

North East Local Enterprise Partnership Board



Thursday 21 March 2019

17.00 – 19.00

Venue: **Eagles Community Arena, Scotswood Road,
Newcastle, NE4 7AF**

AGENDA

1. **Welcome from the Chair and apologies** (5.00pm)
2. **Declarations of interest** (5.00pm)
3. **Minutes of the last Board Meeting held on Thursday 31 January** (5.00pm)
The Board will be asked to agree the Minutes.
4. **SEP Delivery Plan** – paper attached (5.05pm)
Helen Golightly to present to the Board.
Ammar Mirza to update on the **Ambassadorial Scheme**
5. **Brexit update** – paper attached (5.20pm)
Helen Golightly to present to the Board.
6. **Local Industrial Strategy Update** – paper attached (5.30pm)
Helen Golightly to present to the Board.

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

7. **Funding update and decisions** – paper attached (5.40pm)
Paul Woods to present to the Board
8. **LEP Perceptions' Analysis** - paper attached (5.55pm)
Jen Robson to present to the Board.
9. **Strategic Transport update** – presentation attached (6.15pm)
Tobyn Hughes to present to the Board.
10. **Inward Investment** – verbal update (6.50pm)
Mark Thompson to update the Board.
11. **Any Other Business**
12. **Date and Time of next meeting – Thursday 23 May 2019 from 5 - 7pm**



North East Strategic Economic Plan **Programme Delivery update**

21 March 2019



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

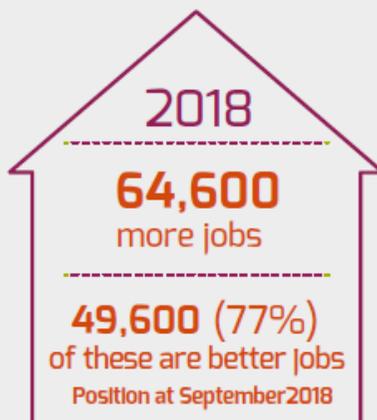
Target increase the number of jobs in the North East economy by 100,000 by 2024



Position at September 2018

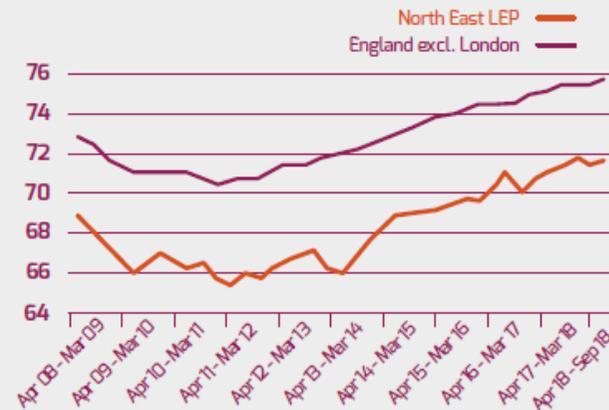


Target 77% of all jobs created from 2014 will be will be better jobs



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

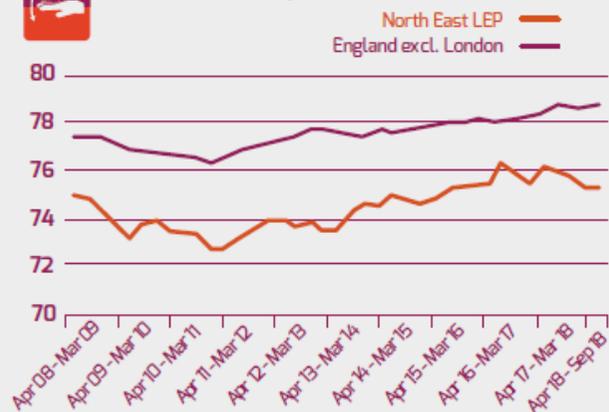
Position at September 2018: 25% reduction



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



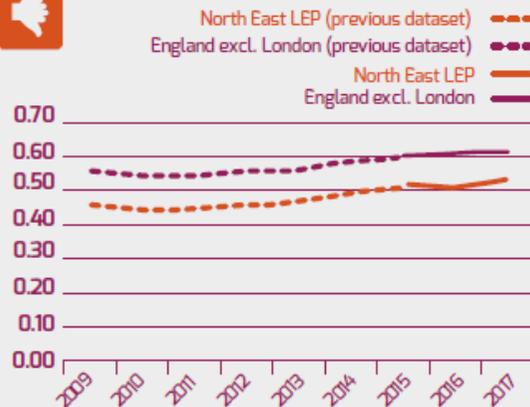
Position at September 2018: 4% reduction



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



Position at 2017: 5% Increase



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



Position at 2017: 29% reduction



Business Growth Programme | Lead: Colin Bell

Ambition for 2024

Our ambition for the North East is to be a growth orientated, dynamic and productive environment where businesses invest, grow and thrive. At a time of change, we want business leaders to be inspired and supported to achieve their goals through strengthened leadership, innovation and trade, resulting in:

- An increase to the density of scaleup businesses in the North East by 50% from 2014 to 2024. These businesses will deliver 6,000 new jobs into the North East economy
- The attraction of new businesses who invest in the North East and create 4,000 new jobs per year between 2014 and 2024

We want more businesses to actively seek, and find with ease, the support and finance they need to grow and strengthen the visibility of opportunities for investment in our economy.

SEP Action	Progress/ current position	High level risks	Lead	Status
Raise levels of business growth ambition				
<p>Key deliverables:</p> <ul style="list-style-type: none"> • Research, develop and implement a strategy designed to increase businesses' ambition to start-up, grow, scaleup and improve • Develop relationships with intermediaries to reach a larger proportion of the region's businesses, with a particular focus on improving awareness amongst under-represented groups, such as women, ethnic minorities, rural areas and social enterprises 	<ul style="list-style-type: none"> • A supplier will be procured to undertake research in to levels of growth ambition of businesses in the North East, creating a baseline against which impact of future interventions can be measured. • The inaugural meeting with intermediaries took place on 6 February and the second meeting took place on 6 March, chaired by Ammar Mirza CBE with support from the Business Growth Advisory Board. Action points which are being taken forward include the emergence of an ambassadorial role for the LEP's business growth programme based on purpose and core values. 	<p>Successful procurement</p> <p>Driving awareness Maintaining relationships</p>	<p>Colin Bell</p> <p>Dinah Jackson</p>	G
Increase demand for external business support and finance				
<p>Key deliverables:</p> <ul style="list-style-type: none"> • Provide access to business start-up support, finance and information through the North East Growth Hub online portal and the national Business Support Helpline • Provide one-to-one impartial brokerage to established businesses and high potential start-ups through our Growth Hub Connectors • Provide intensive account management and managed brokerage to businesses that are scaling up or have the potential to do so • Work with high quality private and public partners to ensure business support and finance are accessible to rural businesses, social enterprises and business leaders from different gender and ethnics groups 	<ul style="list-style-type: none"> • The platform continues to develop and interest is strong. At the end of February, interaction with the Growth Hub was 196% of annual target (2018/19), 19,600 against target of 10,000. Content development through new toolkits and Insights and engagement with intermediaries. • Successful recruitment of the third Growth Hub Connector, Craig Harrison, to ensure full business access to 1-2-1 Growth Hub support. The Connectors are meeting internal targets and building networks with providers. • 256 businesses are on the programme, up from 211 at last report and working with the increased team of six Scaleup Partners, and a healthy pipeline of 66 businesses. The 81 companies that have completed the programme are forecast to create 761 jobs, 80% of which are better jobs, and create a GVA uplift of £39.6m. Average GVA per job is forecast to increase by £6.5k. • A key development for 2019/20 is the creation of a measurement framework to understand how the Growth Hub is penetrating different groups and if penetration levels are reflective of the North East demographic. • The Connectors are using co-working opportunities at partner locations including the network of rural enterprise hubs. Partners are now provided with a 'boilerplate' of information about the growth hub for consistent messaging. • Engagement activity continues in order to raise awareness and drive demand for the five funds available through the North East Fund 	<p>Managing transition between Growth Hub suppliers</p> <p>Fulfilling demand</p> <p>Generating interest and demand Maintaining high quality of delivery</p> <p>Driving awareness Ensuring consistency of message Maintaining a strong brand</p>	<p>Jen Robson</p> <p>Helen Lee</p> <p>Colin Bell</p> <p>Colin Bell</p>	G

SEP Action	Progress/ current position	High level risks	Lead	Status
(cont.)	<ul style="list-style-type: none"> • RDPE Growth Programme: Applications are still being processed by the RPA since the programme closed. Final pipeline now stands at 97% of allocation (£300k under-programmed) with attrition rate up to 47% (up from 31% at last report). Of the 137 Eols endorsed for full application, 43 projects are contracted (up from 30 at last report) and £1.8m has been paid in claims. • Rural Growth Network: Programme value is £ 31.3m (including £6m LGF) 2015/16 to 2019/20. 33 projects are complete and 10 are in progress, up from 32 in total last report due to final project call. Spend and impacts since last reported: 66% of programme spend target; 56% of programme jobs created/safeguarded target (178 jobs). 	<p>Underspend following increase in attrition rate</p> <p>Failure to attract high quality projects Demand for funding exceeds resources available</p>	<p>Dinah Jackson</p> <p>Dinah Jackson</p>	
Ensure the supply of external business support and finance matches the needs of business and the economy				
<p>Key deliverables:</p> <ul style="list-style-type: none"> • Review business support and finance provision to ensure that the region's ecosystem provides a ladder for business growth from start-up to scaleup and continuous improvement • Introduce a quality assurance system through the North East Growth Hub that assesses the quality of support offered to businesses by external business support and finance providers • Work with private and public partners to design and develop a range of interventions to drive productivity improvement and the adoption of digital technology • Ensure peer mentoring and peer-to-peer leadership development is available to support businesses to scale and improve productivity • Work with partners to increase the density of high potential start-ups in the North East • Work with partners to enhance access to high quality solutions designed to tackle barriers to scaling up • Work with the Department for International Trade (DIT) and local partners to develop an internationalisation strategy that supports the national Export Strategy in achieving its goal of moving exports from 30% to 35% of GDP • Continue to develop the North East Growth Hub Business Support Provider Network to encourage collaboration and the sharing of good practice 	<ul style="list-style-type: none"> • Procurement is underway in collaboration with the region's two combined authorities. Procurement is to develop a new model for innovation and business support provision that is future-proofed against the new policy environment. • The quality assurance system is being built in to the North East Growth Hub CRM system and meets requirements as set out in the Growth Hub funding offer with respect to referrals being taken up by Growth Hub Connect clients and feedback on the support provided. • Existing Growth Hub programmes Scaleup North East and Supply Chain North East are driving productivity improvement and the adoption of digital technology. RTC North are delivering the Be the Business High Performance programme for the second time. • The 'Be the Business' Mentoring for Growth programme is now live. We have matched 14 businesses with national senior lead mentors from large corporates including GSK, Siemens, John Lewis, BAE Systems, Accenture and KPMG. The Growth Hub will be co-hosting the 'Be the Business' national mentoring conference on 23 May in Newcastle. This is in addition to our local mentoring programme which has made 43 matches with our pool of 40 mentors, with 8 matches made this year. The independently procured, full interim evaluation of the programme's delivery and impact, draft report is now available. The evaluation concludes that the Growth through Mentoring programme is highly effective. Delivery recommendations are being reviewed. • Research on high growth start-ups has reported to the steering group and the business case is in development to secure LGF resource and to set the foundation for procurement of key services to deliver the programme. • The Growth Hub Scaleup Toolkit provides content which is targeted at scaleup businesses and lists those programmes available in the LEP area for scaleup businesses. The Scaleup North East Advisory Board ensures that quality of the programme remains high and a robust application process is in place for the programme's Solutions Providers. The team continues to work with the Scale Up Institute to ensure knowledge and evidence are embedded in to local activities. • Government continues to progress with the new contracting arrangements for ERDF-funded export support. We have published the Growth Hub Export Toolkit with local Exporting is GREAT partners. The toolkit is performing well. The North East internationalisation strategy is to be developed to support the national Export Strategy. The development of Export Strategy will be developed alongside and as part of the North East Local Industrial Strategy. 	<p>Failure to attract high quality bids and to procure contract</p> <p>Feedback is not provided by clients Support services do not meet expectations</p> <p>Fulfilling demand</p> <p>Retaining high quality mentors Attracting suitable mentees Ensuring effective matching</p> <p>Successful procurement</p> <p>Lack of direct control of solutions</p> <p>Delay in strategy development</p>	<p>Dinah Jackson</p> <p>Helen Lee</p> <p>Colin Bell</p> <p>Helen Lee</p> <p>Colin Bell</p> <p>Colin Bell</p> <p>Colin Bell</p>	<p>G</p>

SEP Action	Progress/ current position	High level risks	Lead	Status
(cont.)	<ul style="list-style-type: none"> The Growth Hub Provider Network currently meets quarterly and provides a forum for information exchange and content improvement, the last meeting taking place in December. A CPD session on Brexit took place for providers in December and further CPD sessions are planned for the new financial year. 	Partner engagement	Helen Lee	
Improve the region's economic resilience				
<p>Key deliverables:</p> <ul style="list-style-type: none"> Use the North East Growth Hub to distribute up-to-date information on business support and finance options available to support Brexit preparations Work with partners to develop programmes and solutions designed to help businesses to diversify into new markets, supply chains and geographies, including through Supply Chain North East Work with partners to inform the business support and finance funding mechanisms that will replace the European Structural Investment Funds Work with partners to set up task forces, when appropriate, to prepare for, to mitigate the effects of and to deal with the fallout of economic shocks 	<ul style="list-style-type: none"> The Growth Hub Brexit Toolkit is live and performing well. The Growth Hub Connect service is providing direct recourse to deploy in response any economic shocks or changes. The Supply Chain North East programme addresses potential business impacts of Brexit. Working with the North East Brexit Working Group, we report issues on a weekly basis to BEIS. Supply Chain North East is designed to help businesses to diversify in to new markets, supply chains and geographies. Although not specifically targeted, Scaleup North East and our Mentoring programmes offer solutions to support business growth including through diversification. Growth Hub content provides many insights in to diversification and economic resilience. NP11 supply chain work stream continuing. Working with the Brexit Working Group, we report issues on a weekly basis to BEIS. A Rapid Response Taskforce has been established to make sure that the North East has the structures and partnerships in place to rapidly respond to any economic shocks, the task force comprises the LEP, NECA, NofT CA, DWP, BEIS, JCP, DFE, ESFA. 	<p>Poor coordination between partners Lack of information</p> <p>Lack of information Poor coordination between partners</p> <p>Partner engagement</p> <p>Generating interest and demand Maintaining high quality of delivery Partner engagement</p>	Colin Bell	G
Grow inward investment in the region				
<p>Key deliverables:</p> <ul style="list-style-type: none"> Combined and local authorities, the North East LEP, DIT and the private sector will work together with a shared ambition of securing maximum inward investment into the North East Establish and follow a clear target driven, lead generation model that is focused on the SEP's areas of strategic importance and support services Have a robust account management system, led by local authorities, to share knowledge and investment opportunities with key partners Develop and deliver an integrated marketing plan to raise the profile of the North East as a place to invest and locate 	<ul style="list-style-type: none"> The hub and spoke model will continue with Invest North East England (INEE) providing the strategic inward investment service for the LEP area working very closely with its many partners including the seven local authority business teams and the two combined authorities. INEE is also the first point of contact with DIT Investment Services and the DIT Northern Powerhouse teams and is working closely with these on a number of initiatives. To date in 2018/19 quarters 1-3 there have been 51 inward investments into the region creating 2027 new jobs. Of these, 32 were from foreign-owned companies (both new or re-investment projects) creating 1.212 jobs. 19 were new UK projects creating 815 new jobs The current contract focused on proactive lead generation work is coming to an end in May 2019. This is primarily focused on companies based in London and South East England, with additional focus on opportunities in Ireland, in digital and business services sectors. An evaluation of the current contract is taking place in March /April 2019. A new lead generation service/services will be procured by June 2019. The exact make up of this is currently being considered by INEE and partners. INEE (NECA) continues to deliver the DIT Key Account Management Programme through circa £153k of DIT Northern Powerhouse funding. NECA has sub contracted with six local authorities to deliver this programme for 2018/19. This is progressing very well. DIT has confirmed that similar levels of funding will be available in 2019/20. 	<p>Impact of Brexit on ability to attract new FDI.</p> <p>Absence of access to financial incentives impacts interest.</p> <p>The creation of the North of Tyne Combined Authority may confuse the inward investment landscape for investors or dilute the current regional model.</p> <p>Lack of certainty of medium term funding availability makes strategic planning of contracts difficult.</p> <p>Availability of DIT resource post 2019/20 is unknown.</p>	Guy Currey	G

SEP Action	Progress/ current position	High level risks	Lead	Status
(cont.)	<ul style="list-style-type: none"> • INEE will work with local authorities to investigate the best way to access key information gleaned from account management activity that can be used to improve INEE's business development (lead generation) activity. • An INEE communications and marketing plan has been developed with input from the NELEP and the seven local authorities. This is reviewed and updated regularly and includes a range of initiatives and activities including: website improvements; a pay per click campaign; development of new marketing collateral; social media activity; a full events programme; general media activity; a series of promotional videos. • The six promotional videos were launched in February and March 2019. One video was a general regional overview and five sector videos focused on energy, advanced manufacturing, life sciences, digital tech, and business services. The videos have been extremely well received and have been widely shared on social media. 	Brexid impact on existing FDI companies could be significant.		

Innovation Programme | Lead: Alan Welby

Ambition for 2024

Innovation is central to our long-term aim to build a more productive North East, fostering a competitive and embedded business base and solving social and economic challenges in the region and beyond. It is a tool for internationalising our economy, particularly in areas of specialisation, by attracting partners and investors to engage in our science, research and business base and for strengthening the competitiveness of businesses and creativity of communities.

We have an ambition of a collaborative and open innovation eco-system that enables the matching of what is needed to what is possible to drive economic or social value, or both.

We aim to increase the number of innovation active businesses by 550 and increase investment in business research, development and innovation by 50% between 2014 and 2024.

SEP Action	Progress/ current position	High level risks	Lead	Status
Stimulate new business opportunities through the North East Open Innovation Challenge				
<p>Key deliverables:</p> <ul style="list-style-type: none"> Support growing activity to foster open innovation between large corporates, public sector and innovation-led SMEs in the region with a clear brand Support the alignment and communication of open innovation and challenge events and programmes to create critical mass and deepen engagement with regional businesses in events Support best practice for open innovation events 	<ul style="list-style-type: none"> Challenge launched through the Invite programme launched in partnership with North East Automotive Alliance on 24th January. Ongoing discussions with Northumbrian Water Group to hold a sprint during the NWG innovation festival. 	<ul style="list-style-type: none"> The Challenge programme fails to gain traction among North East businesses Administering the “brand” becomes too time-consuming and challenging. 	Alan Welby	G
Prioritise a regional pipeline of projects to form a Strategic Investment Programme				
<p>Key Deliverables:</p> <ul style="list-style-type: none"> Develop a prioritised list of regional, large scale pipeline projects Align with activities undertaken by our Combined Authorities Focus on large-scale collaborative projects that have the capacity to have significant impact for the regional economy and create jobs The North East LEP’s Innovation Board will play a challenge and support role, holding regional partners to account for progress in developing the evidence base and business plans, securing funding and delivering pipeline projects Develop a programme to address identified place-based gaps to supporting business growth Coordinate an approach to securing funds for pipeline projects, including from the National Productivity Investment Fund (NPIF) and Grand Challenges 	<ul style="list-style-type: none"> Project Pipeline Prioritisation approach endorsed by Innovation Delivery board on 21st February Approach endorsed by Local Authority Economic directors on 1st March Outline approach tested with broader innovation community at Innovation Super Network partner group meeting on 28th January EOI call to be launched in early March 3 North East proposals selected to proceed to next round of Strength in Places Fund. This is an excellent return of 3 bids from 4 submitted and builds on the coordination and prioritisation approach led by LEP in June 2018. 	<ul style="list-style-type: none"> Process becomes too bureaucratic and does not add value Updating the Innovation Board becomes a paper exercise rather than a genuine challenge and support process. 	Alan Welby	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Support our businesses to capitalise on local research and innovation capability				
<p>Key deliverables;</p> <ul style="list-style-type: none"> Strengthen collaboration between businesses and innovation assets such as universities, catapults and national centres of excellence Enhance the co-ordination between businesses, sectors and innovation assets Support our innovation assets to successfully secure national funding to run regional programmes Work with service delivery partners such as the NHS and local authorities to take-up and roll-out new delivery approaches 	<ul style="list-style-type: none"> Ongoing work to engage with catapults and universities through the Local Industrial Strategy Strong engagement by Universities and Catapults at workshop to develop a new North East Innovation Business support programme on 28th February 	<ul style="list-style-type: none"> Key partners focus on their national/ international priorities rather than local role Businesses fail to benefit from engagement due to lack of alignment and focus by providers. 	Alan Welby	G
Increase private sector investment into growing innovation businesses				
<p>Key deliverables:</p> <ul style="list-style-type: none"> Support VentureFest and FinanceCamp Develop new approaches to lever private funding from outside the region Develop an open innovation challenge to drive increased collaborative investment Work with universities to continue to grow spin-out success, including through Northern Accelerator 	<ul style="list-style-type: none"> Ongoing development of Venture Fest 2019 Two successful applications to Innovate UK - Regional Angel Investment Accelerator (RAIA) Pilot programme. •Funding allows allocation of £1 million to distribute as grants to SMEs alongside equity investment. Both successful applications (Led by Northstar and Innovation Super Network) are focussed in the region – this is an excellent result given that only consortia would be supported. Alan Welby sat on the Pre-incorporation Funding Panel for Northern Accelerator projects : 10 applications (£356,354) selected 	<ul style="list-style-type: none"> Investment sources are not found to increase private sector investment Current provision fails to adapt to changes in need and demand. 	Alan Welby	G
Engage partners to identify and drive business growth through an Innovation Sectors and Competencies Programme				
<p>Key deliverables</p> <ul style="list-style-type: none"> Identify an prioritise regional innovation sectors and competencies, including assessing where these align with the Industrial Strategy and North East Local Industrial Strategy Put robust governance in place to identify priority areas Ensure buy-in and engagement with private sector Develop a portfolio of projects and programmes Identify leads and capacity to drive activity Improve alignment of innovation activities to skills and business growth programmes 	<ul style="list-style-type: none"> Stage 1 programme in delivery taken forward with the Policy and Strategy Team to support the development of the Innovation Framework and Local Industrial Strategy Technopolis have been appointed to deliver this and are currently engaging with partners including the Innovation Board, local authorities, universities, assets and private sector actors Stage 2 is being developed ready to commission further support, this will focus on the prioritisation of action and development of action plans. 	<ul style="list-style-type: none"> Research findings provide a significant challenge to the current SEP approach Approach fails to build in suitable buy-in from partners. Research fails to result in action and practical delivery. 	Alan Welby	G
Coordinate regional partners to provide enhanced innovation support activity				
<p>Key deliverables</p> <ul style="list-style-type: none"> Supporting the delivery of a programme of innovation support for regional businesses Ensure activity is aligned through successful partnership brokered by the Innovation SuperNetwork Support businesses to increase their investment in RDI Strengthen our links with national and international hubs and networks to generate commercial returns for local businesses 	<ul style="list-style-type: none"> Programme of workshops to work with Innovation Business Support community started on the 28th February with good turnout Event developed and delivered with Innovation Super Network Tender for Business Growth Models and Review of Support drafted and put out for competition in early March Lee Viney - new regional Innovate UK lead for Yorkshire, Humber and the NE inducted into region with meeting with partners, engagement in LIS workshops and hot-desking at LEP. 	<ul style="list-style-type: none"> Complexity of business support model remains Concern over long-term funding holds back engagements from delivery bodies. 	Alan Welby	G

Skills, employment, inclusion and progression | Lead: Michelle Rainbow

Ambition by 2024

Our long-term ambition in the North East is that demand for skills and the quality of jobs continue to improve, leading to high productivity. To deliver this, the North East must be a place where:

- Individuals, regardless of age or employment status, have a good understanding of the employment opportunities available in the North East and the pathways to access them
- Employers have strong links with education and training providers leading to responsive provision that meets local needs
- All partners understand the importance of skills in improving productivity and living standards, with commitment to delivering good working environments for residents

This is an ambitious vision that will require substantial changes to deliver. By 2024, our ambition is that these principles are understood across the region and that there has been significant progress made towards their achievement, providing a strong base to build on in future years.

SEP Action	Progress/ current position	High level risks	Lead	Status
Deliver North East Ambition				
<p>Key deliverables:</p> <ul style="list-style-type: none"> • Develop a primary school benchmark pilot that could influence the national careers strategy • Adoption of the Gatsby Good Career Benchmarks by all secondary schools and colleges • Secure and deliver a £3.4m North East Ambition programme that ensures our education system provides young people with the skills to meet long-term needs of the North East economy 	<ul style="list-style-type: none"> • The LEP is co-funding a pilot deliver the Primary Pilot with the EY foundation. The pilot consists of 70 schools. This represents approximately 10% of schools in the LEP region. The Department for Education are supportive of our work and are following closely the outcomes of the pilot. • The North East is submitted a bid to the Careers and Enterprise Company in February to provide more resources to the pilot over the academic year 2019-20 and to provide additional evaluation resources to ensure the results of the pilot can be used to inform the national pictures. • Recruitment for facilitators is underway. A soft launch is planned for May 2019 and initial preparations for an audit are underway. • We have engaged 40 schools and 10 colleges through careers hubs, intensively supporting the adoption of the Gatsby benchmarks • The North East Ambition Schools Careers Hub has had its first Progress Day at the end of February and this was attended by 34/40 schools. • The first college hub progress meeting is scheduled for March 2019. Through the delivery of series of masterclasses and focused workshops, the hub will meet frequently placing momentum on the progress on priority areas informed by our hub colleges • 115 Enterprise Advisers (EAs) have been recruited from a broad range of both large employers and SMEs. 96 are matched with schools and colleges. Our wider network of schools includes 146 that regularly attend our regional careers network and are engaged in our Enterprise Advisor Network. • The North East Ambition Programme was approved in February 2019 and delivery against outputs is due to begin in Q1 2019 The North East Ambition Pilot project will allow the development of true partnerships between SMEs and educators in the drive to lessen the gap between skills demand and supply. The pilot is aligned to national policy including the Industrial Strategy, Apprenticeship reforms, the Careers Strategy and the forthcoming Technical Education reforms but central to the pilot is the aspiration to improve social mobility in the LEP area and for SME businesses to be able to benefit from a pipeline of skilled people. 	<p>The Department for Education does not implement the 'primary settings' phase of the Careers Strategy or choose an alternative framework. CEC are part of the primary pilot steering group and we are providing regular progress updates to DfE.</p> <p>A lack of intensive support outside the hubs could mean that schools do not commit to implementing the benchmarks across a whole school and with each and every student . The NEA ESF pilot will provide capacity to mitigate this risk.</p> <p>ESF programme risks will be managed by an experienced claims and compliance officer.</p>	Michelle Rainbow	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Deliver Education Challenge				
<p>Key deliverables:</p> <ul style="list-style-type: none"> Partner with the Department for Education and others to consider the allocation of the £24m Opportunity North East funding to improve prospects for young people in the North East, boost social mobility and raise aspirations for children Expand delivery of the Next Generation Learning pilot focussing on schools leadership, high quality CPD, rich employer engagement, early preparation for the next stage, a focus on wider skills, student well-being and teaching and learning through applied learning, project based learning and oracy skills. 	<ul style="list-style-type: none"> As a key stakeholder on the board for ONE that was announced by the DfE in Oct 2018 the LEP have been contributing to its implementation. ONE is investing £12 million in targeted approaches to improve the transition from primary to secondary school, drive up standards – particularly at secondary level ONE is an opportunity for collaboration with Tees Valley Combined Authority, as the ONE Vision Schools are across the wider North East geography. Half of the schools will be involved in Phase 1, the remaining schools will follow in phase 2 in the Autumn term. We continue to work closely with Newcastle University and TeachFirst both in relation to Careers Leader CPD and input into Initial Teacher training. Working with The Edge Foundation and Buck Institute we are working towards hosting a Project Based Learning Institute for 3 days in November with a capacity of 150 teachers from the region and beyond. We continue to support schools pilot schools and more schools across the region through delivery of staff CPD and workshops relating to; LMI, Developing curriculum projects and working more effectively with employers. We have worked closely with STEM Learning Ltd to develop a 4 week online CPD “Careers in the Curriculum”. We continue to work with Wellcome Trust and are part of the board overseeing CPD Challenge, evaluating new approaches to teacher specific CPD across a spectrum of 40 pilot schools. The 2016/17 pilot providing STEM placement for teachers was evaluated it by University of Derby and the evaluation report was released in October 2018. The success of the 17/18 pilot resulted in a larger pilot being developed to deliver STEM placements at scale as part of North East Ambition. The Edge Foundation, as key partners, have recruited a coordinator who will work in the LEP to drive the uptake of teacher industry placements. We continue with our communications campaign to raise the profile and showcase case studies of good practice in school governance through the Academy Ambassadors programme which aims to recruit business leaders to join the boards of Academies. In February 2019 we supported a recruitment event along with the North East Chamber of Commerce hosted by Governors 4 Schools in Durham and are in discussion with them regarding further support. The pilot schools are working towards Ford Next Generation Learning Designation. This will mark the establishment of the first community outside of the US, currently made up of 55 school communities. The designation will be celebrated with a wide group of delegates in Newcastle in June 2019. In March 2019 we will start a recruitment process for 3 more schools or colleges to start partnership work with Ford NGL and Edge Foundation from September 2019. Funding has been secured to support this partnership work. 	<p>Insufficient funding to make sustainable long term impact</p> <p>Insufficient funding to be able to implement at the scale required.</p> <p>Evidence through the pilot is insufficient to convince DfE to make statutory recommendations</p> <p>Funding has been sourced for the continuation of this work for a further 12 months – to December 2020. We need to ensure there is funding for a wider roll-out</p>	Michelle Rainbow	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Improve skills progression				
<p>Key deliverables:</p> <ul style="list-style-type: none"> • Develop a list of the region's assets within FE, HE and other providers to inform future investment and provision • Promote the North East as a potential location to pilot a system to help individual recognise and record their transferrable skills • Work with the Apprenticeship Growth Partnership and other partners to increase the number of apprenticeships available at all level within growth and labour-intensive sectors • Support partners to implement good quality T-levels and specialist technical education to widen choices for young people • Secure funding to deliver a university pilot project focusing on careers and opportunities • Promote the North East as a location to 'Live Work and Stay' for recent graduates and skilled workers 	<ul style="list-style-type: none"> • From April 2019, the Employment and Skills board will take responsibility as the North East's Skills Advisory Panel (SAP). The board brings together local employers and skills providers to pool knowledge on skills and labour market needs, and to work together to understand and address key local challenges. • Alongside the governance guidance, an analytical toolkit and accompanying list of useful data sources have been published to support Skills Advisory Panels to carry out high quality local skills analysis and identify their existing and future skills gaps and employment priorities. • The LEP and other partners are currently scoping the pilot programme for transferable skills. The pilot will be influenced by the findings in the Taylor Review • The Apprenticeship Growth Partnership meetings continue and the LEP is supporting national campaigns to raise awareness and promote apprenticeships to employers, young people, schools and parents and is actively engaging in the 'Fire It Up' Campaign and National Apprenticeship week through our Growth Hub, social media and a series of videos commissioned to showcase the benefits of hiring an apprentice. • We now have two LEP representatives who sits on the Apprenticeship Ambassador Network (AAN) which is a group of employers whose main aim is to spearhead the drive to engage new employers to commit to apprenticeship delivery. • A priority for the LEP remains to monitor the KPIs regarding uptake of apprenticeships. The end of year data showed that 16,600 were started in the LEP region in the academic year 2017/18. This represents a drop in the number of starts however, the region still represents the highest number of apprenticeship starts per employed person. • Evidence for the refreshed SEP and emerging findings from our productivity review illustrate that the largest skills gap in the North East is in technical skills. This is not dissimilar to the national picture overall but the shortages in particular sectors (where STEM skills are required) are higher than the national average. • The Skills Advisory Panel (SAP) will be able to share their data analysis with regional providers, DfE and sector groups to support in decision making regarding investment into provision and infrastructure. • We continue to work with the four universities in the region and Universities UK to shape a pilot programme. A meeting was held with the Office for Students (OfS), where the work of the LEP and the North East Collaborative Outreach Programme (NECOP) was identified as the example of good practice nationally. We hosted a delegation from OfS in June 2018, to support them in their review and development of the programme nationally. We have been invited to attend a national working group to extend this work. We have identified further good practice at a university outside of the region and we are working closely with them to share this with North East universities. A call for proposals from the Office for Students was issued in late 2018, the LEP provided support to bidders • Phase 2 of the media campaign for Live Work Stay is underway with strong social media engagement. Full details of the campaign and the figures will be provided in the next board update. 	<p>SAP analysis baseline is funded for one year. The data will need to be reviewed and refreshed regularly (yearly).</p> <p>A source of funding for the pilot is not found.</p> <p>Emerging government policy on T-Levels placements may result in reluctance from employers to provide apprenticeships. This risk can be managed through a clear communication campaign highlighting the opportunities in emerging policy.</p> <p>Government does not prioritise the roll-out of the T-levels or policy changes</p> <p>OfS bids are unsuccessful and work on a pilot is delayed.</p>	Michelle Rainbow	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Increase youth employment				
<p>Key deliverables:</p> <ul style="list-style-type: none"> • Continue to deliver Generation North East and the model to prevent youth unemployment • Provide specialist intensive support for those most distant from the labour market because of disadvantage, poverty and poor physical and mental health • Grow the number of apprenticeships by developing access courses • Ensure young people are able to develop their digital skills. This required digital skills to be built into school, FE and HE courses, exploring new model of delivery including working to secure and Institute of Technology in the region and ensuring that support for young people not in education, employment or training includes digital skills training 	<ul style="list-style-type: none"> • Generation NE has been operational since July 2014 and the programme has supported over 5000 young people - www.GenerationNE.co.uk. • From January 2019, The Princes Trust will be joined the Generation NE project as a delivery partner, offering Get Started, Get Into and Fairbridge programmes. • Generation NE continues to develop its fully digital support offer for young people who are unemployed, underemployed or in precarious employment, with over 700 young people being supported entirely online and digital services now being extended to provide additional support to those on a face to face pathway. A full Randomised Control Trial evaluation of this service has begun and new services, including an in-work progression service, are due to be launched in 2019. • DurhamWorks aims to support 10,000 16-24-year-old unemployed County Durham residents into employment, education or training. Since the programme commenced in January 2016, 5,545 young people in County Durham have been engaged. Of the 2,816 who have completed the programme to date, 2,494 have progressed into employment, education or training. • Links to Work is the DWP 'Opt-In' programme for the NE, utilising £6m ESF to support 2,500 unemployed residents with health conditions to find work, delivered by Working Links. From January 2017 to end of December 2018, 2,499 people participated, and 903 jobs were secured. DWP did not grant an extension and the programme is scheduled to end by December 2019. • In February, it was announced that Working Links had entered administration and in early March announced that the part of the company was being bought by Fedcap Employment Ltd, including DWP contracts. At time of writing, clarification from DWP about delivery of the remainder of the contract had not been received • Data indicates that the patterns of apprenticeship uptake are changing with the number of people taking an apprenticeship at a higher level increasing but Level 2's are decreasing. Access courses or opportunities to have an introduction to the apprenticeship to be studied have proved to be very successful and we are considering with partners, what these 'taster' sessions might look like and how they may be funded. This work is ongoing. • Part of the analysis to be carried out by the Skills Advisory Panel (SAP) will be an analysis of specific skills demand and shortages. It is envisaged that digital skills shortages will feature strongly, as research carried out by IPPR, the evidence base for the renewed SEP and others including digital sector member organisations have highlighted. • A North East bid for an Institute of Technology is progressing, the development of T Levels is underway with several North East pilots and more broadly there is a renewed focus on digital skills training in most provision for learners across all age groups. As details of new funds (UKSPF) or changes to the way existing funds (AEB) are allocated emerge evidence-led, high quality provision must be further developed as well as careful consideration regarding the allocation of the remaining existing funding programmes. Work with ESIF members and sub-groups, FE and private providers, government departments including DCMS are underway. 	<p>The majority of activity within this region is funded through European Funds. Details of funds to replace them have not yet been provided, however it is anticipated that the amount of future funding will be less. It is extremely important that we have a robust evidence base of the interventions that have the most impact and all projects have been asked to start to consider this.</p> <p>The potential inability to identify ways in which to fund this either through existing routes or pilot projects means that this group are unable or unwilling to access apprenticeships.</p> <p>The digital sector is fast moving, and skills programming can lag behind the sector, reducing effectiveness. Programming will be designed to be flexible and adaptable, so it can meet sector demands.</p>	Michelle Rainbow	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Improve labour market activation				
<p>Key deliverables:</p> <ul style="list-style-type: none"> • Continue to develop holistic packages of support for people facing health barriers to employment, building on successful projects such as Mental Health Trailblazer and Working Links, showcasing the benefits of collaboration • Ensure support is in place for those that have moved from unemployment of inactivity into work to help them progress and acquire further skills • Increase take up of Better Health at Work Awards and similar schemes to employers, to share employment and human resources best practice 	<ul style="list-style-type: none"> • Mental Health Trailblazer is delivering integrated employment support and psychological therapy to jobseekers with mental health conditions across the LEP area. The Trailblazer operated as a The Random Control Trial from January 2017 to October 2018 with 1,093 participants (838 treatment and 255 control group). An evaluation will be published by Behavioural Insights Team in April 2019. • As the project is due to complete in December 2019, sustainment of the model or similar activity are a priority, to avoid a significant gap in provision across the LEP area. Further ESF opportunities will be explored, contingent on open call specifications from May, but more sustainable options will require discussions with CCGs and other partner organisations to explore options for pooled funding and/or joint commissioning. • This is part of an ongoing wider piece of work focusing on 'Good Work'. Further detail will be provided the work develops. It is envisaged that data from the SAP will provide areas of focus based on demand (skills shortages) and evidence from partner organization including trade unions, business membership organization and sector groups. • There has been an upturn in the numbers of seminars and events in 2018/19 promoting the benefits of BHAWA and sharing HR best practice. The LEP are promoting the Award and having achieved the Bronze Award are now working towards the next stage. An implementation plan is now in place with themes chosen following the consultation with staff. 	<p>The majority of this type of activity within this region is funded through European Funds. Details of funds to replace them have not yet been provided, however it is anticipated that the amount of future funding will be less.</p> <p>Emerging strategy and will require robust evidence from partner organisations and the SAP to create effective and evidence-based programming.</p> <p>Economic uncertainty could slow uptake of Better Health at Work Scheme.</p>	Michelle Rainbow	G
Ensure connected communities				
<p>Key deliverables:</p> <ul style="list-style-type: none"> • Provide targeted support for communities and individuals, focusing on those with multiple barriers or protected characteristics, and ensure this is a strategic funding priority • Work to secure funding and other resources to ensure that all North East residents are able develop their digital skills regardless of their age, location or economic status • Consideration of digital skills provision and local digital infrastructure must be prioritised 	<ul style="list-style-type: none"> • One of the national programmes with local delivery is the National Careers Service who have provided locally tailored information advice and guidance and supported customers to achieve positive outcomes particularly for those who are most disadvantaged in the labour market. • The North East is showing success in contract delivery with an expected profile of 13,720 customers from 1 Oct 2018 to 31 March 2019. At the end of February 14,791 customers have already been supported. March is generally the strongest month for service delivery, and with an expected 500 customers supported; we are well over all contract KPIs. • Over £70m of ESF projects are currently live, with many more coming on stream later this year. ESF projects have a strong focus on supporting disadvantaged groups and we expect to see some important results from these projects to help address long term imbalances in future. • There is still a substantial amount of the allocation of European Social Fund not under contract, with a relatively small time to deliver compliant and impactful interventions. The ESIF committee, the ESF working group and the LEP are working together with the Managing Authority, DWP, to look at ways delivery of programmes can be maximised • This is part of the overall ESIF strategy and will be a priority in the development of future provision. The SAP will provide the start of the detailed analysis of the requirement. 	<p>The majority of activity within this region is funded through European Funds. Details of funds to replace them have not yet been provided, however it is anticipated that the amount of future funding will be less.</p> <p>The short time available to programming with ESF funds and uncertainty about the structure and provision of future funds may adversely affect the level of programming.</p> <p>Limited time window to develop impactful ESIF programming.</p>	Michelle Rainbow	G

SEP Action	Progress/ current position	High level risks	Lead	Status
Help deliver Fuller Working Lives				
<p>Key deliverable:</p> <ul style="list-style-type: none"> Continue to develop and implement the North East's Fuller Working Lives strategy with a supporting communications plan that targets employers and addresses the challenges and opportunities around this agenda 	<ul style="list-style-type: none"> The LEP highlighted the FWL strategy at sector events including CBI Diversity Conference, BIONow, NOF, Tech Talent Charter and People Power. The FWL toolkit is now live via the North East Growth Hub. The toolkit features local employers demonstrating best practice; calls to action and employer support services. The DWP central policy team for FWL continues to attend our Task & Finish Group and is supportive of our strategy. The DWP produces a monthly bulletin to national stakeholders and highlighted the LEP's approach as best practice and we are currently working with the Head of Employer Engagement and Trials at DWP to consider next steps. 	<p>Strategy does not maximise opportunities for the North East.</p>	<p>Michelle Rainbow</p>	<p>G</p>

Transport connectivity | Lead: Philip Meikle

Ambition by 2024

Our ambition is once of improved, greener and more sustainable transport options, including public transport, cycling and walking.

New mobility solutions will make travel simpler and affordable across our distinctive local economy. Quality infrastructure will make for reliable, fast journeys with connectivity into national and international freight and passenger networks. This network will be the enabler to sustainable growth and opportunity, and to the North East being an outward looking economy attracting trade, investment and visitors from across Europe and the world.

Through the Strategic Economic Plan we have established a strong investment pipeline. Our aim is to continue to deliver continuous improvement in a modern, integrated transport system that underpins our economic ambitions.

SEP Action	Progress/ current position	High level risks	Lead	Status
Ongoing transport project delivery				
<p>Key deliverables:</p> <ul style="list-style-type: none"> Continued infrastructure renewals on the Metro system to promote system reliability Further roll out of electric vehicle charging points through the Go Ultra Low North East programme to encourage the uptake of Ultra Low Emission Vehicles in the region Delivery of the Local Growth Fund transport programme and the Local Sustainable Transport Fund capital programme 	<ul style="list-style-type: none"> Delivery of the Metro Asset Renewal Programme continues to plan with £300m now invested in infrastructure renewals since 2010. Work in the remaining 2 years is focussed on track renewals between Gateshead and South Shields together with system wide Overhead Line Equipment replacement. Additionally, over the next 2 years, 'halt' stations continue to be refurbished, maintenance of the signalling systems will be undertaken and new system wide CCTV cameras will be installed. Through the GUL project a total of two EV filling stations and 11 rapid charging hubs will be delivered by the end of 2019. Furthermore, we have been successfully awarded funding to install 10 charging points around the region. The charging points will be specifically for the taxi trade. Delivery of the LGF transport programme is progressing well. Schemes are at various stages of delivery, risks are being actively managed and progress is being monitored. Completed schemes are required to fulfil ongoing monitoring requirements. 	<p>Beyond 2020/21 funding for Metro Infrastructure renewals is unconfirmed</p> <p>Delay to the installation of rapid charging clusters due to external factors</p> <p>Projects slip outside LGF funding period. Projects do not deliver specified outputs and outcomes.</p>	<p>Tobyn Hughes</p> <p>Philip Meikle</p> <p>Philip Meikle</p>	G
Secure funding from Transforming Cities Bid and commence delivery				
<p>Key deliverables:</p> <ul style="list-style-type: none"> A high-quality bid, that secures significant funding for the sustainable transport network Begin a programme of sustainable infrastructure interventions in public transport, walking and cycling Develop the foundations of an innovative new mobility ecosystem with digitally based ticketing 	<ul style="list-style-type: none"> A project delivery team has been established to produce a high quality bid. A high quality consultant team has been commissioned to support important technical aspects of the bid. The team is engaging constantly with the Department for Transport and key stakeholders to ensure all requirements are captured and delivered. A discovery project has been undertaken by Nexus, which has led to a compelling proposition for mobility innovations that has wide support in the city region. Funding opportunities for an ambitious Future Mobility Zone programme is now being developed. 	<p>Lack of agreement regionally about the schemes that comprise the funding programme:</p> <p>Government is unable to provide funding for our Future Mobility Zone.</p>	Philip Meikle	G
Deliver better connectivity through improved infrastructure				
<p>Key deliverables:</p> <ul style="list-style-type: none"> Interventions on the local Strategic Highways Network, including major junction projects and commencement of A1 improvements Roll out of the first trains in the Metro fleet replacement programmes 	<ul style="list-style-type: none"> A19: Silverlink junction improvement scheme is on track and due to open this month. Construction is about to commence on Testos/ Downill lane, which will create a free flowing A19 between North Yorkshire and Northumberland. The region has highlighted Moor Farm and Seaton Burn for inclusion in Roads Investment Strategy (RIS2). A69: two junction schemes in the Hexham are due to commence to improve 	<p>Spending review impacting on funding allocations for highways, Confirmation of the Roads Investment Strategy 2 (RIS2). Being delayed.</p>	Tobyn Hughes	G

SEP Action	Progress/ current position	High level risks	Lead	Status
<ul style="list-style-type: none"> Commissioning of electric vehicle filling stations and charging clusters 	<p>flow.</p> <ul style="list-style-type: none"> A66: Planning for the dualling scheme is progressing with route announcements due in 2020. A1: Western Bypass improvements at Coalhouse-Birtley and at Scotswood-North Brunton due to commence in 2020/21. A1 in Northumberland, Consultation started on the Alnwick – Ellingham dualling. Due to start alongside Morpeth-Felton dualling and north of Ellingham junction improvement schemes in 2020. The region is highlighting two strategic studies to be completed in RIS2 to complete the dualling on the A1 and to improve access to Newcastle International Airport. The notice for the main contracts (fleet, depot, maintenance) went live in the Official Journal of the European Union (OJEU) on 7 June 2018 and, following evaluation of the Selection Questionnaires (SQs), 5 companies were invited to tender on 14 September 2018. Since then Nexus has had a number of meetings with its Tenderers as part of the procurement process and is expecting the first round of tender submissions the 22nd March 2019. The Sunderland Filling Station is currently under construction and is due to be completed and operational by the end of March 2019 with the sister station, located in Newcastle Helix and owned by Newcastle University, to be operational by Summer 2019. The first phase of the Rapid charging clusters will be installed by Summer 2019 with the second phase currently planned to be installed by the end of 2019. 	<p>North East schemes not featuring within RIS2.</p> <p>Possibility of costs escalating, the potential for delays, could adversely impact on affordability and deliverability of the project.</p> <p>Delay to the installation of rapid charging clusters due to external factors e.g. DNO connection</p>	<p>Tobyn Hughes</p> <p>Philip Meikle</p>	<p></p>
Develop a future transport investment pipeline				
<p>Key deliverables:</p> <ul style="list-style-type: none"> Development of the North East Transport Plan including supplementary thematic strategies designed to support our economy Continued participation in Transport for the North and Rail North to identify pan-Northern connectivity priorities A pipeline of schemes matched to targeted funding solutions 	<ul style="list-style-type: none"> The development of the North East Transport Plan continues. The TfN Strategic Transport Plan was approved by TfN Board on the 7th February, this included Northern Powerhouse Rail, Strategic Corridors and the Long-Term Rail Strategy. The next steps are to progress schemes through the business case process. The pipeline of schemes is in the early stages of development. Working with scheme promoters to develop the pipeline. 	<p>A list of schemes is not agreed. Delivery of the Plan is delayed</p> <p>Targeted funding solutions are not identified. Prioritised pipeline is not agreed.</p>	<p>Philip Meikle</p>	<p>A</p>
Improve national and international connectivity				
<p>Key deliverables:</p> <ul style="list-style-type: none"> Delivery of the programme of interventions outlined in the Newcastle Airport Masterplan to grow routes and foster wider business growth in associated sectors Agreement with Northern Powerhouse Rail and others on approach to East Coast Mainline improvements Ongoing augmentation or port capability to support trade and investment and to foster growth in key regional areas of opportunity including energy and advanced manufacturing 	<ul style="list-style-type: none"> Masterplan 2035 adopted by Newcastle International Airport's Board and to be published on website in the Spring. Major car park redevelopment underway and planning for new wayfinding has commenced. Replacement airline (Loganair) for Brussels and Stavanger routes secured. Other route development work ongoing, but commercially confidential. The Strategic Outline Business (SOBC) case for NPR was approved by the TfN Board on the 7th February. Preparations are underway to further refine to produce a single network concept for the whole of the North. The SOBC included for ECML improvements on the Leeds to North East corridor. The North East Freight Partnership liaises with local ports and a major water freight event was held in Sunderland during February attended by representatives from regional ports. Port operators have a range of investment plans to take advantage of future commercial opportunities. 	<p>Additional routes are not agreed</p> <p>Secretary of State approval to proceed is awaited</p>	<p>Philip Meikle</p>	<p>A</p>

SEP Action	Progress/ current position	High level risks	Lead	Status
Use transport to drive innovation and business growth				
<p>Key deliverables:</p> <ul style="list-style-type: none"> Joint work across all transport modes to identify opportunities for innovation areas including energy, fuels, digital mobility and the development of the Centre for Connected Autonomous Vehicles Collaborative work with tourism agencies to strengthen the offer for business and visitor tourism Collaborative work to develop supply chain and skills development programmes linked to transport and logistics 	<ul style="list-style-type: none"> We are continuing to work jointly across all modes to identify opportunities for innovation areas. New regional inbound tourism website www.visitnortheastengland.com has been built and will go live in the Spring. Domain name has been transferred from the Northern Tourism Alliance with the support of all DMO's and LA's. Work continuing with VisitBritain on Gateway project, supported by NGI on behalf of regional DMO's. Planning underway for a series of campaigns in overseas and other inbound markets during 2019. NIAL is inputting to LEP regarding Local Industrial Strategy to secure support for inbound tourism. The North East Freight Partnership's Skills Working Group will hold further meetings in 2019-20, in conjunction with industry and training providers, to discuss skills needs and how to address recruitment challenges facing the industry. 	<p>Opportunities are not identified</p> <p>Low uptake of the Skills Working Group meetings.</p>	<p>Philip Meikle</p> <p>Graeme Mason</p> <p>Philip Meikle</p>	<p>A</p>

Investment and infrastructure | Lead: Helen Golightly

Ambition by 2024

Through focussed and coordinated investments we will address market failures and competitive weaknesses. We will work with partners to quicken the pace and scale of investment across the North East, focusing on our business and infrastructure investment opportunities and needs. Opportunities for job and productivity growth on strategic employment sites, in town and city centres, along strategic transport corridors, in our culture and tourist hubs and in the rural economy will be prioritised.

SEP Action	Progress/ current position	High level risks	Lead	Status
Manage the already secured North East LEP funding effectively				
<p>Key deliverables:</p> <ul style="list-style-type: none"> Invest the £270m Local Growth Fund (LGF) grant into transport, infrastructure for strategic science parks and employment sites, plus skills and business growth activities Maximise the loan investment opportunity for the £55m North East Investment Fund (NEIF) Progress delivery of the 21 Enterprise Zone sites' infrastructure programme 	<ul style="list-style-type: none"> £261.2m LGF contracted and £7.3m allocated to pipeline projects. Unallocated budget is currently £1.6m and expected to rise following confirmation of project underspends to circa £3.4m. LGF budget allocation for 2018/19 is £51.7m. Latest forecast expenditure £45.46m (temporary funding swaps with NECA can help spend balance) 48 major LGF projects alongside 4 mini programmes approved to date. Over £67m NEIF invested through programme to date with approximately £10m available to invest. Fund review commenced in 2018 and planned to complete in Spring 2019. 28 NEIF Projects supported over lifetime of the fund £130m of EZ mechanism funding approved to date. Additional £46.8m forecast to be required to support the remaining EZ development sites 45 businesses occupying EZ sites, employing more than 1,400 people. 	<p>Timely re-allocation of uncommitted LGF budget is required to help ensure spend by programme end</p> <p>Job outputs behind forecasts and options considered for sustained job creation</p> <p>Lack of speculative development may limit the attraction of businesses on some sites.</p>	Helen Golightly	G
Coordinate partners to develop a regional project pipeline based on spatial economic priorities				
<p>Key deliverable:</p> <ul style="list-style-type: none"> Produce a regional project pipeline based on agreed spatial economic priorities through effective partnership working with the two combined and seven local authorities, business and education partners and government 	<ul style="list-style-type: none"> Process and timetable for preparing updated project list to be set out in Spring 2019. The Spatial narrative will be informed by the propositions developed through the LIS evidence base. Timescales and milestones to be taken to the LEP Board in May 2019 	Buy in from the region to the process and outputs	Helen Golightly	G
Secure additional investment into the North East				
<p>Key deliverables:</p> <ul style="list-style-type: none"> Secure UK government funding linked to delivering the Industrial Strategy into the region Secure the notional allocation of European Structural Investment Funds into the region with partners Work with public and private sector partners to develop and secure funding for strategic projects 	<ul style="list-style-type: none"> Pipelining work for LIS underway, leading to a series of propositions that will be included in the LIS submission to Government: expected that LEP Board will receive an update on this work during the May 2019 meeting. Details awaited from Government on 'Strengthening Towns' new funding allocation. Approximately 54.4% of regional ERDF funds are formally contracted to February 2019, and 48% of ESF funds and 27.5% of the EAFRD. Business case for regional 5G project in development 	<p>Limited availability of development fund. Strong national competition</p> <p>Need to retain strong project pipeline</p>	Helen Golightly	A

SEP Action	Progress/ current position	High level risks	Lead	Status
Increase access to finance for business to invest				
<p>Key deliverables:</p> <ul style="list-style-type: none"> Effectively deliver the North East Fund Identify gaps and market demand for new business finance models Develop business finance mechanisms to meet the need of North East businesses 	<ul style="list-style-type: none"> The North East Fund: the fund has made a solid start, with the value of investments made broadly in line with plan. With 80% of the year one target achieved, we are approximately one month behind the financial model, although this does not take account of the fact that Q1 was not a full quarter. All funds are reporting a strong pipeline of deals and it is expected the North East Fund will reach £20m invested within the next couple of months. 99 investments made, 51 of which are for the Innovation Fund, (up from 61 investments at last report), total value £15.6m (up from £8.8m). Review of the NEIF has involved North East Commercial/Industrial Property Market Assessment; a Preliminary Market Engagement exercise examining demand for a Commercial Property Fund; and a Review of gaps in the Access to Finance provision in the North East. These are in progress and planned to complete May 2019. 	Failure to attract high quality investment bids	Helen Golightly	G

Communications update

March 2019

North East
Local Enterprise Partnership



Total followers		Followers increased by
Twitter	9,753	(+1.8%)
LinkedIn	3,667	(+4.2%)

since January

Total reach (impressions since January)

Twitter	218,000
LinkedIn	3,667

Top performing LEPs on Twitter:

Leeds LEP

9855

North East LEP

9753

Black Country LEP

7938

Worcestershire LEP

7571

Top posts:

■ Paid
 ■ Organic

Twitter

	Reach	Responses	Clicks	Retweets
With tens of thousands of students graduating from North East universities and colleges each year, how can we encourage more to #LiveWorkAndSta...	64,449	44	0	42
Well, we knew she was a champion but now it's official!! Congratulations to our Chief Executive, Helen Golightly, North East Champion at the #GlassSlip-	38,913	30	0	12
Today we publish our updated Strategic Economic Plan for the North East, reinforcing our ambition to create 100,000 #moreandbetterjobs	131,311	29	100	28

LinkedIn

	Reach	Engagement	Clicks	Likes
Today we publish our updated Strategic Economic Plan for the North East, reinforcing our ambition to create 100,000 #moreandbetterjobs...	1,624	4.7%	32	40
Check out #investnortheast video showcasing the fantastic business ecosystem in North East England. A hot bed for talent and innovation, the region...	534	4.1%	11	10
The #NE is a great place to live and work, with the largest light rail system in the UK outside London, competitive housing prices and lowest UK average	1,116	3.8%	16	22

Mentions:

2898

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

Sentiment:

Positive **1,633**

Neutral **262**

Negative **4**

Note: The negatives came from a non-influential account with little following, and not actionable.

Highlights:

We had our best ever organic tweet this month, with Helen Golightly being named North East Champion at the Glass Slipper awards.

This tweet reached **38,913** users, received **106** likes, **18** comments and **4** retweets.

Upcoming events:

10 May: Our Economy event

23 May: Be the Business learning and development mentoring event

12 June: Skills celebration event

Priority actions for the next two months:

Action 1:

Lead on the communications and engagement work stream for the development of the North East Industrial Strategy.

Action 2:

Our digital agency, Daykin and Storey, announced they would cease trading in April 2019. We have procured a new provider, Narrative Communications, and will be focused on managing a seamless transition between the two agencies.

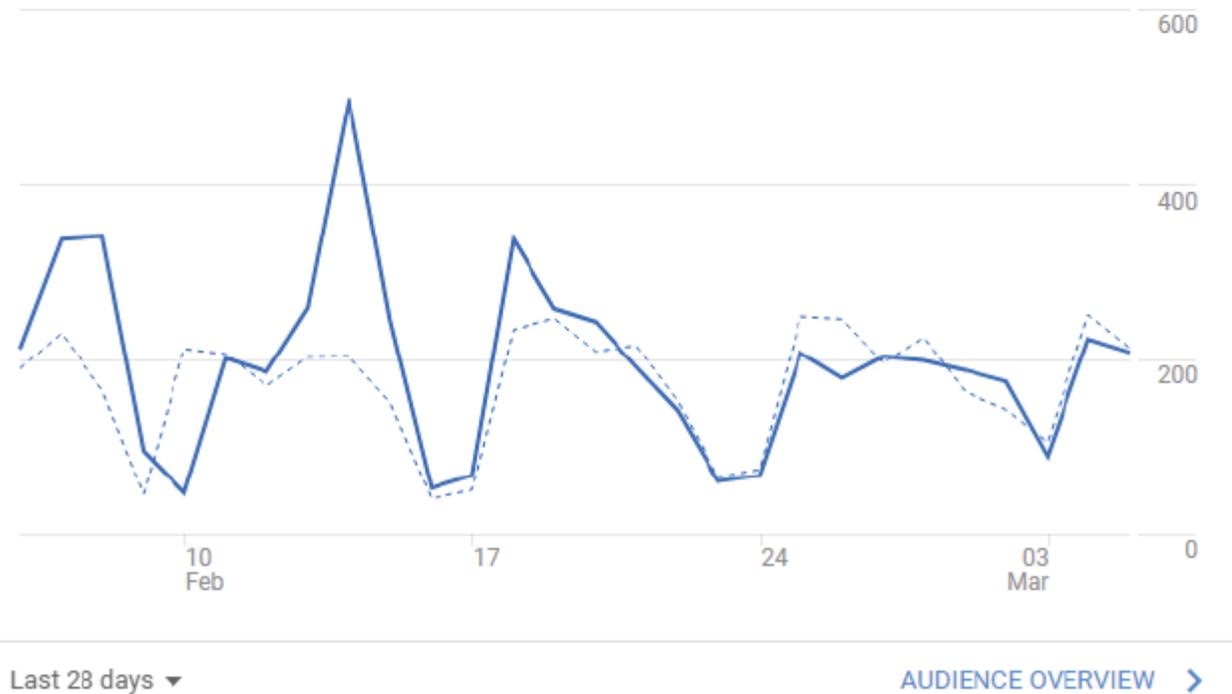
Action 3:

Following the successful announcement of our ESF bid, we will ensure comms is embedded within the North East Ambition programme.

Website performance summary:

- Website traffic is up +16.4% (4.8k)
- Bounce rate is up 11.5% (57.51%) and average time on page is 2m 01s (-14.8%)
- We are making changes to the website to give the SEP more prominence and to streamline ways people can contact us.

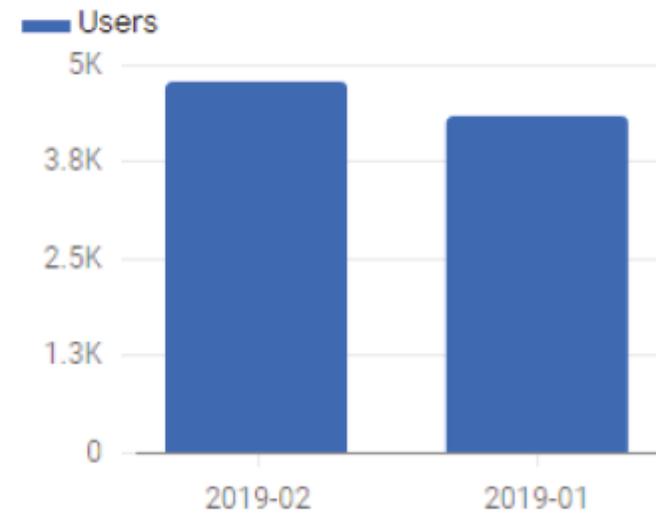
Users	Sessions	Bounce Rate	Session Duration
4.8K	6K	57.61%	2m 01s
↑16.4%	↑11.4%	↑11.5%	↓14.8%
vs last 28 days			

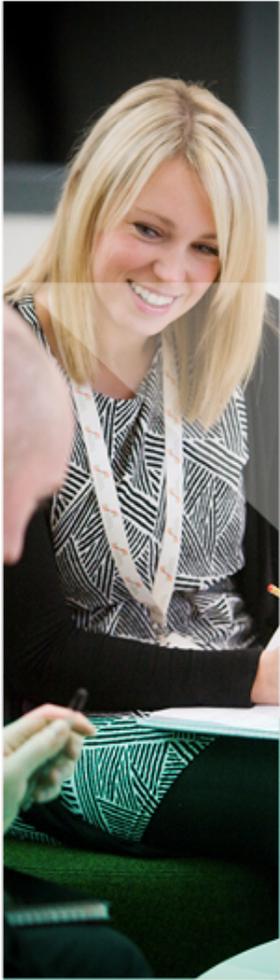


Great work! You just hit a new record for monthly users.

Jun 8, 2018 – Feb 28, 2019

Your website had 4.78K users this month.





North East

Local Enterprise Partnership



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



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21 March 2019

ITEM 5: Brexit preparations

1.0 Purpose of the paper

- 1.1 At the time of preparing this paper there remained considerable uncertainty about the outcomes of the discussions of the proposed Brexit withdrawal deal and the future process beyond.
- 1.2 This paper updates on work at regional level following the briefing provided to the Board in November. It refers specifically to the ongoing work of the North East Brexit Group, facilitated by the North East LEP, however there is now an extensive network of monitoring and resilience arrangements in place which are illustrated in annex 1.
- 1.3 The focus of work is now firmly on the possibility of a 'No Deal' decision, either intentional or accidental, although there is a wider work programme underway to consider issues which would flow from a positive Deal.

2.0 Monitoring

- 2.1 Since November a significant network of monitoring arrangements have been developed seeking develop a clear oversight of issues and challenges and feeding into Government departments. The North East Brexit Group has sought to maintain an oversight of these arrangements and ensure that there is a flow of information about economic issues into the Department for Business, Energy and Industrial Strategy (BEIS) directly through the Growth Hub and direct to the BEIS regional office, and that appropriate co-ordination is undertaken between different strands of activity.
- 2.2 The group has created an Infrastructure Sub-Group involving the Ports of Sunderland, Tyne and Blyth, Newcastle International Airport and NEXUS to ensure oversight and co-ordination of physical infrastructure in the region including work understanding liaison with the Department for Transport on infrastructure planning and the Home Office on border arrangements. This has been welcomed, is well attended and is working together on a number of issues.
- 2.3 The Ministry of Housing, Communities (MHCLG) has created a formal monitoring and organisational infrastructure working through the 12 North East Local Authorities co-ordinated by South Tyneside Council which is maintaining a general oversight of regional and issues impacting on local authority responsibilities. There is a system of weekly information exchange between this system and the Brexit Group.
- 2.4 The Brexit group is also now attended by representatives from the regions network of resilience forums enabling economic issues to be fed into the formal system for resilience planning around environmental and health risks and the work of 'blue-light' services.

3.0 Information for business and 'No Deal' preparation

- 3.1 A number of activities have been established on behalf of the group aiming to provide support for businesses, to manage immediate or medium term risks or to seek to take advantage of opportunities.
- 3.2 On behalf of the Brexit Group the North East LEP has commissioned research on the question of Free Trade Zones and associated arrangements. This work will ensure that the region can fully understand the legal and economic issues which such an approach could offer the region as a mechanism to manage risks of rising tariff costs and changes in the dynamics of key supply chains. We are aware of other similar pieces of work in the Tees Valley and other parts of the North and opportunities for joint discussion of these approaches are being taken.
- 3.3 The Growth Hub toolkit which was developed by the LEP's Business Growth team and Brexit Group continues to generate a great deal of interest and is now highlighted as good practice in national forums including the Growth Hub and LEP Network. Self-referrals to the site have reached a high level, including from other parts of the country although the advice fund which was established alongside the toolkit has not been used to date.
- 3.4 A discussion has taken place with the Bank of England to understand the approach of banks to funding, given comments received from around the region. Key points include; Banks are comfortable that arrangements are in place to allow tourists to use credit cards abroad in a 'no deal' scenario; Stress tests on capital have taken place, looking at risks and resilience of different scenarios to a level that is twice as damaging as the recession; Banks are looking for opportunities to invest and Brexit confidence is not slowing down lending; Banks are asking sensitivity questions around Brexit, to test if businesses are planning and prepared, but there is no evidence of risks to businesses from lack of availability of capital. As with other parts of the public sector, the Bank of England is monitoring business perceptions on a weekly basis and feeding intelligence centrally.
- 3.5 The Brexit Group has asked the North East LEP to convene an Emergency Response Task Force to provide a point of co-ordination in the case of regional scale impacts of a major Brexit business decision or wider economic shock. This is being convened by the Business Growth Team as a rapid response mechanism with the involvement of a core group including the North East LEP, NECA, NTCA, DWP, Skills FA and NE Finance. A terms of reference and operating arrangements with respect of local government and central government account management relationships is being developed.

4.0 Future UK policy

- 4.1 There are multiple policy issues which will be in scope once the UK has withdrawn from the EU both in terms of adopting new domestic legal frameworks and negotiating the future relationship with the EU. The group has prioritised the following.
- 4.2 Preparing for the white paper consultation on future migration policy. There are a number of proposals likely to feature in the white paper, which have been identified as important for North East labour markets. These include changes to policy which bear risks to continuing flows of skills, in particular high level skills, as a result of the proposed salary cap and systems for managing mobility of workers. A survey of

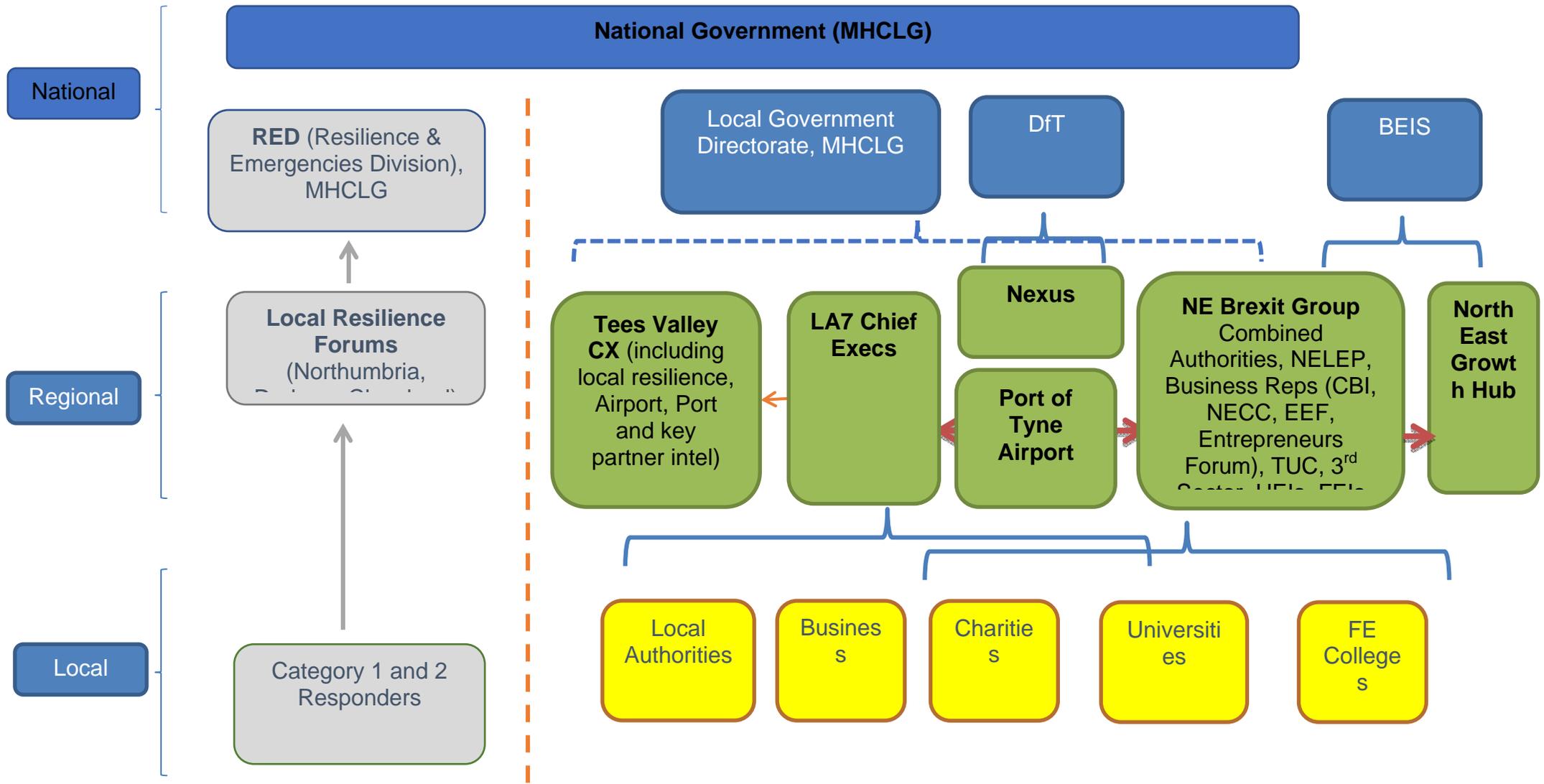
businesses has been undertaken in preparation for a North East response.

- 4.3 The Group continues to monitor the position with respect of post-Brexit funding arrangements including the development of the UK Shared Prosperity Fund (UKSPF). As with many other issues, the expected Green Paper consultation has been delayed as the Brexit negotiations have continued but informal discussions continue. The Group noted the framework of the recently announced Stronger Towns Fund which will provide £1.6 billion of funding to Towns across the UK. The limited guidance to date suggests that the fund will be devolved to LEP's over a 7 year programme period.
- 4.4 Invest North East England and the Chamber of Commerce continue to work to understand different inward investment and financial incentives, and schemes such as the Export Finance Guarantee Scheme to help reduce risk for companies.
- 4.5 Further work has been done on the proposal set out in the November paper to consider a North East presence in Europe post Brexit including discussions with the region's Universities. A proposal for a shared office is being developed with the objectives of:
- To ensure ongoing policy liaison and working relationships with European partners and institutions following the closure of the MEP's office
 - To gain insight on the future relationships and to influence discussion about post-Brexit programme arrangements for key programme valued by partners in the region such as H2020, Erasmus and Inter-regional co-ordination programmes which are seen to be important
 - To provide a point of information, reference and co-ordination for regional partners engaged in wider programmes of economic and social co-operation and engagement
 - To work with other regions in the UK and EU to support inter-regional communications and co-operation, and marketing about the region including, for example, recruitment of staff and students

5.0 Recommendation

- 5.1 The Board is asked to note the content of this report and provide comment.

Annex 1



21 March 2019

ITEM 6: Local Industrial Strategy Update

1.0 Background

1.1 Board have previously been briefed that the North East LEP is one of the first six areas to be invited to work with the Government on the development of a Local Industrial strategy (LIS), following pilots in the West Midlands and Greater Manchester. The outline process is summarised at Annex 1. Work is now underway on this plan and this report briefly updates on progress to date.

2.0 North East Strategic Economic Plan

2.1 The North East Strategic Economic Plan has now been completed and was launched on 14 February 2019. It is the underpinning framework for the North East LIS and provides an underpinning evidence base and details of our regional key programmes.

2.2 The new SEP is available at: <https://www.nelep.co.uk/the-plan>

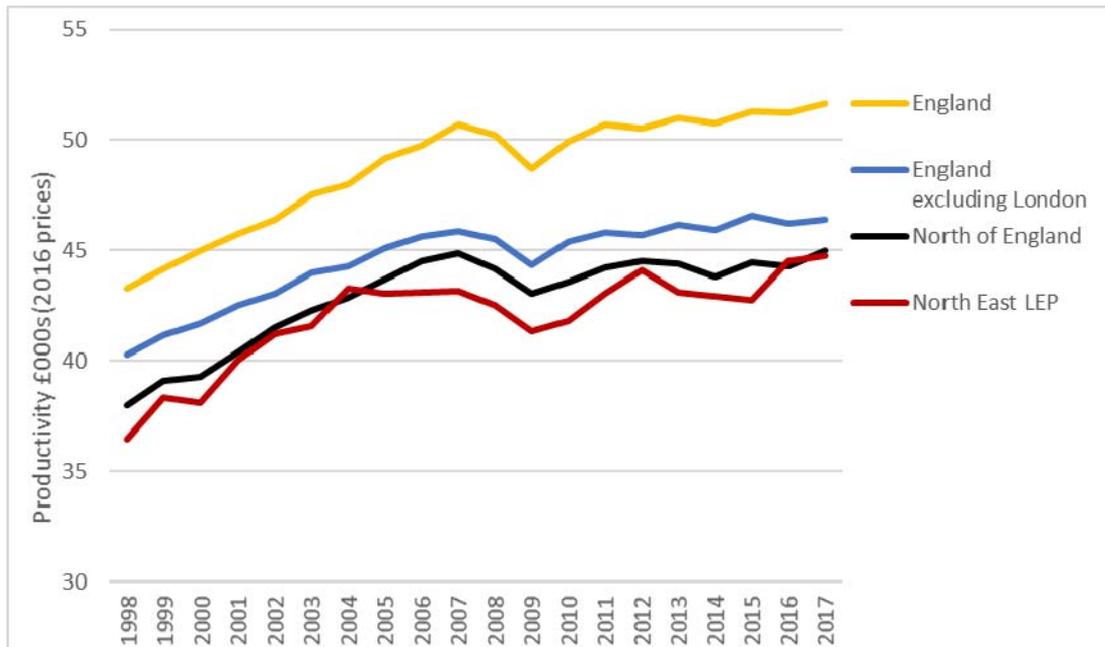
3.0 Review of North East Productivity

3.1 Given the focus of the UK Industrial Strategy on the UK and regional productivity performance – in the context of concerns about UK competitiveness and standards of living - this project aims to provide a focused ‘deep dive’ into the issue of productivity and to identify key issues and propositions which should be addressed in the North East LIS.

3.2 The first phase of the Productivity Review, the underpinning review of data and evidence, is now close to completion. The North East Evidence Forum, a group led by the LEP, considered an early version of the report and offered significant comments.

3.3 This evidence report provides a strong understanding of the North East’s opportunities and challenges with respect of productivity performance and is encouraging in demonstrating improvement in a number of key areas at the regional scale, including evidence of a sharp improvement in recent performance (see figure 1).

- 3.4 It provided the basis for a discussion with a group of 60 regional partners on 14 February, who were asked to consider key findings and identify potential key areas for further examination linked to the 'Foundations of productivity' identified in the UK Industrial Strategy, for potential inclusion in the LIS. These documents are available if Board members would like access and the wider evidence base will be made available in the engagement phase of the LIS later in the spring along with evidence from international case studies of regions which have focused successfully on driving productivity improvement.



- 3.5 Seven potential propositions were identified which will be the subject of further discussion which are set out in annex 2.

- 3.6 A further potential area has been identified in subsequent discussion about the productivity performance of lower value sectors which will be explored further.

4.0 Review of North East sectoral strengths, assets and competencies

- 4.1 Work has also now commenced on a second study which seeks to review and identify opportunities and propositions linked to our key sectors, assets and competencies. This work is being co-ordinated by the Technopolis team which recently supported the Science and Innovation Audit process for BEIS.

- 4.2 This is being complemented by a series of meetings between the North East LEP and the policy teams leading sector deals, grand challenges and cross-cutting policy agendas to identify opportunities for further collaboration.

5.0 Future timeline

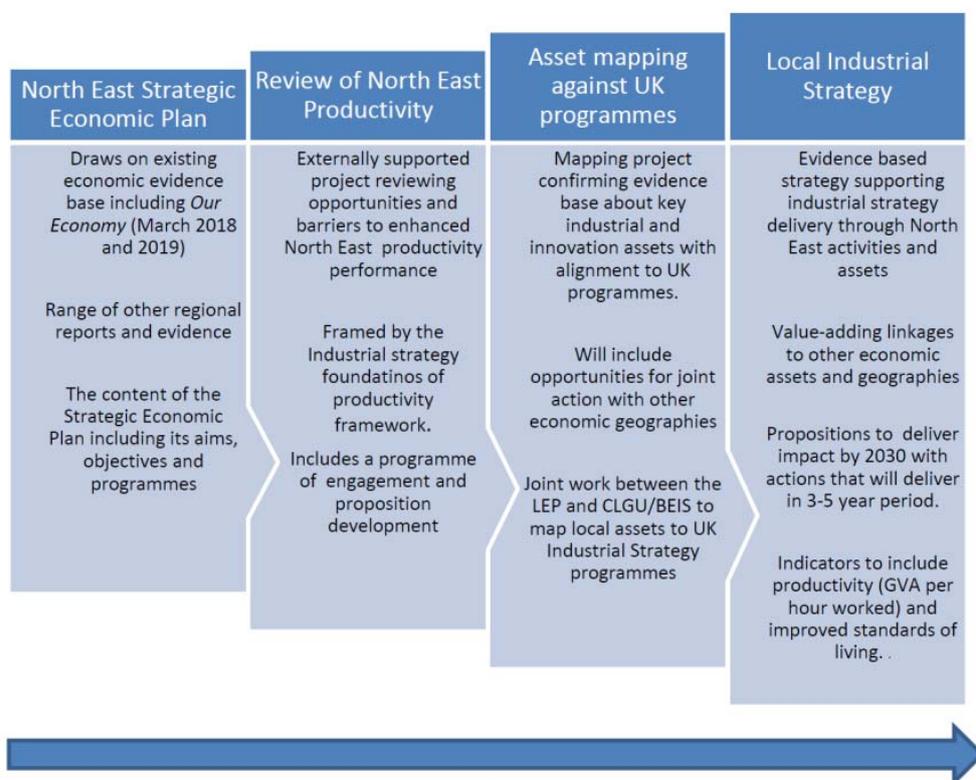
- 5.1 We now have more information about the forward timeline for development of the North East Local Industrial strategy and will be working towards a report to the LEP Board in May, to be followed by an engagement programme around our vision,

evidence base and key propositions for inclusion in the LIS.

6.0 Recommendation

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

Annex 1: approach to development of the content of the North East LIS



Annex 2: Review of North East productivity: Lines of further discussion

Foundation	Issue	Narrative
<i>People</i>	<i>Could the development of a regional employability framework help the North East retain skilled workers and promote progression in the region?</i>	<p><i>The productivity review identifies that the North East has technical skills deficits in key sectors of the economy and that a key problem faced by the North East is the short careers escalators in the region, which can make it difficult to retain skilled workers within the region and can dissuade skilled workers from moving to the region. The productivity review also highlights issues of connection and progression within the labour force at the lower end of the labour market</i></p> <p><i>Whilst not unique to the North East, this could be considered a distinctive challenge.</i></p>
<i>Business Environment</i>	<i>Can the North East's business support policy and programmes address issues of low levels of productivity and exporting</i>	<p><i>The productivity review has highlighted that the North East has low levels of entrepreneurship and business innovation.</i></p> <p><i>It is widely thought that there are low levels</i></p>

	<i>in the SME base?</i>	<i>of productivity and exporting within our SME base although the evidence base needs further development.</i>
<i>Business Environment</i>	<p><i>How can we work with the North East's global companies to deliver higher productivity across our business base?</i></p> <p><i>Can we strengthen the role of our business networks to do more?</i></p>	<p><i>The high proportion of employment, GVA and exports that arise from global companies – both foreign-owned firms, home-grown global players such as Sage and companies that have global customers or supply chains – could be considered a distinctive feature of the North East economy.</i></p> <p><i>How can we capitalise on this to improve the productivity of the North East through responses such as:</i></p> <ul style="list-style-type: none"> <i>• Increase productivity and embeddness of these companies (for example, by building links with universities and catapults)</i> <i>• Use presence of global companies to help improve productivity of other companies (for example, through developing supply-chain links, peer-to-peer mentoring).</i> <p><i>How can we strengthen the role of our business networks to do more to be key to delivering this?</i></p>
	<i>How can the North East grow a distinctive, future-orientated and high productivity knowledge intensive business services sector?</i>	<p><i>The productivity review highlighted forecasts that showed the sectors that were projected to experience the greatest employment and productivity growth.</i></p> <p><i>Whilst the North East is well positioned in relation to some of these, these tend to be those that are most likely to experience declines in employment in future. We are underrepresented in a range of sectors that make up knowledge intensive business services and these have variable performance in relation to productivity (with productivity above the England excluding London average in some and below average in others).</i></p> <p><i>The North East could seek to grow its knowledge intensive businesses services sector by focusing on:</i></p> <ul style="list-style-type: none"> <i>• A distinctive offer. For example, how can we build on our existing and emerging specialisms (e.g. advanced manufacturing) or capabilities (e.g. BIM Academy) to build our KIBS sector. Key question:</i>

		<ul style="list-style-type: none"> • <i>Future-proofed – for example, so we are not growing specialisms where employment may be automated in future through AI.</i>
<i>Ideas</i>	<i>How can the North East develop its demonstrator offer?</i>	<p><i>This is likely to extend across two elements:</i></p> <ul style="list-style-type: none"> • <i>How can the North East attract additional demonstrators (including how can demonstrators be de-risked)?</i> • <i>How can the North East better capitalise on demonstrators to improve the productivity of its business base and to attract investment?</i>
<i>Ideas</i>	<i>How can the North East's universities help deliver improved productivity for the region?</i>	<p><i>Our universities undertake a number of key roles but evidence demonstrates that productivity driving roles for universities include:</i></p> <p><i>Ensuring knowledge base is being utilised and, where appropriate, commercialised (through knowledge transfer activities, spin-outs, licensing, etc.)</i></p> <p><i>Stimulating graduate entrepreneurship</i></p> <p><i>Building on international linkages</i></p> <p><i>Acting as 'Anchor institutions'.</i></p>
<i>Infrastructure</i>	<i>How can the North East accelerate improvement in its economic infrastructure</i>	<p><i>How can we accelerate future infrastructure investment to deliver productivity improvements for the North East?</i></p> <p><i>What infrastructure improvements should we prioritise for acceleration?</i></p>

21 March 2019

ITEM 8: Perceptions summary

1.0 Purpose of the paper

1.1 This paper provides a summary of the perceptions research that was commissioned by the Communications and Strategy, Policy and Analysis Team in 2018. The purpose of the perceptions research was to gain a greater understanding of how our partners perceive our role; responsibility and effectiveness. This also included awareness and perceptions of individual programmes and the Strategic Economic Plan.

2.0 Research process

2.1 The research was conducted by DRG Global between August 2018 and January 2019. Two hundred stakeholders, delivery partners and board members were invited to take part in an online survey and 50 to take part in depth interviews. The online survey was completed by 50 stakeholders, and 18 telephone or face-to-face depth interviews were completed. Invites were issued by the executive team to stakeholders to cover a broad scope of partners.

2.2 The final report was submitted by DRG Global at the end of February, with a series of key findings and recommendations that are set out below.

3.0 Key findings

3.1 The perception report sets out a number of key findings and possible recommendations with regards understanding the North East LEP's role, awareness of the Strategic Economic Plan and programmes of delivery and communications.

3.2 In terms of the awareness of the North East LEP, the report outlined:

- Our role in promoting economic growth in the North East is well understood
- The majority of respondents felt that we make a significant contribution to the region's economic growth through:
 - Taking an evidence based approach and a leading role on setting and inputting into regional policy
 - The North East LEP Board is seen as strong, and credited with a significant improvement in building more positive relationships
 - Improved relationships leading to more positive partnerships
- There is an appreciation of the environment we work in, including, our resource constraints, physical geography and political arena
- The leadership and wider team regularly receive recognition
- There is an awareness of the challenges which the North East LEP faces including Brexit and economic uncertainty.
- There was a question around whether the LEP Board and Executive Team

should be more vocal and / or give opinion on political issues.

- 3.3 Awareness of the North East Strategic Economic Plan (SEP) was extremely high, that the vision set out in the SEP is right for the North East and that there is universal agreement amongst those aware of the SEP that it sets out the framework for economic growth for the North East and that a range of partners are required to ensure successful delivery. Areas for consideration moving forward include: increasing visibility of the employability agenda; the four relative SEP targets lack visibility and people often refer to the LEP as public private partnership, but rarely mention education.
- 3.4 There is strong awareness of all programmes and funding streams (range from 76% to 94%), and of those involved in each programme, there was enthusiasm for future opportunities and the impact programmes are having. In terms of governance and engagement, there is an appetite for others to become more involved, but the challenges identified were that it wasn't always visible how they can go about this or that the current governance structures are considered slow, unproductive or inconsistent in some cases.
- 3.5 With regards to communications, the majority of respondents felt they are kept informed of the North East LEP's activities. 86% of online respondents currently keep up to date with LEP news through an e-newsletter, however the preferred method for project/strategy development is face-to-face. Our events are perceived as an excellent forum for discussion and networking, and there is also a strong preference towards one-to-one relationships. Some of the cited challenges with regards to communications included:
- It can be confusing who to get in touch with
 - Communications can at times be too generalised – there is a desire for more targeted communications
 - There is an impression of sometimes being kept out of the loop, or being marketed to, and this could threaten engagement and confidence levels
 - An appetite to be more forthcoming nationally with communications.

4.0 Next Steps

- 4.1 There will be a presentation to the Board to discuss the report findings. The executive team will consider the content of the report and address the challenges identified, many of which are already in the team's work programmes. It is also proposed that the analysis is repeated next year and linked to the SEP Evaluation work.

5.0 Recommendation

- 5.1 The Board is asked to note the content of this report and provide comment.

Item 9 – North East LEP Board – 21 March 2019

Regional Transport Issues

Tobyn Hughes
Managing Director, Transport North East

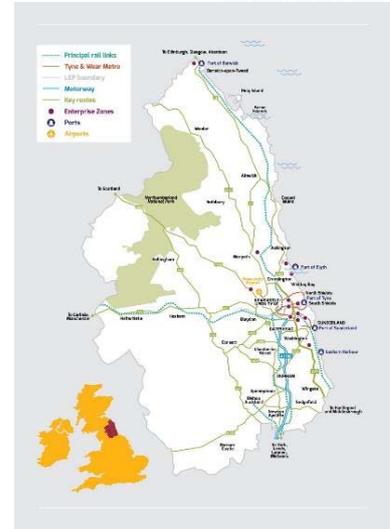
Introduction

- Good transport links are essential for economic growth
- There are a range of transport issues affecting the North East
- We are working with regional partners and with bodies such as Transport for the North to address these issues and promote better connectivity for the North East
- This presentation sets out the key issues and challenges for transport in the North East



North East Transport Plan

- We're using legacy transport plans from 2011 that are now out of date
- Joint Transport Committee is required by statute to produce a North East Transport Plan
- Regional Transport Team is working with Leaders and Chief Execs to develop a Transport Plan that will set the direction for transport in the region
- Draft Plan is expected to be consulted on summer 2019
- Aim to publish Plan early 2020



Rail

- Two big problems affecting the North East:
 - The East Coast Mainline (ECML) – now and in the future
 - Inadequate rail infrastructure elsewhere in the North East
- Because the railway is a network, both of these issues are intrinsically linked
- Central government funding is not currently available to address either issue
- Our view has rarely been sought in the past, but this is starting to change

Williams Rail Review – independent review of the structure of the rail industry
Summary of North East Response:

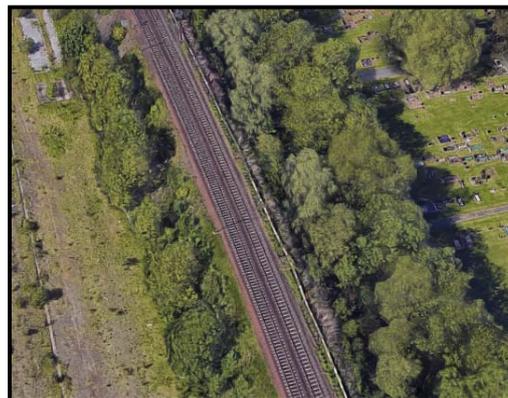
- Influence local rail to be better tailored to enable local economic growth
- Deliver a more locally accountable rail network
- Allow a better integrated public transport system, incorporating local rail, Metro and local bus services



East Coast Main Line

Problems with the ECML include:

- The section of the ECML that runs through the North East is not currently fit for purpose
- The line between Northallerton – Newcastle – Berwick only consists of two tracks
- Long-distance high-speed services must compete with slower freight and local rail services
- The ECML does not have the resilience, capacity, or line speeds to cope with existing or future demand
- Limited platform capacity at ECML stations in our region also act as a further constraint
- In the longer term, HS2 and Northern Powerhouse Rail will use the ECML to get to the North East



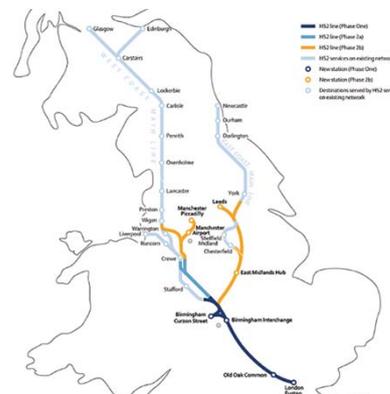
-Image of 2-track ECML in Gateshead

HS2

- HS2 Phase 2b includes extension towards York. Beyond York HS2 services will use the existing East Coast Mainline (ECML) to the North East.
- If approved by Government, HS2 Phase 2b will open in 2033.

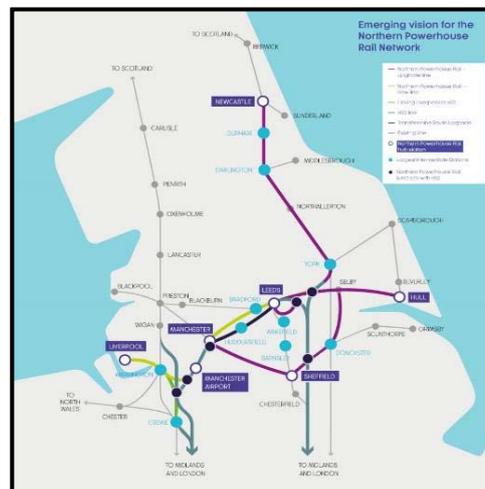
The North East needs HS2 because:

- A sustained increase in passengers has put pressure on the existing rail network.
- HS2 will transform journey times for the region, particularly to the Midlands.
- HS2 will be key in supporting the development of Northern Powerhouse Rail (NPR). Without HS2, we are unlikely to maximise the full benefits of NPR.
- In order to deliver the transformative speed and capacity upgrades that HS2 is set to deliver, the ECML North of York must be HS2 ready by 2033.
- The North East SEP refresh highlights the need to tackle the capacity and resilience constraints on the ECML to enable HS2 Phase 2b. This will facilitate the efficient movement of goods and people, helping to drive the region's economy forward.
- The region can support HS2 Phase 2b, by lobbying Government and continued participation in TfN and ECMA (East Coast Mainline Authorities).



Northern Powerhouse Rail (NPR)

- NPR is a proposed 'high speed' rail network between Newcastle, York, Leeds, Manchester and Liverpool as well as Hull and Sheffield. It will utilise a mix of significant upgrades to existing lines and new line
- The focus for the North East is for NPR to deliver the capacity, reliability and journey time improvements on the ECML
- It includes a push to get a firm commitment to the delivery of upgrades to the ECML corridor
- TfN ultimately considers the NPR project is deliverable and can achieve journey time savings.
- As of March 2019, the Strategic Outline Business Case (SOBC) for NPR has been approved by the DfT Board Investment and Commercial Committee (BICC).



-TfN NPR map

Rail

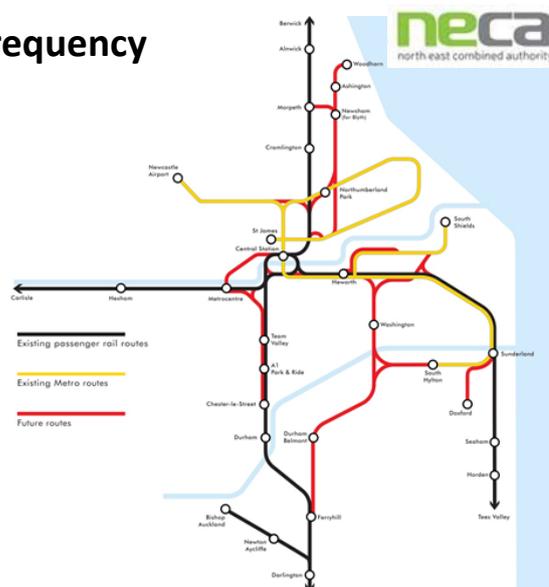
Other infrastructure problems

- Durham Coast Line is slow and has capacity constraints
- Sunderland Station above ground is in urgent need of investment
- Aspirations to reintroduce passenger services on Newcastle – Northumberland line
- Aspirations to reopen disused routes – Leamside Line
- Aspirations to grow local passenger services and increase rail freight



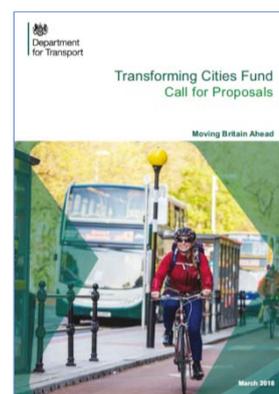
Metro capacity and frequency

- Expansion to Metro network complements region's aspirations for growth – each new passenger journey adds £8.50 in wider economic benefit
- Potential to connect to up to a further 80,000 jobs and nearly 10,000 new homes
- Re-opening dormant or under-exploited routes
- Nexus currently out to tender for new Metro fleet
- Initial tender submissions expected 22nd March
- 3 highest scoring tenderers will be taken through to final stage of the tender process in June
- Aspiration to twin track the remaining 3 single track sections of the Metro
- Will enhance resilience and track capacity



Transforming Cities Fund

- One of 12 city regions shortlisted to bid for share of £1.28 billion
- Capital funding for public transport and sustainable transport schemes
- In addition, funding to create “Future Mobility Zones” that will become national testbeds for transport innovation
- Submitted application for £10m from Tranche 1 – awaiting outcome
- Additional resources (staff and consultants) recruited to boost the RTT and deliver high quality bids
- Long list of potential schemes has been sifted
- A programme of interventions is being developed that delivers Government's objectives for TCF, and our regional transport and economic objectives

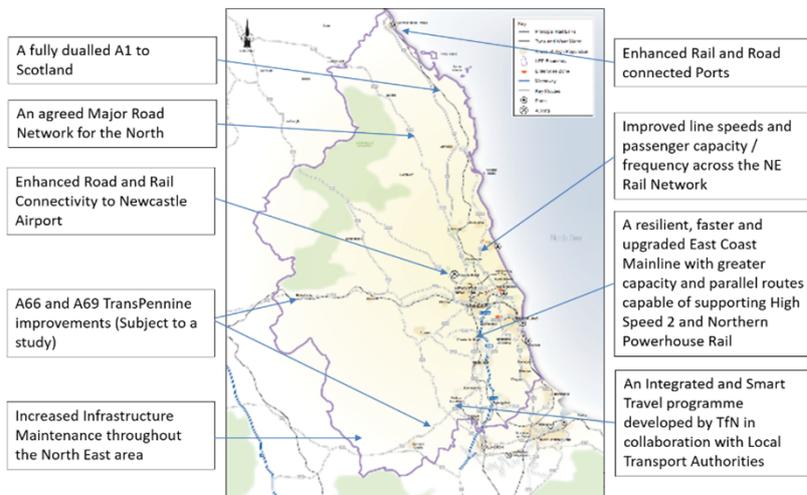


Transport for the North (TfN)

- North East Combined Authority and North of Tyne Combined Authority are Partners of TfN
- TfN Strategic Transport Plan and Investment Programme published February 2019
- TfN will use the strategy to make the case for pan-Northern strategic transport improvements needed to support economic growth
- Programmes of work include:
 - Strategic Rail
 - Northern Powerhouse Rail
 - a Major Road Network (MRN)
 - Integrated and Smart Ticketing
- TfN and its members are continuing to build the case for investment.



A Summary of TfN's Strategic Transport Improvements



Strategic Highways

Strategic Road Network (SRN)

- Roads managed by HE, including the A1, A19, A66 and A69
- Funding for management, maintenance and improvements is issued in 5 year cycles, known as Roads Investment Strategies (RIS)
- Writing to Department for Transport (DfT) to confirm our priorities for the next RIS (RIS2)– Improvements at Seaton Burn and Moor Farm roundabouts

Major Road Network (MRN)

- The most economically important high flow local roads
- Two networks, a DfT designated based on current flow and an aspirational TfN network
- There is a funding opportunity for improvements on the DfT defined network – the RTT are coordinating the region's submission.



Freight transport

- Freight transport is of critical importance to the national and local economy
- The sector faces a number of challenges:
 - Delays on key routes and congestion in city centres
 - An ageing workforce (average age of HGV driver is 53)
 - Impact of Brexit
 - HGV/LGV contribution to poor air quality and reliance on diesel fuel
- The region is working to address these by:
 - Road investment programme and improved city centre traffic management
 - Working with the sector to raise standards and promote the industry via the NE Freight Partnership
 - Exploring alternatives such as increased use of local ports, consolidation and cycle logistics



Electric vehicle charging infrastructure

- Most of the existing infrastructure needs upgrading or replacing
- Approximately 75 charging posts in the north east are out of use
- Heads of Transport Group are currently exploring options to bring the existing network together to reduce running costs
- Region has received £1.53m in funding from the Office for Low Emission Vehicles and £1.5m from European Regional Development Fund to:
 - Deliver an Electric Vehicle Filling Station at Sunderland – one of the UK's first
 - 11 rapid charging clusters across the north east



Air quality

- Levels of nitrogen dioxide on certain roads in the region exceed legal limits
- Affected roads include:
 - Part of the A167 Central Motorway
 - The Tyne Bridge and its approaches from the north and south
 - A section of the A1058 Coast Road
 - Parts of the A1 Western Bypass
- Newcastle, Gateshead and North Tyneside Councils are carrying out a joint feasibility study to determine what measures are needed to bring nitrogen dioxide levels within legal limits by 2021
- Public consultation is under way (running until 17th May) to seek views on two main options



Conclusion

- There are a wide variety of transport issues affecting the north east
- Investment is needed to enable these issues to be addressed
- Investment in sustainable transport is needed to meet our environmental targets and improve air quality
- Joint working is essential in addressing these issues and enabling our economy to grow and prosper

Any questions?