



Economic Development and Regeneration Advisory Board

Tuesday 25th July, 2017 at 2.00 pm

Meeting to be held at The Word, 45 Market Place, South Shields, NE33 1JF

www.northeastca.gov.uk

AGENDA

	Page No
1. Apologies for Absence	
2. Declarations of Interest	
Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be handed to the Democratic Services Officer).	
Please also remember to leave the meeting where any personal interest requires this.	
3. Appointment of Vice-Chairs for 2017/18 municipal year	1 - 4
4. Minutes of the previous meeting on 15 February 2017	5 - 8
5. Economic Development and Regeneration, progress update	9 - 18
6. Invest North East England activities, progress update	19 - 34
7. Delivering the Strategic Economic Plan, progress update	35 - 66
8. Government Policy Update	67 - 70
9. Forward look - future Economic Development and Regeneration Advisory Board Activity	71 - 74

10. **Date and time of the next meeting**

Dates for future meetings during 2017/18 are:

- Tuesday 24 October 2017, at 2pm, North Tyneside
- Tuesday 23 January 2018, at 2pm, Gateshead
- Tuesday 27 March 2018, at 2pm, Newcastle

Contact Officer: Karen Christon Tel: 0191 211 5024 E-mail: karen.christon@northeastca.gov.uk

To All Members

Economic Development and Regeneration Advisory Board

Date: 25 July 2017

Subject: Appointment of Vice-Chair for the Municipal Year 2017/18

Report of: Monitoring Officer

Executive Summary

The purpose of this report is to invite the Advisory Board to appoint its two Vice-Chairs for the current municipal year 2017/18. The first Vice Chair is appointed from the Constituent Local Authority members of the Advisory Board and the second Vice-Chair is from the non-voting business representatives co-opted onto the Advisory Board.

Recommendations

The Advisory Board is recommended to appoint its two Vice-Chairs for the current municipal year 2017/18.

Economic Development and Regeneration Advisory Board

1. Background Information

- 1.1 At the Annual Meeting on 20 June 2017, the Leadership Board agreed that the appointment of the Vice Chair from the Constituent Local Authorities and the second Vice-Chair appointed from the non-voting business representative co-opted members be delegated to the Advisory Board.

2. Proposals

- 2.1 The Advisory Board is invited to appoint its Vice-Chairs for the current municipal year.

3. Reasons for the Proposals

- 3.1 The appointment of the Vice Chairs by the Advisory Board is in accordance with the approach agreed by the Leadership Board.

4. Next Steps and Timetable for Implementation

- 4.1 The appointments, once made, will enable the Vice-Chairs to undertake their roles immediately.

5. Potential Impact on Objectives

- 5.1 The appointment will enable the Authority to properly discharge its functions.

6. Financial and Other Resources Implications

- 6.1 There are no specific financial implications arising from these recommendations.

7. Legal Implications

- 7.1 Provision is made for the appointment of Vice-Chairs within the Combined Authority's Constitution.

8. Key Risks

- 8.1 There are no specific risk management implications arising from this report.

9. Equality and Diversity

- 9.1 There are no specific equality and diversity implications arising from this report.

10. Crime and Disorder

- 10.1 There are no specific crime and disorder implications arising from this report.

Economic Development and Regeneration Advisory Board

11. Consultation/Engagement

- 11.1 The proposals contained within the report have been subject to consideration by the Leadership Board.

12. Other Impact of the Proposals

- 12.1 None.

13. Appendices

- 13.1 None.

14. Background Papers

- 14.1 The Constitution of the North East Combined Authority
The draft minutes of the Leadership Board held on 20 June 2017

15. Contact Officers

- 15.1 Vivienne Geary, Monitoring Officer,
E-mail: viv.geary@northtyneside.gov.uk Tel: 0191 643 5339

Victoria Miller, Democratic Services Officer,
E-mail: victoria.miller@newcastle.gov.uk Tel: 0191 211 5118

16. Sign off

- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

17. Glossary

Not applicable.

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North East Combined Authority

Economic Development and Regeneration Advisory Board

15 February 2017

(2.00 - 3.25 pm)

Meeting held at the Skylight, The Beacon, Westgate Road, Newcastle upon Tyne, NE4 9PQ

Present:

Councillor: N Foster (Chair)

Councillors: G Bell, N Foster, G Haley, B Pickard and H Trueman

Co-opted Members: G Hall, J Walker, S Hanson

44 APOLOGIES FOR ABSENCE

Councillors I Malcolm, P Watson and Co-optees B Farhat and S Glendinning.

45 DECLARATIONS OF INTEREST

None.

46 TERMS OF REFERENCE

Noted.

47 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held on 25 October 2016 were approved as a correct record and signed by the Chair.

48 APPOINTMENT OF VICE-CHAIR FOR THE MUNICIPAL YEAR 2016/17

The Chair proposed G Hall as second Vice-Chair of the board for the municipal year 2016/17. This was agreed.

RESOLVED - That G Hall be appointed as a second Vice-Chair.

49 ECONOMIC DEVELOPMENT AND REGENERATION - PROGRESS UPDATE

Submitted: report of the Economic Development and Regeneration Thematic Lead (previously circulated and copy attached to the official minutes), which provided a progress update on the key areas within the economic development and regeneration theme.

The Chair noted the importance of sponsorship for attending MIPIM in 2017.

The advisory board discussed current enquiry levels and issues that may arise in respect of having no financial incentive scheme in place for potential investors. It was noted that:

- The fall in enquiries between 2015 and 2016 mirrored a similar fall in enquiries via central government; and although Brexit may have played a part, there are no identifiable reasons for this. Enquiry levels have now increased again.
- Large back office or manufacturing companies will usually seek a financial incentive to support their business case. In lieu of this the INEE team will still continue to promote the other attributes of the area.
- The previous grant funding scheme was resourced by the Regional Growth Fund. In addition to this scheme a North East wide scheme called 'Let's Grow', facilitated by The Journal, ran for two years at £30m per year.
- Other areas with no incentive schemes are facing similar pressures, although some LEPs may still have access to local growth fund resources through use of legacy funding from recent business closures.
- The area is in competition with Scotland, Wales and Northern Ireland, who generally have financing schemes in place.
- Enquirers are made aware of other funding options available, including JEREMIE. However, many investors of larger strategic projects are seeking grant incentives rather than loan funding.
- Support through available incentive schemes in other areas can range from £10,000 per job created to 20% of the salary per job, over two years. Tight criteria would need to be agreed if the area is able to establish any scheme.
- A grant scheme is an important part of attracting new investment to the area, in the context of retained business rates.
- Although the level of Local Growth Fund allocated to the area was disappointing, the area did relatively well in comparison to many others. The un-earmarked resource of approximately £6m will be allocated by the LEP Board in relation to business growth, skills and innovation priorities.
- Concerns in relation to the impact of not having a financial scheme in place, may need to be escalated to the Leadership Board.

After discussion it was agreed that the issues discussed be initially referred to the Economic Development Directors, to report back to the next meeting.

RESOLVED: that Economic Directors be asked to review the position and report back to the next meeting.

50 **IMPACT OF BREXIT ON NORTH EAST BUSINESSES**

Submitted: a report of the Economic Development and Regeneration Thematic Lead (previously circulated and copy attached to the official minutes).

The advisory board also received a presentation setting out a summary of the discussion held with business and the key messages to inform the Brexit debate (copy attached to the official minutes).

In discussion it was noted that:

- Universities are also concerned about the impact of Brexit on applications from international students.
- There are concerns that the implementation of any new visa/immigration system could result in a quota that is dominated by London; and that there is a lack of understanding by government about the global market place that many businesses operate in, when seeking to recruit.
- There are no identified issues for businesses as a result of the Brexit vote. Businesses continue to deal with issues such as an increase in the Living Wage and uncertainty in the market place.
- Uncertainties exist in relation to the government's industrial strategy, the Northern Powerhouse and devolution.
- That it is important for the area to agree key messages and input into the debate about leaving the EU, particularly stressing risks to manufacturing and large businesses in this area.

The Chair suggested that he could feedback the key messages into the Leadership Board. It was also suggested that Councillor Watson may be able to raise these points in a forthcoming meeting with the Rt. Hon. Greg Clarke; and that others may have the opportunity to do the same if meeting with government.

RESOLED – that the report be noted.

51 **EXPORT SERVICES FOR NORTH EAST BUSINESSES**

Submitted: a report of the Economic Development and Regeneration Thematic Lead (previously circulated and copy attached to the official minutes).

The advisory board also received a presentation providing an update on international trade support and recent activities (copy attached to the official minutes).

In discussion, it was noted that:

- Companies usually require some level of financial support to assist them in accessing new markets and DIT is providing match to ERDF for this.
- Trade missions are advertised on the DIT website and published in the regular newsletter. Internal Trade Advisors seek to ensure that the right companies are selected. It was agreed that communications with the Federation of Small Business would be reviewed.
- Many small companies are accidental exporters at first but as a result end up in the DIT system, where they can then access support and information.

RESOLVED – That the report be noted.

52 INDUSTRIAL STRATEGY

Submitted: report of the Economic Development and Regeneration Thematic Lead (circulated on a supplemental agenda in accordance with the provisions of the Local Government (Access to Information) Act 1985), which provided an overview of the government's 'Building our Industrial Strategy' green paper.

In discussion it was noted that:

- In the area there has been a 38% reduction in research and development spend, from £78m to £48m in 2015/16; which is in contrast to the south of England. No solution to this issue is outlined in the document.
- The LEP and Combined Authority will prepare a joint response, incorporating any feedback from the board and private sector.

RESOLVED – that the report be noted.

53 DATE AND TIME OF THE NEXT MEETING

Next meeting to be held 10am on Tuesday 4 April 2017 in Northumberland, venue to be advised.

Economic Development and Regeneration Advisory Board

Date: 25 July 2017

Subject: Economic Development and Regeneration Progress Update

Report of: Thematic Lead for Economic Development and Regeneration

Executive Summary

The purpose of this report is to provide an update on activity and progress under the Economic Development and Regeneration theme of the Combined Authority.

Recommendations

The Advisory Board is recommended to note this report for information.

Economic Development and Regeneration Advisory Board

1. Background Information

- 1.1 This report provides an update on activity and progress under the Economic Development and regeneration theme of the Combined Authority, including:
- Local Growth Fund
 - Enterprise Zone progress
- 1.2 The Advisory Board is recommended to receive the update for information.

2. Local Growth Fund

2.1 2017/18 is the third year of the six year North East LEP LGF funding programme. In January 2017, the Programme budget increased with an LGF Round 3 allocation of £49.7m from Government, bringing the total LGF budget for the period 2015-21 to £270.1m. Following good progress in previous years DCLG have released the full budget for 2017/18 of £42.5m.

2.2 The current 2017/18 budget position is set out in Table One. The current level of expenditure of £1.72m exclude end of first quarter claims that are in the process of being submitted and processed.

2.3 Table 1: Latest 2017/18 Budget

2017/18 Section 31 Grant	£42.5m
2016/17 c/f	£18.62m
Total Budget 2017/18	£61.12m
Paid out to date	£1.72m
Projected expenditure	£76.9m
Over programme	£15.9m

2.4 Table Two shows the latest position in regards to project and budget approvals to date split by the North East Strategic Economic Plan operational themes. Of the 57 projects in the Programme 38 have received full approval from the North East LEP Board and a further 19 are in development, 6 of which have business cases under going appraisal and are expected to be determined by the end of July.

2.5 Table 2: Number of LGF projects and budget allocation by SEP theme

	Skills	Innovation	Economic Assets	Transport	Total
Number of projects/ mini programmes *	8	11	18	20	57
Number of approved projects**	7	6	12	13	38

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Number of projects in pipeline	1	5	6	7	19
Budget approved to date	£17,661,211	£31,471,601	£50,827,767	£57,024,890	£156,985,469
Expenditure to date*	£15,357,587	£14,846,771	£27,744,126	£41,634,309	£99,582,793

* Excludes temporary project funding swaps. ** Excludes Stage 1 one approved projects

2.6 Appendix One provides a full listing of all projects setting out their current status. The majority of projects remain either in pipeline development or are under construction. To date 6 projects are complete and operational, these are:

- Hope Street Exchange – a new business incubator at Sunderland University
- STEM Centre, Tynemet College, Wallsend – refurbished building with new STEM equipment.
- Central Metro Station, Newcastle – major refurbishment.
- South Tyneside College, South Shields – refurbishment and new equipment to support marine and offshore engineering facilities.
- Houghall College, Durham – new and improved land based industries infrastructure
- Offshore and Wind Training Centre ((BEACH), South Harbour, Blyth, Northumberland – range of new build training and research space involving Port Training Services, Northumberland College and Newcastle University.

2.7 A wide range of performance outputs are being monitored and regularly reported to Government as required under the North East LEPs Growth Deals. A number of key performance measures are set out in Table 3 and show cumulative figures for the period up to 31st March 2017.

2.8 Table 3: Selected Key Performance Indicators

Performance Indicator	Achieved to 31/3/17
Gross jobs created	99
Number of apprenticeship opportunities	164
Commercial floors pace constructed	4,387m ²
Commercial floorspace refurbished	2,534m ²
New Build training space	7,315m ²
Length of resurfaced roads	3,458m
Length of new cycleway	1,646m

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3. Enterprise Zone Progress

3.1 Background

The purpose of this section in the report is to provide an overview of the current position of the Enterprise Zone sites in the North East. This includes information about both the Round 1 sites (operational since April 2013) and Round 2 sites, most of which became operational on 1 April 2017, with the IAMP site now due to become operational on 1 April 2018.

Under current policy arrangements, Enterprise Zone sites have been active in the North East since April 2013 with ten sites across three locations having been launched to support low carbon vehicles, offshore and marine technologies and energy. The second round of sites include a further eleven locations across the North East.

Enterprise Zone sites bring one of two financial benefits to individual businesses with either Business Rate Relief or Enhanced Capital Allowances. Local areas through the Local Enterprise Partnership (LEP) also retain the full value of the increase in Business Rates from the established baseline for 25 years from the operational commencement of each site. Where other sources of investment are not available, borrowing against the future business rates can be used to enable capital investment to help facilitate the development of the sites, following recommendation by the Investment Panel and approval by the LEP Board.

3.2 Round 1 Progress 2016/7

- Business Rate income for the year is £1.695m, which is higher than last year and the estimate in January, but less than the forecast previously made in the 2014 update of the Financial Model;
- Financing costs are £1.306m, which is higher than the estimate in January as the improved income enabled an earlier repayment of money to the North East Investment Fund. The financing costs however remain significantly lower than the forecast made in the 2014 Model;
- Other revenue costs and interest earned on the cash balances amounted to £0.116m, which is in line with the January estimate, and less than the projection in the 2014 Model;
- The annual surplus is £0.273m and the cumulative surplus is £2.602m, which is higher than the £1.727m projection in the 2014 Model. This is because the saving in costs is more than the reduction in income to date;
- Capital expenditure in the year on the Enterprise Zones was £1.306m, funded by the use temporary use of Local Growth Fund (LGF) grant; to be repaid and financed from business rate income in future years. In addition, £8.97m of capital expenditure on the sites has been funded from permanent use of LGF grant; and
- No external borrowing has been undertaken to date, which has kept the financing costs down.

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The round one programme is now expected to require £64.5m of investment and is estimated to generate business rate growth of £139m over the life of the Enterprise Zone. If this level of income was generated it should produce an estimated net cash surplus of £65m.

The Round 1 sites have continued to develop over the last year bringing in 15 new businesses to the Enterprise Zones sites and supporting 408 new full time equivalent jobs. This does not include construction jobs. In addition to the new growth achieved during the year, proposals have been initiated on a number of sites to stimulate the next phase of development. This momentum needs to be maintained and accelerated to ensure income targets set out above are realised.

3.3 Round 2 sites

Ten of the eleven Round 2 locations became live on 1 April 2017. The LEP confirmed with Government the boundaries and baselines for each site having developed the final submission with local authority and other partners. The Memorandum of Understanding was submitted covering all Round 2 sites. A request to commence the IAMP site in April 2018 was agreed by the Government. This will give time to confirm the red line boundary of the site after the proposals are refined to take account of the progress with land acquisition and the consultation work being undertaken as part of the Development Consent Order process.

Cushman and Wakefield have been commissioned to undertake an evaluation and assessment of the market assumptions included within the financial model; specifically the demand for similar properties, and the resulting impact on timing for development, and the rateable value for the properties. This has been funded through a grant from the Department of Communities and Local Government specifically for Enterprise Zone development which was successfully bid for in 2016.

Cushman and Wakefield have confirmed a broadly positive picture for the market in the North East with demand increasing and increasingly limited current supply of properties:

- There is a shortage of high-quality manufacturing and industrial premises due to expected high demand linked to long-term and sizable commitments from the likes of Hitachi, Nissan and Caterpillar. There is also an increasing challenge around logistics and warehousing in well-connected locations due to greater activity in the sector. The oil and gas/offshore sector however remains more mixed with on-going uncertainty over policy direction.
- There has been a long-term growth in market demand for high-quality office space in both central and out of town locations, as currently available developments have become occupied and there has been limited activity since the financial crash with very limited speculative build. This is particularly acute in city and town centre locations.

Cushman and Wakefield are currently engaging partners in each local authority to

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finalise a shared understanding of the impact of market trends on the local position; however there is likely to be a reduction in the expected rateable value resulting in a lower, but still robust surplus in the model. The findings of the final report will be shared with partners to inform the finalisation of the model and underpin the investment decisions taken for each site.

During the evaluation and assessment it became clear that the estimates for two of the sites could not be completed at this point in time. Indicative figures have been set out for the IAMP site, but the Baseline Income projection will only be finalised when the proposed development plans within the final red line boundary of the site can be evaluated. Newcastle Airport advised that they are reviewing their development profile following a recent unsuccessful exercise to procure a developer for the site. The projections for this site will need to be revised and should be reported later in the year.

The latest estimate of capital investment on the sites is £86m. A block programme of £2m to fund advance works has been approved previously by the Board and the full approval of the capital investment on each site will be made once detailed business cases have been submitted and assessed and recommendation for approval are made to the LEP Board.

The Round 2 sites are expected to produce a higher level of income and surplus than the Round 1 sites. However the estimate of income and the surplus are depending on the successful development of the sites and a performance reward incentive arrangement is proposed to help maximise the development of the sites and the surplus that they would generate.

An additional application for a further £150,000 commercial support, to be matched against expected development expenditure has been submitted to Government to commission additional support; a response to this request is expected before Parliamentary recess. This is intended to accelerate the development of the sites in response to legal and land ownership issues raised by colleagues in the local authorities responsible for delivering the sites and would be procured in consultation with relevant partners should the application be successful. If successful, the amount of additional grant that is approved will be included in the Enterprise Zone budget to enable this work to be carried out.

3.4 Next steps to support and accelerate delivery

The second element of the Commercial Support funding is being used for the drafting and approval of a more detailed overarching legal agreement between the North East LEP and the local authorities in the NECA area is being taken forward. This will set out relevant responsibilities and the operation of the Enterprise Zone (EZ) account, including cash flow management, funding arrangements, arrangements for management and mitigating the risks related to any borrowing that is undertaken to fund capital investment on the sites and for the use of any surplus on the EZ account.

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This overarching agreement is intended to cover the whole life of the Enterprise Zone sites. It should help expedite the completion of the separate funding agreements that will be entered into with each Local Authority, following the appraisal and approval of the detailed business cases for investment on each site.

Discussions about the detailed operation of the key principles of the Enterprise Zone funding arrangements have taken place with the local authorities. These build upon the principles previously agreed for Round 1. In particular, they include:

1. Arrangements for minimising capital financing costs, making use of grant income where possible, and seeking to minimize interest costs;
2. The borrowing arrangements for funding capital investment on each site, where these are necessary, and how borrowing costs will be funded from the Business Rate Income;
3. How the current Round 1 income pooling arrangement will apply across both Enterprise Zone rounds; and
4. How the development of the sites and the growth in business rate income can be incentivised in order to maximise the outcomes; such as jobs and developed area; income; and the surplus available to be reinvested across the LEP area.

3.5 Enterprise Zone Development Fund

The Enterprise Zone Development Fund was agreed at the Leadership Board meeting of 21st March 2017. This is designed to accelerate delivery for the sites and reduce financial risks through the award of up to £250,000 per site of feasibility and initial works. The first application for this funding has now been approved by the Head of Paid Service in consultation with the Chief Financial Officer and Monitoring Officer as set out in the delegation. This will provide £75,000 for preliminary work relating to the Follingsby Enterprise Zone site in Gateshead. Further applications are expected over the next eighteen months in line with the approval.

4. Potential Impact on Objectives

- 4.1 The report sets out issues that will support the Authority in meeting its objectives, particularly in relation to those set out in the Strategic Economic Plan.

5. Financial and Other Resources Implications

- 5.1 Financial implications of Enterprise Zone activity is set out within section 3 of this report.

6. Legal Implications

- 6.1 There are no specific legal implications arising from this report.

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7. Key Risks

- 7.1 The financial risk to NECA as the accountable body for Enterprise Zone activity is limited, however it should be highlighted that risks do exist if the sites are not developed out and occupied which could have an impact on the final amount of retained Business Rates income. Local authorities will bear the borrowing risk against the forecasted retained Business Rates income for each site.

Financial modelling has been carried out to identify the point at which a deficit would exist; this scenario is considered to be unlikely.

8. Equality and Diversity

- 8.1 There are no specific equalities and diversity implications arising from this report.

9. Crime and Disorder

- 9.1 There are no specific crime and disorder implications arising from this report.

10. Consultation/Engagement

- 10.1 There are no issues arising from this report for consultation.

11. Other Impact of the Proposals

- 11.1 There will be no other impacts arising from this report.

12. Appendices

- 12.1 Appendix A – LGF Programme Project status as at July 2017

13. Contact Officers

- 13.1 John Scott, Corporate Lead Officer – Business, Employment and Skills
Tel: (0191) 424 6250 Email: john.scott@southtyneside.gov.uk

14. Sign off

- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

Local Growth Fund Programme: Project Progress Update - Quarter ending 30/06/2017

Pipeline stage
 Project feasibility and Business Case development
 Project approved and in construction phase
 Project live (construction complete) - monitoring period



Project Details: Name (Grant Recipient) and brief description	Activity by Year										Total LGF Allocation	Total Project Cost	LGF Paid to Date	Latest Position	
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25					
Innovation															
Centre for Innovation in Formulation - CIF (Centre for Process Innovation) Building of a bespoke technical facility at NETPark, County Durham, to support world leading innovation in high added-value formulated products.												£ 8,900,000	£ 15,900,000	£ 4,493,717	Work on site commenced November 2016, due to complete Winter 2017
Newcastle Laboratory and Life Science Incubation Hub (Newcastle City Council) New City Centre build which will include high quality lab and office space to support companies involved in life science research and development.												£ 8,600,000	£ 25,716,644	£ 2,090,365	Work commenced on site February 2017, due to complete summer 2018
Sunderland Enterprise & Innovation Hub - known as 'Hope St Xchange' (University of Sunderland) Refurbishment of existing building and construction of new facility in order to provide a physical focus on innovation support and enterprise development.												£ 4,900,000	£ 8,238,431	£ 4,900,000	Completed March 2017 and first tenants have taken occupation
Low Carbon Energy Centre and Heat Network Newcastle Science Centre (Newcastle City Council) Building of a Combined Heat and Power and heat network to allow on site generation, distribution and consumption of heat and power at the Science Central site.												£ 2,800,000	£ 5,500,000	£ 680,686	Project delivery programme under review
Netpark Infrastructure Phase 3 (Durham County Council) Construction of new internal spine road and road access at NETpark, County Durham, to unlock new development sites.												£ 5,091,141	£ 5,091,141	£ 1,501,543	Work on site commenced March 2017, currently ahead of programme
Northern Centre for Emerging Technologies - known as 'Proto' (Gateshead Council) Refurbishment and expansion of existing building at Gateshead Baltic Quarter to create state of the art R&D testing centre and workshop space for the incubation of SMEs												£ 968,830	£ 7,775,594	£ 968,830	Refurbishment delivery commenced April 2017, due to complete early 2018
National Centre for Healthcare Photonics (Centre for Process Innovation) Design, planning and build of a new national innovation centre for photonics in healthcare												£ 8,499,912	£ 10,000,000	£ 211,629	Feasibility study complete June 2017, works due to start September 2017
Medicines Manufacturing & Medical Technology Innovation Infrastructure (Centre for Process Innovation) Design and feasibility study of new innovation centre for medicine packaging and delivery												£ 212,376	£ 222,376	£ -	Expected to commence August 2017 and complete March 2018
5G Test Bed Development Study Feasibility work to prepare the North East to become a potential test bed for 5G technologies												£ 250,000	£ 250,000	£ -	In appraisal, expected to be determined end July 2017
Incubator Support Fund Mini-programme designed to gap fund small scale incubator developments												£ 2,035,133	£ 7,506,287	£ -	Pipeline project
Innovation Project Development Fund Mini-programme to provide feasibility and development funding for new Innovation projects												£ 950,383	£ 1,270,331	£ -	Pipeline project
Skills															
STEM & Innovation Centre (Tyne Met College) Refurbishment of the Tyne Met College's STEM & Innovation Centre facilities.												£ 1,000,000	£ 1,200,000	£ 1,000,000	Work on site completed, site now operational
Facilities for Marine & Offshore Engineering (South Tyneside College) Refurbishment of the South Tyneside College's marine and offshore technology facilities.												£ 1,118,214	£ 3,357,043	£ 1,118,214	Work on site completed, site now operational
Rural Skills Development (East Durham College) Refurbishment of Houghall campus to extend support to Land-Based, Animal Care and Rural Sectors.												£ 10,000,000	£ 12,000,000	£ 10,000,000	Work on site completed, site now operational
Offshore and Wind Energy Training Facility - BEACH (Port of Blyth) Partnership project providing new build classroom, workshop and all weather training facilities in Blyth												£ 400,000	£ 1,750,000	£ 400,000	Work on site completed, site now operational
Development of a STEM Specialist Centre (Northumberland College) New building to provide industry standard facilities for the delivery of STEM skills in Ashington												£ 2,250,000	£ 2,500,000	£ 1,046,376	Building works near completion, due to open September 2017
Eagles Community Arena (Newcastle Eagles) New 2,500-seater sports arena in Newcastle, providing a community venue for sports participation, vocational training, health & wellbeing provision and conferencing and events.												£ 1,100,000	£ 6,237,472	£ -	Work due to commence on site Summer 2017 and complete August 2018
Beacon of Light - World of Work (Beacon of Light Foundation) Building of a new facility close to the Stadium of Light in Sunderland that will provide employability skills.												£ 1,792,997	£ 17,864,997	£ 1,792,997	Work on site commenced October 2016, opening planned April 2018
Institute of Technology Development of North East IoT to drive forward technical education routes												£ 1,200,000	£ 12,000,000	£ -	Pipeline project, awaiting Government bidding guidance
Economic Assets & Infrastructure															
Infrastructure for Forrest Park (Durham County Council) Building of new electrical substation and highway, including new junction on A167 to allow traffic flow into new development site in County Durham												£ 13,000,000	£ 13,000,000	£ 9,606,806	Advance utility design and installation works near completion
North East Rural Growth Network (Northumberland County Council) Mini programme providing rural strategic economic infrastructure support and small business growth grants in rural parts Northumberland, Durham and Gateshead												£ 6,000,000	£ 31,380,000	£ 2,330,251	Mini-Programme operational, making good progress, runs to 2020
Swans Wet Berth Infilling (North Tyneside Council) Feasibility study into the potential to infill the wet berth at the former Swan Hunters site												£ 162,862	£ 162,862	£ 162,862	Feasibility works completed
Swans plot 6 Basement Demolition (North Tyneside Council) Completion of demolition works at 'plot 6' of the Swans EZ site												£ 500,000	£ 500,000	£ -	Work on site commenced September 2016, completion Winter 2018
Swans Infrastructure (North Tyneside Council) Regeneration at the Swans Enterprise Zone on the North Bank of the Tyne to increase the supply of industrial land and premises.												£ 8,000,000	£ 18,000,000	£ -	Feasibility/site prep works underway, Business Case expected late 2017
Auckland Castle Welcome Building Enabling Works (Durham County Council) Realigning the highway, diverting public utilities and enhancing the public realm between Bishop Auckland Market Place and Auckland Castle												£ 2,163,848	£ 4,763,848	£ 1,277,408	Work on site commenced September 2016, completion Winter 2018
Industrial Unit at Phase II, Intersect 19, Tyne Tunnel Trading Estate (UK Land Estates) New build high quality industrial space on the Tyne Tunnel Trading Estate in North Tyneside												£ 1,359,322	£ 4,616,707	£ 1,107,200	Work commenced February 2017, on programme to complete Winter 2018
Monkton South Industrial Units (Hellens Developments) New build high quality industrial space in South Tyneside												£ 1,270,999	£ 4,236,664	£ 316,653	Land acquisition confirmed and planning permission expected July 2017
Durham City Incubator (Durham County Council) Refurbishment of Aykley Heads building to create incubation and business accommodation space												£ 1,250,000	£ 3,900,000	£ 1,250,000	Refurbishment underway, to complete by September 2017
East Sleekburn Site Reclamation & Dock Works (Arch) Remedial and site preparation works for Enterprise Zone site in Northumberland												£ 4,440,736	£ 24,800,236	£ 4,440,736	Site aquired, reclamation works to commence Winter 2018
Explorer - Netpark (Durham County Council) New build of combined lab and office space for scientific based companies to rent at NETPark in County Durham.												£ 3,200,000	£ 7,196,002	£ 1,202,662	Work commenced February 2017, expected to complete December 2017
Sunderland Central Business District (Sunderland City Council) First phase of new employment site in City centre (on the former Vaux site)												£ 10,800,000	£ 25,412,656	£ 3,130,869	Work on site commenced February 2017, expected completion end of 2018
River Tyne Economic Development (Newcastle City Council) Activity to support the on-going development of the River Tyne through measures to mitigate environmental impacts of historic industrial activity.												£ 6,000,000	£ 9,035,000	£ 2,678,268	Works at former Tar Works complete, other works ongoing in Head Waters
International Advanced Manufacturing Park (IAMP) Infrastructure and highway works relating to the development of the IAMP site												£ 41,150,000	£ 92,000,000	£ -	Pipeline project
Gateshead Quays Development of conference and exhibition centre on Gateshead Quays												£ 5,000,000	£ 220,000,000	£ -	Pipeline project
East Pilgrim Street Public realm improvements and site preparation works to enable new office space development												£ 4,350,000	£ 6,850,000	£ -	Pipeline project
Integra61 Infrastructure works to open up key strategic housing and employment land site near Bowburn in County Durham												£ 1,499,537	£ 15,441,209	£ -	In appraisal, expected to be determined end July 2017
Scale Up North East Grant investment element of min-programme to support companies that are, or have the potential to 'Scale Up'												£ 1,500,000	£ 7,000,000	£ -	In appraisal, expected to be determined end July 2017

Approved and Contracted



Stage 1 budget approved for development costs

Local Growth Fund Programme: Project Progress Update - Quarter ending 30/06/2017

■ Pipeline stage
■ Project feasibility and Business Case development
■ Project approved and in construction phase
■ Project live (construction complete) - monitoring period



Project Details: Name (Grant Recipient) and brief description	Activity by Year										Total LGF Allocation	Total Project Cost	LGF Paid to Date	Latest Position
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25				
Transport														
■ Lindisfarne Roundabout (South Tyneside Council) click here for Business Case Scheme to improve access routes around the Lindisfarne roundabout on the A19.											£ 6,105,704	£ 7,555,704	£ 4,116,434	Work on site underway and due to be completed in Summer 2017
■ Central Metro Refurbishment (Nexus) click here for Business Case Scheme that will transform the appearance, accessibility and functionality of the Central metro station in Newcastle.											£ 2,510,000	£ 6,036,945	£ 2,510,000	Work on site complete
■ Northern Access Corridor Phases 2&3 - Cowgate to Osborne Road to Haddrick's Mill (Newcastle City Council) click here for Business Case Improvement to roundabout and grade the Blue House junction to reduce levels of congestion and address issues for non-motorised modes											£ 8,519,000	£ 26,030,000	£ 6,653,816	Work on site underway and due to be completed in Spring 2019
■ Local Sustainable Transport Fund Programme (North East LEP area Local Authorities) Mini-programme focusing on sustainable methods of transport, including cycle ways and improved traffic management systems to enable more reliable public transport links											£ 7,500,000	£ 7,620,000	£ 6,195,839	Programme is operational, in final year of delivery
■ A19 employment corridor access improvements (North Tyneside Council) click here for Business Case A package of improvements to support the continued growth of Cobalt Business Park including bus, walking and junction improvements.											£ 4,700,000	£ 5,107,000	£ 2,047,749	Work on site commenced December 2016
■ A191 junctions - Coach Lane and Tyne View Park (North Tyneside Council) click here for Business Case Scheme provides benefits for westbound traffic and removes current capacity restrictions on this stretch of A191 including access to Quorum Business Park.											£ 1,499,000	£ 1,699,000	£ 1,488,485	Work on site underway and due to be completed in Summer 2017
▲ Newcastle Central Station to Stephenson Quarter (Newcastle City Council) Improved access to Stephenson Quarter development from Central Station.											£ 850,000	£ 850,000	£ 850,000	Design, feasibility and initial works complete
▲ Newcastle Central Station Gateway Accessibility and capacity improvements to Central Station											£ 4,000,000	£ 20,485,000	£ -	Pipeline project
■ A1056-A189 Weetslade corridor improvements along A1-A19 link (North Tyneside Council) click here for Business Case Works to enable future development of Indigo business park and improved access between A19 & A1											£ 4,330,000	£ 4,811,000	£ 3,436,897	Work on site underway and will continue until Spring 2018
▲ Scotswood Bridgehead (Newcastle City Council) Improved access to Scotswood Bridge from the north, west and east to reduce congestion and road accidents.											£ 500,000	£ 500,000	£ 459,172	Design and feasibility works complete
▲ South Shields Transport Hub (South Tyneside Council) New and better metro/bus interchange as part of wider area regeneration plan											£ 9,400,000	£ 16,180,000	£ 3,400,000	Design and land acquisition stage approved and in progress
■ Sunderland Low Carbon Zone (Sunderland City Council) click here for Business Case Improved highway access to Enterprise Zone sites.											£ 5,950,000	£ 12,948,000	£ 5,653,192	Work on site underway and due to be completed in Autumn 2017
■ A1058 Coast Road (North Tyneside Council) click here for Business Case Norham Road Bridge replacement and access improvements along the Coast Road corridor.											£ 6,523,000	£ 7,204,000	£ 3,600,104	Final phase of works (at Norham Road bridge) commenced March 2017
■ Hornden Rail Station (Durham County Council) click here for Business Case Building of new rail station at Hornden in County Durham											£ 3,340,000	£ 10,500,000	£ 161,795	Design works underway, build stage to be progressed in phases to 2020
■ Traffic movements along A185/A194/A19 - The Arches (South Tyneside Council) click here for Business Case Traffic improvements to ease congestion and improve access to South Shields											£ 7,000,000	£ 8,000,000	£ 507,573	Design complete, Business Case in appraisal, to be determined July 2017
■ Metro Enhancements (Nexus) Programme of works to improve the Tyne and Wear Metro system											£ 7,000,000	£ 8,000,000	£ -	Business Case in development
■ Southern Portal - Tyne Tunnel (South Tyneside Council) Junction improvements at the South side of the Tyne Tunnel											£ 1,760,000	£ 4,050,000	£ -	Business Case in development
■ Blyth Cowpen Road (Northumberland County Council) click here for Business Case Road layout and junction improvements to reduce congestion and improve journey times to key employment sites in Blyth											£ 600,000	£ 741,500	£ 378,253	Work completed June 2017
■ A19 North Bank Tyne - Swans (North Tyneside Council) click here for Business Case Junction works to improve access to former Swan Hunters site											£ 4,700,000	£ 4,700,000	£ 175,000	Design complete, Business Case in appraisal, to be determined July 2017
▲ A19/A189 Seaham Murton interchange (Durham County Council) Junction improvements											£ 4,200,000	£ 4,700,000	£ -	Pipeline project

■ Approved and Contracted

▲ Stage 1 budget approved for development costs

Economic Development and Regeneration Advisory Board

Date: 25 July 2017

Subject: Invest North East England Activities – Progress Update

Report of: Thematic Lead for Economic Development and Regeneration

Executive Summary

The purpose of this report is to provide the Advisory Board with an update on the inward investment activities of Invest North East England.

Recommendations

The Advisory Board is recommended to note the contents of the report and provide comments on the current and future activities delivered by Invest North East England.

Economic Development and Regeneration Advisory Board

1. Background Information

1.1 The content of this report will be provided through a presentation delivered by Guy Currey, Director, Invest North East England. The presentation will cover the following:

- A brief update on how Invest North East England operates. This is particularly aimed at new members of the Advisory Board:
 - The Team
 - The importance of local partnership working
 - Key principles guiding the work of the Team
 - Key sector focus
- Explanation of the new lead-generation contract
- An update on marketing and communications activity
- Key events planned for 2017/18
- Overview of how the Team works with the Department of International Trade
- Key inward investment results for the last financial year for the whole of the NECA area.

2. Proposals

2.1 This report is an information update and does not include any proposals for consideration.

3. Reasons for the Proposals

3.1 N/A

4. Next Steps and Timetable for Implementation

4.1 N/A

5. Potential Impact on Objectives

5.1 The inward investment activities of the Invest North East England Team aim to increase the levels of inward investment flowing into the North East region from both foreign-owned and UK-owned companies. Its activities support the business growth and access to finance programme of the North East Strategic Economic Plan and its key targets to create more and better jobs.

6. Financial and Other Resources Implications

6.1 This report is an information update and does not include any proposals for consideration. As such there are no financial or other resource implications.

Economic Development and Regeneration Advisory Board

7. Legal Implications

7.1 This report is an information update and does not include any proposals for consideration. As such there are no legal implications.

8. Key Risks

8.1 This report is an information update and does not include any proposals for consideration. As such there are no key risks to consider.

9. Equality and Diversity

9.1 This report is an information update and does not include any proposals for consideration. As such there are no equality and diversity implications arising.

10. Crime and Disorder

10.1 This report is an information update and does not include any proposals for consideration. As such there are no crime and disorder implications.

11. Consultation/Engagement

11.1 This report is an information update and does not include any proposals for consideration. As such there are no legal implications.

12. Other Impact of the Proposals

12.1 This report is an information update and does not include any proposals for consideration. As such there are no other impacts to consider.

13. Contact Officers

13.1 Guy Currey, Director, Invest North East England
guy.currey@northeastca.gov.uk
Tel: 07825 430315

14. Sign off

- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

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Invest North East England Update - EDRAB

Guy Currey, Director, Invest North East England
25th July 2017

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Today's Presentation

1. Brief update on how Invest North East England (INEE) works
 - Team
 - Local partnership working
 - Guiding principles
 - Key sector focus
2. OCO Global lead generation contract
3. Marketing/communications update
4. Events
5. Working with the Department of International Trade (DIT)
6. 2016/17 NECA inward investment results

1. 1 Update on how the INEE Team Operates....

Invest North East England Team

- Guy Currey, Director
- David Pattison, Inward Investment Manager
- Rebecca Hall, Business Support Executive



1.2 Update on how the INEE Team Operates.... Local Partnership Working

- Comprehensive inward investment service
- Hub and spoke model
- Single conversation
- Work collaboratively with a range of partners
 - Example – recent Irish digital tech company
- Single point of contact DIT/Northern Powerhouse
- Keep regional information resources/collateral up to date
- Attend events on behalf of region in collaboration with others

1.3 Update on how the INEE Team Operates....

Key Guiding Principles

- Budget: 2017/18, £460k
- Business Plan developed with INEE key goal of: *Increasing the levels of inward investment flowing into the NE region from both foreign-owned and UK-owned companies*
- Key guiding principles:
 - Primary function is attracting new inward investment to North East (i.e. not account management)
 - Work on principle of ‘North East First’
 - Transparency – shared pipeline
 - Promotion under the ‘*Invest North East England*’ brand
 - Aim to always add value to activities carried out by Local Authorities
 - Focus on strategic inward investment projects that require regional level promotion, coordination and collaboration
 - As far as possible, focus on bigger job projects

1.4 Update on how the INEE Team Operates....

Key Sector Focus

- Five main sectors:
 - Software/IT
 - Financial, Professional and Business Services (FPBS)
 - Advanced Manufacturing
 - Life Sciences
 - Energy
- These reflect NELEP's Areas of Opportunity in SEP + Northern Powerhouse key sectors
- Consultants WAVTEC / fDi produced 'Toolkits' on the key sectors.

2. OCO Global Lead Generation Contract

- Lead generation contract in London/SE England – rationale
- Contract with OCO Global – 6 months with possible extension
 - Lead generation of ‘qualified leads’ with sector focus
 - Establish and develop relationships with multipliers
 - Events
 - First proactive North East-wide campaign since 2012
 - Possible work elsewhere where opportunities e.g. automotive, energy
- 200 company pipeline, 20 meetings, 5 visits
- 50 intermediary pipeline, 10 meetings
- 1 London-based event

3. Marketing/ Communications Update

- Development of an integrated Marketing and Communications Plan
- Marketing leads meeting
- Web site relaunch
- Social media – Twitter/Blogs
- Marketing collateral

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4. Events

- Events where INEE taking lead for North East in 2017/18:
 - Shared Services and Outsourcing Week – May 16-18
 - MIPIM London – October 18-19
 - VRTGO – November 1
 - TIGA Awards – November 2
 - Offshore Wind Week – November 8-10

- Events plan

5. Working with DIT

- INEE Single Point of contact for DIT/Northern Powerhouse
- Enquiries
- Key contact through Partnership Manager
- Working with NPH Sector Specialists
- Arranging/hosting visits from IST/Overseas Posts
- Key Account Management

6. High level results from the NECA area 2016/17

- 84 inward investments leading to 6,126 new jobs + many 1000s safeguarded
 - 64 of these Foreign Direct Investments (FDI) resulting in 4,257 jobs
 - 20 UK-owned outside region resulting in 1,869 jobs
- Approximately 90% of FDI were 're-investments' in existing companies.
- Source of FDI: USA 18, Japan 8, France 8, Germany 4, Ireland 4

Sectors	Jobs	Projects
Advanced Manufacturing	255	26
Automotive	838	10
FPBS	3,250	21
Creative / IT	895	13
Energy	722	10
Life Sciences	166	4
	6,126	84



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Economic Development and Regeneration Advisory Board

Date: 25 July 2017

Subject: Delivering the Strategic Economic Plan – Progress Update

Report of: Head of Paid Service

Executive Summary

The purpose of this report is to provide a progress update on the Strategic Economic Plan.

Recommendations

The Economic Development and Regeneration Advisory Board are recommended to note the contents of this report.

Economic Development and Regeneration Advisory Board

1. Background Information

- 1.1 The North East Strategic Economic Plan (SEP) sets out the economic opportunities and challenges for the North East and the strategic direction required to achieve the region's economic ambitions. It builds on the Independent Economic Review, completed in 2012 by Lord Andrew Adonis and a team of major influential figures, which recommended future pathways for the North East economy, focussing on growth and productivity. The review provided a detailed, independent evidence base which has informed all aspects of the Strategic Economic Plan, published in 2014.
- 1.2 In recognition of the changing economic climate and the UK's decision to leave the European Union, parts of the SEP have been refreshed, reflecting new evidence relating to the region's economic position and evolving public policy environment. The refreshed SEP, published in March 2017, sets out how we can build on our recent successes and continue to create more and better jobs for the region. The SEP is jointly endorsed and delivered by the North East Local Enterprise Partnership (NELEP) and the North East Combined Authority (NECA) and brings together a number of key partners behind the vision of 'more and better jobs'.

2. Proposals

- 2.1 The SEP is ambitious for the North East. There is significant headroom for growth and employment with the right support to the economy and continuing levels of investment. Indeed, in the context of the delivery of the Northern Powerhouse vision, it is encouraging that recent evidence developed by Transport for North to support the Northern Independent Economic Review has suggested that the North East LEP area has the strongest potential for GVA and productivity growth of any of the functional economic areas of the North of England.
- 2.2 The refreshed SEP reveals the following headlines about the North East's economic prosperity:
- The North East is ahead of schedule to reach its 100,000 more and better jobs target before 2024. Over 58,000 jobs have been created since 2014, with 59% of these classed as 'better', i.e. higher skilled jobs
 - There is a revised target for 70% of new jobs created over the next seven years to be 'better' jobs
 - Opportunities to drive a surge in economic growth and employment through digital and tech, advanced manufacturing, healthcare innovation and subsea and offshore energy and in key services including finance, professional and business services, transport and education
 - Job growth increased at a rate of 6.6% over the past two years, eclipsing the national rate of 5.4% in England
 - Key challenges remain – delivering higher regional productivity is essential as the gap widens with national performance, while economic exclusion remains a persistent concern in some parts of the region

Economic Development and Regeneration Advisory Board

- 2.3 There are six programmes detailing how the SEP will be delivered in a partnership approach.

Innovation

Central to the long term ambition of the SEP is to build a more productive North East with world class science and business base. We will do this by:

- Creating an innovation ecosystem that embeds open innovation and commercialises knowledge
- Promoting business growth and social improvement through delivery of new products, processes, and technologies
- Improving our region's innovation infrastructure
- Developing strategies around our areas of opportunity.

Business Growth and access to finance

We will increase the density of our high growth businesses by 50% through the creation of a business ecosystem that enables more businesses to scale and secure investment. We will do this by:

- Improving access to support and finance
- Supporting businesses to achieve and sustain high growth
- Strengthening inward investment and trade flows
- Making the North East Growth Hub the most comprehensive place for business support in the region.

Skills

Improving skills is fundamental to our future economic prosperity and will help ensure that our region has better jobs. We will continue to improve the skills pipeline in our region by:

- Developing 'North East Ambition' – a programme that will deliver outstanding careers guidance
- Excelling in technical and professional education through our Further Education Colleges and private providers
- Working in partnership with higher education and business, to deliver job-ready graduates and high quality employment opportunities
- Reducing the gap between our best and lowest performing schools
- Maintaining employment in our 50+ workforce by helping older workers to develop their skills.

Employability and Inclusion

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. We will:

- Support people with health conditions to find and maintain employment
- Develop pathways for the most vulnerable and disadvantaged young people

Economic Development and Regeneration Advisory Board

- to help them to move into education, training and employment
- Reduce inactivity levels in our 50+ workforce, by reconnecting older people to work.

Economic Assets and Infrastructure

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. We'll make this happen by:

- Delivering growth focused local plans in our local authority areas
- Agreeing a pipeline of key projects for investment
- Developing the regional spatial planning framework
- Delivering business growth through our Enterprise Zones.

Connectivity

Connectivity plays a crucial role in enabling economic growth and sustaining jobs. Transport and digital infrastructure provides access to national and international markets, facilitates trade and inward investment, and ensures the effective flows of goods, services and people. We will continue to build on this by:

- Helping people, services and goods move quickly, safely and reliably
- Improving national and international connectivity
- Developing and implementing the regional transport plan
- Developing our digital connectivity through the availability of superfast broadband and development of 5G.

3. Reasons for the Proposals

- 3.1 Following the refresh of the SEP, delivery against the six programmes has continued at pace and the most recent programme update is attached at Appendix A. The programme delivery update sets out the performance against the SEP targets, a current position for each of actions under the six programmes and also provides an update in regards to strategy, policy and analysis, the investment programme and communications.

4. Next Steps and Timetable for Implementation

- 4.1 The Economic Development and Regeneration Advisory Board are asked to note the latest programme delivery update and consider possible ways in which delivery of the SEP can be further supported.

5. Potential Impact on Objectives

- 5.1 The SEP is recognised by Government as the policy document that sets a strategic direction for the regional economy. It outlines the medium term economic plan and helps identify interventions and investments to support economic growth and to create more and better jobs for our economy

Economic Development and Regeneration Advisory Board

6. Financial and Other Resources Implications

6.1 There are no specific financial and other resources implications arising from this report

7. Legal Implications

7.1 There are no specific legal implications arising from this report

8. Key Risks

8.1 There are no specific risk implications arising from this report.

9. Equality and Diversity

9.1 There are no specific equality and diversity implications arising from this report.

10. Crime and Disorder

10.1 There are no specific crime and disorder implications arising from this report.

11. Consultation/Engagement

11.1 There are no specific consultation/engagement implications arising from this report.

12. Other Impact of the Proposals

12.1 There are no other impacts arising from this report.

13. Appendices

13.1 Appendix A : North East Strategic Economic Plan – Programme Delivery Update
May 2017

14. Background Papers

15. Contact Officers

15.1 Helen Golightly, Head of Paid Service

Economic Development and Regeneration Advisory Board

16. Sign off

- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

17. Glossary

North East Strategic Economic Plan – Programme Delivery update

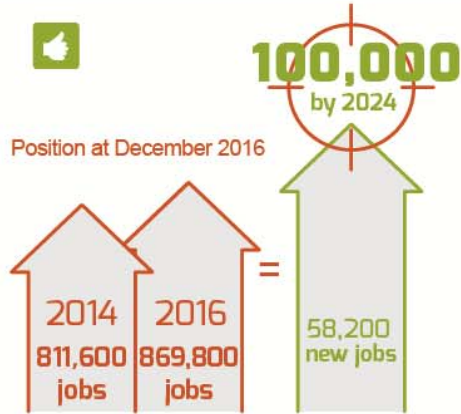
May 2017

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Performance against Strategic Economic Plan targets since 2014 (Last updated May 2017)

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



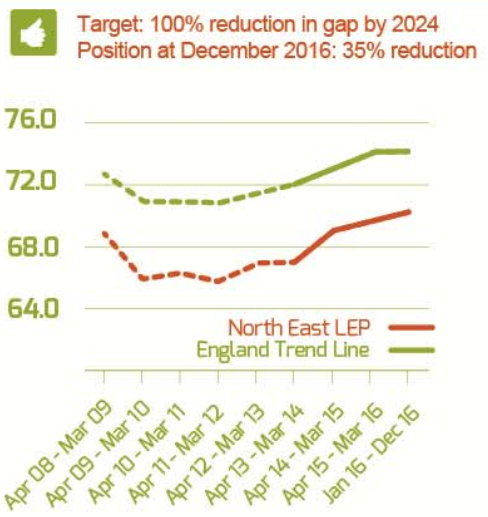
Target 60% of all jobs created from 2014 will be better jobs



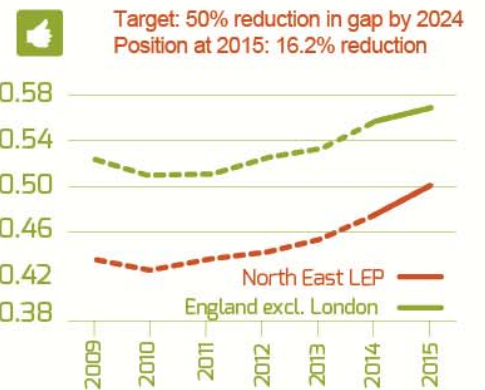
Reducing the gap in GVA per full time equivalent Target 50% reduction in gap by 2024



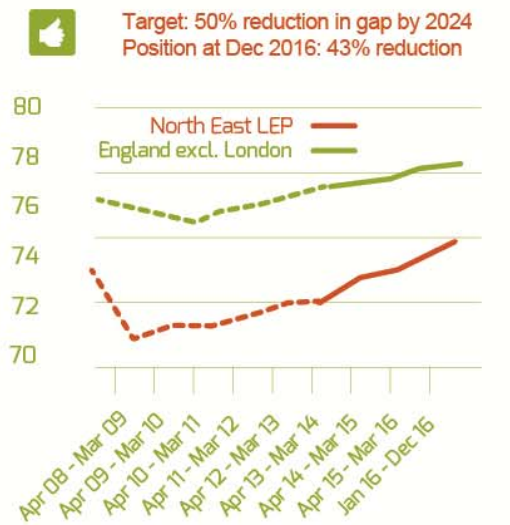
Close the gap in the employment rate



Reduce the gap in private sector employment density



Reduce the gap in economic activity for people aged 16-64



Business Growth and Access to Finance 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 Scale Up 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
Scale Up North East – more high growth businesses will help us to secure economic resilience and increase private sector employment				
<p>Develop the Scale Up North East programme to include the four elements below</p> <p style="text-align: center;">Page 43</p>	<p>High Growth ERDF and LGF full business cases in development and led by RTC. The application to LGF will bring a crucial capital funding element of support to the overall Scale Up North East project.</p> <p>National LEP Lead on BEIS National Scaleup Taskforce, other North East based business representatives include:</p> <ul style="list-style-type: none"> • David Harrison, True Potential. • Steve Irish, Hyperdrive Innovation • Stephen Kelly, Sage • Jacqui Miller-Charlton Miller International <p>As required under our Growth Hub funding agreement with BEIS, a proposal on how the North East will rise to the Scale-up Challenge is in development for submission to the National Scale-up Taskforce in July 2017.</p>	<p>Potential delay to the project beyond January 2018 due to ERDF decision-making processes outside of the LEP's control.</p>	Colin Bell	G
<p>(1) Inspire leaders by encouraging and facilitating peer mentoring and introduction</p>	<p>'Growth through Mentoring' has made 8 placements. Quality of mentors and mentees is high and initial feedback is very encouraging.</p> <p>The Entrepreneurs Forum is continuing to run the Scale-Up Leaders Academy. Fifteen participants are involved in the pilot which will be incorporated into the wider Scale-up North East project.</p> <p>The Manufacturing Growth Programme: continues to support aspiring manufacturing companies. Currently working with 36 companies, with 15 interventions completed. Some 69 new jobs are forecast to be created of which 42 are better jobs (61%), and a forecast of £12.7m new turnover. There is strong evidence of the need to focus on developing leadership skills which is informing the Scale Up North East initiative.</p> <p>The 'Captured Programme' is now underway with Newcastle University Business School. The first two of six cohorts are in place and active.</p>	<p>Attracting quality mentors and recruiting suitable mentees.</p>	Colin Bell	G

Business Growth and Access to Finance Programme| Lead: Colin Bell

SEP Action	Progress/ current position	High level risks	Lead	Status
(2) Work to maximise Access to Finance in the North East	<p>Next step is to established a working group to understand the real issues and what can be done to alleviate investment constraints and better connect businesses with investment opportunities.</p> <p>Specific Access to Finance support is being designed as part of the Scaleup North East programme.</p> <p>Launch of North East Fund delayed to 15th June due to Purdah restrictions.</p> <p>LEP are organising a number of workshops to raise awareness of the Rural Payment Agency (RPA) Growth Programme which provides capital funding to business projects that impact rural growth.</p>	<p>Brexit and General Election could impact on delivery timescale of North East Fund.</p> <p>Failure for partners to allocate the RPA funding available within the relatively short timeframe.</p>	Colin Bell	A
(3) Encourage the adoption of digital technology	<p>Digital adoption has been embedded as a theme in the Growth Hub Live events series and content strategy.</p> <p>'Growth through Mentoring' has recruited four high quality mentors with strong digital adoption experience.</p> <p>John Barnett is now the Adoption of Digital Technology Champion on Business Growth Board.</p> <p>Specialist Digital technology support is being incorporated into the Scaleup North East project.</p>	<p>Challenges in recruiting high profile business leaders to engage in activity.</p>	Colin Bell	G
(4) Support business growth focussed on the smart specialisation areas	<p>Work with the Smart Specialisation working groups to develop plans for each area of opportunity.</p> <p>Incorporate recommendations, where possible, into our Scaleup proposal to BEIS and ERDF.</p>	<p>Dependent on the success of the Smart Specialisation working groups.</p>	Colin Bell	G
Continuously improve the North East Growth Hub	<p>The Growth Hub digital platform is performing strongly. April saw 660 referrals to providers and it's encouraging that providers are telling us that they have recognised increased demand and that the majority of leads are converting. This is also a clear demonstrating that the revised platform and content led approach is working.</p>	<p>Businesses fail to maximise the use of the Growth Hub.</p>	Colin Bell	G

Business Growth and Access to Finance Programme| Lead: Colin Bell

SEP Action	Progress/ current position	High level risk	Lead	Status
North East Growth Hub – A single access point for business information, advice and financial support				
Encourage the Business Support Providers' Network to collaborate and offer seamless support	<p>Latest network meeting took place 10th May with positive engagement of providers. The theme was on the automotive sector and included talks from Paul Butler of the NEAA and Charlie Nettle of the CIM and AV Dawson.</p> <p>The business support provider network is heavily reliant on EU funding; we need to begin working with the network to understand the extent of exposure and to work with BEIS and DCLG to develop a forward funding mechanism. These discussions have already begun through the Scaleup taskforce and Entrepreneurial Review.</p>	Post-Brexit, the demise of EU funding will impact on business support provider services.	Colin Bell	R
Provide simplified access to business support.	<p>The user journey through the growth hub is lean, the database comprehensive and this is reflected in the level of performance expressed above.</p> <p>Linked to the above point the business support landscape is heavily reliant on EU funding and we must now start to develop plans as to what the landscape will look like post Brexit.</p> <p>BEIS now require Growth Hubs to deliver impact (rather than just signposting) and have specified that Growth Hubs target scaleup businesses (whilst still providing a service to all). We are therefore continuing to work closely with RTC North and partners to deliver an account managed service to scaleup businesses which will be fully integrated with the North East Growth Hub through an application to ERDF.</p>	<p>Post-Brexit exposure and reliance on public subsidy for provision.</p> <p>Decision making delays for ERDF is beyond the LEP's control.</p> <p>Lack of engagement of partners and individuals to act as ambassadors for Scaleup North East.</p>	Colin Bell	A
Strengthening flows of inward investment – driving growth and employment				
INEE to build the strength, profile and coherence of the North East's inward investment offer	In 2016/17 financial year 84 new inward investments were secured leading to the creation of 6,124 new jobs over the next three years, along with many thousands safeguarded	<p>There are three main risks associated with all elements of the inward investment programme:</p> <ul style="list-style-type: none"> • Impact of Brexit on ability to attract new FDI • No longer have access to financial incentives whereas key competitors do (Sheffield £27m pot for inward investors + same for indigenous. Leeds £13m and £13m. Tees Valley £10m Liverpool £30m). • Election and impact on Northern Powerhouse/DIT 	Guy Currey	G
Develop strategic approaches to opportunities, working with key areas of specialism to strengthen supply chains	Proactive lead generation work begun in March 2017. This work will focus on generating new investment leads primarily from companies based in London and SE England in the digital sector as well as financial, professional and business services sector.		Guy Currey	G

Business Growth and Access to Finance Programme| Lead: Colin Bell

SEP Action	Progress/ current position	High level risks	Lead	Status
Building our trade flows – increase export activity				
Stimulate greater awareness and demand for export	<p>Trade is embedded in the Growth Hub content and events plan. Strong collaboration with Department for International Trade (DIT). Utilisation of DIT case studies across LEP social media and Growth Hub channels to raise awareness.</p> <p>Continued partnership to connect local DIT delivery to potential partner agencies and businesses.</p> <p>Following Ammar Mirza's visit to the Indian State of Karnataka and subsequent presentation to the LEP board we are working with DIT to develop a plan that will lead to a formalised trade relationship between Karnataka and the North East.</p>	DIT activity is constrained by budget restrictions. This may impact on the content coming forward to the LEP.	Colin Bell	G
Provide an export business support offer	<p>Enhanced Growth Hub content pages are in development in liaison with Exporting is Great partners and DIT. Meeting scheduled June 2017 with partners to finalise content.</p> <p>A Growth Hub Live event is scheduled during export week (November). DIT invited to join Business Growth Board.</p> <p>Colin Bell is now the LEP's representative on the North East World Wide board (SPV to deliver DIT contract in North East). The Programme Manager now attends the International Trade Committee.</p>	Exporting is Great partners may not deliver on time due to Government capacity.		A
Early response and managing change – rapid response to economic shocks				
Develop a response plan with partners	<p>Further discussion to take place with local authority partners.</p> <p>The Business Growth Board will consider further requirements.</p> <p>We have been liaising with Business Durham and Walkers regarding the closure in Peterlee and are monitoring the situation regarding the closure of the Coty site in Seaton Delaval, Northumberland. The local authorities in both areas are leading action to address issues, with a task force being established in Northumberland. In both cases there seems to be limited supply chain exposure in the North East.</p>	Effective coordination between partners is essential.	Colin Bell	G

Innovation Programme | Lead: Hans Moller

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	Durham University was awarded the Innovation Observatory project and a MoU developed. Due to funding challenges, the LEP has provided initial funding against a specification to accelerate delivery; however delivery has been significantly delayed and long term funding has not been found. This is being closely monitored.	The Durham Uni staffing is not confirmed. Funding is not secured.	Hans Moller with Durham Uni	R
Set up a programme to support the development of a stronger network of incubators and innovation hubs	The Super-Network programme is running. The project is ERDF funded and aims to bring together different networks. A specification has been developed for incubator support to engage and support partner incubator development.	Funding is not secured after the initial 3 year funding period for the Super Network.	Hans Moller	A
Communicate the proof of concept funding landscape to business	Venturefest, Finance Camp and Challenges have been successfully delivered in 2016/17. Planning is underway for the 2017/18 activities. North East Fund proposals include funds to support innovative and early stage businesses.	The funds fail to deliver against a shared understanding of innovation projects. Project pipeline is not strong enough to support the level of investment available.	Hans Moller	G
Established North East Innovation Leadership	The LEP Innovation Board continues to bring together partners around the shared delivery of the SEP and informed the refresh of the SEP. The Board needs to become more delivery focussed to deliver the programme set out in the SEP. Proposals are being developed	Innovation Leadership is not recognised or understood by partners. Lack of understanding of North East strengths results in poor/ not strategic project development.	Hans Moller	G
Secure support for relevant national Science and Innovation Audits	The North East LEP is currently supporting a series of active Science and Innovation Audits, specifically as part of the Steering Group for the Bio-economy in the North and Subsea and Offshore audits. For Round 3, the North East LEP led the submission of an application of digital technology to advanced manufacturing and supported two on chemicals and materials ,and health.	Key areas of North East strengths are not covered in other relevant national Science and Innovation Audits.	Hans Moller	G

Innovation Programme | Lead: Hans Moller

SEP Action	Progress/ current position	High level risks	Lead	Status
Build a strong collaborative relationship with InnovateUK, UK Research and Innovation and across the Catapult Network	The relationship with Innovate UK has continued to strengthen following a meeting with Ruth McKernan (Chief Executive) and appointment of Dean Cook (Regional Manager) to the Innovation Board. A strong project to build cross-catapult connections is progressing positively with Catapult Chief Executives meeting.	Relationship is not maintained with key investment opportunities missed or focused on other areas of the country.	Hans Moller	G
Innovation Infrastructure – Projects and Programmes for Innovation				
Support the delivery of key innovation projects as set out in the SEP	LGF innovation projects are progressing and reported separately to the Board. A number of ERDF Innovation Projects have formally launched or moved to the next stage of the application process. Of particular note the university-led Research Commercialisation project (Newcastle and Durham universities) has launched. The most recent ERDF call for £10m of innovation projects is open.	Projects are delivered without meeting the Innovation Programme strategic objectives.	Hans Moller	G
Establish at least one test bed facility	Work is ongoing to secure a 5G testbed in the North East.	Government do not back this.	Hans Moller	G
Set out long term North East Innovation Infrastructure needs	This work is being scoped out.		Hans Moller	G
Smart Specialisation – Focus on four key sectors				
Produce four Smart Specialisation strategies	The Digital/Data and Health and Life Science strategies have been completed. The appointment of a lead for Health and Life science is underway. The Subsea and Offshore working group has been re-established to take this forward aligned with the Science and Innovation Audit work. The Automotive Alliance is to lead this work for automotive/advanced manufacturing.	All strategies are not completed or do not bring together the right sector lead partners.	Hans Moller	A
Establish the Data for Growth project	The Data for Growth report was agreed at the December Innovation Board meeting. Delivery will be embedded in the 2017/18 work programme with key milestones available.	Lack of clear lead partnership to deliver against Data for Growth delays progress.	Hans Moller	A
Establish a challenge approach for the Health Quest North East project	The Health Quest North East Project has been developed as a proposal and is currently seeking funding. Over 100 business have been approached for funding but not secured. Alternative approaches have been developed to enable this to progress and are being followed-up.	Funding for project is not secured.	Hans Moller	R

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	RAG 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>Schools and colleges are achieving the Benchmarks. Widely acknowledged as transformational activity. DfE expected to announce new careers strategy, including the career benchmarks in summer 2017. Good Career guidance introduced as part of the Industrial Strategy.</p> <p>3 colleges are participating in the pilot and are demonstrating outstanding results. A meeting with FE colleges was held, and all 10 agreed to sign up to the Benchmarks and participate in Enterprise Advisor (EA) Network. Matching process underway.</p>	Changes in government personnel and policy may mean national roll-out is delayed. This does not materially affect the North East.	Michelle Rainbow	G
Ensure all secondary schools have access to Enterprise Advisers	<p>Over 70 Enterprise Advisers recruited at Tier 1 and Tier 2. Recruitment campaign underway to target under-represented sectors.</p> <p>Target of 70 matched schools with EA's by August 2017. Enterprise Co-ordinator team working to encourage more rapid take-up by schools.</p>	Changes in government and policy may mean a change to the funded element of the programme	Michelle Rainbow	G
Develop and deliver the Pupil Mentoring programme	RTC North and Young Enterprise are co-ordinating their delivery activities across the region with input from local authorities, EAs and other support organisations.	A slower than anticipated take up by schools – this is being carefully monitored by RTC, YE and the LEP.	Michelle Rainbow	A
Develop and roll out a pilot Primary Schools Benchmark programme	Some funding has been sourced. Seeking further funding to facilitate delivery of the pilot. On-going discussions with Department for Education / Career & Enterprise Company and others.	A lack of funding may mean the benchmarks do not commence in September 2017	Michelle Rainbow	A

Skills Programme | Lead: Michelle Rainbow

SEP Action	Progress/ current position	High level risks	Lead	RAG Status
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.				
Encourage more and higher level apprenticeships with a key sector focus	Apprenticeship Growth Partnership meetings continue. Funding secured to support local authorities in delivery apprenticeship events to communicate to businesses about apprenticeship reforms. Campaign to raise awareness and promote apprenticeships to employers, young people, schools and parents.	Apprenticeship reforms may create some uncertainty and therefore apprenticeship numbers may slow. However public sector targets and levy spend may mitigate this decrease in overall numbers	Michelle Rainbow	G
Promote higher skills	Sector strategies being developed with key sector groups, including smart specialisation and enabling sectors. Working in partnership with sector groups including health and life sciences, digital, advanced manufacturing, construction to date.		Michelle Rainbow	G
Develop an approach to spousal support	This is part of an overall strategy for inward investment and is being developed.		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	Work is currently underway to evidence how many of the region's start -up businesses are university spin-outs or graduate start-ups, and the type of skills support these businesses require either from universities or external organisations.		Michelle Rainbow	G
Support universities to retain graduate talent in the North East	Working with sector organisations to articulate demand for graduate level skills and working with universities to consider future provision and opportunities. Communications campaign being developed to encourage graduate retention in the region with case studies profiling opportunities in key sectors.		Michelle Rainbow	G
Support universities to develop knowledge transfer partnerships	Working with the Business Growth and Innovation Programmes to understand how the universities and their R & D can support economic growth and benefit businesses in the North East.		Michelle Rainbow	G

Skills Programme | Lead: Michelle Rainbow

SEP Action	Progress/ current position	High level risks	Lead	RAG Status
Education Challenge - To reduce the gap between our best and lowest performing schools and to target that all schools in the North East achieve 'good' or 'outstanding' OFSTED rating.				
Develop and deliver an Education Challenge programme	<p>Governance - Communications campaign planned to raise awareness and showcase case studies of good practice in governance</p> <p>Placement opportunities for teachers and lecturers - Over 2016/17 a number of pilot placements for teachers (STEM) were sourced in businesses throughout the region. Learning / best practice from this pilot is being shared and further funding is being considered.</p>	<p>Once the proposition is fully developed we will further engage with potential funders and start the recruitment of prospective school governors.</p> <p>We are looking to expand the opportunities to a wider cohort and are currently considering funding methods to do this.</p>	Michelle Rainbow	G
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 are currently considering the FWL report from DWP, the Industrial Strategy and IPPR's FWL recommendations for the North East in order to develop a North East Fuller Working Lives Strategy.		Michelle Rainbow	G
Understand and provide focus on work force skills for the older workforce to maintain their position within the labour market as skills' needs change.	<p>We wish to understand better the barriers, opportunities, unconscious bias and other factors with employers and to do so we have an event planned for September 2017 with HR Directors / CIPD members to raise and discuss the challenges and opportunities.</p> <p>We will be conducting a survey of our network early in the summer to canvas the opinions of a wider employer audience and use the findings of that survey to inform the discussion and debate during the September event. CIPD and Sage have offered to host the event.</p>		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	RAG 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>An ESF call has been written with DWP to support up-skilling and re-skilling of employees working in the Health and Social care sector. This call was considered at the ESIF Committee on 16th May. It now will have a final moderation check by DWP before being ready for launch.</p>	<p>Partners do not embrace and take forward.</p> <p>Future launch dates for ESF calls are unknown.</p>	<p>7 LA Chief Executives</p> <p>Michelle Rainbow</p>	A
Use initiatives to provide more joined up support for individuals with moderate mental health issues return to work.	Mental Health Trailblazer - referral volumes from Job Centres has been positive with over 200 referred to date.	Delays in ramping up delivery due to slow processing of claims by DWP (which is a common cause for concern across all ESF funded projects nationally). This is being carefully monitored by local partners who are keeping the ESIF Committee informed of progress.	Northumberland County Council	G
Work with employers to improve take up of the Better Health at Work Award Scheme	Development of project in initial stages		Michelle Rainbow	G
Continue to address the importance of in work progression and job equality	Development of project in initial stages		Michelle Rainbow	G

Employability and inclusion Programme | Lead: Michelle Rainbow

SEP Action	Progress/ current position	High level risks	Lead	RAG Status
Youth Employment - develop pathways for the most vulnerable and disadvantaged young people to help them move into education, training and employment				
Create and scaleup initiatives that adopt innovative and agile approaches to meeting local needs	Of the 3500 supported to date, 1400 have moved into employment, half of which have sustained employment for six months or more. Additionally over 300 have gained work experience . A full evaluation of the programme will commence in the coming months.		Michelle Rainbow	G
Deliver the Durham Works project	Project is progressing to schedule and is funded by ESF and the Youth Employment Initiative (both are European funded programmes). Future funding streams post 2018+ to support those aged 15-24 is being explored for County Durham	Risk of not securing future ESF funding	Durham County Council	G
Ensure young people have the access to support and skills required to progress employment.	<p>Newcastle College Group has been successful in securing funding from SFA / ESF for this project. The project commenced delivery in late 2016 and runs to July 2018 with the aim of supporting 1300 young people.</p> <p>The LEP has set up a provider network meeting on 23rd May to help the 12 ESF funded employment providers collaborate and work together to provide the best service and employment outcomes for its clients, including young people. This meeting will focus on sharing good practice, cross referrals and encourage a joined up model to approaching and working with local employers</p> <p>Work is on-going to secure future funding for employment services for young people</p>	<p>Collaboration across service providers is voluntary. The service contracts awarded by SFA and others have targets which must be achieved to draw down funding; making it challenging to collaborate and cross-refer clients to more appropriate services.</p> <p>Uncertainty about future funding, in particular ESF funding</p>	Michelle Rainbow	G
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.	Development of project in initial stages		Michelle Rainbow	G

Employability and inclusion Programme | Lead: Michelle Rainbow

SEP Action	Progress/ current position	High level risks	Lead	RAG Status	
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.					
Page 54	<p>Gateshead Council has been awarded ESF / SFA funding £2million to support third sector organisations who will work with 1000 unemployed learners. This project is performing extremely well and has been well received by the voluntary and community sector. The Council have asked SFA to extend their project, both in terms of funding and to deliver beyond the current contract end date of July 2018 and funding post July 2018 not yet confirmed.</p> <p>A further £19 million worth of contracts have been issued by Big Lottery's Building Better Opportunities programme to support those furthest away from the labour market. This will support 4500 individuals on pathways to employment. As above, all 12 providers of ESF funded employment and skills provision are attending a LEP organised event on 23rd May which will focus on sharing good practice, cross referrals and encourage a joined up approach to working with local employers</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	
	<p>Provide targeted support to those with protected characteristics.</p>	Call has been drafted and with the ESF DWP team was considered at the ESIF Committee meeting on the 16th May. This now needs a final moderation check by DWP before being ready to launch.	Future launch dates for ESF calls are unknown.	Durham County Council	G
	<p>Seek to address long term imbalance within the work place and key sectors that relate to gender, discrimination and disadvantage.</p>	Development of project in initial stages		Michelle Rainbow	A
	<p>Adopt a community-led local development approach within our communities suffering from significant deprivation.</p>	Projects have submitted final proposals for delivery to both ERDF and ESF programmes. These will be appraised and decisions made in the coming months by DCLG and DWP before delivery commences.	None at present as projects are progressing as planned.	7 Local Authorities Chief Executives	G

Economic assets and infrastructure Programme| Lead: Helen Golightly

Goals

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 Page 55	<p>Local Authorities are progressing through the stages of plan preparation. Local authorities have a duty to cooperate and the seven local authorities have all signed an MOU of cooperation.</p> <p>Local Plans adopted to date:</p> <ul style="list-style-type: none"> Newcastle and Gateshead joint core strategy adopted North Tyneside – the inspector’s report concludes that the North Tyneside Local Plan provides an appropriate basis for the planning of the Borough provided that a number of main modifications are made. <p>Local Plans developed and not yet adopted:</p> <ul style="list-style-type: none"> Northumberland – Local Plan core strategy submitted and examination in public due to start in September 2017 <p>Local Plans in development are:</p> <ul style="list-style-type: none"> Durham – the local plan process was paused to assess the implications of the Housing White paper, the next stage is to consult on preferred options Sunderland and South Tyneside are working through the plan preparation process 		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	<p>The initial sites’ local authorities pipeline is in place. It needs to be reviewed and updated by Local Authorities and the HCA ready for investment.</p> <p>The LEP will embed the local authorities pipeline into a North East strategic investment project pipeline to utilise for future funding and investment opportunities .</p>		7 LA Economic Directors Helen Golightly	G
Secure businesses on the phase one and phase two Enterprise Zone (EZ) sites	<p>Work on round 1 EZ sites is progressing.</p> <p>Round 2 sites were launched in April 2017 except the IAMP which is 2018.</p> <p>The EZ financial modelling for rounds 1 and 2 has been updated and is being externally tested.</p> <p>A revised investment model using business rate income is being developed to inform a local agreement.</p>		Helen Golightly	G

Economic assets and infrastructure Programme| Lead: Helen Golightly

Collaborative development of spatial planning framework for the North East, supporting the SEP				
Publish a North East Development Framework	The 7 Local Authorities have produced a brief for the spatial planning framework and a scoping report was discussed at the LA7 Housing and Planning group in April 2017.		7 LA Chief Executives	G
Explore a collaborative approach to strategic mitigation to deliver the mitigation hierarchy set out the National Planning Policy Framework	TBC – Update required from the LA7 Housing and Planning group		7 LA Chief Executives	A

Transport and connectivity Programme | Lead: Helen Mathews

SEP Action	Progress/ current position	High level risks	Lead	RAG Status
North East Transport Delivery				
Deliver transport LGF schemes	On-going monitoring of the programme, reported and assured through the Heads of Transport meeting and Economic Directors. Schemes at various stages of delivery, risks being actively managed.	Project's slip outside LGF funding window.	Helen Mathews	A
Continue to roll out flexible public transport ticketing	<p>NESTI has completed the design process for a Remote Ticket Download app . The development period is short, and trial underway. ITSO (the National Standards body for Smart Ticketing) have agreed to support a Host Card Emulation (your phone becomes your POP Card) trial on Tyne and Wear Metro and discussions have commenced with Digital Catapult NE&TV to procure this through an Innovation competition targeted at the local technology sector (although open nationally). This option will work on buses as well. NESTI has also agreed to financially support the initiative.</p> <p>Work continues with Transport for the North (TfN) and partner authorities in relation to the development of a specification for an Account Based Ticketing (ABT) Back Office, allowing customers to use bank cards and mobile devices to pay for their journey by touching in at the point of entry and exit from the network.</p>		Tobyn Hughes	G

Transport and connectivity Programme | Lead: Helen Mathews

SEP Action	Progress/ current position	High level risks	Lead	RAG Status
<p>Continue joint management working of our transport system</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 58</p>	<p><u>North East Rail Management Unit</u> The period 1 Officer Steering Group took place on the 19th April covering:</p> <ul style="list-style-type: none"> • updating partners on and agreeing RAG status for the 2016/17 Business Plan; • updating partners on the 2017/2018 NERMU Business Plan; • update from Network Rail regarding progress on both the East Coast & North of England Route studies; • updates to local authority reps on wider rail workstreams (Northern Powerhouse Rail, Initial Integrated Rail Report) - including a Durham Coast Route Study draft proposal; • the Borders Transport Study being added to the National schemes list; • project updates from Local Authority partners. <p><u>Infrastructure update</u></p> <ul style="list-style-type: none"> • Making the North's railway more cost effective is one of the four aims of Rail North. Progress has been made by agreeing a more streamlined Grip process for line speed improvement schemes. Work is underway to assist Northumberland to seek cost reductions on the ABT scheme (quoted £191M down to £100M) and Durham with Horden / Peterlee new station (quoted £11.4M down to £8M); • Industry discussions are underway to get support for a pilot scheme to demonstrate how the line speed increases project can be delivered more cheaply; • North of England Route Study – a set of strategic questions have been set by NWR / RN / TfN to be explored; 		Helen Mathews	G
<p>Develop and expand the Urban Traffic Management and Control Centre (UTMC)</p>	<p>On-going revenue funding and capital funding for equipment refresh agreed. Procurement for the capital refresh commenced. Agreement at LA7 Heads of Transport for a National Productivity Investment Fund bid to enhance the UTMC system in Tyne and Wear. Closing date for bids 30th June 2017.</p>		UTMC team	G
<p>Identify and begin to deliver strategic schemes to enhance connectivity</p>	<p>Heads of Transport developed a strategic project pipeline and project sponsors developing projects as appropriate.</p>		Helen Mathews with local authority Heads of Transport	G

Transport and connectivity Programme | Lead: Helen Mathews

SEP Action	Progress/ current position	High level risks	Lead	RAG Status
Identify and begin to deliver pinch point solutions	Schemes successful for previous rounds of Pinch Point and Highways Maintenance Challenge Fund are progressing. Local Authorities have identified schemes for 2017-18 National Productivity Investment Funding, including investment in UTMC. Development of bids underway for National Productivity Investment Fund competitive pot for 2018-19 onwards. Development of bids underway for Highways Maintenance Challenge fund future rounds.		Helen Mathews with local authority Heads of Transport	G
Identify and begin to deliver a long term project pipeline	Commenced planning to develop an approach to progress a pipeline. Approach to be discussed with Heads of Transport, Economic Directors and the LEP.		Helen Mathews	G
Transport Innovation				
Commission the Go Ultra Low Cities Programme	Funding secured through OLEV. Progressing grant funding agreement with DCLG for ERDF funding. Heads of Terms and procurement progressing. Sunderland Council undertaking negotiations on the preferred site. Specification under development for the Filling stations, this is nearly complete pending clarifications from Newcastle University and agreement on management approach. Feasibility study being commissioned to identify most appropriate sites for rapid charging hub. Project slightly behind programme but contingency in timescales later in the year.		Helen Mathews	A
Regional Transport Planning				
Develop and agree a Regional Transport Plan	Local authority and member engagement on-going. Sign off for public consultation programmed for September 2017 and final approval March 2018.	Impact of elections on approvals and consultation timeline.	Helen Mathews	A
Strengthen the alignment between the transport plan and the planning process	Local Transport Plan to be consulted on with Heads of Planning		Helen Mathews	G

Transport and connectivity Programme | Lead: TBC - Helen Mathews

SEP Action	Progress/ current position	High level risks	Lead	RAG Status
Explore opportunities presented to us in new legislation	On 27th April 2017, the Bus Services Bill received Royal Assent, turning the Bill into the Bus Services Act 2017. NECA is currently developing a Bus Strategy for the area which aims to set out the strategic context for buses across the NECA region, taking direction from the NECA Transport Manifesto. The NECA Bus Strategy will form the foundation for decisions about which of the delivery mechanisms presented in the Bus Services Act 2017 are best suited to the NECA.	Bus Services bill delayed so programme slightly behind	Tobyn Hughes	A
Develop transport investment programme	TBC		Helen Mathews	TBC
Identify opportunities for improved freight infrastructure	Freight partnership continues, work programme for the year to be agreed by the partnerships.		Helen Mathews	G
Improve transport proposals to employment sites (by 2020)	TBC		TBC	TBC
Implement an enhanced public transport offer (by 2020)	Business cases being developed for investment in new rolling stock and a programme of essential renewals for Metro. Process of approving the business cases through DfT's centres of excellence underway, with positive feedback received to date. Next approval step is a DfT BICC committee in June, with a subsequent report to NECA Leadership Board.		Tobyn Hughes	G
National and international connectivity				
Develop an initiative to support air, sea and rail transport hubs	International connectivity study has reported which lent strong support to the regional airports and ports. Local Transport Plan developing policies in each of these areas.		Helen Matthews	G
Make our region HS2 ready	TBC		TBC	TBC
Enhance east-west road and rail connectivity	NECA supporting the commissioning of the TfN Energy coasts study looking into East West connectivity to and from the region to the west.		Helen Matthews	G

Transport and connectivity Programme | Lead: Helen Mathews

Digital Connectivity Lead – TBC

SEP Action	Progress/ current position	High level risks	Lead	RAG Status
Digital connectivity				
Map and influence superfast broadband coverage	<ul style="list-style-type: none"> 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 Through the Group, mapping of regional cyber-security capacity has also been completed and a plan is being scoped to develop a pilot scheme to promote regional cyber resilience including a regional cyber resilience and innovation centre to complement the work of the National Cyber Security Centre (NCSC) and the Computer Emergency Response Team (CERT) UK, and a regional response to both the Digital Strategy (2017) and the National Cyber Security Strategy (2016). 		Steve Smith, Northumberland Council Ben Kaner, North Tyneside Council	G
Develop and begin delivery of 5G test bed	<ul style="list-style-type: none"> Outline concept for the Test Bed articulated and socialised with regional and national partners in the context of UK 5G strategy NE activity on 5G in the National Infrastructure Commission Report Stage 1 MOU signed on 11th May 2016, between the North East LEP, NEXUS, NECA, NewCo (Durham) and the 5G Innovation Centre (5GIC) at Surrey University – the National Centre for Excellence on 5G. MoU facilitates ongoing dialogue between regional organisations, the 5GIC and the Digital Catapult Business case to be developed by Autumn 2017 collaboratively with national partners to position the NE for a national competition including infrastructure plan and first phase ‘use’ cases Plan to deliver a 5G component of the Great Exhibition of the North to be in place by January 2018 	<ul style="list-style-type: none"> Change of UK level policy direction Failure to prepare sufficiently compelling business case in content of UK competition Regional stakeholder management issues Capacity constraints 	Lead – TBC Steering Group <ul style="list-style-type: none"> R.Baker H.Moller D.Bartlett C.Crawford P.Jackman D.Dunn T.Hardwick 	G
Explore the potential to develop fibre-optic connectivity to Europe	<ul style="list-style-type: none"> 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. 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. The plan awaits investment and customer demand, but permissions are in place 	<ul style="list-style-type: none"> Market demand 	TBC	G

Strategy, Policy and Analysis | Lead: Richard Baker

Goals

To ensure 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
Strategic Economic Plan development				
Review SEP refresh process	Brief for review under development to capture learning for future processes including roles of structures, use of evidence, engagement of regional and national partners and capacity.		Richard Baker	G
Delivery of comprehensive SEP communications plan	Comprehensive plan being developed on ongoing basis through media and programmes		Richard Baker	G
Develop and implement evaluation framework	Evaluation plan currently being developed to include review of key indicators, link to programme KPIs and agreement of evaluation process		Richard Baker	G
Economic information and commentary				
Produce and promote annual 'state of the region' economic report	Scoping of document currently underway to include structure, content, resource requirements and timings		Richard Baker	G
External economic commentary	Calendar of economic commentary linked to national data releases has been developed and is being implemented		Richard Baker	G
Improve economic evidence availability	<ul style="list-style-type: none"> Review and confirm external data sources. 3 confirmed. Others under evaluation Updated slide-sets for each SEP programme Define economic evidence mechanism for Board and sub-Boards, and for partners newsletter 		Richard Baker	G
Research and evidence development plan	Creation of 'pipeline' of potential research projects (linked to gaps in evidence)		Richard Baker	G

Strategy, Policy and Analysis | Lead: Richard Baker

SEP Action	Progress/ current position	High level risks	Lead	Status
Informing economic policy nationally and regionally				
Manage key LEP policy contacts in Government and strengthen influencing position	<ul style="list-style-type: none"> • Map LEP engagement activities and manage contacts with Government, delivery agencies and research bodies • Support engagement with key policy processes including Industrial strategy, devolution deals and Northern Powerhouse 		Richard Baker	G
Improving the regional economic evidence co-ordination and engagement				
Build engagement with key research and evidence partners	<ul style="list-style-type: none"> • Relationship with key regional, national and international evidence bodies inc Bank of England; NECC; CBI; Universities; ONS; OECD • Initiate Economic Evidence Forum • Develop collaborative approach to 'pipeline' of research to lead policy or fill knowledge gaps 		Richard Baker	G

Investment Programme | Lead: Helen Golightly

Local Growth Fund		North East Investment Fund		Enterprise Zone development	
Total funding available	Capital grant funding £270m 2015-21	Total funding available	Capital loan funding £54m evergreen fund	Total funding available	£108m since launch. Including £3.65m of private investment since April 2016
Amount allocated	Over £198 m fully approved or allocated to stage 1 projects £72m in pipeline development.	Amount allocated	£45m allocated. Over £65m invested through the programme to date with repayments underway. Approximately £8m available to invest.	Amount allocated	1,285 new jobs created with 41 businesses located on the EZ sites. During 2016/17 15 new businesses have located on the site, 2 have left and 408 net new non-construction jobs have been created.
Projects supported	38 major projects approved and a further circa 25 under the Rural Growth Network and Local Sustainable Transport Fund mini programmes. The CPI Healthcare Photonics (implementation stage) and Smart Medicines packaging (study stage) project respective business cases are in appraisal. The LGF Programme Review exercise has completed with 8 new / revised project proposals to be outlined at this Board meeting.	Projects supported	25 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. Recently funding agreements have been signed for Commercial Manufacturing space at Monkton, South Tyneside, and to launch the North East Property Fund supporting small scale residential and commercial property development across the LEP area.	Projects supported	The Enterprise Zone sites have attracted significant investment through Round 1 current project applications have been approved for the A19 site and East Sleekburn. Applications are being progressed for Port of Tyne (Royal Quays) and Bates/Wimbourne sites. The Round 2 sites launched in April 2017 (in agreement with DCLG, IAMP will launch April 2018). Cushman and Wakefield are currently leading a review of these assumptions to ensure these are accurate. A legal agreement is being developed and a full implementation plan is being finalised.
Issues	The LGF 1 /2 programme in 16/17 experienced underspend of 22.2%, similar to the level we advised Government in the 'Annual Conversation' in December. This is discussed further in the Funding Update Report to the Board meeting. Several projects have slipped KPI targets in to future years reflecting delays in physical completion.	Issues	A marketing campaign is being developed to improve interest in the fund.	Issues	Performance in attracting businesses continued to show growth however some sites have seen little progress this year and we remain below target for jobs, businesses and income; however the overall financial position is better than expected due to lower borrowing costs. A full report is included in the Enterprise Zone update paper.

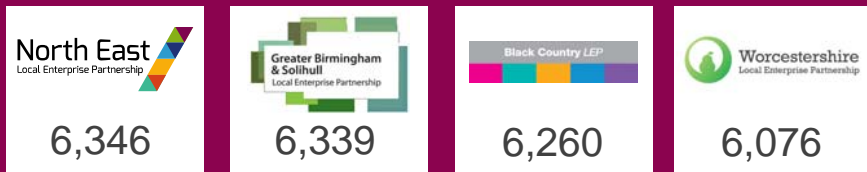
Communications Update

Social Media



Followers: 6,346 (+1.8% on last month)
Reach: 53,868 (impressions during April)

Benchmarking against top three LEPs on twitter



Twitter activity during April focused on a campaign to raise awareness of the LEP's mentoring programme. This was the top performing Tweet for the month, with 22 clicks to the website:



Impressions	1,671
Total engagements	48
Link clicks	22
Media engagements	9
Likes	9
Retweets	5
Profile clicks	2
Detail expands	1



Followers: 1,968 (+ 0.9% on last month)
Reach: 18,486 (impressions during April)

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

Post	Impressions	Engagement	Clicks	Likes
<p>North East Local Enterprise Partnership</p> <p>The North East Combined Authority is looking to appoint an individual to be the Chair of the Authority's Overview and Scrutiny Committee. Find out more here: http://bit.ly/2oxtUQn Closing date: 18 April 2017</p> <p>(Update) by nicola m. April 05, 2017 11:33 am</p>	1,122	2.94%	27	6
<p>North East Local Enterprise Partnership</p> <p>We're pleased to welcome Victoria Sutherland to the team as our new Senior Economist: http://bit.ly/2ouTMxg</p> <p>(Update) by Katic C. April 26, 2017 9:00 am</p>	309	2.27%	4	3
<p>North East Local Enterprise Partnership</p> <p>We're supporting more North East businesses to access mentoring. Find out more on our website: http://bit.ly/2nvLLmb</p> <p>(Update) by Katic C. April 06, 2017 4:00 pm</p>	311	2.25%	3	4

Press Coverage – April/May 2017

No. Articles

36

Sentiment

Positive: 30.6%
 Neutral: 69.4%
 Negative: 0%

Highlights

- 5 April: The North East LEP was mentioned in nine articles about the £10m Sunderland Innovation Centre, supported by Local Growth Funding. *An example from Bdaily can be seen here.*
- 26 April: Insider Media , North East Connect and The Journal covered the appointment of Victoria Sutherland as our new Senior Economist.

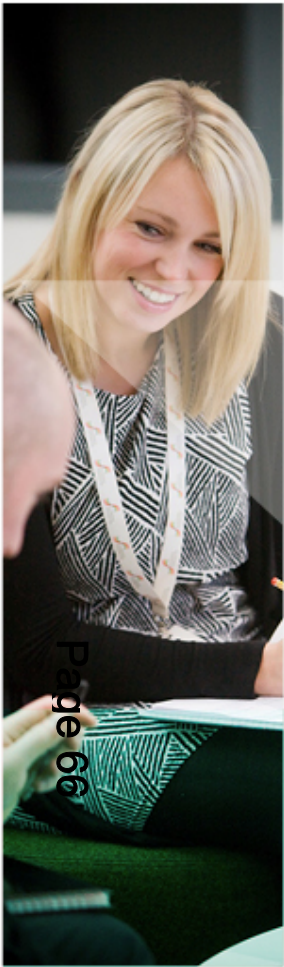
Priority actions for the next two months

Action 1
 Undertake full website content review to populate new North East LEP website.

Action 2
 Complete branding review, which will consider how we approach producing LEP publications and campaigns.

Action 3
 Continue to review and deliver all thematic tactical comms plans to ensure they are aligned to the SEP.

Action 4
 Plan and implement Growth Hub Live – an events programme to support businesses to grow and business support providers.



North East

Local Enterprise Partnership



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Economic Development and Regeneration Advisory Board

Date: 25 July 2017

Subject: Government Policy Update

Report of: Thematic Lead for Economic Development and Regeneration

Executive Summary

The purpose of this report is to provide an update on Government policy relating to activity falling under the remit of the NECA Economic Development and Regeneration Advisory Board.

Recommendations

The Advisory Board is recommended to note the update and make comments where relevant.

Economic Development and Regeneration Advisory Board

1. Background Information

- 1.1 The purpose of this report is to provide an update on Government policy relating to activity falling under the remit of the NECA Economic Development and Regeneration Advisory Board.

2. Update

- 2.1 An update will be provided verbally at the meeting by David Cramond, Corporate Director - Economic Regeneration, South Tyneside Council.

3. Potential Impact on Objectives

- 3.1 Any potential impact on NECA objectives will be brought to the attention of the Board during the update.

4. Financial and Other Resources Implications

- 4.1 Any financial / other resources implications will be brought to the attention of the Board during the update.

5. Legal Implications

- 5.1 Any legal implications will be brought to the attention of the Board during the update.

6. Key Risks

- 6.1 Relevant key risks and how these are to be addressed will be set out to the Board during the update.

7. Equality and Diversity

- 7.1 Any equality and diversity implications arising will be specified and the approach to addressing these implications will be set out to the Board during the update.

8. Crime and Disorder

- 8.1 Any crime and disorder implications arising will be specified and the approach to addressing these implications will be set out to the Board during the update.

9. Consultation/Engagement

- 9.1 Any consultation requirements will set out to the Board during the update

Economic Development and Regeneration Advisory Board

10. Other Impact of the Proposals

10.1 Any other impacts including environmental and economic will be set out to the Board during the update.

11. Contact Officers

11.1 David Cramond, Corporate Director - Economic Regeneration, South Tyneside Council. E-mail: david.cramond@southtyneside.gov.uk Tel: (0191) 424 7969

12. Sign off

- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

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Economic Development and Regeneration Advisory Board

Date: 25 July 2017

Subject: Forward Look – future Economic Development and Regeneration
Advisory Board Activity

Report of: Thematic Lead for Economic Development and Regeneration

Executive Summary

The purpose of this report is to provide initial suggestions and seek further suggestions from Board members for future Economic Development and Regeneration Advisory Board (EDRAB) activity.

Recommendations

The Advisory Board is recommended to comment on and contribute to suggestions for future EDRAB activity.

Economic Development and Regeneration Advisory Board

1. Background Information

- 1.1 The purpose of this report is to provide initial suggestions and seek further suggestions from Board members for future Economic Development and Regeneration Advisory Board (EDRAB) activity. This could include relevant topics and activities that will assist in achieving the NECA Economic Development and Regeneration objectives outlined in the Strategic Economic Plan and Local Transport Plan.

2. Future Activities

- 2.1 Initial suggestions for EDRAB activity will be provided verbally at the meeting by Sarah McMillan, Corporate Lead – Strategic Development, South Tyneside Council.

3. Potential Impact on Objectives

- 3.1 There are no impacts on objectives arising from this report.

4. Financial and Other Resources Implications

- 4.1 There are no financial or other resource implications arising from this report.

5. Legal Implications

- 5.1 There are no legal implications arising from this report.

6. Key Risks

- 6.1 There are no key risks arising from this report.

7. Equality and Diversity

- 7.1 There are no equality and diversity implications arising from this report

8. Crime and Disorder

- 8.1 There are no crime and disorder implications arising from this report.

9. Consultation/Engagement

- 9.1 There are no consultation requirements arising from this report.

Economic Development and Regeneration Advisory Board

10. Other Impact of the Proposals

10.1 There are no other impacts arising from this report.

11. Contact Officers

11.1 Sarah McMillan, Corporate Lead – Strategic Development, South Tyneside Council
E-mail: sarah.mcmillan@southtyneside.gov.uk Tel: (0191) 424 7948

12. Sign off

- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

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