

North East Local Enterprise Partnership Board



Thursday 24 November 2016

17.00 – 19.00

Venue: Boardroom, Gateshead College, Baltic
Campus, Quarryfield Road, Baltic Business
Quarter, Gateshead, NE8 3BE

AGENDA

1. **Welcome from the Chair and apologies (5.00pm)**
2. **Minutes of the last Board Meeting held on Thursday 29 September 2016 (5.05pm).** The Board will be asked to agree the Minutes.
3. **Appointment of LEP Board Member – Paper attached (5.10pm)**
Helen Golightly to update the Board.
4. **Business Growth Presentation (5.15pm)**
Colin Bell to present to the Board
5. **SEP Refresh – Paper attached and draft SEP document to follow (5.35pm)**
Richard Baker to present to the Board.
6. **Autumn Statement – Verbal Update (6.15pm)**
Helen Golightly and Richard Baker to update the Board.
7. **CONFIDENTIAL ITEM - Funding Updates - Papers attached (6.20pm)**
 - (a) **Enterprise Zone Update**
 - (b) **Fund update**
Paul Woods and Helen Golightly to update the Board.
This report is confidential as it contains commercial information relating to the financial or business affairs of a particular person or organisation and is not for wider circulation.
8. **CONFIDENTIAL ITEM - Delivery Plan Update – Paper attached (6.35pm)**
Helen Golightly to update the Board.
This report is confidential as it contains commercial information relating to the financial or business affairs of a particular person or organisation and is not for wider circulation.

THIS IS NOT A PUBLIC MEETING

9. NECA Theme Updates (6.45pm)

- **Economic Assets and Infrastructure** – paper attached
Councillor Malcolm to update the Board
- **Employability and Inclusion** – paper attached
Councillor Davey to update the Board
- **Transport and Digital Connectivity** - paper attached
Councillor Forbes to update the Board

(c) Any Other Business

- (d) Date and Time of next meeting – Thursday 26th January 2017 from 5-7pm
Boardroom, Northern Design Centre, Abbott's Hill, Gateshead, NE8 3DF**

24th November 2016

Item 3: Appointment of LEP Board member

1.0 Appointment of private sector LEP Board Member

- 1.1 Jeremy Middleton stood down from the Board in September, which left a vacancy for a private sector Board member.
- 1.2 When we recruited the four newer members in February / March this year, Andrew Hodgson (Chair), Simon Henig (Vice Chair) and David Land made up the recruitment panel at that time. Ammar Mirza applied to join the Board at this time and was interviewed by the Panel.

Andrew Hodgson would like to propose that we utilise the previous recruitment exercise and appoint Ammar to the Board.

A short biography to inform the decision is set out in annex 1.

- 1.3 In addition, in the Budget Statement in the Spring, the Chancellor announced that...
“Local Enterprise Partnership Small Business Representative – The government will require all Local Enterprise Partnerships to have a nominated Small Business Representative on their Board.” (Budget Statement paragraph 2.316)

We do not currently have a nominated Board member in this role and Ammar could fulfil that on behalf of the Board.

2.0 Recommendation

- 2.1 The Board is asked to accept the Chair’s nomination to appoint Ammar Mirza to the North East LEP Board with immediate effect.

Annex 1 – Ammar Mirza’s biography

Ammar Mirza is a sought after leadership & management, and business management consultant through his company AmmarM (UK) Limited. Ammar is a serial entrepreneur with interests and investments across a number of sectors. Over a 15 year period he has helped establish several hundred new businesses within the North East. As chairman and founder of Asian Business Connexions, a not-for-profit social enterprise that aims to connect, support and promote the Asian wider community, Ammar has helped make a significant social and economic impact and is considered to be a strong and effective community leader.

More recently Ammar has helped launch the Primary Inspiration through Enterprise (PIE) Project Charity and represented the private sector on various local strategic partnerships including the Learning Challenge and City Deal within Newcastle. His other positions include independent board member of Your Homes Newcastle (YHN), where he chairs the Abri Trading arm, a board member of Sunderland's Business Improvement District (BID), business support board member on the North East Local Enterprise Partnership (NELEP), chair of Newcastle Progression Forum, chair of governors at Tyneview Primary School, and director of the Riverside Learning Trust.

Ammar is also a Fellow of the Institute of Leadership and Management (ILM), and the Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA), Trustee of Tyne & Wear Archives and Museums, patron of Charlie Bear Charity at the Freeman Hospital and the private sector representative on the European Structural Investment Fund Sub Committee. In 2014 Ammar was awarded a CBE for Outstanding Services to Business and the Community and won the IOD Director of the Year Special Judges Award. More recently Ammar was the 2015 David Goldman Visiting Professor for Innovation and Enterprise at Newcastle University and selected as a Maserati 100 top 100 Entrepreneurs within the UK that are giving something back to encourage and support entrepreneurship.

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ITEM 5: Refreshing the Strategic Economic Plan

1.0 Background

1.1 At its meeting in April 2016, the Board agreed that the Strategic Economic plan should be refreshed, working with the North East Combined Authority and other partners. The objective was to respond to changes in the economic and political environment and in particular:

- Evidence or changing national and regional economic performance
- Progress made in delivery of the 2014 SEP
- Changing policy environment since the Election
 - National and European policy changes
 - Devolution
 - The Northern Powerhouse

1.2 The focus was to refresh the SEP to support delivery of our aims in the light of this evidence, and to develop key themes, interventions and investments in the context of policy change and financial opportunities from both regional funds and other sources.

2.0 Refresh process and emerging aims for the new document

2.1 The Refresh process has taken place over the spring and summer, negotiating Local Election and Referendum purdahs, and has involved stakeholders and partners through a number of processes (see annex). Three factors influenced some of the thinking about our approach to presentation during the process of development:

- The outcome of the referendum, and the decision to leave the European Union
- The consequent change of Government, its emphasis on development of a 'place based industrial strategy', and uncertainty about the Northern Powerhouse project
- The decision not to make progress on devolution at this time, with the impact on resources available

2.2 The engagement process delivered a number of key conclusions about the refreshed SEP as follows:

- It should aim to be clear about what success looked like and confirm the framework for measurement and reporting which was outlined in the 2014 document

- It should focus on strengths, specialisms and opportunity for the North East, and also highlight key challenges and risks to be managed. This point was particularly emphasised as the Government announced its intent to develop its industrial strategy
- That whilst focusing on strengths, it should continue to give attention to the general economic eco-system, infrastructure and resources of the region, ensuring that relevant support was available and to build resilience. This is not least because of the need to facilitate new sources of innovation and growth, and for flexibility to respond to change
- That there should be a more authentic North East feel to the document, aiming to avoid the so-called 'tippex' test which has been a critique elsewhere. This has been interpreted to mean clear statements of economic assets, stronger spatial references in the document including both physical and cultural themes, and a stronger story of the role of different places in the regional economy. We have commissioned some additional mapping which will be introduced when ready.
- That key themes should be embedded across the SEP programmes, with the aim of more integrated delivery.
- The relationship between the SEP and other key strategies and processes in the region should be identified
- That the plan should aim to provide for an on-going approach to evaluation and economic evidence
- That the format should be shorter and more accessible and lend itself to more co-ordinated outbound promotion and different forms of communications (eg video, on line). It is planned to take forward some of these ideas aimed at explaining our economy for external investors, for education and other audiences once the document is agreed.

3.0 The refreshed Strategic Economic Plan

3.1 These aims are each incorporated in the enclosed document which is in developed draft form. Comments are invited on the overall structure and narrative or on detail.

3.2 Key differences to the last document are:

- It is significantly shorter, at less than half the printed length, and more accessible and shorter still in terms of numbers of words and design values
- It clarifies the top 6 measures which were called out in the 2014 SEP, and presents progress to date against up to date and viable indicators
- It is more strategic and does not include investment programmes as set out in the last SEP. However, the 6 programmes have been updated, with a vision to 2024 and 'must do's' by 2018. Where appropriate, signposting to other processes has been

made – for example the Transport Strategy and Local Plans and to specific investment programmes

- With the benefit of evidence and engagement, it identifies 4 specialisms which can be substantiated based on industrial or employment scale or research strength. These are aligned with the themes called out in the Northern Powerhouse economic review. It also highlights 3 key service sector specialisms which are key enablers with opportunities for higher value employment growth. These are similarly aligned.
- There is a stronger spatial content through the document, with a particular focus in the section 'A Place That Works' which is then integrated into the various programmes. Sector maps will follow, as will a summative economic map. There is a slight delay on these as we have needed to seek access to national data sets which require permissions to be granted

3.3 It is intended that direct links are made to supporting documents – in particular the economic analysis and progress review papers which provide the underpinning evidence base supporting the paper.

4.0 Next Steps

4.1 Following discussion by the Board, further work will be done to improve and finalise the document including a workshop involving LA Chief Executives and Programme Leads on delivery plans.

4.2 The document will be launched at an event in the first quarter of 2017.

5.0 Recommendations

5.1 The Board are invited to:

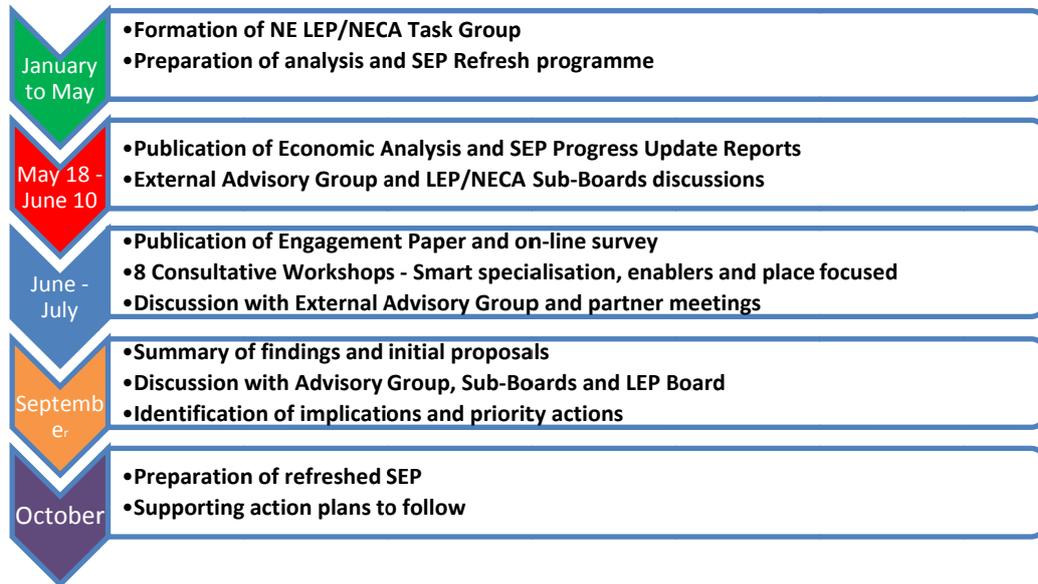
- Offer comments on the approach to the refresh process, the document or next steps
- Identify specific detail which could be improved or changed
- To note thanks to all of those who have contributed to this process who are identified in the document.

Richard Baker

Head of Strategy and Policy

Annex 1: Development process

The process to date is set out in the chart below:



Engagement

As per the timeline, engagement has been phased and includes:

- Discussion of the economic analysis and progress review with the Task Group, Advisory Group and sub-Boards to identify key issues and questions
- Stakeholder engagement through different channels including 8 LEP facilitated engagement events
- Feedback of emerging comments and findings to the Task Group, Advisory Group and sub-Boards

A summary of deliverables through the process includes:

- 3 Documents published
- 8 high level Engagement events focused on future approaches to four smart specialisation areas, 3 key enablers and on an agenda around 'place'
- Regular meetings of the Task Group
- 2 Advisory Groups to date
- Range of partner meetings
 - eg EEF, TUC, Culture Partnership, Durham Economic Partnership
- 2 rounds of engagement with LEP Sub-Boards, NECA Planning Leads, Employability Leads
- Discussion with Transport Team
- Range of written responses
- 40 on-line survey responses

North East Combined Authority

Leadership Board

Date: 15 November 2016

Subject: Economic Development and Regeneration Theme Update

Report of: Economic Development and Regeneration Thematic Lead

Executive Summary

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

Recommendations

The Leadership Board is recommended to receive this report for information.

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1 Background Information

- 1.1 This report provides an update on activity and progress under the Economic Development and Regeneration theme of the Combined Authority.
- 1.2 The Leadership Board is recommended to receive the update for information.

2.0 Inward Investment

2.1 Inward Investment 2016/17 (Quarter 1) Successes

In Quarter 1 (April-June), in total there were 16 inward investments into the NECA area which will lead to the creation of 2,435 jobs. These were made up of :

a) Foreign Direct Investment

There were ten investments leading to the creation of 880 new jobs.

Investors included:

- Teleperformance (Call centre outsourcer)
- Accenture (Software ICT)
- Janus international (Manufacturing)
- Unipress (Automotive)

b) Investments by UK-owned Companies from Outside of the Region

There were six investments leading to the creation of 1,555 jobs.

Companies announcing investments included:

- ResQ (Contact Centre)
- Estover Energy (Energy)
- Fermeda (Life Sciences)

Successes in Quarter 2 (July-September) are currently being compiled. One major success confirmed in this quarter is Convergys who have taken occupation of 'the Rocket' in Newcastle's Stephenson Quarter, creating 600 jobs.

2.2 Enquiries

There continues to be significantly fewer enquiries coming through to the Invest North East England (INEE) Team than last year. This is mainly down

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to fewer enquiries from UKTI (INEE are the single point of contact for new enquiries from UKTI in the NECA area). The impact of Brexit is one possible cause of this. INEE is working closely with UKTI to gain a better understanding of what is happening and to ensure that enquiry levels recover in the second half of 2016/17.

Current enquiries on the INEE pipeline include both UK and foreign owned enquiries in a number of sectors from Life sciences (R+D), software, contact centres, and advanced manufacturing.

2.3 Invest North East England Website

One way in which the INEE team is planning to increase the size and quality of its investment enquiry pipeline is by becoming a proactive service, actively generating new investment enquiries. A key element of this new approach is the launch of the new INEE website, which launched at the end of October 2016.

To complement the website launch, an associated social media campaign is taking place, aimed at generating enquiries from key sectors. New investment leads are also to be sourced through lead generation contracts in key markets. In the first instance UK and overseas companies based in London will be targeted.

2.4 MIPIM UK

INEE had a coordinated stand presence at the UK's largest property investment event, MIPIM UK, which was held in London on 19-21 October. Six private sector partner sponsors attended from the North East along with representatives from NECA's constituent local authorities. As part of the event, there was a business showcase event held with a private/public sector panel discussing key recent property deals and new opportunities available to investors in North East England.

2.5 Economic Development and Regeneration Inward Investment Workshop – 26 July 2016

Building on the discussion and presentations at the EDRAB meeting in March and a 'UKTI Summit' on the development of the Northern Powerhouse in April, an Inward Investment Workshop took place on 26th July 2016.

Alongside EDRAB members (supported by economic development officers from each local authority), UKTI and private sector representatives took part in the workshop.

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A debate took place on the future of Inward Investment services and activity in the NECA area. Presentations were received from UKTI and Pricewaterhouse Coopers, property development sector representatives and the Director of Invest North East England.

The Deputy Director of Global Operations for UKTI updated the group on the changes to UKTI including the new dedicated, north-focused team. It was stressed that 'co-delivery' with partners is key in the climate of limited resources. PWC had been commissioned by UKTI to undertake work on the development of the Northern Powerhouse and it was outlined that this would involve an online survey to gather factual evidence over the summer to understand where opportunities exist, followed up with face to face interviews with key stakeholders. The report is expected by the end of the year.

Adam Serfontein, the Managing Director of Hanro Group and Chair of Developing Consensus, along with other private sector colleagues (Tim Evans from Knight Frank and Michelle Percy from Clouston Group), provided perspectives on investing in the North East. They identified some of the experiences of investors and the private/property sector. Discussion focused on the need to promote the region coherently 'at the point of entry' and to better understand the benefits to all of each single investment. A call was made for more resource into the Invest North East team and an offer was made for the private sector to input funding to grow the team if matched by local authority funding.

The workshop concluded with a presentation from the Director of Invest North East England focusing on the issues in attracting investment to the North East, specifically the organisation of local capacity and resources. The group discussed how best to target these.

The Director of INEE is preparing an options paper that will outline a range of delivery models that will include how the private sector can engage more and the future resource implications

3.0 Regional Investment Plan / Project Pipeline

The Economic Development and Regeneration theme has the lead responsibility for coordinating efforts to enhance the region's important economic assets and to develop new ones that will promote growth.

A pipeline of both employment sites and housing sites has been developed to underpin this approach. The sites identified illustrate a brief overview, type of investment, planned output/outcomes, whether or not public investment is

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required, delivery timescales, planning status and barriers to development. This pipeline informed the North East Local Enterprise Partnerships (NELEP) submission to round 3 of the Local Growth Fund.

The NELEP has advised that the programme bid submitted has been considered by civil servants and assessed alongside the other LEP bids. There are many positive factors that the NELEP should stress at every opportunity with Government ahead of the autumn statement. NECA needs to emphasise the qualities and relevance of our project pipeline and investment plans:

- Our strong evidence base
- Inclusive approach and good level of partnership working and collaboration
- Relatively good delivery performance to date on Growth Deal 1 and 2.

Given that the North East devolution deal is not progressing at this time, the Government have advised that the North East can no longer have a Local Growth Deal 3 programme with devolved funding. Instead the North East LEP was requested to submit its LGF3 prioritised list of projects to Government for consideration, this was done at the end of October following engagement with NECA and other key partners.

4.0 North East Strategic Economic Plan

Background

The North East LEP and NECA agreed to a refresh of the SEP to respond to

- National and regional economic performance and issues
- Progress, and experience of delivery plan
- Changing policy environment since the Election
 - National and European policy changes
 - Devolution
 - The North

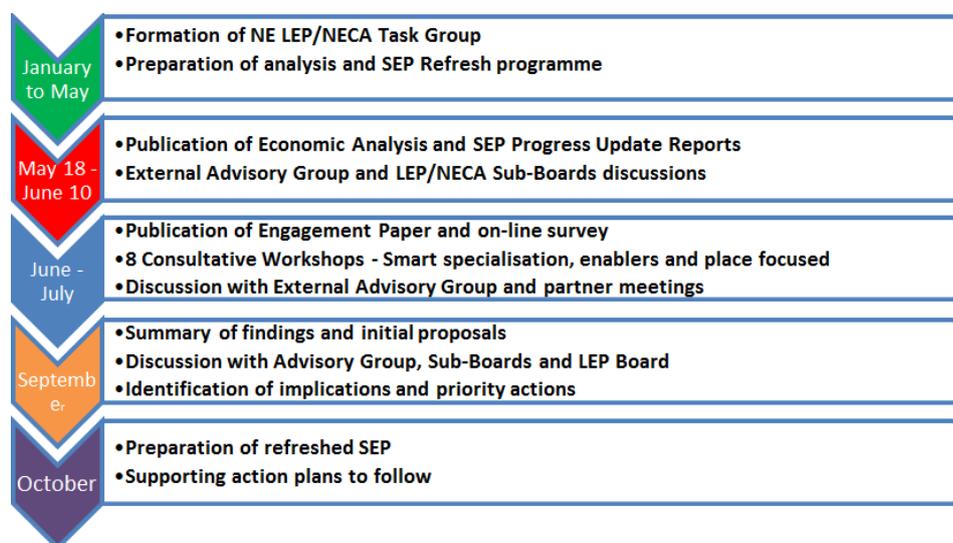
The aim has been to produce a new, forward looking document on a timetable aligned with agreement of the devolution deal, with strong continuity from the leading ambitions of the Adonis Review and the 2014 SEP, but which updates and communicates clearly to the above developments.

Process

The process to date is set out in the chart below:

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Engagement

As per the timeline, engagement has been phased and includes:

- Discussion of the economic analysis and progress review with the Task Group, Advisory Group and sub-Boards to identify key issues and questions
- Stakeholder engagement through different channels
- Feedback of emerging comments and findings to the Task Group, Advisory Group and sub-Boards

A summary of deliverables through the process includes:

- 3 Documents published
(See - <http://www.nelep.co.uk/whatwedo/refreshing-the-strategic-economic-plan/>)
- 8 high level Engagement events focused on future approaches to four smart specialisation areas, 3 key enablers and on an agenda around 'place'
- Regular meetings of the Task Group
- 2 Advisory Groups to date
- Range of partner meetings
 - eg EEF, TUC, Culture Partnership, Durham Economic Partnership
- 2 rounds of engagement with LEP Sub-Boards, NECA Planning Leads, Employability Leads
- Discussion with Transport Team
- Range of written responses

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- 40 on-line survey responses

Feedback

Feedback from the engagement process has provided a significant steer in a number of areas:

- Smart specialisation areas and key enablers:
 - Future market trends impacting on these key areas of the North East economy
 - The position of the North East in these markets
 - Must do's to support business growth in these areas
 - Longer term visions
- Place
 - Input about priorities for place development linked to innovation, infrastructure, transport, and wider planning issues
- Structure and role of the SEP and general programme actions in areas including economic evidence and communications

A slide pack is available which summarises this input.

Structure of the SEP going forward

Having received this input, the Task Group have proposed that the refreshed SEP document should be positioned as a shorter document which communicates clearly about the North East economy and ambitions, and seeks to differentiate and connect to opportunities in the context of Industrial Strategy. It should be supported by, and linked to, other key documents and process in the region.

The overall structure is envisaged as including the following:

- Chair/leaders introduction and positioning statement
- Background statement – history, SEP 2014 ambitions, Refresh rationale
- Short summary of 2014 progress emphasising delivery
- Summary of economic analysis leading to key directions
- Spatial narrative – emphasising assets, linkages and economic change, supported by mapping
- Key differentiating sections - focused around key opportunity areas, enablers and place including NE capability narrative and proposed group of interventions – build on LGF bid approach
- Programme delivery sections – with priorities for the 6 programmes showing continuity from 2014 SEP, additional priorities and links to other processes eg Transport Strategy, ABR, Duty to co-operate

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- Evaluation plan
- Accountability, roles and communications

5 Potential Impact on Objectives

5.1 The report sets out issues that will support the Authority in meeting its objectives.

6 Finance and Other Resources

6.1 There are no additional financial implications arising directly from this report.

7 Legal

7.1 There are no specific legal implications arising from this report.

8 Other Considerations

8.1 Consultation/Community Engagement

There are no issues arising from this report for consultation.

8.2 Human Rights

There are no specific human rights implications arising from this report.

8.3 Equalities and Diversity

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

8.4 Risk Management

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

8.5 Crime and Disorder

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

8.6 Environment and Sustainability

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There are no specific environment and sustainability implications arising from this report.

9 Background Documents

9.1 North East Strategic Economic Plan – More and Better Jobs

10 Links to plans in the Policy Framework

10.1 This report links to the Strategic Economic Plan and other plans in the Policy Framework.

11 Contact Officers

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

12 Sign off

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

Please use ✓

North East Combined Authority

Leadership Board

Date: 15 November 2016

Subject: EMPLOYABILITY AND INCLUSION UPDATE

Report of: Thematic Lead for Employability and Inclusion

Executive Summary

This report provides an update as to the latest progress being made in delivering the Employability and Inclusion; and Skills themes of the Strategic Economic Plan (SEP) for the North East.

Recommendations

The Leadership Board is recommended to note the contents of the report.

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1 Employment Support

Intelligence

1.1 The Labour Market Intelligence (LMI) Portal for the North East continues to be delivered and developed. Discussions about future developments are taking place with the North East LEP and a number of digital partners who are designing some innovative tools to present data and information to various audiences.

1.2 The work to produce a number of Careers Videos to promote our key priority sectors is near to completion. An initial launch will take place at an event in November (see below) with a formal launch in January 2017. The videos, which involve local employers and younger employees (apprentices) who can talk about what it is like to work in a particular industry, will be supplemented by information packs and lesson plans for teachers. The videos will also be publically available so that they can be embedded into other useful websites to ensure a wide audience has access.

1.3 CfBT (the North East provider for the National Careers Service) is finalising the programme for a North East LMI Event, which will take place in Durham on Thursday 17 November 2016. The event's objectives are to:

- Gain an understanding of the North East labour market
- Gain an insight into some of the key sectors in the North East and the skills demands for these
- Understand the challenges and opportunities facing the North East labour market
- Understand the routes to accessing and using LMI to better understand the Labour Market

The event will include keynote speakers in the morning followed by a choice of workshops in the afternoon.

1.4 Work is ongoing to support various initiatives with their LMI needs including the Good Career Guidance Benchmarks, development of Devolution proposals and support to ensure that ESF proposals meet our strategic priorities.

DWP European Social Fund (ESF) Opt-In for the North East

- 1.5 The DWP 'Opt-In' programme is utilising £6m European Social Fund to test a local approach to help long term unemployed residents into work, focusing on those with significant barriers to work, including mental and/or physical health

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conditions. Integration of employment support with both physical and mental health treatments will be the key delivery driver.

- 1.6 Following a tendering process, Working Links has been awarded the contract and is currently working with DWP to prepare for a contract 'go live' date of 9 January 2017 for a three year period. The contract target is to support 2,500 residents between January 2017 and December 2019.
- 1.7 NECA and NELEP officers are meeting DWP in early November to determine local input into performance management arrangements and facilitating integration with other services at each LA level. This will include coordination with the wider European Social Investment Fund programme. An inception meeting with DWP and Working Links in late November will establish how the provider will work with local supply chains and meet need across each NECA LA area. This will involve determining how they will integrate with local services (particularly health provision) and how facilitation and monitoring of integration will be supported by each LA in their respective areas.

NE Mental Health Trailblazer

- 1.8 The North East Mental Health Trailblazer is about to launch as a pilot to integrate employment support with Increasing Access to Psychological Therapies (IAPT) services in each NECA LA area. As noted in previous reports, the programme has been delayed by DWP, in part due to departmental and ministerial change. Issues around data sharing agreements and referral processes have now been resolved and DWP has agreed a launch in the last week of November.
- 1.9 Staff are being appointed and placed in IAPT teams to begin a phased approach to receiving referrals from late November/early December.
- 1.10 The aim remains to support 1,500 participants across the NECA area by October 2018.
- 1.11 The Trailblazer's purpose and design is consistent with the North East Commission for Health and Social Care Integration recommendation that *'commissioners of IAPT services should work with their service providers to ensure employment support is included as part of the IAPT offer on a sustainable basis', 'as part of a consistent approach across the area'*. Implementation of the trailblazer will provide evidence of the efficacy of this approach and performance will be reported as part of governance arrangements between LAs and the NHS to implement recommendations.

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- 1.12 The Behavioural Insights Team is managing the programme evaluation and will provide interim findings at the mid-point in late 2017.
- 1.13 The multi-agency steering group which developed the model will be reconstituted (including LA, NHS, CCG and DWP representation) to monitor performance and ensure effective implementation in each area, reporting to Health and Wellbeing Boards. A report to the Clinical Commissioning Group forum will request CCG representation to ensure complementarity with implementation of the Commission for Health and Social Care Integration recommendations.

2 Youth employment

Generation NE

- 2.1 Generation NE is now fully operational and the programme has supported in excess of 2500 young people, of which over 1200 have moved into employment and over 250 have gained work experience to date, 650 of those gaining employment have now sustained employment for 6 months or more.
- 2.2 The programme is continuing to deliver very good value for money compared to original expectations and this has been highlighted in a 'mid-term review' of the programme; a full report of the review findings was presented at to Leadership Board on 20th September 2016.
- 2.3 Delivery of Generation NE has now extended to cover the full NECA geography, with the programme manager involved in an active dialogue with officers and Jobcentre Plus representatives to ensure successful implementation.
- 2.4 Generation NE is demonstrating the impact that can be achieved through a programme that is locally led, both strategically and operationally and that can impartially 'make sense' of a complex and fragmented system. In order to continue to contribute to tackling our local economic challenges it is suggested that Generation NE should be extended and widen its focus, delivering support for those young people that do not claim benefit and are generally ineligible for much of the mainstream government support. In principle agreement has been given by DCLG and DWP to this proposal.
- 2.5 Funding is currently available to support this extension under Investment Priority 1.2 of the European Social Fund or the equivalent

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domestic funding to replace it. It is recommended that the principle of aligning some of this available funding to Generation NE should be further explored, which will allow the lifetime of the programme to be extended for up to 3 years and also the impact of the programme to be broadened to support a wider cohort of young people outlined above. Support will continue to be delivered to the existing eligibility group of young people who claim Jobseekers Allowance and Universal Credit.

Durham Youth Employment Initiative (DurhamWorks)

- 2.6 DurhamWorks registered 1464 participants to the end of September 2016. The DWP requirement that evidence of a participant's eligibility (residency, NEET status, age and eligible to take part in an ESF programme) must be collected before a participant can be counted against outputs, is still proving very challenging. Self-declaration is only available as a last resort. The processes to make this happen have taken longer than expected to put in place, however these are now running and should make the verification of evidence much easier in the coming months.
- 2.7 An Employer Engagement Strategy has been finalised and sets out the targets of jobs and apprenticeships which need to be created in order to enable DurhamWorks participants to progress into the labour market.
- 2.8 Work is progressing to support businesses in receipt of the DurhamWorks Learning Working Earning grant. Following employer feedback, slight adjustments have been made to the application process to make it more employer friendly. A range of case studies using photographs and videos of participants are being developed. It is anticipated that these case studies will be utilised on an ongoing basis to support key messages and positive PR.
- 2.9 Using the Council's data, mapping has taken place of SMEs across the county and this is being used to support the development of targeted routeways and initiatives. A mapping exercise has also taken place across the Council to identify apprenticeships, traineeships and volunteering opportunities for DurhamWorks participants and a corresponding event has been held with senior managers to promote the benefits of employing young people and how DurhamWorks can help.
- 2.10 The subcontractor Framework was procured earlier in the year and this will be used during the next quarter when "mini competitions" will be run following the identification of gaps in existing DurhamWorks provision. At least 3 will be run, with delivery starting in January 2017. In order to support this process, a workshop has been held with the providers who are on the Sub-contractor

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Framework to inform them about DurhamWorks, the Framework and how the mini competitions will run.

- 2.11 The Evaluation methodology for the DurhamWorks programme is taking shape and the procurement of the Evaluation service will be run during the next quarter with activity beginning in February 2017.
- 2.12 The first DurhamWorks marketing campaign began w/c 17th October and will run for 4 weeks. Its' focus will be on areas of the county with the highest NEET/unemployed numbers and will include the use of bus streetliners, bus stop adshel panels, radio adverts on Metro Radio and Facebook. The focus is on making the DurhamWorks brand more recognisable and targeted at potential participants. DurhamWorks participants will feature in all the publicity.

Good Career Guidance Benchmarks

- 2.13 From June 2015 and in partnership with The Gatsby Foundation, North East LEP has been supporting the application of the Good Career Guidance benchmarks. This provides the opportunity to test the benchmarks in action; lead the development of practice which will have local impact and national profile; and improve the quality of provision and opportunity for young people.
- 2.14 The re-audit of schools in August and September 2016 and the independent evaluation highlights that Schools and Colleges are making rapid progress towards fully achieving the high standards of the benchmarks.
- 2.15 The average progress in one year is +2 i.e. 'fully achieving 2 further benchmarks compared to starting points'. Every school and college now fully achieves at least one benchmark (previously 50% schools/colleges fully achieved 0 benchmarks). 15/16 schools and colleges now partially achieve every benchmark.
- 2.16 25% of schools and colleges now fully achieve 5 benchmarks (making them comparable with the best seen nationally). This compares positively to starting points, where previously no school or college fully achieved more than 3 of the benchmarks. The results also demonstrate that it is possible to make significant progress in one year - using the benchmarks as a framework to carefully target improvements. These are documented in focused action plans with measurable targets.
- 2.17 New, strategic, relationships with employers now exist and schools have clear action plans for further improvement. New delivery structures have also

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emerged in schools, maximising the impact of the benchmarks. Wider collaboration between schools, schools and colleges, teachers and industry professionals and between independent and state schools has emerged as part of our work and is a key indicator of initial impact.

- 2.18 Schools and colleges participating in the pilot are significantly closer to providing 'good career guidance' for 'each and every' young person than they were at the outset.
- 2.19 The LEP team have produced over 40 case studies of innovative and pioneering practice from the first year, with potentially a further 50 this academic year. We are working with the Gatsby Foundation to share these with every school in the country.
- 2.20 The new Minister for Apprenticeships, Skills and Careers, Robert Halfon MP, visited a pilot at Churchill Community College on Monday 26th September where he was able to meet school leaders, teachers, students, parents, governors, employers, enterprise advisers, LA staff and the North East LEP to witness impact directly. He then visited Unipres, where again he was able to hear about a company using the benchmarks to improve their engagement with education. Further information has been sent to the Minister, who recently (at The Edge Foundation Annual Lecture), referred to the benchmarks as 'the eight commandments'.
- 2.21 Apprenticeship Vision 2020 - The Independent Panel, headed by Lord Sainsbury, looked at reforms to technical and professional routes into work, including apprenticeships, and how students are prepared. 34 recommendations were made, which were all accepted by government. Recommendations 29-31 relate to careers guidance. Rec 29, states "We recommend the Government adopts the Gatsby benchmarks as the basis of a common national approach for careers education and guidance, and sets an expectation for schools and colleges to use the benchmarks when developing their careers provision.
- 2.22 The benchmarks have gained significant national traction and the LEP team are receiving requests every week from organisations who are interested in the model. The LEP is hosting a practice sharing event with The Edge Foundation on 22nd November and will host a visit by the Department of Education on 29th November. The North East LEP team are also delivering the keynote address at the National Careers Education Summit on 3rd November.

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Enterprise Advisors

2.23 This key Government-backed initiative was initiated in September 2015. The Careers & Enterprise Company (CEC) is an employer-led organisation that has been set up to inspire and prepare young people for the fast-changing world of work. Its role is to take an umbrella view of the landscape of careers and enterprise, supporting programmes that work, filling gaps in provision and ensuring coverage across the country.

2.24 The North East LEP has taken the opportunity to shape and adapt the original CEC model to enhance the opportunities for school and business engagement. A dedicated coordinator was recruited in November 2015 and another in May 2016.

2.25 To date there are 64 Enterprise Advisors and 53 schools and colleges engaged along the process. 24 schools now have dedicated Enterprise Advisors working at a strategic level with the senior leadership team. Through external evaluation schools we are seeing tangible

3. Apprenticeships

3.1 The North East has a strong and active part to play in meeting the Government's target of three million apprentices by 2020. However, there is also a recognition that there is still much to be done to deliver the stretching targets that the region has set itself within the Strategic Economic Plan (SEP).

3.2 The Apprenticeship Growth Partnership (AGP) continues to meet on a quarterly basis with a remit to support businesses, to encourage the development of apprenticeship vacancies, to promote higher level apprenticeships and to engage sector groups to develop standards and liaise and promote the development of high quality apprenticeships.

3.3 The latest and final rules and guidance to the apprenticeship reforms were published on 25th October including further information for employers about the way apprenticeship funding is changing and final details about the apprenticeship levy being introduced from 2017.

3.4 In September 2016, three organisations were awarded contracts by Government to raise awareness levels of apprenticeship opportunities in schools. In the North the contract was awarded to BL Training and during October, they have been proactive in contacting schools. A meeting with the LEP has been scheduled and local authorities have been invited to attend.

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3.5 The LEP will be issued with a new version of the SFA data cube in November and an additional data dashboard. Training is being provided and we are led to believe that we will be able to access data about apprenticeship take-up by individual organisation, therefore by default we will be able to identify those organisations who currently do not engage.

3.6 From November 2016 to March 2017, the Get In, Go Far Media Campaign will switch focus from young people to SME businesses to encourage the development of apprenticeship opportunities. All marketing and social media material will be shared with NECA and local authorities.

4. Skills – capital investment

4.1 2015/16 was the first full year of the North East Growth Deal LGF Capital Programme. Ensuring the annual budget was effectively committed was a major challenge and through the efforts of delivery partners 96% of budget was spent which is regarded by Government as a positive achievement.

4.2 Most projects in the programme still remain at the pipeline or construction phase; however two skills projects were fully completed in 2015/16. It is not until later years of the programme that contracted outcomes are forecast to increase and targets for 2015/16 were largely met.

4.3 Proposals for the Growth Fund Round 3 and Large Transport Scheme were submitted in mid-July 2016. The pausing of the NECA Devolution Deal has implications for the scale and nature of the NELEP submission to Government and a re-submission of a prioritised project list is now required by November. Skills Capital remains a high priority for the region and the outcome of the ABR could determine the skills priority areas.

5 Potential Impact on Objectives

5.1 The work being taken forward is consistent with the Combined Authority's stated objectives

6 Finance and Other Resources

6.1 Financial plans will be developed and reported to the Board as appropriate.

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7 Legal

7.1 The legal implications of the work will be considered as delivery progresses.

8 Other Considerations

8.1 Consultation/Community Engagement

No consultation or community engagement has been undertaken at this stage in the work programme.

8.2 Human Rights

There are no specific issues arising from this report.

8.3 Equalities and Diversity

There are no specific issues arising from this report.

8.4 Risk Management

Appropriate risk management arrangements will be put in place as delivery progresses.

8.5 Crime and Disorder

There are no specific issues arising from this report.

8.6 Environment and Sustainability

There are no specific issues arising from this report.

9 Background Documents

9.1 None

10 Links to the Local Transport Plans

10.1 Accessibility to employability, inclusion and skills provision is a key challenge for the North East that is appropriately reflected in the emerging Local Transport Plan.

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11 Appendices

11.1 None

12 Contact Officers

12.1 Janice Rose, Policy Manager, Northumberland County Council
janice.rose@northumberland.gov.uk
01670 624747

13 Sign off

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

Please use ✓

**ITEM 9c: Update on the
Transport and
Digital Connectivity Programme**

1. Purpose of the report

- 1.1 The report provides an update on the development and delivery of the Transport and Digital Connectivity SEP Theme Programme. As with previous board update reports, it addresses and gives a progress update on:
- Actions against SEP Programme Objectives since the last Board meeting
 - Actions to be undertaken to achieve SEP Programme Objectives to the next Board meeting
 - Risk Assessment

2. Strategic Theme Objectives, key initiatives and projects for 2016/17

- 2.1 The Transport and Digital Connectivity Programme is guided by two key objectives:
- Improving strategic connectivity,
 - Improving access to the priority locations for economic growth and getting people to jobs.
- 2.2 Strategic theme objectives were produced to ensure that transport schemes included in the plan would satisfy the key objectives. The strategic theme objectives are focused on:
- Congestion reduction for the central business districts,
 - Alleviating congestion on A1,
 - Central gateways enhancement,
 - Enterprise zone development,
 - Alleviating congestion on the A19
- 2.3 As part of the Transport and Digital Connectivity Theme, a range of transport schemes are due to be delivered in 2016/17, contributing towards the goals of the Strategic Economic Plan.
- 2.4 Key initiatives for the projects include:
- Ensuring that a programme of works is produced for each of the transport schemes;

- Ensuring that the web-based project management tool, Project Vision, is successfully being utilised to manage the programme;
- A strong governance framework is in place for each project using the Transport Assurance Framework to ensure transparency and deliverability. Schemes currently in the programme will need to receive approval from North East Leadership Board or Transport North East Committee before funding is released;
- Full business cases for each of the projects will be assessed by independent consultants. Scheme promoters will be given feedback on outline submissions which they should use to assist with the development of their final business case. Independent assessment will ensure that each scheme adheres to and fulfils the key components of the transport assurance framework and they will inform decisions on the release of funding.

3. Key actions and achievements since the last North East LEP Board

3.1 Transport Plan for the North East

- 3.1.1 A draft final version of the Transport Manifesto, incorporating consultation responses, was approved at the November 3rd meeting of NECA's Transport North East Committee. It will now be designed up and placed on the NECA website
- 3.1.2 NECA's Regional Transport Team have been working with Transport Portfolio Holders and Transport North East Committee (TNEC) members to develop the Transport Plan. Officers will now produce a revised draft in time for consideration at the Leadership Board and TNEC early in 2017.

3.2 Rail

- 3.2.1 The North East Rail Management Unit (NERMU) Board had its first meeting on 4th October 2016. Part of the responsibility of the NERMU is to oversee performance of the Train Operators. Over the first 5 months both Northern and TransPennine have generally performed well against the Franchise performance targets.
- 3.2.2 As part of its franchise commitment to spending £22.6m on stations across the north, Northern Rail will deliver the following improvements in the North East over the next four years, the details of which will be developed with the NERMU:
- 19 new passenger shelters
 - 21 new seating schemes
 - 9 Customer Information Screens and 2 Public Address systems
 - 13 Equalities Act induction loops
 - 22 new help points
 - 32 CCTV schemes
 - 62 new Ticket Vending Machines (TVMs)

- 3.2.3 Network Rail is combining work on the East Coast Main Line (ECML) Route Study (from London to the Scottish Border) with development work for Northern Powerhouse Rail (as reported in section 2.2 above). As work progresses, it is becoming more apparent that significant improvements to the East Coast Main Line will be required to meet the expected impact of growth on the route up to 2023 and 2043.
- 3.2.4 NECA officers are therefore working with Network Rail to press for a programme of progressive improvements to the East Coast Main Line to ensure that improvements over the coming years are complementary. Both the outcomes of the Route Study and the preferred options for NPR are due to be known by the end of the calendar year.
- 3.2.5 In a speech to the Transport Times HS2 Conference on 12th October, Secretary of State for Transport Chris Grayling re-affirmed the government's commitment to proceed with HS2. The decision on the final route of Phase 2 of HS2 from the West Midlands to Leeds and Manchester is due to be announced shortly.
- 3.2.6 Close engagement continues with the rail industry, local communities and funding bodies to ensure that our regional rail network can play an even greater role in supporting economic growth and providing better connectivity for our residents.
- 3.2.7 The NECA are actively working to secure development funding for the Ashington, Blyth and Tyne line passenger re-opening project, with funding being sought through the DfT's Large Local Major Schemes Fund, and Northumberland County Council's Cabinet recently approved the progress of the project through to Network Rail GRIP Stage 3. This scheme would greatly enhance connectivity for a number of communities in South-East Northumberland with forecasted passenger use of 360,000 per annum by 2034.

3.3 Transport for the North

- 3.3.1 TfN is developing a Transport Strategy and Investment Plan. Our involvement in this work stream is critical to make sure that regional aspirations for key strategic transport links are taken into account.
- 3.3.2 TfN's work continues on 'Northern Powerhouse Rail', to provide transformational journey times, capacity and frequency between the largest cities in the North. In order to achieve the desired journey-time target of 60 minutes between Newcastle and Leeds, three broad options are emerging:
- A wholly new direct line between Leeds and Newcastle
 - Utilising the planned HS2 route from Leeds to the ECML, and then line improvements north of York with some 'cut offs' to improve journey time and the reopening of the Leamside Line.
 - As option (ii) but upgrades out of Leeds rather than utilising HS2 planned infrastructure.

- 3.3.3 All of these options achieve the journey time target, but all would require significant engineering works. Further work is now taking place to take account of economic and other impacts such as station capacity.
- 3.3.4 A strategic study is under way to improve strategic road links across the Pennines. Interim findings suggest that dualling the A69 would generate significant journey time savings but have a high cost. Dualling the A66 across its entire length would generate around half the journey time savings of the A69 dualling, but would be less costly. Further work will take place to refine these options, taking into account wider economic benefits, with a final report due to be completed by the end of 2016. NECA officers attend the Programme Board for the study on behalf of TfN.
- 3.3.5 TfN published a 'Northern Region Freight and Logistics Report' on 7th September 2016, and a further report analysing infrastructure constraints and growth opportunities across key sectors and LEP areas is in the process of being commissioned. The freight sector in this area will continue to be kept informed via the North East Freight Partnership.
- 3.3.6 In terms of International Connectivity, we are expecting to publish a report later this Autumn that will identify opportunities to expand into new international markets via the north's airports and major ports.
- 3.3.7 A specification for an 'Intelligent Back Office' is being developed by TfN to enable new ticketing technologies such as contactless bank card payment.

4. Large Local Major Transport Scheme Update

- 4.1 The region has submitted three schemes to the Large Local Major Transport Schemes Fund: Sunderland Commercial Links, Metrofutures and Ashington, Blyth and Tyne line. It is expected that the Government will announce the successful schemes for Large Local Major Transport Scheme funding around the time of the Autumn Spending Statement on November 23rd. A verbal update will be provided to the meeting if decisions have been announced by the time the meeting takes place.

5. Aviation

- 5.1 On 25th October, the government made the long-awaited announcement that it supported a new runway at Heathrow Airport – the first full length runway in the south-east since the second world war. The scheme will now be taken forward in the form of a draft 'National Policy Statement' (NPS) for consultation.
- 5.2 The NECA, the North East LEP and Newcastle International Airport have all previously expressed support for the delivery of a third runway at Heathrow. The additional runway capacity provided will safeguard the future of regional flights from the NECA area and enable further services to be introduced. In addition to the existing links to Newcastle, the government has announced that another 6 new services will be added after expansion, including a new service to Durham Tees Valley.

6. Digital Connectivity

6.1 The North East Digital Leads group is currently developing investible propositions to sustain and grow the region's competitiveness in the Digital Economy. The NECA Digital Leads group are working closely with the North East LEP to ensure strategic and collaborative opportunities are not missed, and to present a co-ordinated and coherent vision of our strengths and potential to external partners.

6.2 The group has worked with the NELEP Innovation Board's Smart Specialisation Group and Nexus, to promote the region as an 'Internet of Things' (IOT) test-bed. This work reaffirms that the North East Digital Economy is growing and provides an opportunity to underpin the development of sectoral strengths in areas where the region has competitive advantage. We are currently working with the National Centre for Excellence at Surrey University to deliver on this objective on a nationally-significant scale.

6.3 Current Activity

6.4 On October 2nd the NECA / NELEP Partnership submitted an investible proposition to Innovate UK, at the request of the National Digital Catapult. This is currently being considered by HM Treasury and DCMS, and has significant potential to secure and embed private capital and expertise as part of a wider public-private partnership. Our work is not taking place in isolation, but in coherence with our aspiration to ensure we deliver the inclusive growth which enables our people, businesses and communities to play a prominent role in the Digital Economy.

6.5 Our progress on 5G technology reflects a commitment to developing the infrastructure and creating the conditions which North East businesses need to make the most of emerging opportunities. This is consistent with our aspiration that the North East is increasingly seen, not only nationally but globally, as a location of choice for testing, refining and rolling out Digital products and services.

7. Key actions for the next North East LEP Board

7.1 Further progress will have been made with the Transport for the North programme, the Transport Vision and Transport Plan for the North East and with progression of the Digital Connectivity agenda.

8. Summary of current key risks, issues and mitigation

8.1 Key risks and issues include:

- Delay in production of outline/full business cases and submission to the independent assessor;
- Scheme promoters are unable to meet the deadline for submitting

business case to TNEC and/or Leadership Board;

- Production of a final business case is delayed due to large number of concerns raised by independent assessment;
- Scheme promoter no longer able to deliver the project within the timescales;
- Delay in final funding decision at Leadership Board or TNEC;
- Scheme promoter no longer able to provide match funding;
- Scheme promoter unwilling to sign up to the terms and conditions set out in the settlement letter.

8.2 **Mitigation**

- A robust programme management arrangement is in place via the NECA Heads of Transport Group, which meets monthly. LGF transport schemes are a standing agenda item at this meeting.
- Scheme promoters are engaged with regularly on a one to one basis to ensure that risks are highlighted and mitigated as early as possible.

9. **Theme Communications and Engagement Update**

9.1 Engagement with DfT and Highways England and the various local authority scheme promoters is held regularly via the NECA Strategic Highways group. NECA officers are engaged with each of the Transport for the North workstreams.