

North East Local Enterprise Partnership Board



Thursday 28 May 2020

17.00 – 19.00

AGENDA

Items 9 and 10 are confidential as they contain commercial information relating to the financial or business affairs of a particular person or organisation and are not for wider circulation.

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 19 March 2020** (5.00pm)
Board will be asked to agree the Minutes.

Annual general meeting items

4. **Annual review 2019/20** – paper attached (5.05pm)
Helen Golightly to present to the Board
5. **Budget – 2019/20 outturn and 2020/21 budget** – paper attached (5.15pm)
Paul Woods to present to the Board
6. **Updated Constitution to reflect previous Board decisions** – paper attached (5.25pm)
Helen Golightly to present to the Board
7. **Scheme of delegation** – paper attached (5.35pm)
Helen Golightly to present to the Board.

LEP business items

8. **SEP Delivery Plan** - paper attached (5.40pm)
Helen Golightly to present to the Board.
9. **Funding decisions and update** – confidential paper attached (5.45pm)
Paul Woods to present to the Board.
10. **Covid – 19 economic update** - confidential papers attached (6.00pm)
 - (i) Project 4 – Economic Recovery Planning update
Henry Kippin, Vince Taylor and Richard Baker to present to the Board
 - (ii) Project 1 – Supporting Business Update
Colin Bell to present to the Board
11. **Energy strategy and delivery update** – paper attached (6.45pm)
Andrew Clark to present to the Board

THIS IS NOT A PUBLIC MEETING

12. Any Other Business

13. Date and time of next meeting – Thursday 23 July 2020 from 5 - 7pm

Date: 28 May 2020

Item 4: Annual Review 2019 – 20

1.0 Background

1.1 The North East LEP publishes an Annual Review in May each year which looks back over the previous financial year period to share progress and performance with partners. In addition, an End of Year Report updates on the activities we set out to achieve during the year.

2.0 Annual Review and End of Year Report

2.1 Both documents are appended to this covering paper for information and review. The Annual Review will be published following the Board meeting.

4.0 Recommendation

4.1 The Board is recommended to review and note the progress and achievements made during the period April 2019 to March 2020.



Annual Review

April 2019 – March 2020

Creating 100,000 more and better jobs for the North East economy between 2014 and 2024.

North East
Local Enterprise Partnership



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North East LEP Senior Management Team
Top: Michelle Rainbow, Richard Baker, Jen Robson
Bottom: Alan Welby, Helen Golightly, Colin Bell



Helen Golightly, Chief Executive Officer

"There is no doubt that we are operating in uncertain times, but one thing is for sure, we will never stop advocating for the North East. We have solid foundations to build upon and through ongoing partnership working and a clear target on which to aim, I believe we will continue to achieve great things."

Helen Golightly, Chief Executive Officer

Introduction from Helen Golightly

This year's Annual Review is being compiled in very different circumstances to this exercise last year. Despite this, one thing holds absolutely true; the North East Local Enterprise Partnership (LEP) once again made excellent progress over the last twelve months and I'd like to thank everyone who has played a role in helping us achieve our objectives.

While all our thoughts and efforts are currently focused on the consequences of the COVID-19 pandemic, we must still take time to reflect on our work with partners over the last year.

For me, there have been some key highlights, which include:

- The North East Growth Hub has become critical in providing our North East businesses with support, particularly during the run up to EU Exit and the COVID-19 pandemic. I'm proud of the way in which the team has proved it can quickly mobilise high quality, intensive support. We've been recognised nationally for our approach and we are seeing our efforts making a real and measurable difference to North East businesses.
- Building on our pioneering work on the Good Career Guidance Benchmarks, I was thrilled to see the launch of a second pilot in the North East LEP region, this time focusing on primary schools. This aims to sow the seeds of ambition from an early age in recognition of the fact children can start to make career limiting decisions as early as five years old.
- We are extremely encouraged by the announcement in March 2020 that the North East will be at the centre of government investment in innovation. This is expected to be in Power Electronics and Electric Machines and centred around the establishment of four

Driving the Electric Revolution Centres which will share £30m to research and develop green electric machines including aircraft, ships and cars.

- A highlight within our transport programme must be the region collectively securing £198m from the Transforming Cities Fund to invest in key sustainable transport projects.
- Each year government reviews Local Enterprise Partnerships' performance. This year, our team received the highest category 'exceptional' for our delivery. This demonstrates our strong leadership and solid implementation to ensure that our strategic projects are delivered to make the maximum impact to boost economic development and create more and better jobs.
- The Our Economy 2019 report on the theme of 'What makes the North East competitive' was launched at an event attended by over 200 delegates in May 2019. The launch clearly demonstrated our ability to provide robust evidence that is valued by our partners, helping inform decision making and shaping a more accurate narrative about the North East.

Of course, every year brings an element of change within the team and we shortly say good bye to our Senior Economist, Victoria Sutherland.

Victoria leaves us in June to take up a new role as Head of Evidence for the What Works Centre in London. I'd like to thank her for bringing our vision of Our Economy to life and for her unwavering commitment to analysing our economic performance, which informs our strategic direction and decision making based on solid statistical data and trends.

The impacts of COVID-19 are undoubtedly going to play a central part of our forward plan of activity for 2020/21 and beyond. It has been

incredible to see the huge efforts made by all those involved in planning for the region's short, medium and long-term recovery.

I am particularly proud of our strong partnerships with the North of Tyne and North East Combined Authorities and with businesses, coordinated through the CBI, to develop the North East COVID-19 Economic Response Group.

The Group's five-point plan to support the economy, build resilience and prepare for recovery is well underway and enabling us to help businesses stay operational, keep people in employment, collaborate to find solutions to new challenges and use our collective voice and influence with government.

These may be truly uncertain and turbulent times but rest assured, the North East Local Enterprise Partnership continues to support businesses and communities.

The one thing this region is not frightened of is a challenge and I am confident that our inbuilt resilience and strong community identity will carry us through to the recovery when we will do everything we possibly can to ensure our regional economy is back to pre-COVID-19 levels – and stronger again.

Helen Golightly
North East LEP, Chief Executive Officer

Impact to date

The Strategic Economic Plan sets out six targets for the region. These set out the progress we want the region to make between 2014 and 2024 in relation to the number, quality and type of employment opportunities available, the proportion of our workforce that is in employment and economically active and our productivity.

The most recent data available for four of the targets is 2019 and for the other two it is 2018. As such, the impact of coronavirus (COVID-19) has not yet begun to be seen in the targets.

COVID-19 has had 'and will continue to have' a significant impact on the economy of the North East and will make it more difficult for the region to achieve these targets. However, the ambitions that the targets set out - to increase employment opportunities and the proportion of our workforce that is in work and to improve our productivity levels - continue to be our priorities.

The position set out in this section provides us with a pre-COVID-19 baseline. We will work with our partners to help the region to return to and build on this position as quickly as possible.

The targets

More and better jobs

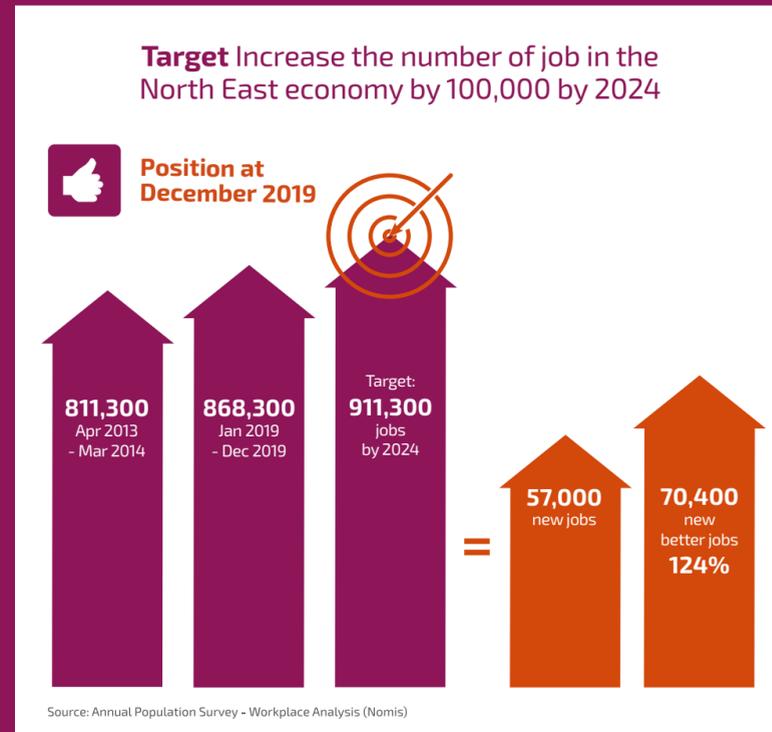
The two headline targets are to increase the number of jobs by 100,000 between 2014 and 2024 and for 70% of the additional jobs to be 'better jobs'. Better jobs are defined as those in the occupational groups: managers, directors and senior officials; professional occupations; and associate professional and technical occupations. Examples of professional occupations are doctors and civil engineers and examples of associate professional and technical occupations are laboratory technicians and graphic designers.

By December 2019, total employment had increased by 57,000. Employment in 'better jobs' had increased by 70,400, equivalent to 124% of the total increase.

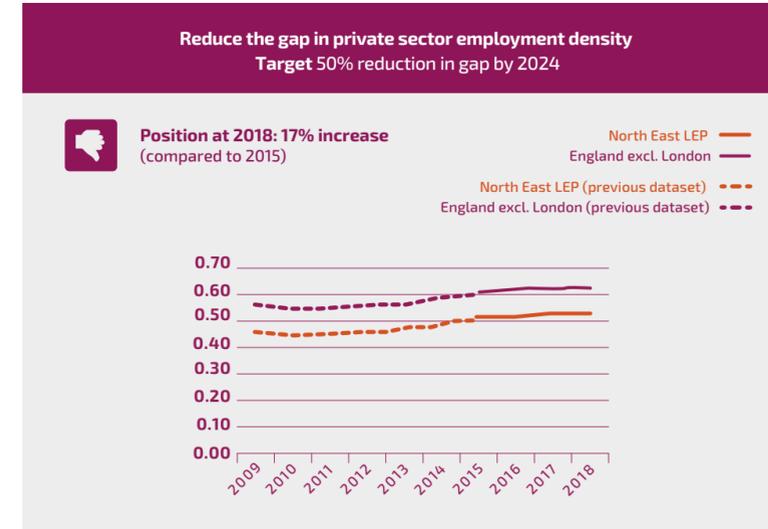
Closing the gap with England excluding London

The four other targets are for the gaps in private sector employment density per head, the economic activity rate and productivity (GVA per hour worked) to be reduced by 50% by 2024 and for the gap in the employment rate to be completely closed. The rates and density all refer to the working age population (aged 16 to 64).

According to the latest data, the North East LEP area has improved its performance on each measure since 2014. However, in three cases the improvement in the performance across England excluding London has been greater, resulting in increased rather than reduced gaps. The exception is the employment rate where the North East increase has been slightly larger leading to a small (3%) decrease in the gap.

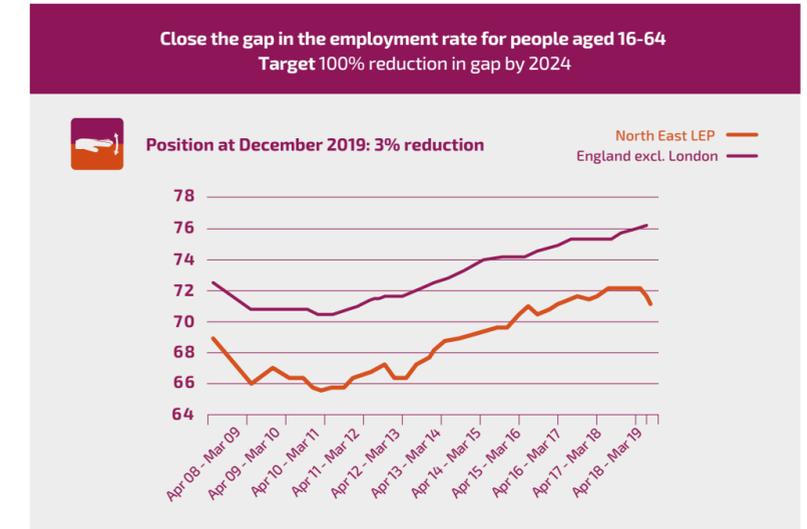


Private sector employment density



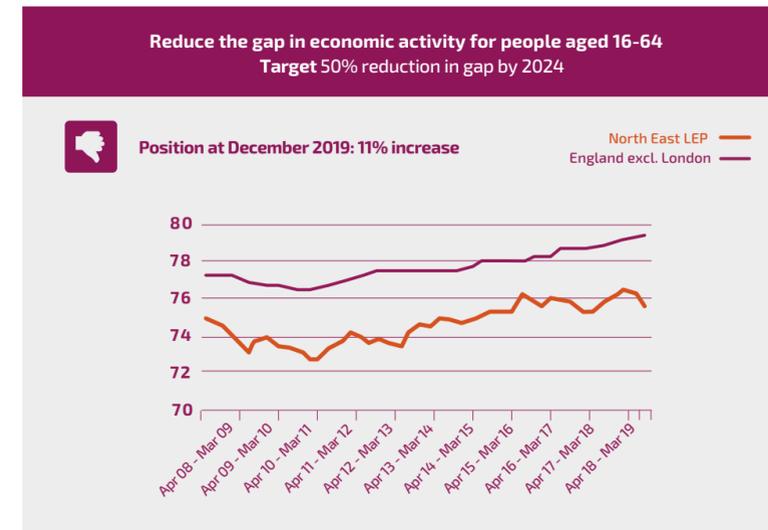
Source: Business Register and Employment Survey and Population Estimates (Nomis)

Employment rate



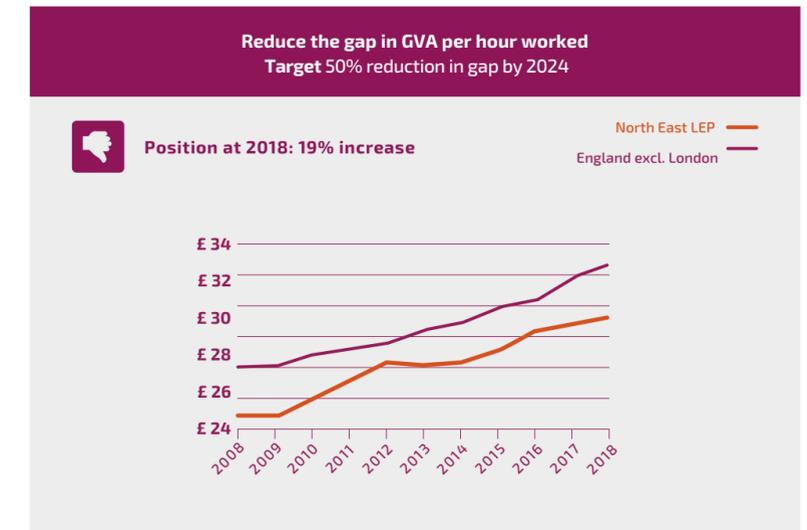
Source: Annual Population Survey (Nomis)

Economic activity rate



Source: Annual Population Survey (Nomis)

Gross Value Added per hour worked



Source: Regional and sub-regional productivity in the UK (ONS)

Business growth



“2019-2020 was a pivotal year that saw the hard work of previous years pay off and begin to deliver measurable business and economic impact.”

Colin Bell, Business Growth Director



Connectors, Ken Arnold, Karl McCracken, Craig Harrison



Working with the North East business community, we continue to make progress towards the goal to increase the density of scaleup businesses in the North East LEP area by 50% by 2024.

Scaleup North East remains a central part of our strategy to deliver this, with 286 businesses having engaged with the programme and forecasting an uplift of £37million of GVA and the creation of 551 jobs in the North East economy. Scaleup North East has evolved and strengthened its bespoke offer to serve ambitious businesses to achieve defined objectives, ensuring they are taking the actions required to scale.

Supporting businesses through times of crisis and change

Events in 2019-20 caused uncertainty and disruption to businesses. Working with government, the North East Growth Hub has been the primary source of guidance to businesses on issues such as exiting the EU and the recent impacts of COVID-19.

The Chancellor announced additional investment for the national network of Growth Hubs in recognition of the contribution they are making to business support.

Increasing ambition and demand for business support and finance

During 2019-20, we generated 17,179 referrals for business support and finance providers. Our Growth Hub Connectors worked with 555 businesses to review their business needs to offer impartial brokerage to business support and finance solutions. We are delighted our Growth Hub Connectors have achieved a 98% customer satisfaction score, which reflects the quality and customer centred approach we adopt.

“Our business base is demonstrating its growing ambition by raising over £85 million of capital through the North East Fund and private sector leverage to fuel future plans”

Jason Hobbs, Chief Executive Officer, North East Fund



“Ken was fantastic and extremely knowledgeable about the support that I needed to progress my business. Ken was engaging, understanding and interested in my journey and I would highly recommend this service to others. Thanks once again to another quality service.”
Growth Hub Connect client.

Generating a pipeline of future scaleups

To support our pipeline of scaleup businesses we introduced High Potential Startups to support founders with a great idea and the ambition to create a high growth business.

We launched High Potential Startups with a communications campaign and attracted over 300 expressions of interest with 34 founders now working with us, which is 45% of our three year target.



David Beavis (left) and Sean Murphy, co-founders of etika

Raising productivity

Improving productivity, remains both a national and local priority. Digital adoption has critical role in improving productivity, so we were delighted when we were successful in securing Business Basics funding, in partnership with Sheffield and Greater Birmingham and Solihull Growth Hubs, to trial an innovative approach to this agenda.

Additionally, Supply Chain North East continued to support process improvement and the adoption of digital technologies within the wider scope of securing business resilience through market diversification.

Opening new markets

Supply Chain North East has continued to work with businesses to diversify their offer, expand their customer base and unlock opportunities in new markets. The team has linked local suppliers with Heathrow expansion, HS2, the Nexus Metro fleet renewal and is playing a central role in the COVID-19 response in terms of Personal Protection Equipment (PPE) supply and demand.

Developing leadership capability

We have matched over 50 entrepreneurs with mentors, with 100% mentee satisfaction. Working in collaboration with Be the Business we are matching business leaders with mentors from PLCs to support productivity improvement.



Growing award-winning business Latimer's Seafood in Whitburn is exploring new opportunities and boosting efficiency thanks to Supply Chain North East.

Supporting the rural economy

As well as ensuring the Growth Hub offer is available to rural-based businesses, over 270 jobs have been created through the 45 North East Rural Growth Network investments and the Rural Payments Agency Growth Programme invested in 51 projects. The North East Fund continued to support businesses in the rural economy, with over £9m investment secured for businesses located in County Durham and Northumberland.

A new approach to partnership and ecosystem development

We were chosen as one of six teams nationally to participate in the renowned MIT Regional Entrepreneurship Acceleration Programme. Working with a team of regional partners, it will enable us to accelerate economic growth and social progress, through the co-creation of a plan to accelerate innovation-driven entrepreneurship.

Creating an ecosystem post EU Exit

We've been working closely with our partners locally and nationally to prepare the way for business growth and innovation support post-EU Exit that is based on good practice ecosystems from around the world.

Innovation



"This year marked a shift in focus for the Innovation programme with long-term projects moving further into delivery, investment in new incubation facilities, shared learning around open innovation, and success in national funding rounds. We have also progressed with the development of an Innovation Delivery Framework that will launch later in the year."

Alan Welby, Innovation Director

Setting a framework for future delivery

We have worked with partners throughout the past year to set a framework for co-ordinated and prioritised future delivery.

Our approach has built on the Strategic Economic Plan and the development of the Local Industrial Strategy and brings to together public and private partners to accelerate innovation-based growth in the North East.

The challenges unleashed by Covid-19 to our economy will require our businesses to adapt quickly and unlock creative ways of working to deliver successful new processes, products and services. Our work in developing a new innovation delivery framework will allow the region to respond quicker and more effectively to businesses. It also provides prioritised focus on major transformative projects to support swift economic recovery.

We have engaged with the delivery organisations and national experts to develop a new approach to business growth support and this will feed into preparation for the COVID-19 response programme and expected Shared Prosperity Fund.

We are also progressing with a second commission looking at outputs and monitoring approaches, and working with partners to help us further develop an Innovation Delivery Partnerships (IDPs) model. These IDPs bring together public and private partners to anticipate and accelerate North East market share in emerging innovation growth markets.

COVID-19 will unlock new opportunities and regional partnerships can fast-track our businesses to take advantage of a rapidly evolving economy.



The Biosphere at Newcastle Helix.

Cllr Ged Bell, Cabinet Member for Employment and Investment, Newcastle City Council said:

"The Biosphere was a significant investment for the local economy and marked a clear commitment to life sciences growth. So much has been achieved since 2015, the design, construction and operation of a new lab facility that is now home to 10 dynamic life science businesses with global life-changing ambitions."

29

new projects joined regionally significant innovation pipeline



More than 600

investor meetings delivered through Innovation SuperNetwork events

Prioritising, promoting and supporting key projects

Delivering investment in our innovation infrastructure and assets remains a key activity. The competitive nature of national funding competitions for innovation means we need to have strong propositions to be successful. We have therefore introduced a prioritised pipeline to highlight key projects and shape work with partners that leads to investment-ready projects. The rigorous approach we have implemented this year is already proving successful, with proposals from the Centre for Sustainable Advanced Manufacturing and North East Chain Ageing progressing to the second round of the highly competitive Strength in Places Fund. £37m of funding has also been announced for Driving the Electric Revolution, and support for the National Innovation Centre for Rural Enterprise is anticipated.

£37m

of funding has been announced for Driving the Electric Revolution

Working together for collaborative actions

We have continued our commitment to supporting open innovation to thrive across our region. This year we have worked with partners already delivering open innovation support to understand routes to make a coordinated offer to businesses. We have run the first in a series of workshops with the Innovation SuperNetwork to understand the appetite for joint working, and following this, have developed a plan to investigate this further. This will ensure businesses and other organisations joining open innovation events know what the process will involve, and what they can get out of it. We will be running more sessions throughout 2020-21.

Accessing European collaboration through INVITE

The INVITE programme has had a positive year of delivery. Building on the groundwork of the last two years, the programme has moved into the delivery phase, holding two rounds of competitions which have involved 50 North East businesses.

This has resulted in 18 applications as part of the Europe-wide competition for proposals and partners, helping 18 North East businesses to successfully find collaborative partners.

Through the INVITE programme, North East businesses are already finding ways to work closely with partners from across Europe to develop new ideas, products and services.



The INVITE working group held their annual general meeting in Newcastle in November 2019.

Improving the innovation offer of the North East

Since 2017 we have invested £2.7m in supporting local partners through the Innovation Development Fund and the Incubator Support Fund both secured through the Local Growth Fund, £1.9m of which has supported the developed of seven incubation projects bringing in a further £2m of matched investment. The Innovation Zone at the North East BIC has opened its doors and Northumbria University's incubator is due to open in mid-2020. The Project Development Funding has awarded £1m to 13 projects to develop strong business cases, including the Centre for Sustainable Advanced Manufacturing. The Fund has also supported the completion of a £12m new facility on the International Advanced Manufacturing Park site.

£2.7m

of funding awarded through LEP's Innovation Project Development and Incubator Support funds

Skills, employment, inclusion and progression



"This last year has seen the growth of the skills team to full capacity and I'm delighted by the progress the team has made to embed the programmes and projects across the region. Our partnerships are strong regionally, nationally and internationally and the North East's reputation for innovation in skills has started many conversations and highlighted opportunities to trial new approaches to existing challenges."

Michelle Rainbow, Skills Director



St Aloysius RC Primary School, South Tyneside.
Career Benchmarks: Primary Pilot

"I can't put across in words how much the LEP has helped me maintain and really kick start our career programme here at Washington Academy. Being a Careers Leader in general can feel very isolating at times as it's all relatively new and sometimes a one man band in schools. The LEP have been a constant stream of support and expertise for me to rely on."

Kelly Oakland, Washington Academy

150 schools and colleges

are engaged with North East Ambition

College Hub members deliver across 35 different campuses, supporting 73,000 learners

North East Ambition

North East Ambition continues to support every school and college in our region to adopt, implement and achieve the eight Good Career Guidance Benchmarks. Our ambition is to embed a quality approach to careers guidance that ensures each and every young person in the region can access excellent careers advice and identify routes into work.

To achieve this we are working across our network of secondary schools and colleges to make sure every school in the area has access to at least one Enterprise Adviser to provide strategic support to their careers related activities. We have 118 Enterprise Advisers supporting schools and colleges.

Our termly Regional Careers Leader Network Meetings go from strength to strength, with the last event attracting 140 schools and colleges. Our dedicated website, northeastambition.co.uk, has been developed further to provide an enhanced offer of resources and toolkits to help schools achieve the benchmarks.

We are proud to host England's only dedicated college hub and a new SEND-focused hub which alongside two school hubs, collectively support 95 schools and colleges. Our Careers Benchmark: Primary Pilot is now up and running and, whilst it is still very early on in the pilot, it has been an incredibly positive start. The work in the pilot is enabling schools to sow the seeds of ambition from an early age.

Education Challenge

Our Education Challenge programme is all about reducing the gap between our best and lowest performing secondary schools.

This year saw the programme expand and develop with the addition of two more secondary schools and a further education college.

The project engages a wide range of stakeholders to co-develop students' development and learning, giving purpose, context and real-world application.

Three of our schools are enrolled on the Ford Next Generation Learning programme, which sees students benefit from an approach to learning that involves local employers - linked to strategically important sectors of industry - working with them to not only contextualise learning, but also to give them an insight into the opportunities ahead of them.

We are working with government to maximise the impact of the £24m Opportunity North East programme which aims to improve the prospects of young people in the North East, boost social mobility and raise aspirations.

The programme will start this year, supporting 14 year olds to understand the options available to them and widen their knowledge of the world of work.

Generation North East

Generation North East helps people aged 18 to 29 find work and progress in employment. The programme has been active since 2014 and in 2018 extended its services with ESF funding, partnering with The Prince's Trust. Working closely with SMEs, Generation North East has knitted together complementary elements to enable employers to reach new talent while fulfilling the dreams of young people. To date Generation North East partners have supported over 5,000 young people, helping more than 2,000 into employment.

DurhamWorks

DurhamWorks provides targeted support to unemployed young people aged 16 to 24 in County Durham. Its work is based on an understanding that the most vulnerable young people in the area require sustained support and that single interventions will not produce a long-term impact on young people's life chances. Over 7,000 young people have engaged in DurhamWorks since 2016, with 69% of those completing the programme entering employment. The programme has also seen a significant decrease in the proportion of young people in vulnerable groups who are not in education, employment or training.

Progression

We are working with partners to improve skills progression by encouraging the provision of high quality opportunities to learn. We are supporting the development of the region's Institute of Technology (IoT), which will offer top quality training and apprenticeships in higher-level technical skills, to ensure the North East is known for excellence in technical education. The IoT represents a partnership approach, with involvement from Newcastle University, employers including Nissan and Esh Group, and a range of colleges from the region. We are encouraging businesses to take on apprentices in our area, and we want to ensure organisations are providing higher and degree level apprenticeships too. We are also working closely with partners to ensure that the roll out of T-Levels in the region is a success.

Mental Health Trailblazer

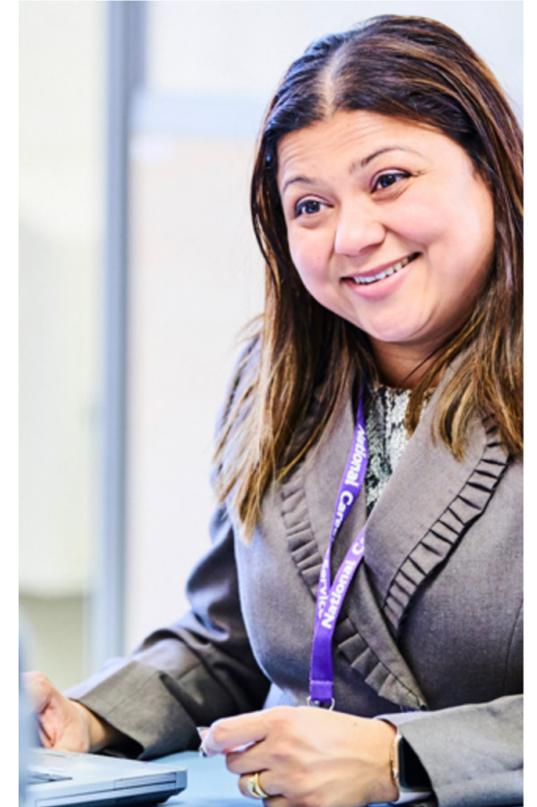
This was developed as a pilot project to support people across the region back into work through an individual job placement and ongoing support, using a model advocated by the Centre for Mental Health. Mental Health Trailblazer tested the effectiveness of this approach in moving people with mental health conditions linked to unemployment, primarily anxiety and depression, into work, and supporting them to stay in work. The project provided intensive, individual support, with rapid job search followed by placement in paid employment, and in-work support for the employee and employer. The Trailblazer ran from January 2017 to December 2019 and supported 1,500 residents.

Fuller Working Lives

Our region has an ageing workforce, with significant numbers of people over the age of 50 in employment and looking for work in our region. We want employers to be able to use and develop this existing talent in our labour force to attract and develop the best and most productive workforce they can, while giving people access to training and flexible working practices that allow them to stay in work longer. We have articulated the challenges facing the North East in our Local Industrial Strategy and are working with partners to respond to the challenge set out in the National Industrial Strategy, exploring ways to harness the power of innovation to help meet the needs of an ageing society.

National Careers Service

This programme, delivered by the Educational Development Trust, provides 50 Careers Advisers who provide professional information, advice and guidance across the North East. The role of the National Careers Service is to support people to achieve learning and career progression and manage their careers and a key aim is to give people tools and skills to independently access support. During 2019-20 the National Careers Service supported over 25,000 people, with 2,000 finding sustainable employment and over 5,000 undertaking further learning.



National Careers Service

"My careers adviser Briony helped me improve my confidence by guiding me through the interview process and preparing me for some of the questions that might be asked. I was successful in an interview and will be moving into a job soon."

Deborah, National Careers Service customer.

Investment and infrastructure



"I'm delighted to see significant funding in our regional infrastructure continue over the year, strategically invested into projects creating more and better jobs."

Helen Golightly, Chief Executive Officer



Jade Business Park



Local Growth Fund

The Local Growth Fund (LGF) £28m budget for 2019-20 has been fully committed, helping create more than 1,000 new jobs and apprenticeship places, and leveraging over £90m into the North East economy.

Over the past year several major project investments have launched, including:

Energy for Growth programme - £1.2m

A new, two-year Energy for Growth programme is already supporting nine new initiatives across the region, including feasibility studies into the development of an onshore test turbine facility at Northumberland Energy Park, East Sleekburn, and the potential for a hydro scheme on the River Tyne at Hexham.

A19 to North Bank of Tyne junction improvements - £4.7m

North Tyneside Council has completed a two-year initiative to improve junction capacity along the North Bank of Tyne highway network, enabling better access to key riverside employment sites.

South Shields Transport Corridor - £7m

In South Tyneside, major improvements at two of the region's key strategic road corridors - the Arches junction off the A194 and the A185 - has eased congestion and improved air quality whilst improving access to the Port of Tyne and South Shields.

North East Investment Fund

As of February 2020, the North East Investment Fund (NEIF) has contracted for £67.9m against 28 projects. There remains £18.6m available for future investment.

£67.9m

invested to date

28

projects

£18.6m

available for new loans

Enterprise Zones

The Enterprise Zone programme continues to deliver improved, high-quality locations for businesses to occupy and grow.

During the last 12 months our 21 Enterprise Zones became home to six more businesses, creating 240 new jobs. This brings the total number of businesses located on Enterprise Zone sites to 54, collectively employing more than 1,500 people.

There has been significant progress made on several sites including the International Advanced Manufacturing Park (IAMP) in Sunderland and South Tyneside; Jade Business Park in County Durham; Newcastle Airport Business Park in Newcastle upon Tyne; Northumberland Energy Park in Blyth; and Follingsby Max in Gateshead.

During 2019-20, new investment from the North East LEP has been awarded to two Enterprise Zones, North Bank of Tyne (Newcastle upon Tyne) and Holborn 2 (South Tyneside). These investments total over £16m and will make these sites more attractive for private sector development, particularly in relation to the offshore and subsea sectors.

European Funding

Decisions for projects using European Funding sit with government and not the North East LEP. However, we work hard to influence these decisions and ensure investments are made to support the delivery of the North East Strategic Economic Plan. The European Social Investment fund is made up of three key funds and the North East allocations and commitments are as follows:

Current North East LEP area position (Feb 2020)

	Allocation	Potential commitments	Funding remaining
Total	£498.4m	£484.4m	£14m
European Regional Development Fund	£263.18m	£253.9m	£9.3m
European Social Fund	£224.7m	£224.7m	£0
European Agriculture Fund for Rural Development	£10.5m	£5.84m	£4.6m

Figures subject to change in line with exchange rates.

Industrial and Commercial Property

In Sunderland, the first office scheme known as, The Beam, on the city centre Riverside site (formerly VAUX), has completed and attracted three tenants including online retailer, Ocado, who have begun the recruitment of up to 300 jobs. On Infinity Park at Monkton Business Park South, South Tyneside, all three advance industrial units developed by Hellens Group are now occupied with the Spanish-owned utility contracting firm, IQA Elecnor Group, leasing the final unit and expecting to create over 100 jobs over 12 months.

70,000

of new commercial and industrial floorspace completed

Over 1,000 jobs

on LEP-supported development sites and buildings

"The BEAM is central to the plans for the regeneration of Sunderland's city centre and attracting a major employer such as Ocado was a key milestone that will unlock further development and lead to the creation of more and better jobs for our citizens."

Helen Golightly, Chief Executive, North East LEP.



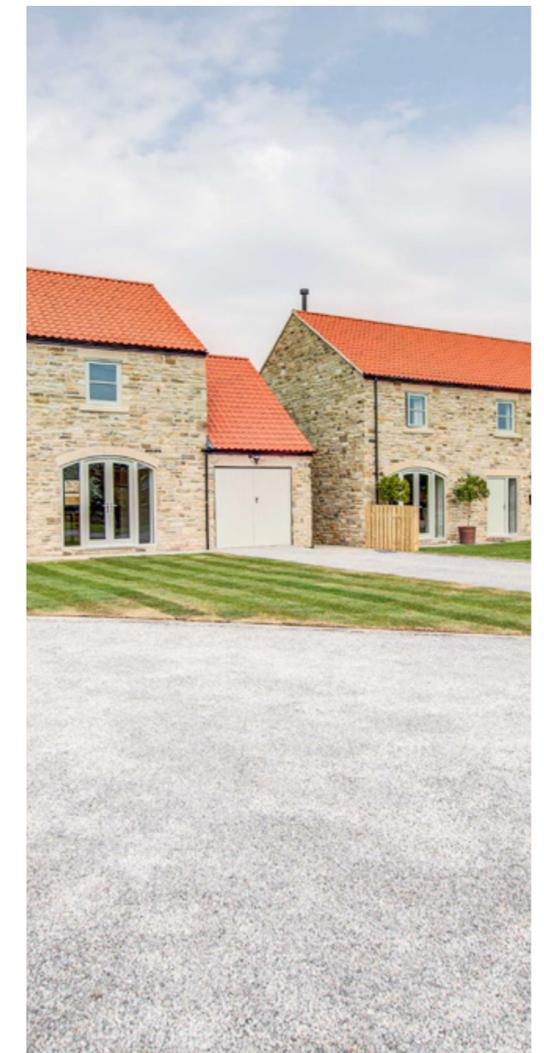
The Beam

Housing

The North East Property Fund, established between the North East LEP, Santander and FW Capital, continues to support small scale housing developers to unlock stalled housing and commercial sites across the region.

11 projects have received loans delivering 75 new homes. On the Integra 61 site in Durham, Persimmon Homes have started building 30 homes.

On the Newcastle Helix site in Newcastle city centre, new homes are planned that will benefit from the District Energy Centre, which formally opened in February 2020.



One North Property at Whorlton, County Durham.

Transport connectivity



"We continue to make excellent progress in improving the region's transport network, making it easier for people and goods to move around. However, more needs to be done and we continue to make the case for funding to further improve our transport offer."

Phillip Meikle, Transport Strategy Director



Azuma train

"Transport investment has never been a higher priority for the North East. Investment in our transport networks addresses the urgent need to rebalance the UK economy and share economic wealth with regions like the North East."

CLLr Martin Gannon, Leader of Gateshead Council and Chair of the North East Joint Transport Committee.



Public transport to our key tourism sites is a part of the plan

North East Transport Plan

The North East Joint Transport Committee is continuing to make considerable progress in developing the North East Transport Plan which sets the vision of 'moving to a green, healthy, dynamic and thriving North East'.

The plan aims to:

Achieve a carbon neutral North East

Overcome inequality and grow our economy

Achieve a healthier North East

Put in place appealing sustainable transport choices and a safe, secure network.

Closely aligned with the North East Strategic Economic Plan and Local Industrial Strategy, the Transport Plan will set out the region's transport priorities up to 2035.

East Coast Main Line

Improvements to the East Coast Main Line through HS2 and the Northern Powerhouse Rail programme will transform North East connectivity to the rest of the UK, and we continue to take a proactive role in campaigning for investment in the East Coast Main Line between York and Newcastle. We continue to support the North East Chamber of Commerce in their 'Fast Tack' East Coast campaign to secure investment and North East Joint Transport Committee members represent the region on the East Coast Mainline Authorities consortium.

The North East is continuing to make the case for greater control and accountability over the specification and operation of local rail services. Work is underway to develop a prospectus for 'North Eastern Railways'.

"By improving our transport infrastructure and ensuring it's future proof, we can compete globally, grow our economy, create more and better jobs and bring more investment into the region."

Andrew Moffat, Board member of the North East Local Enterprise Partnership

Transforming Cities Fund

The Transforming Cities Fund (TCF) aims to drive up productivity and improve access to work through investment in public and sustainable transport. Last year, the region secured £10m from TCF Tranche 1, which delivered measures including new and enhanced cycle routes and improvements to the Urban Traffic Management Centre.

Over the course of 2019 an ambitious plan was developed for investment in our transport network up to 2023. It featured Metro and passenger rail improvements, bus priority schemes, new transport interchanges, improved city centre transport gateways, more park and ride facilities and improved cycling and walking routes.

In March 2020 it was announced that the region was awarded £189m to progress our Metro flow scheme and a range of smaller local schemes. Funding was also confirmed for reopening the Northumberland Line to passenger trains, using a different funding source.

£183m

Transforming Cities Funding awarded in March 2020

Bus services

New and innovative technologies that are emerging in the bus industry continue to be explored by local authorities to deliver improved bus services for passengers. The powers vested in the Bus Services Act, including the requirement for operators to share data, could have the potential to achieve this. Alongside this, the North East Transport Plan will include a vision for buses, designed to create the conditions for a successful network and build the foundations for a successful region.

North East Freight Partnership

The North East Freight Partnership has continued to meet regularly with industry members and other stakeholders to address concerns over the shortage of HGV drivers and the impact of goods vehicles on carbon emissions and air quality. A separate skills group has been set up to address skill shortages.

Go Ultra Low North East

The Go Ultra Low North East programme, is funded by the Office for Low Emission Vehicles and European Regional Development Fund. It has made significant progress over the last year, notably the opening of the UK's first Electric Vehicle filling station in Sunderland in April 2019. The installation of eleven rapid charging hubs will be installed by summer 2020.

The North East has also been successful in receiving £500,000 from the Office for Low Emission Vehicles Taxi Fund to install 10 rapid chargers for taxis and private hire vehicles across the region.



Fastned first rapid charging station, Sunderland

Delivery of transport schemes funded through the Local Growth Fund

The delivery of the Local Growth Fund (LGF) transport programme is progressing well, with £3.2m from the fund spent on transport projects in 2019-20. The Newcastle Central Gateway project, which will transform one of the region's key gateways, is expected to begin delivery in mid-2020 with completion in 2021. The £21m South Shields Transport Interchange, which brings Metro and bus services together, opened August 2019. The Arches junction improvement scheme was completed under budget and opened in March 2019. The scheme, which has been nominated for several awards, has reduced congestion, improved travel time and reduced CO2 emissions along the route.



Central Gateway, Neville Street Entrance



South Shields Interchange

Strategy, policy, evidence and analysis



"This year, we have continued to build the North East LEP's ability to inform and support decision making about our regional economy with influential data and evidence activities, strengthened relationships with partners in our areas of strategic importance, and new capacity to respond to a complex and changing public policy environment. This groundwork will stand us in good stead to support the region through a future of great change."

Richard Baker, Strategy and Policy Director

"Sharing international insights on the opportunities and challenges for regional development strategies is at the core of OECD work. It was great to present findings from our work, and engage with such an informed, diverse and engaging audience."

Joaquim Oliveira Martins
Deputy-Director, OECD Centre for Entrepreneurship, SMEs, Regions and Cities

550+ delegates

Local Industrial Strategy Engagement Summit

Local Industrial Strategy

We worked with government, the North of Tyne and North East Combined Authorities, businesses and partners to co-ordinate the development of the North East Local Industrial Strategy. Our aim was to develop a strategy for industrial growth which is outward looking, collaborative, and that articulated North East opportunities to improve the UK's productivity performance and living standards in the region.

In July 2019 we hosted an engagement summit, attended by over 550 delegates. We tested our emerging priorities, updated delegates on the evidence base and provided examples of 'what works' in delivering a more productive and inclusive economy.

We welcomed guest speakers from the Organisation for Economic Co-operation and Development, Be the Business, and the University of Pittsburgh who brought insight and ideas from international evidence and business practice. As we look forward to a changed economic environment, the work we have done together will underpin future recovery and regional economic development.



Northern Powerhouse Convention, July 2019.

Leaving the European Union

The North East Brexit Group was renamed and repositioned as the EU Exit Implementation Group following the departure from the European Union in January. It remains a key point of regional co-ordination as we work through the transitional period.

The group continues to work together to understand and produce evidence and policy responses to key domestic policy issues, and co-ordinate projects and activities to seek to ensure that EU Exit delivers positive outcomes for the region.

Regional engagement, policy analysis and the gathering of evidence have supported submissions to consultations and meetings with Government departments. A review of our workplan identified key priorities for key North East sectors, preferred outcomes for future immigration and labour market policy, and options for future regional funding. It is developing practical initiatives to support the economy in the future including innovative proposals to establish a Free Zone in the region to facilitate frictionless trade, supporting just in time supply chains and providing an attractive proposition for future businesses investment.

Northern Powerhouse

We continue to play a key role in the development of NP11 by leading on its innovation work stream, and making significant inputs into its energy and supply chain programmes. We support other Northern initiatives, contributing to the work of Transport for the North as a steering group member on its review of the Northern Powerhouse Independent Economic Review, and as the NP11 representative on the steering group for the review of research and innovation. We also work alongside five other LEPs, government, and the North East and Yorkshire Local Energy Hub on our energy programmes.



The North East Local Industrial Strategy Summit, July 2019.

Evidence and Analysis

Building the evidence base

Over the last year, we have continued to develop an evidence base that informs the delivery of the North East Strategic Economic Plan and the development of the North East Local Industrial Strategy. This has included analysing published data, commissioning research and evaluations, building strategic partnerships with universities, and improving access to, and engagement with, evidence across the region.

North East Data Hub

The North East Data Hub ensures that anyone can access data on the North East economy. Launched in March 2018, the Data Hub publishes data from a range of sources using simple tools and provides easy-to-understand commentary. During 2019-20 we continued to develop the site's functionalities, broaden the range of data available and promote the Data Hub across the region. The site now includes a repository of research and publications about the North East economy.

Our Economy 2019

Our Economy presents an overview of the North East LEP economy and how it is changing over time. It provides a resource for partners and positions the North East for future policy developments. Our Economy 2019 was published in May, with the launch event attracting over 300 attendees and having a large social media reach. Every year, the Our Economy report provides a comprehensive look at a specific topic and in 2019 it examined what makes the North East a competitive place.

Research and evaluation projects

During 2019-20 we have supported a wide range of research and evaluation projects including providing the evidence to underpin the development of proposals for a North East Free Trade Zone, an evaluation of the North East Ambition Career Benchmarks, and development of a business growth and innovation ecosystem model. Over the last year we have worked with a number of universities in the region to develop strategic relationships and this has led to a number of new avenues of research.

North East Strategic Economic Plan evaluation

The interim evaluation of the North East Strategic Economic Plan was in its second year in 2019-20. The focus of the evaluation this year has been on building a stronger narrative around our programmes of delivery through the inclusion of mini project evaluations and case studies on Strategic Added Value.

Skills Advisory Panel

The North East has established a Skills Advisory Panel (SAP) that brings together employers, providers and others to ensure that skills provision in the North East is meeting the region's needs. The analysis team has developed an extensive evidence base to help inform the work of the SAP and has commissioned a range of research to develop this further. Linked to this, we have worked with colleagues in the skills team to deliver training for college staff on the use of labour market statistics.

North East Economic Evidence Forum

The North East Economic Evidence Forum continues to bring together partners from across the region, national research organisations and government to identify the evidence needs of the region, review emerging findings and disseminate research. During 2019-20 the forum considered evidence on the Northern Powerhouse, transport, tourism and culture.

DataJam North East

We helped organise the second annual DataJam North East, held in September 2019 at Newcastle University. The event was established to create opportunities for people passionate about the North East to come together to use their data and service design skills to improve the lives of people in our region, with its flagship event being two days of hacks, training and unconference sessions. This year's event was attended by around 180 participants.



The North East Local Industrial Strategy Summit, July 2019.

"Durham University is committed to having a positive impact from our research in the North East region. Working with the LEP to ensure that relevant research informs policy and investment decisions is one really important element of this."

Over the last year we have begun to develop a vision for future collaboration in this area and shape a joint research programme, with some exciting initial projects seeking a better understanding of key issues for the region such as productivity and good employment practice.'

Durham University

Areas of opportunity

We continue to develop the North East LEP's capacity to support the four areas of strategic importance identified in the Strategic Economic Plan. As we have developed resources, this year has seen further expansion of our work on the Energy for Growth strategy with and new strategic capacity on digital, and health and life sciences.

Alongside, we continue to work closely with partners in sector organisations on advanced manufacturing and to take opportunities to support sector growth in other parts of the economy

Energy

Delivery of the Energy for Growth strategy has continued with partners during 2019-20.

The North East Energy Catalyst has launched, bringing together the capabilities of the region's comprehensive energy innovation and demonstration asset base into a single co-ordinated vehicle.

Promoted at events including the Northern Powerhouse Energy Summit, the North East Energy Catalyst has established a delivery plan which builds on shared capabilities across business, science and research, to showcase solutions to global energy challenges and drive economic growth in the North East.

Regional energy opportunities are also being progressed. Our focus on rural energy project development is supported by the Rural Community Energy Fund.

The North East LEP has convened a national mine energy taskforce, co-ordinating cross sector organisations with the shared goal of unlocking delivery of geothermal heat from mines at scale.

Offshore energy and subsea technology sectors continue to present significant opportunities to build on the region's asset base, with offshore wind a particular focus as a result of the national sector deal launched in March 2019.

The North East LEP has commissioned work to establish the scale of the job creation, GVA growth and export opportunities for the region, showing that the North East can deliver a major part of the UK's aspirations for the sector deal.

The North East LEP is also an active participant, together with the Tees Valley Combined Authority, regional businesses, and developers, in the reconstituted Energi Coast cluster body which provides a focus for growth for the whole North East region.

GVA in the energy sector has potential to grow by between 150% and 190% by 2025



North East Energy Catalyst

Digital

The North East's digital strategy, Digital for Growth, was launched in October 2019 at an event held at PROTO, The Emerging Technology Centre in Gateshead.

The event was attended by over 100 key stakeholders from the public, private, third and education sectors.

Delivery of Digital for Growth will enable the region to develop a confident and connected digital economy that addresses the cross-cutting aspirations of digital adoption, digital transformation and digital skills development.

It builds on the North East's vibrant tech community and brings together our digital support networks.

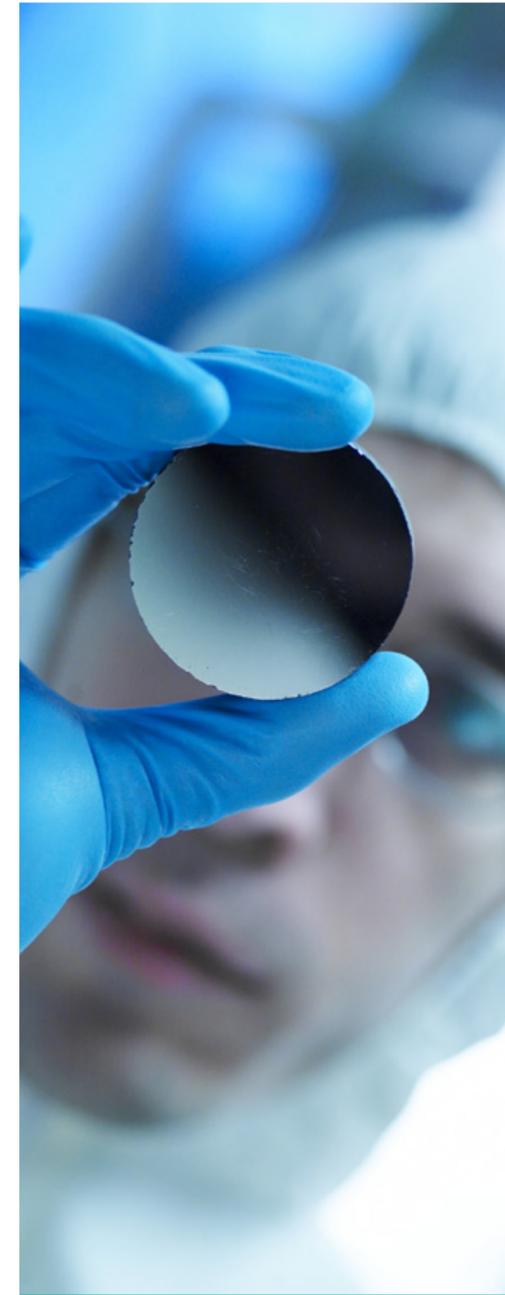
A steering group, chaired by Stuart Lynn, former Chief Technology Officer of Sage UK, has been convened, made up of representatives with backgrounds in large and small digital businesses, education and research.

The strategy identifies four priority themes: Workforce; Data; Infrastructure and Connectivity; and Digital Collaboration and Enterprise.

Evidence and a pipeline of projects for each is currently being designed with regional partners.



The North East's Digital for Growth steering group



Health and Life Sciences

With support from AHSN NENC and CPI, in September 2019 we appointed a Health and Life Science Programme Lead to bring forward the work of the Health and Life Sciences steering group which comprises key stakeholders from across the health, life sciences and pharmaceuticals economy.

Members represent the NHS, Academic Health Science Networks for the North East and Cumbria, Centre for Process Innovation, the region's four universities, business support organisations and a number of businesses in different sectors in health and life sciences.

The steering group has an agreed terms of reference to support the development and delivery of an economic growth strategy for this area of strategic importance.

As part of the strategy, we continue to support the development of a pipeline of key regional projects. Established priorities include the Smart Delivery of Medicines, The Great North Care Record and the Advanced Therapy and Treatment Centre for Cell and Gene therapies, each of which will significantly enhance the sector's capabilities and opportunities for growth.

Further projects will be identified as the work progresses.

Advanced Manufacturing

We work closely with sector bodies in Advanced Manufacturing sectors.

Automotive

We continue to work closely with the North East Automotive Alliance, as a strong and highly effective business led body which brings together automotive manufacturers and the supply chain and provides a strong voice and point of co-ordination.

We continue to support developments on the International Advanced Manufacturing Park and were delighted to work with partners in the NEAA and the region's universities and local authorities to support the opening of the Centre for Sustainable Advanced Manufacturing (CESAM) as a focus for future innovation in the automotive sector and wider advanced manufacturing.

Pharmaceuticals

The North East has a well-established, strong and growing pharmaceuticals cluster, with wider supply chain linkages into the region's chemistry and process industries.

Having recently published a profile report with First for Pharma and CPI on the scale and profile of the sector, we are working closely with these partners and with NEPIC to develop proposals which can support future growth in this sector, and which can connect it to the life sciences research and science eco-system in our universities and catapults.



Centre of Excellence for Sustainable Advanced Manufacturing (CESAM)

North East Local Enterprise Partnership

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End of Year Report

Summary of delivery April 2019 – March 2020



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Summary of delivery April 2019 – March 2020

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Business Growth

Activity	Key deliverables - between April 2019 and March 2020, we will:	Progress
Increase demand for external business support and finance:	Provide 550 businesses with one to one support from the Growth Hub connect service.	555 businesses received support in the financial year 2019/20.
	Provide intensive account management and managed brokerage to businesses that are scaling up or have the potential to do so.	Provided intensive support to 286 businesses via the Scaleup North East - a programme that provides intensive account management and brokerage to businesses with the potential to scale.
Ensure the supply of external business support and finance meets the needs of business and the economy:	Ensure that 15% and 5% respectively of the total business support provided will be targeted at rural businesses and social enterprise businesses. We will monitor the gender and BME balances and ensure our programmes are accessible to all.	The Growth Hub Connect service engaged with the following businesses: Rural: 26% Social Enterprise: 3% Female: 16% BME: 4% Family Business: 21%.
	Commission a supplier to complete the Business Support and Innovation Ecosystem Framework for the North East and make recommendations for business growth and innovation support and for an approach to commissioning services for business growth and innovation support.	Ecosystem framework supplier 'add specialists' appointed, work undertaken, report complete December 2019.
	Achieve a 90% satisfaction rating from businesses participating in Growth Hub programmes, based on satisfaction framework provided by government, where one is very dissatisfied and five is highly satisfied.	98% satisfaction rating achieved.
	Launch the High Potential Start-up pilot programme. Recruit 25 participants onto cohort one.	297 expressions of interest, 42 applications, 34 on programme over 2 cohorts (14 cohort 1; 20 cohort 2). Coaches at each workshop to improve participant experience.

<p>Ensure the supply of external business support and finance meets the needs of business and the economy:</p>	<p>Develop an Internationalisation Strategy.</p>	<p>Northumbria University are carrying out a research study designed to understand the spatial business birth rate dynamic across the North East. The initial phase has focused on mapping where business start-up hot and cold spots exist. The next phase will aim to explore the causal reasons as to why entrepreneurship may be prevalent or suppressed in particular areas. To support the development of an Internationalisation strategy for the North East Northumbria University are conducting a study of trade flows and patterns of inward investment to the UK. The study will help to inform the region as to where efforts should be concentrated in order to develop strong trade relationship and to encourage greater levels of inward investment.</p>
<p>Continue to improve the region's economic resilience:</p>	<p>Meet our target of 336 businesses having successfully participated in Supply Chain North East.</p> <p>Setup a North East early response taskforce to respond to economic changes as and when they arise.</p> <p>Generate 15,000 referrals to business support and finance providers via Growth Hub online.</p>	<p>325 businesses successfully working with the programme.</p> <p>Response force in place and operational. Early focus on EU Exit and Covid-19.</p> <p>There were 17,179 referals during 2019/20 from Growth Hub online.</p>

 Innovation		
Activity	Key deliverables - between April 2019 and March 2020, we will:	Progress
Stimulate new business opportunities through the North East Open Innovation Challenge:	Co-develop a model for Open Innovation Challenges with partners that responds to best practice and North East context.	A full workplan for developing an Open Innovation Challenge approach for the North East. has been developed with activities to be undertaken in partnership with the Innovation SuperNetwork. A working group of regional partners has been established to co-develop the model, building on existing approaches.
	Develop a communications toolkit to support the implementation of open innovation challenges that aim to raise awareness of the approach, the benefits, the challenge approach and encourage adoption.	Work on developing the open innovation challenges is ongoing. Marketing and key messaging is to be agreed at next group meeting on 9 June. A toolkit will follow on from this intelligence.
	Explore funding opportunities to enable the implementation of the model.	Activity will be carried out in 2020 as the partnership develops. This will build on existing work being carried out and maximising the use of the Invite EU programme.
	Deliver an initial phase of activity to build momentum for the model.	The partner group had met to scope activity. Covid 19 meant a delay to the next phase of workshops with partners but these have been rescheduled.
	Deliver a pilot programme through the Invite project by March 2020, taking learning from European partners on Open Innovation to shape our North East Challenge Programme.	The INVITE programme continues to support open innovation activities with 10 businesses being awarded innovation vouchers through the pilot. A partner meeting of the partners was held in the North East to coincide with VentureFest in November 2019. Partners are developing a regional challenge in relation to Covid 19 identity passport as a regional pilot.
Prioritise a regional pipeline of projects to form a Strategic Investment Programme:	Complete an open call and appraisal process and achieve endorsement from the North East LEP Board to establish a list of prioritised innovation projects.	The call for project ideas was made in the first half of 2019 with a prioritised pipeline approved at the September 2019 Innovation Board and the November 2019 LEP Board.
	Create and implement a simple project reporting process for partners to update the Innovation Board on progress with prioritised projects. This will allow us to support business ideas and improve the quality of strategic innovation in the North East.	A clear and focused project development reporting toolkit has been developed and rolled out for use by the Innovation Board and local partners.

(cont.) Prioritise a regional pipeline of projects to form a Strategic Investment Programme:	Complete research on understanding innovation in different types of places in the North East to identify gaps and highlight what is required to drive innovation activity.	The innovation in places research proposal has been developed with activity anticipated to commence in 2020 and be completed in 2021.
	Hold two coordination events with the Innovation SuperNetwork to prepare for national funding calls such as Strength in Places and Industrial Strategy Challenge Fund.	Co-ordination events were held with partners to assist them to prepare for wave 2 of Strength in Places Funding and other Industrial Strategy Challenge Fund competitions.
Continue to support our businesses to capitalise on local research and innovation capability:	Complete the sectors and competencies study to result in an up to date evidence base of sector and sub-sector/niche/competency strengths in the North East. Use this study to understand the relevant innovation asset base (such as networks, test and demonstration facilities and research capability) and any gaps we may be missing.	The Sectors and Competencies study was completed in mid 2019 and undertaken jointly with the Policy and Strategy Team to inform the development of the Local Industrial Strategy and Innovation Framework. This has also led to development of regional Innovation Delivery Partnerships.
	Work with research intensive organisations in the North East such as universities and catapults to better understand the opportunities for greater alignment to deliver improved outcomes for the North East economy.	In addition to engagement through the Local Industrial Strategy development process we have worked with colleagues in the universities to establish opportunities for greater alignment through two workshops.
Increase private sector investment into growing innovation businesses:	Promote and support VentureFest and Finance Camp events via our communications channels and help with the planning and delivery.	We have continued to support the VentureFest and Finance Camp events in 2019 with strong turnout and positive feedback on the events.
	Commission a review of access to finance for investment into innovation activities including private sector investment and the North East Fund and prepare a response to the findings that will increase investment, particularly private investment, in innovation activities and access to this investment for North East SMEs.	An initial review of access to finance support for innovation was completed in mid 2019 with reporting to the Innovation Board in May 2019. Subsequently a joint task and finish group has been established between with the Business Growth Board to focus on access to finance.
	Provide ongoing support to the North East Accelerator project, the Arrow project and other business support activities focused on innovation through board memberships and wider championing, and use learning from this to inform future plans for the business support environment.	The LEP has continued to be a strong and active Board member on the Accelerator and Arrow projects and encourages take-up of business support to all North East organisations through the Growth Hub.

Engage partners to identify and drive business growth through an Innovation Sectors and Competencies Programme:	Complete the Sectors and Competencies study and build on these results to establish a model for implementing an approach to drive growth in these areas.	The Sectors and Competencies study was completed in mid 2019 and undertaken jointly with the Policy and Strategy Team to inform the Local Industrial Strategy development as well as the Innovation Framework. The development of growth in the broad sectors is being led by the Sector Leads appointed to the LEP.
	Complete the Sectors and Competencies study to result in an up to date evidence base of sector and sub-sector/niche/competency strengths in the North East. Use this study to understand the relevant innovation asset base (such as networks, test and demonstration facilities and research capability). We will begin to develop a plan on any gaps where we are missing assets.	The Sectors and Competencies study was completed in mid 2019 and gaps are being addressed through the Energy, Digital and emerging Health and Life Science strategies developed by Sector Leads.
	Initiate a programme of activity to engage partners (established and new) in the development of niche/competency responses to the opportunities based on the new approach developed above.	Drawing on the outcomes of the sectors and competencies study, the concept of Innovation Delivery Partnerships (IDPs) began to be developed in consultation with partners, will aim to position consortia to capitalise upon emerging niche market opportunities.
Coordinate regional partners to provide enhances innovation support activity:	Complete a study that will make recommendations on a coherent model for innovation business support in the North East. Work with partners to gain support for the preferred model.	The Innovation and Business Growth study was reported to a joint meeting of the Innovation and Business Growth Boards in September 2019. Having worked up new approach and aligned model with partners, this forms the basis of a new model for future funding which will be further developed in 2020.

Skills, Employment, Inclusion and Progression

Activity	Key deliverables - between April 2019 and March 2020, we will:	Progress
<p>Deliver North East Ambition:</p>	<p>Launch the North East Ambition Career Benchmarks: Primary Pilot and work with 70 primary schools to deliver it.</p> <p>Deliver at least 10 careers related events to support schools within the primary pilot.</p> <p>Hold CPD sessions about careers in a primary setting for at least 35 ITT student teachers and their mentors.</p> <hr/> <p>The North East Ambition pilot project will allow the development of true partnerships between SMEs and educators in the drive to reduce the gap between skills demand and supply. We will:</p> <p>Improve the supply of a skilled workforce able to demonstrate they are ready and prepared for the world of work, and address the often-quoted belief that the North East does not have a pipeline of talented employees.</p> <p>Help employers and SMEs engage and partner effectively with educators, learners and wider communities.</p> <p>Support educators to deliver good career guidance and achieve the eight Gatsby Benchmarks by effective use of business partnerships and other available resources.</p> <p>Support educators in the delivery of a business-led curriculum in order for learners (and educators) to develop industry relevant skills, and most importantly, to facilitate the interface between business and education to do this.</p> <p>Support 120 businesses to engage with education through a variety of projects that make up North East Ambition, including working with partners to provide 20 teacher externships in businesses.</p>	<p>Primary pilot launched with 70 schools.</p> <p>20 careers events held specifically for primary schools.</p> <p>Three CPD sessions with ITT students held, three more scheduled for May/June 2020.</p> <hr/> <p>118 businesses matched with schools through the Enterprise Advisor Network.</p> <p>Nine teacher externships delivered with a pipeline of 10 more.</p>

(cont.) Deliver North East Ambition:	Host three careers leaders meetings per year, with attendance from over 100 secondary schools.	Three careers leaders meetings held with 100 secondary schools attending.
	Establish a Special Educational Needs and Disabilities (SEND) specialised hub of 20 schools to support the embedding of the Gatsby Benchmarks.	SEND hub established with 21 schools. Hub has since grown to informally include further schools from the network.
	Continue to act as an advocate for good careers guidance nationally and through international partners and education providers by hosting three learning visits from national and international delegations.	Continue to support colleagues in Hong Kong and Wales through a series of two-way visits.
Deliver Education Challenge:	Work with the Department for Education and stakeholders to allocate the £24m Opportunity North East funding, ensuring it improves prospects for young people, improves social mobility and raises aspirations.	Project developed and approved delivery starts May 2020.
	Expand the delivery of the Ford Next Generation Learning Pilot engaging six pilot schools and their wider communities.	Work is underway with six pilot schools.
	Develop an improved governance recruitment model including building new models of schools governance. Host three international project-based learning visits per year.	Two events were held, the third was put on hold due to COVID-19. Worked with Newcastle University to build a model for undergraduate governors. The North East LEP became England's first School Governor Champion.
Improve skills progression:	Develop an asset map for the region within FE, HE and other provision, to inform future investment in education and training provision.	Study has been designed and commissioned and is underway.
	Develop an outline pilot proposal, to help individuals recognise and record their transferable skills by working with key organisations.	A proposal has been developed with regional partners.
	Work with the Apprenticeship Growth Partnership and other partners to encourage a 10% increase in Higher/Degree level apprenticeships.	Data pending.
	Develop an action plan with ESFA to support partners to implement good quality T-Levels and specialist technical education.	An action plan was developed. However, employer engagement is currently on hold due to COVID-19.
	Work with North East universities, and universities from outside of the region, to secure funding to deliver a university pilot project focussing on careers and opportunities.	Funding was not secured in bid to OFS. The North East LEP is scoping alternative funding streams.

(cont.) Improve skills progression:	Deliver phase three of the 'Live Work and Stay' campaign highlighting the benefits for recent graduates and skilled workers to stay in the region.	On hold until late 2020.
Decrease youth unemployment:	Continue to work with partners to maintain the current progress in the reduction of unemployment in young people, and to encourage training and entry into employment in key growth areas. To learn from the highly successful Generation North East and develop future models to prevent youth unemployment.	Working closely with key partners including DWP and private sector partners such as Sage, Accenture and Marks & Spencer, to prepare for the roll out of the movement to work pilot in the North East. This would act as a coordination mechanism to help secure young people's involved in employability work placements.
	Provide specialist support and develop calls through the European Social Fund (ESF) programmes to tackle the most acute challenges through targeted and holistic support.	The North East LEP's ESF coordinators have worked closely with partners across the region and 21 projects have been submitted for the North East LEP's open call.
	Grow the number of apprenticeships by developing access courses in consultation with local employers and training providers.	This is at the consultation and data collection stage.
	Ensure young people are able to develop their digital skills. This requires digital skills to be built into school, FE and HE courses.	The North East LEP supported a regional HEI to integrate digital skills across the curriculum. Through the digital working group, the LEP has provided a series of resources to schools and colleges to support digital skills.
	Explore new models of delivery, including the Institute of Technology (IoT) and promoting support for young people in education employment or training that includes digital skills training.	The North East LEP continues to work with DfE to ensure the IoT becomes operational.
	Develop a Digital Strategy which has also has a strong focus on short, medium and long term interventions to address digital skills shortages, including a focus on diversity challenges, quality and quantity of provision, and in-work training.	The North East LEP digital strategy was published in 2019 and provides a live document that covers digital skills, skills provision and the important of inclusion.
Improve labour market activation:	Develop a plan that will be a strategic funding priority, that provides targeted support for people facing health barriers to employment, building on and incorporating the lessons learned from projects such as Mental Health Trailblazer and Working Links.	The North East LEP has shared the evaluation reports from Mental Health Trailblazer and Working Links with partners, although the results of the randomised control trail is still outstanding. The LEP is working with partners to scope funding opportunities to support similar programming.

	Create and develop at least two pilot schemes, including a National Retraining Scheme, to ensure support is in place for those that have been unemployed or economically inactive, and support them into work to help them acquire further skills.	NRS has been rolled out in the North East. The North East LEP is working with DfE to look at the first stage data to make changes for stage two. Additionally, the LEP is in the process of scoping a fusion skill pilot.
	Target an increase of take-up of the Better Health at Work Awards (BHAWA) by 50 companies at a bronze award, working with trade unions, business organisations and sector organisations. Work with partners to ensure there is a 10% increase in the number of new health advocates trained.	Data pending.
Ensure connected communities:	Develop a plan that will be a strategic funding priority, that provides targeted support for communities and individuals, focussing on those with multiple barriers or protected characteristics.	This has been built as a key theme of the North East LEP's digital strategy.
	Introduce a workstream as part of a digital for growth strategy that will develop an action plan, focused on prioritising digital skills development and learning for all. Secure funding to deliver a coordinated digital programme.	The digital working group has adopted this as a key workstream. Funding is still outstanding.
Promote Fuller Working Lives:	Implement the North East's Fuller Working Lives (FWL) strategy and develop a supporting communications plan that targets employers and addresses the challenges and opportunities around the Fuller Working Lives agenda.	The North East LEP is scoping out funding opportunities to align the FWL strategy with the aging challenge set out in the Local Industrial Strategy.



Transport Connectivity

Activity	Key deliverables - between April 2019 and March 2020, we will:	Progress
<p>Continue to progress ongoing transport project delivery:</p>	<p>Deliver 11 rapid charging hubs at Gateshead Leisure Centre, Angel of the North, Metrocentre, Gosforth High Street, Kingston Park, Tynemouth and Whitley Bay seafront, Blyth Keel Row, Cramlington Smithy Square, Hexham Leisure Centre, Washington Speculation Place, through the Go Ultra Low project by March 2020.</p>	<p>The delivery of these hubs is progressing well with 10 receiving full planning permission and one in final design stage. All hubs will be commissioned by summer 2020. Due to a delay in electric connections, this has resulted in timescales being pushed back.</p>
	<p>Provide 12 hours of targeted support and advice to 56 SMEs about the potential benefits of switching to an Ultra-Low Emission Vehicle by 30 March 2020.</p>	<p>This project continues to perform well. The target to provide 12 hours of support to 56 SMEs will be reached slightly later than planned - September 2020.</p>
	<p>Deliver 10 Electric Vehicle rapid charging posts for use by the taxi industry, funded by the OLEV Taxi Fund by summer 2020.</p>	<p>A supplier has been procured to deliver the 10 chargers and we are on course to deliver them by 31 July 2020.</p>
	<p>Begin construction on the A1 Scotswood to North Brunton, and Birtley to Coal House widening schemes.</p>	<p>Scotswood to North Brunton commenced on the 2 March 2020. Coalhouse to Birtley is due to start in the later part of 2020/21.</p>
	<p>Commence Morpeth to Felton dualling scheme before the end of 2019/20.</p>	<p>The start of the works is due in the early part of 2021 with completion in 2023. Alnwick to Ellingham is the same.</p>
	<p>Major improvements at two junctions on the A69 will be approaching completion, one at the A69/A6079 Bridge End roundabout, and one at the A69/A68 Styford roundabout.</p>	<p>Works are ongoing and are due for completion at the end of March 2021.</p>
<p>Received a final funding award from the Transforming Cities bid:</p>	<p>Be in receipt of the final funding award from Transforming Cities by March 2020. Agree an evaluation plan to monitor Transforming Cities investment between (2023/24) and (2028/2029). These dates are subject to funding award.</p>	<p>Funding award for £198m received March 2020. Work on the TCF evaluation plan will commence soon. In the meantime, we are working with DfT on its national evaluation of all TCF projects.</p>

Continue to improve and deliver better connectivity through improved infrastructure	Deliver the following through the Metro Infrastructure Renewals programme:	
	• Completion of track renewals from Gateshead Stadium to Felling.	Track renewals completed in May 2019.
	• Completion of rail renewal in the Central Area Tunnels from the QEII Bridge to Gateshead Stadium.	All rail now renewed. Stressing and tamping was completed in April 2020.
	• By the end of March 2020, Nexus will have installed 30-route km of overhead wire as part of the Overhead Line Equipment Programme. Renewal is necessary due to age and asset condition. The programme has an end date of 2025 to complete all the renewals on the system.	Overhead line renewal continues as planned, with wire runs completed at approximately three-week intervals. Productivity of component replacement has increased significantly. Asset condition and priorities under review.
	• Remedial work to Crossgate viaduct in South Shields Transport Interchange.	Remedial works to Crossgate viaduct completed in August 2019 – aligned with South Shields Interchange track closure.
	• Completion of Station refurbishment at Monkseaton, West Monkseaton, Cullercoats, Shiremoor, Palmersville, Benton and Longbenton.	Substantially complete. Some weather dependent platform surfacing and painting to complete in April / May 2020.
	• Close out of the Radio system project.	Maintenance support contract in place for five years. Final recovery works being progressed internally by Nexus.
	• Close out of the Rail Traffic Management System project.	Final planned software update completed on 1 March 2020. Recovery of old on-train and trackside equipment largely complete. Further meetings scheduled with supplier to address and quantify remaining issues.
	• Renewal of critical point motors – replacing obsolete and difficult to maintain components.	Programme of point motor replacements has continued to plan – further point motors programmed for 2020/21.
• Final commissioning of network wide multi-functional relays – giving enhanced protection in fault conditions.	All relays commissioned and operational.	

<p>(cont.) Continue to improve and deliver better connectivity through improved infrastructure</p>	<ul style="list-style-type: none"> Continued fleet investment – to improve reliability of current Metro fleet. 	<p>Achievement against delivery:</p> <p>Increasing average availability from period 1 at 83.3% up to 100% at period 12 (March 2020).</p> <p>The fleet investment programme has positively contributed to this achievement of 100% and is nearing completion within budget. This has involved management of a number of work packages and increasing fleet staff numbers to effectively manage the works in-house.</p> <p>Works carried out include various substantive corrosion and electrical repairs; windscreen improvements; pro-active fault finding programmes linked to regular train examination activities; sourcing and fabricating components that are no longer readily available.</p>
	<ul style="list-style-type: none"> Completion of South Shields Transport Interchange (funded through Local Growth Fund). 	<p>Building completed August 2019 and handed over to Nexus to operate from this point onwards. Associated public realm / highways works to be completed by May 2020.</p>
	<ul style="list-style-type: none"> Substantial completion of the Nexus Training and Maintenance Skills Centre (including funding through Local Growth Fund). 	<p>Completion delayed until mid-June 2020 due to COVID-19 pandemic. Unable to deliver power through to site due to Northern Power Grid carrying out essential and emergency work only.</p>
<p>Use transport to drive innovation and business growth:</p>	<p>Continue to use transport as an enabler, linking people to employment opportunities, generating economic growth and investment.</p>	<p>The case for local rail devolution in the North East is progressing well and aspirations were fed into the Williams Rail Review. A prospectus is under development and will launch once the review produces its findings, which have been delayed due to other priorities of the government.</p>
	<p>Continue to improve transport connections, making it quicker and easier to transport goods and freight, enabling the economy to grow.</p>	<p>The Transport Plan for the North East is currently in development and we are looking at improving transport connections as part of this.</p>

<p>(cont.) Use transport to drive innovation and business growth:</p>	<p>Seek investment for the East Coast Mainline to provide the capacity and line speeds to meet existing and future requirements.</p>	<p>The North East has worked with Network Rail, Transport for the North, North East England Chamber of Commerce, the Consortium of East Coast Mainline Authorities (ECMA) and local politicians to promote the needs of the ECML.</p> <p>Example outputs: Network Rail long term planning study draft recommendations state improvements needed.</p> <p>Transport for the North continue to develop the business case for capacity and line speed improvements, draft Strategic Outline Case expected November 2020.</p> <p>NECC launched Fast Track North East campaign.</p> <p>ECMA produced economic research outlining value of ECML to the North East.</p>
	<p>Submit the Transforming Cities Fund bid to ensure delivery of improved access to jobs, training and housing through investment in public transport and sustainable transport.</p>	<p>Submitted November 2019 and funding award of £198m announced in March 2020.</p>
	<p>Submit the Future Mobility Zone proposal for investment to trial new forms of mobility services modes or models across the region. Future Mobility Zone funding would allow the development of concepts that address travel demands.</p>	<p>Future Mobility Zone Project closed - DfT did not shortlist the North East FMZ proposition.</p>


Investment and Infrastructure

Activity	Key deliverables - between April 2019 and March 2020, we will:	Progress
Continue to manage the already secured North East LEP funding effectively:	Programme managers to attend each North East LEP Investment Board and submit quarterly progress monitoring dashboards.	Achieved and ongoing.
	Submit quarterly monitoring returns to Ministry of Housing, Communities and Local Government regarding the Local Growth Fund (LGF) and Enterprise Zones.	Achieved and ongoing.
	Ensure that the Local Assurance Framework is adhered to when making funding decisions by maintaining the operational management structures and decision-making accountabilities within the North East LEP.	Achieved and ongoing.
	Project sponsors to achieve the below LGF key performance indicators forecast outputs 2019/20:	Outturn Figures
1,000 gross jobs connected to direct employment site (164 to date).	853	
178 apprenticeship/traineeships opportunities created .	28	
67 established / new businesses accommodated (local indicator).	94	
69,623m2 commercial floorspace constructed.	87,359m2	
85m2 commercial floorspace refurbished.	1,052m2	
53ha area of site reclaimed, (re) developed or assembled.	56ha	
£92m follow on investment at site.	£80.6m	
0m2 new build training/learning floorspace.	0	
0 learners at NVQ Level 3.	19	
442 business receiving non-financial support.	481	
206 business receiving financial support.	111	
0.4km total length of newly built roads.	1.56	
2.6km total length of resurfaced roads.	0.2	
2.2km total length of new cycleways.	0.3	
340 construction jobs (local indicator).	950	
100% LGF annual budget expenditure.	100%	

(cont.) Continue to manage the already secured North East LEP funding effectively:	105 education establishments engaged.	70
	10,000 LGF social media campaign – numbers engaged.	67,000
	99% of LGF lifetime budget contracted.	97.7
	Deliver a 12 month communications campaign to showcase progress on the latest LGF projects and the impact that completed LGF projects are having across the regional economy as well as increasing engagement with the projects themselves. The main objective of the campaign is to raise awareness of the North East LEP's role in allocating and managing the LGF with the aim of creating more and better jobs in the region. The campaign will deliver as a minimum, one comms story per month, two social media posts per month and increase visits to the LGF pages on the website by 10%.	Delivered and objectives surpassed. Visits to the project pages increased by 96.06%.
	Monitor programme level risks via the Technical Officer Group.	Risks are assessed and discussed at each Technical Officer Group meeting and actions needed addressed and agreed at Board.
	The Enterprise Zone sites below will have come forward with funding proposals to allow for infrastructure and enabling works to be undertaken at:	
	• Royal Quays Enterprise Zone (North Tyneside).	Funding application received.
	• North Bank of Tyne Enterprise Zone (Newcastle upon Tyne).	Funding approved.
	• Holborn 2 Enterprise Zone (South Tyneside).	Funding approved.
	Have significant infrastructure works underway or complete on four more Enterprise Zone sites, that will be ready to secure private sector investment at:	
• Follingsby Max (Gateshead).	Site infrastructure works completed.	
• Jade Business Park (County Durham).	Site infrastructure underway and speculative units under construction.	
• International Advanced Manufacturing Park (Sunderland and South Tyneside).	Good progress with on-site highway and utility infrastructure, 3 units constructed.	
• Northumberland Energy Park (Northumberland).	Site infrastructure, including Quay works, in progress.	
Enterprise Zone sites will be home to more than 1,600 jobs with LEP investment, having been more than £80m, unlocking more than £130m of public sector investment.	1640 jobs now on Enterprise Zones, £81m private investment and £88m other public investment matches against £77m of LEP investment.	

Coordinate partners to develop a regional project pipeline based on spatial economic priorities:	Begin the development of a spatial statement and narrative for the North East with key partners.	Rolled forward into 20/21.
	Develop a strategic project pipeline for the North East linked to the priorities of the Local Industrial Strategy and the spatial statement.	Priority capital schemes collated from all seven local authorities to inform future investment plans.
Secure additional investment in the North East:	Work with our partners to coordinate regional bid activity to secure funding for the region, as required.	Achieved. Support provided to Transforming Cities Fund Bid.
	Prepare for any future funding throughout the year by developing a project pipeline including making preparations for the proposed UK Shared Prosperity Fund in 2021.	Ongoing. Final details of UKSPF still to be released.
	Make preparations to maximise draw upon ESIF national reserve fund from 2020 onwards across the LEP area.	Ongoing. Work continues with ESIF MAs in development and delivery of National Reserve Fund, to maximise impact for NE.
	Secure a commercial property fund model, by using the North East Investment Fund funding and procure a fund manager.	Ongoing. Steering Group in place, Ex Ante Evaluation of funding model complete in preparation for procurement of fund manager.
Increased access to finance for businesses to invest:	Work with the North East Fund Limited to maximise its investment potential for North East SMEs.	Achieved. Fund managers were invited to give an update at ESIF Sub Committee Board on 2 February.
	Support North East Finance and North East Access to Finance to optimise use of legacy funding to support North East initiatives.	Ongoing. Work continues with NEA2F to optimise legacy funding in NE.

Strategy, policy, evidence and analysis

Activity	Key deliverables - between April 2019 and March 2020, we will:	Progress
Develop and publish a North East Local Industrial Strategy (LIS):	Finalise the LIS evidence base and deliver our annual 'Our Economy' event in May 2019.	Completed in May 2019. Comments received from government in June 2019.
	Complete an engagement programme with key stakeholders.	Range of meetings and events completed, including LIS engagement summit attended by 551 delegates and international and national contributors, on 16 July 2019.
	Develop a series of propositions for inclusion in the North East Local Industrial Strategy.	Series of draft propositions developed and refined throughout the engagement process. Endorsed by the North East LEP Board in January 2020 in preparation for discussion with government.
	Co-produce the North East LIS with government and key partners.	<p>Co-production has been central to the North East Local Industrial Strategy development, with senior government representatives and regional partners from business, education and local government being part of the governance structures, development and sign off processes.</p> <p>Individual departments and agencies have also been involved in appropriate workstreams – e.g. DiT in Internationalisation proposition, BEIS sponsorship of energy strategy, Environment Agency in propositions around water.</p>
	Launch the LIS in accordance with the government's timetable.	The timeline and approach to Local Industrial strategies has been impacted by changing national timelines linked to policy change, and the impact of COVID-19. We have held the draft content under review as circumstances have changed and the work undertaken will provide key content for the future as government asks become clear. This timeline will be subject to completion of the finalisation process.

<p>Influence public policy through collaboration:</p>	<p>Continue collaborative working on Brexit through the North East Brexit Group. Continue to co-ordinate monitoring data to support preparations nationally and to support the group through key activity required in response to economic or governance changes.</p>	<p>The Brexit Group has continued to meet throughout 2019/20 and has been renamed the EU Exit Implementation Group to reflect the movement into the transition period. The work programme has been updated to reflect our departure from the EU in January 2020.</p> <p>The Group continues to co-ordinate work across a number of policy and implementation areas including:</p> <ul style="list-style-type: none"> • Sharing intelligence and co-ordinating messages between regional partners. A new set of key messages has been agreed to frame work during the transitional period. • Providing monitoring information to government departments. • Submitting evidence and position statements to government on key domestic policy issues such as migration and trade. • Preparing projects that can help facilitate a positive transition, for example the Free Trade Zone proposal. • Developing understanding of the region's needs from consequent policy processes, for example the future shape of regional funding.
	<p>Continue the work programme of the North East Economic Evidence Forum to:</p> <ul style="list-style-type: none"> • Advise the North East LEP on current research and evidence activities. • Identify opportunities for collaborative research across forum members. • Develop a communication strategy in 2019/2020 to consider how the group will engage with wider audiences through different channels, including social media, blog posts, etc. • Build a North East LEP-wide research programme to ensure that we continue to build our evidence base and take forward our commitment to build our capacity for being evidence led in our work. 	<p>The Economic Evidence Forum has continued to meet and has extended its membership to include a wider group of economic evidence users and developers.</p> <p>It continues to provide peer review and support to the LEP on its key evidence and analysis output such as the LIS evidence base and the 'Our Economy' report, and has begun to develop a thematic approach to regional economic evidence.</p> <p>It has provided a platform to begin developing evidence partnerships with regional universities linked to the Impact Accelerator fund.</p> <p>The North East LEP itself has agreed to move towards a strategic research programme and work has been undertaken to audit current research action and develop a forward framework for the programme.</p> <p>Work has begun to develop new collaborations with regional universities to leverage regional knowledge assets and secure external resources to support regional evidence needs. Structured pilot projects with Durham and Northumbria universities are testing different models. An internal restructuring has enabled the LEP to create a new Research and Analysis Team, bringing together the Economic Analysis and Research and Evidence functions. The staff resource available to support research activities has now been expanded to three FTE.</p> <p>During the year, the North East LEP also agreed to assume co-ordination responsibility for the Economic Prospects Group in partnership with the Bank of England.</p>

	<p>Continue to facilitate the development of strategic approaches to the development of the Areas of Strategic Importance in the Strategic Economic Plan.</p>	<p>Over the last year, resources have been developed to enable the North East LEP to appoint programme leads for both the digital and health and life sciences areas of strategic importance. A Digital Strategic framework was approved by the LEP Board in July 2019, and a Health and Life Sciences strategy will follow in the Autumn of 2020.</p> <p>The Energy Programme continues to build successfully with new programmes on energy innovation and rural energy being launched and resourced, and capacity to build the region's offshore energy cluster continuing in partnership with business and research partners across the North East and Tees Valley areas.</p>
<p>Continue to work collaboratively across the Northern Powerhouse region:</p>	<p>Continue to work alongside colleagues across the 11 northern LEPs to promote northern growth, help raise our profile, attract investment and realise our economic potential.</p>	<p>The North East LEP continues to support the development of the NP11, playing an active role in the Board and Chief Executive Group, and supporting the key work streams, including leading for the NP11 on innovation, and making significant inputs into the energy and supply chains programmes. There has been close working with Transport for the North on the update of the Independent Economic Review and associated research projects.</p> <p>A regional Northern Powerhouse co-ordination group has been created to support work across these themes, including the North East LEP, LA7 Economic Directors, Transport Team and Invest North East England</p>
	<p>Continue to take a leading role in the region to help develop and coordinate economic analysis, promote collaborative action in key areas of shared interest, and share our understanding of what works. We will also work on other economic geographies to progress action that can deliver priorities in the SEP and the LIS, including the East Coast mainline.</p>	<p>The team continues to be active and outward looking in seeking opportunities to collaborate with partners on appropriate economic development projects as a cross cutting priority.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • Contributions to a range of activities at Northern Powerhouse scale as mentioned above. • Active work as a partner to the five other LEPs in the North East and Yorkshire Energy Hub, and through this into the wider network of energy hubs nationally. As an example, the North East LEP is now leading a national initiative on Mine Water energy supported by BEIS and the East Midland energy hub. • Collaboration with partners across the Borderlands geography on rural energy. • The health and life sciences programme has led to co-ordination with NHS across the North of England, emerging joint work with Manchester on ageing and early work on life sciences across the LEP network.
	<p>Continue to proactively share our evaluation evidence and learning with relevant stakeholders, including delivery partners and other LEPs; to support building knowledge and understanding of what works in economic development.</p>	<p>The Board received a year one report of the external evaluation project in June 2019; year two is now underway. A number of policy and delivery partners are involved in contributing data and insight into the project, which will report to the Board in the early summer of 2020.</p>

**(cont.)
Continue to work
collaboratively
across the Northern
Powerhouse region:**

Continue our active engagement through meetings and events with the LEP Network. Sharing good practice through regular contact with network colleagues, engagement sessions and meetings.

The North East LEP is a regular contributor to the LEP Network through the Chairs, Chief Executives and LIS development networks.

Governance		
Activity	Key deliverables - between April 2019 and March 2020, we will:	Progress
Continue to implement the LEP Review recommendations:	Review the LEP constitution in line with the LEP review recommendations.	LEP Review recommendations considered by the LEP Board and reflected in the Constitution.
	Hold our first public Annual General Meeting.	The North East LEP AGM took place on 29 September 2019 and was attended by 221 delegates.
	Continue to publish our strategic plans and documents online to ensure these are accessible to the wider public, communities and businesses.	The refreshed Strategic Economic Plan and key accountability documents are available on the North East LEP website.
	Maintain digital communications, which is central to our approach to stakeholder engagement.	<p>Our social media presence has continued to grow with our followers on Twitter and LinkedIn increasing to 11,476 and 6,300 respectively during 2019/20. More importantly, engagement has also improved by 42%, with the LEP twitter account receiving 25,367 interactions including likes, retweets and comments.</p> <p>Our websites are also critical landing platforms for all of our activities:</p> <p>The North East Growth Hub generated 2188 referrals to business support providers and during the initial 2 weeks of the COVID-19 lockdown restrictions, it provided 16,000 visitors with real time information about the pandemic.</p> <p>Pageviews to the North East LEP website increased by 117% to 339,824 over the year. Most notably, there were 1,291 downloads of the full version of the SEP and 929 downloads of its Executive Summary. The previous year, saw a total of 25 downloads.</p> <p>The North East Ambition website has seen a 48% increase in users and generated over 16,000 pageviews since January, with the benchmark audit tool receiving over 500 visits from 70 primary schools and 50 secondary schools across the North East. New resource toolkits and events sections have also been introduced, generating a further 1.213 pageviews since March.</p> <p>The North East Datahub's functionality to enrich the quality and scope of data available has continued to be developed.</p>
	Publish the North East LEP Annual Delivery Plan following board approval in May 2019.	The Delivery Plan was published on the North East LEP website and can be seen here .

	<p>Continue to ensure that the North East Assurance Framework remains a live document that is regularly updated to reflect ongoing updates and developments.</p>	<p>The North East Assurance Framework is constantly reviewed and updated and is published on the North East LEP website here.</p>
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28th May 2020

ITEM 5: Financial Outturn 2019/20; Update on 2020/21 Budget; and Illustrations for 2021/22 and 2022/23

1. Introduction

- 1.1 The purpose of this report is to provide an update to the Board on the final outturn revenue budget position for 2019/20, including the performance of the Enterprise Zone account, Local Growth Fund and North-East Investment Fund. A small revenue surplus of £0.018m was generated on the LEP's core revenue budget, compared with a small deficit of £0.026m projected in the revised estimate for the year reported to the Board in January 2020. The outturn was better than projected and the LEP's General Reserve increased to £0.603m.
- 1.2 This report also provides the Board with an update of the current financial year budget (2020/21), taking into account the outturn position for 2019/20 and providing an illustration for the following two financial years 2021/22 and 2022/23. This is in line with previous requests from the Board for a medium-term view of the North East LEP's revenue budget. The illustration for 2021/22, 2022/23 reflects significant uncertainty around Government funding streams and presents only a core level of activity for that year. The budgets for these financial years will be updated as further announcements of additional funding streams are received.

2. LEP 2019/20 Revenue Budget Outturn

- 2.1 The LEP core budget covers LEP operational activity and also management of the Local Growth Fund, North East Investment Fund and Enterprise Zone programmes. Table 1 provides; the original approved budget, revised forecast reported to the Board in January 2020 and the actual spend for the year, with further details explaining significant variations provided below.
- 2.2 The North East LEP Board approved budget for 2019/20 comprised gross expenditure of £4.156m and gross income of £4.121m, therefore projecting a drawdown requirement from the LEP general reserve of £0.035m. The update to the Board in January revised the 2019/20 forecast expenditure to £4.664m and income to £4.638m, providing a reduced forecast use of reserves of £0.026m.
- 2.3 Actual total revenue expenditure in 2019/20 amounted to £4.579m, which is £0.085m lower than the January forecast. The actual income also saw a minor reduction of £0.041m, from £4.638m to £4.597m. Overall the LEP recorded a £0.018m surplus for the financial year, a £0.044m improvement from the £0.026m shortfall forecast in January 2020.

Table 1 North East LEP 2019/20 Outturn

	2019/20 Base Budget	2019/20 Revised Budget	2019/20 Outturn	Variance between Final Outturn and Revised Budget
	(£)	(£)	(£)	(£)
Employees	2,508,000	2,516,000	2,451,288	(64,712)
Premises	190,000	193,000	199,274	6,274
Communications	247,000	247,000	257,306	10,306
Transport LGF Monitoring	100,000	72,000	63,226	(8,774)
Growth Hub Operational Costs (inc.Brexit increa	117,000	141,000	142,911	1,911
Invite (Horizon 2020) Operational Costs	66,000	56,000	57,155	1,155
LIS (Local Industrial Strategy)	24,000	68,000	68,550	550
Other Operational Costs	614,000	662,000	708,343	46,343
North East Ambition Operational Costs (ESF)	100,000	96,000	90,499	(5,501)
Brexit Intelligence and Business Support	0	204,000	210,925	6,925
LGF High Potential Operational	0	78,000	64,861	(13,139)
Energy Programme Operational Costs (Strateg	0	40,000	16,100	(23,901)
Inward Investment Contribution	140,000	140,000	140,000	0
Other NEIF / LGF / EZ Costs	50,000	151,000	108,852	(42,148)
GROSS EXPENDITURE	4,156,000	4,664,000	4,579,291	(84,709)
LEP Core & Strategy Grant from DCLG	(500,000)	(500,000)	(500,000)	0
Local Authority Match Contributions	(250,000)	(250,000)	(250,000)	0
BEIS - LIS production and LEP review	(224,000)	(224,000)	(224,488)	(488)
CORE FUNDING	(974,000)	(974,000)	(974,488)	(488)
Local Growth Fund (programme mgmt costs)	(950,000)	(950,000)	(827,842)	122,158
Interest Generated on Funds to fund INEE	(140,000)	(167,000)	(190,691)	(23,691)
Growth Hub (including Brexit increase)	(410,000)	(442,000)	(441,579)	421
Brexit Intelligence and Business Support	0	(204,000)	(212,252)	(8,252)
Enterprise Adviser grant - CEC	(190,000)	(250,000)	(292,243)	(42,243)
Invite (Horizon 20/20)	(102,000)	(84,000)	(67,088)	16,912
ERDF + Digital Catapult + AHSN	(103,000)	(75,000)	(64,627)	10,373
NEIF Contribution to cover activity costs	(66,000)	(106,000)	(232,273)	(126,273)
EZ Contribution to cover activity costs	(52,000)	(107,000)	(127,686)	(20,686)
NECOP	(136,000)	(143,000)	(100,134)	42,866
European Social Fund North East Ambition	(464,000)	(417,000)	(416,178)	822
LGF match North East Ambition (ESF project)	(314,000)	(143,000)	(144,030)	(1,030)
EY Foundation	(75,000)	(75,000)	(47,136)	27,864
DfE	(40,000)	(75,000)	(62,771)	12,229
LA Contributions re ESIF Co-ordinator	(20,000)	(20,000)	(20,000)	0
LGF High Potential	0	(93,000)	(108,893)	(15,893)
Brexit Policy Work Programme	0	(59,000)	(34,103)	24,897
Energy Strategy BEIS / TVCA	(79,000)	(99,000)	(72,363)	26,637
Energy Programme Misc. Contribution	0	(69,000)	(41,581)	27,419
Energy Programme LGF Rev Contribution	0	(14,000)	(33,018)	(19,018)
5G Pilot - LGF	0	(35,000)	(35,308)	(308)
Invest NE Comms Contribution	(6,000)	(6,000)	(6,000)	0
DfE One Vision	0	0	(8,055)	(8,055)
Other Income	0	(31,000)	(36,806)	(5,806)
EXTERNAL FUNDING	(3,147,000)	(3,664,000)	(3,622,657)	41,343
GROSS INCOME	(4,121,000)	(4,638,000)	(4,597,145)	40,855
NET BUDGET	35,000	26,000	(17,854)	(43,854)
BROUGHT FORWARD BALANCE	(585,000)	(585,000)	(585,000)	
Use or (Contribution) LEP Reserves	35,000	26,000	(17,854)	
CARRY FORWARD BALANCE	(550,000)	(559,000)	(602,854)	

2.4 Expenditure

Expenditure of £4.579m was £0.423m higher than the original budget for the year and £0.085m below the revised estimate that was reported in January. This was mainly due the additional activities that the LEP undertook during the year, such as Brexit/EU exit preparations and skills activity, which were funded by additional income streams. The main areas of expenditure variation since the last update to the Board are noted below.

2.5 Employee Costs

Employee expenditure totalled £2.451m, which is marginally lower than forecast. This underspend is a mix of the savings arising from vacant posts held at various points throughout the year partially offset by new posts being created linked to new projects attracting additional external funding.

2.6 Premises

This expenditure has increased beyond the budget due to one-off costs associated with the move to a larger office within St James Gate e.g. workstation refit costs.

2.7 Communications

The Communications expenditure for the year was £0.257m, which exceeds the budget of £0.247m by £10,000, with £6,000 of this increase being funded by a contribution from Invest North East. The successful delivery of the LEP communication strategy is a key aspect of ensuring an effective North East LEP operation.

2.8 Transport LGF Monitoring and Evaluation

The recharge from the regional transport team for LGF transport project support was £0.063m, a further reduction on the Revised Estimate. This is due to the majority of LGF transport schemes having progressed through appraisal and requiring less support last year.

2.9 Growth Hub Operational Costs

Non-salary costs in delivery of the Growth Hub initiatives increased during the year following an additional grant award from BEIS to provide EU exit readiness advice. The increase in spend was fully matched by the increase in grant.

2.10 Other Operating Costs

Expenditure on this budget area totals £0.708m for 2019/20, which is £0.046m greater than the Revised Estimate of £0.662m. This relates to costs associated with NEIF and EZ support/appraisal activity and Skills initiatives, all of which are funded by external income sources or fund drawdowns.

2.11 Brexit Intelligence and Business Support

As noted in the January 2020 Board update, additional funding was provided by BEIS during 2019/20 to support regional Brexit preparation activity.

2.12 Income

Income of £4.623m was £0.476m higher than the original budget for the year and £0.041m below the revised estimate that was reported in January. This was mainly due the additional activities that the LEP undertook during the year, such as Brexit/EU exit preparations and skills activity, which were funded by additional income streams. There now are a large number of core and specific income streams (over 27) that fund the activity of the LEP, as outlined in Table 1. The main variations since the last update to the Board are detailed below.

2.13 Local Growth Fund (programme management costs)

The drawdown from Local Growth Fund to support programme management activity was £0.828m which was lower than forecast. This reduction was due to lower external support activity and a lower recharge from the regional transport team for LGF transport project support. Funding freed up from the reduced drawdown will be available to support activity in future years.

2.14 Local Growth Fund Interest

The annual LGF grant allocation paid by government in full at the beginning of the financial year attracts sizable interest sums which are used to fund the INEE team. The £0.190m interest generated is a further increase of £0.023m on the Revised Estimate due to an improved cash flow position.

2.15 Growth Hub

As noted at section 2.9 the original annual £0.410m Growth Hub allocation was increased by £0.031m to support EU exit readiness activity and income was in line with the revised estimate for the year.

2.16 Brexit Intelligence and Business Support

As regional Cluster Lead, the North East LEP managed additional grant funds totalling £0.282m on behalf of the North East LEP and Tees Valley areas. Of this funding £0.213m was utilised in support of the regional initiatives with £0.069m to be repaid to BEIS as it was unable to be utilised within the strict grant conditions.

2.17 Careers Enterprise Company

£0.292m of grant funding was applied in 2019/20, which was £0.042m greater than the Revised Estimate and a result of meeting additional operational costs from this funding source.

2.18 NEIF & EZ Contribution

As previously agreed by the Board, activity relating to the delivery and management of the Enterprise Zone and North East Investment Fund (NEIF) initiatives is funded via a drawdown from the respective Enterprise Zone Business Rates account and NEIF Repayments' reserve. The drawdown from the EZ reserve to fund costs in 2019/20 amounted to £0.127m and NEIF repayments reserve charge for 2019/20 was £0.232m. The increase in the NEIF drawdown links to fund development and appraisal activity carried out in the

final quarter and an update of staff time apportionments. The increase in the income to fund EZ activity reflected additional activity to update income projections for future years and legal and finance work needed to complete EZ funding agreements.

- 2.19 North East Collective Outreach Programme (NECOP)
£0.100m grant funding was applied in 2019/20, which was £0.042m less than the Revised Estimate and a result of maximising other funding streams.
- 2.20 North East Ambition – Europeans Social Fund and LGF
The utilisation of the skills-based funding sources into this project have been drawn down to maximise external grant. The lower use of the Local Growth Funding when compared to the original budget will be available to support the projects 2020/21 activity.

3. North East LEP Revenue Balances

- 3.1 Table 2 below shows the North East LEP revenue balance as at 31st March 2020. The reserve has increased by £0.018m over the year to £0.603m.

Table 2 – Revenue Balances

Budget Area	Opening Balance £000	Movement in 2019/20 £000	Closing Balance £000
LEP Reserve	585	18	603

4. North East Enterprise Zones

- 4.1 Round 1 Enterprise Zones are located across four local authority areas; Newcastle, North Tyneside, Northumberland and Sunderland. Business Rates growth generated on these designated sites accrues to the benefit of the North East LEP for a 25-year period, 2019/20 was the seventh year of the Round 1 zones' life.
- 4.2 In April 2017 these were joined by a further ten sites across, Durham, Gateshead, Newcastle, Northumberland, South Tyneside and Sunderland with the International Advanced Manufacturing Park (IAMP) site launched on the 1st April 2018 to complete the coverage. With the exception of the IAMP, it is the third year of the round 2 sites life. Ramparts (Northumberland) and Follingsby North (Gateshead) have generated Business Rates Growth Income during 2019/20, as the result of occupation on parts of the sites requiring no capital investment to enable occupation to occur.
- 4.3 Table 3a below provides a summary of the Enterprise Zone account over the last three years and a summary of the position for 2019/20 compared with a budget reported in May 2019. Business Rate Income for 2019/20 and interest amounted to £2.030m and was lower than the budget for the year. Expenditure

was also below the budget, and the repayment to funds to the NEIF was adjusted to enable a surplus of £0.140m to deliver a cumulative surplus of £3.020m by the year end, which had been the objective previously reported. Actual Income figures for 2018/19 have been adjusted downwards from the income previously reported to reflect adjustments and changes in income after the year end.

Table 3a – Enterprise Zone Account

	Actual 2016/17 £000	Actual 2017/18 £000	Actual 2018/19 £000	Budget 2019/20 £000	Actual 2019/20 £000	Variance £000
Business Rates Income						
<u>Round 1</u>						
- Newcastle – North Bank	614	437	501	457	508	51
- North Tyneside – Swans	165	160	118	198	160	-38
- Northumberland – Blyth sites	173	321	334	336	308	-28
- Sunderland – A19 Corridor	743	708	750	812	752	-60
<u>Round 2</u>						
- Northumberland – Ramparts			40	43	40	-3
- Gateshead – Follingsby				279	242	-37
Total Rates Income	1,695	1,626	1,743	2,125	2,010	-115
Interest	5	11	25	25	20	-5
Grant income		30				
Total Income	1,700	1,667	1,768	2,150	2,030	-120
Expenditure						
-NEIF/LGF Loan repayments	1,306	1,302	1,238	1,274	1,438	164
-Financing Costs (interest)	0	0	235	570	258	-312
-Invest North East contribution	6	148	71	170	66	-104
-Operating Costs	115	112	100	87	128	41
Total Costs	1,427	1,562	1,644	2,101	1,890	-211
Annual Surplus	273	105	124	49	140	91
Cumulative Surplus	2,602	2,707	2,831	2,880	3,020	140

- 4.4 Business Rate Growth Income was slightly lower than expected due mainly to slightly lower levels of business rates on most sites as a result of business rate adjustments or new buildings being occupied slightly later than expected. The income is higher than in 2018/19, due mainly to £0.242m of income being received from a new property on the Follingsby North site.
- 4.5 Revenue operating costs were higher than budgeted due to additional finance and legal activity linked to the more detailed review of income projections in Q1 and Q2 and work related to the completion of EZ funding agreements in Q3 and Q4 prior to the transfer of the accountable body.
- 4.6 Financing costs were lower than expected due mainly to slippage of capital expenditure on several projects into 2020/21. In addition, an updated approach to the calculation of interest on the expenditure that did occur in year also reduced interest payments slightly. The level of repayment of temporary loans

from the NEIF of £1.438m has been adjusted to deliver an annual surplus of £0.140m and a cumulative surplus of £3.020m. The level of repayment is higher than the amount anticipated in May 2019 but is less than the repayment that had been due to the NEIF. A cumulative surplus of c £3.020m had been envisaged as part of the revised estimate for the year.

4.7 Enterprise Zone Account 2020/21 – 2022/23 Estimates

Information about estimated Business Rate Income is being collected from councils with a view to an update report being presented to the Investment Board and the Full LEP Board in July. The estimates for 2020/21 to 2022/23 that were provided in July 2019 are summarised below alongside the Actual for 2019/20. These estimates will be updated at a future meeting.

Table 3b Enterprise Zone Account 2020/21 – 2022/23

	Actual 2019/20 £m	Estimate 2020/21 £m	Estimate 2021/22 £m	Estimate 2022/23 £m
Business Rates Income	2.0	2.4	3.5	7.2
Expenditure				
-Capital Financing Costs	1.7	1.8	3.4	6.8
-Revenue Costs	0.2	0.3	0.2	0.2
Annual Surplus	0.1	0.3	-0.1	0.2
Cumulative Surplus	3.0	3.3	3.2	3.4

- 4.8 At this point a break-even position or a small surplus in 2020/21 appears to be achievable, as the increase in estimated Business Rate Income was relatively small and we expect that three new Buildings on IAMP will be generating business rates next year. Although the Government has given some new COVID 19 business rate relief to some business premises in 2020/21, the loss of rates income should be compensated for by a section 31 Government grant.
- 4.9 In terms of Capital Financing Costs, the first loan for the Northumberland Energy Centre (East Sleekburn) site has been confirmed at an interest rate of 2.84% and this will generate an annuity payment of £589k this year and each year over the life of the Round 1 enterprise zone. This will need to be accommodated within the capital financing cost budget, if necessary, by adjusting the repayment of loans from the NEIF account.
- 4.10 The estimate of Capital Financing costs will also be updated based upon the actual level of capital expenditure in 2019/20 and updated estimates of capital expenditure in 2020/21 and future years.
- 4.11 An important consideration for the medium term and lifetime projection of Income and the Enterprise Zone account Surplus will be the extent to which the anticipated significant increase in Business Rate Income can be delivered from

2022/23 onwards, in order to cover the increasing capital financing costs, as loans are taken out to fund completed capital investment on the EZ sites.

- 4.12 The objective over the next few years is to seek to maintain an annual break-even position or a small surplus. This will provide a sufficient cumulative surplus to enable the LEP Revenue Budget to be supported, or to compensate for a year in which income may not be sufficient to cover growing annual capital financing cost commitments. The estimates for 2020/21 and future years will be updated at the Board in July or September.

5. Local Growth Fund and North-East Investment Fund

- 5.1 The Local Growth Fund programme delivered over £28.06m of activity during 2019/20 across the SEP themes making full use of all LGF grant available for the year and cumulatively. This is very good performance and further details are explained in more detail in the separate report on the LGF Programme.
- 5.2 The NEIF initial £55m allocation was made up of £25m Growing Places and £30m Regional Growth Funding. A number of projects supported through loans are now making repayments and as this is returned the funding is available for reinvestment in new projects and other opportunities. Repayments (including interest) received in the year including the Enterprise Zone transfer totalled £8.622m (£8.016m principal and £0.606m interest).
- 5.3 A further short term loan advance from the NEIF of up to £0.777m (£0.500m capital and 2 deferred repayments against the first loan of £0.139m) was granted to the Cobalt ICT Broadband Infrastructure scheme, this was repaid in full during the year. This loan to Stellium supported infrastructure costs to link the Data Centre at Cobalt to the broadband infrastructure landing at Seaton Sluice, Northumberland providing a connection from the North East to Esbjerg, Denmark resulting in a high-speed broadband link from the North East to Europe.
- 5.4 A commitment of up to £1.208m approved for the North-East Mining Institute (with £0.859m paid out). In addition, £0.278m was paid out against an approval of £0.293m for the Integra 61 project. The funding for the Mining Institute is to support the restoration and refurbishment of the Mining Institute and the regeneration of its importance as a regional focus for the economic and social development of the NE Region as the Common Room of the Great North. The aim is to achieve this through engagement with the business community providing education and enrichment for young people, promoting skills and development for the region's workforce and engaging the public with the rich heritage of the building.
- 5.4 Notable loan repayments during the year activity included full repayment of both loans to CUOS Ltd for Stellium Data Centre (Cobalt); full repayment of the loan to The Jesmond; full repayment though clawback (via NTC) of 100% of the funding paid to Kier Property Development Ltd following early termination of the approved project at the Swans EZ site; and repayment of £1.438m of loans

made to the Enterprise Zone Account for infrastructure works on EZ sites in Sunderland, Newcastle and North Tyneside. In April we received a substantial repayment of £0.350m in respect of the Loan to the Durham Cricket Club, leaving a small outstanding balance of £0.095m. Durham University commenced the quarterly repayments of its loan in accordance with the repayment schedule following an approved 5-year repayment holiday.

- 5.5 The investment into the Integra 61 scheme will support with the site infrastructure costs to unlock a 204-acre strategic employment and housing site near Bowburn, County Durham, leading to the creation of over 3,600 jobs (and over 1000 construction jobs) and over £160m of follow-on investment on site
- 5.6 At the year-end some £20.3m was available to support new projects. This is envisaged to be used to fund Inwards Investment Activity and to support the proposals for a new Commercial Property Investment Fund, which has been developed during the year and is expected to be presented for approval later this year.
- 5.7 As part of the response to the COVID 19 outbreak, action has been taken to protect the North East Investment Fund as it currently stands, by temporarily suspending receipt of new individual project proposals for business growth based upon the existing investment criteria at this time. With markets particularly unpredictable, limits the ability to complete accurate due diligence on project proposals for business development loans. The availability of NEIF based upon existing investment criteria will cease until review of NEIF operations is completed to determine more appropriate criteria for new economic conditions post COVID.
- 5.8 In addition, to support projects within the programme, opportunity is available to suspend loan repayment for three months to end of June 2020 in line with Government loan deferral schemes. This is being made available upon request and may be extended for a further period on a case by case basis. As an example, The Boiler Shop event space had to close in early March as a result of Government guidance. A request was made to suspend their monthly payments of £11,500 per month, which has been granted to the end of June, when the position will be reviewed to see when the loan repayments may be resumed. The decision on the reprofiling of the repayment of this loan to 2024/25 has also been delayed until there is more clarity about the reopening of the facility; the impact on its financial position of COVID 19; and the potential date for the refinancing of the loan.

6 LEP Revenue Budget 2020/21 to 2022/23

- 6.1 The budget position for 2020/21 was reported to the North East Combined Authority (NECA) as the accountable body for the North East LEP on 4th February 2020, and the North East LEP Board on 30th January 2020. The proposed budget was approved by both Boards with no issues identified. This report includes latest information about the 2020/21 budget taking account of the outturn for 2019/20 and will be reported to the North of Tyne Combined

Authority (NTCA) Cabinet on June 2nd, 2020, as the new accountable body for the North East LEP.

- 6.2 Table 4 provides a summary of the three-year revenue budget for the North East LEP showing financial years 2020/21, 2021/22 and 2022/23. The explanatory notes from sections 7 to 8 provide further information.
- 6.3 Over the three years, if no additional income is identified the costs are estimated to exceed the available grant and core contributions income by up to £0.158m in 2020/21; £0.554m in 2021/22 and £0.687m in 2022/23. This deficit is funded from the assumed surplus on the Enterprise Zone account in 2020/21 (contribution of £0.055m), 2021/22 (contribution of £0.500m) and 2022/23 (contribution of £0.500m) as previously agreed by the Board. This enables the potential risk of not securing additional income to be managed.
- 6.4 In November 2014, the Board agreed that Enterprise Zone Business Rates Growth Income (EZ BRGI) surplus of up to £0.500m per annum could be utilised to support the revenue budget if required. To date there has not been a requirement to use this facility and therefore in effect saving £2.0m of potential spend from the EZ account. However, due to anticipated drop in funding and core funding remaining fixed at the same level coupled with the increased salary costs due to pay award commitments it is anticipated that the maximum amount of £0.500m will be required from the EZ BRGI in 2021/22 and a further £0.500m in 2022/23 to maintain a LEP Reserve balance of £0.500m at 31st March 2023.
- 6.5 There are active funding bids which if successful will provide additional income and reduce the potential drawdown against the EZ account in both years. Furthermore, an announcement is expected shortly in respect of additional LGF funding (our share of £387m nationally) with the potential to secure continuation of funding for salaries and other operational activity from 2021/22 onwards. Until this funding is confirmed, only a core budget, including budget funding of the ESF is illustrated for 2022/23.
- 6.6 The LEP manages the uncertainty of funding by using fixed term staffing contracts and by being able to reduce other operating costs to reflect the available funding streams; and by the availability of reserves and other funds which it can draw on to support activity, such as the use of the agreed Enterprise Zone contingency contribution, which is illustrated in table 3 above. The opportunity to draw on the EZ reserve, if necessary, helps compensate for the uncertainty of other income streams. In recent years, this contingency has not been called upon as other income streams have been confirmed or new income streams have been identified.

Table 4 – Three Year North East LEP Budget 2020/21 – 2022/23

	Original Budget 2020-21 (Jan 2020)	Revised Budget 2020-21	Indicative 2021-22 Base Budget	Indicative 2022-23 Base Budget
	£'000	£'000	£'000	£'000
Employees	2,624	3,104	2,498	2,567
Premises	190	190	190	190
Communications	252	250	225	200
Transport LGF Monitoring	72	20	0	0
Growth Hub Operational Costs (inc.Brexit increase)	93	74	63	56
Invite (Horizon 2020) Operational Costs	23	60	0	0
Other Operational Costs	626	600	400	400
North East Ambition Operational Costs (ESF)	312	165	165	165
Growth Hub Covid-19	0	210	0	0
Growth Hub Cluster Management	0	80	0	0
LGF High Potential Operational	319	189	0	0
Brexit Policy Work Programme (Strategy & Policy)	110	109	0	0
Energy Programme Operational Costs (Strategy & Policy)	23	23	0	0
Skills Other Operational Costs	0	109	0	0
Inward Investment Contribution	140	140	140	140
Other LGF inc studies	23	0	0	0
Other NEIF and EZ Costs - Legal/Finance Support	102	45	0	0
GROSS EXPENDITURE	4,909	5,369	3,681	3,718
LEP Core & Strategy Grant from DCLG	(500)	(500)	(500)	(500)
Local Authority Match Contributions	(250)	(250)	(250)	(250)
CORE FUNDING	(750)	(750)	(750)	(750)
Local Growth Fund (programme mgmt costs)	(850)	(768)	(454)	(412)
Interest Generated on Funds to fund INEE	(80)	(140)	(140)	(140)
Growth Hub	(410)	(410)	(410)	(410)
Growth Hub Covid-19	0	(290)	0	0
Growth Hub Cluster Management	0	(80)	0	0
Enterprise Adviser grant - CEC	(150)	(239)	0	0
Invite (Horizon 20/20)	(63)	(74)	0	0
ERDF + Digital Catapult + AHSN	(75)	(80)	0	0
NEIF Contribution to cover activity costs *	(125)	(124)	(110)	(110)
EZ Contribution to cover activity costs	(160)	(139)	(110)	(110)
Education Challenge was NECOP	(97)	(144)	0	0
North East Ambition (European Social Fund)	(620)	(618)	(212)	(629)
LGF match North East Ambition (ESF project)	(472)	(389)	(453)	0
EY Foundation (20/21 seed)	(30)	(139)	0	0
DfE	(35)	(12)	0	0
LA Contributions re ESIF Co-ordinator	0	(20)	0	0
LGF High Potential	(336)	(237)	0	0
Brexit Policy Work Programme (Strat & Policy)	(121)	(146)	0	0
Energy Strategy BEIS / TVCA (Strat & Policy)	(15)	(25)	0	0
Energy TVCA RCEF	0	(27)	(13)	0
Energy Programme Misc. Contrib (Innovation/Rural/Offshore -	(44)	(70)	(7)	0
Energy Programme LGF Rev Contrib. (Stratgy & Pol)	(70)	(86)	0	0
BEIS - Local Energy Programme	0	(43)	(34)	0
DfE One Vision	0	(11)	(324)	(358)
Contribution NTCA (Pension)	0	(140)	(100)	(102)
Other Income	(79)	(10)	(10)	(10)
EXTERNAL FUNDING	(3,832)	(4,461)	(2,377)	(2,281)
GROSS INCOME	(4,582)	(5,211)	(3,127)	(3,031)
NET BUDGET	327	158	554	687
Funded by				
Use or (Contribution) LEP Reserves	(18)	(103)		
Enterprise Zone Contribution, if required	(309)	(55)	(500)	(500)
Shortfall requiring Expenditure Savings/Additional Income			(54)	(187)
	0	(0)	0	0
LEP RESERVE				
BROUGHT FORWARD BALANCE	550	603	500	500
Use or (Contribution) LEP Reserves	(18)	(103)	0	0
CARRY FORWARD BALANCE	532	500	500	500

7. Adjustments to 2020/21 Original Budget

- 7.1 The overall budget for 2020/21 presented to the board in January 2020, indicated a £4.909m gross expenditure budget, funded by a range of Government grant income sources; a £0.250m core contribution from the seven local authorities; and interest on revenue balances.
- 7.2 The latest 2020/21 Budget position is showing £5.369m of gross expenditure. The increase in gross expenditure is largely due to additional Growth Hub funding for Covid-19 and Cluster Management (£0.290m and £0.080m respectively) which will require additional capacity to deliver. The staffing budget also includes 5.2% superannuation (£0.140m) this is returned as a contribution from North of Tyne Combined Authority (NTCA) to allow the North East LEP to maintain the benefit of the zero net pension cost it received when the North East Combined Authority was their accountable body.
- 7.3 Employee cost budget has risen from £2.624m to £3.104m. As detailed above in section 7.2, £0.140m of this was attributable to applying 5.2% superannuation cost. Although the 2020/21 base budget, presented to LEP Board in January, included salary costs based on the NTCA TUPE equivalent grades the level of superannuation pension contribution had not yet been confirmed and so was not included. This superannuation cost is fully funded by an income contribution from NTCA, as part of the guaranteed funding for pension costs set out in the accountable body agreement. The other key contributor to the increase in employee expenditure was the extension of key funding streams, such as ESF, providing additional capacity in the Skills Team and allowing fixed term contracts of a number of staff to be extended (approx. £0.300m in total) and additional Growth Hub funding in relation to Covid-19 allowing additional capacity (£0.080m). The employee budget also includes £0.020m for the remuneration package for the new LEP Chair. It should be noted that the Employee budget includes £0.345m relating to 6 vacant posts.
- 7.4 An operational budget of £0.109m is included in the revised estimate to cover the cost of Innovation activity and an Action Researcher in relation to additional funding secured from EY Foundation.
- 7.5 There has been a reduction in North East Ambition Skills operational costs from £0.312m to £0.165m, a decrease of £0.147m. This is as a result of further work being undertaken to refine the grant funding allocation across direct delivery costs associated with the project, and overhead costs reflected in existing corporate budgets.
- 7.6 The budget for the regional transport team for LGF transport project support has reduced from £0.072m to £0.020m in the revised estimate. This is due to the majority of LGF transport schemes having progressed through appraisal and the reduced level of transport staff time spent as a result.
- 7.7 Gross Income has increased to £5.211m from £4.582m (£0.629m). Additional funds have been secured in relation to Growth Hub Covid-19 and Cluster Management (£0.370m in total) and EY Foundation (£0.109m). In addition, the

Energy Strategy Team has also secured additional funding from BEIS of £0.043m, and £0.027m in relation to the Rural Community Energy Fund, in addition to securing further contributions from working on projects with NTCA on Offshore Renewable Energy and Gateshead College, totalling £0.023m.

- 7.8 The gross income figure also includes the contribution from NTCA (£0.140m) to fully recover the cost of the superannuation in year.
- 7.9 The Local Growth Fund recharge for programme management activity income has reduced by £0.082m from £0.850m to £0.768m in line with current reduced programme. Funding freed up from the reduced drawdown will be available to support activity in future years.
- 7.10 While the latest budget projection for 2020/21 is indicating a call on the Enterprise Zone surplus of £0.030m this has reduced from £0.309m reflected in the January budget position and this position should reduce further as further funding assumptions are firmed up. The intention will be to manage costs and income to try to avoid using reserves at the year end.

8. Budget illustrations in Future Years

- 8.1 Indicative budget figures are also shown in Table 4 for the financial years 2021/22 and 2022/23. Inflation of 2% has been built into the estimate of employee costs and where appropriate other expenditure estimates.

8.2 Employees

The Employee expenditure budget shows a reduction in 2021/22 of £0.606m due to the potential for a number of fixed term posts coming to an end in conjunction with the related income sources. The new stream of ESF North East Ambition funding has reduced the impact of this. If further additional funding, such as the expected additional LGF funding, is secured, there is the potential for continued activity and higher employee costs are likely. There is a slight increase in the employee expenditure in 2022/23 (£0.069m) due to increments and pay award assumptions due.

A 2% annual national pay award assumption has been factored into the employee budget for all three financial years, and the national pay award will be implemented which is agreed each year.

The NECA pension fund, enabled the LEP to benefit from a 0% employer superannuation contribution rate which provided a significant budget saving. The change in accountable body status to NTCA, has meant an employer superannuation contribution rate of 5.2% is now applicable, however, in order to maintain the saving benefit to the LEP the NTCA are providing a contribution at the same level to achieve a net budget impact. This was made possible by a transfer of Pension Fund assets from NECA to NTCA within the Tyne and Wear Pension Fund at the end of 2019/20.

A staff turnover allowance of 3% has been factored into the employee budget for all three financial years, which is considered prudent given experience in recent years.

8.3 Premises

The LEP have negotiated a 5-year lease with a 3-year break clause to accommodate a larger office area within St James Gate to support the team. The accommodation costs are fixed until the break in 2022, however, a provision to recover these costs is built into the funding that would be secured for additional activity of people using the accommodation space.

8.4 Communications

The proposed Communications budget for 2020/21 onwards represents a continuation of the budget agreed by the Board at its meeting in March 2017 adjusted for inflation. Key aspects of the budget include development of the communications activity related to delivering the SEP, plus the continuation of essential PR & Media support

8.5 Transport LGF Monitoring and Evaluation

The reduced budget allocation of £20k in 2020/21, and nil in 2021/22, 2022/23 reflects the fact that the majority of the LGF transport schemes have progressed through appraisal.

8.6 Growth Hub Operational Costs

The continuation of £410k Growth Hub funding in 2020/21 has been confirmed and has been indicated that it will continue in future years by central government. The Growth Hub connectors which are funded through this source currently have Fixed Term Contracts which expire in March 2021. Once confirmation is received it is likely to result in extension of these contracts.

8.7 Invite (Horizon 2020) Operational Costs

The Invite budget relates to a three-year Horizon 2020 project ending in 2020/21.

8.8 Other Operating Costs

An on-going corporate delivery budget of £0.320m is required for general LEP running costs for example IT equipment, travel expenses and support services. In addition, the North East LEP led SEP strands including Innovation, Business Growth and Skills have an operational allocation to ensure delivery and that the necessary progress can be obtained. Allocations for LGF finance and legal support provided by the accountable body, Investment Fund (NEIF) support and Enterprise Advisor delivery are also included. Small reductions have been made against some of these budget lines to provide a small budget of £0.030m for operational costs in relation to Sector Leads, Digital, Life Sciences and Energy.

The total budget for 2020/21 to 2022/23 is broken down over the noted areas as follows:

Delivery Area	Budget (£'000)
Corporate / General	320
Innovation	80
Strategic Policy & Economic Analysis	80
Business Support/Access to Finance	20
Skills	20
Sector Leads	30
LGF Legal and Finance Support	50
Operating Costs TOTAL	600

Other operating costs budget line has been reduced in line with reduced activity and funding in 2021/22 and 2022/23.

8.9 Inward Investment Contribution

The agreed allocation of £0.140m per annum is included in the budget for 2020/21 through to 2022/23. This is dependent on the continuation of match funding provided by the seven local authorities. This has been confirmed for 2020/21, however, future funding will need to be considered in line with interest across the seven local authorities and funding available. The continuation of funding has been assumed for the purpose of the 2021/22 and 2022/23 indicative budget illustrations.

8.10 Income

8.11 LEP Core Funding & Strategy Grant

Funding of £0.500m is expected to continue over the medium term although it is only confirmed by Government in the Spring of the calendar year to which it relates. The Local Authority Match Contribution requirement of £0.250m will be provided in equal 1/7th shares by the 7 Local Authorities that are members of the North East LEP for 2020/21. It is considered on an annual basis.

8.12 Local Growth Fund (LGF)

As previously agreed by the Board, a 2.5% top-slice of the Local Growth Fund allocation is available to support the delivery of the programme, primarily LEP team staffing costs. Although the LGF programme officially ends in March 2021, by using funding SWAPs, revenue funds will be available in 2021/22 and 2022/23 to support extended activity. As the programme reaches conclusion there has also been a reduction in qualifying expenditure which explains the decrease between years. The drawdown of the balance of the top-slice budget is profiled to be made as follows:

	2020/21 £'000	2021/22 £'000	2022/23 £'000
LGF Programme Management	768	454	412

The LEP is expecting to receive a share of the £387m additional national LGF grant that was announced in the March National Budget. The amount is not yet confirmed and once announced this should increase the funding available to manage the programme. A £10m additional allocation would enable an extra £250k of income to be made available in 2021/22 to manage the programme.

8.13 Local Growth Fund Interest

As the annual LGF grant allocation is normally paid by government in full at the beginning of the financial year, the cash balances held are able to attract interest (£196k in 2019/20). An estimate for each financial year is included within the budget, based on an assumption of the timing of LGF expenditure. The level of interest generated naturally reduces in line with the reducing LGF grant receipts in future years and also depends on the rate of interest that can be earned on fund balances. BEIS have recently announced that only 2/3 of the grant for 2020/21 will be paid in May, with the balance paid in September. We are seeking the early release of this grant. We will continue to seek to maximise the level of interest earned on cash flow balances and will update the estimate when the budget is reviewed during the year. It is unlikely that £140k of interest can be earned on LGF revenue balances in 2020/21 onwards. To maintain a contribution of interest of £140k per annum, it will be necessary to use interest that would have been earned on other LEP fund balances including interest on NEIF balances as well as LGF grant balances.

8.14 Growth Hub Grant

The continuation of the Growth Hub grant funding has been confirmed for 2020/21 at £0.410m. It is expected to continue at least the same level for the ensuing two years although we await confirmation and exact details.

8.15 Growth HUB Covid-19 and Cluster Management

New funding stream confirmed for 2020/21 only, in respect of Growth Hub Covid-19 and Cluster Management (£0.290m and £0.080m respectively).

8.16 Brexit Policy Work Programme

Two-year work programme from 2019/20, total project cost £0.240m, funded by NTCA (£0.090m), NECA (£0.090m) and LEP own resource. Of the £0.180m external funding into the project, £0.034m incurred in 2019/20, £0.146m carried into 2020/21.

8.17 Careers Enterprise Company (CEC)

An allocation of £295k CEC funding was secured and made available until August 2020, by maximising ESF funding will enable the Enterprise Advisor roles to continue to March 2021 in addition to the creation of Enterprise Co-ordinators positions plus a Careers Hub Facilitator on an FTC basis. The figures included in the budget represent the expected grant drawdown in each of the respective years.

8.18 Energy Strategy Grants

Energy Strategy includes a number of funding streams in 2020/21 to cover salary costs of the Energy Team in addition to operational costs, these include

contributions from Tees Valley Combined Authority Rural Community (TVCA RCEF) £0.027m, and £0.013m in 2021/22, contributions totalling £0.069m from Northumberland County Council, NTCA, and Gateshead college. LGF Energy contribution provides £0.086m and new funding from BEIS Local Energy Fund of £0.043m and £0.034m in 2020/21, 2021/22 respectively.

8.19 Invite (Horizon 2020)

An allocation of €271k euros which equates to approximately £242k was made available until March 2021, with activity beginning in 2017/18.

8.20 ERDF, Digital Catapult and AHSN

Approximately £0.080m of ERDF and Digital Capital funds remain at the beginning of 2020/21 after taking into account the drawdown in 2019/20. AHSN have agreed to provide funding for a Life Sciences specialist until the end of March 2021.

8.21 NEIF / EZ contributions

Relates to support in these areas to cover the cost of the two dedicated programme managers and project appraisal support.

8.22 Education Challenge Funding (Edge, formerly NECOP)

Approximately, £0.034m NECOP funding remains at the beginning of 2020/21, in addition to this there is additional funding from Edge of £0.062m to end of March 2021.

8.23 European Social Fund and LGF North East Ambition match funding

The LEP was successful in securing ESF grant totalling £1,059k (which has subsequently been revised to £1,040k), and is available until March 2021. The budgeted drawdown for 2020/21 is reflected within the budget. As part of this bid a supplementary match contribution of £750k towards the North-East Ambition project from the LGF was made over the same period, which is in addition to the existing LGF programme management contribution. Approximately £0.618m of ESF and £0.389m of LGF North East Ambition remains at the beginning of 2020/21. New ESF/LGF North East funding including an additional DfE One Vision funding totalling £2.350m is anticipated to be confirmed May 2020 this is profiled over 2021/22, 2022/23 and extended through to 2023/24. This funding will pay for the Skills Team in addition to providing a contribution towards fixed corporate overheads.

8.24 Other Income

Local Authorities are also billed for 1/8th contribution towards the ESF Co-ordination role.

9. Recommendations

9.1 The Board is requested to:

- i. Note the positive budget outturn position for 2019/20.

- ii. Note the 2020/21 budget and, 2021/22 and 2022/23 medium term budget illustrations for the North East LEP.
- iii. Note the potential requirement to drawdown up to £0.5m from the Enterprise Zone account in financial years 2021/22 and 2022/23 in line with a previous LEP Board approval.

28 May 2020

**ITEM 6: Updated Constitution to incorporate
previous Board decisions**

1.0 Background

1.1 The North East Local Enterprise Partnership (LEP) Constitution was agreed in 2011. To comply with the Government’s Strengthening LEPs Review (July 2018) and other good governance matters, the Board has agreed a number of amendments to the 2011 Constitution at various meetings. These previously agreed changes have been amalgamated into an updated version of the Constitution and are outlined in section two below. There are no other changes in the revised document than those already agreed by the Board at previous meetings.

2.0 Amendments

2.1 The updated Constitution is attached as appendix one. For clarity, table one below lists the amendments made from the 2011 version of the Constitution, which is also attached as appendix two for ease of reference.

Table one: Amendments to the 2011 Constitution to reflect previous Board decisions

Paragraph within Constitution	Amendment	Date of previous Board decision
Preliminary	Context section added to reflect the establishment of both combined authorities 2014 and 2018, the Deed of Cooperation 2018, Accountable Body Agreement 2020 and the Strategic Economic Plan.	n/a
1.1	Names of the LEP Sub Boards added	25/05/2017
2.1	Vision updated to reflect the ‘more and better jobs’ strapline.	31/01/2019
2.3	New bullet added – to set out a strategy to grow the economy of the North East	31/01/2019
3.1	<ul style="list-style-type: none"> • Reference to the SME and VCSE Board member representatives • Reference to the reduction to six public sector members made up of three from 	<p>23/05/2019</p> <p>19/03/2020</p>

	<p>each combined authority</p> <ul style="list-style-type: none"> Reference to the two Board Observers – one from each combined authority 	19/03/2020
3.2	<ul style="list-style-type: none"> VCSE Board member added To liaise with the business representative organisations when recruiting a Chair and Vice Chair added 	23/05/2020 23/05/2020
3.3	Expands the section to include that all members follow the relevant codes of conduct	Moved from another section within the 2011 Constitution
3.4	<p>Sets out maximum six-year term unless agreed otherwise by the Board</p> <p>New paragraph referring to the creation of the Nominations Committee which determines whether the Chair is remunerated.</p>	30/11/2017 19/03/2020
3.6	Sets out that the two combined authority Observers may substitute for an absent public sector board member from their combined authority.	19/03/2020
3.7	Updates the decision on the quorum	19/09/2019
3.8	Updates the decision on voting	19/09/2019
5.2	References the change from two to three Vice Chairs to allow one from each combined authority.	23/05/2019
6.1	Refers to identifying SME and VCSE champions	23/05/2019
Appendix 5		
1.b	References the public Annual General Meeting	27/09/2018
1.c	References the change from two to three Vice Chairs to allow one from each combined authority.	23/05/2019
1.d	References two times three years terms	30/11/2017
3	Updates the decision on the quorum	19/09/2019
4	Updates the decision on voting	19/09/2019
4.4	Sets out the Written Representation procedure	Agreed at multiple Boards
5.2	Changed from 7 – 14 days for practical	Good governance

	reasons. It is not appropriate to notify the team about a Board items 7 days before the meeting, as it is the same day they are dispatched.	
8	Broadens the scope of the Constitution procedural rules to cover other Sub Boards and Committees	Good governance

3.0 Recommendation

3.1 The Board is asked to:

- (i) Note the changes agreed by the Board at previous meetings set out in section 2;
- (ii) Agree the updated Constitution in appendix one which incorporates the previous Board decisions.

North East Local Enterprise Partnership (North East LEP)

Constitution (adopted [28 May 2020])

Preliminary

- i. The North East LEP operates over the geography of the local government areas of Durham, Gateshead, Newcastle upon Tyne, North Tyneside, Northumberland South Tyneside and Sunderland (the '**North East LEP Area**').
- ii. The North East LEP was constituted in July 2011 from representatives of local businesses, the local authorities within the North East LEP Area, and educational institutions.
- iii. On 15 April 2014 the North East Combined Authority ('**NECA**') was established as a Combined Authority for the local government areas of Durham, Gateshead, Newcastle upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Authority Order 2014 (SI 2014 No.1012).
- iv. On the 2nd November 2018, the Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authority (Establishment and Functions) Order 2018 (SI 2018 No. 1133) (the '**2018 Order**') created the North of Tyne Combined Authority ('**NTCA**') and changed the geographic boundaries of NECA (to the local government areas of Durham, Gateshead, South Tyneside and Sunderland).
- v. The North East LEP has (and keeps refreshed) a Strategic Economic Plan ('**SEP**') and is developing the North East Local Industrial Strategy to set the strategic economic policy to be delivered locally for the North East LEP Area, and is responsible for its delivery, working with partners.
- vi. Central Government makes available various funding to the North East LEP to deploy aimed at delivering economic growth.
- vii. In contemplation of the making of the Order in 2018, NECA and each of the Authorities local government areas of Durham, Gateshead, Newcastle upon Tyne, North Tyneside, Northumberland South Tyneside and Sunderland entered into a Deed of Co-operation dated 4th July 2018 (the '**2018 Deed**').
- viii. The 2018 Deed provided, inter alia, the North East LEP would be free to determine (i) which body shall be the accountable body for it and (ii) its own procedural rules. The 2018 Deed also confirmed that all parties would unequivocally support the work of the North East Local Enterprise Partnership and the North East Strategic Economic Plan.
- ix. As part of the close working relation between the North East LEP and the two combined authorities, the NECA leadership Board and NTCA Cabinet included a non-voting member and substitute from the North East LEP.

1. Structure and Name

- 1.1. The Board will be known as '**The North East Local Enterprise Partnership Board**' (the '**Board**') and is the principal decision-making body responsible for directing and controlling all

activities and funding received or managed by it subject only to the terms upon which funding is advanced to it and the terms of the Accountable Body Agreement.

The Board is free to determine its own procedural rules and has constituted the following sub-boards to support it in the discharge of its role(s) and which operate in accordance with their approved terms of reference.

1.1.1. Business Growth Board

1.1.2. Skills Advisory Panel

1.1.3. Innovation Delivery Board

1.1.4. Investment Board

2. Vision and Role of the North East LEP

2.1 The vision of the North East LEP is to grow the North East economy, create “*More and Better Jobs*” for North East residents and work towards rebalancing the UK economy.

2.2 To achieve these ambitions the North East LEP will deliver a series of actions against four strategic economic priorities set out in the original submission to Government, namely:

- supporting enterprise and private sector business growth;
- building on key economic strengths;
- improving skills and performance; and
- strengthening transport, connectivity and infrastructure.

2.3 The key roles of the North East LEP will be:

- to set out a strategy to grow the North East economy
- to lobby Government on issues of economic importance to the North East of England;
- to act as an advocate and champion for business, education and community interests;
- to provide strategic economic leadership and local accountability;
- to demonstrate added value and efficiency; and
- to commit to working across local administrative boundaries.

2.4 The North East LEP will have a decision-making role, which is likely to evolve over time according to the development of the role of the Partnership.

3. Membership of the Board and Related Matters

3.1 Membership of the Board will comprise:

- nine private sector representatives, including the Chair, one of which shall be appointed to represent the interests of the SME community (**‘private sector members’**);
- six public sector representatives, made up of three members each from the North of Tyne Combined Authority and the North East Combined Authority (**‘public sector members’**);
- one higher education representative and one representative of further education colleges (together **‘education members’**);
- one representative of the voluntary, community and social enterprise sector (the **‘VCSE member’**);
- two observers; one from the North of Tyne Combined Authority and one from the North

East Combined Authority (**'observers'**).

and **'Board Member'** shall mean any one of them.

- 3.2 Private sector members and the VCSE member (together referred to as the **'Ordinary Members'**) have been recruited, using the Nolan principles (**Appendix 1**) to reflect the geography of the North East LEP area, key sectors and different sizes of business operation and the needs of the Board to have a range of appropriate skills, knowledge and experience (including respecting the diversity of the North East LEP area's business community) . Future recruitment of Ordinary Members shall similarly take these matters into consideration and in addition to open advertisement, in recruiting Board Members the North East LEP will seek to ensure the advertisement reaches a wide audience and, in relation the chair and vice chairs in particular, liaise, consult and work with business representative organisations to inform the Board's decision.
- 3.3 The Constitution includes the principles set out in **Appendix 1** (which includes the Seven Principles of Public Life established by the Committee on Standards in Public Life) and Code of Conduct at **Appendix 2**, which apply to all Ordinary Members. In addition, the public sector members will be bound by the code of conduct of their own local authorities. These principles and codes are designed to ensure the highest standards of propriety in decision-making
- 3.4 The Ordinary Members including the Chair of the Board shall be appointed for a term of three years, through public appointment and interview. Such appointments may be extended to a second term of three years with the agreement of the Chair (or in the case of the Chair, the Board). The maximum term of appointment of any Ordinary Member shall be six years, unless otherwise agreed by the Board. Board members will not be remunerated in relation to their service on the Board, Advisory Board or Committee. The Nominations Committee will determine whether the Chair will be remunerated and to what level.
- 3.5 The term of not more than one third of Ordinary Members shall end at the same time and the Board shall determine arrangements to give effect to this provision to ensure continuity in the conduct of its business.
- 3.6 Substitutes for Board Members shall not be permitted to attend meetings except for the two combined authority Observers who may substitute for an absent public sector member from their respective combined authority. The arrangements for the Conduct of Meetings is set out at **Appendix 5**. This will be reviewed from time to time by the Board.
- 3.7 The quorum for meetings of the Board shall be ten Board Members provided that of this number:
 - (1) at least four private sector members are present; and,
 - (2) at least three public sector members are present (of which at least one represents a constituent authority of the North East Combined Authority and at least one represents a constituent authority of the North of Tyne Combined Authority).
- 3.8 All decisions will be taken as set out in paragraph 4.1 **Appendix 5**.
- 3.9 The North East LEP is a voluntary partnership arrangement. One of the local or combined authorities, agreed by the Board, will fulfil the role of accountable body and manage the financial and human resources of the North East LEP. An accountable body agreement regulates the relationship and the accountable body's role.

4 Functions and Remit

4.1 The Board shall:

- provide high quality leadership and set the strategic direction for the sustainable economic growth of the North East economy and determine key objectives and investment priorities to deliver the overall vision and strategy of the North East LEP;
- lead the development of the North East LEP Enterprise Zones;
- coordinate bidding, leverage and investment of funding from the private and public sectors to support the delivery of agreed North East LEP priorities;
- manage and set the forward strategy for attracting new investment and business in to the area locally targeted business support activity
- approve the Budget of the North East LEP, in line with the financial procedures of the accountable body;
- oversee the preparation of the North East LEP annual delivery plan, performance objectives and then monitor performance against these plans
- influence key sub-regional, regional and national strategies;
- approve, review and amend the Constitution;
- appoint its Chair and Vice Chairs;
- appoint, suspend or dismiss the Chief Executive;
- appoint representatives to selected outside bodies;
- determine arrangements for the retirement from office of Ordinary Members of the Board having regard to the need to ensure continuity in the conduct of its business;
- establish Committees and Sub-Groups as required, appointing their Chairs and membership and determining their terms of reference;
- keep its representation under review having regard to the geography of the North East LEP area, its key business sectors and different sizes of business operation;
- publish an Annual Report and hold a North East LEP AGM and provide a link to Government on all aspects of the North East LEP's work.
- establish Executive Support for the Board and its committee and subgroups.

5. Chairs / Vice Chairs and Board Members

5.1 The Chair of the North East LEP shall be from the private sector. The roles of the Chair and Vice Chairs and Board Members are set out at **Appendix 3**.

5.2 There will be three Vice Chairs, with one appointed from the private sector and one appointed from among the public sector members from each of the North East Combined Authority and North of Tyne Mayoral Combined Authority areas respectively.

5.3 The Board may delegate its authority (this includes that certain decisions may be delegated to the Chair and Vice Chairs in the circumstances described in **Appendix 4**, together with the arrangements for formally recording those decisions and communicating them to other Board Members).

6 Champions

6.1 To ensure the Board keeps certain issues in view it may designate a Board member to champion certain subject areas. To date the board has determined to designate the following:

- a champion for the SME community; and
- a champion for the Voluntary, Community and Social Enterprise Sector.

7 Meetings

- 7.1 Meetings of the Board shall be governed by this Constitution and, the provisions contained in **Appendix 5**

8 Freedom of Information

- 8.1 From time to time, local authorities in the North East LEP area may receive information requests under the Freedom of Information Act 2000, which relate to the business of the North East LEP. The Board Members are each committed to deal with those requests in accordance with the Protocol set out in **Appendix 6**.

APPENDICES

- 1. Nolan Principles**
- 2. Code of Conduct**
- 3. Roles and Responsibilities of the Chair, Vice-Chairs and Board Members**
- 4. Scheme of Delegation**
- 5. Meetings of the Board**
- 6. Freedom of Information Protocol**

APPENDIX 1

Nolan Principles

Nolan Principles:

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

Langlands Standards: Good Governance Standards for Public Life

The Code of Conduct in **Appendix 2** is intended to conform to the six Langlands Standards. Members shall also conduct themselves in accordance with the Nolan Principles of Public Life.

Good governance means focusing on the North East LEP's purpose and outcomes for partners and other stakeholders: -

- The Board establishes the North East LEP's purpose clearly and gives the organisation clear strategic direction.
- Strategic and financial plans are based on achieving its overall purpose.
- The Board oversees the implementation of strategic and financial plans and regularly reviews how far it has achieved the intended outcomes.
- Strategies, plans and major decisions take account of the needs and views of its stakeholders and the communities it serves.

- Decision-making is consistent with the North East LEP's Constitution and with its legal obligations.

Good governance means the Board and senior officers working together effectively in clearly defined functions and roles: -

- Board Members and senior officers understand their roles and ensure that the Board exercises overall responsibility for the North East LEP's leadership and control.
- Board Members must act in the best interests of the North East LEP. They must not act as representatives of any other organisation or interest group.
- All Members of the Board accept collective responsibility for upholding its decisions. Working relationships between the Board members and any Executive Support are constructive and effective.
- The Chair and the Vice Chairs are responsible and accountable to the Board for exercising any powers or authority delegated to them.
- Governance systems and relationships enable the business to be managed efficiently and effectively.
- The Board receives objective professional advice on matters where it would be appropriate to do so.

Good governance means promoting values for the whole organisation and demonstrating the values of good governance through behaviour: -

- The North East LEP promotes clear values that guide its activities.
- Board Members put these values into practice through their behaviour.
- The Board upholds and applies the principles of equality and diversity in all areas of its work, including its governance arrangements.
- The North East LEP conducts its affairs with honesty and integrity. Through its actions, it maintains its good reputation.
- Any conflicts of interest that Board Members and staff may have are declared and managed openly and appropriately.

Good governance means taking informed, transparent decisions and managing risk:-

- The Board acts and makes decisions in a way consistent with the North East LEP's Constitution and delegations.
- The Board receives information and advice that is appropriate to its strategic role and the decisions it is asked to make.
- The North East LEP openly communicates the Board's decisions to partners and other stakeholders.
- The Board identifies risks that might prevent it from achieving its objectives, manages these risks and mitigates their effects, wherever possible. The Board ensures that the North East LEP has effective systems for risk management, internal control and audit where appropriate.

Good governance means developing the capacity and capability of the Board and senior officers to be effective: -

- The Board have the skills, knowledge, experience and resources needed to provide capable leadership and control, taking account of the objectives and governance needs. The Board includes people who can offer different perspectives on the North East LEP's work, provided they meet appropriate criteria on skills, knowledge and experience.
- New and existing Board Members receive support to enable them to fulfil their governance responsibilities through induction, learning and other forms of support that reflect the objectives and governance needs.
- The North East LEP regularly reviews the skills and composition of the Board and how well it is fulfilling its governance responsibilities. It makes any improvements needed and plans effectively for the renewal of the Board.
- Where Board Members are nominated by an outside body, nominations and appointments are made on the basis of the skills and experience that would be most useful in meeting the North East LEP's governance needs.

Good governance means working with stakeholders and being openly accountable to them:-

- The North East LEP gives partners, funders and local people information that meets their needs about the North East LEP, its performance and its future plans.
- The North East LEP gives other stakeholders the information they need about its plans and performance.
- The North East LEP is open about what it does and publishes information about its activities wherever possible. The North East LEP agrees to respond to requests for information about the work of the Board and the North East LEP.
- The North East LEP is open and co-operative in dealing with all its partners and funders, notifying them of anything that may affect its ability to fulfil its obligations.

APPENDIX 2

Code of Conduct

Code of Conduct for Board Members

1. Board Members are expected to carry out their duties to the highest standards of professionalism and integrity bringing experience, judgement and critical detachment to their duties and must not be influenced by business or personal relationships external to their Board duties.
2. The Board should be open and accountable to the region and the local community. As a general rule, information about the North East LEP should be made available unless there are good reasons of confidentiality or practicality why not.
3. The Board should publish an annual report providing information about activities and performance.
4. The Board should comply with requests for information where practicable.
5. The Board should review openness arrangements on an annual basis.
6. Board Members must ensure that their personal or professional interests do not influence their decisions and that they do not use their position to obtain personal gain of any kind.
7. Board Members should declare any conflicts of interest.
8. When the Board discusses an item which poses a conflict of interest for any member or employee present, that person should declare his/her interest at the outset of the meeting.
9. If the conflict is clear and substantial, the Board Member should offer to withdraw and, if invited to remain, should refrain from voting on the matter or taking part in the discussion.
10. The Board should monitor the Code of Conduct on receipt of hospitality and gifts by Board Members and staff.
11. Board Members are expected to attend regular meetings of the Board and any Sub- Group to which they are appointed by the Board as well as any other meetings where their presence can reasonably be expected.
12. Board Members must always act in good faith and in the best interests of the East LEP the local community and economy and must have due regard to the fact that they are administering public funds.
13. Board Members shall not use information gained in the course of their public service and in exercising their responsibilities as a Board Member for personal gain nor seek to use the opportunity of public service to promote their own interests.
14. Board Members will not disclose information given to them in confidence by anyone, or information acquired which they believe is of a confidential nature, without the consent of a person authorised to give it, or unless they are required by law to do so.

Gifts and Hospitality

15. Board Members shall not accept any gifts or hospitality from any persons or bodies applying, or seeking to, apply for funding from the North East LEP or, involved in the negotiation of any contract, or other transaction, connected with the North East LEP or the resolution of any dispute with the North East LEP.

General

16. Board Members must declare any personal interests during any discussion or correspondence with officers of the North East LEP, its Executive Support or its agents

17. Board Members shall review their membership/chairmanship if their personal circumstances are likely to result in so many declarations of interest that their value as a member/chair will be affected or are likely to result in a weakening of public confidence in the duty of Board Members to work solely in the public interest.
18. If Board Members are unsure of the seriousness of a potential conflict of interest they shall err on the side of caution and disclose that interest.
19. Board Members shall:
 - i) Promote equality by not discriminating unlawfully against any person;
 - ii) Treat others with respect;
 - iii) Conduct themselves in a manner so as not to bring the North East LEP into disrepute;
 - iv) Not use or attempt to use their position to improperly confer on themselves or any other person any advantage or disadvantage.

APPENDIX 3

Roles and Responsibilities of the Chair / Vice-Chairs and Board Members

Role and Responsibilities of the Chair/Vice- Chairs

The Chair/Vice-Chairs will:-

- ensure efficient conduct of the Board's business;
- ensure, where possible, that all Members are given the opportunity to express their views before decisions are taken;
- establish a constructive and supportive working relationship amongst Board Members;
- ensure that the Board delegates sufficient authority to its Sub- Groups, the Chair, and others to enable the business of the North East LEP to be carried out effectively between Board meetings, and also to ensure that the Board monitors the use of these delegated powers;
- ensure that actions comply with the Constitution;
- represent the North East LEP as appropriate;
- work in consultation with other Board Members to take any decision delegated to the Chair;
- seek to ensure the Board receives professional advice when needed either from its Executive Support or external sources;
- monitor individual and collective Board and Board Member effectiveness;
- have due regard to Board Member succession planning and recruitment.

Board Member Obligations

- To uphold the values and objectives of the Board, and in particular, the principles set out in **Appendix 1**. Board Members share responsibility for its decisions and each member should only act in the interests of the North East LEP.
- To contribute to and share responsibility for Board decisions.
- To respect confidentiality of information.
- To prepare for and attend meetings, training and other events.
- To represent the Board as appropriate.
- To declare any relevant interests.
- To report back on relevant issues from their employing/representative organisations.
- To scrutinise financial information provided to ensure that financial controls and systems of risk management are robust and defensible.
- To attend induction, training and performance review sessions or events as are reasonably.
- To operate in accordance with this Constitution.

APPENDIX 4

Scheme of Delegation of responsibilities discharged by the LEP Board

Background

- (1) The purposes of these delegated responsibilities are to:
 - (i) enable decisions to be taken efficiently and effectively;
 - (ii) enable the Board to provide clear leadership;
 - (iii) ensure it works in partnership with other stakeholders;
 - (iv) assist Board Members to carry out their role more effectively; and
 - (v) create a powerful and effective means of holding decision makers to public account;

Matters Reserved to the Board

- (2) The Board shall have the power to delegate any of its functions in addition to those already specifically delegated as described below. The Board can at any time withdraw any power delegated by it as it thinks fit. The Board may determine that certain matters are to be decided only by the Board.

Urgent Decisions

- (3) The Chair, acting in consultation with the Vice-Chairs, may take a decision which would usually be determined by the Board if the decision is required as a matter of urgency. However, the decision may only be taken:-
 - a) If it is not practical to convene a quorate meeting of the Board; and,
 - b) the reasons why it is not practical to convene a quorate meeting of the Board and the Vice-Chairs views have first been noted on the record of the decision.
- (4). Following the above decisions, the Chair will provide a report to the next available Board meeting, explaining the decision, the reasons for it and why the decision was treated as a matter of urgency as applicable.

Matters Delegated to Sub-Groups

- (5) The Board shall have discretion to appoint any Sub- Group to assist with the execution of its functions or to provide it with advice and shall have the power to delegate, subject to:
 - a) determining the terms of reference and membership of any Sub-Group which may include non- Board members;
 - b) appointing a Member of the Board to chair the Group; and
 - c) the delegation must be exercised in a way which falls within the approved policies of the Board.
- (6) This Constitution, including the Code of Conduct for Board Members, shall apply to any non-Board Member of a Sub-Group except in so far as it is obviously inconsistent with membership of a Sub-Group.

Matters Delegated to the Chair

- (7) The matters delegated to the Chair are:
 - a) Such matters as the Board may from time to time determine
 - b) Urgent decision making in accordance with paragraph (3) above.
- (8) Each exercise of delegation shall be reported to the next Board Meeting.

Scope and Remit of Public Sector Board Members Delegated Authority

- (9) Public sector members on the Board are nominated by their respective combined authorities and are required to act within the delegated authority given to them.
- (10) Public sector members should act at all times in a manner consistent with the Policy Framework of their authorities; where it is anticipated that a decision of the Board might involve a conflict with, or departure from, that Framework then they should, on advice, consider referring the matter to their Council for consideration and seeking a deferral of the Board decision accordingly.

APPENDIX 5

Meetings of the Board

1. MEETINGS OF THE BOARD

(a) Annual Meeting

The Annual Meeting of the Board shall usually be held in May of each year for the purposes of appointing a Chair and Vice-Chair (if required); considering an Annual Report on the activities of the Board; making any necessary amendments to this Constitution and transacting any other business.

(b) Annual Review / Annual General meeting (AGM)

In accordance with the Strengthening LEPs Review, a public 'AGM' or 'Annual Review' meeting will be held designed to engage and inform the public and all key stakeholders about the LEP's activities and economic performance in the North East LEP Area.

(c) Election of Chair and Vice- Chair

The Board shall elect from amongst its members a Chair and three Vice Chairs. Board Members shall make appropriate arrangements amongst themselves to put forward nominees for these appointments. Any vacancy arising in any of these offices shall be filled at the next meeting following the occurrence of the vacancy.

The Chair and Vice Chairs shall be entitled to serve a maximum of two individual terms; the duration of each will be a maximum of three years. Service beyond 6 years will only be permitted in exceptional circumstance, in accordance with a resolution of the Board.

The Chair shall be appointed from amongst the private sector representatives on the Board in accordance with a procedure agreed by the Board.

One Vice Chair shall be appointed from amongst the private sector and two Vice Chairs shall be appointed from the public sector members (one being a member of the North East Combined Authority and one being a member of the North of Tyne Combined Authority).

(d) New Members

In the event of the resignation of a private sector, education sector or VCSE Board Member, the Board will immediately seek a replacement. In the case of a public sector Leader/Elected Mayor ceasing to hold that position, a further nomination will be sought from the relevant authority.

Ordinary Members shall be entitled to serve for up to two terms of three years. Service beyond 6 years will only be permitted in accordance with a resolution of the Board

(e) Termination of Membership

Any Board Member wishing to resign from the Board may do so at any time by writing to the LEP Chief Executive who shall immediately inform the Board and the Board shall put in place procedures to seek a replacement

(f) Observers

In addition to the Board Members, such other persons may attend meetings as the Chair/the Board shall from time to time agree as observers, who may address the meeting but may not vote, including the two nominated observers; one from each of the two combined authorities.

(g) Frequency of Meetings

(i) The Board shall meet 6-8 weekly with the exception of August on such days and at such times as it shall have determined at the Annual Meeting unless in the opinion of the Chair the business to be transacted does not warrant the holding of a meeting, or s/he considers that an additional meeting is warranted.

(ii) A Special Meeting of the Board shall be convened on a minimum of 21 clear days' notice following receipt by the LEP's Chief Executive of a request from the Chair or from not less than three Members save that where the Chair and Vice-Chairs agree the period of notice shall be such lesser period as they consider appropriate in case of urgency.

2. PLACE OF MEETINGS

Meetings of the Board shall be held at venues approved by the Chair on behalf of the Board.

3. QUORUM

The quorum for meetings of the Board shall be 10 Board Members provided that of this number:

- at least four private sector members are present; and,
- at least three public sector members are present (of which at least one represents a constituent authority of the North East Combined Authority and at least one represents a constituent authority of the North of Tyne Combined Authority).

4. VOTING

4.1 The principle of decision making by the Board shall be that, wherever possible, decisions of the Board will be by consensus. Where this is not possible, a vote may be taken where the Chair considers it to be necessary. On a vote the matter will be determined by a simple majority of Board Members present and voting. A vote will ordinarily be by a show of hands and the vote of each member recorded in the minutes.

4.2 In the event of a vote only bona fide Board Members shall be entitled to vote (including the Chair). In the event of a tied vote the Chair has no second or casting vote. Any motion or proposal which results in a tied vote will be deemed not to have been agreed.

4.3 Any member may request a formal ballot, which on such request may take place instead of a show of hands or, if so requested and agreed by the Chair, in place of a vote by show of hands.

4.4 Between meetings, with the agreement of the Chair, decisions may be requested by way of written or emailed resolutions. When this procedure is used the decision requested and all supporting paperwork will be sent to all Board Members and any comments of further information should also be copied to all Board Members. The decisions deemed to be

passed when agreement is communicated by all (100% of) Board Members. A record of the decision will be retained by the Board's Executive support and will be reported to the Board at its next meeting.

5. AGENDA

- 5.1 Copies of the agenda for meetings of the Board shall be circulated to members normally at least seven days before the meeting, together with any relevant reports and documents. Unless otherwise agreed in advance, the agenda and papers shall be circulated electronically.
- 5.2 Matters for inclusion in the agendas and any other reports or documents shall be sent normally to the Board's Executive Support at least fourteen days before the meeting.
- 5.3 Agendas and Minutes shall be published on the North East LEP's website save where matters of commercial sensitivity or confidentiality might arise.

6. ALTERATIONS TO THE CONSTITUTION

- 6.1 Alterations to this Constitution shall be made only by the Board at each Annual Meeting or at a Special Meeting (if required) and the same shall be kept under regular review.

7. ATTENDANCE OF THE PUBLIC AT MEETINGS

- 7.1 Until the first anniversary of the Board, meetings of the Board shall be closed unless otherwise determined by the Chair. Thereafter the position shall be the subject of review.
- 7.2 Where members of the public are in attendance at a Board Meeting, the Chair may exclude the public where any item of business might lead to the disclosure of confidential or commercially sensitive information

8. Scope

- 8.1 These procedural rules will apply to the proceedings of any Committee or sub-group of the Board unless the terms of reference of that Committee or sub-group provide otherwise.

Appendix 6
Freedom of Information
Protocol

- 1.1 Board Members recognise that public authorities, as defined by Freedom of Information and Environmental Information Legislation, ('FOI'), information may be the subject of an Information Request.
- 1.2 Board Members shall assist each other in complying with these obligations where they relate to North East LEP business including but not limited to assistance without charge in gathering information to respond to an Information Request.
- 1.3 Any local authority represented in the North East LEP shall be entitled to disclose any information relating to the North East LEP in response to an Information Request, save that in respect of any Information Request which is in whole or part a request for Exempt Information:
 - 1.3.1 the local authority which receives the Information Request shall circulate the Information Request amongst organisations that are members of the North East LEP and shall discuss it with their representatives;
 - 1.3.2 the local authority which receives the Information Request shall in good faith consider any representations raised by other representatives when deciding whether to disclose Exempt Information; and
 - 1.3.3 the local authority which receives the Information Request shall not disclose any Exempt Information beyond the disclosure required by FOI Legislation without the consent of the Party or Parties to which it relates.
- 1.4 The Board Members acknowledge and agree that any decision made by a local authority which receives an Information Request as to whether to disclose information relating to the North East LEP pursuant to FOI Legislation is solely the decision of that authority.

North Eastern Local Enterprise Partnership (NELEP)

Constitution

1. Name

The Board shall be known as “The North Eastern Local Enterprise Partnership Board (“the Board”).

2. Vision and Role of the NELEP

2.1 The vision of the NELEP is to rebalance the economy and create “*Europe’s premier location for low carbon, sustainable, knowledge-based private sector-led growth and jobs*”

2.2 To achieve these ambitions the NELEP will deliver a series of actions against four strategic economic priorities set out in the original submission to Government, namely:

- supporting enterprise and private sector business growth;
- building on key economic strengths;
- improving skills and performance; and
- strengthening transport, connectivity and infrastructure.

2.3 The key roles of the NELEP will be:

- to lobby Government on issues of economic importance to the North East of England;
- to act as an advocate and champion for business and community interests;
- to provide strategic economic leadership and local accountability;
- to demonstrate added value and efficiency; and
- to commit to working across local administrative boundaries

2.4 The NELEP will have a decision making role, which is likely to evolve over time according to the development of the role of the Partnership.

3. Membership of the Board and Related Matters

3.1 Membership of the Board will comprise:

- nine private sector representatives, including the Chair (“private sector members”);
- seven local authority representatives (“local authority members”);
- one higher education representative;
- one representative of further education colleges (together “education members”)

3.2 The local authority members will be the respective Leaders of the Council/Elected Mayor as appropriate.

- 3.3 Private sector members have been recruited, using the Nolan principles (**Appendix 1**) to reflect the geography of the NELEP area, key sectors and different sizes of business operation. Future recruitment of private sector members shall similarly take these matters into consideration. The Constitution includes a Code of Conduct at **Appendix 2** to ensure the highest standards of propriety in decision-making.
- 3.4 The Chair and non local authority Board Members of the NELEP shall be appointed for a term of three years, through public appointment and interview. Board members will not be remunerated.
- 3.5 The term of not more than one third of non-local authority members shall end at the same time and the Board shall determine arrangements to give effect to this provision to ensure continuity in the conduct of its business.
- 3.6 Substitutes for Board Members shall not be permitted to attend meetings. Observers may attend in accordance with the arrangements for the Conduct of Meetings set out at **Appendix 5**. However, this will be kept under review.
- 3.7 The quorum for meetings of the Board shall be 10 out of the 18 provided at least five private sector members and four local authority members are present.
- 3.8 All decisions shall be taken on the basis of consensus and where this is not possible the procedure set out in para 4.1 **Appendix 5** shall apply.
- 3.9 Local authority Members will be bound by the Code of Conduct of their own authorities as well as this Constitution its principles and Code. Other Board Members will comply with the principles set out in **Appendix 1** (which includes the Seven Principles of Public Life established by the Committee on Standards in Public Life) and also the Code of Conduct at **Appendix 2**.
- 3.10 The NELEP is a voluntary partnership arrangement. One of the local authorities will fulfil the role of accountable body and manage the financial and human resources of the NELEP.

4 **Functions and Remit**

The Board shall:

- provide high quality leadership and set the strategic direction for the sustainable economic growth of the North East economy and determine key objectives and investment priorities to deliver the overall vision and strategy of the NELEP;
- lead the development of the NELEP Enterprise Zone;
- coordinate the Regional Growth Fund bidding and leverage of funding from the private and public sector to support the delivery of agreed NELEP priorities;
- manage and set the forward strategy for attracting new investment and business in to the area locally targeted business support activity
- approve the Budget of the NELEP, in line with the financial procedures of the local authority accountable body;
- prepare for its approval and then monitor performance against an Annual

Business Plan;

- influence key sub-regional, regional and national strategies;
- approve review and amend the Constitution;
- appoint its Chair and Vice Chairs;
- appoint representatives to selected outside bodies;
- determine arrangements for the retirement from office of non local authority members of the Board having regard to the need to ensure continuity in the conduct of its business;
- establish Executive Support;
- establish Sub-Groups as required, appointing their Chairs and determining their terms of reference;
- keep its representation under review having regard to the geography of the NELEP area, its key business sectors and different sizes of business operation;
- publish an Annual Report to coincide with the NELEP AGM in July; and provide a link to Government on all aspects of the NELEP's work.

5. **Chairs / Vice Chairs and Board Members**

5.1 The Chair of the NELEP shall be from the private sector. The roles of the Chair /Vice Chairs and Board Members are set out at **Appendix 3**.

5.2 There will be two Vice Chairs, with one appointed from the private sector and one appointed from the local authority members.

5.3 Certain decisions may be delegated to the Chair and Vice Chairs in the circumstances described in **Appendix 4**, together with the arrangements for formally recording those decisions and communicating them to other Board Members.

6 **Meetings**

Meetings of the Board shall be governed by this Constitution and, in particular, the provisions contained in **Appendix 5**

7 **Freedom of Information**

From time to time, local authorities in the NELEP may receive information requests under the Freedom of Information Act 2000, which relate to the business of the NELEP. The Board Members are each committed to deal with those requests in accordance with the Protocol set out in **Appendix 6**

APPENDICES

- 1. Nolan Principles**
- 2. Code of Conduct**
- 3. Roles and Responsibilities of the Chair, Vice-Chair and Board Members**
- 4. Scheme of Delegation**
- 5. Meetings of the Board**
- 6. Freedom of Information Protocol**

APPENDIX 1

Nolan Principles

Nolan Principles:

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

Langlands Principles:

Good Governance and Principles of Public Life

The Code of Conduct in **Appendix 2** is intended to conform to the six Langlands Principles of good governance for all organisations delivering public services. Members shall also conduct themselves in accordance with the Nolan Principles of Public Life.

Good governance means focussing on the NELEP's purpose and outcomes for partners and other stakeholders:-

The Board establishes the NELEP's purpose clearly and gives the organisation clear strategic direction.

Strategic and financial plans are based on achieving its overall purpose.

The Board oversees the implementation of strategic and financial plans and regularly reviews how far it has achieved the intended outcomes.

Strategies, plans and major decisions take account of the needs and views of its stakeholders and the communities it serves.

Decision-making is consistent with the NELEP's Constitution and with its legal obligations.

Good governance means the Board and senior officers working together effectively in clearly defined functions and roles:-

Board Members and senior officers understand their roles and ensure that the Board exercises overall responsibility for the NELEP's leadership and control.

Board Members must act in the best interests of the NELEP. They must not act as representatives of any other organisation or interest group.

All Members of the Board accept collective responsibility for upholding its decisions.

Working relationships between the Board members and any Executive Support are constructive and effective.

The Chair and the Vice Chair are responsible and accountable to the Board for exercising any powers or authority delegated to them.

Governance systems and relationships enable the business to be managed efficiently and effectively.

The Board receives objective professional advice on matters where it would be appropriate to do so.

Good governance means promoting values for the whole organisation and demonstrating the values of good governance through behaviour:-

The NELEP promotes clear values that guide its activities.

Board Members put these values into practice through their behaviour.

The Board upholds and applies the principles of equality and diversity in all areas of its work, including its governance arrangements.

The NELEP conducts its affairs with honesty and integrity. Through its actions, it maintains its good reputation.

Any conflicts of interest that Board Members and staff may have are declared and managed openly and appropriately.

Good governance means taking informed, transparent decisions and managing risk:-

The Board acts and makes decisions in a way consistent with the NELEP's Constitution and delegations.

The Board receives information and advice that is appropriate to its strategic role and the decisions it is asked to make.

The NELEP openly communicates the Board's decisions to partners and other stakeholders.

The Board identifies risks that might prevent it from achieving its objectives, manages these risks and mitigates their effects, wherever possible. The Board ensures that the NELEP has effective systems for risk management, internal control and audit where appropriate.

Good governance means developing the capacity and capability of the Board and senior officers to be effective:-

The Board have the skills, knowledge, experience and resources needed to provide capable leadership and control, taking account of the objectives and governance needs.

The Board includes people who can offer different perspectives on the NELEP's work, provided they meet appropriate criteria on skills, knowledge and experience.

New and existing Board Members receive support to enable them to fulfil their governance responsibilities through induction, learning and other forms of support that reflect the objectives and governance needs.

The NELEP regularly reviews the skills and composition of the Board and how well it is fulfilling its governance responsibilities. It makes any improvements needed and plans effectively for the renewal of the Board.

Where Board Members are nominated by an outside body, nominations and appointments are made on the basis of the skills and experience that would be most useful in meeting the NELEP's governance needs.

Good governance means working with stakeholders and being openly accountable to them:-

The NELEP gives partners, funders and local people information that meets their needs about the NELEP, its performance and its future plans.

The NELEP gives other stakeholders the information they need about its plans and performance.

The NELEP is open about what it does and publishes information about its activities wherever possible. The NELEP agrees to respond to requests for information about the work of the Board and the NELEP.

The NELEP is open and co-operative in dealing with all its partners and funders, notifying them of anything that may affect its ability to fulfil its obligations.

APPENDIX 2

Code of Conduct

Code of Conduct for Board Members

1. Board Members are expected to carry out their duties to the highest standards of professionalism and integrity bringing experience, judgement and critical detachment to their duties and must not be influenced by business or personal relationships external to their Board duties.
2. The Board should be open and accountable to the region and the local community. As a general rule, information about the NELEP should be made available unless there are good reasons of confidentiality or practicality why not.
3. The Board should publish an annual report providing information about activities and performance.
4. The Board should comply with requests for information where practicable.
5. The Board should review openness arrangements on an annual basis.
6. Board Members must ensure that their personal or professional interests do not influence their decisions and that they do not use their position to obtain personal gain of any kind.
7. Board Members should declare any conflicts of interest.
8. When the Board discuss an item which poses a conflict of interest for any member or employee present, that person should declare his/her interest at the outset of the meeting.
9. If the conflict is clear and substantial, the Board Member should offer to withdraw and, if invited to remain, should refrain from voting on the matter or taking part in the discussion.
10. The Board should monitor the Code of Conduct on receipt of hospitality and gifts by Board Members and staff.
11. Board Members are expected to attend regular meetings of the Board and any Sub-Group to which they are appointed by the Board as well as any other meetings where their presence can reasonably be expected.
12. Board Members must always act in good faith and in the best interests of the NELEP the local community and economy and must have due regard to the fact that they are administering public funds.
13. Board Members shall not use information gained in the course of their public service and in exercising their responsibilities as a Board Member for personal gain nor seek to use the opportunity of public service to promote their own interests.
14. Board Members will not disclose information given to them in confidence by anyone, or information acquired which they believe is of a confidential nature, without the consent of a person authorised to give it, or unless they are required by law to do so.

Gifts and Hospitality

15. Board Members shall not accept any gifts or hospitality from any persons or bodies applying, or seeking to, apply for funding from the NELEP or, involved in the negotiation of any contract, or other transaction, connected with the NELEP or the resolution of any dispute with the NELEP.

General

16. Board Members must declare any personal interests during any discussion or correspondence with officers of the NELEP, its Executive Support or its agents
17. Board Members shall review their membership/chairmanship if their personal circumstances are likely to result in so many declarations of interest that their value as a member/chair will be affected or are likely to result in a weakening of public confidence in the duty of Board Members to work solely in the public interest.
18. If Board Members are unsure of the seriousness of a potential conflict of interest they shall err on the side of caution and disclose that interest.
19. Board Members shall:
 - i) Promote equality by not discriminating unlawfully against any person;
 - ii) Treat others with respect;
 - iii) Conduct themselves in a manner so as not to bring the NELEP into disrepute;
 - iv) Not use or attempt to use their position to improperly confer on themselves or any other person any advantage or disadvantage.

APPENDIX 3

Roles and Responsibilities of the Chair / Vice-Chairs and Board Members

Role and Responsibilities of the Chair/Vice- Chairs

The Chair/Vice-Chairs will:-

- ensure efficient conduct of the Boards' business;
- ensure, where possible, that all Members are given the opportunity to express their views before decisions are taken;
- establish a constructive and supportive working relationship amongst Board Members;
- ensure that the Board delegates sufficient authority to its Sub- Groups, the Chair, and others to enable the business of the NELEP to be carried out effectively between Board meetings, and also to ensure that the Board monitors the use of these delegated powers;
- ensure that actions comply with the Constitution;
- represent the NELEP as appropriate;
- work in consultation with other Board Members to take any decision delegated to the Chair;
- seek to ensure the Board receives professional advice when needed either from its Executive Support or external sources.

Board Member Obligations

- To uphold the values and objectives of the Board and in particular the principles set out in **Appendix 1**. Board Members share responsibility for its decisions and each member should only act in the interests of the NELEP.
- To contribute to and share responsibility for Board decisions.
- To respect confidentiality of information.
- To prepare for and attend meetings, training and other events.
- To represent the Board as appropriate.
- To declare any relevant interests.
- To report back on relevant issues from their employing/representative organisations.
- To scrutinise financial information provided to ensure that financial controls and systems of risk management are robust and defensible.
- To attend induction, training and performance review sessions or events as are reasonably.
- To operate in accordance with the Constitution.

APPENDIX 4

Scheme of Delegation

Background

- (1) The purposes of these delegated responsibilities are to:
- (i) enable decisions to be taken efficiently and effectively;
 - (ii) enable the Board to provide clear leadership
 - (iii) ensure it works in partnership with other stakeholders;
 - (iv) assist Board Members carry out their role more effectively;
 - (v) create a powerful and effective means of holding decision makers to public account;

Matters Reserved to the Board

(2) The Board shall have the power to delegate any of its functions in addition to those already specifically delegated as described below. The Board can at any time withdraw any power delegated by it as it thinks fit. The Board may determine that certain matters are to be decided only by the Board.

Urgent Decisions

(3) The Chair, acting in consultation with the Vice-Chairs, may take a decision which would usually be determined by the Board if the decision is required as a matter of urgency. However, the decision may only be taken:-

- a) If it is not practical to convene a quorate meeting of the Board;
and
- b) the reasons why it is not practical to convene a quorate meeting of the Board and the Vice-Chairs consent have first been noted on the record of the decision.

(4). Following the above decisions, the Chair will provide a report to the next available Board meeting, explaining the decision, the reasons for it and why the decision was treated as a matter or urgency as applicable.

Matters Delegated to Sub-Groups

(5) The Board shall have discretion to appoint any Sub- Group to assist with the execution of its functions or to provide it with advice and shall have the power to delegate subject to:

- (i) determining the terms of reference and membership of any Sub-Group which may include non Board members;
- (ii) appointing a Member of the Board to chair the Group; and
- (iii) the delegation must be exercised in a way which falls within the approved policies of the Board.

(6) This Constitution, including the Code of Conduct for Board Members, shall apply to any non-Board Member of a Sub-Group except in so far as it is obviously inconsistent with membership of a Sub-Group.

Matters Delegated to the Chair

(7) The matters delegated to the Chair are:

- (i) Such matters as the Board may from time to time determine
- (ii) Urgent decision making in accordance with para (3) above

(8) Each exercise of delegation shall be reported to the next Board Meeting.

Scope and Remit of Local Authority Board Members Delegated Authority

(9) Local authority members on the Board are nominated by their respective authorities and are required to act within the delegated authority given to them.

(10) Local authority members should act at all times in a manner consistent with the Policy Framework of their authorities; where it is anticipated that a decision of the Board might involve a conflict with, or departure from, that Framework then they should, on advice, consider referring the matter to their Council for consideration and seeking a deferral of the Board decision accordingly.

APPENDIX 5

Meetings of the Board

1. MEETINGS OF THE BOARD

(a) Annual Meeting

The Annual Meeting of the Board shall be held in [July] of each year for the purposes of appointing a Chair and Vice- Chair; considering an Annual Report on the activities of the Board; making any necessary amendments to this Constitution and transacting any other business.

(b) Election of Chair and Vice- Chair

At the Annual Meeting, the Board shall elect from amongst its members a Chair and the Vice- Chairs. Board Members shall make appropriate arrangements amongst themselves to put forward nominees for these appointments. Any vacancy arising in any of these offices shall be filled at the next meeting following the occurrence of the vacancy.

The Chair and Vice- Chairs shall be entitled to serve a maximum of [two] individual terms; the duration of each will be a maximum of [three years].

The Chair shall be appointed from amongst the private sector representatives on the Board

One Vice-Chair shall be appointed from amongst the private sector and one Vice-Chair shall be appointed from the local authority members

(c) New Members

In the event of the resignation of a private sector or education sector Board Member the Board will immediately seek a replacement .In the case of a local authority Leader/Elected Mayor ceasing to hold that position that local authority's place will revert to the newly elected Leader/Elected Mayor

Non local authority Board Members shall be entitled to serve for three years.

(d) Termination of Membership

Any Board Member wishing to resign from the Board may do so at any time by writing to the Board's Executive Support who shall immediately inform the Board and the Board shall put in place procedures to seek a replacement

(e) Observers

In addition to the Board Members, such other persons may attend meetings as the Board shall from time to time agree as observers, who may address the meeting but

may not vote.

(f) **Frequency of Meetings**

- (i) The Board shall meet [6-8 weekly] with the exception of August on such days and at such times as it shall have determined at the Annual Meeting unless in the opinion of the Chair the business to be transacted does not warrant the holding of a meeting, or s/he considers that an additional meeting is warranted.
- (ii) A Special Meeting of the Board shall be convened on a minimum of 21 clear days notice following receipt by the Board's Executive Support of a request from the Chair or from not less than [three] Members save that where the Chair and Vice-Chairs agree the period of notice shall be such lesser period as they consider appropriate in case of urgency. .

2. PLACE OF MEETINGS

Meetings of the Board shall be held at venues approved by the Chair on behalf of the Board.

3. QUORUM

The quorum for meetings of the Board shall be 10 out of the 18 provided at least five private sector members and four local authority members are present.

4. VOTING

- 4.1 The principle of decision making by the Board shall be that, wherever possible, decisions of the Board will be by consensus, without the need for a vote. Where this is not possible a vote may be taken where the Chair considers it to be necessary to establish whether a consensus exists. The vote will be by way of a show of hands and the vote of each member recorded in the minutes. Where no consensus appears likely the item or matter shall either a) be dealt with following an adjournment or b) be deferred to the next ordinary meeting of the Board for decision in either case to allow informal deliberations to take place
- 4.2 In the event of a vote, only bona fide Board Members shall be entitled to vote (including the Chair). In the event of a tied vote the Chair has no second or casting vote. Any motion or proposal which results in a tied vote will be deemed not to have been agreed.
- 4.3 Any member may request a formal ballot.

5. AGENDA

Copies of the Agenda for meetings of the Board shall be circulated to members normally at least seven days before the meeting, together with any relevant reports and documents. Unless otherwise agreed in advance, the Agenda and papers shall be circulated electronically .

Matters for inclusion in the agendas and any other reports or documents shall be sent normally to the Board's Executive Support at least seven days before the meeting.

Agendas and Minutes shall be published on the NELEP's website save where matters of commercial sensitivity or confidentiality might arise

6. ALTERATIONS TO THE CONSTITUTION

Alterations to this Constitution shall be made only by the Board at each Annual Meeting or at a Special Meeting (if required) and the same shall be kept under regular review.

7. ATTENDANCE OF THE PUBLIC AT MEETINGS

Until the first anniversary of the Board, meetings of the Board shall be closed unless otherwise determined by the Chair. Thereafter the position shall be the subject of review.

Where members of the public are in attendance at a Board Meeting, the Chair may exclude the public where any item of business might lead to the disclosure of confidential or commercially sensitive information

Appendix 6

Freedom of Information Protocol

- 1.1 Board Members recognise that public authorities, as defined by Freedom of Information Legislation, ("FOI"), information may be the subject of an Information Request.
- 1.2 Board Members shall assist each other in complying with these obligations where they relate to NELEP business including but not limited to assistance without charge in gathering information to respond to an Information Request.
- 1.3 Any local authority represented in the NELEP shall be entitled to disclose any information relating to the NELEP in response to an Information Request, save that in respect of any Information Request which is in whole or part a request for Exempt Information:
 - 1.3.1 the local authority which receives the Information Request shall circulate the Information Request amongst organisations that are members of the NELEP and shall discuss it with their representatives;
 - 1.3.2 the local authority which receives the Information Request shall in good faith consider any representations raised by other representatives when deciding whether to disclose Exempt Information; and
 - 1.3.3 the local authority which receives the Information Request shall not disclose any Exempt Information beyond the disclosure required by FOI Legislation without the consent of the Party or Parties to which it relates.
- 1.4 The Board Members acknowledge and agree that any decision made by a local authority which receives an Information Request as to whether to disclose information relating to the NELEP pursuant to FOI Legislation is solely the decision of that authority.

28 May 2020

**ITEM 7: North East LEP Scheme of delegation –
update on progress**

1.0 Background

- 1.1 As part of the North East LEP Accountable body transfer from North East Combined Authority (NECA) to North of Tyne Combined Authority (NTCA), the North East LEP's scheme of delegation was reviewed and updated so that it is in line with the principles set out in the new Accountable Body Agreement signed at the end of March 2020.
- 1.2 The proposed draft scheme of delegation in appendix one sets out an officer's authority to act and make decisions on behalf of the North East LEP and its accountable body. It complements the section on delegation included in the North East LEP Constitution which relates to delegated authority given by the North East LEP Board to the Chair, Vice Chairs and sub-groups such as the Investment Board.
- 1.3 The Board is asked to note that work is on-going with NTCA colleagues to ensure the scheme is consistent and integrated with the NTCA decision-making system and procedures including their own scheme of delegation.

2.0 Principle and areas of delegation

- 2.1. The scheme aims to clarify who can make decisions and whether NTCA also need to formally sign off the decision as the accountable body for the LEP. The broad principle for this is that the LEP Board or LEP delegated officer makes the decision, and NTCA as the accountable body is required to ratify some of those decisions. The accountable body cannot refuse to endorse the LEP's decision providing it is financially and legally sound.
- 2.2 The areas of delegation in the scheme are grouped under three categories:
 - Operational
 - Procurement and contracts
 - Finance and Investment

3.0 Recommendation

- 3.1 The Board is asked to approve the Scheme of Delegation set out in appendix one subject to any modifications required as part of the on-going consultation with accountable body requirements. Any modifications will be agreed by the LEP Chief Executive in consultation with the LEP Chair.

Appendix one – Draft scheme of delegation

Part 1 - Operational decisions

Type of Decision	Initial Authority	Escalated Authority (primarily where there is a conflict of interest with the initial authoriser)	NTCA Officer sign off required?
General Management and Leadership			
Day to day and routine management, supervision and control of services including staff management	North East LEP Chief Executive	North East LEP Chair	no
Taking any operational action required as a matter of urgency in the interests of the North East LEP	North East LEP Chief Executive	North East LEP Chair	no
Conducting proceedings before the House of Parliament (including the appointment and retention of Parliamentary Agents and Parliamentary Counsel in connection with the passage of a Private Bill which the North East LEP has resolved to promote or oppose)	North East LEP Chief Executive	North East LEP Chair	no
To control and co-ordinate press and media relations, organise press conferences, publicity and public relations including the approval and issue of all North East LEP publicity and official publications	North East LEP Chief Executive	North East LEP Chair	no
Minor changes and corrections to the North East LEP Constitution and all associated documents	North East LEP Chief Executive	North East LEP Board for significant alterations	no
Letters of support /intent, not intended to create a legally binding obligation.	Service Director	North East LEP Chief Executive	no
Staffing and payroll			
Authority to fill the North East LEP Chief Executive vacancy	North East LEP Chair	North East LEP Board	no
Authority to fill an existing vacancy within the	North East LEP Chief Executive	North East LEP Chair in consultation	no

establishment		with the NTCA Head of Paid Service	
Adding or removing a post from the staffing establishment	North East LEP Chief Executive	North East LEP Chair in consultation with the NTCA Head of Paid Service	no
Approval of a job description	North East LEP Chief Executive	North East LEP Chair in consultation with the NTCA Head of Paid Service	no
Approval of grading (evaluation having been conducted by NTCA HR)	North East LEP Chief Executive	North East LEP Chair in consultation with the NTCA Head of Paid Service	no
Payroll instructions (adding, removing or altering)	North East LEP Chief Executive	NTCA Head of Paid Service	no
Authorisation of expenses (mileage etc.)	Service Director in accordance with Expenses Policy	North East LEP Chief Executive	no
Authorisation of domestic travel within budget	Service Director in accordance with Expenses Policy	North East LEP Chief Executive	no
Authorisation of international travel within budget	North East LEP Chief Executive	NTCA Head of Paid Service	no
Authorisations of travel and/or expenses otherwise than in accordance with the Travel and Expenses Policy	North East LEP Chief Executive	NTCA Head of Paid Service	no
Policies and procedures			
Policies and procedures having an impact on North East LEP operations	North East LEP Chief Executive	Chair of the North East LEP Board in consultation with the NTCA Head of Paid Service	no
Transparency and release of information			
Designation of matters as “white” (open) or “pink” (closed/confidential) on any board or Committee agenda	North East LEP Chief Executive	NTCA Monitoring Officer	no
Release of information in accordance with the Freedom of Information Act, the Environmental Information Regulations or the General Data Protection Regulation	North East LEP Chief Executive in consultation with the NTCA Monitoring Officer	NTCA Head of Paid Service	yes
Proactive publication of information on North East LEP controlled websites (including issuing press releases)	North East LEP Chief Executive	NTCA Head of Paid Service	no
Circulation of public and closed/confidential	North East LEP Chief Executive	NTCA Monitoring Officer	no

papers following any North East LEP Board or sub -Board meeting			
Provision of documents for the Press in addition to North East LEP Board, sub -Board or committee reports	North East LEP Chief Executive	NTCA Monitoring Officer	no
Preparation of written summaries of North East LEP Board or sub -Board proceedings	North East LEP Chief Executive	NTCA Monitoring Officer	no

Part 2: Procurements and Contracts

Procurement (general purchasing of goods, services or works)			
Authority to commence procurement process - Below £10,000	Programme Manager provided the budget is available within the Service Director's allocated budget	Service Director or North East LEP Chief Executive	no
Authority to commence procurement process – Between £10,000 and £50,000	Service Director in consultation with the North East LEP Chief Executive	North East LEP Chief Executive	no
Authority to commence procurement process – Between £50,000 and £250,000	North East LEP Chief Executive	NTCA Head of Paid Service	no
Authority to commence procurement process – Between £250,000 and £500,000	North East LEP Chief Executive	NTCA Head of Paid Service	no
Authority to commence procurement process – above £500,000	North East LEP Board		no
Conduct and oversight of a procurement process	Not applicable	Not applicable	no
Once the commencement of procurement has been authorised, a Service Director or the North East LEP Chief Executive will oversee it in accordance with procurement rules of NTCA with the support of the Constituent Authority			

Ancillary agreements			
<p>Authority to enter into operational and ancillary agreements to support the delivery of organisational activities and approved projects, for example (including and not limited to):</p> <ul style="list-style-type: none"> - Confidentiality agreements - Service Level Agreements with Public Sector Partners - Data-sharing arrangements - Agreements for lease - Asset transfer agreements - Transfer or sale agreements - Memoranda of Understanding - Collaboration agreements 	North East LEP Chief Executive in consultation with the NTCA Monitoring Officer	NTCA Head of Paid Service	yes
Making declarations and issuing certificates with regard to securities	North East LEP Chief Executive in consultation with the NTCA Monitoring Officer	NTCA Head of Paid Service	no
Deposit of documents	North East LEP Chief Executive in consultation with the NTCA Monitoring Officer	NTCA Head of Paid Service	no
Certifying copy documents	North East LEP Chief Executive in consultation with the NTCA Monitoring Officer	NTCA Head of Paid Service	no

Part 3 – Finance and Investment

Sale of asset (other than land)			
Low value assets / nominal value assets	North East LEP Chief Executive may dispose of assets considered to have a nominal value or residual value of less than £25,000 (as certified by the Section 73 Officer (Chief Finance	NTCA Head of Paid Service for assets £25,000 and over.	no

	Officer). Disposal of assets (other than land) must be, advertised and open and transparent.		
Surplus and / or obsolete equipment	North East LEP Chief Executive when the bid for the equipment is less than £25,000	NTCA Head of Paid Service for £25,000 and over.	no
Purchase Orders			
Approving individual purchases orders	Individual purchases within budget of a value of less than £50,000 – Service Director Individual purchases within budget of a value of less than £250,000 – Chief Executive of the North East LEP	Individual purchases exceeding £250,000 – NTCA Head of Paid Service (or in their absence NTCA Section 73 Officer)	no
Grants and bids – from others			
Submission of an expression of interest to third party	North East LEP Chief Executive	NTCA Head of Paid Service	no
Submission of bid or proposal to third party	North East LEP Chief Executive	NTCA Head of Paid Service	no
Accepting offer of funding from third party	North East LEP Chief Executive consultation with NTCA Section 73 Officer	NTCA Head of Paid Service	no
Approval and submission of grant claims to any funder (including UK Government or European Community)	Section 73 Officer on the advice of the North East LEP Chief Executive	NTCA Head of Paid Service	yes
Authority to determine grants or loans within approved North East LEP budgets			
Over £5m	North East LEP Board	n/a	see below
Up to £5m	Investment Board	North East LEP Board	see below
Grants and loan bids – from the North East LEP			
Agreement on process and priorities for future North East LEP funding e.g.LGF ‘project calls’, NEIF, EZ and UKSPF etc funding programmes	North East LEP Chief Executive	North East LEP Board	no
Accepting project funding proposals for development or appraisal	Programme Manager	North East LEP Chief Executive	no

Approval of grant or loan funding where the value of the grant or loan is less than £100,000	North East LEP Chief Executive	Investment Board	no
Approval of grant or loan funding With a value between £100,000 and £250,000 for revenue projects or between £100,000 to £1M for capital projects	North East LEP Chief Executive on the recommendation of the Investment board/ LEP Board	Investment Board	no
Approval of grant or loan funding – with a value between £250,000 and £5M for revenue projects or between £1M and £5M for capital projects Please note this is a key decision so entry in NTCA forward plan required at appraisal stage	North East LEP Investment Board	North East LEP Board	no
Approval of grant or loan funding – with a value above £5M Please note this is a key decision so entry in NTCA forward plan required at appraisal stage	North East LEP Board	n/a	no
Issuing grant or loan offer letter/agreement	NTCA Monitoring Officer	NTCA Head of Paid Service	yes
Authorising/rejecting grant or loan claims	Programme Manager	Appeal: North East LEP Chief Executive who may refer the matter to the Section 73 Officer	no
Variation of grant funding or loan conditions where there is not a material impact on the approved project or its outcomes: <ul style="list-style-type: none"> - Variation of outputs and milestones - Variation of funding draw-down dates - Variation of KPIs - Accepting occasional late payment - Reduction of funding - Variation in Repayment Profile - Phasing of outputs, milestones or draw-down 	Programme Manager to agree minor changes. Programme Managers to use their discretion on the timing of the escalation of variations that may be considered material over the lifespan of a project or are considered contentious, to the TOG. TOG, with representation from Section 73 Officer, North East LEP Chief Executive and Monitoring Officer to determine whether variations are such that they need to proceed to LEP Board or agreed and minuted at TOG.	North East LEP Board where a major variation to contract is referred from the TOG	no unless a Deed of Variation is required

<p>Approval of project request to use contingency budgets in projects (in accordance with any grant conditions relating to the use of those budgets)</p>	<p>Programme Manager where use of contingency does not materially change the project. Programme Managers to use their discretion on the escalation of contingency requests that may be considered material or are considered contentious, to the TOG for recommendation. TOG, with representation from Section 73 Officer, Chief Executive and Monitoring Officer to determine whether variations are such that they need to proceed to LEP Board.</p>	<p>North East LEP Board where contingency request are considered to be major, on the recommendation of Investment Board</p>	<p>no</p>
<p>Commencing clawback proceedings or suspending payment of a grant or loan</p>	<p>North East LEP Chief Executive in consultation with the NTCA Monitoring Officer</p>	<p>North East LEP Board</p>	<p>no</p>

28 May 2020

ITEM 8: SEP Programme Delivery Update

1.0 Purpose of Report

- 1.1 This report provides a summary of the details given in the SEP Programme Delivery report, which is attached as *Appendix 1*.

2.0 Highlights and points to note since the last meeting

Business Growth

- Ongoing with the Business Support Provider Network to identify programme and funding related issues that have been limiting the response to Covid19, these responses have been formally reported to MHCLG, seeking flexibilities to ESIF and to BEIS to inform changes to Government stimulus measures.
- In response to intelligence reports, LGF Enhanced Capital Grants have been made available through Supply Chain North East to increase supply PPE and to bring forward projects stalled due to Covid19. Scaleup North East is also supporting companies whose continued high growth is impacted by the pandemic situation, with grant support available to implement growth-oriented activity.

Innovation

- The Innovation Project Development fund has supported 12 projects to develop full business cases with a further two currently in appraisal for approval. Following on from this funding Driving the Electric Revolution has been successful in securing £36.7m from Government.
- Team continues to work closely with the SuperNetwork team including on the development Open Innovation Challenge, and in and working collaboratively with the Academic Health Science Network in support of the regional response to the PPE need caused by COVID-19.

Skills, employment, inclusion and progression

- The primary pilot continues to progress on schedule, despite the challenges schools across the region currently face. A virtual delivery plan has been developed and is being utilised throughout the summer term, with schools receptive to engaging via webinars.
- 153 Enterprise Advisers (EAs) have been recruited from a broad range of both large employers and SMEs, enterprise coordinator team has successfully facilitated four matches between enterprise advisers and school since March 2020.
- Opportunity North East is now moving into its operational phase. All schools have been contacted and initial school feedback has been extremely positive, the two staff positions have been recruited and are in post.

Transport

- An excellent funding settlement from Transforming Cities bid has been achieved, with both rail schemes funded and a £104m Devolved Pot established for local schemes
- Metro Asset Renewal Programme is progressing with 203 of 270 projects now completed. Programme completion expected March 2021, delivery continuing with some delays and disruption to site works and budget pressures resulting from Covid-19 working restrictions.

Investment and Infrastructure

- All live LGF projects were asked in year-end reports to indicate impact of Covid-19. It appears Covid-19 had limited impact on final quarter spend outcomes for 2019/20, however not all projects were able to report as normal on their output measures therefore the programme as a whole is under reporting the true position on KPIs
- Confirmation earlier in May that Holborn 2 Enterprise Zone site will be used as Operations and Maintenance facility as part of the development of Dogger Bank

Strategy and Policy

- The Covid-19 Economic Response Group has been established, with active leadership and involvement from the LEP, Combined Authorities, and business groups. A work programme has been agreed with five workstreams to support business activity and plan for the recovery.
- The Energy Challenge Programme (ECP) launched in March, utilising Energy for Growth LGF and up to £200k. Round 1 of the ECP is focussed on Decarbonised, Decentralised Energy, with 11 applications have been received from SME's.

Communications

- There continues to be growth in the number of followers across LEP's social media (1.4% on Twitter and 4.1% on LinkedIn since March). The North East LEP remains the most followed LEP in the country on Twitter.
- Main story for the period is the launch of Covid-19 Economic response Group.

3.0 Recommendations

- 3.1 The Board is recommended to note the contents of the report and *Appendix 1*.

Appendix – North East Strategic Economic Plan Programme Delivery update, May 2020



North East Strategic Economic Plan Programme Delivery update

May 2020

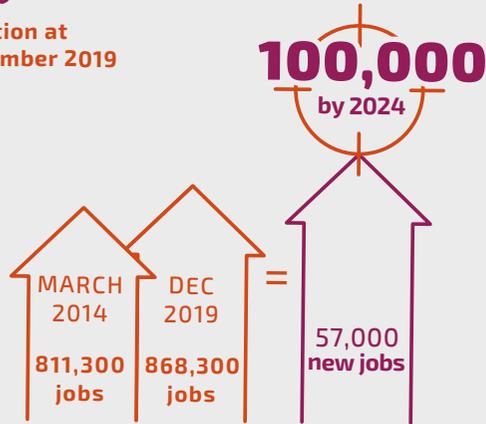


Performance against Strategic Economic Plan targets since 2014 (Updated, April 2020)

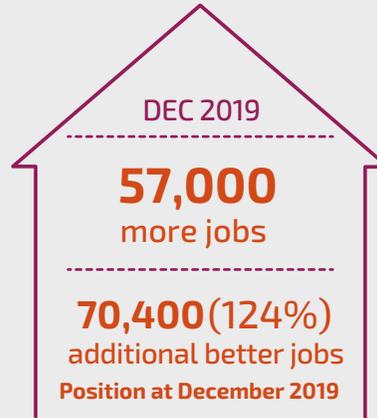
Target Increase the number of jobs in the North East economy by 100,000 by 2024



Position at December 2019



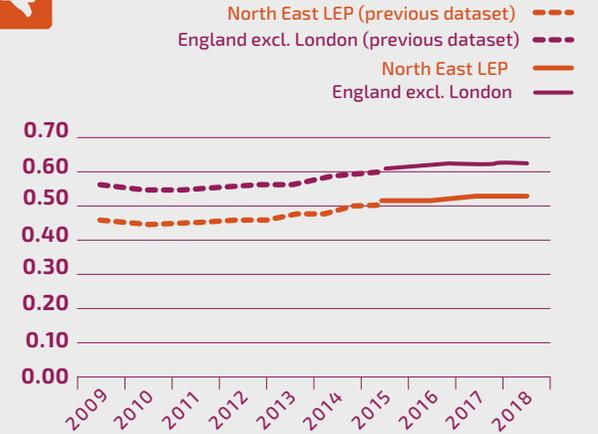
Target 70% of all jobs created from 2014 will be better jobs



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



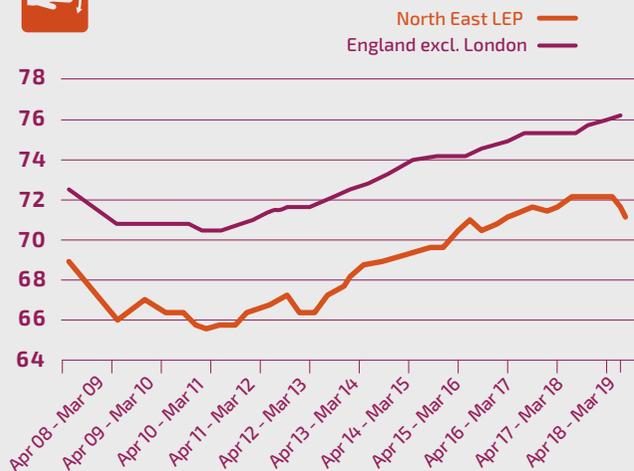
Position at 2018: 17% increase (compared to 2015)



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



Position at December 2019: 3% reduction



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



Position at December 2019: 11% increase



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



Position at 2018: 19% increase



Business Growth | Lead: Colin Bell

Ambition by 2024

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 job 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 to strengthen the visibility of opportunities for investment in our economy.

What we will deliver	Progress update and current position	Lead	Progress Status
Raise levels of business growth ambition			
<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"> · The financial input/output modelling work commissioned to inform the design of a business and innovation support commissioning framework has been adapted to consider the impact of Covid19. · Work continues with Northumbria University to inform the development of Internationalisation strategy, explore causes of low business birth rate – an initial report demonstrating business start-up hot and cold spots has been produced. · A Covid19 business survey was released at the beginning of lockdown and has been used to provide weekly intelligence to Government to inform the national and regional response to the crisis. · We have been working closely with the Business Support Provider Network, MIT REAP Stakeholders and Access to Finance working groups to develop the Business Growth Programme Covid19 restart plan. · Working with the SME Centre of Excellence on the save our SME campaign to engage professional service businesses to offer pro bono support to businesses effected by Covid19. 	Colin Bell	G
Increase demand for external business support and finance			
<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 ethnic groups 	<ul style="list-style-type: none"> · The Growth Hub has been focused on supporting people and businesses to deal with the Covid19 pandemic, during March the Growth Hub team dealt with a significant increase in volume when compared with March 2019: -Light touch interventions + 334% -Telephone enquiries + 872% -Referrals made to Business Support Providers rose to 22,296 compared with 582 the previous year. -In addition 81 High Intensity Interventions were delivered · As information has become clearer and made available via the Growth Hub Covid19 toolkit, call volumes have reduced from their peak. Customer satisfaction continued to be high at 98%. · RGN programme contracted to deliver 100%+ of jobs target. Since last report, 44 projects complete (an increase of 2 on last report) and 1 underway. Closure visits taking place remotely to ensure due diligence under current circumstances. Under the SEIF Round 6 £1m project approved on condition of other public sector funding approval. · RDPE Growth Programme: 51 projects contracted; £5.8m committed to North East projects, the majority for business development and tourism infrastructure. Dropout rate now standing at 68% (up from 60% last report) and £5.8m committed. 212 North East EoIs to the National Reserve Fund across all three themes; 180 endorsed for full application/underway, no projects contracted to date. 	Colin Bell	G

What we will deliver	Progress update and current position	Lead	Progress Status
Ensure the support of external business support and finance matches the needs of businesses and the economy			
<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 assess 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 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"> Worked with the Business Support Provider Network to identify programme and funding related issues that have been limiting the response to Covid19, these responses have been formally reported to MHCLG, seeking flexibilities to ESIF and to BEIS to inform changes to Government stimulus measures. Weekly Covid19 business intelligence report, incorporating feedback from regional stakeholders, has been reported to Government helping to inform both national and regional response. Further intelligence gathered from business growth board and growth hub provider network. Weekly newsletter has been issued to the Business Support Provider Network, presenting the latest information and sharing best practice – a network' best practice' event is scheduled 20th May. Launched Covid19 Business Survey - the survey has now been redesigned to inform better the restart and recovery phases. Over 900 businesses have now completed the survey. In response to intelligence reports, LGF Enhanced Capital Grants have been made available through Supply Chain North East to increase supply PPE and to bring forward projects stalled due to Covid19. Scaleup North East is also supporting companies whose continued high growth is impacted by the pandemic situation, with grant support available to implement growth-oriented activity. High Potential Startups has developed a new delivery approach to allow for social distancing restrictions and feedback from the 33 founders on Cohorts 1 and 2 is extremely positive. Cohort 3 of High Potential Startups was launched during the Covid19 lockdown phase and has received 9 expressions of interest received in the first week – exceeding expectations. Aim is for 25 founders to be brought on to programme by mid/end June. 	Colin Bell	G
Improve the region's economic resilience			
<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 solution 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"> North East LEP is leading one of 10 LEP/Growth Hub Clusters to act as a strategic lead working with Govt on Covid19 and EU Exit. Business Growth Programme is leading North East Covid19 Economic Response Group (ERG) Project 1. Worked closely with the Business Support Provider Network to coordinate the response to Covid19 and to develop the Business Growth Programme/ ERG Project 1 Covid19 Restart Plan. Supply Chain North East: In addition to supporting business diversification, the project is also developing business resilience through the adoption of technology and supporting the localisation of supply chains. Planning is in progress to model the demand for business support to establish if regional capacity can service demand. Several gaps are emerging in areas such as business start-up (particularly around self-employment) and the adoption of digital technology. 	Colin Bell	G
Grow inward investment in the region			
<ul style="list-style-type: none"> Combined and local authorities, the LEP, the Department for International Trade and 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 SEPs areas of strategic importance and support service sectors 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"> Provisional inward investment success figures for 2019/20 in the North East LEP area: 82 total investments creating 2,674 jobs. Of these 63 were Foreign Direct Investments creating 2,235 jobs and 19 were from UK companies creating 439 jobs. INEE continues to deliver the DIT Key Account Management Programme (KAM) through circa £157k of DIT Northern Powerhouse funding in 2020/21 (subject to final contract). In 2019/20 there were provisionally 27 successes through this programme, making the North East LEP area the highest performing Northern Powerhouse LEP area. INEE is working with local authorities to access key information gleaned from account management activity. Due to the exceptional circumstances facing businesses throughout the world during COVID-19, INEE has paused its proactive lead generation and follow up work. The team is focusing activities including: servicing existing clients on the INEE project pipeline; updating INEE data sources (Toolkits) on which it bases the development of bespoke company value propositions; reviewing and updating its marketing and communications strategy; developing its strategic approach to inward investment attraction in a post-COVID-19 world; and developing with other NPH LEPs the Northern Powerhouse Trade and Investment Prospectus. 	Guy Currey	A

Programme Risks

Risk Description	Cause description	Likelihood	Impact	Overall	Actions to avoid/reduce impact
Programmes do not match the needs of businesses	Lack of control over current funding landscape	M	H	MH	Liaison with BEIS, LEP taking a thought leadership role.
Future ecosystem deployment is delayed	SPF or EU funding successor is delayed	M	H	MH	Financial input/output modelling supplier being procured currently.
Business downturn and/or closure	Brexit process/outcome causes economic shock National resources are not secured or directed to deal with significant shocks Regional partners are uncoordinated and unable to draw down Government resources	M	H	MH	Engage with business and gather intelligence about business impacts of Brexit.
Ability to attract new FDI is significantly impeded with resultant economic impacts to North East LEP economy.	Covid-19 and EU Exit processes and timescales cause uncertainty and deter or defer investment decisions.	H	H	HH	Continued liaison and dialogue with partners to develop contingency plans.

Innovation | Lead: Alan Welby

Ambition by 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.

What we will deliver	Progress update and current position	Lead	Progress Status
Stimulate new business opportunities through the North East Open Innovation Challenge			
<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 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"> Building on engagement in with partners in December 2019 a workshop will take place on 13 June to update partners on the research into best practice for open innovation and learning from examples of current open innovation activity. A full action plan for the toolkit development process was produced following the initial partner workshop. This has been revised to reflect the remote engagement model necessitated by Covid-19. Covid-19 open innovation activity as a test bed has been incorporated into the project. As part of the Horizon 2020 funded INVITE project, two call rounds have been held resulting in 10 planned partnerships. Learning from these activities is informing development of the Oi2Lab approach. 	Alan Welby	G
Prioritise a regional pipeline of projects to form a Strategic Investment Programme			
<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"> The Project pipeline, process for accepting new projects, and the quarterly reporting mechanism to the Innovation Board is well established. The Innovation Board has representatives from both the North East Combined Authority and North of Tyne Combined Authority which approves new applications and monitors progress. The assessment criteria approved for the initial prioritisation of projects will be retained for assessment of future projects. The board reporting process approved in September 2019 is now in regular use. An overview of the impact of Covid-19 on the progress of projects was delivered to an exceptional meeting of the Innovation Board on 12 May. A full update on all pipelined projects will be delivered to the Innovation Board on the 15 July. Engagement with all priority projects has commenced on a regular cycle to maintain dialogue. Tailored additional support has been offered to certain projects to accelerate their development. A specification for procurement was produced to take this work forwards in 2020/21. The scope for delivering this work in the current operating climate is being assessed, and may result in a change to the proposed activity. CESAM and NE Chain have been unsuccessful in their Strength in Places bids and conversations are now ongoing to identify alternative funding streams. 	Alan Welby	G
Support our businesses to capitalise on local research and innovation capability			
<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"> Initial demonstrator asset base mapping exercise complete. Two workshops have been held with the Universities to develop opportunities for collaboration. The universities have fed into Covid-19 response working group and are working closely with Catapult partners to develop an R&D lifeboat programme. The Innovation Project Development fund has supported 12 projects to develop full business cases with a further two currently in appraisal for approval. Following on from this funding Driving the Electric Revolution has been successful in securing £36.7 million. Engagement is underway, with key partners aware of the development of the Open Innovation Challenge. 	Alan Welby	G
Increase private sector investment into growing innovation businesses			
<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"> The Innovation team continues to work closely with the SuperNetwork, and will provide support for the delivery of activity which may replace VenureFest and Finance Camp in 2020. Initial review of access to finance provision was completed in 2019. The task and finish group continues to meet. The Open Innovation Challenge development is underway as reported under Activity 1. This will develop an approach that will support increased private sector investment. Alan Welby continues to attend the Northern Accelerator Board to support the development of the project. Work with the universities to identify routes to increase spin-out activity is ongoing. Current work is being taken forward through ERDF activity with the developing Business Growth model addressing university activity. 	Alan Welby	G

What we will deliver	Progress update and current position	Lead	Progress Status
Engage partners to identify and drive business growth through an Innovation Sectors and Competencies Programme			
<ul style="list-style-type: none"> Identify and 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"> The regional sectors and competencies study taken forward with the Policy and Strategy Team to inform the Local Industrial Strategy has been completed with Technopolis providing a final report. A procurement exercise will be undertaken for consultancy support to take the IDP Pilot approach forward in line with the original proposals. Partners of potential IDPs are keen to engage in the process. The development of the Innovation Delivery Partnership is the proposed route to ensure oversight of the niche competencies. A proposal for monitoring IDP development was approved by the Innovation Delivery Board for a programme of activity in 2020 Partners are being engaged through the development of the Innovation Delivery Framework. Work is ongoing to finalise the framework document, and an alternative launch is being planned due to the cancellation of June 2020 event. The development of the project portfolio has been taken forward through the project pipeline process addressed under Activity 2. Work to identify gaps in the pipeline will be undertaken through a top-down approach involving the LEP sector leads. A series of draft propositions have been developed as part of the LIS development process. Initial alignment has been undertaken in joint work with Business Growth, Investment and Policy and Strategy Teams. Alan Welby is leading on the development of a R&D skills lifeboat programme. 	Alan Welby	G
Coordinate regional partners to provide enhanced innovation support activity			
<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"> Perform Green have commenced the development of an input-output model which demonstrates the economic impact of investment to support business growth which is nearing completion. LEP team continues to work closely with the SuperNetwork team including on the development Open Innovation Challenge, and in and working collaboratively with the Academic Health Science Network in support of the regional response to the PPE need caused by COVID-19. The challenge of increasing business RDI continues to be considered through the Innovation Delivery Framework. Two roundtable discussions have been held with partners from the Health and Life Science and Digital sectors which will inform the use of the Future Fund to support R&D. Alan Welby is leading the Northern Powerhouse innovation workstream including developing Northern Powerhouse innovation challenge activity. 	Alan Welby	G

Programme Risks

Risk Description	Cause description	Likelihood	Impact	Overall	Actions to avoid/reduce impact
Innovation budget insufficient to cover all activities - namely Places and Communities study	Broader budget pressures	H	M	HM	Investigating other approaches to delivery with reduced cost and reprofiling activity
Uncertainty over funding direction of key national competitions	Pre-budget period lack of clarity	M	H	MH	Keeping up to date with development and developing strong project irrespective of details of investment stream
Capacity to address key activities particularly IDP	Required resourcing for IDP development	H	M	HM	Considering options for additional focused resource to provide capacity
Partners no longer have capacity to engage with partnership development	Covid-19 shifts business priorities towards operational focus	M	H	MH	
Unable to deliver placed based research	Reduced Staffing capacity, Covid-19 response focus	H	M	HM	Revise scale of research. Engage University students to support the delivery of some of the research.

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 higher productivity. To delivery 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 patterns understand the importance of skills in improving productivity and living standards, with commitment to delivering good working environments for residents

This is an ambition 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.

What we will deliver	Progress update and current position	Lead	Progress Status
1. Deliver North East Ambition			
<ul style="list-style-type: none"> · Develop a primary school benchmark pilot that could influence the national careers strategy · Adoption of the Gatsby Good Careers Benchmarks by all secondary schools and colleges · Secure and deliver a £3.4million North East Ambition programme that ensures our education system provides young people with the skills to meet the long-term needs of the North East economy 	<ul style="list-style-type: none"> · The primary pilot continues to progress on schedule, despite the challenges schools across the region currently face. A virtual delivery plan has been developed and is being utilised throughout the summer term, with schools receptive to engaging via webinars. A baseline survey report is currently being finalised by the project's external evaluators. The innovation fund attached to the project was successfully launched and it has received 7 applications for the panel to consider. · The Career Hubs are continuing to support schools and colleges. Both college and schools hubs have issued an impact survey, which has proved to be a useful tool to collect innovative ways to support students. This includes improving the data sharing between schools and the FE sector to support transition, offering virtual open evenings and supporting IT access for students. The team is working closely with schools and local authorities to confirm support around progression. The North East Ambition website has been overhauled to offer new resources to support schools and colleges with online delivery. · The ESF funded North East Ambition Programme continues delivery, the programme has been in close contact with the managing authority to establish a new model for delivery online. · Currently working with a pool of 153 Enterprise Advisers. Between March and May three new businesses have joined the network representing the health and life sciences, professional services and the construction sector. The enterprise coordinator team has successfully facilitated four matches between enterprise advisers and school since March 2020. The team is facilitating ongoing contract online, between schools and enterprise advisers. Additionally, the team has maintained contact with the network with biweekly newsletters. The team has been gathering information from the network regarding the potential impact of COVID-19 on businesses in the network with over 45 calls being made to offer support. 	Michelle Rainbow	G
2. Deliver Education Challenge			
<ul style="list-style-type: none"> · Partner with the Department for Education and others to consider the allocation of the £24 million 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 school leadership, high quality CPD, rich employer engagement, early preparation for next stage, a focus on wider skills, a focus on student well-being and teaching and learning through applied learning, project based learning and oracy skills 	<ul style="list-style-type: none"> · Opportunity North East is now moving into its operational phase. The project will provide an enhanced and targeted careers offering to selected cohorts of 30 students in 28 schools. All schools have been contacted and initial school feedback has been extremely positive, the two staff positions have been recruited and are in post. A specification for a procurement of independent careers advice and guidance is being developed and will be released for tender in mid-march 2020. Contract is due to start July/August 2020, in time for the new school year. · The Next Generation Learning Pilot phase 2 remains operational despite the covid-19 situation, conversations with leadership continues and project is delivering aspect of support remotely in particular developing resources to support the schools and colleges action plan. · The second round of teacher externships have been postponed but the project is still in active communication with schools and businesses and is planning for alternative delivery. · The Next Generation Learning team is looking at how the project can provide for the students taking exams next year, given the disruption to learning this year. 	Michelle Rainbow	G
3. Improve skills progression			
<ul style="list-style-type: none"> · Develop a list of the region's assets within FE, HE and other providers to inform future investment provision · Promote the North East as a potential location to pilot a system to help individuals recognise and record their transferable skills · Work with the Apprenticeship Growth Partnership and other partners to increase the number of apprenticeships available at all levels 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 focussing on careers and opportunities 	<ul style="list-style-type: none"> · A contractor was appointed to undertake a comprehensive asset and capability study for the region. The initial data review is underway and survey has been drafted. The research framework has been adapted to take the impact of Covid-19 on the skills sector into account. · The LEP and other partners are scoping the pilot programme for transferable or fusion skills. The pilot will be influenced by the findings in the Taylor Review. · The Skills Advisory Panel has identified the impact on Covid-19 on apprenticeship delivery as a priority. The LEP team is currently scoping an action plan with regional partners to support apprenticeship recruitment and delivery through the Covid-19 crisis. · A LEP proposal to hold a series of targeted events to promote T-levels placements was approved by ESFA, direct delivery work has been postponed but action planning around support for T-Levels in the upcoming academic year has been incorporated in a skills programme covid response workstream. 	Michelle Rainbow	G

What we will deliver	Progress update and current position	Lead	Progress Status
4. Increase youth employment			
<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, 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 models of delivery including working to secure an 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 North East is still awaiting a date to meet with DWP for their Project Initiation Visit. Delivery continues across the 5 local authority areas in partnership with the Princes Trust. To date they have successfully engaged 820 young people (18-29yrs) and supported 270 of those to enter employment. Durham Works has recently surpassed the milestone of 7,000 young people engaging with the programme since January 2016. In addition, 3,500 have now progressed into employment, education or training or gained a qualification. Of those, almost 70% have progressed into employment. Durham Works support the creation of employment opportunities for young people who are on the DurhamWorks programme who would not otherwise have access to these. The DurhamWorks team is still working but is moving support for young people online. The National Careers Service is 'open for business' as usual, with support and guidance is being offered via telephone appointments. This has been operational since mid-April. Customers are making direct contact with the service. Job Centres are no longer referring customers because JCP work-coaches are dealing with new claimants. However social media platforms are working as a route for promotion. Surveying for part one of the future skills needs assessment across three sectors; Offshore Wind, Tourism and Digital Skills in Health and Social Care, was postponed in mid-march 2020 due to a fall in number of response. Work will be resumed in September, the two halves of the surveying work can be used to capture pre-post covid-19 impact on skills needs in these sectors. Part two of the Skills Needs Assessment was contracted and the project inception report has been signed off. Part two of the project will look at different methodologies to conduct innovative skills needs assessment, these methodologies will be piloted in part three. Part three is expected to be commissioned in September. 	Michelle Rainbow	G
5. Improve labour market activation			
<ul style="list-style-type: none"> Continue to develop holistic package 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 or 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 resource best practice 	<ul style="list-style-type: none"> The North East Mental Health Mental Trailblazer three year project closed at end of December 2019. An evaluation report was presented to the February SAP board. The project demonstrated a high level of impact. Additionally there was evidence of jobseekers accessing talking therapies who may not have otherwise The Links to Work DWP 'Opt-In' programme was concluded at the end of 2019. The programme supported 2,500 residents. Final performance data are currently being collected for a final impact evaluation, which can be made available when it is completed. Developing a partnership project with Durham University to develop a series of case studies looking at good work. The proposal has been provisionally approved for funding. 	Michelle Rainbow	G
6. Ensure connected communities			
<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 to 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"> Over £70m of ESF projects are currently live, with 21 projects currently in the appraisal process. The ESF regional coordinator has collected information on the impact of covid-19 on delivery across the North East programming and is in touch with the managing authority to mitigate the impact. Digital Skills 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. The Digital strategy was launched in October 2019, the digital skills element is closely aligned to the connected communities programme of delivery. A key priority is ensuring digital access for young people in schools and colleges to prevent disruption to their education, the digital working group is looking at how the wider digital community can support this. 	Michelle Rainbow	G
7. Help deliver Fuller Working Lives			
<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"> Work has commenced the development of a series of activities focussed on the 3 R, re-train, retrain and regain. Development of the FWL strategy is being developed as a key part of local industrial strategy. The LEP is working with regional universities to explore innovation in healthy aging, aligned with the Aging Society set out in industrial strategy. 	Michelle Rainbow	G

Programme Risks

Risk Description	Cause description	Likelihood	Impact	Overall	Actions to avoid/reduce impact
Fusion Skills Pilot: Lack of funding	No confirmed funding source for the employability framework	M	H	MH	Sources of funding is being sought
T Levels: Emerging government policy on T-Levels placements	Emerging government policy on T-Levels placements may result in reluctance from employers to provide apprenticeships.	M	H	MH	Regular communication with ESFA/partners to ensure clear messages to employers on reforms.
Youth Employment: Future funding	replace them have not yet been provided, however it is anticipated that the amount of future funding will be less.	M	M	MM	Advisory Panel in order to ensure future funding is effectively spent
Labour Market Activation: Future funding	Majority of programmes are funded through European Funds. Details of funds to replace them have not yet been provided.	M	M	MM	Building a strong evidence base in order to ensure future funding is effectively spent
North East Ambition: outputs fall due to Covid-19	North East Ambition ESF funded programme suffers fall in outputs due to Covid-19	M	M	MM	Delivery is continuing online and in contact with managing authority to update outputs profiles.
Apprenticeships: regional delivery impacted by covid-19	Early indications are that covid-19 is having a impact on apprenticeship delivery country-wide	M	H	MH	Working with regional partners to draw up an action plan to support delivery.
Youth Employment: programmes face uncertainty around delivery	The sector is reporting financial uncertainty with many grant funding streams uncertain and delivery halted.	H	H	HH	Working closely with partners to assess the impact of covid-19 on the sector and draw up a response.

Transport connectivity | Lead: Philip Meikle

Vision Statement

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.

What we will deliver	Progress update and current position	Lead	Progress Status
Ongoing transport project delivery			
<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"> Project and Programme Management of circa 270 individual projects within the Metro Asset Renewal Programme. Funding of £352m confirmed with investment to date of £330m. 203 Projects completed and closed out, 62 Projects in progress at 11 May 2020. Funding / Programme completion 31 March 2021. Out turn for 2019/20 at £25.7m was within 2% of target. Programme delivery continuing with some delays and disruption to site works and budget pressures resulting from Covid-19 working restrictions. Key projects are still expected to be delivered in current financial year but lower priorities likely to be deferred. Transport North East Strategy Unit has procured Swarco UK Ltd. To progress the development of the EV chargers for the Taxi trade. Orders are being processed with the intention of the chargers being installed by the 31 July 2020. Delivery of the LGF transport programme is progressing well with a number of schemes now complete. Project progress and expenditure continues to be monitored closely. 	Philip Meikle	G
Secure funding from Transforming Cities Bid and commence delivery			
<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"> An excellent funding settlement has been achieved, with both rail schemes funded and a £104m Devolved Pot established for local schemes. This programme will commence during 2020, subject to COVID19 restrictions. A programme delivery team structure for the TNESU will be recruited. A plan for new mobility has been prepared (this formed the basis of our FMZ bid). Exploration continues to find potential sources of funding for new mobility interventions. 	Philip Meikle	G
Deliver better connectivity through improved infrastructure			
<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 Commissioning of electric vehicle filling stations and charging clusters 	<ul style="list-style-type: none"> Highways England (HE) current work programmes for strategic highways improvements is on schedule: A19: Construction on Testos/ Downhill Lane continues through the period, which will create a free flowing A19 between North Yorkshire and Northumberland. A69: Work has continued on the two junction schemes in the Hexham area to improve flow - Due for completion in March 2021. A66: Planning for the dualling scheme is progressing and HE with the commitment in the Spring Budget that the scheme will commence within the RIS2 period (2020-2025). A1: Western Bypass improvements at Scotswood-North Brunton commenced in March 2020, Birtley to Coalhouse: due to start in 2020-2021. A1 in Northumberland, schemes at Morpeth to Felton and Alnwick to Ellingham merged to now be called Morpeth to Ellingham. Pre-DCO consultation on the Environmental Impact Assessment has begun. Due to commence in 2020/21. Following contract execution with Stadler, Nexus has progressed the joint mobilisation and design development phases. The adverse impact of COVID 19 on the programme has been minimised by direct positive dialogue with Stadler. This has included executing and managing the depot construction sub contract within UK Government distancing guidelines, holding virtual progress meetings for design development and supporting Stadler with IT access to Nexus systems to progress feedback. It is possible that the design development consultation process will occur via social media with the use of virtual mock ups; this will ensure that the appropriate consultation is held across the region within UK Government restrictions on events. Support will be given by Newcastle University through their Open Lab consultation department. The Go Ultra Low North East programme has made significant progress during the project period, notably the opening of the UK's first EV filling station. Installation of the rapid hubs continues. All hubs will be commissioned by summer 2020. There has been some delay to the installation due to COVID. However, work is underway to mitigate this to avoid delays to the programme. 	Philip Meikle	G

What we will deliver	Progress update and current position	Lead	Progress Status
Develop a future transport investment pipeline			
<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. On 18th November JTC approved the Plan's Vision: Moving to a green, healthy, dynamic and thriving North East. The mission flowcharts include a baseline position and set out a strategic direction of where we want the region to be, together with key recommendations. The information in the mission flowcharts will form the core content of the Transport Plan technical document. Unlike previous transport plans, we will digitalise the Plan to ensure it is more public facing and it will be a 'live' document so that the data and interventions can be updated. The technical document will sit behind the web based, public facing Transport Plan. It is anticipated that the consultation draft of the Plan will be endorsed by JCT summer 2020. The Transport North East Strategy Unit and Nexus are engaged with TfN on current projects covering the Major Roads Network, Strategic Development Corridors (road and rail) and the Long Term Rail Strategy line of route audits. TfN are engaging with DfT over the review of HS2/NPR to develop an Integrated Rail Plan by the end of 2020. TNE/Nexus are inputting the NE asks into the process. NPR Strategic Outline case is also progressing with a view to submission by early 2021. TfN preparing a Covid response plan (TfN Economic Recovery Plan) and preparing for a potential stimulus budget. Project pipeline for inclusion in the Transport Plan is being developed, these will be projects which are regional priorities and meet the objectives and targets within the Transport Plan. The project pipeline will be included in the Implementation Plan. 	Philip Meikle	A
Improve national and international connectivity			
<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 published. Major car park redevelopment underway and new Meet and Greet facility opened. Lufthansa route to its Munich hub to commence in February 2020 with other route development work ongoing, but commercially confidential. Nexus are currently engaged in development work with Network Rail and TfN in projects including Northern Powerhouse Rail making the ECML HS2 and NPR ready. Network Rail have produced the outputs from a study of the future needs of the ECML between Northallerton and Newcastle, this draft findings show the need for 9 trains per hour (tph) (an uplift from the 6tph a day currently) to include both HS2 and NPR services. The next step is to develop the case for the various interventions needed to deliver this level of service. 	Philip Meikle	G
Use transport to drive innovation and business growth			
<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"> Future Mobility Zone Project closed - DfT did not shortlist the North East FMZ proposition. The Airport is working with other members of the Northern Tourism Alliance, including DMO's and LA's on the Visit North East England project. NTA members are providing content for the new website and the Airport is driving traffic to the site via overseas digital campaigns The North East Freight Partnership's Skills Working Group engages with the logistics sector, training providers and other agencies to examine ways of addressing skills and labour shortages. The next meeting was due to be held in mid-2020, however all meetings are currently on hold due to COVID-19 	Philip Meikle	G

Programme Risks

Risk Description	Cause description	Likelihood	Impact	Overall	Actions to avoid/reduce impact
Affordability of Metro Asset Renewal Programme - Delivery of required outcomes within the £352m available funding.	Multiple project risks, contractor risk pricing and inflationary pressures. Covid-19 impact on working arrangements and supply chains. EU supply chain risks (inc' Brexit related).	H	M	HM	Re-prioritisation and allocation of risk contingency. Periodic (4weekly) programme reviews and quarterly 'affordability' reporting.
Beyond 2020/21, funding for Metro Infrastructure renewals remains unconfirmed. Metro Infrastructure investment unfunded beyond 31 March 2021	Business Case submitted - still awaiting DfT / Treasury approval	M	H	MH	Continue to engage with DfT / Treasury. DfT Nexus Programme Board and direct communications.
Funding not available for new mobility interventions	No funding can be identified from internal or external sources to develop new mobility trials	H	M	HM	Continue to explore funding opportunities.
Pipeline of schemes for Transport Plan is not agreed and funding is not secured	Unable to reach consensus on which schemes are included in the pipeline and Funding is not available	M	H	MH	The interventions will be as a result of working in partnership with each local authority.

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.

What we will deliver	Progress update and current position	Lead	Progress Status
Manage the already secured North East LEP funding effectively			
<ul style="list-style-type: none"> North East Fund: £37.8m capital released for 235 SMEs in 241 deals (up from £35m over 212 investments at last report). This is a run rate approximately 3 months behind the forecast plan but still represents 86% of lifetime target. Over £55m private sector funding has been co-invested, such that over £90m has now been invested in total, an increase from £80m at last report. Market conditions have clearly been greatly affected by the COVID-19 outbreak and investments have slowed significantly in April. 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"> All live LGF projects were asked in year end reports to indicate impact of Covid -19. It appears Covid -19 had limited impact on final quarter spend outcomes but not all projects were able to report as normal on their output measures therefore the programme as a whole is under reporting the true position on e.g. jobs, learners and apprenticeships. 211 jobs reported, but total of 300 -350 estimated for Q4 2019/20. Four new LGF programme project business cases received and subject to appraisal / approval will commit much of the remaining LGF balance of £6.3m. 2019/20 LGF budget fully defrayed. Commercial Property pipeline development ongoing, with proposal for fund to come forward for consideration by LEP Board in July. 30 projects have now received NEIF awards, with two approved projects having recently contracted for investment. LEP Investment Board have forward plan of Local Authority partners attending future meetings to update on EZ site delivery progress and issues. There is good progress is being reported on several EZ sites. Confirmation earlier in May that Holborn 2 EZ site will be used as the main Operations and Maintenance facility as part of the development of Dogger Bank EZ Application for the Royal Quays EZ will come forward with an application for funding for consideration by the LEP Board in July 2020 	Helen Golightly	G
Coordinate partners to develop a regional project pipeline based on spatial economic priorities			
<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 an updated project list to be set out in line with the LIS proposition development Spatial narrative to be informed by the LIS propositions and pipelining work 	Helen Golightly	A
Secure additional investment into the North East			
<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 with a series of propositions that will be included in the LIS submission to Government. Bishop Auckland and Blyth award capacity funding to support the development of Town Deals. LEP expected to be part of each Town Deal Board which are to convene early in 2020 and produce Investment Plan by the summer. Details awaited from Government on the UK Shared Prosperity Fund (UKSPF) As of January 2020 more than 94% of the LEP area ERDF allocation is expected to be utilised by contracted or pipeline projects. ESF is now forecast to be oversubscribed, with bids coming forward from the region to access the national reserve fund for ESF. 	Helen Golightly	G
Increase access to finance for business to invest			
<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"> North East Fund: £35m capital released for 212 (up from £25m over 163 investments at last report). This is in line with forecast plan and represents over 35% of target. The majority of investments are through the Innovation and Growth Funds. Over £80m private sector funding has been co-invested, a big increase from £30m previously reported. Review of the NEIF has involved North East Commercial/Industrial Property Market Assessment ongoing including an ex ante and development of appropriate pipeline. 	Helen Golightly	G

Programme Risks

Risk Description	Cause description	Likelihood	Impact	Overall	Actions to avoid/reduce impact
Underspend on 2019/20 LGF budget	Delays in approved projects	M	L	ML	Mitigated through temporary funding swaps strategy
Delays to project completions and KPI achievement	Covid-19 related restrictions reduce ability of funded projects to complete in good time and delay achievement of KPIs	H	M	HM	Ongoing dialogue with project sponsors to understand impact
Non compliance with National Assurance Framework	Failure to adapt to LEP review requirements especially on governance matters	L	H	LH	Necessary actions reported to Board and planned to be delivered by 31/3/20
EZ Business Rate Income is not sufficient to meet the capital financing costs for infrastructure works	Slow site development and/or lack of end user interest leads across all EZ sites leads to significant drop in Business Rate Income	L	H	LH	Ongoing dialogue with EZ site owners and increased scrutiny via Investment Board

Strategy, Policy and Analysis | Lead: Richard Baker

Vision Statement

The North East LEP will be recognised locally and nationally as an exemplar for driving evidence based economic strategy, public policy and programme delivery.

What we will deliver	Progress update and current position	Lead	Progress Status
Strategic Economic Plan (SEP) development and delivery			
<ul style="list-style-type: none"> Delivery of external interim evaluation over period 2018-2021 Establish processes for embedding lessons from monitoring and evaluation into LEP decision making Development and delivery of comprehensive SEP communications plan Prepare for next scheduled review in 2021 Secure alignment with other regional plans 	<ul style="list-style-type: none"> The Final report of the 2019-20 evaluation period is being completed. Discussion about 2020-21 process to be held during May 2020 given impact of Covid Evaluations for the projects such as the Growth Hub as currently being scoped to align with overall SEP evaluation Two workshops have now been held with LEP SMT and programme managers on recommendations. Key products related to the SEP have been produced including the SEP, summary documents and a video. The SEP is now an organising framework for the LEP website and is featured in all key communications activity Discussion has begun about the forward progress for the SEP update in 2021 informed by the evaluation and taking into account wider policy changes such as the Local Industrial Strategy and Transport Plan. This needs further elaboration and development in the light of Covid 19 impacts with current thinking to complete the next update at the point where post Covid new normal is achieved The role of the SEP is strongly positioned in all communications and is considered with respect of other strategic processes - for example the LIS. This will continue to be reinforced The SEP is used as a framing document for each of these documents. The aim will be to consolidate that at that the point of the 2021 update 	Richard Baker	G
Local Industrial Strategy (LIS) development			
<ul style="list-style-type: none"> Agree and develop a vision and objectives for LIS Develop a robust and open evidence base Identify and develop core propositions Pursue dialogue with Government regarding the LIS propositions Delivery of the engagement plan. Ensuring that it is co-produced with government and partners, and according to the government time table Approval of the LIS, taking through the required governance mechanisms Manage the various governance mechanisms including LIS Steering Group, Working Group and papers that are required 	<ul style="list-style-type: none"> A draft LIS vision and outline KPI's have been developed and included in the May 2019 Board report. This will be confirmed as part of completion of the LIS taking into account the framework developed by the Industrial Strategy Council. Work is largely on hold on the LIS given Covid 19 pandemic, however content is being refined as part of Recovery Planning. The LIS evidence base was completed in the summer of 2019, including Productivity Review and Review of Sectors, Assets and Capabilities. This will be published on to the Data Hub when the completion process for the LIS is clear In terms of engagement, meetings have been held with a range of Boards and other structures. Draft propositions have been developed and active engagement is underway with partners and local authorities. Informal discussion with Government has been ongoing throughout the LIS development process. Formal engagement on priorities and propositions commenced in September 2019, but is now on hold. Planning for publication will follow confirmation of timelines. Government have established a broad template and livery. This will be applied once content is agreed. Work on this has started with CLGU Processes of accountability have been agreed and are operational, managed by the Working Group and Steering Group involving LA7 structures and finalisation at the LEP Board. 	Richard Baker	A
Economic analysis and commentary			
<ul style="list-style-type: none"> Provide timely, accurate and appropriate analysis of data Effectively communicate key messages from data using the most suitable mode of dissemination Develop new methods of accessing, collating, analysing and presenting data Identify opportunities to work with or provide guidance and training of other people 	<ul style="list-style-type: none"> Undertaken analysis of key data released over the last two months, including labour market statistics and the 'faster indicators' that have been launched by Office for National Statistics (ONS) to assess the impact of coronavirus (COVID-19) on the economy and society Provided analysis to help inform the development of North East COVID-19 Economic Response Group plans, including development of baseline indicators Commissioned study to identify new methods for understanding future employment and skills needs Continued to develop Our Economy 2020 report. This will be launched on 3 June Work to automate data collection and analysis tasks is progressing and is expected to be complete within the next month 	Victoria Sutherland	G
Delivery of research and evidence programme			
<ul style="list-style-type: none"> Develop a centrally co-ordinated research programme Establish a collaborative research programme with NE universities Maintain the North East Economic Evidence Forum and continue to strengthen its role and remit Increase visibility of our analysis, research, and evaluation activities 	<ul style="list-style-type: none"> The team continue to support programmes with research activities including staff and stakeholder surveys, consultation activities, etc. and have been a 'critical friend' across a number of ongoing research projects such as the Business Growth input/output modelling. Draft guidance tools will be developed this year. The team is currently working with the Investment Team to determine a clear process for commissioning research, resulting from the transfer of accountable body. We have supported on commissioning two pieces of research, one on the future skills needs for the North East and another on developing a Mine Energy White Paper. The two workstreams are ongoing, with three meetings taking place. An agreed approach for the entrepreneurship workstream has been agreed. The chairs/deputy chairs have agreed to recast the internationalisation workstream in light of COVID. Funding opportunities are continued to be explored. Three projects looking at scale ups, trade and 'good work' continue, however on slightly longer timelines due to COVID19. A future workshop with funders is being explored and other project opportunities relating to our areas of strategic importance. The team have engaged with Newcastle University regarding the development of a regional Policy and Evidence Hub. The forum are engaged regularly regarding research and opportunities for collaboration. This will be built upon in the coming year. A research and publications page is being developed on the North East Data Hub in order to share our reports and evidence activities. We continue to publicise research we are commissioning to increase engagement. The team are working to develop a format in which to publish research, including use of infographics and summary reports consistent with the datahub branding. 	Emma Ward	G
Informing and influencing public policy in priority areas			

Strategy, Policy and Analysis | Lead: Richard Baker

Vision Statement

The North East LEP will be recognised locally and nationally as an exemplar for driving evidence based economic strategy, public policy and programme delivery.

What we will deliver	Progress update and current position	Lead	Progress Status
<ul style="list-style-type: none"> Confirmation of scope and activity of LEP public policy action Implementation of EU Exit work programme Strengthen and co-ordinate engagement with the northern powerhouse and its constituent activities Support and promote approaches which can deliver enhanced devolution to the region to support the economy Move forward a co-ordinated approach to public policy development related to infrastructure Develop and deliver a public affairs strategy focus on parliament and the senior civil service Co-ordinate and support the public policy response to Covid-19 through LEP teams and the Economic Response Group 	<ul style="list-style-type: none"> The EU Exit Implementation Group continues to meet monthly. The Infrastructure Subgroup meets on an ad hoc basis to monitoring infrastructure and border issues and is the key point of advice on the development of the Free Trade Zone proposal. The Northern Powerhouse Co-ordination Group has been convened and met once in March, future meetings will be arranged subject to Covid workload. The NE EU Exit Implementation Group continues to meet monthly by conference call. Business intelligence is received through the EU Exit Implementation Group, the Infrastructure Subgroup, the Growth Hub Connectors, and LA economic leads. Specific business intelligence on the impact of Covid-19 is being collated by the LEP programme leads, Invest NE England, the Business Growth Board, and Local Authorities The EU Exit Work Programme was updated in February following discussion with the Implementation Group. Further updates are planned to reflect the current status of workstreams and the impact of Covid-19 A draft response to the consultation has been prepared and shared with the Implementation Subgroup. The consultation deadline has been pushed back to 13th July, further discussions are planned with LA Economic Directors and the LEP Board. Moves to establish a Shadow Board are underway with guidance on governance arrangements from Vivid Economics Continuing to monitor policy developments. The development of UKSPF is likely to be affected by future developments of devolution policy and the economic response to Covid-19 Active monitoring and engagement is taking place. The North East LEP is represented on the NP11 Board and is supporting work on energy. It is leading work on Innovation at Officer level and has inputted into Convention of the North work on skills. INEE is active in work on trade and investment. The regional transport team is active in the work of Transport for the north Ongoing monitoring of policy developments with respect of planning. A Government White Paper on planning policy reforms is expected later in the year The Covid-19 Economic Response Group has been established, with active leadership and involvement from the LEP, Combined Authorities, and business groups. A work programme has been agreed with five workstreams to support business activity and plan for the recovery. The Research and Analysis team are supporting Workstream 4 with economic data and intelligence gathering. This is integrated with the Growth Hub team and LA economic leads to facilitate the sharing of information. 	Richard Baker	G
Energy for growth programme			
<ul style="list-style-type: none"> Maintain active regional governance and profile for energy Support the growth of an active Offshore Energy Cluster to promote growth working with TVCA & other partners Develop the NE Energy Catalyst partnership and its programme of work Accelerate delivery of regional energy initiatives, linked to the BEIS Local Energy programme Engage actively with wider governance and political structures to embed Energy for Growth strategy Integrate Energy for Growth and its priorities with wider LEP strategies and delivery programmes 	<ul style="list-style-type: none"> Offshore and subsea technology working group actively contributing to regional intelligence to support Covid recovery. Providing guidance on regional positioning in Subsea UK Global Underwater Hub proposition and wider sectoral opportunities. Supported Durham University to position a cluster innovation workstream. Sharing the outcomes of the Cambridge Econometrics study to inform development of a wider programme of cluster activity. Hosted key stakeholders in the North East including OWGP, national skills lead for offshore wind, and GE. Discussions ongoing with Innogy about their support of regional skills interventions. Energy Challenge Programme (ECP) launched in March. Purpose is to: a) Assist SMEs to identify NE based solutions to global energy challenges or opportunities b) Drive economic growth with SME's or industry, c) Encourage new SMEs into the North East energy sector (corporates or SME's). Utilising Energy for Growth LGF and up to £200k investment from Northstar Ventures to offer business support, subject to business case and eligibility. Round 1 of the ECP is focussed on Decarbonised, Decentralised Energy, 11 applications have been received from SME's. Energy Catalyst presented at events including on Electric Vehicles held by Innovation SuperNetwork (ISN). Article included in Durham Energy Institute (DEI) perspectives focused on the Energy Innovation Partnership Managers first 6 months' in the role. Regular content added to Twitter and LinkedIn to highlight the work of the Catalyst and partners. Particular regional comms focus on the ECP in this quarter. Continued engagement with Innovation SuperNetwork (ISN) as part of a structure of cross-sector innovation focussed networks. Structure for individual IDP's now forming under the headline Catalyst MOU e.g. the multi-site smart grid project. As part of the Energy Challenge Programme, resource has been leveraged via Northstar Ventures. Funding raised to lead the commissioning of a mine energy white paper on behalf of the taskforce, supported by key sector stakeholders and government. New organisations continually wishing to participate in the taskforce as a known national 'community of interest' There is a growing pipeline of North East RCEF projects. 3 projects have received funding in the first 3 rounds of funding and 5 projects have applied for the 4th round. A communications toolkit has been developed to help drive enquiries A strategy is being developed to highlight NE rural energy issues and determine how rural areas/projects can contribute to and benefit from the net zero transition. The strategy will align closely with the energy for growth strategy, Core themes and objectives under development. Discussions ongoing to understand energy masterplan activity being established at different geographies. Energy lead part of the Boarderands Energy Masterplan project board. Engagement also ongoing around local energy planning at NP11 level, and with utilities at NEYH level. The Energy for Growth fund is providing support for projects aligned to the strategic themes. Funding has been approved for seven projects across the North East worth £1,470,202. There are also currently three additional projects in the appraisal stage. Energy Challenge Programme launched in March integrates North East LEP Business Connectors to provide 1:1 Advice to regional SMEs on areas such as access to funding, including COVID-19 support, IP and legal advice. Contacts within the Energy Sector also provided to Business Growth team in support of a BEIS visit to the region in February to focus on opportunities for the North East Energy Sector. 	Andrew Clark	G
Digital programme			

Strategy, Policy and Analysis | Lead: Richard Baker

Vision Statement

The North East LEP will be recognised locally and nationally as an exemplar for driving evidence based economic strategy, public policy and programme delivery.

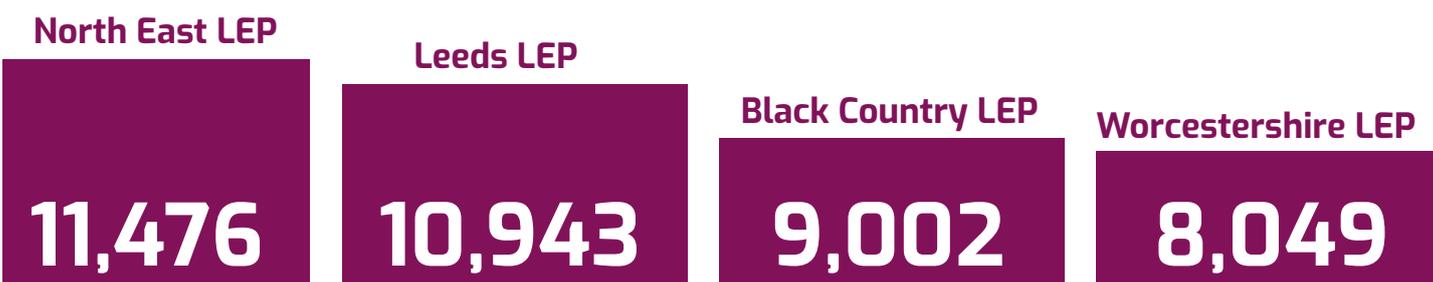
What we will deliver	Progress update and current position	Lead	Progress Status
<ul style="list-style-type: none"> · Create a governance structure to oversee delivery of the work programme · Develop an agreed communications plan to promote NE Digital development · Develop and begin delivery of an active pipeline of projects under theme: data · Develop and begin delivery of an active pipeline of projects under theme: workforce · Develop and begin delivery of an active pipeline of projects under theme: digital collaboration and enterprise · Develop and begin delivery of an active pipeline of projects under theme: infrastructure and connectivity 	<ul style="list-style-type: none"> · Covid 19 has impacted on structure of programme with formal delivery groups on hold due to lockdown and impact on overall priorities. Task- specific discussions are in process with smaller task and finish groups which will feed into wider delivery plans. · Covid response roundtable held with key stakeholders from the tech community to scope responses to Future Fund/Innovate UK package. Webinar on Innovate UK funding to be hosted by LEP in late May/early June. Evidence gathering webinar hosted by Digital lead to develop post-covid recovery plans. DataJam 2020 postponed, alternative online events series under development with NICD and partners to start June 2020. Additional events planning postponed until after lockdown. · NICD / LEP evidence base report about the opportunity of data in draft form. Publication of report to propose recommendations and initiate projects via an online event. · Digital Lead, Skills Director and steering group members liaising with partners to accelerate skills provision in light of Covid. Key areas of focus include: digital upskilling of disadvantaged communities; hardware supply for third sector providers; transition to online learning in light of covid. Partnerships developing with Institute of Coding regional network. · Covid Future Fund/Innovate UK funding to initiate events series with webinar. Key tech stakeholders engaged to generate NE submissions to the call in the short term, identify priorities for digital strategy in the mid-term and inform UKSPF development in the long term. Alignment with Business Growth and Innovation programmes. · Report on Tech start-up support needs and evidence base being prepared to inform LIS, UKSPF and Growth Hub 2. · Work ongoing with LA7 digital leads group to map regional infrastructure and connectivity demand and supply and 5G readiness. Digital Lead and Innovation Director supporting three bids from across the region to DCMS 5G Create call. Communications plan to be developed with procurement of evidence base research and 5G bid submission. 	Laura Partridge	A
Health and life sciences programme			
<ul style="list-style-type: none"> · Develop and update health and life sciences evidence base to inform the Economic growth strategy for Health and Life Sciences · Develop and launch an Economic growth Strategy for the Health and Life Sciences sector in the North East · Working with the Steering Group refresh and develop the project pipeline (based on evidence, and aims and objectives of the Strategic Economic Plan and Local Industrial Strategy · Support the development of the North East Health and life sciences eco-system- and raise the profile · With partners, develop and deliver a communications strategy to raise awareness, promote and develop the reputation of the NE Health and Life Sciences Sector · Identify who we can work with/ other clusters with complementary assets and capabilities to the North East in order to maximise collaborative opportunities from which the region will benefit 	<ul style="list-style-type: none"> · Evidence workshop held in March- and synthesis of outcomes agreed at 19/3/20 HLS steering Group:- informing the agreed pillars of opportunity to drive the Growth Strategy: i. Pharmaceutical manufacturing, ii. Health & Science Translational ecosystem, iii. Innovation ecosystem enablers. Since the Covid 19 outbreak, evidence and intelligence gathering – through the 'Covid 19 Recovery Group Programme' has required analysis of impact on the sector, outcomes of which will be built in to the Growth Strategy, ensuring a 'Covid 19' lens is applied to strategy development · Due to Covid 19 outbreak and the need to incorporate a recovery strategy component in to the sector's economic growth strategy, timelines for production have been pushed back to October 2020 (subject to change pending Covid recovery planning process- to ensure the Strategy is fit for purpose) · Project pipeline reviewed and priority proposed priority projects will be presented to the HLS Steering Group on 20/5/20. Recommendations resulting from Covid 19 work will be reviewed- in the context of future proofing and shaping future support programmes (based on new opportunities presented by COVID19 for the sector) · Work has been undertaken to support the AHSN's 'NE Evaluation Ecosystem' and develop this proposition as a 'pilot' model for the Health System market with a single front door. This project is being presented to the HLS Steering Group for endorsement – and will ensure a 'single door entry point' to businesses ensuring clinical validation and evaluation of their product or service - with clear entry points and routes of support available across the HLS Innovation Pathway with innovation partners and Business support across the North East · A working group will be convened in May/ June 2020 to undertake a mapping exercise of comms activity required. · Some clear priority opportunities have arisen around Medicines supply base/ Supply Chain security. Some early proposals are being developed to build this programme of activity as part of the Covid Recovery Planning Process (which will focus on the Pharma sector primarily, but also benefit process industries and other advanced manufacturing sectors) 	Katherine Forbes	G

Communications update

May 2020

Total followers		Followers increased by	Total reach (Impressions since March)	
Twitter	11,476	(+1.4%)	Twitter	207,725
LinkedIn	6,300	(+4.1%)	LinkedIn	41,068
since March				

Top performing LEPs on Twitter:



Top posts:

■ Paid ■ Organic

Twitter	Impressions	Engagement	Clicks	Retweets
The North East COVID-19 Economic Response Group has been launched to support North East businesses and protect jobs. Read more from North East	5,980	162	10	15
Tenacious, creative, always thinking bigger, wanting to make a difference and challenge the status quo - that's what we're looking for from our digital	5,904	208	39	17
We're celebrating #NCW2020 all week at the North East LEP. How do you support careers education for young people in your business/organisation?	4,051	43	4	12
LinkedIn	Reach	Engagement	Clicks	Likes
The North East COVID-19 Economic Response Group has been launched to support North East businesses and protect jobs. Read more from North East	2,234	110	58	32
The North East COVID-19 Economic Response Group has been launched to support North East businesses and protect jobs. Read more from North East	2,140	105	66	32
To help support the response to COVID-19 across the North East, there is now an online directory listing calls for support. Find out more about how your	1,444	101	68	25

Priority actions for the next two months:

Action 1:

Ensure all COVID-19 Response Group programmes are supported with strategic communications

Action 2:

Continue to lead on the communications and engagement work streams for the development of the North East Annual Review.

Action 3:

Appoint a new digital supplier to work with the communications team to progress the development of the North East LEP's digital platforms.

Website performance summary:

Audience

Visitors	9,721
Total page views	51,305
Average session duration	2m18s

Traffic source

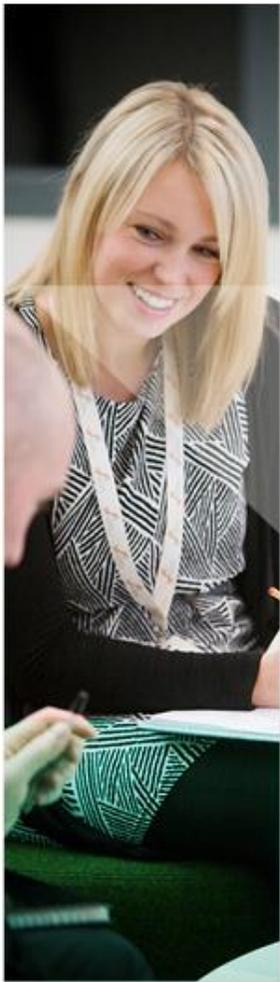
	views
Organic	4,011
Direct	2,991
Email	1,268
Social	1,151
Referral	538
Other	19

Top five news pages

	views
/news/north-east-covid-19-economic-response-group-launch-	1326
/news/north-east-smes-invited-to-join-energy-innovation-challenge	402
/news/opportunities-for-north-east-businesses-to-help-respond-to-covid-19	402
/news/an-introduction-to-the-north-east-covid-19-economic-response-group	356
/news/north-east-lep-bolsters-supply-chain-north-east-to-rise-to-ppe-challenge	300

Top five pages

	views
Home	9,727
About/-executive-team	2,699
/news	2,429
/north-east-covid-19-response-group	2,373
/the-plan	2,087



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28 May 2020

ITEM 11: Energy for Growth Programme update

1.0 Purpose of the paper

- 1.1 This paper is intended to update the Board on progress made in implementing the Energy for Growth Programme, following approval of the draft Energy for Growth Strategy and implementation framework on 31st January 2019. Subject to a review of its content, the paper also seeks the Board's approval on recommendations to further develop the programme.

2.0 Background

- 2.1 In 2018, as part of its Local Energy Programme, the Department for Business, Energy and Industrial Strategy (BEIS) provided resources to the North East LEP to support appointment of an Energy Programme Lead, and to develop a North East energy strategy who was appointed in July 2018.
- 2.2 The BEIS Local Energy Programme has created 6 energy hubs, providing a single point of coordination into the LEP network for BEIS Local Energy interventions. The North East LEP is one of 6 in the North East Yorkshire and Humber (NEYH) energy hub. The Strategy and Policy Director sits on the NEYH hub board, with the Energy Programme Lead acting as a project manager representing North East priorities within this network. This has yielded various opportunities as described in the paper.
- 2.3 The Programme has also provided a point of coordination with wider stakeholders, enabling the region to better develop and present its energy agenda. The implementation framework agreed in January 2019 has seen significant development into a project pipeline during 2019 and significant progress has been made with the wider regional agenda. There has been substantial leverage of resources achieved against the initial BEIS funding.
- 2.4 The programme has been highly collaborative, working closely with cross-sector partners across the North East, and more widely across Tees Valley, the Northern Powerhouse, the BEIS Local Energy Hubs, and the Borderlands project. Various industry and government relationships have also been developed nationally.
- 2.5 A strong forward programme of delivery is now in place, with the programme positioned to capitalise on multiple opportunities for further collaboration and co-investment, across partners and geographies.

3.0 Implementation of the strategy

- 3.1 The Energy for Growth strategy sets out the vision to 'Drive growth in the North East while delivering on national energy objectives'. The approach to implementation seeks to find synergies with the LEP's delivery programmes, wider regional and national structures, and external funding opportunities to support delivery.
- 3.2 As outlined in the Energy strategy, the delivery programme spans three workstreams; Offshore Energy & Subsea Technology; Innovation and Demonstration; and Regional

Energy. Significant progress has been made in establishing governance, and a forward project pipeline of coordinated and strategic projects, across all three.

- 3.2 Substantial leverage has been achieved against the initial BEIS funding, enabling a range of partner projects to be supported, and the LEP to grow its energy expertise. There has been extensive strategic added value as a result of the coordinated energy agenda, and the programme is regarded as a success story for the BEIS hubs with a recent briefing provided to support conversations with Treasury with respect of future funding.

Fig.1 Overview of leverage achieved to date (final values may vary)

Local Growth Fund	£1.16m to primarily support an initial tranche of regional energy project delivery, a rural energy programme, North East Energy Catalyst, and internal project support. (initial phase of projects selected from a pipeline of 23 projects with over £2m total grant funding ask, following a 3-week EOI call).
ERDF	£48k to support North East Energy Catalyst
Public & Private leverage	£200k ringfenced by North Star Ventures for North East Energy Catalyst business support programme £45k partner contributions to support North East Energy Catalyst £70k RCEF and partner support for Rural Energy £836k of LGF regional project match, further projects being appraised £77k BEIS local energy programme extension funding £50k partner contributions for mine energy white paper £25k partner contributions for Offshore Wind Study
Total leverage to date	£2.74m

Fig.2 Overview of strategic added value to date

BEIS Energy Hub	<ul style="list-style-type: none"> - Detail provided to BEIS describing impact and leverage of the Energy for Growth programme, requested as good practice to inform strategy. - 37 projects to a value of £221m on the NEYH hub project tracker. - North East LEP recognised as a national lead on Mine Energy, creating a national cross-sector taskforce and commissioning a white paper report. - Heat Network Funding workshop co-hosted in the North East with BEIS.
LEP programmes	<ul style="list-style-type: none"> - Collaborating with Skills Advisory Panel on Skills Needs Assessment to support the offshore wind sector, providing industry connections. - Collaborating with Business Growth team on the Energy Catalyst Innovation Challenge programme, and providing businesses within business growth programmes with sector specialist support. - Supporting Innovation team priority projects, and pioneering coordination of sector IDP's via the North East Energy Catalyst. - Working with the wider Strategy, Analysis and Policy team on commissioned work e.g. offshore wind study and mine energy white paper. - Developed a communications strategy for energy with the communications team, including strategic presence at events (e.g. with the CBI and NP11), and social media profile. - Coordinated with the investment team to leverage energy sector opportunities e.g. for LGF, coordinating with other regional funds.

NP11	<ul style="list-style-type: none"> - Input into NP11 'Energy Opportunity' conference agenda in Hull, with strong North East representation including hosting fringe sessions. - Comment and input into the NP11 energy strategy, focussing on representation of North East opportunities and assets. - Participating in the 'Net Zero North' programme, shaping delivery approach, investment focus, and workstream design.
Partnerships and coordination	<ul style="list-style-type: none"> - Shaped a new constitution, alongside NOF Energy and Tees Valley Combined Authority, for Energi Coast the North East's offshore wind cluster. Leading a skills working group on behalf of Energi Coast. - Building relationships with key offshore wind sector stakeholders including Equinor, SSE, Innogy, GE and Offshore Wind Growth Partnership. - Close collaboration with all local authorities and combined authorities, including 'match and multiply' investment opportunities for project delivery. - Part of the Borderlands Energy Masterplan Project Board, informing specification and delivery, ensuring alignment with regional priorities. - Working with BEIS and DIT on the submission of a High Potential Opportunity for the North East around the heat network sector. - Working with Subsea UK to support a 'Global Underwater Hub' proposition, positioning the region as a key hub within a national approach. - Energy for Growth programme informing various LIS propositions and the Covid-19 recovery plan.

4.0 Offshore Energy & Subsea Technology

- 4.1 The Offshore Wind Sector Deal, launched in 2019, identifies the North East as a key region for delivery of its ambition to achieve 27,000 jobs, a five-fold increase in export, and a UK-provided offshore wind market of £4.9bn by 2030.
- 4.2 Together with NOF Energy and the Tees Valley Combined Authority, the North East LEP has led creation of a new constitution for the Energi Coast cluster body, which now acts to coordinate the regional response to the Sector Deal. Through Energi Coast the LEP is playing a key role alongside regional, national and international stakeholders, to support sector growth and cluster development.
- 4.3 The LEP leads a skills working group on behalf of the cluster to define and prepare for future skills needs, working closely with the Skills Advisory Panel and skills team. The LEP has also delivered a supply chain opportunity study, providing intelligence to shape cluster development and support inward investment. This outlined the opportunity for North East employment in the offshore wind sector to reach between 6,000 and 9,000 by 2025 within direct and indirect supply chains, with GVA growing between 150% and 190%.
- 4.4 The LEP is also developing relationships directly with key stakeholders. For example, to support and encourage inward investment from developers and suppliers, and to explore co-investment opportunities e.g. with the Offshore Wind Growth Partnership.
- 4.5 Wider sector opportunities are also being developed, guided and advised by the LEP's Offshore Energy and Subsea Technology Hub. This includes working with Subsea UK and Government to position the North East as one of three UK centres in a 'Global Underwater Hub (GUH)' proposition being presented to Government for investment. The GUH seeks to connect the UK's capabilities across the 'Blue Economy' in order to maximise competitiveness and growth in global markets.
- 4.6 The above activity has also shaped specific recommendations to support sector

growth for both the Local Industrial Strategy, and the regional Covid-19 recovery plan. Setting out in detail a specific growth opportunity for the offshore and subsea sectors to contribute to GVA, productivity and job creation.

5.0 Innovation and Demonstration

- 5.1 The North East Energy Catalyst has been launched, bringing together a ground-breaking partnership of organisations to unite the region's leading energy innovation, demonstration and delivery capabilities. The Catalyst aims to showcase solutions to global energy challenges in the North East, while unlocking opportunities for growth.
- 5.2 Facilitated by the North East LEP, the partners are: North East Combined Authority, North of Tyne Combined Authority, Newcastle University, Northumbria University, Durham University, Offshore Renewable Energy Catapult, Zero Carbon Futures (a subsidiary of Gateshead College), British Engines, Northern Gas Networks, Northern Powergrid, Northumbrian Water, and the Innovation Supernetwork.
- 5.3 The Catalyst has begun to establish a profile on the regional and national stage to position the North East as the partner of choice for energy innovation. This includes a strong social media presence, fielding industry enquiries, and presenting at events including hosting a fringe session at the NP11 Energy Opportunity conference.
- 5.4 Contributions from partners have enabled an Energy Innovation Partnership Manager to be appointed at the LEP to drive Catalyst activity, with a substantial pipeline of projects under continuous development. These include 'phase 0' initiatives which capitalise on better coordination between existing partner assets, and 'phase 1' innovation delivery partnerships or projects for which new investment is sought.

Delivery has included:

- Energy Innovation Challenge programme launched, with £200k funding ringfenced by Northstar Ventures alongside LGF. Challenges are shaped by partners with an opportunity for SME's to gain expert support and investment.
 - Identification of the strongest North East Strength in Places Fund bid for energy, resulting in £50m 'Net Zero Heat' bid submission led by Newcastle University and supported by partners.
 - Supported development of a business case around 'InTEGReL', an innovation priority project, resulting in a £100k grant offer from Innovation LGF funding.
 - Co-hosted a breakfast roundtable with the CBI, involving government and industry exploring potential collaborations with the Catalyst.
 - Initiation of a 'Joint Smart Grid Lab' project, connecting multiple partner's smart grid assets at multiple sites, developing a shared offer to industry and research.
- 5.5 In addition, the Catalyst has begun to establish relationships with wider industry stakeholders and businesses, funding agencies, and government. The partnership is providing a coordinated place-based voice to explore future opportunities for industry support, investment, and to more strategically align regional projects to national funding and policy priorities. For example, via Grand Challenges and Sector Deals.

6.0 Regional Energy

- 6.1 The Energy Programme Lead also works closely with industry bodies, local authorities and combined authorities to align regional energy project delivery and investment. The focus is on fostering greater coordination and aggregation of projects to scale, acceleration of delivery, and leveraging new investment into the region including through the NEYH hub.

- 6.2 The national network of BEIS Hubs has taken the role of distributing the Rural Community Energy Fund (RCEF) on behalf of BEIS, with the NEYH hub receiving an allocation of £1.6m. This is to fund feasibility studies for projects as well as two 0.5FTE roles to support project development and applications.
- 6.3 The NEYH hub board agreed the North East LEP should employ one of these 0.5FTEs, taking responsibility for RCEF delivery in both the North East and Tees Valley. North East partners provided match-funding to create a full-time position, allowing development of a wider rural energy strategy to commence for the North East including linking with the Borderlands partnership, while leveraging RCEF funding to accelerate community-led project delivery.
- 6.4 Through the NEYH Hub, the North East LEP has also become recognised as the national lead for Mine Energy, leading a ‘mine energy taskforce’. Initially created around regional opportunities and expertise, this was publicised across the Hub network, with over 30 cross sector organisations from around the country now participating to share expertise.
- 6.5 The taskforce has helped accelerate commercialisation of regional projects, which are leading the way for the UK, and has fostered more strategic relationships with key sector stakeholders such as the Coal Authority. Funding has also been secured from national partners for the LEP to deliver a ‘mine energy white paper’ on behalf of the taskforce, which will inform national policy development for this opportunity.
- 6.6 The regional heat network pipeline, with a value of c£270m, is being supported through to delivery, with the LEP convening a regional heat network working group. A workshop was co-hosted with BEIS where organisations received support to access national funding.
- 6.7 The LEP is also leading a BEIS-sponsored High Potential Opportunity submission to DIT centred on heat networks, for the combined North East and Tees Valley area. This seeks to capitalise on inward investment opportunities and position the North East as the UK’s first heat networks cluster.
- 6.8 North East projects (37 with a value of £221m) are established within the NEYH Hub project tracker, part of a combined regional pipeline the hub is seeking to support. The BEIS Hubs are continuing to be developed nationally, seen as a key mechanism for delivery of regional energy intervention and potential strategic investment.
- 6.9 Work to coordinate the regional energy agenda has positioned the North East to benefit from future opportunities for investment and collaboration, such as alignment to the Borderlands Energy Masterplan, the NP11 Energy Strategy, and via the NEYH hub. This also demonstrates the opportunity for the LEP to provide regional capacity to help accelerate commercialisation of projects and leverage new investment.

7.0 Recommendations

- 7.1 The Board is recommended to:
- Note the significant progress across all workstreams of the Energy for Growth Programme, the wide-ranging collaborative approach across the region and the effective point of coordination the programme is providing regionally, nationally and via the BEIS Energy Hubs.
 - Approve continued development of the Energy for Growth programme, in-line with the progress and opportunities set out, continuing to seek synergy with the LEP programmes, wider structures and funding opportunities.