new and 1,479 safeguarded jobs. 17 new UK inward investments creating 291 new jobs. New marketing collateral will promote the five target sectors and significant sub-sectors. INEE is developing an events programme with partners, to include the Energy, Digital & Tech, FPBS and general property investment sectors. NECA continues to deliver the DIT Key Account Management Programme through circa £145k of DIT Northern Powerhouse funding. NECA sub-contracts with local authorities to deliver on the ground support to local foreign owned companies. On-going concern that key competitors have access to financial incentives not available in the North East, notably Sheffield £27m pot for inward investors + same for indigenous, Leeds £13m, Tees Valley £10m, Liverpool £30m and incentives from devolved administrations.	Impact of Brexit on ability to attract new FDI. Absence of access to financial incentives impacts interest. The creation of the North of Tyne Combined Authority may confuse the inward investment landscape for investors or dilute the current regional model.	Guy Currey	A
Develop strategic approaches to opportunities, working with key areas of specialism to strengthen supply chains	Proactive lead generation work continues, primarily focused on companies based in London and South East England, with additional focus on opportunities in Ireland, in digital and as financial, professional and business services sectors. On-going work 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	Our recruitment to the Growth Hub Connect service will provide 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.	.Poor coordination between partners.	Colin Bell	A

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.				
Support secondary schools and colleges who wish to adopt the benchmarks	<p>The North East LEP has secured a 'Careers Hub' for the region – one of only 21 hubs nationally. There will be a dedicated North East Ambition Careers Hub supporting 40 secondary schools and a dedicated Hub for Colleges, supporting all 9 of our General FE Colleges in the region and a Sixth Form College. Each 'Hub' will be supported by a 'Hub Lead' and Enterprise Coordinators to ensure progress and impact are maximised.</p> <p>The regional scale up of North East Ambition continues; almost 150 secondary schools are now engaged and all 9 colleges have adopted and are working towards the benchmarks.</p> <p>Our North East Ambition College Working Group facilitated two workshops to shape the production of a national 'guide for career leaders in colleges' and have participated in national 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. We have hosted learning visits from 6 colleges from outside the region to learn from the good practice of our colleges, whilst continuing to facilitate practice sharing within the region.</p> <p>A group of North East Careers Leaders supported the CEC development and creation of a 'Quick Guide for Career Leaders' in relation to their new statutory duties. This new national resource, developed here in the North East, was launched in June 2018.</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.	Michelle Rainbow	G
Ensure all secondary schools have access to Enterprise Advisers	121 Enterprise Advisers have now been recruited from a broad range of both large employers and SMEs. 64 EA's are male and 57 are female, giving us a good gender balance. 100 schools and colleges have now completed and returned their audit documentation and now have access to Enterprise Advisors. Over 90 of these are now matched and there is a focus on matching the remaining organisations. If approved by the ESF Managing Authority, ESF funding will enable the North East Ambition project to scale up activities of the EA network and increase the number of the Enterprise Coordinators within the team to give capacity to support each and every school and college in our region and ensure that SME's.	<p>Changes in government and policy may mean a change to the funded element of the programme.</p> <p>Securing ESF to enable the scaling up of activity and provision.</p>	Michelle Rainbow	G
Develop and deliver the Pupil Mentoring programme	RTC North and Young Enterprise delivery has been going well and feedback and take up from schools has been positive. The North East LEP is currently participating in the end of year evaluation of these programmes as part of the CEC national evaluation.	Initial projects are funded to Sept 18, but successful projects will be funded to 2020.	Michelle Rainbow	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Develop and roll out a pilot Primary Schools Benchmark programme	The North East LEP has secured a commitment for co-funding from EY Foundation to deliver a primary benchmark pilot. We expect final 'sign-off' with EY Foundation in September. From this point we will begin to establish the systems and structures required to deliver the pilot, including recruitment of Facilitators and Schools. We anticipate the pilot starting delivery in primary schools by January 2019. The Department for Education are supportive of our work 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. We have provided details to the Minister who will include information in a House of Lords debate in July 2018.		Michelle Rainbow	G
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.				
Promote higher skills	In the North East, Durham Sixth Form Centre, Gateshead College, New College Durham and St Thomas More Catholic School (Gateshead) will be the first providers of T-levels. The Principal of Gateshead College is part of a national group working with the FE Commissioner and Sunderland College have been involved in the industry placements pilot. Vice Principal for Curriculum and Achievement at Sunderland College, stated the industry placement pilot has been extremely beneficial to the College in helping to prepare for T Level reforms and to further improve the employability skills of students. The College is now be better prepared for continuing testing on a larger scale next academic year as part of the Capacity and Delivery Fund" As part of the Great Exhibition of the North the North East LEP secured the 'Technicians Make it Happen' Campaign to base their roadshow at the Mining Institute. The LEP continues to work with partners in relation to Institutes of Technology.		Michelle Rainbow	G
Encourage more and higher level apprenticeships with a key sector focus	The Apprenticeship Growth Partnership meetings continue and the focus of the AGP is <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 The North East LEP is supporting national campaigns to raise awareness and promote apprenticeships to employers, young people, schools and parents We have supported the ASK (Apprenticeships, Skills, Knowledge) Programme and the provider of this service in the North East has had their contract extended into next academic year and we will continue to support their work. A priority for the North East LEP is to monitor the KPIs regarding uptake of apprenticeships, We continue to work with ESFA in relation to this. With new GDPR legislation, the ESFA is working with the LEP's to amend data sharing agreements. The North East LEP has provided evidence that we are a suitable data controller and we await further information from ESFA.	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.	Michelle Rainbow	G
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.				
Support universities spin-outs and start ups	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.		Michelle Rainbow	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Support universities to retain graduate talent in the North East	We continue to work with the four universities in the region and Universities UK to shape a pilot programme. A meeting was held with the Office for Students (OfS), where the work of the North East LEP and the North East Collaborative Outreach Programme (NECOP) was identified as the example of good practice nationally. We hosted a delegation from OfS in June 2018, to support them in their review and development of the programme nationally. We are planning to meet with AGCAS in the new academic year and then finalise details of a pilot with UUK.			
Support universities to develop knowledge transfer partnerships	We continue to work 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.		Michelle Rainbow	G
Education Challenge - reduce the gap between our best and lowest performing schools and to target all schools in the North East achieve 'good' or 'outstanding' OFSTED rating.				
Develop and deliver an Education Challenge programme	<p>Governance We continue with our communications campaign to raise the profile and showcase case studies of good practice in school governance. We are working closely with the Gatsby Foundation and the National Governors Association to explore opportunities for co-working and developing training for Governors within the region. The LEP continues to engage DfE with regard to the announcement of the £75million Teaching and Leadership Innovation Fund.</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 June 2018 Ford NGL led a Visioning Workshop at Excelsior Academy with a range of stakeholders. Draft action plans will be developed with the input of all stakeholders and shared later in year. 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. Planning for September is well underway and the Industry Alignment Managers co-ordinated by the Regional Lead are working with a number of trailblazer teachers, matching and facilitating co-development of projects that students will engage in. A wave one expansion will include further schools and colleges from across the region from the start of 2019.</p>	<p>We are looking to expand the opportunities to a wider cohort and are currently considering funding methods to do this.</p> <p>The project has a number of key stakeholders and a revised leadership structure is has developed to ensure that the project is coherent and is built on clearly established processes. We will monitor progress, effectiveness and efficiency of this new structure.</p> <p>We are exploring a variety of funding opportunities to enable the scope of the pilot to widen.</p>	Michelle Rainbow	G
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 FWL		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.	Events are underway and will run until September 2018. Virgin Money, focusing on financial and professional services was the first event. A similar Digital / Tech sector event ran in mid-May & Advanced Manufacturing in June. Feedback to date has been extremely positive. The LEP highlighted the FWL strategy at sector events including BIONow, NOF, Tech Talent Charter and People Power. Funding has been secured to develop an Employer Toolkit via the North East Growth Hub. 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. The DWP central policy team for FWL continues to attend our Task & Finish Group and is supportive of our strategy. The DWP produces a monthly bulletin to national stakeholders and highlighted the North East LEP's approach as best practice in the July edition.		Michelle Rainbow	G

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				
Support primary care professionals in helping people access support to get them back into work	<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. 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>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.</p> <p>DWP in the process of writing to LEP and ESIF committee chairs outline the process of offering contract extensions.</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
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>	<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.</p>	<p>Northumberland County Council</p>	G
Monitor and evaluate the impact of the Work and Health Programme in the North East	<p>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.</p>	<p>Alignment with ESF existing and new provision; such as the DWP opt-in and Mental health Trailblazer (see above)</p>	<p>Michelle Rainbow</p>	G

SEP Action	Progress/ current position	High level risks	Lead	Status
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.</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
Youth Employment - develop pathways for the most vulnerable and disadvantaged young people to help them move into education, training and employment				
Create and scale up initiatives that adopt innovative and agile approaches to meeting local needs	<p>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>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. 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
Deliver the Durham Works project	<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

SEP Action	Progress/ current position	High level risks	Lead	Status
Ensure young people have the access to support and skills required to progress employment.	<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.</p>	<p>Collaboration across service providers is voluntary; 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
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.</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 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.</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 their 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 <p>Only 3/7 Local Authorities have an approved plan. It is the 7 LA Chief Executives are responsible for preparing and having an approved Local Plan. The LEP's ambition is that each Local Plan will consider the SEP in its development. The LEP has contacted each Local Authority without an approved Local Plan to provide a timeline for its adoption and confirmation that it encapsulates the ambitions set out in the SEP.</p>	Local Plans are not adopted in the short term resulting in elements of the SEP delivery being stalled.	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 holds a list of projects and are reviewing the strategic contribution of each to inform the development of a Regional Investment Pipeline, which will in turn inform the updated SEP during 2018 and the early development of a North East Local Industrial Strategy.	Insufficient capacity to progress	Helen Golightly/ 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 by all 7 local authorities (May 2018) Investment business cases being developed and appraised (on-going) Economic Directors provide the challenge forum for the rate of progress (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. This has been stalled by the devolution discussions and decisions. The LA7 Economic Directors will be asked for a position statement for the next Board meeting.	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. This has been stalled by the devolution discussions and decisions. The LA7 Economic Directors will be asked for a position statement for the next Board meeting.	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	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	Nexus are a lead partner in the development of Host Card Emulation, 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 local developers have created an app as part of the package – the first stage on the route to 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.	TfN does not progress specification for ABT Back Office Beta test does not progress satisfactorily	Tobyn Hughes	G
Continue joint management working of our transport system	Public consultation on Transport for the North's (TfN's) draft Strategic Transport Plan (STP) closed on the 17 th April. We now are awaiting the consultation report; TfN intend to adopt 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. Rail North has been subsumed into TfN and is now called TfN (Strategic Rail) NECA is briefing members on the changes and the function of each board and committee. In rail we continue to prioritise the need to promote the future of the East Coast Mainline, especially future investment in the York – Newcastle section for Northern Powerhouse Rail and HS2 services after 2033. We also continue to support the case for Transpennine Route Upgrade and the creation of a shared narrative with Network Rail to agree joint work programmes and governance to help to meet a joint vision for rail in the North East.	TfN plan not adopted	Helen Mathews	G
Develop and expand the Urban Traffic Management and Control Centre (UTMC)	UTMC NPIF bid received funding. The first phase of the technical refresh was undertaken. It is now totally cloud-based. Phase 2 refresh including the move to the Urban Sciences Building, was completed during the weekend of the late-May Bank holiday 2018 offering better security and increased functionality. The third phase of the refresh which is centred on Strategy design and usability will be delivered in September 2018.		UTMC team	G
Identify and begin to deliver strategic schemes to enhance connectivity	Heads of Transport developed a strategic project pipeline and project sponsors developing projects as appropriate. We await to hear if our application to submit a Transforming Cities bid has been successful.		Helen Mathews with local authority Heads of Transport	G
Identify and begin to deliver pinch point solutions	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. We await details on the next round of Highway Maintenance Challenge fund.		Helen Mathews with local authority Heads of Transport	G
Identify and begin to deliver a long term project pipeline	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		Helen Mathews	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Transport Innovation				
Commission the Go Ultra Low Cities Programme	Delivery of both sites anticipated to be complete by Autumn 2018 and the rapid charging clusters contract is awarded. Preparations are also underway to go out to tender for a contractor to manage and maintain the network, subject to NELB agreement.		Helen Mathews	G
Regional Transport Planning				
Develop and agree a North East Transport Plan	The development of a Regional Transport Plan and associated "daughter plans" continues with an early draft circulated amongst the Heads of Transport.	Change in Regional Transport Governance may affect delivery timescales.	Helen Mathews	A
Strengthen the alignment between the transport plan and the planning process	A workshop between town planners and transport planners is contemplated to support the transforming cities process.		Helen Mathews	G
Explore opportunities presented to us in new legislation	Nexus sits on a DfT programme board to steer the provision in the 2017 Bus Services Act 2017 for open data in relation to bus services.		Tobyn Hughes	G
Develop transport investment programme	We await news on our progression to the next round of Transforming Cities and hope to submit a Sustainable Urban Development Fund Bid during the autumn.	No guaranteed funding beyond current LGF	Helen Mathews	A
Identify opportunities for improved freight infrastructure	Freight partnership continues, with a work programme for the next year to be agreed by the partnership.		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. The Transforming Cities Fund bid Expression of Interest includes improving connectivity into city centre employment sites		Helen Mathews with Heads of Transport	G
Implement an enhanced public transport offer (by 2020)	A programme of initiatives continue across the system continues such as South Shields Transport Interchange and the Host Card Emulation ticketing project. Design options on Sunderland station are developed for consideration with funding options still being examined.		Tobyn Hughes	G
National and international connectivity				
Enhance east-west road and rail connectivity	The interventions from TfN's East-West Corridor Study, Connecting the Energy Coasts are being modelled using TfN's suite of models and a combined Strategic Outline Programme and Case is being developed (SPOC). This will inform TfN's investment plan. The Environmental impacts are being tested. Work is progressing on the Northern Powerhouse Rail project including corridor option development for the Leeds to North East corridor (including significant upgrades to the ECML). Also aligned to the East Coast Route study. Strategic Outline business case for NPR due by Dec 18	Ensure that the needs of the North East are adequately considered as part of the study	Helen Mathews	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Develop an initiative to support air, sea and rail transport hubs	Consultation responses by the RTT continue to be issued on time. Work is now underway around the detail of the Major Road Network as well as with DEFRA on the Clean Air Strategy. We are working closely with bodies such as Transport for the North and the Urban Transport Group on collective common issues.		Helen Mathews	G
Develop an initiative to support air, sea and rail transport hubs (continued)	The North East is now the secretariat to the East Coast Mainline Authorities (ECMA) Consortium and also supports the All Party Parliamentary Group (APPG) on the East Coast Mainline, chaired by Catherine McKinnell, MP for Newcastle upon Tyne North.	Ensuring a coordinated strategy for unlocking growth opportunities for high speed rail in the North East.		
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>We continue to lobby to promote the need from the East Coast Mainline to be ready for HS2 traffic between Newcastle and York in 2033.</p>	No committed funding for East Coast Mainline enhancement	Helen Mathews	A
Digital connectivity				
Map and influence superfast broadband coverage	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.		Steve Smith, Northumberland Council Ben Kaner, North Tyneside Council	G
Develop and begin delivery of 5G test-bed	The 5G team has developed a 5G proposed programme to deliver 5G in the North East.	Insufficient resources and private sector appetite to deliver.	Alan Welby and 5G team	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>	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 2021 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 has been formed and has met twice. Initial conversations with LEP Sub-Boards and other groups commenced in June 2018. Paper to Board in July meeting.</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> <p>The development and delivery work will be supported by the appointment of a Team of LEP specialists:</p> <ul style="list-style-type: none"> Energy Programme Lead commenced July 2018. 	<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"> Life Sciences Brochure was published in June 2018. 	<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 commenced at the start of June 2018. The appointed contractor is Steer Davies Gleave. An inception meeting with the appointed contractor was held in June, and an evaluation workshop with programme leads has been organised in July 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

SEP Action	Progress/ current position	High level risks	Lead	Status
Economic Evidence and Analysis				
Produce and promote annual 'Our Economy' report	Our second 'Our Economy' report will be published in March 2019 providing an overview of the North East LEP area economy and how it is changing over time and in-depth review of a specific topic of interest to the North East economy. Discussions are currently ongoing to decide the topic for the 2019 report.	<ul style="list-style-type: none"> Internal capacity Data availability 	Richard Baker	G
Expand the content, functionality and promotion of the Data Hub	The next phase of the Data Hub will include ongoing updating of data, broadening of range of available data, development of functionality and exploration of connections to other hubs. Our developers have commenced worked on a second phase of development which will add a range of functionalities. A marketing campaign has been agreed for implementation in September.	<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, the LEP will broaden the range of datasets it comments on.	<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 Economic 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 and engagement.</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 (published in June 2018), EU funding (paper to Board in July 2018) and EU institutional relationships (project commenced with initial reporting in September 2018) 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 (Supply chain project to be launched in October 2018)	<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>A meeting has been held between the LEP senior team and programme leads in May 2018 and links have been established between 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 project 	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	<p>£258.4m contracted and £11m allocated to projects in pipeline development (all of which are anticipated to come forward for decision during 2018/19).</p> <p>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 £76.6m (£13.1m over-programme).</p>	Amount allocated	<p>Over £65m invested through the programme to date with repayments underway.</p> <p>Approximately £12m available to invest at present.</p>	Amount allocated	1,338 new jobs created with 41 businesses located on the EZ sites.
Projects supported	<p>54 major projects including 4 mini-programmes approved to date.</p> <p>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. Second calls are now open until Q3 2018/19.</p>	Projects supported	<p>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.</p> <p>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, with one seeking Board decision at July meeting.</p>	Projects supported	<p>The Enterprise Zone sites have attracted significant investment to date Applications are being progressed for five EZ sites, with two of these seeking Board decision at July meeting.</p> <p>Feasibility Studies are being progressed for four sites to accelerate the development.</p> <p>A legal agreement is now in place and a full implementation plan has been finalised.</p>
Issues	Net budget over programme of £13.1m to be monitored during course of the year.	Issues	<p>To date NEIF projects have reported a yearly average jobs figure of 512 (against target average of 1,661).</p> <p>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. We are also reviewing other options to boost the output delivery of the NEIF with the Investment Board and Local Authority partners.</p>	Issues	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 – July 2018

Social Media



Followers: 8,746 (+2.3% since 1 May)
Reach: **400.4K impressions** over last **90 day** period)



Followers: 2,873 (4.25+% on last month)
Reach: 31,403 (Impressions during June)

Benchmarking against top three LEPs on twitter
(as of 11 July 2018)

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

8,746

7,436

7,131

9,033



UPDATE TITLE

Applications are now open for two new roles supporting North East businesses to grow and scale. Become a 'Growth Hub Connector' and help secure #moreandbetterjobs for the region: https://lnkd.in/ejb_v5e #jobs

DATE 4 June IMPRESSIONS 3079
CLICKS 187 CTR 6.07% ENGAGEMENT RATE 6.723%

UPDATE TITLE

Can you help us achieve our goal to scaleup businesses in the North East by improving access to business support and finance for SMEs? We're recruiting for two 'Growth Hub Connectors': https://lnkd.in/ejb_v5e #jobs

DATE 1 June IMPRESSIONS 2346
CLICKS 45 CTR 1.92% ENGAGEMENT RATE 2.43%

UPDATE TITLE

Applications are now open for two new roles supporting North East businesses to grow and scale. Become a 'Growth Hub Connector' and help secure #moreandbetterjobs for the region: https://lnkd.in/ejb_v5e #jobs

DATE 7 June IMPRESSIONS 2121
CLICKS 72 CTR 3.4% ENGAGEMENT RATE 3.9%

Top Tweets

Top Tweet earned 7,145 impressions

Are you a digital business operating in the North East? We want to hear from you about your links with NE manufacturing businesses & how we can help you maximise your opportunities in this market.

Use this survey to share your experiences & aspirations: surveyMonkey.co.uk/r/NEdigital
pic.twitter.com/2R8ucmbYln

Top media Tweet earned 5,687 impressions

A @Channel4 Creative Hub in #NewcastleGateshead would bring #moreandbetterjobs to the region. Show your support for the bid with a RT or use the hashtag #4theNE

[ngi.org.uk/resources/news...](https://www.ngi.org.uk/resources/news...)
pic.twitter.com/g6ASvpitcG

Mentions May & June 2018

No. of Mentions
2,518

(in articles, blogs, social media posts)

Sentiment:

Neutral
2.2K (87.41%)

Positive
309 (12.27%)

Negative
8 (0.32%)

Business park purchase to bring 'hundreds of jobs' to Ashington - but is it enough for residents? Story referring to Ashwood Park which is on Enterprise Zone in Ashington.
<https://www.chroniclelive.co.uk/news/north-east-news/business-park-purchase-bring-hundreds-14652085>

Highlights:

Journal
Report details impact of Brexit:
<https://www.chroniclelive.co.uk/business-news/report-details-impact-brexit-north-14742535>

Upcoming events

8 October

Nexus Supply Chain event at Stadium of Light

Priority actions for the next two months

Action 1

Plan and prepare for a supply chain event in September relating to Nexus procurement

Action 2

Assess SEP and develop an action plan to have new data ready for launch in January 2019

Action 3

Recruit a Communications Support Officer

Action 4

Manage media relations around the launch of our Corner Stone Careers Hub

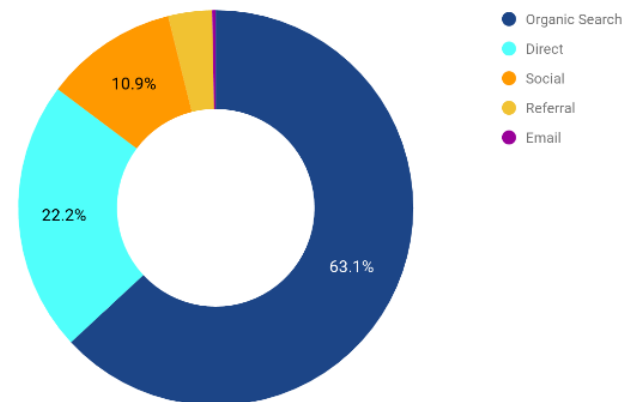
Website Performance Summary

JUNE 2018



Performance summary

- Traffic is up +3% last month, which differs from last year's trend of going down month on month (mom) during summer months
- External link clicks from the career directory have doubled from last month
- External link clicks for skills more than doubled from last month from 22 to 45
- Social and referral traffic is up 47% and 17%
- The average session duration has continued to decrease mom
- Newsletter signups have continued to drop month on month. They are down -52% mom



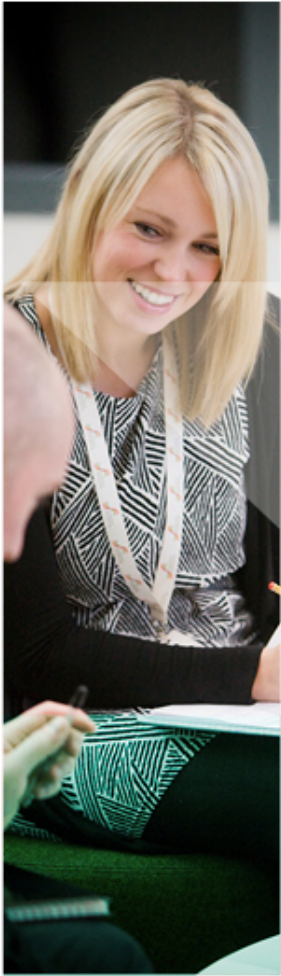
Site sessions: 4,856 +3%

Bounce rate: 53% -1%

General click to call: 8

General click to email: 20 +25%

Contact form submissions: 21 -32%



North East

Local Enterprise Partnership



info@nelep.co.uk



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



0191 338 7420



www.northeastlep.co.uk



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



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

Item 6 Business Growth programme



Colin Bell – Business Growth Director

Grow number of scaleups by
50% by 2024

Business Growth Programme

DEMAND

STIMULATING DEMAND FOR
BUSINESS SUPPORT

SUPPLY

DEVELOPING THE ECOSYSTEM TO
EFFECTIVELY FULFILL DEMAND

STIMULATING DEMAND



North East Growth Hub

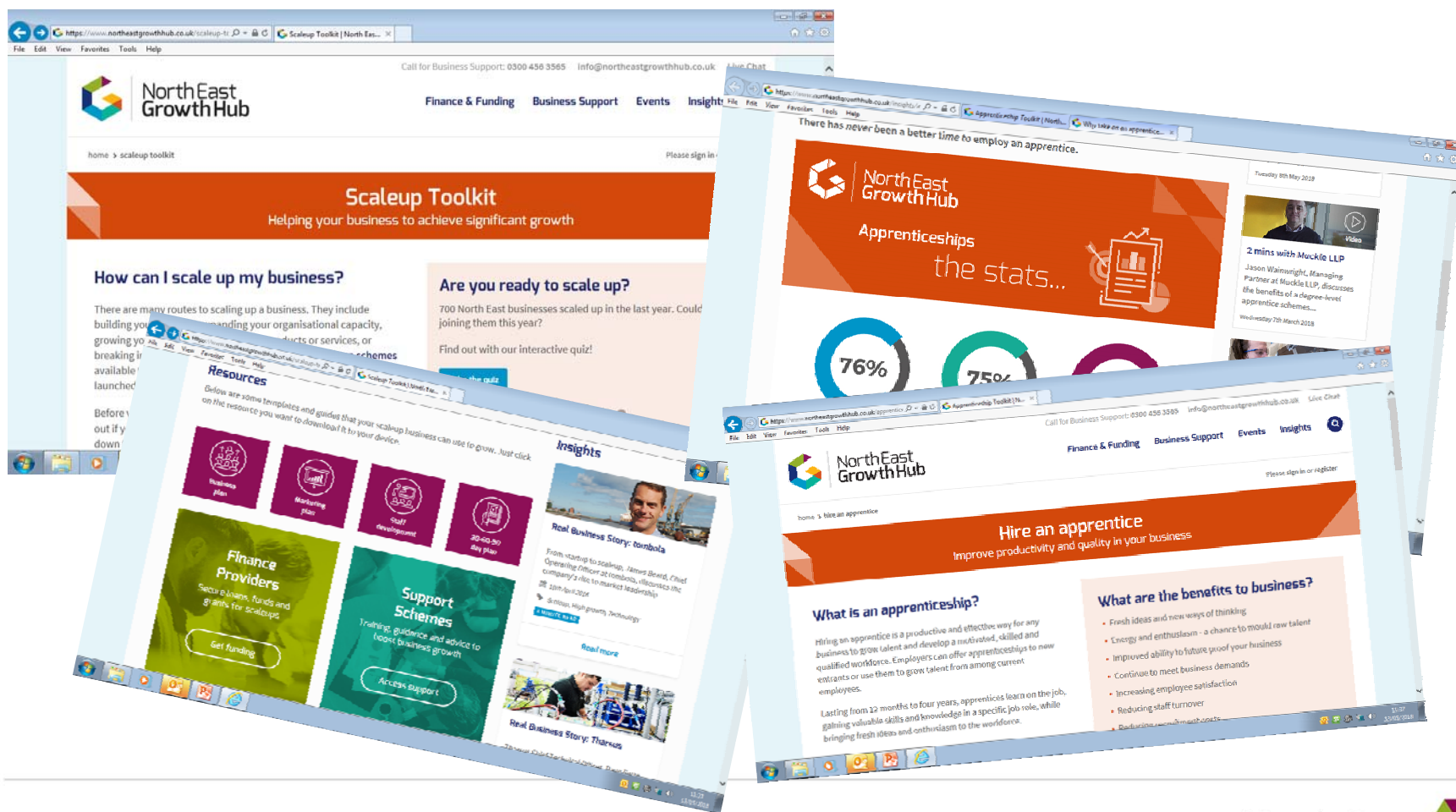
Impartial, objective, triage, diagnosis and signposting

Level of service relates to business complexity and potential economic impact

Tackle established market failures

Market Failure	Growth Hub Solution
Business Support landscape is confusing	All solutions & events published and searchable on www.northeastgrowthhub.co.uk
Do not believe suitable assistance exists	Campaigns and advertising designed to, inspire more businesses to grow and improve and grow awareness on the types of support available.
Doubts about benefit & value	Growth Hub Connectors and Scaleup Partners help to identify and sell the benefit businesses can expect in return for their time and money invested.
Difficult to trust external information & advice	Growth Hub Connectors and Scaleup Partners provide managed introductions to providers and aftercare . Growth Hub QA framework measures client satisfaction with GH and providers.

Raising awareness & interest



Converting interest into action

Growth Hub Feature	Start Up	Established	Scaleup
Access to northeastgrowthhub.co.uk business support and finance directory.	•	•	•
Web chat via National Business Support Helpline.	•	•	
Up to 1 hr support via Business Support Helpline Adviser.	•	•	
One-to-one needs analysis and support recommendations via Growth Hub Connector.		•	
Managed access to Growth Hub Provider Network through Growth Hub Connector		•	
In depth support to create bespoke Scaleup plan from Scaleup Partner			•
Managed access to Scaleup Solution Providers & Consultants			•
On-going Account Management with a Scaleup Partner			•
Access to Growth Hub Mentors		•	•

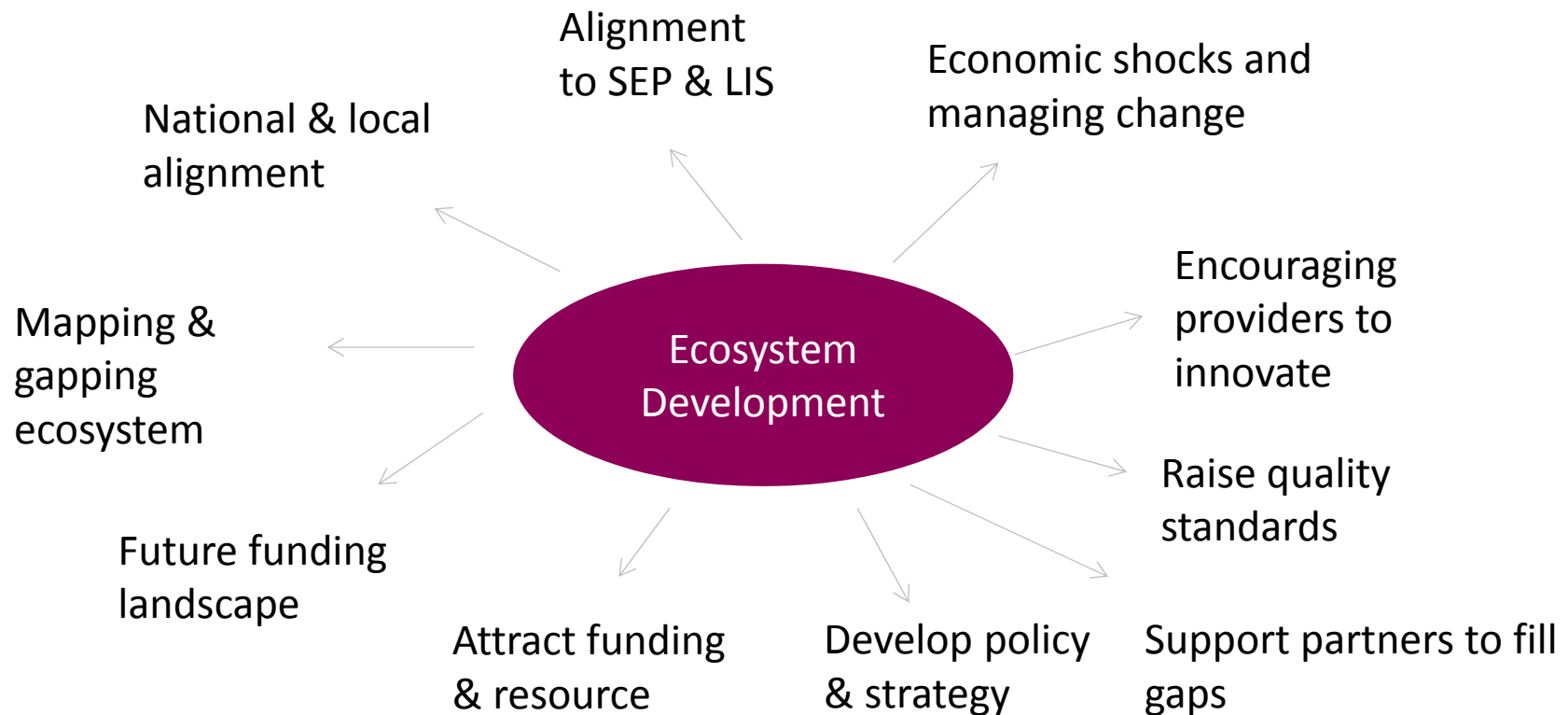
FULFILLING DEMAND

 @northeastlep #moreandbetterjobs

North East
Local Enterprise Partnership



Developing the ecosystem



Tackling market failures

Market Failure	Solution
Low levels of productivity growth	Supply Chain North East Embedding digital adoption as cross cutting theme Alignment of Be the Business Inform Productivity review
Low business birth rate	Continue to support EU investment into Start-up support Continued support of New Enterprise Allowance. Continued support of Start-up Loans.
Not enough start-ups scaling up	LGF investment for supporting High Potential Start-ups . Align and collaborate with existing accelerator programmes.
Not enough businesses scaling up	Creation of Scaleup North East and Scaleup Solution Providers network. Support development of Scaleup Leaders Academy & Captured Work with DIT on development of new operating model

Tackling market failures

Market Failure	Solution
Low levels of businesses raising finance	Stimulate demand through supporting more businesses to scale up via Scaleup North East. Collaboration with the British Business Bank. Finance Camp – investor attraction and matching.
Fulfilling rural businesses needs	Work with Rural Connect Centres to extend reach of Growth Hub Develop awareness and capacity of Provider Network
Fulfilling specific needs of social enterprise	Develop awareness and capability of Growth Hub Connectors and Scaleup Partners Develop awareness and capability of Provider Network
Not enough businesses preparing for Brexit	Support diversification via Supply Chain North East Develop capability and capacity of Provider Network

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26 July 2015

ITEM 7: NP11

1.0 Background

1.1 The Northern Powerhouse Minister, Jake Berry MP, announced the formal establishment of the 'NP11' at a drinks reception hosted by the North East LEP on 5 July 2018. NP11 brings together the 11 LEPs in the Northern Powerhouse geography in a formal capacity to champion the North's economic growth.

2.0 NP11

2.1 The 11 LEPs will form an influential new body to support the government's ambitions for the Northern Powerhouse. The Chairs of each of the 11 LEPs will sit on a newly formed, government-funded Board called the 'NP11', which will be tasked to act as one voice for the North, to work with and advise the government on issues such as how to increase productivity, overcome regional disparities in economic growth and tackle the historic north-south divide.

Jake said: 'As we approach leaving the European Union we need to ensure that every area of the UK continues to economically flourish.

The Northern Powerhouse will be a vital support to the UK in achieving this and so I am very pleased the 11 LEP Chairs have agreed to form the new NP11 Board....we will bring together the business voices of the Northern Powerhouse in our Council for the North. They have one task: to enrich all the peoples of the North of England – this is the foundation stone of the Northern Powerhouse and, with the skills and expertise of the NP11, we will shift the North's economy into overdrive.

Together we will deliver a North of England which is an economic powerhouse and one which can proudly take its place on the world stage both now and as we leave the EU.'

2.2 The 11 LEP Chairs have met informally over a year or so already around a shared agenda, and this formalises the position with Ministerial and financial support from Government.

3.0 The NP11 Board

3.1 The NP11 Board will therefore be made of the 11 LEP Chairs listed below.

Roger March from Leeds City Region will Chair the Board and Christine Gaskill will be the Vice Chair.

NP11 – LEPs

Cheshire and Warrington LEP

Cumbria LEP

Greater Manchester LEP

Humber LEP

Lancashire LEP

Leeds City Region LEP

Liverpool LEP

North East LEP

Sheffield City Region LEP

Tees Valley Combined Authority
(includes LEP)

York, North Yorkshire and East
Riding LEP

NP11 – LEP Chairs

Christine Gaskill

Lord Inglewood

Mike Blackburn

Lord Haskins

Edwin Booth

Roger Marsh

Asif Hamid

Andrew Hodgson

Nigel Knowles

Paul Booth

David Kerfoot

5.0 Recommendation

5.1 The Board is asked to note the report.

26 July 2018

ITEM 8: Updating the Strategic Economic Plan

1.0 Background

- 1.1 At the June Board meeting, the Board agreed that the North East LEP should deliver an update of the Strategic Economic Plan (SEP), and that this should be published alongside an update of progress for the period 2017- 2018 at the beginning of 2019.
- 1.2 This paper provides an update on progress on the process since the June Board, and discusses a proposal to introduce digitalisation as a key cross-cutting theme.
- 1.3 Comments from the Board are invited.

2.0 SEP Update: Progress Update

2.1 Steering Group

A Steering Group for the Update project is now in place and is meeting regularly. Chaired by Helen Golightly and supported by the Strategy and Policy Team, the Group consists of the LEP's Senior Management Team, Philip Meikle and Ian Coe from Nexus, Rob Hamilton and Vince Taylor from Newcastle and Sunderland Councils respectively as links into the two Combined Authority areas and Tom Frater from BEIS.

2.2 Timetable

A timeline is in place which will see:

- Engagement with LEP Sub-Boards, the Transport Officers Group, Digital leaders and other Advisory Structures in their pre- and post summer meetings on programme content
- An engagement event on September 19th targeted at partners working in key areas of opportunity
- Ongoing liaison with Local Authority Economic Directors and a plan to meet with Chief Executives
- An agreement that key content will be in place by the end of October, offering the opportunity for a Board discussion of a draft of the updated plan at its November meeting
- Publication of both the Progress Update on delivery during 2017-2018 and the updated Plan on a date early in the New Year

2.3 Targets

Discussions have taken place at both the Steering Group and the North East Economic Evidence Forum about the current group of 6 targets, seeking to ensure that they remain the right framework for the next stage of the SEP.

2.4 It should be noted that the target on GVA per FTE needs to change, as a result of the discontinuation of the data set, and discussion has taken place about whether further change might be required, either to reflect changing economic priorities or to strengthen our focus on key economic performance issues in the region.

2.5 The conclusions of this discussion are as follows:

- That the 6 targets together provide a strong statement of shared priority in the region, and represent a genuine set of tools for measuring performance of the regional economy over the medium term timeline between 2014 and 2024. They should be retained to provide focus for the region.
- That the target of GVA per FTE should be changed to GVA per hour worked. This is more accurate measure than other alternatives and will be consistent with one of the indicators for the Industrial Strategy. The alternative would be to present a measure of GVA per filled job.
- That there is an opportunity to change the narrative about 'closing gaps' in the 4 comparative targets to a more positive message about improving performance
- That a set of KPI's should be developed at the level of the 6 programmes which provide a logical link between the SEP targets and key actions set out in the plan. These will be developed as part of the first phase of the SEP evaluation project which is now underway
- That we should continue to report for the period 2014-2024, being the key implementation period for the SEP, but should also begin to analyse longer term horizons, potentially to 2030, depending on the implementation period for the Industrial strategy
- That the 6 programmes should develop action plans through to 2021, being the timeline for the ending of current investment programmes and that the likely start date for UKSPF will be 2021

2.6 Industrial Strategy

The Steering Group continues to discuss the alignment of the SEP with the Industrial Strategy in order to ensure alignment, and in anticipation of further information about the Local Industrial Strategy process.

- 2.7 Work is being progressed to ensure that the region engages effectively into processes such as Sector Deals, Grand Challenges and National Productivity Investment Fund programmes including the Strength in Places Fund, a call for which is currently open.

3.0 Digitalisation as a cross cutting theme

- 3.1 The Steering Group has commenced a discussion around the development of the region's approach to digitalisation. In the 2017 SEP our focus on digitalisation was positioned in two parts of the Plan; opportunities to drive growth in our Digital and Tech sectors, and on a group of infrastructure projects within the connectivity and place theme including improving the underpinning digital infrastructure and the 5G project.

- 3.2 The Steering Group believes that there is an opportunity to strengthen our approach to digitalisation to encompass both sectoral growth and wider digital transformation in the region. This would be strongly supportive of the national agenda on productivity and would aim to build on the work set out in 2017. It would add in analysis from, for example, the UK *Made Smarter* Review led by Juergen Maier of Siemens which focuses on the importance of industrial digitalisation and also our forthcoming Science and Innovation Audit which has focus on our regional opportunities in Applied Digital Technologies - looking at North East specific opportunities to strengthen digitalisation in our manufacturing sectors.

- 3.3 This would also embrace a wide range of other projects, approaches and opportunities being taken forward in the region:

- work being undertaken by our Local and Transport Authorities on civic digital applications ranging from transport management to energy monitoring
- opportunities in the health sector around the Great North Health Record
- our existing strong engagement with the Catapult network, including the Digital catapult, which is delivering new investments and projects in areas including virtual and augmented reality, the Satellite Applications Catapult which is driving an emerging cluster around use of space data and proposals for new manufacturing oriented projects around smart delivery of medicines and sustainable manufacturing
- the forthcoming launch of the National Institute for Smart Data,

- an opportunity to strengthen our support to the Creative Sectors as a whole including through the Creative Industries sector deal and collaboration with the UK Creative Industries Federation
- a need to continue to strengthen the response of our education and skills system to digitalisation across the curriculum
- a range of other sectoral projects which are coming through investment pipelines

3.4 The Steering Group is therefore proposing to strengthen the core narrative around digitalisation across the SEP and recommends that the Board considers the creation of a Regional Leadership Structure within the region to strengthen the visibility and co-ordination of this work.

3.5 Further potential details of the components of this are set out in annex 1.

4.0 Recommendation

4.1 The Board is asked to:

1. Note the progress being made on updating the SEP, and
2. Discuss the proposed approach to digitalisation to inform the update.

Annex 1: Digitalisation - a cross cutting theme

What would we need?

- Vision and core narrative about why we are focusing on it linked to global economic issues and UK economic/social priorities
- Compelling, evidence based offer, with a USP justifying NE core focus
- Genuine cross-cutting programme
- Leadership

Vision and narrative points

- Digitalisation transformational for productivity and business models across the economy and manages competitiveness risks.
- The opportunity to complete the NE economic transition from 'coal to code'
- A key enabler for our people and businesses to compete in a changing economy
- Needs to be mainstreamed into all types of economic activity – industrial digitalisation, public sector reform etc
- A key focus for policy – eg Made Smarter Review, 5G strategy, Smart Data agenda
- NE already has a strong base to work from in terms of:
 - Eco-system – NICD, Catapult nexus, strong network environment, key digital projects, strong LA and business commitments
 - Strong industrial sector with productivity opportunities
 - Wider interest in transport, smart cities agenda (energy etc), health care, rural – satellites, drones,
 - Growing digital sector creating new opportunities for local innovation and exports
 - Key digital businesses in a number of niche areas – software, data, industrial robotics, gaming etc
- NE has the opportunity for national leadership – 5G, Applied Digital technologies, evidenced by the 5G project bid, NICD and SIA
- Clear project pipeline in key areas of the economy and in our cultural and public sector world which can be supported through key SEP programmes

Summary of key interventions (illustrative/provisional)

Areas of Opportunity

Creative, Digital and tech

- Launch of Creative North East – joint work with DCMS and the CIF to strengthen co-ordination across NE and National Creative sectors ensuring a strong legacy from the GEOTN in digital, creative, culture and tourism and delivery of key components of the Creative Industries Sector Deal into the north East
- Building Information Modelling – creation of the UK National Centre for BIM

- X3 Centre – building on the Proto Centre, collaboration with the UK Digital catapult
- Development of a Channel 4 Production Hub

Advanced manufacturing

- Building on Applied Digital Technologies SIA, location of an Industrial Digitisation Hub (Made Smarter review)
- Centre for Sustainable Advanced Manufacturing (CESAM) alongside North East Manufacturers and Universities and the HVM Catapult to create a new national centre for manufacturing innovation.
- Approval of digitally oriented grand challenge investments to promote sustainable advanced manufacturing through AI, low carbon growth and new forms of automotive mobility
- North East LEP led supply chain initiative through the Growth Hub focused on strengthening NE digital manufacturing supply chains in automotive, pharmaceutical and energy sectors

Health Quest North East

- Strong intervention into UK Ageing Grand Challenge. Building on the presence of NICA in the region ensuring that the NE delivers for the country a globally significant programme of digitally enabled adaptation to health challenges in older age
- SmartMed – UK leading initiative focused on smart delivery of medicines led by CPI and the North East LEP
- UKRI/IUK regional catalytic competition focused on preventing diabetes, piloting the SBRI programme operating at regional level
- Great North Care record offering new opportunities in trials and digitally enabled health care

Energy

- Creation of Hub as one of 4 key centres to co-ordinate Offshore Wind Energy growth as part of the Offshore Wind Sector Deal
- ORE Catapult Digital initiative linked to SIA and supported through NIPF investment
- Programme of Local Energy projects delivered in partnership with BEIS and other LEP's in the North of England and partners from across the North East
- Approval of the Stephenson Fund bid, locating leadership with NE partners

FPBS

- Piece of inward investment work with UK Fintech Czar to promote NE Fintech assets and leading to inward investment

Digital Infrastructure

- Delivery of Stellium connection to Denmark
- 5G UK demonstrator – UK 5G demonstrator through UCCP programme
- Development of 5G rural demonstrator in collaboration with the Borderlands partnership connecting both rural North East and Scottish

borderlands to the Urban demonstrator and piloting Satellite 5G connectivity with the Satellite Applications Catapult and UKSA

- State of the art digital infrastructure into all EZ, Housing and ADZ sites
- Rural superfast connectivity – a programme being led by rural Councils to continue to bring the rural areas of the region to the level of connectivity of the best parts of the UK

Transport connectivity

- Transforming cities bid strengthens NE transport connectivity and facilitates new 4G and 5G connectivity

Culture and Tourism

- Creative of Tourism Action Zone, strengthening regions tourism brand, delivering strengthened digitalisation linked to digital platforms and delivering a sustainable source of finance for NE tourism
- Events and visitor experience as a key use case for the 5G demonstrator ensuring that NE tourism is an exemplar for high productivity, digitally enabled visitor management

Digital enablement for communities, people and business

- Digital systems mapping will enable area wide engagement of the community facilitated by the 5G platform
- Working with DfEE, new initiative building on Gatsby to drive strengthened digital content across all parts of the school and college curriculum
- Associated digital skills programme for teachers
- Digital skills programme for older workers working with DfEE and DWP, aligned with LEP Retain, Regain and retrain programme
- NE Growth hub campaign on digital skills in SME's and scale ups
- Digital inclusion and civics programme – linked to banking, retail, services

Governance and leadership

A Digital Leadership Commission created by the North East LEP to draw together regional and national leaders to champion this approach.

26 July 2018

ITEM 9: UK Shared Prosperity Fund and Future Investment into the North East economy

1. Purpose of Paper

- 1.1 It is expected that Government will commence formal consultation about the creation of a new UK Shared Prosperity Fund (UKSPF) in the autumn, potentially as late as the Budget. In anticipation of this, there has been a phase of informal consultation over the last few months, which the LEP and other regional partners have been involved in.
- 1.2 Widely positioned as the strategy to replace European Structural and Investment Funding (ESIF) as the UK leaves the European Union, as well as likely to replace the domestic Local Growth Fund (LGF), a successful UKSPF would be a key tool available at sub-national scale to help support regional economic growth and economic inclusion from the end of the current EU and LGF programmes in 2021.
- 1.3 Whilst most discussion focuses on the importance and role of UKSPF as a successor to ESIF, it is also likely, and potentially desirable, that it will be different in scope and approach to the current ESIF programme. There are many questions still to be answered. For example:
- It is unclear at this point what other funding streams the UK SPF might sit alongside or replace. There are a number of other funding streams which derive from the UK's membership of the EU whose future is yet to be determined – for example Horizon 2020 Research and Innovation funding and CAP Rural Development funding¹.
 - There is yet to be confirmation about any other future regional income streams derived from the UK Government beyond those released through devolution deals, for example the LGF.
 - There have been different historic approaches to the allocation and administration of ESIF and regional UK funding. The UKSPF may offer an opportunity to design a bespoke devolved programme, or it may be administered centrally.
- 1.4 The North East Brexit Group has been preparing for this consultation:
- members have shared intelligence from these informal activities and considered opportunities and issues about how the emerging resource stream could be shaped

¹ See this Parliamentary briefing for a full review of EU funding into the UK.
<http://researchbriefings.files.parliament.uk/documents/CBP-7847/CBP-7847.pdf>

- research supported by the North East LEP, Northumbria University and the North East England Chamber of Commerce has looked at past rounds of European and other regional resources aiming to assess levels and types of funding into the North East over at least the last twenty years, and its impact and leverage, especially that attributable to European Structural Funds
- this work has also begun to set the scene for more extensive work to explore the future needs of the region after the UK exits the EU when the wider negotiation is complete.

1.5 This paper provides:

- Background to the emergence of the UKSPF and key issues likely to emerge in the consultation
- Summary evidence about the current and past sources of regional economic investment funding into the North East, including European Funding

1.6 The following recommendations are made about the position that North East partners should seek to achieve through the consultation:

Objectives

It is believed that the UKSPF should be developed:

- To deliver the principles set out in the Industrial Strategy White Paper to both reduce inequalities between communities and promote sustainable and inclusive growth. Outcomes desired from the programme as a whole should include long term economic growth, improved employment and economic rebalancing between LEP areas
- As a devolved fund to LEP areas, and as an allocated fund based on need, rather than as a competitive process. There is also a case to be explored for a performance reserve which could be targeted at those areas which perform well in terms of driving delivery of their funding allocation
- As a long-term, multi-year funding programme (minimum 7 year) which facilitates long term and multi-phase programming which is developed locally by LEPs with partners
- As a flexible fund which is less bureaucratic than current arrangements and facilitates investment across themes by; enabling mixed capital/revenue allocations; investment into innovative funding vehicles; flexibility to deliver high levels of leverage from private or other public funds
- As a significant fund, which at least replaces the resource levels which are in the current ESIF framework and also takes into account the withdrawal or non-continuity of other EU or UK sub-national funding, particularly LGF.
- To be administered locally by LEPs

Policy alignment -

- The UKSPF should be aligned to the North East Strategic Economic Plan as the acknowledged regional strategic economic framework, and the Local Industrial Strategy (LIS) as it emerges
- Local Industrial Strategies should sit alongside SEP's and provide an agreed framework for national investment into regions through NPIF and other funds, and for co-investment with UKSPF into regionally based projects subject to state aid rules.
- Government should play a key role facilitating cross boundary working to identify opportunities for co-investment between LEP areas where the economic geography makes sense
- There should be continuing efforts to maintain contact with similar programmes in other parts of the EU to enable the sharing of practice and learning

Administrative arrangements

- The UKSPF should be flexible to enable it to be allocated in support of, and across the key programmes and areas of opportunity set out within the SEP and in pursuit of its key targets and performance framework
- The UKSPF should be devolved to the North East LEP to allow strategic management and long term local investment decisions, and the development of capacity and technical support to deliver the programme
- Local partnership development should be encouraged to support and deliver the programme, encouraging a diverse range of beneficiaries and wide eco-system of participants in regional delivery of SEP objectives

1.7 The North East Brexit Group has also been considering a range of other resourcing issues which could emerge from the post-Brexit policy and funding environment, including issues around access to wider EU funding such as rural, and research and innovation programmes, the likely need for changing investment priorities and strategies as a result of changes in the UK's international relationships, and changes in the wider investment environment.

1.8 It will develop further evidence, and proposals for activity around future investment into the region, as this environment becomes clearer.

2.0 Recommendation

2.1 The Board is asked to:

- I. Note the content of this report
- II. Discuss and provide comments on the issues set out in this paper in preparation for a national consultation on scope and operation of a future UKSPF.

Background to the UKSPF and key issues

In the Industrial Strategy White Paper the Government outlines its intention to create a new UK Shared Prosperity Fund.

The White paper comments on the intention of the fund as being “*to reduce inequalities between communities*”.... delivering.... “*sustainable, inclusive growth*”, with the starting point being the purpose and process of the ESIF programme. It envisages deployment being set within the context of the national Industrial Strategy

This followed on from the commitment in the 2016 Conservative Party manifesto to:

“use the structural fund money that comes back to the UK following Brexit to create a United Kingdom Shared Prosperity Fund, specifically designed to reduce inequalities between communities across our four nations. The money that is spent will help deliver sustainable, inclusive growth based on our modern industrial strategy. We will consult widely on the design of the fund, including with the devolved administrations, local authorities, businesses and public bodies. The UK Shared Prosperity Fund will be cheap to administer, low in bureaucracy and targeted where it is needed most.”

Informal consultations have indicated a series of key issues which are likely to be in scope or should be considered in the development of the UKSPF:

Scope of the fund: As yet there is not clarity about the value of the fund or the totality of the funding which it is designed to replace. Were it to be a straight replacement for ESIF as a whole it would equate to E17.2 billion to the UK (including E5.8 billion of ERDF, E4.9 billion of ESF and E5.2 billion of EAFRD²) over the 7 year programme. Of this the North East LEP area was allocated E537.4 million with allocations across these three funds. This allocation was derived through a needs based formula.

Priority themes and policy alignment: The current programme is aligned to 10 EU wide objectives with the broad themes of ‘*smart and sustainable growth*’.

² There are a number of funds within the ESIF programme.

- European Regional Development Fund (ERDF), which promotes economic and social cohesion within the EU through the reduction of imbalances between regions or social groups;
- European Social Fund (ESF), which promotes the EU’s employment objectives by providing financial assistance for vocational training, retraining and job creation schemes;
- Cohesion Fund, which supports member states with GDP that is less than 90% of the EU average (the UK does not qualify for this fund);
- European Maritime and Fisheries Fund (EMFF), the specific fund for the structural reforms of the fisheries sector; and
- European Agricultural Fund for Rural Development (EAFRD), which contributes to the structural reform of the agricultural sector and to the development of rural areas

In its approach to designing this programme, the UK Government defined priorities within these objective areas and local European Strategies were developed through LEP's to interpret these priorities locally. In the case of the North East LEP, the EU strategy was strongly aligned with the Strategic Economic Plan prepared and approved in 2014.

The expectation is that the Industrial Strategy will provide the high level framework for the UKSPF, although aims are also being articulated around inclusive and sustainable growth which reduces inequalities, drawing from the Conservative manifesto. There has been significant debate about whether, in the context of Brexit, the Fund should be prioritised towards growth and productivity or whether it should continue to retain social and environmental objectives.

Project length and evaluation: Historically, ESIF programme timetables have been set over successive 7 year programming periods aligned to the EU budget timelines. Within these programmes, different project timetables have been adopted. Previous programmes have offered projects which have worked over up to 7 years, whereas current project timetables tend to be offered over 3 years.

National vs regional allocations: ESIF funding has traditionally been focused through sub-national bodies operating at or within NUTS 2 and 3 geographies (region and sub-region) with alignment to regional priority programmes. For the 2014-2020 programme the UK Government defined a national approach with regional allocations. Leadership and administration moved from Regional Development Agencies (RDAs) to the Ministry for Housing, Communities and Local Government (MHCLG) and Department for Work and Pensions (DWP) for ERDF and ESF respectively, with the Department for the Environment, Food and Rural Affairs(DEFRA) leading EAFRD.

Administration: Administrative arrangements have varied over the programme periods. Current informal discussion focuses on a number of issues related to these arrangements:

- lead bodies – these have moved from national to regional and back again with the current programme a national one, with regional policy alignment. A part of the context for the LEP Review process has been about ensuring that LEPs are fit for purpose as potential recipients or intermediate bodies for UK SPF delivery. However, the Select Committee for DWP has recently recommended that the UKSPF should include a 'people' programme and that this should be separated out from the wider programme and delivered directly through DWP mechanisms
- policy alignment – this has tended to be defined regionally through Regional Economic Strategies, Strategic Economic Plans and similar documents, aligned with national and EU priority objectives
- capacity – the facility has existed for resources to be allocated locally for programme administration and support, and for technical support to bidders
- non-regional programmes – there is discussion about top-slicing the regional level allocations for a number of reasons; to support national priority

projects, as a collaboration incentive and to support co-ordination at different scales – eg Northern Powerhouse

- performance – an approach to outputs and outcomes needs to be defined to different objectives. In some past programmes a reserve has been held back to reward those areas which have delivered strongly
- Investment and co-investment - approaches to co-investment (match-funding), the scope to use funds to develop tools such as financial instruments (such as Jeremie) and debate about rules for procurement with issues ranging from simplicity through to tolerance of risk to support innovation.

Timing: The current intention appears to envisage this round of informal consultation, to be followed by a formal consultation in the Autumn leading to an announcement of a White Paper making specific proposals to coincide with the Spring Statement.

Past regional investment programmes in the North East

The North East has benefitted from regional policy and support for economic development since the 1930s. Initially a response to the decline of shipbuilding and other industries, this intensified through the restructuring of the 1970's and 1980's which saw a focus on encouraging job creation through new foreign direct investment such as Nissan and other Asian manufacturing plants, as well as a start on the regeneration of sites left derelict after plant closures. Grants for new investments were combined with Enterprise Zones.

Support from the EU regional and structural funds was received since their introduction in the 1970s, initially via transfers of funding for major infrastructure spending by the public sector. Since 1989, a series of multi-annual regionally focused programmes have provided funding to a variety of public, private and non-profit organisations on a matched funding basis. Programming has been on 7 years cycles and can be broadly summarised as follows:

Period and value	Programmes	Approach and priorities
1989-93 Allocation: €425.9 m	Two integrated development operational programmes (IDOPs) for Tyne and Wear/SE Northumberland and Durham/Cleveland. Both expressed a similar three-part strategy focused on enterprise and underlying competitiveness, sectoral development and spatial development.	Whilst a significant proportion of the funding was directed towards local authorities and central government agencies, these programmes saw the emergence of funding for other non-profit agencies, universities and colleges. The main focus remained infrastructure, but they also saw the beginnings of sectoral policy with both programmes funding tourism development.

		In addition to the two IDOPs, the region received funding from community initiatives which experimented with new kinds of intervention
1994-99 €837.59	<p>A single Objective 2 programme for the North East region was introduced with two tranches, 1994-96 and 1997-99, with broadly similar structures.</p> <p>There was a shift towards business support measures and away from infrastructure</p>	<p>The programme had a strong focus on growth opportunities with priorities being linked to particular sectors or clusters (supply chains, knowledge-based industries, tourism and culture).</p> <p>A second key feature of these programmes was the introduction of a priority for community economic development which was targeted on the poorest wards within the region.</p> <p>These two features resulted in a wide range of new participating organisations.</p>
2000-06 €759	<p>The overwhelming emphasis was job creation. The programme was developed just before the new Regional Economic Strategy of the Regional Development Agency, One North East.</p> <p>The two strategies became intimately linked and over time became integrated into a single regional programme. This also incorporated the rural areas formerly assisted through the separate Objective 5b programme.</p>	<p>Almost all of the region was eligible with the logic of the intervention for this period largely following that of the previous period, except for a reduced emphasis on inward investment and a greater focus on SMEs and innovation</p>
2007-13 €361	<p>This programme was articulated as a Regional Competitiveness and Employment (RCE) programme, covering the whole region. There was reduced funding coming to the region as a consequence of rebalancing across the EU post enlargement in 2004 which brought less well-</p>	<p>The programme was strongly embedded in the RDA's regional strategy and was articulated at a time of growth and closing regional performance gaps.</p> <p>With the anticipation of ongoing funding for the RDA, the structural funds were focused entirely on innovation and enterprise, with a drive for fewer larger projects. It</p>

	developed regions into the EU for the first time.	was seen as a point of continuity from previous programmes moving from basic infrastructure towards the building of entrepreneurship and clustering in the region.
2014-20. €537.4	<p>In a post-RDA environment a different approach was taken in the UK, with single operational programmes for England, Scotland, Wales and Northern Ireland. The North East became part of an England programme.</p> <p>The range of priority axes increased again with 9 axes in England for ERDF including technical assistance and three for the ESF, with ERDF and ESF being disentangled after more integrated programmes in previous rounds</p>	<p>A notional allocation of funds to individual LEP areas was made in accordance with their assisted area status (transition/more developed) less the allocation of ESF to national initiatives.</p> <p>This fund is managed nationally by the ESIF National Programme Board which comprises the Managing Authority (Government departments) and wider socio-economic partners. At LEP area level, local investment decisions are informed by the LEP area ESIF sub-committee.</p>

Throughout these cycles, alignment of programmes to national and local priorities was achieved through the deployment of the principle of co-investment or ‘match-funding’, with resources expected to be leveraged from other public or private resources. For example, during the 1990’s EU funding was aligned with the restructuring and regeneration efforts of the Development Corporations established in 1987. By the early 1990s a number of major developments in Tyne & Wear were underway working alongside and leveraged against urban regeneration resources such as the Urban Programme, Estate Action, City Grant, and City Challenge

The principle of match funding has proven challenging in the current programme as a result of reductions in public funding at local and regional level and low levels of available private finance. Some of the more recent programmes have therefore been constructed to secure national co-investment, for example through ‘opt-ins’ to national programmes.

Resource levels

ESIF is the EU’s key instrument for reducing disparities in the level of development of its various regions and for helping less developed regions to catch up. At the macro-level it represents about 38% of the EU budget³. Delivery priorities and allocation levels are derived from analysis produced in

³ <https://www.ifs.org.uk/uploads/publications/bns/BN181.pdf>

‘Cohesion’ reports looking across EU member states as a whole, with the aim to foster sustainable growth and even out disparities in competitiveness and outcomes across the EU territory as a whole.

Different regions are therefore allocated different levels of resources depending on their identified development levels and needs based on this EU analysis, with larger allocations directed to ‘less developed’ regions, and lesser allocations to ‘transition’ and ‘more’ developed’ regions. Priorities have been identified through regional programmes developed to respond flexibly to EU level objectives agreed by the Commission and Member States through the European Council of Ministers.

In the three most recent programmes, the North East has received the following allocations (see annex 1 for more detail)

Period	Allocation details ⁴
2000-2006	Initially allocated €717 million consisting of €581 million ERDF and €135.6 million ESF, with an additional €29.6 million of ERDF added from the Performance Reserve in 2004
2007-2013	A significantly smaller programme as the UK saw a reduced share of the programmes with a total allocation of €361m.
2014-2020	North East LEP was allocated €537.4 million in total. Relative to other city based LEPs this was a high level of funding at €277.8 per head of population, attributable to Durham being a part of a transitional area. This compares with €131.07 million for Greater Birmingham, €131.9 million for Leeds and €154.3 million for Greater Manchester.

Viewed in terms of a proportion of regional GDP, the expenditure on the regional programmes (including matched funding) peaked at levels of just under 1% of regional GDP, falling in the late 2000s to a typical annual level of 0.2% of regional GDP. Precise annual figures vary as a result of the structure of investment programmes from year to year, and there is usually a bulk of spend in the later period of a programme.

Impact and leverage

In terms of impact and leverage, the late 1990s saw growth nationally but slower performance in the North East in terms of employment. Foreign direct investment continued to be a regional strength and new industries had started to emerge and the Structural Funds programmes for the period were comprehensive both in scale and in coverage of policy areas. They ran alongside the final phase of the development corporations and City Challenge, the new Single Regeneration Budget and the start of New Deal for Communities. The period ended with the creation of the RDAs, in the case of

⁴ For the first two periods this table reports an allocation to the North East region. For 2014-2020 the allocation mentioned is for the LEP area excluding Tees Valley

the North East taking on the roles of the previous Northern Development Company.

Regional investment in the early 2000s was dominated by the work of the RDA which invested into the priorities set out in the first Regional Economic Strategy just after the completion of the single programming document for the 2000-06 Structural Funds programme. The RES and the Structural Funds were tightly connected with considerable leverage between the two. National funding for the region was increasingly focused through the Single Programme of ONE, with additional funding from the New Deal for Communities and Neighbourhood Renewal Fund.

Overall the region performed well in this period, starting to benefit from previous investment in regeneration and seeing some improvement in GDP and GVA with some convergence with UK averages, growth in employment and in R&D expenditure. The latter was significant given the priority placed by the RDA on support for innovation and enterprise, seeking to reduce the region's dependence on inward investment.

The 2007-13 period was impacted by the global financial crisis leading to recession and the RDA being abolished followed by the establishment of the LEPs. At the beginning of the period the ERDF programme was designed to complement the Single Programme with a focus on innovation and enterprise to sit alongside regeneration projects funded directly by the RDA. Separate national funding was coming to an end, so the RDA and European funds were the main sources of funds for the region. Some selective assistance continued in the form of Grants for Business Investment (GBI).

Economically, the region had been optimistic at the beginning of the period as the direction of travel was positive, enterprise was improving, and employment was increasing. The recession hit hard in some areas although some of the core areas remained resilient, including in comparison with UK averages, and bounced back quickly. Whilst public employment was adversely affected by the subsequent austerity measures, private sector employment started to grow again towards the end of the period. In 2011 the core budgets for regeneration disappeared with the demise of the RDA, gradually and partially replaced by the Regional Growth Fund and the Growing Places Fund.

Since 2014, the LEPs have been central both to national funding for economic development through the Local Growth Fund and Growth Deals as well as the creating the policy framework for the implementation of the European Structural and Investment Funds. The ESIF programme was essentially designed as an all-England programme with notional allocations of funds to each LEP area and some local management, but marked a step away from overall programme design being driven by local needs.

Economically the region has seen employment growth since 2014 and with some evidence of convergence with the rest of the country on other indicators. In enterprise and innovation the region continues to lag behind the rest of the country, albeit with signs of improvement in the main urban centres.

Analysis of overall benefits in terms of GDP or GVA derived from the specific funds is difficult because of the scale of programmes, the diversity of projects and the impact of wider economic performance. However, highlights can be drawn out from evaluation studies to illustrate the kind of outputs and outcomes achieved in the North East:

- A key priority across the programmes has been job creation with 2000-06 having the best out-turn at 48,000 new jobs and 56,000 jobs safeguarded attributed to the projects delivered in the programme
- Across each of the programmes, there are estimates of 20-30,000 businesses assisted, although the nature of the assistance may vary and some of these interventions may be repeats directed more than once at an individual business
- Some of the most valued regional interventions delivered through the RDA and LEP have been underpinned by ERDF or ESF. Examples would include the Jeremie 1 access to finance scheme developed in 2007-13 programme which was a highly innovative access to finance project and leveraged EIB resources. This has been replaced with the North East fund in the current programme.
- Business accommodation and wider infrastructure is visible in terms of outputs, although measurement and valuation mechanisms have been difficult to develop and attribute.
- Some regionally significant projects such as cultural facilities benefited from modest inputs of ERDF and have been important for regional image, quality of life, tourism and retention of talent.
- Support for innovation through a range of technology centres has been important and has played a crucial role for the development of the region's two long standing catapult centres.

In its report to the Brexit Group⁵, Northumbria University highlights the following conclusions about the benefits, challenges and lessons added value of EU funding in the North East.

⁵ Charles D and Liddle J, (2018) Summary report on funding for regional development in the North East, Northumbria University, (Unpublished)

Impact area	Comments
Economic outcomes and leverage	<p>Whilst it would be an enormous, and probably impossible task to sum all of the effects across the programmes to a level which could assign a monetised figure to the cumulative effect on regional GDP, it would expect to be 1 to 2 per cent direct growth over what would have happened anyway, although with a more significant leverage effect.</p> <p>Leverage has been important with all EU funding being matched by UK sources of funds, and in some case the EU contribution being relatively small, especially for infrastructure, such as cultural facilities. Case studies, such as the Sage Music Centre shows the degree of leverage as ERDF was used alongside local authority funds, Lottery Funding, Arts Council and private contributions.</p> <p>For many of the business support activities though matched funding has been difficult to find and only just reaches the 50% required.</p>
Co-investment	<p>The requirement for matched funding has ensured that projects had some degree of local commitment and were able to leverage funding from other sources, thereby discouraging projects that could not obtain funding from other sources. This has become challenging as sources of local investment have declined.</p>
Programming	<p>The nature of programming, and the identification of needs and allocation of funding between priority areas, has enabled the region to identify a strategy for development and ensure that resources were allocated to meet both pressing and long-term structural problems.</p> <p>One of the advantages of the Structural Funds has been the certainty of a guaranteed level of funding for the region over a 7-year period, with the level of funding reflecting the degree of need in terms of overall regional performance. This has enabled projects to develop over time, either large infrastructure developments or revenue projects that need to run for several years. The combination of a regional plan based on evidence of need and a long-term funding envelope are among the most important lessons of the funds and would be highly desirable to maintain.</p>
Beneficiaries	<p>The European Funds have in principle been open to a wide range of beneficiaries to apply for support, although currently the limitations on size of project have squeezed out some the non-profit sector, as has some of the bureaucratic restrictions and perceptions of risk.</p> <p>Ideally the ability of a diverse set of partners to bid for funding would be desirable as this enables all elements of an entrepreneurial or innovative ecosystem to participate,</p>

	<p>and encourages a systemic approach to regional development rather than the development of one-size fits all programmes</p>
Project Scale	<p>Different programmes over time have permitted a variety of sizes of project, with programmes in the late 90s and early 2000s giving opportunities for community organisations to bid for relatively small projects.</p> <p>More recently the emphasis has been on fewer larger projects to be more strategic, but community projects have lost out, and are only possible now within umbrella projects led by local authorities. A lesson from this might be to reserve a proportion of the Shared Prosperity Fund for community projects and smaller scale projects.</p>
Funding flexibility	<p>The ERDF has operated with a mix of capital and revenue funding which has been beneficial in permitting a diversity of projects, including complementary projects.</p> <p>Some concern has been expressed about the current England programme as the balance of funding is determined nationally instead of regionally which may not be appropriate for every region. Flexibility at a regional level would enable regions to determine their specific needs and the balance between forms of funding and priorities.</p> <p>A particular feature of the European funds has been the combination of ERDF and ESF, which have at times been closely integrated and at other times been treated quite separately.</p> <p>At certain points in the 1990s for example both ERDF and ESF were linked to sectoral strategies for example ESF training programmes ran in buildings constructed using ERDF or alongside business support activities with ERDF funding,</p> <p>This sense of potential integration has become reduced over time and in the current programme there is no real connection between the two funds.</p>
Bureaucracy	<p>A negative aspect of the current programme is a perception of increased complexity of application process, due to the combination of EU and national regulations. There are increased levels of scrutiny and additional time needed for the application process with many projects taking significant time to achieve approvals, significantly longer than in other member states.</p> <p>One particular comment to the researchers has been about the two-stage process. Previously at the second stage there</p>

	<p>was a less adversarial process with greater advice and support from the secretariat, whereas now the second stage remains highly competitive.</p> <p>Another comment was made about approvers from other regions, particularly from the South East who had no real understanding of local needs or local realities in projects. It is important that the approval process takes account of local expertise in terms of what is possible in local projects.</p>
Evaluation	<p>There has been a strong requirement for evaluation throughout the European programmes including ex ante, interim and final evaluations, and these have had some effect on the management and design of programmes.</p> <p>The recent introduction of results-based logic models in the design and evaluation of programmes ensured a greater focus on the effects of policy rather than just on meeting deliverables.</p>

They also highlight the role that the Regional Policy Directorate of the European Commission has played in sharing practice amongst participants in ESIF programmes which has helped with the development and sharing of ideas, concepts and approaches.

Annex 1: North East ERDF programme allocations 1989-2013 (meuro or mecu unadjusted values)

Programme	Period	€ERDF	€ESF	€Total
1989-1993				
Durham/Cleveland IDOP I	1989-91	49.7	19.3	69
Durham/Cleveland IDOP II	1992-93	c60	c25	c85
TAWSEN IDOP	1989-93	151.5	43.4	193.9
Tyne & Wear RENAVAL	1990-93	c34	0	c34
Middlesbrough & Langbaurgh RENAVAL	1990-93	6	0	6
TAWSEN RECHAR	1992-93	c16	c3	c19
Durham RECHAR	1992-93	c16	c3	c19
1994-99				
NE England Objective 2 94-96	1994-96	231	77	310
NE England Objective 2 97-99	1997-99	282	96	378
Northern Uplands Objective 5B (overlaps with 2 other regions)	1994-99	67	16.2	110.59 ⁶
NE England RECHAR II	1994-99	20	4	24
UK RESIDER II (NE share)	1994-99	6	1	15
2000-2006				
NE England Objective 2000-06	2000-06	611	136	747
URBAN II	2000-06	12	0	12
2007-2013				
NE England ERDF Competitiveness Programme	2007-13	361	0	361
2014-2020				
NE England LEP area	2013-20			537

Notes:

TAWSEN = Tyne and Wear / South East Northumberland

IDOP = Integrated Development Operations Programmes

RENAVAL = CI to combat decline of shipbuilding areas

RECHAR = CI to combat decline of coalmining areas

In addition to the programmes shown in the table, the North East received support from several Community Initiatives that were managed at national (England) level including STRIDE (science and technology for regional development), KONVER (decline of defence industries), RETEX (textile industries), PESCA (fishing industry), RESIDER (steel industry) and SME (support for diversification of SMEs). It is estimated, conservatively, that this brought a further €20m of ERDF to the region.

⁶ Includes 27.39mecu of EAGGF

26 July 2018

**ITEM 10: Devolution and Combined
Authorities' Transition**

1. Background Information

- 1.1 The North East Combined Authority (NECA) was established on 15 April 2014 covering the seven local authorities that also make up the North East LEP area. On 26 April 2018, the NECA Leadership Board resolved to agree in principle to amend NECA's boundary to remove the Local Government areas of Newcastle upon Tyne, North Tyneside and Northumberland, to permit the creation of a Mayoral Combined Authority covering these areas, and to establish joint transport governance arrangements, which cover the seven local authorities (LAs). These changes will only take effect on the implementation of an Order issued by the Secretary of State
- 1.2 Therefore, once the Order takes effect the organisational structure will move from one LEP and one Combined Authority, both covering the seven local authority areas to four entities, which will need to work closely together to collectively deliver the ambitions set out in the North East Strategic Plan (SEP).

The revised formation



- 1.3 Following the Leadership Board on 26 April, the seven local authorities have signed a 'Deed of Cooperation' setting out how they will work together going forward to implement the Order.

2 Parliamentary process – next steps

- 2.1 The NECA Leadership Board delegated authority to the Head of Paid Service to communicate NECA's formal consent to the Secretary of State to lay the final Order, subject to certain conditions. The report can be found as item 3 on the

following link.

<https://northeastca.gov.uk/wp-content/uploads/2018/04/Leadership-Board-26-April-2018-Agenda-Pack.pdf>

- 2.2 NECA is expecting to receive the final Order from Government by 20 July. Government require NECA, as well as the seven local authorities in their capacity of transport authorities, to confirm acceptance as soon as possible. This will enable the Secretary of State to lay the Order before Government breaks for the summer recess on 24 July. This timetable will allow for an implementation date to be confirmed for early autumn.

3.0 Implementing the Order

- 3.1 In parallel to the formal processes outlined above, NECA has established an operations' transition programme to execute the Deed of Cooperation and requirements of the Order.

This reconfiguration programme is directed overall by the NECA Head of Paid Service, who will also work closely with North of Tyne colleagues as appropriate as they transition and set up the Mayoral Combined Authority.

The four key programme areas, which each have a number of projects, are:

- Corporate Governance led by the NECA Head of Paid Service
- Transport led by the NECA Head of Paid Service
- Employment led by the NECA Monitoring Officer
- Finance led by the NECA Chief Finance Officer

4.0 Recommendation

- 4.1 The Board is asked to note the content of this report.